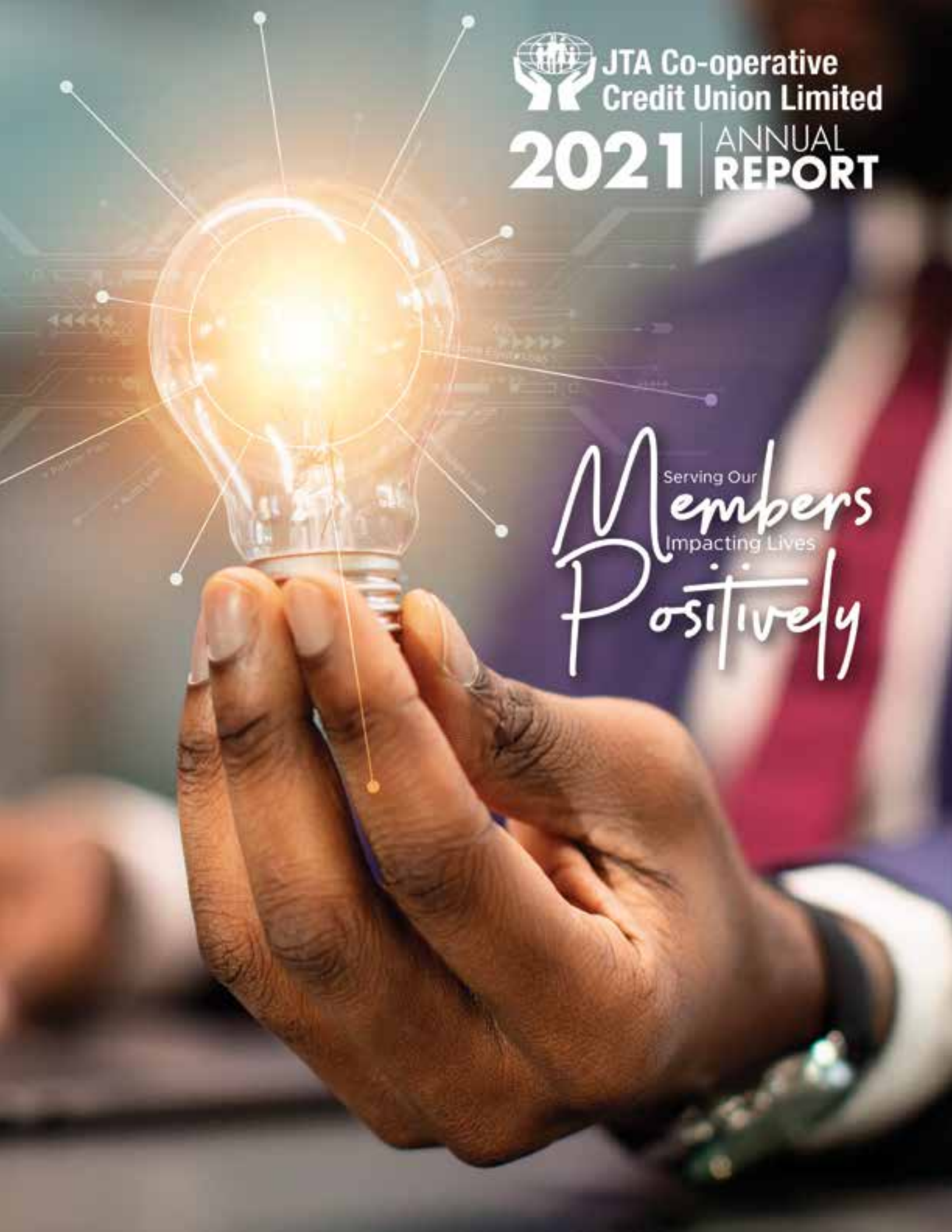
JTA Co-operative Credit Union Limited

2021 ANNUAL REPORT



JTA Co-operative
Credit Union Limited

58TH ANNUAL GENERAL Meeting

"But thou, O Lord, art a shield for me;
my glory, and the lifter up of mine head."
- Psalm 3:3 (KJV)

JTA Co-operative Credit Union Limited

MISSION STATEMENT

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

VISION

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

CORPORATE PROFILE

The Credit Union was established in July 1959, registered on 10th October, 1959.

ASSETS	SAVINGS	LOANS
$17,487M	$13,534M	$12,242M

MEMBERSHIP
30,141
as at December 31, 2021

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Notice of Meeting

JAMAICA TEACHERS' ASSOCIATION CO-OP CREDIT UNION LIMITED
58TH ANNUAL GENERAL MEETING
FRIDAY, JULY 8, 2022

NOTICE is hereby given that the 58th Annual General Meeting of the Jamaica Teachers' Association Co-operative Credit Union Limited will be held on Friday, July 8, 2022 at Jamaica College's Auditorium, 189 Old Hope Road, Kingston 6, commencing at 9:00 a.m.

AGENDA

1. Ascertainment of a Quorum
2. Devotion
3. President's Welcome & Opening Remarks
4. Minutes of 57th Annual General Meeting held on Saturday May 15, 2021
5. Matters Arising
6. Greetings
7. STATUTORY REPORTS
   a) Board of Directors
   b) Treasurer's & Auditors'
   c) Credit Committee
   d) Supervisory Committee
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

Minutes of the

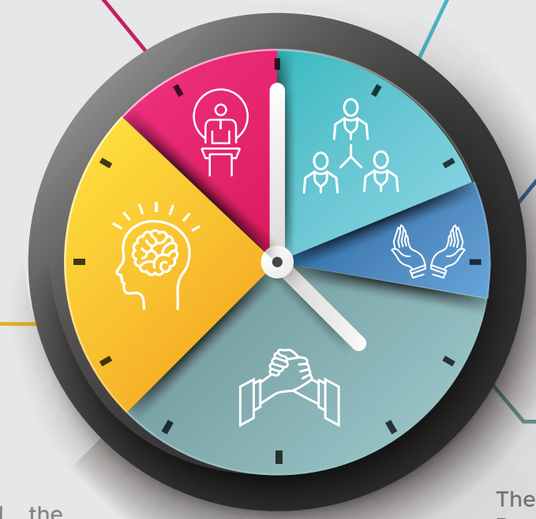
57TH ANNUAL GENERAL MEETING

HELD ON SATURDAY, MAY 15, 2021

CREDIT UNION'S HEAD OFFICE | 97A CHURCH ST. KINGSTON | COMMENCING AT 10:00 AM

CALL TO ORDER

Mr. Patrick Smith, Secretary called the meeting to order at 10:00 a.m. It was confirmed that One Hundred and Eighty Five (185) members were in attendance, hence the required quorum was achieved.



NOTICE CONVENING THE MEETING

The Notice convening the meeting was read by Mr. Patrick Smith, Secretary. The protocols governing the meeting were announced.

DEVOTION

Mrs. Karen Hewett-Kennedy offered prayer.

SPECIAL RESOLUTION

Mr. Patrick Smith read the Enabling Resolution. The Resolution was moved by Mr. Patrick Smith and seconded by Mrs. Bramwell-Shakes.

Mr. Smith informed the meeting that the Resolution was necessary to legitimize the online format of the meeting due to the current pandemic, as the existing rules contained no such provision. He further stated that the Government had amended the legislation in January 2021 to facilitate Annual General Meetings in online or hybrid format.

The meeting was advised that the Resolution would require approval by at least three-quarters of members online for the AGM to proceed. It was noted that 244 members were online. The voting process was clearly outlined. At the end of the voting process, One hundred and Seventy Nine (179) members voted for the Resolution, two (2) voted against, no abstention, hence the Resolution carried.

Mr. Smith thanked the members for their patience and cooperation.

WELCOME & OPENING REMARKS

The Chairman, Mr. Paul Adams, President extended a warm welcome to all members present, especially retired teachers. Welcome was extended to the specially invited individuals, members of the Board of Directors and an extra special welcome to Mrs. Sancia Stewart-Williams who was attending her first AGM as a Director.

Members of the various Committees, General Manager and members of the management team and all other staff members.

Mr. Adams in his address reminded the meeting of the history of the organization, its core functions, vision and mission and most importantly, its commitment to members.

BOARD OF DIRECTORS

Mr. Paul Adams
CHAIRMAN/PRESIDENT
Mr. Morris Stewart
1ST VICE PRESIDENT
Mrs. Ena Barclay
2ND VICE PRESIDENT
Mr. Cyril Lebert
TREASURER
Dr. Margaret Bailey
ASSISTANT TREASURER
Mr. Patrick Smith
SECRETARY
Mrs. Karen Hewett-Kennedy
ASSISTANT SECRETARY
Mrs. Lou Ann Bramwell-Shakes
DIRECTOR
Mrs. Sancia Stewart-Williams
DIRECTOR
Mr. Lincoln James
DIRECTOR
Mrs. Melva Humes Johnson
DIRECTOR
Mr. Ray Howell
DIRECTOR
Mr. Huit Johnson
DIRECTOR
Mr. Fergus Mitchell
DIRECTOR
Mr. Lebert Drysdale
DIRECTOR

SUPERVISORY COMMITTEE

Mrs. Mary Dick
CHAIRMAN
Mrs. Dawn Steele
SECRETARY
Mr. Wentworth Gabbidon
Mr. Aston Messam
Mr. Clayton Hall
Mrs. Glecia Beckford
Mr. Rudolph Sewell

CREDIT COMMITTEE

Mrs. Anne Geddes-Nelson
CHAIRMAN
Mrs. Lena Russell
SECRETARY
Mr. Norman Allen
Mr. Leaon Nash
Mr. Christopher Sinclair

Seated on the platform were:

Mr. Robert Ramsay
GENERAL MANAGER
Mrs. Lisa Taylor
ASSISTANT GENERAL MANAGER

ATTENDANCE RECORD OF DIRECTORS

The Attendance Record of Directors was listed on Page 31 of the Annual Report Booklet.

The Following persons were specially recognized by the Chairman:

+ Mr. Jasford Gabriel,
  PRESIDENT, JAMAICA TEACHERS' ASSOCIATION
+ Mr. Byron Farquharson
  SECRETARY GENERAL
  JAMAICA TEACHERS' ASSOCIATION
+ Miss Vera Lindo
  BUSINESS DEVELOPMENT MANAGER
  JAMAICA CO-OPERATIVE CREDIT UNION LEAGUE
+ Miss Melaine Campbell
  JAMAICA CO-OPERATIVE CREDIT UNION LEAGUE
+ Mrs. Kleo Errar
  JAMAICA CO-OPERATIVE CREDIT UNION LEAGUE
+ Miss Kimberly Lindo
  JAMAICA CO-OPERATIVE CREDIT UNION LEAGUE
+ Mr. Damion Reid, Auditor
  KPMG
+ Mr. Michael-David Webb
  DEPARTMENT OF COOPERATIVES AND FRIENDLY SOCIETIES
+ Miss Nicole Creary-Hewitt
  MANAGER – LASCELLES CREDIT UNION

APOLOGIES

There were no apologies for absence.

READING AND CONFIRMATION OF MINUTES OF THE 56TH ANNUAL GENERAL MEETING

Mr. Patrick Smith drew the meeting's attention to the Minutes of last Meeting held on Friday, October 2, 2020, found on pages 05 – 20.

Having been circulated, the Secretary asked for a motion that the Minutes be taken as read. The motion was moved by Mr. Christopher Sinclair of Duckenfield Primary School and seconded by Mrs. Lou Ann Bramwell-Shakes of Hayes Primary and Junior High School. A poll was conducted and 93 members voted yes, one member voted no, hence the motion carried.

There were no amendments and the minutes of the 56th Annual General Meeting were confirmed on a motion moved by Lavern Johnson of Davis Primary and seconded by Bernice Beckett-Duhaney of Holy Rosary Primary.

MATTERS ARISING

Response to Referrals from the 56th Annual General Meeting.

The following were discussed:

+ UNDISTRIBUTED SURPLUS

Mr. Smith informed the meeting that the Board of Directors met and the decision was that the Credit Union's Undistributed Surplus must be maintained to finance critical upcoming expenditures. Some of the expenditures to be financed were upgrading of the Credit Union's Information Technology System ($200 million), the acquisition of the Head Office location for the Credit Union ($350 million), and acquisition of new branch space for Portmore and May Pen locations ($120 million).

+ JTA CO-OPERATIVE INTEREST RATES AGAINST OTHER FINANCIAL INSTITUTIONS

Mr. Smith informed the meeting that the Credit Union's Finance Committee generally reviews the rates within the market on a quarterly basis. He added that since the last Annual General Meeting, the Credit Union had implemented two major interest rate reduction exercises. He emphasized that the rates offered by the Credit Union were very competitive when compared to other players in the industry.

+ IMPROVED CLIENT /MEMBER SERVICES

The Secretary informed the meeting that all branches had been assigned Member Services Representatives (MSRs) who were employed as first point of contact for members visiting the branches to conduct business. He further stated that the existing Customer Service Charter Manual would be upgraded and further operationalized to improve service delivery standards.

+ MEMBERS WHO CO-SIGN DELINQUENT LOANS

Mr. Smith, Secretary, informed the meeting that members, who co-sign loans for members who became delinquent would not be restricted from conducting business with the Credit Union. He added that the Credit Union would exercise flexibility thus treating each affected member on a case-by-case basis. He encouraged affected members to contact the management team or their local Credit Union office.

COMMENT/QUERIES

Mr. Eaton McNamee of Broadleaf Primary School, Manchester extended commendation to the Credit Union for the recruitment of Member Services Representatives at all branches.

Mrs. Beverley Murray-Brown of Naggo Head Primary School asked whether she could partner with her husband to apply for a loan even though her husband was not a teacher. Mrs. Murray-Brown was advised to have discussions with the General Manager.

Mr. Upton Williams of Glenmuir High School asked if the Credit Union would consider allocating $20 million dollars from the Undistributed Surplus to match the amount allocated by the Jamaica Teachers' Association for disbursement to members' children entering tertiary institutions annually. Mr. Smith recommended that the matter be addressed under Item 12 – Resolutions.

OBITUARIES

Mr. Patrick Smith, Secretary, drew members' attention to page 21 of the booklet where colleagues who transitioned in 2020 were listed.

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

GREETINGS

Mr. Jasford Gabriel, President, Jamaica Teachers' Association brought greetings on behalf of the organization.

In his address, he commented that teachers have had to pivot and navigate the new normal in order to adjust to the technological demands. He commended the Board of Directors of the Credit Union for the continued growth of the asset base, the savings and loans portfolios and membership. He called for greater focus and support in the areas of technological and counselling services to complement the telecommuting work arrangement, the mental and psychosocial issues impacting health, wellness, safety and security of teachers. Mr. Gabriel stated that he had proposed to the Credit Union through President Adams for a Rush Alert Security System to assist teachers in distress.

Mr. Gabriel stated that research had proven that the top six qualities of thriving businesses during the pandemic were flexibility, excellent communication skills, social responsibility, resourcefulness, creativity and empathy. He then charged the Board to develop and create business strategies to remain the premier Credit Union in Jamaica.

REPORT OF THE BOARD OF DIRECTORS

The President presented the report on the performance of the Credit Union for the financial year ended 2020 December 31.
The meeting was informed that the report could be accessed from the Credit Union's website through the "About Us" button.

MEMBERSHIP GROWTH

The President reported that the Credit Union performed well in the area of membership recruitment. Despite the challenges brought about by the pandemic which caused adjusted recruitment strategies, the initiatives still realized growth of membership by 1.7%.

LOAN GROWTH

The Credit Union's loan portfolio fell by 1.73%. The President highlighted that the healthy appetite for loans usually enjoyed by members was disrupted due to the pandemic thus its effect on the economy was a significant blow to consumer confidence. He stated that the demand for motor vehicle remained buoyant and was capitalized on by reduced rates and increased loan terms.

DELINQUENCY MANAGEMENT

The Credit Union's delinquency rate went from a high of 4.50% in April to a low of 2.25% in March and closed at 3.4% in 2020; below the Prudential Standard of 5% and slightly above the Credit Union's internal mark of 3%.

The President informed the meeting that the main delinquent clients were retired teachers, members in the independent school sector and those who work/reside overseas. He stated that payments remitted from overseas had been disrupted due to lockdowns and increased unemployment. The Credit Union cushioned the effects by offering moratoria on loan payments between the months of May and July 2020 to assist members whose income was impacted by the pandemic. He added that the team would adopt the strategies of rigorous monitoring and following up on delinquent accounts at the earliest sign of default during the year.

NEW MEMBER SERVICES CHANNELS

In order to comply with established restrictions on gathering, adjustments to the delivery of services to members were made at all locations. Strategies were implemented to manage the number of members gathered in any one location at any given time. To mitigate the impact on members, a special email platform was established to complement the usual face-to-face service delivery method. The new platform allowed members to access essential services offered by the Credit Union such as transfers and withdrawals from the comfort of their homes.

The Credit Union added the NCB bill payment platform to the BNS bill payment platform for members to utilize as remote payment options.

ECONOMIC PERFORMANCE

It was highlighted that the Credit Union realized growth in its key performance areas. Assets grew by 9.16% ($1.4B) to a total of $16.4B. Operating Surplus of $397 million was realized from productive assets in 2020. Savings (Shares and Deposits) also recorded growth in 2020.

Loan Portfolio and Gross Income saw marginal decreases in 2020.

HUMAN RESOURCE DEVELOPMENT & ADMINISTRATION

The year began with customer service improvements and human resource capacity building as the primary focus. However, with the onset of the pandemic, resources were redirected to ensure a safe environment for staff in keeping with occupational health and safety standards.

There were no changes to the divisional structure headed by Mr. Robert Ramsay supported by his senior management team.
There were fourteen (14) new recruits in 2020 and four (4) separations. A total of ten (10) team members were promoted – eight (8) as the new Member Services Representatives. Staff complement stood at 114 as at December 2020. Divisional/Departmental staff complement was listed on pages 138-148 in the booklet. The report regarding reflections of the new Member Services Representatives at the various locations were very impressive.

The President informed the meeting that the search would continue for suitable office space for the Kingston/Half Way Tree Branch. It was noted that locations identified were being utilized to allow for social/physical distancing requirements implemented during the pandemic.

REGIONAL SERVICES

The Credit Union's Regional Services comprised of five Regional Managers who manage eleven branches island wide. COVID-19 caused restrictions to the effectiveness of the managers who largely depended on school visits and large gatherings to grow businesses in their respective regions.

To adapt to the demands of this new business environment, the Credit Union increased its presence on digital platforms, participated in virtual conferences and organized virtual meetings. Small face-to-face meetings were organized with the assistance of Contact Teachers and school Principals.

CORPORATE SOCIAL RESPONSIBILITY

Despite the COVID-19 pandemic, the Credit Union continued its drive to give back in an impactful way. The Credit Union awarded two schools, The Mount Peto Primary and Port Antonio High Schools, a total of $1.5 million in the Better Schools Better Jamaica Programme which first began in 2018. Mount Peto Primary was awarded $1 million to complete an agricultural project with primary focus to assist students understand and appreciate the various aspects of operating a successful farm. Port Antonio High received $500,000.00 to undertake a project to purchase information technology equipment to outfit a technology lab. The laboratory would improve the teaching and learning activities at the school.

SPONSORSHIP & DONATIONS

In addition to the Better Schools...Better Jamaica programme, the Credit Union donated upwards of $3.3 million to educational institutions and other civic groups seeking support for various projects across Jamaica. The Credit Union also made good its commitment to support the JTA Critical Illness Fund by a contribution of One Million Dollars ($1M). The Credit Union would continue to support the JTA Golden Torch Awards and TVJ Jr. Schools Challenge Quiz Competition.

TERTIARY SCHOLARSHIPS AND GRANTS

The Credit Union continued to award scholarships and grants to teachers in tertiary institutions. Twelve (12) members were awarded grants and scholarships in 2020. Mrs. Lissa Francis-Davis, Vice Principal of Robert Lightbourne High School copped the prestigious Desmond "DC" Gascoigne Award for Excellence.

PEP BURSARY

During the year of 2020, $1.2 million was awarded to sixty-six (66) students in the JTACCUL Pep Bursary Programme. Applications were received from all fourteen parishes. Five winners were selected from each parish, except one parish.

STRATEGIC FOCUS

An Annual Management Planning Retreat scheduled to be held each year aimed at crafting a strategic plan for implementation going forward. Major strategies for 2021 were finalized with specific focus on minimizing risk associated with bad debt, improving service delivery and building compliance with Know Your Customer regulations. Member information update campaign would be ongoing.

BOARD MEETINGS

A total of twelve (12) meetings were held in 2020. 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

The President 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. The President 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 attention to details and painstaking support during the year. He also thanked the Cooperative Network especially the Jamaica Co-operative Credit Union League, the Department of Co-operatives & Friendly Societies, CUFMC Jamaica, Jamaica Co-operative Insurance Agency, CUNA Caribbean Insurance Jamaica Limited, the National Union of Co-operatives, Ministry of Education, the Jamaica Teachers' Association and its Allied Group, KPMG and Almighty God, whose guidance, wisdom and protection steered the organization through difficult times.

MATTERS ARISING

Mr. Eaton McNamee of Broadleaf Primary expressed concerns regarding the quality of the feedback from the platform. He was supported by Dr. Garth Anderson as well as members via the chat facility. It was noted that members were unable to unmute, hear, speak or participate. A concerted appeal was made for the management to assume full responsibility and address the issues with urgency.

The President explained to the membership that it was the first AGM in such fashion and the technological challenges experienced were as a result of the current environment and the new Rules and Regulations. He further stated that several test runs were done before the meeting commenced. He added that the situation was not unique to the Credit Union and the platform utilized because he had been to other meetings and similar issues were experienced. It was noted that geographical locations could also be a major disadvantage for connectivity.
Ms. Alma Jackson, Retiree indicated an intention to speak however there were connectivity issues.

Ms. Debbie Meek of Elletson Primary and Infant School voiced her concerns about the platform used for the AGM. She suggested that Zoom was a better platform. She further suggested that the Co-operative Society request a motion to suspend the AGM until improvements were made to the platform so that members could participate effectively.

Mr. Morris Stewart, 1st Vice President, stated that there would have to be a consensus. He thanked Ms. Meek for her contribution and requested that other members speak about their experience which would be seriously considered.

Ms. Avia Crooks of Friendship Primary stated that she joined the platform from the beginning and had been able to follow the meeting with no major issues experienced. She suggested that it could be a case of connectivity issue or the wrong browser utilized.

Mrs. Lisa Taylor, Assistant General Manager, informed the meeting that there were persons assigned to respond to questions posted in the chat facility on the platform.

Dr. Garth Anderson queried the number of scholarships and grants available, whether there was a specific number and the methodology used to determine the number of scholarships and grants available each year.

The President attempted to provide a response. He was supported by Mrs. Hewett-Kennedy to provide an adequate response to the query. The meeting was informed that from time to time the number of awardees for grants and scholarships would increase; the last increase was two years ago. There were six (6) persons for scholarships and four (4) for grant awards. The D.C. Gascoigne award of $250,000.00, the other scholarships for $150,000.00 each and grant awards for $100,000.00 each. It was noted that Page 150 of the Annual Report contained some information on scholarships and grants as well as the awardees.

Mrs. Lisa Taylor, Assistant General Manager, informed the meeting that the 2020 Annual Report in electronic form had been uploaded on the website two weeks prior to the AGM. The information regarding the document being on the website was communicated via major newspapers on May 5, May 9, May 12 and via email and social media platforms. She added that the notification was uploaded on the AGM's portal with an indication that the Annual Report was available in the "About Us" section on the website.

ADOPTION OF THE REPORT

A poll was conducted and eighty-eight (88) persons voted 'Yes' and one (1) voted 'No'; hence the motion carried.

TREASURER'S REPORT

Mr. Cyril Lebert, Treasurer, invited Mr. Damion Reid, Independent Auditor of KPMG to provide opinion on the operations for the year under review.

INDEPENDENT AUDITORS' REPORT

Mr. Reid informed the meeting that the audited financial report was included in the Annual Report on pages 46 to 117. The Report comprised of Financial Position as at December 31, 2020, Statement of Profit and Loss and other comprehensive income; changes in equity and cash flows for the year in review; notes comprising significant accounting policies and other explanatory information.

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

Mr. Reid opined that the financial statements reflected a true and fair view of the financial position of the Credit Union as at December 31, 2020 and of its financial performance and cash flows for the year ended being in accordance with International Financial Reporting Standards (IFRS) and the Co-operative Societies Act.

Mr. Reid further stated that proper accounting records had been maintained, and the financial statements, in agreement therewith, were correct, duly vouched and in accordance with the provisions of the Co-operative Societies Act. The report was dated April 16, 2021 and signed by KPMG Jamaica.

Mr. Lebert extended commendation to Mr. Reid at the end of his presentation. Mr. Lebert then presented his report for the year ended December 31, 2020. He began by reminding members of the global economic and other conditions that existed during the year under review.

Mr. Lebert reported that unemployment increased from 8.0% in 2019 to 10.7% as at October 2020. Inflation for the 2020 calendar year was 5.2%, decreased from 6.2% recorded in 2019 and fell within the Bank of Jamaica target of 4 - 6%. The movement reflected increased prices for health and personal care products which were partially offset by lower inflation in food prices, and reduction in international oil prices. The Jamaican dollar depreciated by 7.6% with respect to the US$ moving from a rate of $132.57 to $142.65.

Despite the unprecedented nature of 2020, the Credit Union realized a successful year.

The customary comprehensive business plan was developed at the annual Strategic Management Retreat with targets and initiatives to enable the achievement of goals. It was necessary to revise some targets in response to the pandemic and its effects on members, the operations and economy. The table below shows 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

The foregoing information shows that while the Credit Union fell short of some of the strategic targets, particularly the Net Loans Ratio, prudent management saw the Operating Expenses recording a commendable 5.7% of Average Assets, on revenues, which surpassed the revised target.

During the year under review, Total Assets increased by $1.4B to $16.4B, a growth of 9.2%. 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. The usual summer peak period for Back-to-School and Vacation Loans were not realized. 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 movement in the prior year as 2020 saw a reduction in loan disbursement which resulted in increased 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. The rates on Savings, Term Deposits and Voluntary Shares remained very competitive for members who had disposable income. 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.

With regards to the Savings Portfolio, the largest components were Voluntary Shares 53%, Special Deposits 31% and Golden Harvest of 12%. The table below shows the Savings Portfolio as at December 31, 2020 when compared to 2019.

SAVINGS 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 would continue to maintain a diversified loan portfolio aimed at addressing specific requirements of members and undertook several initiatives aimed at stimulating growth in the Auto and Mortgage loan segments. At the end of 2020 the proportion of 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 was presented as follows:

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
OTHER	85.9	89.6	-3.7

INCOME & EXPENDITURE

Interest Income for the year was $1.8B, an increase of $77.6M or 4.6% over 2019. The primary source of income was from loan interest which totalled $1.68B in 2020. Investments contributed Interest Earnings of $71.7M in the low interest rate environment as referenced earlier. There was a loss of $41M on equity-based Unit Trust Investments during the year, a result of the collapsed Stock Market. 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 due to the pandemic which resulted in reduced expenditure. The Jamaica Co-operative Credit Union League also reduced the rate of Stabilization Dues paid by Credit Union s. The Operating Expense to Average Assets ratio for the year was 5.7%, well within the prudential standard of 8%.

The Credit Union's performance, measured by PEARLS International Prudential Standards was highlighted by a detailed table presented on page 39 in the Annual Report. As per the results, the Credit Union would continue 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.

At the close of 2020, Institutional Capital stood at $2.5B, an increase of $0.5B. Institutional Capital to Total Assets ratio increased from 14% to 15%, well ahead of the PEARLS standard of 8% which demonstrated that the Credit Union had a strong capital base and able to withstand adverse financial conditions.

CONCLUSION

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

ACKNOWLEDGEMENTS

Mr. Lebert expressed his commitment to serve in the capacity of Treasurer. He commended the management and staff for the 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 would continue to prosper the organization.

MATTERS ARISING FROM THE TREASURER'S AND AUDITORS' REPORTS:

Dr. Garth Anderson of Church Teachers' College expressed elation that despite the pandemic the Credit Union reported a remarkable position of strength. He queried the amount budgeted for dividend the previous year and how much was paid. He further queried the percentage budgeted, the Total Surplus and Undistributed Surplus for the year in review. He also queried the post-COVID strategic plans regarding investment and also whether the $1M reported for Critical Illness was still outstanding and the reason for the delay.

Mr. Lebert referred the questions posed to Mr. Robert Ramsay, General Manager. Mr. Ramsay stated that in 2019, a total of 5% was budgeted for and 3% paid. He explained that whenever a budget was prepared and the year ended, the unbudgeted would not roll over; however, the actual would be accounted for. He added that the 2020 budget was presented with the actual results. Mr. Anderson then requested an explanation for the undistributed 2%. Mr. Ramsay stated that whatever profits or surplus remained after 2019 would have been rolled into the Accumulated or Undistributed Surplus for 2020. He also stated that Mr. Lebert would provide details on the Appropriation of Surplus later in the proceedings. With regards to the $1M for Critical Illness Fund, monies were paid based on the Credit Union's commitment to the Critical Illness Fund. It was stated that $1M was paid in 2019, $1M for 2020 and $1M to be paid in 2021. Regarding investment post-COVID, Mr. Ramsay stated that the Credit Union would diversify investment holdings to move away from equity based funds. Dr. Anderson followed up with a query as to whether there was anything preventing the Credit Union from expressing interest in real estate, et cetera. Mr. Ramsay explained that the Credit Union's primary revenue was from loan generation and investing in real estate type products would require heightened caution so as not to have a mismatch of assets; thus violating established regulations and the expectations of regulators.

Dr. Garth Anderson queried whether the Board would consider interest in real estate, despite caution by the General Manager, due to the robustness and soundness of the Credit Union. Mr. Adams responded by indicating that investment in real estate by liquid organizations required for loans was a very dangerous trajectory especially if there was no excess. He added that based on the rules governing the Credit Union, it was prudent to stick to the real estate facilities on record. In his response he referred to an institution in 1995 and indicated that discussions would continue with Dr. Anderson on the matter.

ADOPTION OF THE AUDITORS' & TREASURER'S REPORTS

A poll was conducted to adopt the Auditor's and Treasurer's report en bloc and 65 persons voted 'yes' and two (2) persons voted 'no', hence the motion carried.

APPROPRIATION OF SURPLUS

Mr. Cyril Lebert, Treasurer informed the meeting that the Board had recommended that interest in the amount of $258.2 million to be paid on Voluntary Shares, an award of 4%. Dividend on Permanent Shares amounting $5.2 million, a 6% award.

Dr. Garth Anderson moved a motion for a counter proposal that the percentage paid for dividend on Permanent Shares be 7%. The motion was seconded by Ms. Suzette Walters.

A poll was conducted to accept the motion for the permanent shares to be 7%. Sixty-Seven (67) persons voted 'Yes', 5 persons voted 'No', hence the motion carried.

FIXING OF MAXIMUM LIABILITY

Mr. Cyril Lebert, Treasurer moved a motion that the Credit Union be allowed a Maximum Liability Limit of ten times the Capital Equity, hence Maximum Liability would be $35 Billion for the 2021 period. The motion was seconded by Ms. Monica Robinson of Greater Portmore High School. All were in favour.
Mr. Cyril Lebert moved a motion for the transfer of $300M from prior year's surplus to statutory reserves to strengthen the Institutional Capital thus increasing it from 13% to 15% of total assets.
A poll was conducted and 53 persons voted 'Yes' and six (6) persons voted 'No', hence the motion carried.

REPORT OF THE CREDIT COMMITTEE

Mrs. Anne Geddes Nelson, Chairperson of the Credit Committee presented the report for year ended 2020 December 31. It was noted that the Committee consisted of five (5) volunteers with a quorum of three (3) and convened weekly meetings to review loan applications, met with members experiencing challenges with their loans, conducted interviews and carried out spot checks and approved loans.

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

LOAN APPLICATIONS

Mrs. Geddes Nelson informed the meeting that during the period of review, 374 Loan Applications were received averaging 31 applications monthly. Requests for 245 approvals and 129 for rescheduling of loan payments were brought to the Credit Committee. A table was presented which showed monthly breakdown of applications received. It was highlighted that 61 applications were received in June and July, the greatest uptick in applications recorded during the year.

LOAN PROCESSING

The meeting was informed that of the 374 applications presented for review, 245 were requests for loans, 129 for rescheduling of loan repayments and 52 were from retired members requesting rescheduling on loans based on gratuity and pension benefits to be received. It was highlighted that a total of 77 requests for rescheduling were from members facing extenuating circumstances caused by the COVID-19 pandemic.

Mrs. Geddes Nelson highlighted the business activity for the period 2019 – 2020. When compared to 2019, there was a decrease of 12.2% in the number of applications received and processed during the year in review. Seventy-Eight (78) waivers were granted in 2020 which showed a 56.6% decrease over the 2019 period. One Hundred and Twenty Nine (129) loans were rescheduled up from 93 reported in 2019, an increase of 38.7%. Thirty-Five (35) loans were recommended for Board approval, an increase of 9.37% when compared to 2019. Twenty (20) loans were deferred in 2020, an increase of over 200% when compared to 2019. Three (3) loans were refused and remained at 0.5%. Four (4) interviews were conducted.

LOAN ANALYSIS

Mrs. Geddes-Nelson reported that a total of Two Hundred and Forty-Two (242) new loans were approved, which was Seventy-Nine (79) loans lower than last year, or a 24.6% decrease when compared to 2019. Total value of loans approved in 2020 was $484,176,145.86, a decrease of 16.4% when compared to 2019.

The Chairperson reported that Auto Loans which ranked third in 2019 represented the largest category in loans approved by the Committee in 2020. The category accounted for approximately 34% of the loan portfolio with 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).

It was highlighted that a total of $138,263,455.98 were for Debt Consolidation, approximately 28% of the loans approved. When compared to 2019, the figures presented were about 50% of the amounts approved in 2020. Home Improvement loan accounted for $57,887,953.72 approximately 12% of loans approved and showed a decrease of 1.8% when compared to 2019. The amount of $28,554,667.06 disbursed for Property Purchase doubled in 2020 when compared to 2019. The amount represented 6% of loans approved. Combined with Mortgage Payment of $21,539,630.30, the total realized was 10% of loans approved by the Committee. Construction loans recorded over 100% increase from $4,800,000.00 in 2019 to $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 $27,022,851.65 to $8,842,122.44 in 2020.

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. She added that though impacted by the downturn in the economy due to the COVID-19 pandemic, the Credit Union would continue to uphold its mantra of "Serving Our Members...Impacting Lives Positively". She also expressed Special thanks to the Almighty for bestowing on the team the time, talent and the opportunity to serve the institution and colleagues.

MATTERS ARISING

Mr. Eaton McNamee of Broadleaf Primary and Infant School, Manchester queried whether loans offered were not COVID-friendly which resulted in members going other places where better rates were offered, hence a reduction in loans approved.

Mrs. Geddes-Nelson, in her response, confirmed that the loan packages offered by the Credit Union had not changed. She stated that as a result of the existing situation, members were given moratorium and loans were extended or rescheduled to the affordability of members. She added that other areas of concern were considered such as recommendation for financial counselling relating to loan packages. It was emphasized that the Credit Committee had made a concerted effort to ensure that members were treated fairly and that their needs were always met.

Ms. Kaydian Scott of Christian Moravian Primary and Infant School/Belair High queried if the decrease in loans was as a result of high interest rates and requested that the rates be lowered.

Mrs. Geddes-Nelson stated that the downturn in the economy was a major concern to members. She further stated that members expressed fear of job loss or other areas of insecurity based on the financial landscape. She explained that even when members were encouraged to access more loans, they expressed that they do not want to be indebted due to uncertainty of the economy despite emphasis that loans being calculated on the reducing balance. Mrs. Geddes-Nelson received support from Mr. Adams who advised that loan revision was a regularly featured process for the Credit Union and it had been proven that the interest rates offered were the most competitive. He encouraged members to visit, have discussions and analyse loans and the conditions contained therein.

ADOPTION OF THE REPORT

A motion for the Adoption of the Report was done and taken en bloc with 100% persons voting.

REPORT OF THE SUPERVISORY COMMITTEE

Mrs. Mary Dick presented the report of the Supervisory Committee. The meeting was informed that the Committee comprised seven (7) members with objectives to audit the Credit Union's operations for and on behalf of the members to ensure compliance with established standards and in so doing overseeing the internal audits and received reports of such audits, determine the adequacy of internal control systems and procedures and adequate management of risks, liaise with the Credit Union's external auditors, and dealing with member complaints.
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. There were no meetings or work sessions held in April and May due to COVID-19. The record of attendance was presented. Mrs. Dick reported that during the year, the Committee selected randomly, 1,458 transaction files for examination at the Head Office and branch offices. In addition, other files and policies examined were Senior Managers' personal files, POCA Compliance Examinations by Senior Managers, Code of Business Conduct and Ethics and Audit of Financial State.

The meeting was informed that nine of the eleven branches were visited. Two (2) branches namely, May Pen and Linstead were not visited during the year because of the rising number of positive cases in the COVID-19 pandemic at the time when the visits were scheduled. It was noted that at all branches visited, Member Services Representatives were assigned to receive and attend to members. It was also observed that there were strict COVID-19 protocols in place at all branches for the safety of members and staff of the Credit Union. The Savanna-la-Mar branch was extended and there was continued effort to ensure brand consistency across locations and general maintenance and repairs to branch offices and the head office during the year. The Committee recommended, among other things, that security be improved at the Mandeville and Santa Cruz branch offices.

It was reported that all members of the Committee participated in an Online Training Seminar on Anti-Money Laundering and Counter-Terrorism Financing in 2020.

Mrs. Dick informed the meeting that accounting records were examined by the Committee. The records included monthly payrolls, relevant files and loan applications. Loan applications examined were carefully checked to ensure that they were properly completed and properly secured. It was observed that deductions made from staff salaries were paid over to the relevant institutions. The findings revealed that the Credit Union had 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 $91,405,746.00 while Total Loans was $101,487,129.32. Total Savings for Staff was $131,132,329.74 and for Total Loans, of $296,301,766.34.

The Committee extended special commendation to the Board of Directors, management and staff of the Credit Union for the continued display of commitment and professionalism in carrying out their responsibilities in a year of unprecedented phenomena.

Sincere appreciation was extended to the management on its quick response and execution of the Ministry of Health guidelines on Safety Protocols for the control of the spread of the COVID-19 disease.

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.

ADOPTION OF THE REPORT

A motion for the Adoption of the Report was done and taken en bloc with 100% persons voting.

GENERAL MANAGER'S PROGRESS REPORT

The Progress Report of Mr. Robert Ramsay was presented. The report is found in the booklet on Pages 130-133.

Mr. Ramsay stated that the COVID-19 pandemic had brought about challenges for the Credit Union and had redefined the business landscape in Jamaica. Despite the challenges, the Credit Union performed well.

The meeting was informed that as at February 2021 assets had grown to $16.6B, Loans to $12.1B and Savings to $12.8B. Membership stood at 30,018.

STRATEGIC OUTLOOK

The Annual Management Planning Retreat usually held in November was held in January 2021 due to the impact of COVID-19. Several key initiatives were discussed and accepted in the areas of Information Technology, Banking Operations, Human Resources & Administration, Finance and Marketing were formulated and approved by the Board of Directors. Plans scheduled for implementation in 2021 were as follows:

1. MARKETING AND MEMBER RELATIONS
In the area of Savings, two (2) new savings products would be introduced. A short-term and long-term savings plan aimed to increase the wealth of members. Various loan promotions would be introduced at specific times to spur growth in the loan portfolio and to provide members with improved financial solutions. To inspire membership growth, a nine-month long competition would be introduced exclusively among contact teachers.

In a move to educate new members to the Credit Union, a series of virtual seminars would be held across the island. Heightened communication would be practised in the form of informative and educational emails transmitted regularly.

2. BANKING OPERATIONS
The Credit Union would bolster loan administration process by revising terms and conditions for loans and monitor closely the management of the delinquency portfolio. The Know Your Customer compliance would continue with the aim to have on record the most recent personal details for all members in order to avoid punitive punishment by Regulations. Plans to introduce a Mastercard Debit Card to the membership would be dependent on updated information for members.

The Credit Union would move to ensure that all members subscribe to Online Services by year end, especially in light of the current pandemic.

3. INFORMATION TECHNOLOGY
The Credit Union would continue to expand service offerings which checking the growth of hardware and power costs. The use of cloud technology would be keenly assessed due to the introduction of Online Banking. The Credit Union would pay special attention to the likely threats to both cyber and physical security especially with the impending roll out of the new Mastercard Debit Card.

4. HUMAN RESOURCES DEVELOPMENT & ADMINISTRATION
Much emphasis would be placed on building the capacity of the management staff by increased learning opportunities for new and existing staff. A structured Education and Prevention Wellness Programme would be implemented to combat COVID-19 and other illnesses, especially lifestyle diseases. Also, mental health and stress management sessions would also be introduced for the benefit of all members of staff.
The Credit Union would target specific branches with the view to improve the aesthetics and accommodations for the comfort of both the staff and members. It was noted that the Santa Cruz Branch was under review for expansion, Portmore and May Pen Branches were slated for new sites and had been included in the capital development programme.

ANNUAL BRANCH AND STAFF AWARDS

Members of staff were awarded for exemplary level of service during 2020. Miss Vanessa Farquharson, Accounting Clerk was awarded Employee of the Year 2020. The Savanna-la-mar Branch was named Branch of the Year for 2020 and Branch Manager, Mr. Mark Thomas copped the award for Salesman of the Year. The Management Leadership Cup was won by Miss Maise Hayles, Regional Manager for St. Elizabeth and Manchester. Special commendations were extended to all awardees.

Members of staff who served for 25 years or more were acknowledged and rewarded for the many years of service and dedication to the Credit Union. Team Members awarded were Latoya Gooden Reid, Alderene Roye, Marcia Thomas, Calloo Pinnock, Pauline Tibby, Faith Hull, Melody Kerr, Rowan McFarlane and Audrey Fung. Of note, Melody Kerr and Audrey Fung served the organization for 30 and 35 years respectively.

STAFF MOVEMENTS

During 2020, two (2) key promotions were made. Mrs. Anecia Campbell-Fyne and Miss Kerin Galway were promoted to the positions of Accounts Supervisor and Branch Supervisor, Portmore respectively. Commendations were extended to both ladies. Four (4) members resigned however, fourteen (14) new staff were welcomed to the "family".

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. He also thanked faithful volunteers, directors, members of committees and committed staff for their contribution to the success of the organization over the years and especially in 2020.

Special thanks to the Jamaica Co-operative Credit Union League; Lawyers, Livingston Alexander and Levy; Bankers, Bank of Nova Scotia; 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 Limited, and the Jamaica Teachers' Association.

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

Mr. Ramsay assured the membership that every effort was made to ensure that the technology was optimized. The limitations of the internet connectivity were acknowledged. It was noted that the company engaged to host the meeting had conducted most of the AGMs for Corporate Jamaica since AGMs had been approved to be held online due to the pandemic.

MATTERS ARISING

Mr. Adams provided a response to a question posed in the chat facility with regards to the 1% of surplus that was a part of a Resolution at last year's AGM. He informed the meeting that the Credit Union had been in discussion with the Department of Co-operatives and Friendly Societies with respect to the procedure to be adopted. As soon as the procedure was finalized it would be shared and thereafter proceed in accordance with the intent of the Resolution.

Mr. Eaton McNamee queried how the Credit Union could compete with banks with regards to interest rates, as they are not as competitive as the banks when it comes to interest rates on the products, the banks outdo the Credit Union . He stated that he had been to the Credit Union on two occasions and could not accept what was offered. He also brought interest rates and supporting documents from other institutions and the representative indicated that all areas were exhausted and therefore could not offer any assistance regarding better rates.

Mr. Ramsay stated that the banks were structured quite differently from a Credit Union. He explained the difference in business operations with the banks versus the Credit Union. The Credit Union usually garners savings thus in competition with investment houses such as the Sagicor, Mayberry and Barita. He further stated that with regards to loans, the Credit Union usually competes with institutions referred to as "loan sharks" as well as other companies. He added that banks seldom offer better loan packages based on surveys conducted; however, the Credit Union was at an advantage based on fees attached on the backend when compared to the banks. Mr. Ramsay made an impassioned plea to members to visit, sit and talk with representatives and refrain from making decisions without a clear understanding of facts.

REPORT OF THE NOMINATING COMMITTEE

Mrs. Melva Humes Johnson presented the report of the Nominating Committee. A warm welcome was extended to all. It was noted that the Committee comprised Ms. Andrea Givans, Ms. Louise Clarke and Mr. Robert Ramsay, General Manager and Advisor to the Committee.

The responsibilities of the Committee and the objectives of the meeting were clearly outlined.

Mrs. Humes Johnson reported as follows:

The Retiring Members were:

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)

Mr. Patrick Smith - REGION 5
(ST. ELIZABETH, MANCHESTER & CLARENDON)

Mr. Paul Adams - REGION 5
(ST. ELIZABETH, MANCHESTER & CLARENDON)

Mrs. Karen Hewett-Kenned At Large

CREDIT COMMITTEE

The retiring members of the Credit Committee were:

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

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

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

SUPERVISORY COMMITTEE

All members of the Committee were retiring:

+ Mrs. Mary Dick
+ Mr. Wentworth Gabbidon
+ Mrs. Dawn Steele
+ Mr. Aston Messam
+ Mrs. Glecia Beckford
+ Mr. Clayton Hall
+ Mr. Rudolph Sewell

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

DELEGATES TO THE LEAGUE'S ANNUAL GENERAL MEETING

Delegates nominated were as follows:

+ Delegate - President and Treasurer
+ Alternate Delegates - to be named by the Board of Directors

VOLUNTEERS RETIRING IN THE YEAR 2022

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Volunteers who would be retiring were 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. Leaon Nash

SUPERVISORY COMMITTEE

(All persons nominated in 2021)
Mr. Smith, Secretary thanked Mrs. Humes Johnson 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 Dr. Margaret Bailey, Mr. Morris Stewart, Mr. Patrick Smith, Mr. Paul Adams and Mrs. Karen Hewett-Kennedy. There were no nominations from the floor. The following members were duly elected to serve on the Board:

+ Dr. Margaret Bailey
+ Mr. Morris Stewart
+ Mr. Patrick Smith
+ Mr. Paul Adams
+ Mrs. Karen Hewett-Kennedy

The directors were returned en bloc.

CREDIT COMMITTEE

Members retiring were Mrs. Anne Geddes-Nelson, Mr. Christopher Sinclair and Mr. Norman Allen. There were no nominations from the floor. The following members were duly elected to serve on the Credit Committee:

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

A poll was conducted and 45 persons voted for Mrs. Geddes-Nelson, 45 for Mr. Sinclair and 45 for Mr. Norman Allen.

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. Nominations were invited from the floor:

1. Ms. Rowena Newman nominated Mrs. Petal Thompson-Williams seconded by Ms. Kaydian Scott
2. Ms. Walker nominated Mr. Eaton McNamee seconded by Ms. Suzette Walters.

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. Petal Thompson-Williams and Mr. Eaton McNamee were invited to introduce themselves to the membership. Members were asked to vote via poll which was provided in the chat facility on the online platform.

Mr. Paul Adams, President was excused from the AGM at this juncture. Mrs. Ena Barclay, 2nd Vice President continued the proceedings in his absence.

Following the conduct of the poll, the results confirmed the recommendation made by the Supervisory Committee that the following members were duly elected to serve on the Supervisory Committee:

+ Mrs. Mary Dick
+ Mr. Wentworth Gabbidon
+ Mrs. Dawn Steele
+ Mr. Aston Messam
+ Mrs. Glecia Beckford
+ Mr. Clayton Hall
+ Mr. Rudolph Sewell

Mrs. Glecia Beckford, 77 votes;
Mr. Wentworth Gabbidon, 74;
Mrs. Mary Dick, 73;
Mr. Clayton Hall polled 70;
Mrs. Dawn Steele, 70;
Mr. Aston Messam, 68;
Mr. Rudolph Sewell, 63;
Mrs. Petal Thompson-Williams, 40
and Mr. Eaton McNamee, 35.

DELEGATES TO THE LEAGUE'S ANNUAL GENERAL MEETING

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

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

RESOLUTION

Mrs. Ena Barclay, 2nd Vice President invited members to present Resolutions, if any.

Dr. Garth Anderson presented two (2) Resolutions as follows:

RESOLUTION I

"Whereas owing to the fact that a number of our members are experiencing severe financial difficulties occasioned by COVID-19 and Whereas the Credit Union has accumulated surplus over many years, I hereby move that Thirty Million Dollars ($30M) of the undistributed accumulated surplus be given to all members based on their share balance at the end of December 2020 as a One-off Payment".
The motion was seconded by Miss K. Scott.

RESOLUTION II

"Whereas considering that the cost for tertiary education has increased exponentially over the years, I hereby move that all scholarships given by the Credit Union to members be increased by $100,000.00 and grants by $50,000.00 respectively at the next awarding period."

The motion was seconded by Mrs. Petal Thompson-Williams.

Mr. Upton Williams presented a third Resolution as follows:

RESOLUTION III

"Whereas it is well known that the Jamaica Teachers Co-operative Credit Union can be singled out as a separate entity from the Jamaica Teachers' Association, I hereby move that the Credit Union uses a part of its surplus to help increase the funding that teachers' children receive from the Jamaica Teachers' Association to increase the sum being Twenty Million ($20M) by 100%".

The motion was seconded by Dr. Garth Anderson.

Mrs. Ena Barclay, 2nd Vice President informed the meeting that the Resolutions presented would be treated as Notices of Motions. She stated that the Resolutions should be presented in writing and addressed to Mr. Patrick Smith, Secretary of the Board. It was noted that the Resolutions could be dropped off at any of the branches and would then be sent to the Head Office.

ANY OTHER BUSINESS

Dr. Garth Anderson voiced his concern regarding previous discussions held on the issue of lower interest rates. He stated that other Credit Unions in Jamaica have offered way less mortgage rates on the reducing balance. He suggested that management conducts a second review of the rates offered because many teachers were being turned away. He added that it would be an indictment on the management if members were forced to move a motion regarding how much the rates should be reduced by.

Mrs. Lisa Taylor, Assistant General Manager informed the meeting that within the prior two weeks the Credit Union reduced interest rates on almost all loan products thus had become the lowest rates in the market. She explained that rates were reduced on cash secured loans, mortgage loans and auto loans. She stated that for auto loans, rates were offered well below market rates for purchasing used cars and that two (2) rate reductions were done. She added that management had been sensitive to market trends and always responds accordingly.

Dr. Garth Anderson stated that despite the Credit Union's thrust to improve customer service delivery, such delivery should start from top management. He shared a scenario where he had money to invest and went to the office to explore investment options. The response received was unfavourable and he went to First Heritage Credit Union and got better rates. He stated that First Heritage adjusted the rates based on how much would be invested and followed up with him daily. He emphasized that the JTA Credit Union personnel was far from encouraging, with comments made, they could not negotiate rates and provided no follow up calls. Dr. Anderson stressed that the JTA Credit Union enjoyed the largest asset base; however was too inflexible. He urged the management to address the issue as a matter of urgency.

Mrs. Lisa Taylor, Assistant General Manager informed the meeting that matters regarding investment for members were usually brought to their attention, however it was not customary to offer specialized rates to any one person. She reiterated that as a financial co-operative whatever rates were presented on the books would be offered to all members and any deviation from such rates would require the input of the various committees comprised of Board Members.
Mrs. Ena Barclay assured Mr. Anderson that the matters raised would be explored using the appropriate channels.

TERMINATED

Mrs. Barclay thanked the members for attending the AGM and for their participation and the meeting terminated at 4:00pm.

Patrick R. Smith, Secretary

Board of DIRECTORS

PAUL ADAMS
PRESIDENT - SERVING REGION 5
ST. ELIZABETH, MANCHESTER & CLARENDON

MORRIS STEWART
1 ST 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
SECRETARY - SERVING REGION 5
ST. ELIZABETH, MANCHESTER & CLARENDON

“ The value of an idea lies in the using of it. ”
— **Thomas Edison**,
co-founder of General Electric

“ Your most unhappy customers are your greatest source of learning.”
— **Bill Gates**, co-founder of Microsoft

DR. MARGARET BAILEY
ASSISTANT TREASURER - SERVING REGION 1
KINGSTON, ST. ANDREW & ST. CATHERINE

KARAN HEWETT - KENNEDY
ASSISTANT BOARD SECRETARY
SERVING AT LARGE

HUIT JOHNSON
DIRECTOR - SERVING REGION 1
KINGSTON, ST. ANDREW & ST. CATHERINE

LOU ANN BRAMWELL-SHAKES
DIRECTOR - SERVING REGION 5
ST. ELIZABETH, MANCHESTER & CLARENDON

RAY HOWELL
DIRECTOR
SERVING AT LARGE

SANCIA STEWART - WILLIAMS
DIRECTOR - SERVING REGION 4
ST. JAMES, HANOVER & WESTMORELAND

LINCOLN JAMES
DIRECTOR - SERVING REGION 4
ST. JAMES, HANOVER & WESTMORELAND

FERGUS MITCHELL
DIRECTOR - SERVING REGION 3
ST. MARY, ST. ANN& TRELAWNY

LEBERT DRYSDALE
DIRECTOR - SERVING REGION 2
PORTLAND & ST.THOMAS

MELVA HUMES JOHNSON
DIRECTOR - SERVING REGION 3
ST. MARY, ST. ANN & TRELAWNY

VOLUNTARY SHARES

Every member of the Credit Union starts out with a Voluntary Shares Account. Diligent and consistent savings in your voluntary shares gives you the power borrow. This account requires a minimum monthly payment of $3000. Members benefit from annual dividend payments on their Voluntary Shares.

GOLDEN HARVEST ACCOUNT

Whatever your goals are, it's always a good time to start saving toward them. A Golden Harvest Account can help you save towards the down payment for your home, financing your education and so much more.

PARTNER PLAN OR CHRISTMAS CLUB SAVINGS

Need to hit those short-term goals? What about those annual expenses that you have to cover? Open a Partner Plan or Christmas Club Savings and cover those expenses with ease.

EASI ACCESS SAVINGS ACCOUNT

An Access account makes life, easy. Enjoy 24 hour access to your funds from any ATM or POS machine island wide.

ORDINARY DEPOSIT ACCOUNT

An Ordinary Deposit account gives you another way to save, open an Ordinary Deposit Account and watch your savings grow.

SPECIAL DEPOSIT ACCOUNT

Invest between $10,000 and $1,000,000 for terms of 30 or 90 days and earn interest at variable rates.

TEACHER OPTIMIZER PLUS (TOP)

With as little as $25,000 or as much as $1m you can earn a return of 6% rate of return. Fix your sum for five years and enjoy tax free returns.

LENDING WITH A HEART

Invest between $10,000 and $1,000,000 for terms of 30 or 90 days and earn interest at variable rates.

HOME EQUITY LOAN

Use the equity in your home to secure finance for those big projects, such as debt consolidation, home improvements or educational purposes.

RETIRED TEACHERS SAVINGS PLAN

Are you a retired member? Then this is for you, let us know if you are in your golden years, and you will earn an additional .75% on your Special Deposit investments.

LOAN WITHIN SHARES

You may access a loan within your shares immediately upon joining the Credit Union. This loan is secured by the funds saved in your Voluntary Shares account.

LOAN WITHIN DEPOSITS/SAVINGS

You may borrow against 90% of the accumulated savings in your Golden Harvest Savings Plan and 100% of savings held in your term deposit or other savings accounts.

MORTGAGE LOAN

Our Mortgage loan product gives you choices to own that place to call your own

- **First Home Purchase** - You can purchase your first home for a low interest rate and at an unbelievable term
- **Second Home Purchase** - Do you already own a house and are thinking about buying another property? You can do so now with a 2nd Mortgage from the JTA Credit Union.
- **Home Construction Loan** - Would you rather create your own house and have full control of its look and feel? Then there is no need to worry, our mortgage loan allows members to build on their own land. Ask about our Home Construction loan and give yourself the chance to create the house you want.
- **Land Purchase Loan** - If there is a residential lot you would like to own but you do not have the finances just now then don't worry the JTA Credit Union Mortgage loan can help. Ask about our land purchase loan.
- **Home Improvement Loan -** If you already own a house, you no doubt want it to remain in excellent condition. Our Mortgage loan can help with any needed repairs.

AUTO LOAN

Go ahead, drive in style.

You can get up to 10 years to repay your auto loan when you purchase a new car with us. We also provide 100% financing on vehicles up to 5 years old, we also offer financing for vehicles up to 8 years old.

UNSECURED LOANS OFFERED BY THE CREDIT UNION

PERSONAL LOAN

Access our personal loan to cover your personal needs. The Personal Loan from the JTA Credit Union offers a maximum loan amount of $5m with 7 years to repay. No guarantors needed*

***Conditions apply**

HOPE IN EMERGENCY LOAN PACKAGE (H.E.L.P.)

If you have an emergency, ask for H.E.L.P. and you can get up to $200,000.00 as an interim loan.

INSURING WHAT MATTERS

Acquiring quality insurance is one way to put your heart at ease.

FIP CRITICAL ILLNESS RIDER

Critical illnesses can affect anyone, being able to treat them makes all the difference. The FIP Critical Illness Rider offers coverage for cancer, heart attack, stroke, paralysis or major burns.

**Only members with Family Indemnity Plans can access FIP Critical Illness Rider.*

EASI LOAN

The JTA Credit Union's Easi Loan is simple. Borrow, spend, repay, repeat. You could get a maximum of $250,000 revolving line of credit dispensed on your Access Plus Debit Card.

JTA CREDIT UNION SURE ADVANCE LOAN

Are you currently repaying a long term, secured loan? Would you like the option of getting some quick cash using your Golden Harvest or Term Deposit Account as security? Get it done with the JTA Credit Union Sure Advance Loan!

FAMILY INDEMNITY PLAN (FIP)

Insure yourself and up to five (5) members of your immediate family for one low monthly premium. Choose any one of the five plan options available and set yourself at ease.

ACCESS THE JTA CREDIT UNION ANYTIME, ANYWHERE!

Inline, Online or Phoneline the JTA Credit Union is where you need us.

Inline - Visit your nearest JTA Credit Union branch family check up on your account, apply for loans, and complete your transactions.

Online - Check your balances, view transaction history, update email address and change access code. Transfer funds from your Easi- Access account to your Shares or Regular Loan account.

Visit - www.jtacreditunion.com select E-forms, download the online access form, complete and submit to ibank@jtacreditunion.com or specialservces@jtacreditunion.com

Phoneline - Take charge of your account with our Interactive Voice Response (IVR) system. Get your account balance summary, transfer funds and obtain account activity details. Simply call **(876) 618-1706/922-2011**, ext. **3339** press **0** and follow the easy steps!

Report of the BOARD OF DIRECTORS

TO THE 58TH ANNUAL GENERAL MEETING

Jamaica, like most other countries in the world continued to suffer from the impact of the Global COVID-19 Pandemic. The economic recovery expected in 2021 was delayed as new strands of the virus emerged and most of the restrictions were maintained to control the spread of the disease, including the suspension of face-to-face classes in the education system. In 2021 many Jamaicans lost the battle with COVID-19, some of whom were our fellow teachers, family members and friends. The JTA Co-op Credit Union extends heartfelt sympathies to the families of all those who have lost loved ones in this pandemic and pledge our support to the nation as we overcome this difficult period and emerge a stronger people.

Like Jamaica, the JTA Co-op Credit Union has had to weather the storms of the pandemic. 2021 was another year when we had to be very agile in our strategies to remain relevant in satisfying our members' needs, generating new business channels and providing a safe environment for members to transact business and our staff to occupy. Despite the many challenges the Credit Union remained committed to our strategic priorities of providing our members with the best financial service solutions available.

THE CREDIT UNION DIFFERENCE

In tough times it is important to highlight the unique difference that sets Credit Unions and indeed the JTA Co-op Credit Union apart from other financial institutions.

DEMOCRATIC CONTROL

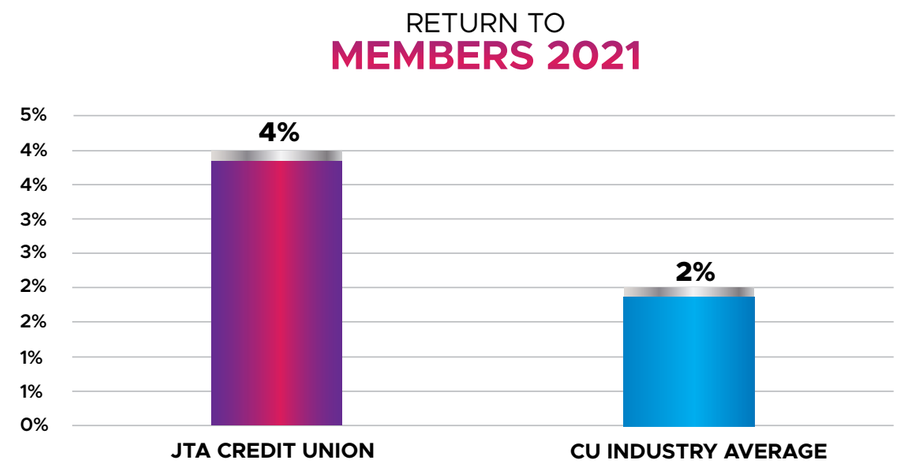
Your Credit Union is led by a fifteen (15) member Board of Directors comprising educators (past and present), as reflected by our field of membership. Members elect persons from among their peers to serve on the board and are given the opportunity to play a key role in deciding on the policy direction of the Credit Union.

The Board of Directors meets each month to provide oversight and ensure that the Credit Union's financial assets are prudently managed, and that the policy framework of the organization is robust. This board also ensures that the Credit Union maintains a high level of compliance with all regulatory requirements.

RETURNS TO MEMBERS

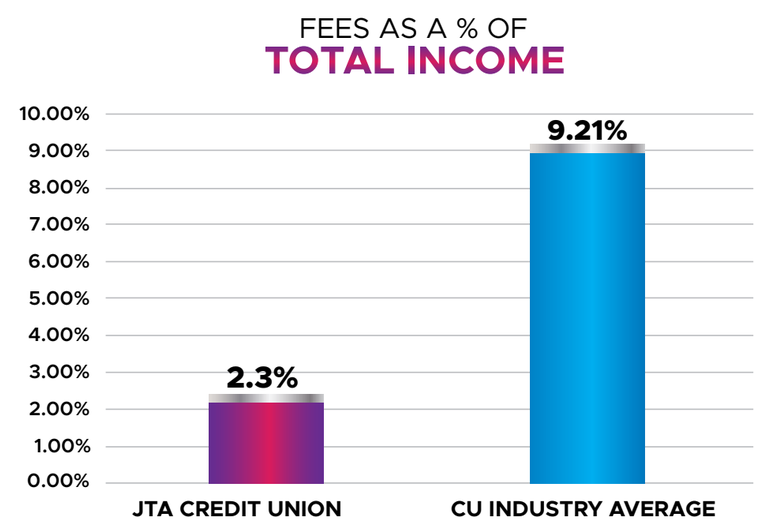
In addition to being democratically controlled and member owned, another unique feature of your Credit Union is our commitment to give back to our members directly.

In 2021 alone, over $513 Million was paid back to members on their Shares and Deposits in the form of dividend and interest. This represents an average return on savings to members of 4% per annum and compares favorably with the Credit Union industry average of 2%.



LOW COST OF BUSINESS

Additionally, JTA Co-op Credit Union prides itself on deriving very little of its revenue from fee income. In 2021, income from fees represented less than 2.3% of gross revenue in comparison to the Credit Union industry which derived an average of 9.21% of its total revenue from fees.

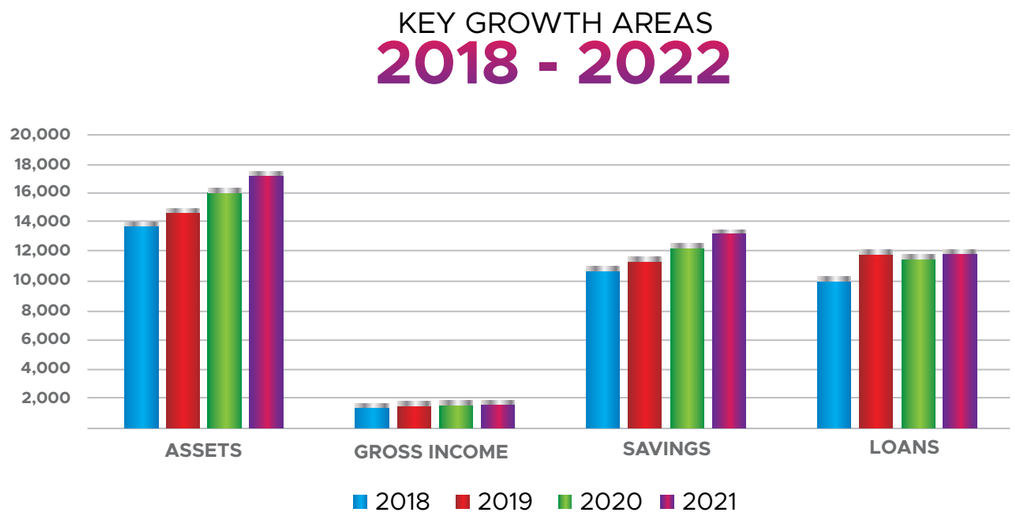


It costs less to do business with JTA Co-op Credit Union than any commercial bank and most other Credit Union.

KEY AREAS OF PERFORMANCE - 2021

The Financial year 2021 saw the Credit Union growing in its key performance areas. Assets grew by 6.7% ($1.1B) to a total of $17.487B. An operating surplus of $329.89M was realized from our productive assets in 2021.

Savings (Shares and Deposits) and loans also grew in 2021. The illustration below shows the growth in all key areas of performance over the past four (4) years (2018-2022).



YEAR IN REVIEW

MARKET TRENDS

Similar to 2020, the year 2021 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.

The Jamaican financial services industry continued to move towards digital service channels with major banks closing a number of their face-to-face service locations. The establishment of self-serve stations where customers interact with smart ABMs continued into 2021.

MEMBERSHIP GROWTH

The year 2021 saw a continuation of the closure of schools and restrictions on gatherings, which severely affected the recruitment efforts of the Credit Union. Despite adjustments to our recruitment strategy to include remote onboarding and participating in virtual meetings, the Credit Union's membership base grew by 0.71% (236 new members) to 30,141 members by the end of 2021.

LOAN GROWTH

Loan growth was also hampered by the effects of the pandemic. Members, for the most part were cautious about acquiring additional liabilities in an uncertain economy. As such, demand for loans fell and the practice of closing out loans before maturity increased. Despite these challenges, the Credit Union's loan portfolio rebounded in 2021 and grew by $261M or 2.2% coming from a loss of $207M (1.73%) as at 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 4.01% in November to a low of 2.52% in March, closing out 2021 at 3.04%, 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. The Credit Union also faced challenges with teachers not receiving pay from the Ministry of Education at specific times during the year.

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 SERVICES CHANNELS

Compliance with the restrictions on gatherings meant that the Credit Union had to adjust the way service was delivered to members coming into 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 channel. 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 and NCB bill payment platforms, the Credit Union added a payment portal on its website whereby members can use their credit cards to pay directly to their Credit Union account.

HUMAN RESOURCE DEVELOPMENT & ADMINISTRATION

The year was a dynamic one for the HRD and Administration Department. The ongoing COVID-19 Pandemic challenged us to constantly revise and implement various contagion counter-measures to mitigate widescale disruptions in the workforce and service delivery.

To ensure our team members remained current and can rapidly adapt to the transitions in the banking industry brought about by the pandemic, we endeavored to ensure that skills building, and knowledge sharing were prominent features of 2021. Great effort was placed on redesigning our workspaces for improved level of comfort to staff and members. Our team members' well-being including their overall mental health was also targeted. Several events were held that consisted of active participation from staff at the Head Office and entire Branch Network. Activities were within the virtual space and teams complied with the established safety protocols. We kept the team engaged and connected throughout the entire year.

STAFFING

The divisional structure of the organization remained unchanged during the period, with the General Manager, Mr. Robert Ramsay at its helm. The other members of his senior management team are: 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 were eight (8) new recruits for 2021 and seven (7) promotions. Ms. Norda Morgan, Branch Clerk was included in this set of staff promoted. She was elevated to the level of Branch Supervisor at the Santa Cruz Branch. The number of team members who were separated from the organization stood at four (4), two of whom were retirees.

At the end of December 2021, the cadre of staff at the JTA Co-operative Credit Union was one hundred and seventeen (117). The staff assigned to each Division/Department is outlined at the end of the book.

ADMINISTRATION

Our strategic focus for Administration for the year was to improve the aesthetics in the branches and renovate the following locations:

1. **Brown's Town**
2. **Mandeville**
3. **Santa Cruz**
4. **Head Office – 3rd Floor**

We were also active in our pursuit to identify suitable locations for the Head Office and the creation of a Half-Way Tree (Kingston) Branch.

All activities under this area were achieved. A new location was also identified at 107 Constant Spring Road, Kingston to host the Head Office and to establish a new Branch. The acquisition process commenced at the end of the year following the approval of the Board.

REGIONAL SERVICES

The Credit Union's Regional Service division comprises 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.

CORPORATE SOCIAL RESPONSIBILITY

BETTER SCHOOLS...BETTER JAMAICA

The Credit Union continued to give back in a big way in 2021 and awarded three (3) schools in the Better Schools...Better Jamaica Programme. This was a departure from previous years when only two schools were awarded.
Schools were invited to submit projects that support Information Communication Technology (ICT) in schools. The winning schools in 2021 were Donald Quarrie, Catherine Hall Primary and Marymount High. Each school received $500,000.

DONATIONS AND SPONSORSHIPS

The Credit Union continues to play an active role as a corporate citizen and during 2021 donated nearly $4M to educational institutions and other civic groups seeking support for various projects right across Jamaica.

We continued our support of the JTA Golden Torch Awards and was a major sponsor of this event in 2021. We also maintained our presence as a key sponsor of the TVJ Jr. Schools Challenge Quiz Competition.

TERTIARY SCHOLARSHIPS & GRANTS

In 2021 the JTA Credit Union Continued with its long-standing Tertiary Scholarships and Grants. A total 12 members were awarded grants and scholarships. Miss. Shona White a senior teacher at Alligator Pond Primary and Infant was awarded the prestigious Desmond "DC" Gascoigne Award For Excellence.

The Credit Union also awarded PEP bursaries to students about to enter high school. Applications for the bursaries were received from all 14 parishes and were opened to students whose parents are members of the Credit Union. The Top Boy for 2021 was Kayne Scarlett and the Top Girl was Kaylie Gordon.

STRATEGIC FOCUS - 2021

The strategic focus of the Credit Union for 2022 will be to improve our digital capabilities and build staff capacity to offer excellent service to our members. The coming year (2022) will see the roll out of a number of new initiatives aimed at engaging our members in a personal way and promoting the Credit Union difference.

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 2021, twelve (12) meetings were held.

BOARD ATTENDANCE SCHEDULE

NAME	POSITION	POSSIBLE ATTENDANCE	ATTENDED	NUMBER EXCUSED
Mr. Paul Adams	President	12	12	0
Mr. Morris Stewart	2nd Vice President	12	12	0
Mr. Cyril Lebert	Treasurer	12	12	0
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	12	11	1
Mrs. Melva Humes-Johnsons	Member	12	12	0
Mr. Lebert Drysdale	Member	12	12	0
Mr. Fergus Mitchell	Member	12	12	0
Mr. Ray Howell	Member	12	10	2
Mrs. Karen Kennedy	Member	12	12	0
Mr. Huit Johnson	Member	12	10	2
Mrs. Sancia Stewart-Williams	Member	12	12	0

CONCLUSION

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

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

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

As we reflect on the Credit Union's performance in 2021, it is with a heightened sense of gratitude that we make the following acknowledgements:

1. To all our members who continue to be loyal to the vision they believe in for the past six decades;
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 Department of Co-operatives and Friendly Societies, CUFMC Jamaica, Jamaica Cooperative Insurance Agency, CUNA Caribbean Insurance Jamaica Ltd and the National Union of Co-operative 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, 2021

Global economic recovery was stronger than expected in 2021 despite the continued effects of the COVID-19 pandemic. Vaccination programmes helped to mitigate restrictions and aided economic growth, which was an estimated 6.1%. The recovery was varied and was much greater in developed countries than in emerging and developing nations. The degree of recovery was influenced by the spread of vaccination, the extent of government policy support, behaviour of labour markets, demand in major sectors, the extent of disruptions to supply chains and shortages of input materials. High-income countries were able to spend more freely on mitigating the effects of the pandemic, with initiatives including job retention programmes and support for the unemployed. The manufacturing sector maintained relatively strong demand, with less demand in the services sector. Shortages and labour supply contributed to high inflation. The financial markets nevertheless rebounded significantly as economic activity gradually increased.

Locally, the government likewise continued with measures to contain the spread of COVID-19. Business activity remained restricted, particularly in the services sector. However, containment measures were gradually relaxed during the year. The Jamaican economy had a 4.6% growth, following the 10.2% contraction in 2020. The recovery was influenced by increased activity in the services industry and higher productivity in the goods producing industries.

Unemployment fell from 8.4% at the end of 2020 to 7.1% at the end of October 2021. Inflation for the 2021 calendar year was 7.3%, increasing from the 5.2% recorded in 2020, and above the Bank of Jamaica (BOJ) target of 4 - 6%. The movement was largely driven by increases in the fuel, housing, and food and non-alcoholic beverages categories. The BOJ utilized monetary policies to try to maintain low market interest rates and a stable foreign exchange rate. The central bank increased its policy rate from 0.5% to 2.5% during the year, and foreign currency was sold directly to authorised dealers.

During the year, the Jamaican dollar depreciated by 8.7% with respect to the US$, moving from a rate of $142.65 to $155.09.

The competition in the financial sector remained intense during the year, with the larger institutions increasing the focus on remote access and engaging extensively in direct marketing.

The Credit Union is committed to offering superlative, personalised service to our members, and a range of products at competitive rates.

FINANCIAL RESULTS

With 2021 being one which saw a full year of the COVID-19 pandemic, it remained a challenging period. The Credit Union nonetheless had a successful year. The customary comprehensive business plan was developed at our annual Strategic Management Retreat, with targets and initiatives to enable the achievement of our goals. Indicated in the table below are the major goals established, and the actual results achieved:

OBJECTIVE	GOAL	ACTUAL
INCREASE TOTAL ASSETS	8.0%	6.7%
INCREASE SAVINGS TO ASSETS RATIO	78.0%	77.4%
INSTITUTIONAL CAPITAL TO TOTAL ASSETS RATIO	15.0%	15.5%
OPERATING EXPENSE TO AVERAGE ASSETS RATIO	7.0%	5.8%
DELINQUENCY RATIO	3.0%	3.0%
INCREASE LOANS TO TOTAL ASSETS RATIO	75.0%	70.0%
ATTAIN REVENUES OF	$1.867B	$1.867B

This indicates that the Credit Union met two of the key strategic targets, including the delinquency Ratio, Revenue Target and operating expense ratio, which, at 5.8%, was again well within the 8% standard. We fell short on the loans and asset growth ratios amid the challenges that faced our members throughout the year.

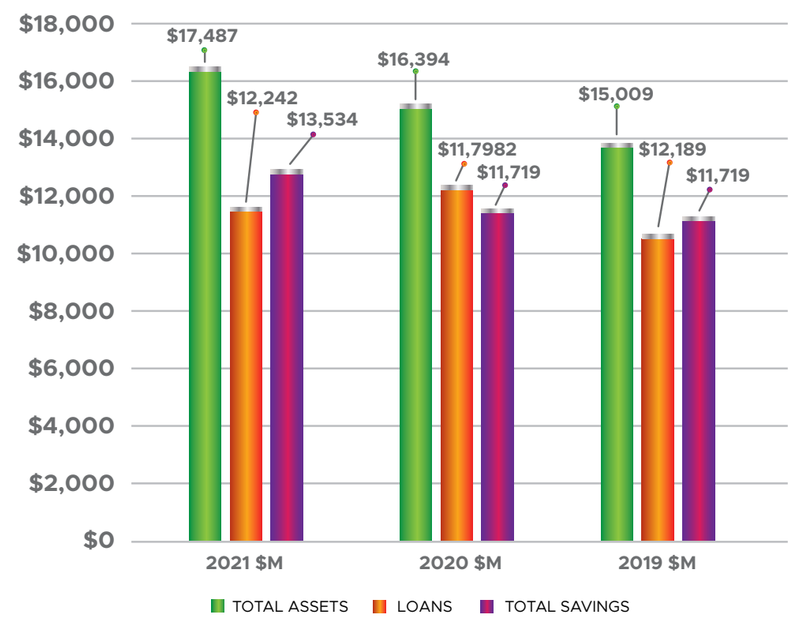
Key performance criteria are highlighted below:

COMPARATIVE ANALYSIS OF KEY FINANCIAL INDICATORS

FINANCIALS INDICATORS	2021 $M	2020 $M	2019 $M	2018 $M	INCREASE 2020-2021	% CHANGE 2021-2020	% CHANGE 2020-2019	% CHANGE 2019-2018
Total Assets	17,487.4	16,393.7	15,009.3	13,948.3	1,093.7	6.7	9.2	7.6
Loans	12,242.5	11,981.5	12,189.0	10,491.0	261.0	2.2	-1.7	16.2
Investments	4,668.5	3,861.7	2,286.5	2,975.7	806.8	20.9	68.9	-23.2
Voluntary Shares	7,227.9	6,733.3	6,174.5	5,766.1	494.6	7.3	9.1	7.1
Members Deposits	6,306.2	5,953.1	5,544.8	5,289.3	353.1	5.9	7.4	4.8
Total Savings	13,534.2	12,686.4	11,719.3	11,055.5	847.8	6.7	8.3	6.0
Institutional Capital	2,712.1	2,546.3	2,040.5	1,899.3	165.8	6.5	24.8	7.4
Operating Expenses	981.8	900.8	877.0	817.7	81.0	9.0	2.7	7.3
Net Interest & Other Income	1,311.7	1,298.6	1,254.6	1,100.6	44.0	3.4	3.5	14.0

In 2021, the Credit Union's Total Assets increased by $1.1B, to $16.4B, a growth of 6.7%. This commendable growth was achieved despite the numerous challenges including continued strong competition from all players in the financial sector.

GROWTH IN TOTAL ASSETS, LOANS & SAVINGS



The Net Loan Portfolio increased by $261M, or 2.2%, to $12.2B at the end of 2021. Loan demand continued to be adversely affected by the uncertainties and reduced economic and recreational activity resulting from the pandemic. Remote teaching continued throughout 2021, reducing the need for some of the usual items for students.

The Investment Portfolio stood at $4.6B at the end of 2021, an increase of $0.7B from the end of 2020. While the increase was smaller than that of the prior year, the primary contributing factor remained the reduction in loan disbursement, resulting in an increase in liquid funds available for investment.

Members' Deposits grew by $353M to $6.3B, a 5.9% increase over the balance at the end of 2020. Voluntary Shares increased by $495M, or 7.3%, to $7.2B for the year. Members' savings continued largely through salary deductions. The Credit Union's rates on savings, term deposits and voluntary shares remained very competitive, and so provided an attractive option for members seeking to increase their savings or investments. Net Surplus of $329.9M was earned on Revenues of $1.8B, a reduction from the Surplus of $397.9M recorded in 2020.

SAVINGS

The Credit Union continues to offer savings products with highly competitive interest rates, including a long-term tax-free product. 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%, 32% and 12% respectively, of our Members' Savings Portfolio and provide a stable source of funds for the loan disbursement and operational requirements of the Credit Union. The table below shows the Savings Portfolio at December 31, 2021 compared with 2020.

PRODUCT	2021 $M	2020 $M	INCREASE \(DECREASE) $M
VOLUNTARY SHARES	7,227.9	6,733.3	494.6
SPECIAL DEPOSITS	4,373.5	3,964.0	409.5
GOLDEN HARVEST	1,591.3	1,562.1	29.2
OTHER DEPOSITS	341.5	427.0	-85.6
TOTAL	13,534.2	11,719.3	847.8

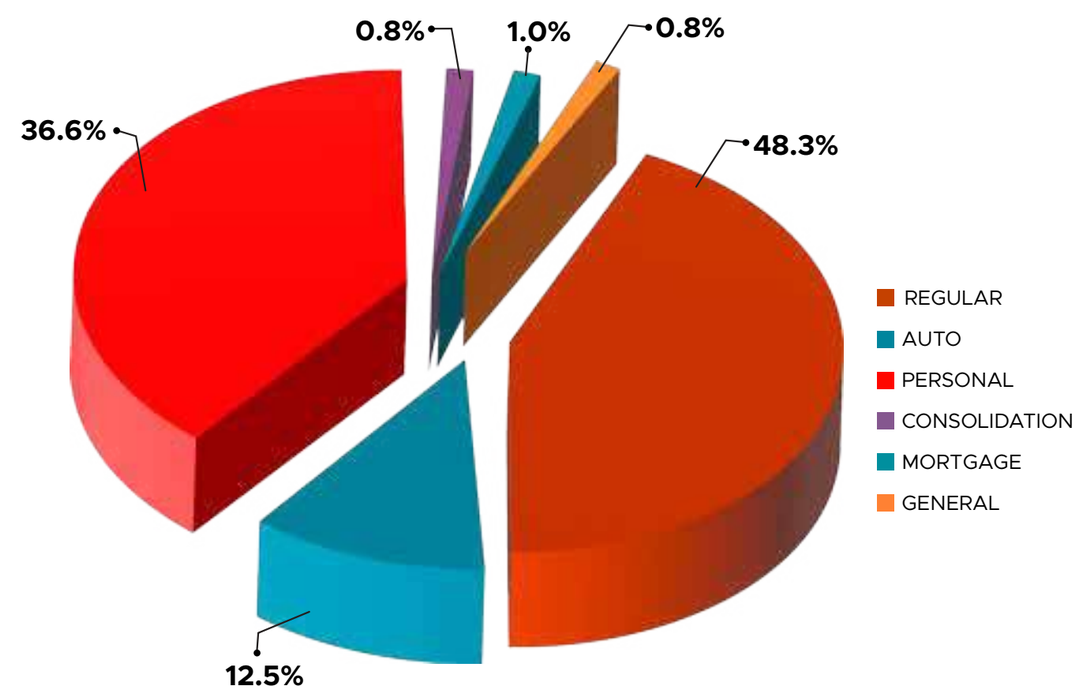
LOAN PORTFOLIO

The Credit Union maintains a diversified loan portfolio to satisfy the multifaceted requirements of our members. Although activities were limited because of the measures to control the pandemic, we undertook several initiatives during the year aimed at stimulating growth in the portfolio. At the end of 2021, Net Loans comprised 70.0% of assets, compared to 73.1% in 2020, as loan disbursement continued to be moderate, and the Asset Base grew by $1.1B.

The composition of the loan portfolio is shown in the following table:

LOAN TYPE	2021 $M	2020 $M	INCREASE \(DECREASE) $M
REGULAR LOAN	6,003.6	5,890.9	-112.7
AUTO LOAN	1,513.0	1,530.1	-17.0
PERSONAL LOAN	4,619.8	4,459.9	159.9
CONSOLIDATION LOAN	49.3	124.0	-74.7
EASI LOAN/LINE OF CREDIT	8.5	10.4	-1.9
MORTGAGE LOAN	136.0	91.8	44.2
OTHER	80.7	85.9	-5.2

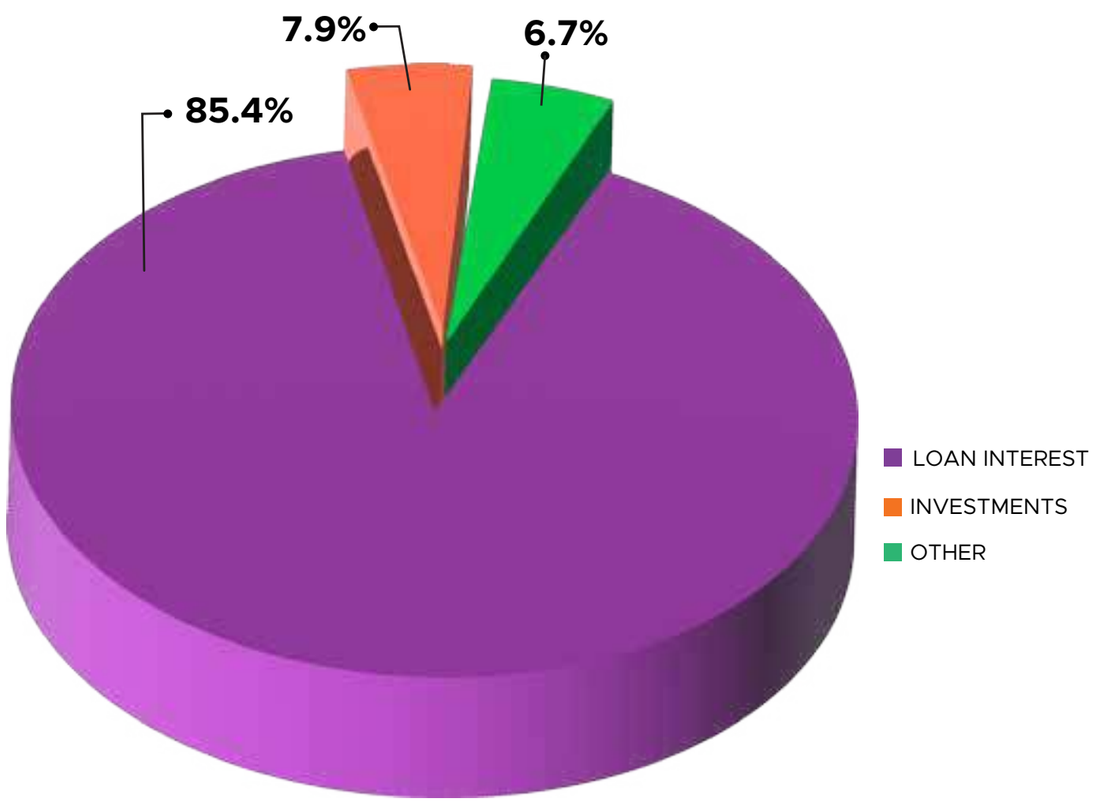
LOAN PORTFOLIO



INCOME & EXPENDITURE

Interest Income for the year was $1.7B, a marginal $49M or 2.8% reduction from 2020. Loan Interest, the primary source of income, totalled $1.68B in 2021. Investments contributed interest earnings of $113.5M compared to $71.7M in 2021, as the portfolio grew. Our equity-based unit trust investments earned $33.7M in 2021, a turnaround from 2020 when the collapse of stock market saw the funds losing $41M in value. Sustained recovery of the financial market began in the latter part of 2020 and the performance of the funds in 2021 improved significantly.

CONTRIBUTION TO INCOME



Operating Expenses increased by $80.9M (8.9%). In 2020, many activities were scaled down or not done 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 a commendable 5.8%, well within the prudential standard of 8%.

CATEGORY	2021 $M	2020 $M	2019 $M	INCREASE 2020-2021	% CHANGE 2021-2019	% CHANGE 2019-2018
Personnel	460.9	422.9	396.9	38.1	9.0	6.5
Member's Security	88.4	90.3	84.1	-1.8	-2.0	7.3
General Expenses	317.7	300.7	303.1	17.0	5.6	-0.8
Affiliation	37.2	36.1	47.0	1.0	2.8	-23.1
Establishment	77.6	50.8	45.9	26.8	52.8	10.6
Total Operations Expenses	**981.8**	**900.8**	**877.0**	**81.0**	**9.0**	**2.7**

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 the key 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. Growth in assets and savings, which are benchmarked to inflation, fell slightly below this target as the country saw inflation increasing by more than 2% for the year.

At the end of 2021, Institutional Capital stood at $2.7B, an increase of $166M. Our Institutional Capital to Total Assets ratio was 15.5%, well ahead of the PEARLS standard of 8%, and is an indication of the Credit Union's strong capital base and its ability to withstand adverse financial conditions.

The Credit Union's performance in 2021 was commendable despite the ongoing effects of the pandemic, the measures implemented to mitigate its effects, and our members' financial challenges. We will continue to implement initiatives which will strengthen and grow our Credit Union while optimizing the benefits to our members.

PERFORMANCE IN 2021 & 2020 MEASURED BY PEARLS PRUDENTAL STANDARDS

INDICATOR	STANDARD	2021-12-31	2020-12-31
PROTECTION	%	%	%
Provision for losses	100%	100%	100%
EFFECTIVE FINANCIAL STRUCTURE			
Net Loans / Total Assets	60%-80%	69.9%	73.1%
Total Savings / Total Assets	70%-80%	77.3%	77.6%
Institutional Capital / Total Assets	>8%	15.5%	15.5%
ASSET QUALITY			
Delinquent Loans > 30 days/ Total Loans	< 5%	3.0%	3.5%
Non-earning assets / Total Assets	< 7%	3.3%	3.5%
RATES OF RETURN & COST			
Operating Expensive/Average Assets	<8%	5.8%	5.7%
Net Income/ Average Assets	to maintain capital ratio	2.5%	2.6%
LIQUIDITY			
Liquidity Reserves / Withdrawable Savings	>10%	28.2%	24.4%
GROWTH			
Growth in Total Assets	> Inflation rate	6.7%	9.2%
Growth in Membership	=> 5%	0.7%	1.7%
Growth in Savings	> Inflation rate	6.7%	8.3%

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

JTA Co-operative Credit Union Limited

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

Financial STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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: info@dcfs.gov.jm **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
R233/522/05/22

May 16, 2022

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

Dear Sir/Madam,

I forward herewith the Financial Statements of your Society for the year ended December 31, 2021.

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.

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) 977-2508 / 927-1948

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

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 56 to 127, which comprise the statement of financial position as at December 31, 2021, 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, 2021, 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.

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

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.

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.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.
- 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

Report on the Audit of the Financial Statements (continued)

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

- Evaluate the 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

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Co–operative Societies Act in the manner so required.

KPMG

Chartered Accountants
Kingston, Jamaica

May 16, 2022

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

Statement of Financial Position
December 31, 2021

	Notes	2021 $'000	2020 $'000
ASSETS			
EARNING ASSETS			
Liquid assets	8	2,087,077	1,883,472
Resale agreements	9	1,696,736	1,124,138
Loans	10	12,242,475	11,981,497
Financial investments	11	884,671	854,037
Investment property	12	5,947	7,636
Total earning assets		16,916,906	15,850,780
NON-EARNING ASSETS			
Cash and cash equivalents	13	51,881	51,674
Other assets	14	178,862	109,513
Property, plant and equipment	15	152,236	145,303
Intangible assets	16	23,024	30,359
Employee benefits asset	17	127,201	181,702
Right-of-use assets	18(i)	37,284	24,355
Total non-earning assets		570,488	542,906
TOTAL ASSETS		17,487,394	16,393,686
LIABILITIES AND EQUITY			
INTEREST BEARING LIABILITIES			
Lease liabilities	18(ii)	40,557	18,156
Members' deposits	19	6,306,223	5,953,102
Members' voluntary shares	20	7,227,941	6,733,342
External credits	21	395	1,324
Total interest bearing liabilities		13,575,116	12,705,924
NON-INTEREST BEARING LIABILITY			
Other liabilities, being total non-interest bearing liability	22	192,390	186,927
TOTAL LIABILITIES		13,767,506	12,892,851
EQUITY			
Institutional capital	23	2,712,055	2,546,293
Non-institutional capital	24	1,007,833	954,542
TOTAL EQUITY		3,719,888	3,500,835
TOTAL LIABILITIES AND EQUITY		17,487,394	16,393,686

The financial statements on pages 56 to 127 were approved by the Board of Directors on May 16, 2022 and signed on its behalf by:

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

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

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

Statement of Profit or Loss and Other Comprehensive Income
December 31, 2021

	Notes	2021 $'000	2020 $'000
INTEREST INCOME, CALCULATED USING THE EFFECTIVE INTEREST METHOD			
Loans		1,586,981	1,678,149
Liquid assets, resale agreements and financial investments		113,486	71,654
		1,700,467	1,749,803
INTEREST EXPENSE			
Members' deposits		255,856	245,074
External credits		85	211
Members' voluntary shares		252,047	174,930
Lease liabilities	18(iii)	3,727	2,246
Other finance costs		8,317	7,930
		520,032	430,391
NET INTEREST INCOME		1,180,435	1,319,412
Impairment gains on liquid assets, resale agreements and financial investments		402	2,143
Impairment losses on loans, net of recoveries	10(c)	(27,913)	(79,704)
Net interest income after impairment gains and losses		1,152,924	1,241,851
Gain/(loss) on unit trust investments		33,704	(41,016)
Other income	25	125,020	97,894
NET INTEREST AND OTHER INCOME		1,311,648	1,298,729
OPERATING EXPENSES			
Staff costs	26	460,942	422,894
Other operating expenses	27	520,814	477,902
		981,756	900,796
SURPLUS FOR THE YEAR		329,892	397,933
OTHER COMPREHENSIVE (LOSS)/INCOME			
Item that will never be reclassified to surplus or deficit			
Remeasurement of employee benefits asset	17(f)	(60,907)	(23,917)
Item that may be reclassified to surplus or deficit			
Change in fair value of debt instruments at fair value through other comprehensive income (FVOCI)		(44,856)	10,478
TOTAL OTHER COMPREHENSIVE LOSS		(105,763)	(13,439)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		224,129	384,494

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

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

Statement of Changes in Equity
December 31, 2021

	Notes	Institutional capital: Permanent shares $'000 [note 23(a)]	Institutional capital: Statutory reserve $'000 [note 23(b)]	Non-Institutional capital: Accumulated surplus $'000 [note 24(a)]	Non-Institutional capital: Employee benefits asset reserve $'000 [note 24(b)]	Non-Institutional capital: Fair value reserve $'000 [note 24(c)]	Non-Institutional capital: Revaluation reserve $'000 [note 24(e)]	Non-Institutional capital: Permanent share reserve $'000 [note 24(f)]	Total $'000
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									
Surplus 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 from employee benefits asset reserve		-	-	20,328	(20,328)	-	-	-	-
Transfer to statutory reserve:									
From current year surplus	23(b)	-	205,032	(205,032)	-	-	-	-	-
From prior year undistributed surplus	23(b)	-	300,186	(300,186)	-	-	-	-	-
Dividends	28	-	-	(4,280)	-	-	-	-	(4,280)
Entrance fees	23(b)	-	8	-	-	-	-	-	8
Balances at December 31, 2020		**87,137**	**2,459,156**	**673,832**	**181,702**	**87,249**	**9,430**	**2,329**	**3,500,835**
Total comprehensive income for the year									
Surplus for the year		-	-	329,892	-	-	-	-	329,892
Other comprehensive loss:									
Remeasurement of employee benefits asset	17(f)	-	-	(60,907)	-	-	-	-	(60,907)
Change in fair value of debt instruments at FVOCI		-	-	-	-	(44,856)	-	-	(44,856)
Total other comprehensive loss		-	-	(60,907)	-	(44,856)	-	-	(105,763)
Total comprehensive income for the year		-	-	268,985	-	(44,856)	-	-	224,129
Issue of permanent shares		1,002	-	-	-	-	-	-	1,002
Transfer to permanent shares		(229)	-	-	-	-	-	229	-
Transfer from employee benefits asset reserve		-	-	54,501	(54,501)	-	-	-	-
Transfer to statutory reserve:					-	-	-	-	-
From current year surplus	23(b)	-	164,981	(164,981)	-	-	-	-	-
Dividends	28	-	-	(6,086)	-	-	-	-	(6,086)
Entrance fees	23(b)	-	8	-	-	-	-	-	8
Balances at December 31, 2021		**87,910**	**2,624,145**	**826,251**	**127,201**	**42,393**	**9,430**	**2,558**	**3,719,888**

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

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

Statement of Cash Flows
December 31, 2021

	Notes	2021 $'000	2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		329,892	397,933
Adjustments for:			
Interest income		(1,700,467)	(1,749,803)
Interest expense		516,305	428,145
Interest expense on lease liabilities	18(iii)	3,727	2,246
Depreciation	12,15	20,481	17,227
Amortisation	16	7,335	7,335
Depreciation - right-of-use assets	18(i)	18,237	17,927
Impairment gain on liquid assets, resale agreement and financial investments		(402)	(2,143)
Impairment losses on loans, net of recoveries	10(c)	27,913	79,704
Realised gains on investments		(37,222)	-
Gain on disposal of investment property		(2,410)	-
Employee benefits asset	17(e)	9,402	11,645
Operating cash flows before movements in working capital		(807,209)	(789,784)
Changes in operating assets and liabilities			
Loans		(288,891)	127,833
Other assets		(53,986)	(24,002)
Pension contributions	17(b)	(15,808)	(15,234)
Members' deposits		353,121	408,267
Members' voluntary shares		494,599	558,878
Other liabilities		4,305	41,466
		(313,869)	307,424
Interest received		1,685,104	1,739,157
Interest paid		(515,147)	(427,133)
Net cash provided by operating activities		856,088	1,619,448
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investment property		3,900	-
Purchase of property, plant and equipment	15	(27,216)	(19,403)
Purchase of intangible asset	16	-	(5,547)
Liquid assets		(197,545)	(531,806)
Resale agreements		(572,060)	(928,312)
Financial investments		(38,176)	(91,703)
Net cash used by investing activities		(831,097)	(1,576,771)
CASH FLOWS FROM FINANCING ACTIVITIES			
Permanent shares (net)		1,002	527
External credit		(929)	(445)
Dividends paid	28	(6,086)	(4,280)
Entrance fees		8	8
Payment of lease liabilities	18(iv)	(12,492)	(19,215)
Net cash used by financing activities		(18,497)	(23,405)
Net increase in cash and cash equivalents		6,494	19,272
Cash and cash equivalents at beginning of year		65,062	45,790
CASH AND CASH EQUIVALENTS AT END OF YEAR	13(a)	71,556	65,062

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

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 disclosed in the financial statements.

3. Basis of preparation (continued)

(a) Statement of compliance (continued)

New and amended standards that are not yet effective:

At the date of authorisation of these financial statements, certain new and amended standards 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 may be relevant:

- 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* amendment 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*.

3. Basis of preparation (continued)

(a) Statement of compliance (continued)

New and amended standards 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 company 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.

- Amendments to IFRS 16 *Leases* are effective for annual periods beginning on or after April 1, 2021, early adoption is permitted. The amendments extend the practical expedient by 12 months – i.e. allowing lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

  The 2021 amendments are applied retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings. The disclosure requirements of Paragraph 28(f) of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* do not apply on initial application.

3. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

- Amendments to IAS 1 *Presentation of Financial Statements* are effective for annual reporting periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help companies provide useful accounting policy disclosures.

  The key amendments to IAS 1 include:

  - Requiring companies to disclose their *material* accounting policies rather than their *significant* accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The amendments are consistent with the refined definition of material:

  "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are effective for periods beginning on or after January 1, 2023, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both:

  - selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 *Financial Instruments*; and
  - choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

  The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

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

3. Basis of preparation (continued)

(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).

(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.

- Financial assets comprise loans to members, liquid assets, resale agreements, financial investments, cash and cash equivalents and other assets.
- Financial liabilities comprise lease liabilities, members' voluntary shares, members' deposits, external credits and other liabilities.

(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.

4. Significant accounting policies (continued)

(a) Financial instruments (continued)

(ii) Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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;

4. Significant accounting policies (continued)

(a) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

Business model assessments (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).

4. Significant accounting policies (continued)

(a) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

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

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.

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 credit 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.

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.

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.

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.

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.

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.

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.

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

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.

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 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.

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. Interest payable on these shares is reported as interest in profit or loss.

(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.

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 the 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.

Under Regulatory requirements, no interest is recognised on loans that are in arrears from 90 days or more, even if they are not credit-impaired (see also note 10).

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:

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	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. Transaction-based fees such as credit bureau fees are charged to the members' accounts when the transaction takes place. Service fees are charged when the service is delivered and are based on fixed rates determined by the Co-operative. Processing fees relating to loans are a percentage of the principal and charged to the member's account at the time of the transaction.	Revenue related to transactions is recognised at the point in time when the transaction takes place.

(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.

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 interest expense on 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.

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.

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.

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.

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.

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.

	2021 $'000			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Performing	12,034,318	187,940	-	12,222,258
Non-performing	-	-	188,629	188,629
	12,034,318	187,940	188,629	12,410,887
Allowance for impairment losses	(55,917)	(4,164)	(108,331)	(168,412)
Carrying amount	11,978,401	183,776	80,298	12,242,475

	2020 $'000			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Performing	11,769,699	205,985	-	11,975,684
Non-performing	-	-	217,132	217,132
	11,769,699	205,985	217,132	12,192,816
Allowance for impairment losses	(70,749)	(6,166)	(134,404)	(211,319)
Carrying amount	11,698,950	199,819	82,728	11,981,497

(ii) Investments and resale agreements

Management of risk:

The Co-operative limits its exposure to credit risk by investing mainly in liquid securities. These investments and other liquid securities are held mainly in Government of Jamaica securities and with counterparties that Management regards as sound.

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.

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.

	2021 $'000 **Stage 1**	2020 $'000 **Stage 1**
Financial investments at FVOCI		
Non-investment grade, being total gross carrying amount	214,773	219,750
Loss allowance	330	708
Financial investments at amortised cost		
Non-investment grade	39,148	38,469
Loss allowance	(592)	(1,060)
Carrying amount	38,556	37,409
Resale agreements at amortised cost		
Non-investment grade	1,697,359	1,125,299
Loss allowance	(623)	(1,161)
Carrying amount	1,696,736	1,124,138

(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.

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:

	2021 $'000 **Stage 1**	2020 $'000 **Stage 1**
Total gross carrying amount	2,087,408	1,833,576
Loss allowance	(331)	(104)
Carrying amount	2,087,077	1,833,472

(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. There were no significant changes in the quality of collateral held during the year.

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 (note 9). When a loan becomes credit-impaired, the fair value of the collateral is updated and used in calculating the ECL, otherwise a proxy for the collateral value is generally used on a portfolio basis to compute the ECL throughout the year.

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.

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

	2021 $'000	2020 $'000
Against past due but not impaired financial assets		
Properties	154,936	143,444
Shares and deposits	80,771	71,469
Liens on motor vehicles	24,137	28,980
	259,844	243,893
Impaired financial assets		
Properties	129,187	224,208
Shares and deposits	52,019	48,421
Liens on motor vehicles	8,210	18,168
	189,416	290,797
Total	449,260	534,690

(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.

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.

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;

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.

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, 2021 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.

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:

	2021			
	Stage 1 $'000	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Loans				
Balances at January 1, 2021	70,749	6,166	134,404	211,319
New financial assets originated or purchased recognised during the year	70,685	2,300	-	72,985
Transfer from Stage 1	(473)	295	178	-
Transfer from Stage 2	1,630	(1,695)	65	-
Transfer from Stage 3	-	5,443	(5,443)	-
Financial assets derecognised during the period	(86,674)	(8,345)	(20,873)	(115,892)
Balances at December 31, 2021	55,917	4,164	108,331	168,412

6. Financial risk management (continued)

(b) Credit risk (continued)

Credit review process (continued)

(vi) Impairment (continued)

Loss allowance (continued)

	2020			
	Stage 1 $'000	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Loans				
Balances at January 1, 2020	56,315	5,754	109,076	171,145
New financial assets originated or Purchased during the year	111,914	2,835	-	114,749
Transfer from Stage 1	(42,449)	469	41,980	-
Transfer from Stage 2	3,170	(3,331)	161	-
Transfer from Stage 3	-	4,339	(4,339)	-
Financial assets derecognised during the period	(58,201)	(3,900)	(12,474)	(74,575)
Balances at December 31, 2020	70,749	6,166	134,404	211,319

	2021 $'000 **Stage 1**	2020 $'000 **Stage 1**
Financial investments		
Balance at January 1	1,060	939
Recognised during the year	(468)	121
Balance at December 31	592	1,060
Resale agreements		
Balance at January 1	1,161	81
Recognised during the year	(538)	1,080
Balance at December 31	623	1,161
Liquid assets		
Balance at January 1	104	3,448
Recognised during the year	227	(3,344)
Balance at December 31	331	104

(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.

6. Financial risk management (continued)

(b) Credit risk (continued)

Credit review process (continued)

(vii) Exposure to credit risk (continued)

Concentration of risk

The following tables summarise the Co-operative's credit exposure to financial assets at their carrying amounts and concentration of credit risk:

Loans

	2021 $'000	2020 $'000
Construction and real estate	1,714,783	820,058
Education	57	2,198
Personal	5,528,877	6,166,303
Motor vehicle	1,547,575	1,581,060
General	3,619,595	3,623,197
	12,410,887	12,192,816
Less: Allowance for impairment losses	(168,412)	(211,319)
	12,242,475	11,981,497

Liquid assets

	2021 $'000	2020 $'000
Corporate	1,414,254	1,338,947
Financial institutions	673,154	544,629
	2,087,408	1,883,576
Less: Allowance for impairment losses	(331)	(104)
	2,087,077	1,883,472

Debt and equity securities

	2021 $'000	2020 $'000
Government of Jamaica	206,101	211,078
Corporate	27,906	27,677
Financial institutions	2,348,615	1,741,641
	2,582,622	1,980,396
Less: Allowance for impairment losses	(1,215)	(2,221)
	2,581,407	1,335,216

6. Financial risk management (continued)

(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.

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, 2021 was approximately 28% (2020: 24%) 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.

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, 2021						
Lease liabilities	182	9,809	26,919	5,307	42,217	40,557
Members' deposits	4,601,277	369,053	1,417,990	180,372	6,568,692	6,306,223
Members' voluntary shares	7,227,941	-	-	-	7,227,941	7,227,941
External credits	-	-	480	-	480	395
Other liabilities	192,390	-	-	-	192,390	192,390
Total financial liabilities	12,021,790	378,862	1,445,389	185,679	14,031,720	13,767,506
December 31, 2020						
Lease liabilities	-	9,409	12,418	-	21,827	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	363,420	1,324,070	210,858	13,147,656	12,892,851

(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$.

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:

	2021 US$'000	2020 US$'000
Liquid assets - earning	8	8
Resale agreements	441	399
Financial investments	310	310
	759	717

The exchange rate of the US$ to the J$ at the reporting date was US$152.7521 to J$1.00 (2020: J$140.7687).

Foreign currency sensitivity

The effect of a 8% (2020: 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$9,275,000 (2020: J$6,056,000). A 2% (2020: 2%) weakening in the exchange rate would, on the same basis, have resulted in a decrease in surplus of J$2,319,000 (2020: J$2,018,000).

(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. Management estimates that the expected cash flows on these instruments will occur much later as demonstrated by retention history. These may vary significantly from actual cash flows which are generally expected to maintain a stable or increasing balance.

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.

	2021					
	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	-	-	-	-	51,881	51,881
Liquid assets	678,202	1,408,875	-	-	-	2,087,077
Resale agreements	1,480,115	216,621	-	-	-	1,696,736
Financial investments	-	29,625	29,625	185,424	639,997	884,671
Loans	41,696	146,144	5,569,649	6,484,986	-	12,242,475
Other assets	-	-	-	-	178,862	178,862
Total assets	2,200,013	1,801,265	5,599,274	6,670,410	870,740	17,141,702
Liabilities						
Lease liabilities	182	9,809	26,919	3,647	-	40,557
Members' deposits	4,444,354	348,775	1,342,258	170,836	-	6,306,223
Members' voluntary shares	7,227,941	-	-	-	-	7,227,941
External credits	-	-	395	-	-	395
Other liabilities	-	-	-	-	192,390	192,390
Total liabilities	11,672,477	358,584	1,369,572	174,483	192,390	13,767,506
Total interest sensitivity gap	**(9,472,464)**	**1,442,681**	**4,229,702**	**6,495,927**	**678,350**	**3,374,196**
Cumulative interest rate sensitivity gap	**(9,472,464)**	**(8,029,783)**	**(3,800,081)**	**2,695,846**	**3,374,196**	**-**

6. Financial risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	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	1,398,064	1,788,449	5,403,067	6,648,014	766,737	16,004,331
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	10,911,610	342,881	1,248,914	202,519	186,927	12,892,851
Total interest sensitivity gap	**(9,513,546)**	**1,445,568**	**4,154,153**	**6,445,495**	**579,810**	**3,111,480**
Cumulative interest rate sensitivity gap	**(9,513,546)**	**(8,067,978)**	**(3,913,825)**	**2,531,670**	**3,111,480**	**-**

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.

6. Financial risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity (continued)

	2021		2020	
	Effect on surplus $'000	Effect on equity $'000	Effect on surplus $'000	Effect on equity $'000
Change in basis points:				
- 50 (2020: - 100)	(148)	3,666	(297)	7,875
+300 (2020: + 100)	890	(18,951)	297	(8,665)

	2021				
	Within 3 months %	3 to 12 months %	1 to 5 years %	Over 5 years %	Weighted average %
Loans	13.12	11.60	12.65	13.05	12.68
Liquid assets	4.09	1.65	-	-	2.46
Resale agreements	3.83	4.27	-	-	3.89
Financial investments	-	5.0	1.41	5.95	6.01
Members' deposits	3.53	5.81	5.64	5.52	4.16
External credits	-	-	8.00	-	8.00

	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	-	-	8.00	8.00	8.00

(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.

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% (2020: 15%) which is in compliance with the requirements.

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.

	2021		2020	
	Actual $'000	Required $'000	Actual $'000	Required $'000
Total regulatory capital	2,712,055	1,398,992	2,546,293	1,311,495
Total capital ratio	16%	8%	16%	8%

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 and members' deposits 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.

The fair value of loans to members could not be readily determined as the loans are generally unique to the Co-operative although they are at market comparable interest rates. Additionally, the carrying amount of the loans reflect the expected lifetime credit losses, value and quality of collateral and interest rates on the loans.

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 transfers 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 approximation of fair value.

	2021						
	Amortised cost	Carrying amount			Fair value		
		FVOCI	FVTPL	Total	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value:							
Unit trust funds	-	-	621,387	621,387	621,387	-	621,387
Investment is shares in unlisted entities	-	8,672	-	8,672	-	8,672	8,672
Benchmark investment notes	-	133,517	-	133,517	133,517	-	133,517
Global bonds	-	72,584	-	72,584	72,584	-	72,584
Jamaica Co-operative Credit Union	-	-	9,955	9,955	-	9,955	9,955
League Limited	-	-	-	-	-	-	-
Money market funds	-	-	1,408,886	1,408,886	1,408,886	-	1,408,886
	-	214,773	2,040,228	2,255,001	2,236,374	18,627	2,255,001

	2020						
	Amortised cost	Carrying amount			Fair value		
		FVOCI	FVTPL	Total	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value:							
Unit trust funds	-	-	586,923	586,923	586,923	-	586,923
Investment is shares in unlisted entities	-	8,672	-	8,672	-	8,672	8,672
Benchmark investment notes	-	140,151	-	140,151	140,151	-	140,151
Global bonds	-	70,927	-	70,927	70,927	-	70,927
Jamaica Co-operative Credit Union	-	-	9,955	9,955	-	9,955	9,955
League Limited	-	-	-	-	-	-	-
Money market funds	-	-	1,333,635	1,333,635	1,333,635	-	1,333,635
	-	219,750	1,930,513	2,150,263	2,131,636	18,627	2,150,263

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. Significant unobservable inputs used in the Net Asset Valuation (NAV) method for unquoted equities include assets and liabilities that do not have a quoted market price. Unquoted equities represent holdings in entities in the financial sector providing services mainly to credit unions. As these are financial entities, the NAV is considered an appropriate basis to fair value these equities.

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

8. Liquid assets

	2021 $'000	2020 $'000
Earning assets at amortised cost:		
Deposits		
JMMB Bank Jamaica Limited	653,479	531,241
JCCUL - Cuets settlements	5,368	5,312
Savings account balance		
The Bank of Nova Scotia Jamaica Limited [note 13(a)]	19,675	13,388
	678,522	549,941
Financial assets at fair value through profit or loss		
Units in unit trust funds:		
JCCUL - Cumax money market fund	1,408,886	1,333,635
	2,087,408	1,883,576
Less: Allowance for impairment losses [note 6(b)(vi)]	(331)	(104)
	2,087,077	1,883,472

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.

	2021 $'000	2020 $'000
Principal	1,697,359	1,125,299
Less: Allowance for impairment [note 6(b)(ii)(vi)]	(623)	(1,161)
	1,696,736	1,124,138

All the securities purchased under resale agreements are fully collateralized by Government securities, the fair value of such underlying securities was $1,826,276,000 (2020: $1,410,556,000).

10. Loans

	2021 $'000	2020 $'000
Balance at beginning of year	12,192,816	12,189,034
Add: disbursements and transfers	3,419,921	3,414,739
	15,612,737	15,603,773
Less: repayments and transfers	(3,201,850)	(3,410,957)
	12,410,887	12,192,816
Less: allowance for impairment losses [note 6(b)(i)(vi)]	(168,412)	(211,319)
	12,242,475	11,981,497

The amounts are expected to be recovered as follows:

	2021 $'000	2020 $'000
Within 12 months	187,840	149,919
Over 12 months	12,054,635	11,831,578
	12,242,475	11,981,497

10. Loans (continued)

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

	2021 $'000	2020 $'000
Neither past due nor impaired	12,034,318	11,769,699
Past due but not impaired:		
Less than 2 months	116,415	112,173
2 to 3 months	71,525	93,812
	187,940	205,985
Individually impaired	188,629	217,132
	12,410,887	12,192,816
Less: Allowance for impairment losses [note 6(b)(vi)]	(168,412)	(211,319)
	12,242,475	11,981,497

(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:

	2021					
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 %
1 - 2months	91	116,415	42,198	74,217	-	-
2 - 3 months	64	71,525	36,227	35,298	7,153	10
4 - 6 months	45	45,774	18,444	27,330	13,732	30
7 - 12 months	74	111,087	30,179	80,908	66,652	60
13 months and over	29	31,768	9,439	22,329	31,768	100
	303	376,569	136,487	240,082	119,305	

	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 %
1 - 2months	97	112,173	50,731	61,442	-	-
2 - 3 months	62	93,812	27,296	66,516	9,381	10
4 - 6 months	110	92,068	50,248	41,820	27,620	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
	394	423,117	171,796	251,321	117,923	

The interest in respect of non-performing loans which had not been recognised in the surplus for the year was $18,460,903 (2020: $10,977,000). Loans on which interest is suspended amounted to $188,629,000 (2020: $217,132,000).

10. Loans (continued)

(c) Allowance for impairment

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

	2021 $'000	2020 $'000
Balance at January 1	211,319	171,145
Charged to surplus during the year	27,913	79,704
Amounts written off during the year	(70,820)	(39,530)
	168,412	211,319

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

	2021 $'000	2020 $'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	133,517	140,151
Global bonds	72,584	70,927
	214,773	219,750
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	42,329	40,212
Units held with Barita Investments Limited	492,989	464,026
Units held with Sagicor Investments Limited	86,069	82,685
	631,342	596,878
Sub-total carried forward	846,115	816,628

11. Financial investments (continued)

	2021 $'000	2020 $'000
Sub-total brought forward	846,115	816,628
Investment securities at amortised cost		
JCCUL - Mortgage funds [note (e)]:	9,279	9,050
The Victoria Mutual Building Society Mortgage deposit	29,869	29,419
	39,148	38,469
Less: Allowance for impairment losses [note 6(b)(vi)]	(592)	(1,060)
	38,556	37,409
	884,671	854,037

The amounts are due to be recovered as follows:

	2021 $'000	2020 $'000
Within 12 months	651,257	616,238
Over 12 months	233,414	237,799
	884,671	854,037

(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

	2021 $'000	2020 $'000
Cost		
At beginning and at end of year	12,816	12,816
Disposal	(2,804)	-
At the end of the year	10,012	12,816
Depreciation		
At beginning of year	5,180	4,906
Charge for the year	198	274
Disposal	(1,313)	-
At end of year	4,065	5,180
Carrying amount	5,947	7,636

12. Investment property (continued)

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

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

May Pen Shop #25 was sold for $4.69M, with net proceeds of $3.9M. The net book value at the time of sale was $1.49M.

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

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

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

12. Investment property (continued)

(b) The income earned from the properties, one of which is leased under operating lease, amounted to $872,000 (2020: $859,000) (see note 25). Direct operating expenses arising from the properties during the year amounted to $Nil (2020: $Nil).

13. Cash and cash equivalents

	2021 $'000	2020 $'000
Cash in hand	4,501	4,428
Bank balances	47,380	47,246
	51,881	51,674

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

	2021 $'000	2020 $'000
Cash and bank balances (above)	51,881	51,674
Liquid assets – savings account balance (note 8)	19,675	13,388
	71,556	65,062

(b) At the reporting date, cash and cash equivalents included amounts totaling $4,652,000 (2020: $4,365,000) 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

	2021 $'000	2020 $'000
Deposits and prepayments (i)	109,294	30,221
Interest receivable	67,552	52,189
Sundry receivables	2,016	27,103
	178,862	109,513

(i) Deposits and prepayments include the sum of $83,095,000 (2020: $6,665,000) which represents deposits on property, plant and equipment (see note 32).

15. Property, plant and equipment

	Freehold land $'000	Buildings $'000	Leasehold improvements $'000	Office furniture and equipment $'000	Total $'000
Cost					
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	3,381	83,042	63,370	218,886	368,679
Additions	-	-	9,389	17,827	27,216
Disposals	-	-	-	(386)	(386)
December 31, 2021	3,381	83,042	72,759	236,327	395,509
Depreciation					
December 31, 2019	-	14,678	33,089	159,938	207,705
Charge for the year	-	2,075	4,608	10,270	16,953
Disposals	-	-	-	(1,282)	(1,282)
December 31, 2020	-	16,753	37,697	168,926	223,376
Charge for the year	-	2,076	5,072	13,135	20,283
Disposals	-	-	-	(386)	(386)
December 31, 2021	-	18,829	42,769	181,675	243,273
Net book values					
December 2021	3,381	64,213	29,990	54,652	152,236
December 2020	3,381	66,289	25,673	49,960	145,303
December 2019	3,381	67,786	26,765	44,921	142,853

16. Intangible assets

	Software rights $'000
Cost	
December 31, 2019	67,804
Additions	5,547
December 31, 2020 and 2021	73,351
Amortisation	
December 31, 2019	35,657
Charge for the year	7,335
December 2020	42,992
Charge for the year	7,335
December 2021	50,327
Net book values	
December 31, 2021	23,024
December 2020	30,359
December 2019	32,147

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:

	2021 $'000	2020 $'000
Present value of funded obligations (note c)	(1,039,290)	(935,930)
Fair value of plan assets [note d(i)]	1,166,491	1,117,632
Asset in the statement of financial position	127,201	181,702

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

	2021 $'000	2020 $'000
Balance at beginning of year	181,702	202,030
Contributions paid	15,808	15,234
Pension expense recognised in surplus [note (e)]	(9,402)	(11,645)
Remeasurement recognised in other comprehensive income [note (f)]	(60,907)	(23,917)
Balance at end of year	127,201	181,702

17. Employee benefits asset (continued)

(c) Movement in the present value of funded obligations

	2021 $'000	2020 $'000
Balance at beginning of year	935,930	853,236
Service costs	20,992	19,800
Interest cost	82,802	63,544
Employees' contributions	13,891	13,246
Benefits paid	(31,824)	(25,202)
Actuarial losses/(gains) arising from:		
Experience adjustments	(13,800)	21,245
Changes in financial assumptions	31,299	(9,939)
Balance at end of year	1,039,290	935,930

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

	2021 $'000	2020 $'000
Fair value of plan assets at beginning of year	1,117,632	1,055,266
Employees' contribution	13,891	13,246
Employer's contribution	15,808	15,234
Interest income	100,490	79,268
Benefits paid	(31,824)	(25,202)
Administrative expenses	(6,098)	(7,569)
Actuarial losses	(43,408)	(12,611)
Fair value of plan assets at end of year	1,166,491	1,117,632

(ii) Plan assets consist of the following

	2021 $'000	2020 $'000
Quoted equities	269,816	227,465
Real estate investment trust	13,137	12,188
Government of Jamaica securities	303,269	349,698
Resale agreements	104,234	23,126
Investment in property	266,130	271,084
Global bonds	153,740	176,674
USD certificates of deposit	9,714	32,221
Units in Unit Trust	62,082	47,166
Other	(15,631)	(21,990)
	1,166,491	1,117,632

17. Employee benefits asset (continued)

(e) Expense recognised in surplus

	2021 $'000	2020 $'000
Current service cost	20,992	19,800
Interest cost on obligation	82,802	63,544
Interest income on plan assets	(100,490)	(79,268)
Administrative expenses	6,098	7,569
Net pension expense included in staff costs [note 26]	9,402	11,645

(f) Amounts recognised in other comprehensive income

	2021 $'000	2020 $'000
Remeasured losses on obligation	17,499	11,306
Remeasured losses on plan assets	43,408	12,611
	60,907	23,917

(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 $28,430,000 (2020: $25,230,000).

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

	2021	2020
Discount rate	8.0%	9.0%
Expected future salary increases	5.5%	6.5%
Expected future pension increases	3.75%	4.5%

(i) Sensitivity analysis on projected benefit obligation

The calculation of the projected benefit obligation is sensitive to the assumptions used. The table below summarizes how the projected benefit obligation measured at the end of the reporting period would have increased/(decreased) as a result of a change in the respective assumptions by one percentage point. In preparing the analyses for each assumption, all others were held constant. The economic assumptions are somewhat linked as they are all related to inflation. Hence, for example, a 1% reduction in the long-term discount rate would cause some reduction in the medical trend rate.

	2021		2020	
	1% Decrease $'000	1% Increase $'000	1% Decrease $'000	1% Increase $'000
Discount rate	179,800	(141,019)	160,985	(126,370)
Future salary increases	(48,496)	56,012	(43,953)	50,801
Future pension increases	(91,619)	107,361	(81,723)	95,746

17. Employee benefits asset (continued)

(j) Liability duration

	2021 Years	2020 Years
Active members	19.0	19.3
Deferred pensioners	17.0	17.8
Retirees	8.6	8.7
All participants	15.8	15.9

(k) The estimated pension contributions expected to be paid into the plan during the next financial year is $15,540,000 (2020: $15,090,000).

18. Leases

The Co-operative leases office space for its branches. The leases run for a period of 1-10 years. Previously, the leases were classified as operating leases under IAS 17. The discount rate used is 9%.

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.

	2021 $'000	2020 $'000
Balance at January 1	24,355	30,879
New right of use assets	31,166	11,403
Depreciation charge for the year	(18,237)	(17,927)
Balance at December 31	37,284	24,355

(ii) Lease liabilities:

Undiscounted cashflows of lease liabilities

	2021 $'000	2020 $'000
Less than one year	9,991	9,409
One to five years	26,919	12,418
Six to ten years	5,307	-
Total undiscounted lease liabilities	42,217	21,827
Discount	(1,660)	(3,671)
Carrying amount of lease liabilities	40,557	18,156

18. Leases (continued)

Leases as lessee (IFRS 16)

(iii) Amounts recognised in profit or loss

	2021 $'000	2020 $'000
Interest on lease liabilities	3,727	2,246

(iv) Amounts recognised in statement of cash flows

Total cash outflow for leases	12,492	19,215

(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

	2021 $'000	2020 $'000
Ordinary deposits		
At beginning of year	317,856	292,939
Add: savings and interest	634,712	519,498
	952,568	812,437
Less: withdrawals and transfers	(611,121)	(494,581)
At end of year	341,447	317,856
Golden Harvest Plan	1,591,294	1,562,060
Special fixed deposits	4,373,482	4,073,186
	6,306,223	5,953,102

The amounts are due to be settled as follows:

	2021 $'000	2020 $'000
Within 12 months	4,793,129	4,511,910
Over 12 months	1,513,094	1,441,192
	6,306,223	5,953,102

20. Members' voluntary shares

	2021 $'000	2020 $'000
At beginning of year	6,733,342	6,174,464
Add: Savings	1,862,203	1,730,604
Interest	252,047	174,930
	8,847,592	8,079,998
Less: withdrawals and transfers	(1,619,651)	(1,346,656)
At end of year	7,227,941	6,733,342

21. External credits

	2021 $'000	2020 $'000
JCCUL: Mortgage loans	395	1,324

The loans from the JCCUL are secured by registered titles. Interest is repayable at 8% (2020: 8%) per annum on the reducing balance method.

The amounts are due to be settled as follows:

	2021 $'000	2020 $'000
Over 12 months	395	1,324

22. Other liabilities

	2021 $'000	2020 $'000
Accrued charges	43,215	59,664
Interest payable	17,341	16,183
Withholding tax	5,052	5,122
Ministry of Education, Youth & Information refunds [note 13(b)]	4,652	4,365
JTA Housing savings deposits	8,112	8,111
Youth savings deposits	4,077	3,987
Insurance	13,490	12,731
Other payables	96,451	76,764
	192,390	186,927

23. Institutional capital

	2021 $'000	2020 $'000
Members' permanent shares (a)	87,910	87,137
Statutory reserve (b)		
Balance at beginning of year	2,459,156	1,953,930
Transfer from current year surplus	164,981	205,032
Transfer from prior year undistributed surplus	-	300,186
Entrance fees	8	8
Balance at end of year	2,624,145	2,459,156
	2,712,055	2,546,293

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% of total assets, as agreed at the Annual General Meeting.

24. Non-institutional capital

		2021 $'000	2020 $'000
(a)	Accumulated surplus	826,251	673,832
(b)	Employee benefits asset reserve	127,201	181,702
(c)	Fair value reserve	42,393	87,249
(d)	Loan loss reserve [note 10(c)]	-	-
(e)	Revaluation reserve	9,430	9,430
(f)	Permanent share reserve	2,558	2,329
		1,007,833	954,542

(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, when the Co-operative adopted IFRS for the first time.

(f) Permanent share reserve

This represents an amount set aside from surplus to be ascribed as permanent shares for members.

25. Other income

	2021 $'000	2020 $'000
Fees	43,512	36,640
Bad debt recovery	32,202	46,152
Exchange gains on foreign currency deposits	4,199	6,724
Dividend income	552	353
Operating lease income [note 12(b)]	872	859
Gain on disposal of investment property	2,410	-
Gain on disposal of other assets	470	-
Realised gains on investments	37,223	-
Miscellaneous income	3,580	7,166
	125,020	97,894

26. Salaries and other staff costs

	2021 $'000	2020 $'000
Salaries and wages	278,377	257,892
Payroll taxes	43,632	36,712
Pension expense [note 17(e)]	9,402	11,645
Staff welfare	35,255	30,293
Other staff benefits	94,276	86,352
	460,942	422,894

	2021	2020
The number of persons employed during the year:		
Permanent staff	117	114
Temporary staff	12	12
	129	126

(i) The Co-operative's contribution to the defined contribution multi-employer pension plan for the year amounted to $5,433,000 (2020: $4,064,000).

27. Nature of expenses

	2021 $'000	2020 $'000
Administrative		
ABM	7,974	6,155
Advertising and publicity	45,387	46,598
Amortisation	7,335	7,335
Annual general meeting	7,728	5,746
Auditors' remuneration (inclusive of GCT):		
current year	8,662	7,698
prior year	1,847	-
Board and committee meetings	10,037	11,312
Board and committees' travelling	11,946	11,951
Ceremonies	2,919	1,742
Consultancy fees	5,375	3,281
Data processing	54,165	44,188
Depreciation	38,718	35,154
Entertainment	162	89
General office	10,717	10,307
Insurance	5,859	5,070
Motor vehicle upkeep for travelling officers	30,172	28,537
Motor cycle repairs	233	210
Postage and telegrams	3,699	3,543
Repairs and maintenance	12,664	16,173
Security	22,684	22,122
Stationery and printing	15,047	13,934
Staff and board retreat	469	4,859
Travelling	9,369	10,349
Donations	4,496	4,367
	317,664	300,720
Affiliation		
League fees	26,941	24,423
League and other meetings	699	-
Stabilisation dues	9,515	11,718
	37,155	36,141
Establishment		
Cleaning and sanitation	6,934	5,485
Electricity and telephone	42,136	33,061
Janitorial services	11,563	7,500
Rates and taxes	16,923	4,718
	77,556	50,764
Members' security		
Loans and savings insurance	72,437	80,815
Golden harvest savings insurance	16,002	9,462
	88,439	90,277
Total other operating expenses	520,814	477,902

28. Dividends

At the Annual General Meeting held on May 15, 2021 (2020: October 2, 2020), the members moved a motion to pay dividends of $6,086,000 (2020: $4,280,000).

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 $200,000 (2020: $100,000).

(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 $72,437,000 (2020: $80,815,000).

(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 $16,002,000 (2020: $9,462,000).

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.

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:

	2021 $'000	2020 $'000
Loan balances	18,875	10,780
Members' deposits	19,420	23,840
Permanent Shares	14	19
Voluntary Shares	6,035	7,395
Interest earned from loans	217	746
Interest paid on deposits	764	643

(b) At the reporting date, 15 (2020: 15) members of the Co-operative's Board of Directors and 14 (2020: 11) committee members had balances and transactions with the Co-operative as follows:

	2021 $'000	2020 $'000
Members' deposits	60,202	91,406
Permanent Shares	220	228
Voluntary Shares	37,378	34,347
Loans including accrued interest	105,245	101,487
Interest paid on deposits	2,960	3,100
Interest earned from loans	11,072	11,536

During the year, no director, committee member or staff received loans which necessitated waiver of the loan policy. The secured loans to directors, committee members and staff were $105,315,000 (2020: $93,986,000) and unsecured loans were $18,805,000 (2020: $18,281,000), and were being repaid in accordance with their loan agreements. No impairment has been recognised on related party balances.

30. Related party transactions (continued)

(c) Compensation of key management personnel

The remuneration of key management personnel (included in staff costs) during the year was as follow:

	2021 $'000	2020 $'000
Salaries and other short-term benefits	46,917	45,226
Post-employment benefits (*)	3,378	3,171
	50,295	48,397

*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:

	Loans to members $'000	Members' deposits $'000	Members' voluntary shares $'000
Balance as per general ledger	12,410,887	6,306,223	7,227,941
Balance as per members' ledger	12,410,887	6,306,223	7,227,941
Variances at December 31, 2021	-	-	-
Variances at December 31, 2020	-	-	-

32. Capital commitment

As at December 31, 2021, the Co-operative entered into contracts for capital expenditure in the amount of $335,758,000 (2020: $9,798,000) in respect of which deposits amounting to $83,095,000 (2020: $6,665,000) have been made [see note 14(i)].

33. Covid-19 impact

The COVID 19 outbreak, which was declared a pandemic in March 2020, continued to affect economic activity and business operations locally and globally during 2021. There were additional waves of spiked infection rates in August and December 2021 locally. However, with vaccines being administered since March 2021 and the continuation of measures to contain the spread, there was a gradual increase in economic activity throughout the year. While consumer confidence rebounded, the activity did not return to pre-pandemic levels. The financial markets recovered some lost ground, but the performance fluctuated.

33. Covid-19 impact (continued)

The level of business activity at the Co-operative improved during the year but was affected largely by the continuation of virtual teaching. Nevertheless, loan activity was commendable, resulting in an increase of $218 million in the portfolio. In addition, at the end of the year, the delinquency rate was a healthy 3.03%. Notably, the performance of the investment portfolio recovered from the 2020 fallout in the financial markets. The portfolio earned $34 million on the equity-based funds, a turnaround from the $41 million loss in 2020.

The co-operative continued to have a buoyant liquidity position throughout the year.

The credit union continued to operate under the Disaster Risk Management policy which provided guidance in mitigating the impact of the pandemic.

There could be further significant negative financial effects on the Co-operative, depending on factors such as (i) significant sustained control of the outbreak, (ii) the levels of vaccination of the population, (iii) the continued effects on the global financial markets, (iv) the sustained return to physical classroom learning, and (v) 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 YEAR ENDED DECEMBER 31, 2021

The JTA Co-op Credit Union operations continued to be impacted by the downturn in the economy occasioned by the COVID-19 Pandemic.

Despite this, it persevered and was able to serve the varied needs of its members throughout the year. The five members Credit Committee met as required to review the applications for loans, and met with members facing extenuating situations which hindered them from meeting their financial obligations.

This year the committee, comprising five (5) volunteers, processed over three hundred loan applications. The committee remained resolute in promoting the welfare of the members whilst protecting the company's assets.

Except in rare cases, loans were granted due diligence, exercised to ensure that the requests were legitimate. Consideration was given to the members' credit history, the security presented, purpose of the loans and the members' ability to service their loan.

The committee also ensured compliance with lending regulations and Credit Union policies, whilst protecting the interest of the membership.

Additionally the committee reviewed special lending products and proffered appropriate recommendations to the board.

MEMBERS OF THE CREDIT COMMITTEE

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

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

MEMBERS	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED	NUMBER OF EXCUSES
MRS. ANNE GEDDES-NELSON	62	62	0
MRS. LENA RUSSELL	62	56	6
MR. NORMAN ALLEN	62	59	7
MR. LEAON NASH	62	56	6
MR. CHRISTOPHER SINCLAIR	62	56	6

REGULAR WEEKLY MEETINGS

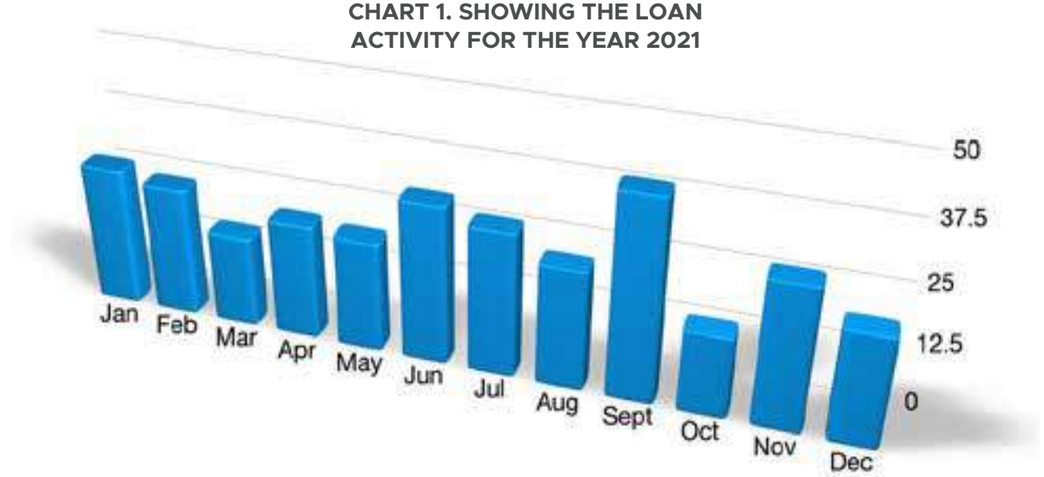
A total of 322 loan applications were brought before the committee. Below in Table 2, this number is disaggregated in terms of monthly requests. An average of twenty-six (26) loan applications was processed each month. The data show a relatively steady stream of activity over the twelve months period; the greatest uptick being in September and November respectively.

The usual back to school period was not as busy as in former years since schools resumed in the virtual space.

TABLE 2. Gives a graphic picture of the applications processed for the 2020 period.

MONTHS	NUMBER OF LOAN APPLICATIONS	MONTHS	NUMBER OF LOAN APPLICATIONS
JANUARY	29	JULY	30
FEBRUARY	27	AUGUST	25
MARCH	19	SEPTEMBER	42
APRIL	24	OCTOBER	17
MAY	23	NOVEMBER	30
JUNE	33	DECEMBER	23
SUB-TOTAL	155		167
TOTAL 322			

CHART 1. SHOWING THE LOAN ACTIVITY FOR THE YEAR 2021



LOAN PROCESSING ACTIVITIES

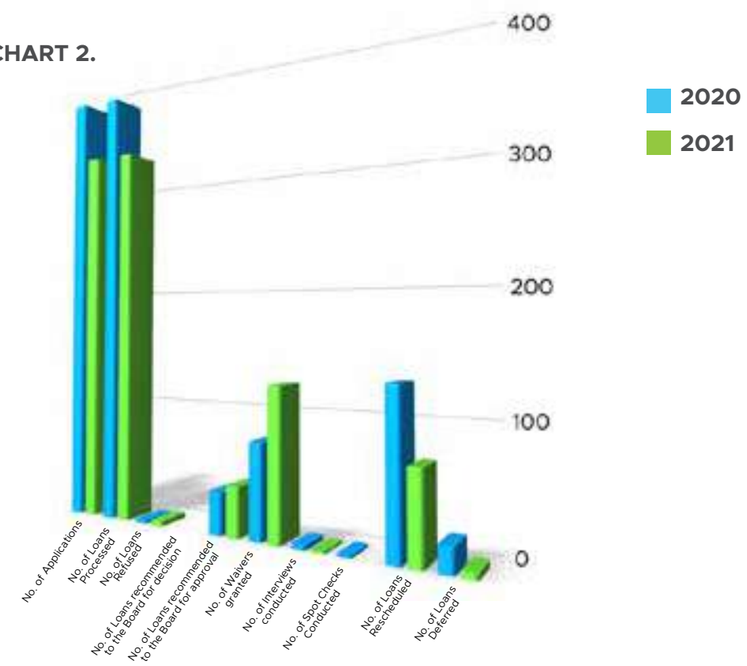
Of the 322 loan applications presented to the credit Committee, 249 were requests for loan approvals while 73 were for rescheduling of loan repayment.

Majority of the requests (59) for rescheduling came from retired members awaiting gratuity and pension benefits, the remaining requests (14) were from members facing extenuating circumstances which resulted from displacement or ill-health. Table 3 gives a detailed breakdown of the business activities for the 2021 and chart 2 provides a visual picture of the comparison between 2020 and 2021.

TABLE 3.

MONTHS	2020	2021
No. of Applications	374	322
No. of Loans Processed	374	322
No. of Loans Refused	3	4
No. of Loans recommended to the Board for decision	0	0
No. of Loans recommended to the Board for approval	35	41
No. of Waivers granted	78	123
No. of Interviews conducted	4	2
No. of Spot Checks Conducted	2	0
No. of Loans Rescheduled	129	71
No. of Loans Deferred	20	5

CHART 2.



When compared to 2020, there was a decrease of 14.4% in the number of loan applications submitted and processed by the committee during the 2021 period.

The number of waivers granted in 2021 (123), showed a 63.4% increase over the 2020 period where 78 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 decrement of 45% from 129 in 2020 to a total of 71 in the 2021 period. In terms of loans referred to the Board of Directors for ratification, this increased nominally by 17% from a total of 35 in 2020 to 45 in 2021.

Loans deferred this year decreased from twenty (20) in 2020 to five (5) in 2021. Loans are usually deferred until members submit additional documentation or acquire insurance to secure loan.

Loans refused remained at an infinitesimal 1.5%.

TABLE 4. Shows the breakdown of the monthly loan activity of the period Jan – Dec. 2021

MONTH	APPLICATIONS	APPROVALS	APPROVALS WITH WAIVERS	APPLICATIONS PENDING	RESCHEDULED	RECOMMENDATIONS TO THE BOARD	INTERVIEW	DEFERRAL	DENIED
JAN	29	9	8	1	4	6	0	1	0
FEB	27	8	6	0	10	1	0	0	2
MAR	19	7	7	0	5	0	0	0	0
APR	24	10	3	0	8	3	0	0	0
MAY	23	9	2	0	8	4	0	0	0
JUNE	33	9	9	0	8	7	0	0	0
JUL	30	7	16	0	4	3	0	0	0
AUG	25	8	8	1	4	3	1	0	0
SEP	42	9	20	0	5	5	1	2	0
OCT	17	4	6	0	6	5	0	1	0
NOV	30	0	18	0	6	5	0	1	0
DEC	23	3	10	0	3	4	0	1	2
TOTAL	**322**	**83**	**113**	**2**	**71**	**42**	**2**	**5**	**4**

LOAN ANALYSIS

Table 5 gives a visual of loans issued during the years as well as a comparison between 2020 and 2021. A total of two hundred and forty-seven new loans were approved which is five (5) loans higher than last year; an infinitesimal increase over 2020. The total value of loan approved by the committee in 2021 was $641,846,631.10 representing an increase of 32.56% from the approved $484,176,145.86 approved in 2020.

DEBT CONSOLIDATION

One hundred and ninety-five million, eight hundred and eleven thousand, two hundred and ninety eight dollars and eighteen cents ($195,811,298.18) approximately 30% of all loans approved by the committee were for the purpose of consolidating debts. When compared to 2020, the above figure is just about 2% higher than the amounts approved for the facility in 2020. This product continued 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 20% or one hundred and thirty- one million, one hundred and fifty-five thousand, four hundred and thirty-seven dollars and eighty - two cents ($131,155,437.82) of the total value of loans approved by the committee. This figure represents an increase of 8% when compared to 2020.

AUTO LOANS

Auto loans which represented the largest category of loans approved by the committee in 2020 ranked third in 2021. One hundred and twenty two million, two hundred and fifty-nine thousand, one hundred and fifty-eight dollars and eleven cents ($122,259,158.11) were dispersed this year. The acquisition of this asset continued to pique members' interest.

MORTGAGE PAYMENT/ PROPERTY PURCHASE

The amounts disbursed for Mortgage payment ($39,474,275.25) account for 6% of the total loan portfolio. Combined with property purchase they account for 10%. This is a clear indicator that home ownership still remained a priority for our membership.

MOTOR VEHICLE

Motor Vehicle purchase ranked fifth (5th) totalling twenty-seven million, eight hundred and forty thousand, two hundred and twenty seven dollars and thirty seven cents ($27,840,227.37). This represents 4% of total loans.

CONSTRUCTION

Construction, another loan product closely linked to home ownership, experienced a slight decrease when compared to 2020. It was lowered to eight million three hundred and thirty-nine thousand six hundred and sixty-one dollars and seventy-six cents (8,339,661.76) or 4%.

2020 saw a lowering of application for the education loans; this improved significantly in 2021 with education clinching 2% of the total loans approved by the committee.

All other loans account for the remaining 10% of total loans.

CHART 3. Shows the breakdown of the monthly loan activity of the period Jan – Dec. 2021

CHART SHOWING THE DIFFERENT LOANS CATEGORIES

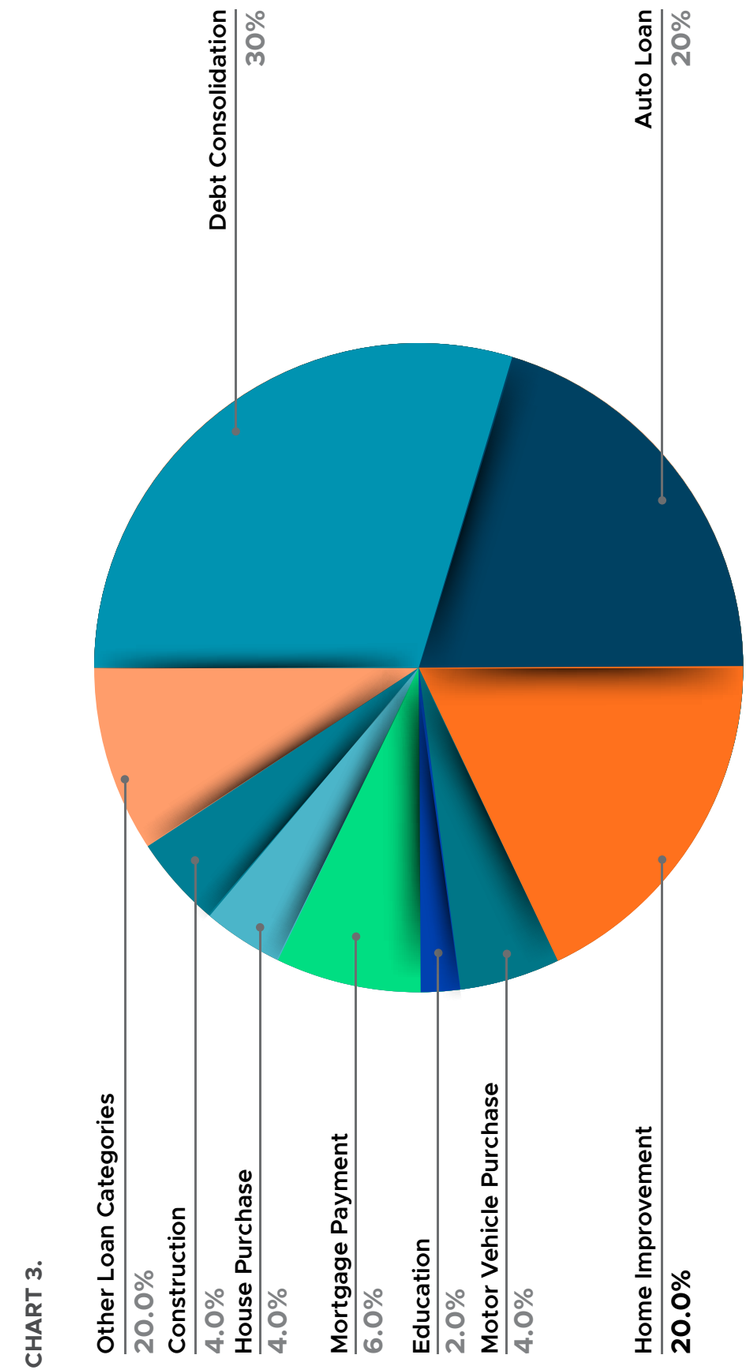


TABLE 5

LOAN TYPE	NO. OF LOAN APPLICATIONS		NO. OF LOANS APPROVED		CASH APPROVED	
	2021	2020	2021	2020	2021	2020
Debt Consolidation	72	65	71	64	195,811,298.18	138,263,455.98
Auto Loan	45	52	44	51	122,259,158.11	168,224,876.22
Home Improvement	47	38	47	38	131,155,437.82	57,887,953.72
Motor Vehicle Purchase	16	20	16	20	27,840,227.37	28,006,806.40
Education	14	17	12	17	15,835,472.18	8,842,122.44
Mortgage Payment	5	6	4	6	39,474,275.25	21,539,630.30
House Purchase	3	2	3	2	19,424,778.57	4,990,424.63
Property Purchase	9	8	9	8	28,730,642.11	28,554,677.06
Personal	10	8	10	7	10,943,357.00	4,645,780.00
Debt Payment	0	1	0	1		300,000.00
Construction	3	6	3	6	8,339,661.76	10,548,290.52
Medical	4	4	4	4	2,730,478.37	3,021,000.00
Agriculture	1	0	1	0	1,000,000.00	-
Business Investment	4	2	4	2	24,537,248.54	7,300,000.00
Motor Vehicle Repairs	1	3	1	3	400,000.00	1,263,667.35
Funeral Expenses	1	0	1	0	543,536.00	-
Vacation	1	0	1	0	3,610,819.70	-
Other (Legal Fees)	2	1	2	1	832,535.85	373,056.66
Purchase Appliance/Furniture	1	1	1	1	396,816.47	200,000.00
Bill Payment	1	2	1	2	383,567.86	1,276,742.84
Deposit on Property	2	0	0	0	1,894,598.48	-
Motor Vehicle Insurance	0	1	0	1		272,000.00
Back to School	0	0	0	0		-
Deposit on House	1	1	1	1	6,997,007.30	1,253,838.92
Land Purchase Fee	2	1	2	1	832,535.85	1,100,000.00
Property Insurance	0	1	0	1		400,000.00
Credit Card	1	2	1	2	361,447.99	2,111,813.82
Rescheduled	93	129	-	-		
Deferred	3	-	-	-		
Denied	2	3			-2,488,670.51	(6,200,000.00)
Total		**374**		**242**	**644,335,301.61**	**484,176,145.86**

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".

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.

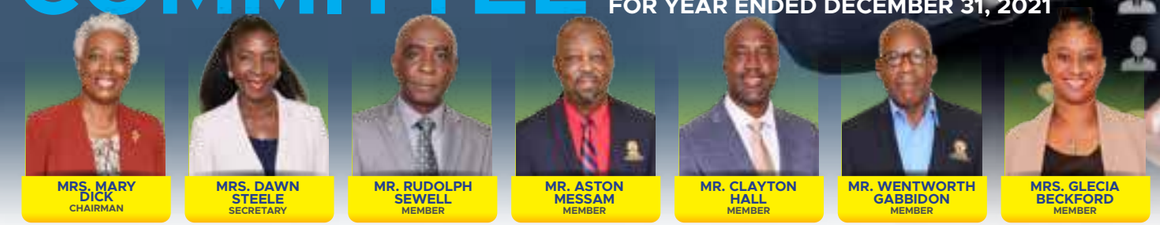
Thanks to the various categories of staff for their cooperation throughout this unusual year.
To the membership, thanks for your continued subscription to the Credit Union of Choice.

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

Anne Geddes Nelson, Credit Committee Chairman

Report of the SUPERVISORY COMMITTEE

FOR YEAR ENDED DECEMBER 31, 2021



The Fifty-Seventh (57th) Annual General Meeting of the Jamaica Teachers' Association Co-operative Credit Union was held virtually on Saturday, May 15, 2021. This was the first Annual General Meeting ever to be held online in the Credit Union's history, as the COVID – 19 pandemic continued to have an impact on the island.

All seven (7) members serving on the Committee and 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. Rudolph Sewell
Mr. Aston Messam
Mr. Clayton Hall
Mr. Wentworth Gabbidon
Mrs. Glecia Beckford

On Monday, May 17, 2021, a virtual Special Joint Board and Committee meeting was held to elect officers to serve on the various Committees. Mrs. Mary Dick and Mrs. Dawn Steele were unanimously elected to serve as Chairman and Secretary respectively. The following members were elected to represent the Supervisory Committee on Sub-Committees:

Mr. Rudolph Sewell
Policy Committee

Mrs. Dawn Steele
Promotion and Education Committee

Mr. Clayton Hall
Delinquency Committee

ROLE AND FUNCTIONS OF THE SUPERVISORY COMMITTEE

With its responsibility being to audit the operations of the Credit Union on behalf of the members, the Supervisory Committee ensures 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 monitor the adherence to policies as well as the overall performance of personnel and systems of the Credit Union. The scope of functions of the Committee also encompasses the observation and monitoring of the effectiveness of the Board of Directors, Credit Committee, Loans and Credit Systems, Human Resources and Branch operations.

MEETINGS

The Committee had twelve (12) regular monthly meetings; attended Joint Board and Committee meetings and participated in Round Robin sessions. The Committee also attended monthly work sessions at the Head Office. Additionally, members of the Committee attended meetings of sub-committees of the Board including:

+ Delinquency Committee
+ Policy Committee
+ Promotions and Education Committee
+ Human Resource Committee
+ Risk & Compliance Committee

RECORD OF ATTENDANCE

MEMBERS	POSSIBLE SESSIONS	ACTUAL ATTENDANCE	EXCUSED	ABSENT
Mrs. Mary Dick	12	12	0	0
Mrs. Dawn Steele	12	12	0	0
Mr. Wentworth Gabbidon	12	10	2	2
Mr. Aston Messam	12	12	0	0
Mr. Clayton Hall	12	11	1	1
Ms. Glecia Beckford	12	12	0	0
Mr. Rudolph Sewell	12	12	0	0

FILES

Transaction files that were selected randomly for examination at the Head Office and the branch offices amounted to Two Thousand, Five Hundred and Thirty (2,530). In addition, the following files were examined by the Supervisory Committee:

+ Furniture and Fixture
+ Maintenance and Repairs Files
+ Senior Managers' Payroll files
+ Members' Files
+ Volunteers' files
+ Minutes of Board meetings
+ Policies

VISITS AND INSPECTIONS

Ten (10) of the eleven (11) branch offices were visited by members of the Supervisory Committee. The other one is scheduled to be visited in February 2022.

During the year, branches were visited with the aim of:

+ Observing the operations and physical conditions of the offices;

+ Examining files to ensure that loans were properly secured and loan policies were being adhered to;

+ Checking inventories to ensure that the physical assets of the Credit Union are safeguarded and accounted for.

+ Ensuring that the systems, policies and established procedures of the Credit Union are being adhered to at all the branches.

FINDINGS AND OBSERVATIONS

+ The Supervisory Committee is pleased to report that in all branches visited, strict COVID-19 protocols continued to be implemented and followed by both staff and members of the Credit Union.

+ At all the branches visited by the Committee, customers present stated they were satisfied with the service received at the branch offices.

+ At the ten branches visited, the Committee reviewed a total of Four Hundred and Eighty (480) Loan Applications and Withdrawals broken down as follows:

Loan Applications: 366 Regular loans
60 Loans within Shares

Withdrawals: 40 Dividends
12 from Shares
2 from Deposits

The files examined were found in good order at all the branches visited.

+ There was general maintenance and repairs to branch offices and the head office throughout the year. We have submitted a recommendation for the repair of leaking roofs at the Morant Bay and Portmore branches to be addressed. The Portmore branch is also in need of expansion to better accommodate the members as well as administrative services.

+ The Committee also noted that the recommendation for improved security at the Mandeville and Santa Cruz branch offices was implemented:

TRAINING

The Credit Union continues to invest in the training and development of the staff and volunteers. Throughout the year, members of the Supervisory Committee participated in the following training sessions.

+ Online seminar for the Proceeds of the Crime Act (POCA.

+ Understanding the P.E.A.R.L.S Rating System (Financial ratios used to monitor financial stability of the Credit Union).

ACCOUNTING RECORDS

Relevant files and loan applications were examined regularly by the Committee to ensure that loans were properly secured and applications correctly completed. It was observed that the correct interest rates were applied and calculations computed according to established principles. The Committee noted that the required information on Loan Applications, for example, the Taxpayer's Registration Number of the applicant, was completed in almost all instances. The Committee also reports that the monthly payrolls were examined and deductions were made from staff salaries and the funds paid over to the relevant institutions.

INTERNAL AUDIT

Monthly Internal Audit Reports were submitted to the Committee throughout the year. The findings as well as the recommendations for improvements to procedures were perused by the Committee. Management and other personnel were invited to clarify issues in the reports where necessary. The Chairman of the Committee presented the reports to the Board of Directors at their monthly meetings. The Internal Audit Department examined the following:

+ **Accruals**
+ **Auto Loans**
+ **Bank Reconciliation**
+ **Branch Documents**
+ **Branch Operations**
+ **Branch Returns**
+ **Cheque Desk Operations**
+ **Closed Accounts**
+ **Delinquency**
+ **Dormant Accounts with Loan Balances**
+ **Fixed Assets**
+ **Insurance for Loans over six million dollars ($6,000,000.00)**
+ **Investments**
+ **Journals**
+ **Matured Golden Harvest Accounts**
+ **New Membership Requirements**
+ **Net Savers**
+ **Overage/Shortage**
+ **Overdrawn Accounts**
+ **Override Reports**
+ **Payroll**
+ **POCA Programmes and Exams**
+ **Personal Loans > $3 million**
+ **Printing and stationery – general**
+ **Procurement Practices**
+ **Prospective Accounts**
+ **Reactivated Accounts**
+ **Receipts**
+ **Returned Cheque Register**
+ **Special Services**
+ **Staff Deductions**
+ **Staff Training**
+ **Teacher Optimizer Plus**
+ **Threshold, Suspicious and other required transaction reports**
+ **User Access Matrix**
+ **Value Books**

The Internal Audit Plan for the year 2021 was examined and approved by the Supervisory Committee. It was noted that some critical areas highlighted by the External Auditors, KPMG formed part of the Audit Plan. These areas related to regulatory, financial, operational and technological matters.

VOLUNTEERS' PERFORMANCE BOARD OF DIRECTORS

The Board of Directors continued to provide excellent policy direction, enabling our Credit Union to perform well in its strategic initiatives undertaken this year.

CREDIT COMMITTEE

The Credit Committee continues to meet weekly to approve loans. Committee members steadfastly ensure that loans are granted according to the Loan Policy of the organization and the guidelines of the regulator.

The Supervisory Committee commends the members on their efficiency and dedication.

VOLUNTEERS AND STAFF LOANS

CATEGORIES	TOTAL SAVINGS ($M)	TOTAL LOAN ($M)
VOLUNTEERS	97,800,141.51	97,800,141.51
STAFF	153,586,711.08	153,586,711.08
TOTAL	251,386,852.59	251,386,852.59

MANAGEMENT AND STAFF

The Management and Staff of the Credit Union continued to display commitment and professionalism in carrying out their responsibilities. We commend them and acknowledge their contribution to the success of the Credit Union.

ACKNOWLEDGEMENTS

The Supervisory Committee wishes to take the opportunity to congratulate the Management, Staff and volunteers of the Jamaica Teachers' Association Co-operative Credit Union on its valiant efforts to maintain efficiency in the operations and systems of the Credit Union especially as COVID-19 pandemic continues to post challenges in many of our financial institutions and other sectors of our economy. We also recognize the continued efforts of the Marketing Department to increase the JTA Credit Union's brand and image through increased activities and promotional events on Facebook, the Credit Union's website and other social media platforms.

Last but certainly not least, we extend our sincere gratitude to the membership, for the trust that you have placed in us to serve this most esteemed Credit Union. We are humbled by your confidence in our stewardship and we worked diligently throughout the year to safeguard your assets and ensured that the Jamaica Teachers' Association Co-op Credit Union continues to positively impact the lives of our members.

Mary Dick,
Supervisory Committee Chairman

General MANAGER'S PROGRESS REPORT

Digital transformation, automated services and remote access were goals actively being pursued by the organization well before the COVID-19 pandemic arrived. However, the effects of the pandemic have brought greater focus and accelerated the implementation of these initiatives. In order to mitigate the disruptions caused by the pandemic and to continue to improve the lives of our members, the Credit Union expanded the ways it interacted with the membership. This took the form of increased social media presence, email correspondences and text messaging. Additionally, the Credit Union enhanced its ability to offer services remotely to our members. The Special Services email channel was developed to allow members to request services and transact business remotely and our website was redesigned to become the central point for information and service.

The efforts of the organization to stay connected with its members coupled with the trust and confidence of the membership to save, borrow and invest with the Credit Union has yielded continued growth.

As at March 31, 2022 the Credit Union has grown to:

SAVINGS **$13,873M**

ASSETS **$17,905M**

LOANS **$12,586M**

MEMBERSHIP **30,211**

STRATEGIC PLANNING

The Credit Union is aware that it is imperative to continuously chart a path for success for the organisation, that is why we started the new year by crafting strategic plans tailored to fit the challenges expected in 2022. Over thirty key initiatives in Banking Operations, Information Technology, Human Resources, Finance and Marketing have been approved for implementation. These initiatives are aimed at expanding our services, improving our operational efficiencies and providing greater member engagement and satisfaction.

BANKING OPERATIONS

INCREASE BUSINESS GENERATING CAPACITY:
The Credit Union has committed itself to increase its membership drive throughout 2022. Therefore, the capacity at each branch location will be strengthened to accommodate this anticipated growth. The period between recruiting and complete onboarding of new members will be shortened. Additionally, the Credit Union will offer faster, safer and more convenient service to existing members therefore the need for increased business capacity.

RECORDS MANAGEMENT:
The anticipated influx of new members coupled with the need to maintain accurate records for existing members has necessitated improved records management. Regular transaction documents will be digitized and kept for each member in electronic storage. To ensure that this initiative is successful, staff members will be duly trained and supported where necessary.

BUILD MEMBER EDUCATION:
The Credit Union will seek to increase member education in the areas of Co-operative Principles and Financial Planning. For 2022, the Credit Union will host member education seminars, circulate email articles and write blogs as well as establish a financial counselling platform to assist members on a one-on-one basis.

LOAN GROWTH AREAS:
To remain a viable organization the Credit Union has to ensure that our loan portfolio remains healthy by continuous growth. To realize this growth the following areas will be in sharp focus for 2022.

+ Unsecured loan: This portfolio will be kept within the Credit Union 's prescribed parameters.
+ Secured loans: This portion of the loan portfolio will be given special attention, as this is critical to the health of the organization. Special loan sales will be held periodically to boast the growth of this portfolio.
+ Delinquency: To manage the delinquency portfolio for 2022 the Credit Union will continue to employ the successful strategies that were used in 2021. These included: building staff competencies through training, actively monitoring the portfolio to detect early signs of default, and to increase communication with members facing financial challenges with the aim of restoring the account.

INFORMATION TECHNOLOGY

To deliver the desired outcomes from the Information Technology strategies, various initiatives will be undertaken to improve IT infrastructure and connectivity; as well as acquire and maintain systems and processes that support the business operations and customer service of the organization.

CORE INFRASTRUCTURE IMPLEMENTATION:
The foremost initiative to be realized in 2022 is the replacement of the organization's physical infrastructural technology. This will allow the organization to remain current, secure and resilient against the ever- growing cyber security threats and the increasing demand for processing capacity and storage.

VIRTUAL SERVICES ENHANCEMENT:
It is the goal of the IT department to continuously improve the ability of the organization to facilitate our members online. This initiative will begin with members being able to apply for membership online as well as select loans. Members will also be able to transact debit card payments and ecommerce activities. These transactions will take place via the Credit Union's enhanced website.

DATA MANAGEMENT:
The organization's data must always be properly and accurately secured. Failure to strengthen data protection can result in serious implications for the organization. To that end, the IT Department will support data cleansing ensuring that all records are accurate and complete. How the organization captures, stores and retrieves membership data will also be given special consideration as this affects our data processing and workflow.

MARKETING AND PUBLIC RELATIONS

The JTA Co-op Credit Union exists to. Improve the lives of our members by means of providing excellent financial services. This mission puts the members at the centre of what we do as an organization. The marketing and public relations efforts of the organization will focus primarily on the members and their well-being. The following activities will be undertaken:

School Visits: This long-standing activity will be intensified throughout 2022. Traditionally, school visits allow the Credit Union to have much needed one-on-one interactions with members at the various institutions. This kind of interface is very important especially given recent realities with COVID-19 causing some teachers to be out of the schools.

DIGITAL MARKETING:
The Credit Union intends to increase its use of the online space to advertise and communicate with members. Members will enjoy a constant flow of timely information from the JTA Credit Union.

NEW MEMBERS COMPETITION:
One competition will be held during 2022 to encourage new members to sign up with the Credit Union. This will operate alongside a sustained yearlong new member drive.

REACTIVATION OF DORMANT & INACTIVE ACCOUNTS:
The Credit Union recognizes that there are some members whose accounts have gone dormant or inactive for various reasons. These members will be contacted and invited to re-engage with the Credit Union and benefit from the many offerings of the organization.

HUMAN RESOURCES DEVELOPMENT AND ADMINISTRATION

STAFF TRAINING:
The COVID-19 pandemic has resulted in a rapidly increasing use of technology. In order to serve our members better, the HRD and Administration functions will focus on key initiatives that will result in our members of staff being able to serve each member in the best possible way through the use of technology. To achieve this goal the Credit Union will ensure that staff members participate in learning opportunities, especially in the areas of the use of technology, customer service and banking regulations.

HUMAN RESOURCE PLANNING:
A comprehensive succession planning programme is extremely important to the organization therefore great focus will be given to this area during 2022, including cross-training in critical areas and staff rotation. During 2022 the HRD& Administration department will also seek to improve effectiveness in time and vacation leave management to ensure that important staff functions are performed at optimal levels. Greater use will be made of technology in gathering and processing data to support payroll administration. The continued health and well-being of staff members is a priority of the organization, therefore the Credit Union will create and maintain a supportive workplace culture for team members.

BUILDING MAINTENANCE:
The Credit Union has established a programme of maintenance and upgrade of the physical infrastructure and aesthetics at each location. The following locations have been earmarked for improvements, Portmore, Montego Bay, Port Antonio and Linstead.

ANNUAL BRANCH AND STAFF AWARDS

Each year recognition is given to the hard work and dedication of our staff which is a key ingredient to our success. Special commendation to our Employee of the Year **Norda Brown** and our Branch of the Year, Portmore. **Millicent Westcarr** Regional Officer for the Portmore Branch copped Saleswoman of the Year and the Managerial Cup was awarded to **Rowan McFarlane**, Regional Officer for May Pen and Linstead branches.

Staff of the year awardee Norda Morgan, Supervisor of the St. Elizabeth Branch collects her award from the General Manager

Saleswoman of the Year Millicent Westcarr is handed her prize by the General Manager

Employee of the Portmore Branch proudly receive their trophy for Branch of the Year 2021.

Regional Officer Rowan McFarlane is the winner of the Managerial Cup for 2021.

Very special congratulations are extended to the following individuals who together have served the organization for a combined **115 YEARS.**

Marie Morgan
CREDIT MANAGER
HEAD OFFICE
35 years

Angella Hartley
BRANCH SUPERVISOR
PORT ANTONIO
30years

Robert Murray
MESSENGER
HEAD OFFICE
30 years

Anecia Campbell-Fyne
ACCOUNTS SUPERVISOR
HEAD OFFICE
10 years

Kerrisha Facey
MEMBER SERVICE REPRESENTATIVE
LINSTEAD
10 years

STAFF MOVEMENT

During 2021 three staff members bid farewell due to retirement: Mr. Joel Scott Regional Officer North-East Region, Mrs. Laurel Bruff and Mrs. Dorothy Henry both office attendants from the Head Office location. Two staff members departed due to resignations however, the organization welcomed eight new staff members, four of whom were placed in newly established positions.

Dorothy Henry

Laurel Bruff

Joel Scott

GRATITUDE AND APPRECIATION

Heartfelt thanks to our members for the trust, loyalty and confidence that they have placed in this worthy institution. Expression of thanks to our various school communities who facilitated us in whatever way they could even during the pandemic. Sincere appreciation to the faithful volunteers (directors and committee members) for their contribution to our accomplishments over the years.

Special thanks to the team of enthusiastic and committed staff who stood tall in the face of the pandemic and went beyond the call of duty to ensure that the Credit Union remained operational and responsive to the changing times.

Above all, thanks 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

LEBERT DRYSDALE
CHAIRMAN

MR. ALVIN LAWSON
MEMBER

DR. PAULETTE SHAND
MEMBER

MR. ROBERT RAMSAY
GENERAL MANAGER

The Nominating Committee met at the Jamaica Teachers' Association Co-operative Credit Union Limited, 97A Church Street, Kingston, on Thursday, March 24, 2022.

PRESENT WERE:

Mr. Lebert Drysdale,
CHAIRMAN
Dr. Paulette Shand,
MEMBER
Mr. Alvin Lawson, MEMBER
Mr. Robert Ramsay, GENERAL MANAGER, ADVISOR TO THE COMMITTEE

The Chairman welcomed all to the meeting, he outlined the responsibilities of the Committee and the objectives of the meeting. The main objective is 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

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

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

Retiring members are:
Mrs. Lena Russell
Mr. Leaon Nash

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

Mrs. Lena Russell
Mr. Leaon Nash

SUPERVISORY COMMITTEE

All members are retiring:
Mrs. Mary Dick
Mr. Wentworth Gabbidon
Mrs. Dawn Steele
Mr. Aston Messam
Mrs. Glecia Beckford
Mr. Clayton Hall
Mr. Rudolph Sewell

Members nominated to serve for one year are:
Mrs. Mary Dick
Ms. Tina Reid
Mrs. Dawn Steele
Mr. Aston Messam
Ms. Glecia 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

Lebert Drysdale
Chairman

VOLUNTEERS RETIRING IN THE YEAR 2023

Volunteers retiring will be as follows:

BOARD OF DIRECTORS

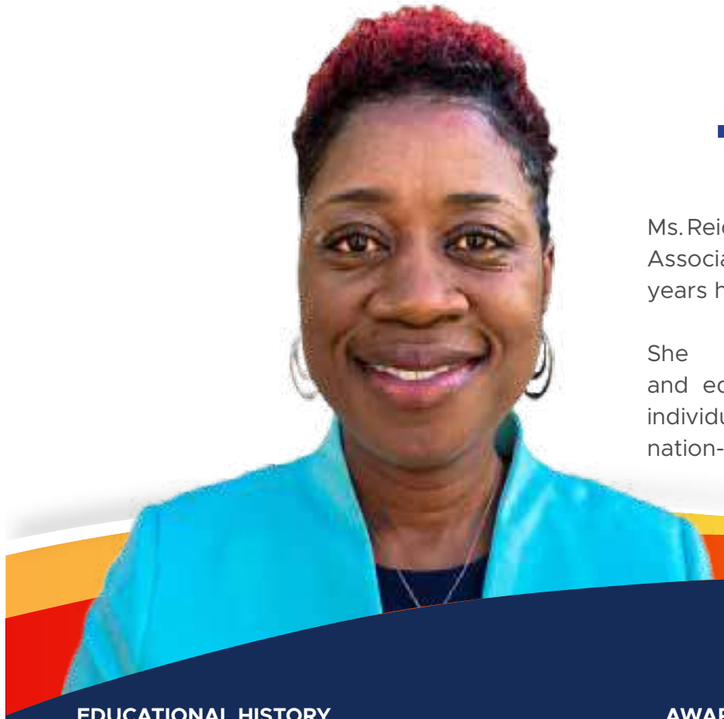
Mrs. Ena Barclay
REGION 2 (PORTLAND, ST THOMAS)
Mr. Lebert Drysdale
REGION 2 (PORTLAND , ST THOMAS)
Mr. Fergus Mitchell
REGION 3 (ST MARY, ST ANN, TRELAWNY)
Mrs. Sancia Stewart-Williams
REGION 4 (ST JAMES, HANOVER, WESTMORELAND)
Mr. Lincoln James
REGION 4 (ST JAMES, HANOVER, WESTMORELAND)

CREDIT COMMITTEE

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

SUPERVISORY COMMITTEE

(All persons nominated in 2022)



Profile TINA REID

Ms. Reid has been a member of the Jamaica Teachers' Association Co-operative Credit Union Limited for 15 years having joined in December 2007.

She is a resourceful, transformational leader and educator who is committed to empowering individuals thus enabling them to become impactful nation-builders.

EDUCATIONAL HISTORY

UNIVERSITY OF THE WEST INDIES
Master of Education (Distinction)|
Educational Administration (2017 - 2019)

NATIONAL STANDARDS CURRICULUM (NSC)
Training Workshop for School Leaders,
Certificate, MOEYI/JTC, (2017)

UNIVERSITY OF TECHNOLOGY
Bachelor of Education / Secondary Education
(2009 - 2011)

MICO UNIVERSITY COLLEGE
Certificate | Comprehensive Reading (2008)

MONEAGUE COLLEGE
Diploma in Education | Secondary Education
(2003 - 2006)

PROFESSIONAL CAREER

PRINCIPAL - Sept. 2015 - Present
Mocho Primary and Infant School

SENIOR TEACHER - 2012 - 2015
Mocho Primary and Infant School
Class Teacher - Sept. 2007 - June 2015
Mocho Primary and Infant School

CLASS/FORM TEACHER – Sept. 2006 - April 2007
Central High School

AWARDS RECEIVED

+ **EXCELLENT LEADER APPRECIATION AWARD**
Mocho Primary and Infant School (2019)

+ **DESMOND GASCOIGNE SCHOLARSHIP AND AWARD FOR EXCELLENCE**
Jamaica Teachers' Association Co-operative Credit Union(2018)

+ **TEACHER OF THE YEAR**
Mocho Primary and Infant School (2013-2014)

COMMUNITY INVOLVEMENT

Dawkins Assemblies of the First Born Church

(Asst. Secretary/Sunday School Tutor/Youth Secretary)

Dawkins Community Development Committee(Member)

Participated in National Tree Planting initiative with Jamaica Bauxite Institute(2021)

Acquisition of Resource Center/Special Education Unit (partnership with JAMALCO)(2018)

RADA Farming Project (2018)

EXECUTIVE **MANAGERS**

ROBERT RAMSAY
FCCA, FCA, MBA
GENERAL MANAGER

LISA TAYLOR
MBA, BA, DIP
ASSISTANT GENERAL MANAGER/
BANKING OPERATIONS

MAXINE NUGENT
MBA, BSc
MANAGER, FINANCE

FABIAN WEBB
MBA, BSc
MANAGER, INFORMATION
TECHNOLOGY

SUEZETTE HEMMINGS-BRYAN
MBA, BSc
HRD & ADMINISTRATION MANAGER

REGIONAL **OFFICERS**

Rowan McFarlane
MAY PEN & LINSTEAD

Joel Scott
PORT MARIA, BROWN'S TOWN
& PORT ANTONIO

Maise Hayles
SANTA CRUZ & MANDEVILLE

Mark thomas
MONTEGO BAY
& SAVANNA-LA-MAR

Millicent Westcarr
PORTMORE & MORANT BAY

GENERAL MANAGER'S **OFFICE**

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, INFORMATION TECHNOLOGY

DAVID WAITE
INFORMATION TECHNOLOGY OPERATIONS OFFICER

DAMION CAMPBELL
SYSTEMS SUPPORT TECHNICAN

HRD & **ADMINISTRATION**

SUEZETTE HEMMINGS-BRYAN
HRD & ADMINISTRATION MANAGER

NICKEISHA VERMONTH
HUMAN RESOURCE DEVELOPMENT OFFICER

LATOYA GOODEN REID
SUPERVISOR OFFICE SERVICES

HEATHER HIGGINS
SECRETARY, HRD & ADMINISTRATION

BRITNEY CARTER
TELEPHONE OPERATOR/ RECEPTIONIST

SHIRLEY FRANCIS-LEVENE
COURIER CLERK

ROBERT MURRAY
MESSENGER

SHEREEN MITCHELL-DUDHI
OFFICE ATTENDANT

SHANNIA SLOLEY
OFFICE ATTENDANT

MELROSE BYFIELD
OFFICE ATTENDANT

NORVAL GORDON
PORTER

CREDIT **DEPARTMENT**

MARIE MORGAN
MANAGER - CREDIT

PETHREL GREEN
CLERK/TYPIST

CAROL RINGROSE
DELINQUENCY OFFICER

DANE LAZARUS
DELINQUENCY CLERK

RUSHANE DALEY
DELINQUENCY CLERK

VERA SHARPE
SUPERVISOR - LOANS
MORTGAGE OFFICER

FAITH ROBINSON - HULL
LOANS SECURITY OFFICER

ALICIA TYRELL
LOANS SECURITY OFFICER

CALOO PINNOCK
LOANS OFFICER

NADINE BLACKWOOD
LOANS OFFICER

DAVE BLACKWOOD
LOANS OFFICER

TORI STYLE
CHEQUE DESK CLERK

JORDAN IDEHEN
LOAN SECURITIES CLERK

FINANCE **DEPARTMENT**

MAXINE NUGENT
MANAGER - FINANCE

MARCIA McINTYRE THOMAS
ACCOUNTANT

MAXINE NICHOLSON
SECRETARY, FINANCE

ANECIA CAMPBELL - FYNE
ACCOUNTS SUPERVISOR

OPAL CARTY
ACCOUNTS CLERK/
RECONCILIATION

FLETCHER JACOBS
ACCOUNT CLERK/
EXPENSE PAYABLE

TIFFANY CLARKE
MEMBER SERVICE
REPRESENTATIVE

DENESHA GIBSON
MEMBER SERVICE
REPRESENTATIVE

ANDRE JOHNSON
INVESTMENT OFFICER

VANESSA FARQUHARSON
ACCOUNTS CLERK/
BRANCH RECONCILIATION

ALEXIA WILLIAMS
ACCOUNTS CLERK/JOURNAL

AKEEM AMOS
ACCOUNTS CLERK

SHERINE GOODEN BLOUNT
ACCOUNTS/DATA SYSTEMS
SUPPORT OFFICER

BANKING
OPERATIONS

LISA TAYLOR
ASSISTANT GENERAL MANAGER/ BANKING OPERATIONS

PAULINE STEWART-TIBBY
SECRETARY, BANKING

TONI-ANN FRASER
MEMBER SERVICES CO-ORDINATOR

SHANIEK MAYNE-JONES
MEMBER INFORMATION OFFICER

SHAWNA SYMISTER
MEMBER INFORMATION CLERK

ALICIA SIMPSON
REGISTRY - SUPERVISOR

LISA SMITH
REGISTRY CLERK

JAYSON BARNETT
REGISTRY CLERK

REGIONAL
OFFICES

BROWN'S TOWN

JOEL SCOTT
REGIONAL OFFICER
ST. ANN & ST MARY

SHAIEKIA BOWERS-BLACK
BRANCH SUPERVISOR

LOTOYA SIMPSON-ALLISON
MEMBER SERVICE REPRESENTATIVE

NICOLE LAWRENCE
BRANCH CLERK

MOESHA GREAVES
BRANCH CLERK

CUTILYN BOWEN
OFFICE ATTENDANT

LINSTEAD

ROWAN McFARLANE
REGIONAL OFFICER
CLARENDON & ST. CATHERINE

KERENE GRIFFITHS
BRANCH SUPERVISOR

KERRISHA FACEY
MEMBER SERVICE REPRESENTATIVE

FAYONA EDWARDS
BRANCH CLERK

TANEEL RAINFORD
BRANCH CLERK

MICHELLE RODNEY
OFFICE ATTENDANT

MANDEVILLE

MAISE HAYLES
REGIONAL OFFICER
ST. ELIZABETH & MANCHESTER

NOVA SWABY-WRIGHT
BRANCH SUPERVISOR

KHAREY GAYLE
MEMBER SERVICE REPRESENTATIVE

NADINE LARMOND
BRANCH CLERK

SIMONE HENDRICKS
BRANCH CLERK

VENNEL TAI
OFFICE ATTENDANT

MAY PEN

ROWAN McFARLANE
REGIONAL OFFICER
CLARENDON & ST. CATHERINE

ALDERENE ROYE
BRANCH SUPERVISOR

SHEVELLE GRANT
MEMBER SERVICE REPRESENTATIVE

LATAWNY GORDON
BRANCH CLERK

TYRONE PINNOCK
BRANCH CLERK

MALOLA TAYLOR
OFFICE ATTENDANT

MONTEGO BAY

MARK THOMAS
REGIONAL OFFICER
ST. JAMES & WESTMORELAND

CLAUDIA SMITH
BRANCH SUPERVISOR

TANIA SHIPPY
MEMBER SERVICE REPRESENTATIVE

KIMBERLY NEIL
BRANCH CLERK

MARJORIE-ANN BROWN
BRANCH CLERK

SWADY-ANN STEADMAN-ERSKINE
BRANCH CLERK

SYLVIA MULLINGS
OFFICE ATTENDANT

MORANT BAY

MILLICENT WESTCARR
REGIONAL OFFICE
PORTMORE/MORANT BAY

GLENDA COLE
BRANCH SUPERVISOR

MELISSA MARSHALLECK
MEMBER SERVICE REPRESENTATIVE

CHENECKA WILLIAMS-LOUZA
BRANCH CLERK

CHRIS ANN HITCHMAN
BRANCH CLERK

DONNA HAMILTON
OFFICE ATTENDANT

PORTMORE

MILLICENT WESTCARR
REGIONAL OFFICE
PORTMORE/MORANT BAY

KERIN GALWAY
BRANCH SUPERVISOR

NAKITA SMITH
MEMBER SERVICE
REPRESENTATIVE

FERNANDO FACEY
BRANCH CLERK

KIMBERLY MATTIS
BRANCH CLERK

INGRID LACKISH
OFFICE ATTENDANT

PORT ANTONIO

JOEL SCOTT
REGIONAL OFFICER
ST. ANN & ST MARY

ANGELLA HARTLEY-FULLER
BRANCH SUPERVISOR

TANISHA SCOTT
MEMBER SERVICE
REPRESENTATIVE

PAULA WILLIAMS
BRANCH CLERK

SHERRI-GAE BROWN
BRANCH CLERK

KAREN WHITE-CASSIE
OFFICE ATTENDANT

PORT MARIA

JOEL SCOTT
REGIONAL OFFICER
ST. ANN & ST MARY

VERON WESTON
BRANCH SUPERVISOR

TATLYN ANDERSON
MEMBER SERVICE
REPRESENTATIVE

JOAN SUER SOMIREDDY
BRANCH CLERK

SHANTEL DUCKIE-DANVERS
BRANCH CLERK

KAREN FLYNN
OFFICE ATTENDANT

SANTA CRUZ

MAISE HAYLES
REGIONAL OFFICER
ST. ELIZABETH & MANCHESTER

NORDA BROWN
BRANCH SUPERVISOR

LEONARD SMITH
MEMBER SERVICE
REPRESENTATIVE

LINCOLN MURRAY
BRANCH CLERK

KISHANN ROCHESTER-DYER
BRANCH CLERK

MELLODY KERR
OFFICE ATTENDANT

SAVANNA-LA-MAR

MARK THOMAS
REGIONAL OFFICER
ST. JAMES & WESTMORELAND

ANDREA GRANT-BROWN
BRANCH SUPERVISOR

KAY-ANN BAXTER
MEMBER SERVICE REPRESENTATIVE

JODIAN JOHNSON
BRANCH CLERK

TELSIA THOMPSON
BRANCH CLERK

GIFFETT SHAKES
OFFICE ATTENDANT

Prayer of St. Francis 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.

Social Activites

2021 JTA CREDIT UNION PEP BURSARY
TOP BOY AND GIRL

As a part of the Credit Union's desire to play a supporting role in the development of our children, the JTACCUL has awarded 70 of its members' children who sat the 2021 PEP examination, with Bursaries and Grants valued at over $1.2 million. These bursaries and grants are awarded annually to 5 students from each parish, with the aim of easing some of the financial burdens faced by our members. These bursaries also help our future leaders to appreciate that hard work can be very rewarding.

"I must first express my sincere gratitude to the JTA Co- operative Credit Union for awarding me this PEP bursary. I am very elated by this and as such, I am very motivated to work much harder as I continue my journey to accomplish more success academically. Once again, a big Thank You!"

KAYLIE GORDON
2021 Top Girl
School Enrolled: Hampton School

"I want to thank the JTA Credit Union for making this bursary available for us to access. I feel blessed to be among the awardees and thankful that my hard work has been recognized. Because of this award, I am more motivated to set even larger goals and stay focus in achieving them."

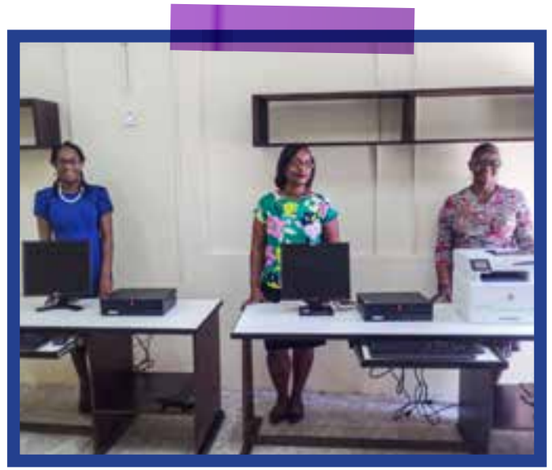
KAYNE SCARLETT
2021 Top Boy
School Enrolled: Ardenne High

Better Schools... better Jamaica 2021

The three winning schools in our Better Schools...Better Jamaica programme were Marymount High School, Donald Quarrie High and Catherine Hall Primary School.

EACH SCHOOL RECEIVED $500,000.

Talbert Weir, Principal of Donald Quarrie High School collects his grant cheque from Denise Walker, Marketing Officer of the JTA Credit Union.



Representatives from Marymount High School standing proudly in their newly rebuilt library space.

Bryan Rose, Computer Teacher at Catherine Hall Primary receives his grant funding from JTA Credit Union Regional Officer, Mark Thomas.

Better Schools... Better Jamaica

TESTIMONIALS

We are grateful for the opportunity to partner with the JTA Credit Union in educating and serving the nation's children
- Marymount High School

It is with great esteem that we thank the organizers for planning this competition as the need for ventures like this is needed especially in times like these.
- Donald Quarrie High School

General Donations

Mrs. Angella Hartley Branch Supervisor of the Port Antonio branch office makes an in-kind donation to the Buff Bay Primary School Quiz team.

Staff members of Bath Primary School show their appreciation for the gift of a new Refrigerator that was received curtesy of the Credit Union.

OBITUARIES - 2021

Allen-Smith	Patricia
Anderson	Kathleen
Baker	Paul
Barrett	Sean
Bent-McCarthy	Winsome
Berlin-McPherson	Chantelle
Blake	Norma
Brown	Joycelyn
Campbell	Avis
Chambers-Edwards	Brendalee
Chambers	Lascynth
Corke-James	Linnette
Davis	Carole
Dawkins	Nattallie
Demercado	Icilda
Dixon	Andrew
Duncan	Hazel
Eccleston	Winston
Ellis	Marva
Evans	Verona
Foster	Veronica
Gardener	Patrick
Golding	Madge
Gordon	Phillip
Green	Audrey
Halshall	Jennifer
Harriat-Murray	Alice
Harris	Blossom
Hawthorne	Dorel
Henry-Howell	Rose
Hinds	Mark
Hunter	Noel
Jackson	Alva
Jackson	Vilma
James	Linnette
James-Bannister	Lurline
Johnson	Valorie
Johnson-Simpson	Nichara
Leslie-Moonah	Beverley

Malcolm	Annet
Malcolm	Vaughn
Marshall	Eric
McKenzie	Paulett
McKenzie	Veronica
Meeks	Georgianna
Morgan	Kayon
Mullings	Henry
Nelson-Thomas	Andrea
Norman	Christopher
Orr-Carson	Pancheta
Patterson	James
Perry-Higgins	Euletta
Powell	Thelma
Raymond	Orretia
Robinson-Johnson	Hyacinth
Rose	Ingrid
Royes-McKenzie	Simone
Samuels-Robinson	Rosemarie
Shippy	Melva
Shirley	Norma
Spence	Meritta
Stewart	Rebecca
Taylor	Kurt
Taylor	Rita
Taylor-Harris	Paulette
Thomas	Paulette
Thompson	Dawn
Traille	Dillis
Turner	Cynthia
Valentine	Myrtle
Walker	Ronald (Snr.)
Wanliss	Elaine
Waugh-Lee	Margaret
Wellington-Gooden	Orlene
Williams	Euguanado
Williams-Grant	Una
Williams-Harrison	Remona
Wisdom	Daniel

OUR LOCATIONS

BROWN'S TOWN
Court Street, Browns Town, St. Ann
Tel: 876-975-2420, 876-619-0799
MANAGER: ANGELLA HARTLEY
Email:branch08@jtacreditunion.com

KINGSTON
Head Office
97a Church Street
Kingston
Tel: 876-618-1706
Email: info@jtacreditunion.com

LINSTEAD
1-2, 26 Kings Street,
Linstead, St. Catherine
Tel: 876-985-2721, 876-618-1760
MANAGER: ROWAN MCFARLANE
Email:branch06@jtacreditunion.com

MANDEVILLE
5 1/2 Caledonia Road,
Mandeville, Manchester
Tel: 876-962-1318, 876-619-0796
MANAGER: MAISE HAYLES
Email:branch09@jtacreditunion.com

MAY PEN
2 Bryant's Crescent,
May Pen, Clarendon
Tel: 876-986-2150, 876-618-1761
MANAGER: ROWAN MCFARLANE
Email:branch07@jtacreditunion.com

MONTEGO BAY
Lot 3 Freeport, Bogue,
Montego Bay, St. James
Tel: 876-952-5205, 876-619-0797
MANAGER: MARK THOMAS
Email:branch12@jtacreditunion.com

MORANT BAY
2 Georges Street, Morant Bay, St. Thomas
Tel: 876-982-2468, 876-619-0791
MANAGER: MILLICENT WESTCARR
Email:branch03@jtacreditunion.com

PORTMORE
Shop #25a Portmore Mall,
Portmore, St. Catherine
Tel: 876-988-7439, 876-619-0788
MANAGER: MILLICENT WESTCARR
Email:branch13@jtacreditunion.com

PORT ANTONIO
Shop #8 West Harbour Plaza,
Port Antonio, Portland
Tel: 876-975-2420, 876-619-0789
MANAGER: ANGELLA HARTLEY
Email:branch04@jtacreditunion.com

PORT MARIA
Little Bay, St. Mary
Tel: 876-994-2525, 876-619-0785
MANAGER: ANGELLA HARTLEY
Email:branch05@jtacreditunion.com

SANTA CRUZ
La Beadle Plaza, Santa Cruz, St. Elizabeth
Tel: 876-966-2481, 876-619-0792
MANAGER: MAISE HAYLES
Email: branch10@jtacreditunion.com

SAVANNA-LA-MAR
110 Great Georges Street,
Savanna-la-mar, Westmoreland, Leeds Plaza
Tel: 876-55-2977, 876-619-0794
MANAGER: MARK THOMAS
Email: branch11@jtacreditunion.com

NOTES

JTA Co-operative Credit Union Limited

97a Church Street, Kgn
1.876.618.1706
info@jtacreditunion.com
specialservices@jtaccul.com

Find us on |