



**JTA Co-operative  
Credit Union Limited**

# 2022

**ANNUAL REPORT**

Serving Our  
*Members,*  
Impacting Lives  
*Positively*







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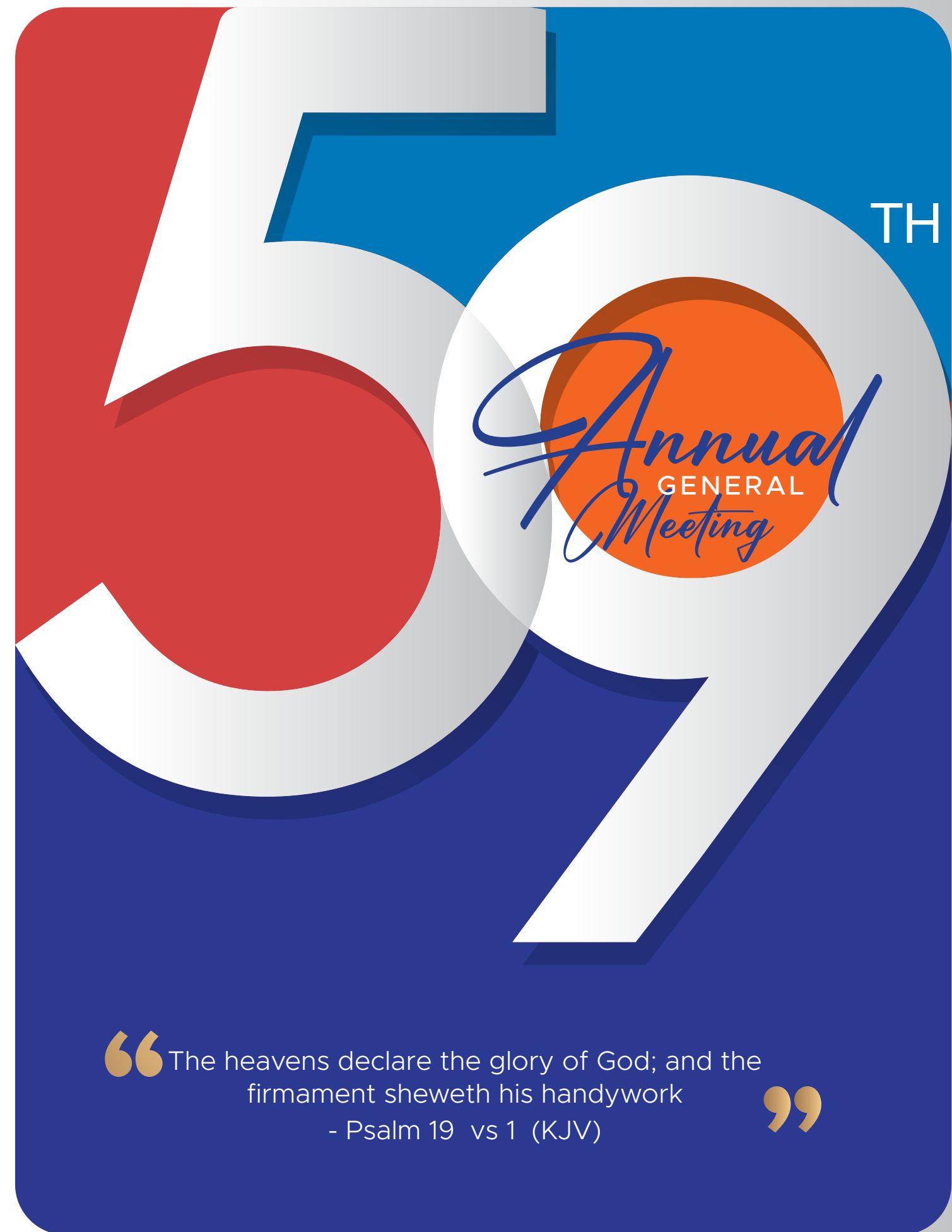
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**Serving Our Members... Impacting Lives Positively**

\*Conditions apply



**50<sup>TH</sup>**

*Annual*  
GENERAL  
*Meeting*

“The heavens declare the glory of God; and the  
firmament sheweth his handywork  
- Psalm 19 vs 1 (KJV)”

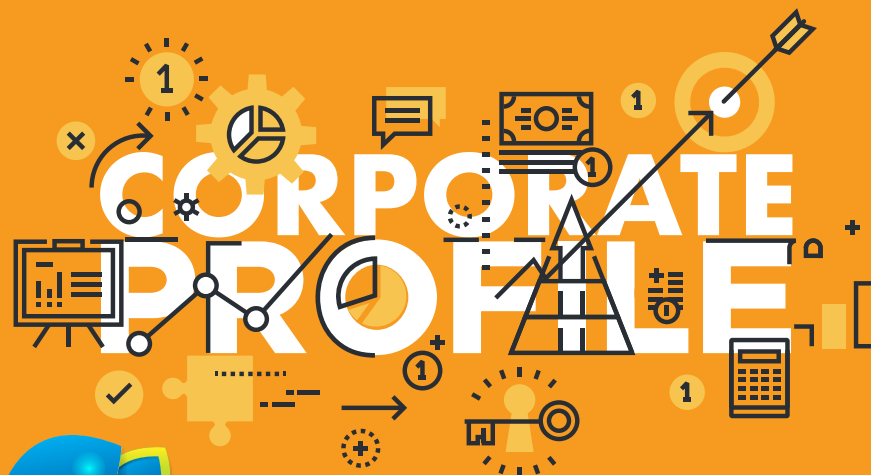




To improve the lives of our members through the provision of excellent financial services delivered by a highly motivated and competent team.



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



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

ASSETS  
**\$18,563M**

SAVINGS  
**\$14,342M**

LOANS  
**\$13,218M**

MEMBERSHIP  
**31,016**  
as at December 31, 2022



# Table of CONTENTS

<b>06</b>	NOTICE OF MEETING & AGENDA	<b>08</b>	MINUTES OF GENERAL MEETING
<b>27</b>	BOARD OF DIRECTORS	<b>30</b>	JTA CREDIT UNION PRODUCTS & SERVICES
<b>34</b>	BOARD OF DIRECTORS REPORT	<b>40</b>	TREASURER'S REPORT
<b>46</b>	DECLARATION OF INTEREST, DIVIDEND AND FIXING MAXIMUM LIABILITY	<b>48</b>	FINANCIAL STATEMENTS
<b>140</b>	REPORT OF THE CREDIT COMMITTEE	<b>146</b>	REPORT OF SUPERVISORY COMMITTEE
<b>150</b>	PROGRESS REPORT OF THE GENERAL MANAGER	<b>155</b>	REPORT OF NOMINATING COMMITTEE
<b>158</b>	STAFF PHOTOS	<b>171</b>	PRAYER OF ST. FRANCIS
<b>172</b>	YEAR IN REVIEW	<b>174</b>	OBITUARIES 2022





# Notice of Meeting

**JAMAICA TEACHERS' ASSOCIATION CO-OP CREDIT UNION LIMITED**  
**59TH ANNUAL GENERAL MEETING**  
**SATURDAY, JUNE 10, 2023**

Notice is hereby given that the 59th Annual General Meeting of the Jamaica Teachers' Association Co-operative Credit Union Limited will be held on Saturday, June 10, 2023 at Karl Hendrickson Auditorium, Jamaica College, 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 58th Annual General Meeting held on Friday, July 8, 2022
5. Matters Arising
6. Greetings

### 7. STATUTORY REPORTS

- a) Board of Directors
- b) Treasurer's & Auditors'
  - i. Declaration of Interest, Dividend and Fixing Maximum Liability
- c) Credit Committee
- d) Supervisory Committee

### 8. REPORT FOR INFORMATION

- General Manager's Progress Report
9. Nominating Committee Report
  10. Resolutions
  11. A.O.B.
  12. Closure

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Credit Union Limited**

**Scholarships & Grants 2023**



*Are you...*

- ✓ A member of the JTA Co-operative Credit Union
- ✓ Enrolled in a recognized and accredited tertiary institution
- ✓ About to start the final year of your postgraduate (Masters) or undergraduate programme

*... Then You should apply*

Collect an application form at any JTA Credit Union location or download from [www.jtacreditunion.com](http://www.jtacreditunion.com)

All applications are to be addressed to the  
**HRD & Administration Manager,  
JTA Co-op Credit Union Ltd  
97A Church Street  
Kingston**

**Application period: June 5 - July 31, 2023**

Applications should be accompanied by two (2) references with one preferably from the institution being attended, along with the exam results of the preceding year.

**Tel: 922-2009, 6181706; Fax: 9229594; [www.jtacreditunion.com](http://www.jtacreditunion.com); [info@jtacreditunion.com](mailto:info@jtacreditunion.com)**





# Minutes of the

## 58TH ANNUAL GENERAL MEETING

### HELD ON FRIDAY, JULY 08, 2022

JAMAICA COLLEGE  
AUDITORIUM

189 OLD HOPE ROAD,  
KINGSTON 6

COMMENCING  
AT 9:00 AM

#### 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
Mr. Ray Howell	- Director
Mrs. Lou Ann Bramwell-Shakes	- Director
Mr. Huit Johnson	- Director
Mrs. Melva Humes Johnson	- Director
Mrs. Sancia Stewart-Williams	- Director
Mr. Lincoln James	- 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. Ann Geddes-Nelson	- Chairman
Mrs. Lena Russell	- Secretary
Mr. Norman Allen	
Mr. Lealon Nash	
Mr. Christopher Sinclair	

In attendance were

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

#### Ascertainment of a Quorum

Mr. Patrick Smith, Secretary called the meeting to order at 10:00 a.m. It was confirmed that one hundred and sixty-five (165) members were in attendance, hence the required quorum was achieved.

The notice convening the meeting was read followed by the playing of the National Anthem.

#### Devotion

Mr. Lebert Drysdale, Director led the devotional exercise.

AT THIS POINT THE ATTENDANCE COUNT WAS TWO HUNDERD AND TEN (210)

#### President's Welcome & Opening Remarks

The Chairman; Mr. Paul Adams, President extended a warm welcome to all members present, especially retired teachers. Special welcome was extended to the specially invited individuals, members of the Board of Director, members of the various committees, general manager and members of the management team and all other staff members.

The following persons were specially recognized by the chairman:

- **Mr. Winston Smith** - President  
- Jamaica Teachers' Association
- **Miss Vera Lindo**  
- Business Development Manager  
- Jamaica Co-operative Credit Union League
- **Miss Kleo Errar**  
- Jamaica Co-operative Credit Union League

- **Mr. Wilbert Spence**  
Auditor - KPMG
- **Mrs. Sheryll Brown**  
Department of Co-operatives and Friendly Societies
- **Mrs. Queenie Nembhard-Morris** - Foundation Member
- **Mrs. Barbara Gascoigne**  
Former General Manager

Mr. Adams, in his address reminded the meeting of the history of the organization, its core functions, its vision and mission, and most importantly its commitment to members. He highlighted the Jamaica Teachers' Association Co-operative Credit Union's Ltd. commitment to accountability, service, effective management, and the highest level of integrity. He added that the credit union will remain true to its tagline of "Serving Our Members, Impacting Lives Positively".

#### Minutes of the 57th Annual General Meeting held on Saturday May 15, 2021

Mr. Patrick Smith, drew the meeting's attention to the Minutes of last meeting held on May 15, 2021, found between pages 6 – 25. A motion that the Minutes be taken as read was moved by Mr. Winston Smith; President, Jamaica Teachers' Association and seconded by Ms. Audrey Blake, Vice Principal of Porus High School. All were in agreement; hence the motion was carried.

There being no amendments, the Minutes were then confirmed on a motion moved by Ms. Lavern Johnson of Davis Primary School, St. Catherine and seconded by Mr. Christopher Pierre of Salvation Army School. All were in

agreement hence the motion was carried.

#### Matters Arising

Response to Referrals from the 57th Annual General Meeting.

The following were discussed:

- **Upgrade of the Customer Service Charter**

Mr. Smith stated that the Credit Union implemented significant changes to service delivery strategically through the introduction of Member Service Representatives. Additionally, a number of digital service channels were added, such as credit and debit card payment portals and virtual offers on the website. Consequent to the expansion of the digital offerings, the Customer Service Charter was upgraded to include standards and guidelines for the offerings.

At the end of 2021, an independent audit was commissioned which showed favourable customer service rating for the Credit Union.

- **Co-signing with Members for the Purpose of Obtaining Loans**

Mr. Smith stated that the Credit Union had begun to reduce the requirement for members to find other persons to co-sign for unsecured loans. The naming of references was the primary option chosen by members who were desirous of accessing unsecured loans.

- **The Proposed Half Way Tree Branch**

Mr. Smith stated that the Credit Union was in the process of purchasing a building located at

107 Constant Spring Road which is in close proximity to Half Way Tree. The location would have dual function of being the new Head Office and the Half Way Tree Branch.

- **Increase in the Number and Value of Scholarships or Grants per Year**

Mr. Smith stated that scholarships were increased by \$100,000 and grants by \$50,000.

#### Comment/Queries:

No other matter was raised for discussion.

#### Obituaries

Obituaries were read.

#### Greetings

Mr. Winston Smith; President of the Jamaica Teachers' Association brought greetings on behalf of the organization.

In his address, he lauded the board and management of the Jamaica Teachers' Association Co-operative Credit Union Ltd. for exemplary performance, and in particular the efforts in providing financial support to members to improve their education. He urged the membership to make use of the investment product offerings extended by the Credit Union to build their financial resources for retirement.

Mr. Smith urged the Credit Union to develop and create business strategies to remain the premier credit union in Jamaica. He asked that the annual dividends to members be increased to double digits.



STATUTORY REPORTS

(a) Board of Directors

The President stated that due to the Covid-19 pandemic the economic recovery expected in 2021 was delayed. Many Jamaicans lost the battle with Covid-19, some of whom were teachers and family members. The Credit Union extended heartfelt sympathies to all the families. The organization had to weather the storms of the pandemic. Despite the challenges, the Credit Union remained committed by providing members with the best financial services solutions available.

The President highlighted the areas that separated the JTA Co-operative Credit Union from other financial institutions.

Democratic Control

The JTA Credit Union is led by a fifteen (15) member Board of Directors comprised of educators past and present, as reflected by the membership. Members are elected from among colleagues to serve on the board and given the opportunity to play a key role in deciding on the policy direction of the Credit Union.

The Board of Directors hosted monthly meetings to provide oversight and ensure that the financial assets were prudently managed and that the policy framework of the organization was robust. The board ensured that the Credit Union maintained a high level of compliance with all regulatory requirements.

Returns to Members

The Credit Union remained committed to the members. In 2021, over \$513 million was paid back to members on shares and deposits in the form of dividends and interest. The amount represented average return on savings to members of 4% per annum and compared favourably with the Credit Union industry's average of 2%.

Low Cost of Business

The Credit Union proudly derived very small revenue from fee income. In 2021, income from fees represented less than 2.3% of gross revenue when compared to the credit union industry's average total of 9.21% of total revenue from fees. It therefore costs less to do business with the JTA Co-op Credit Union than with any commercial bank. and most other credit unions.

President's Report

For the Financial year 2021, the Credit Union recorded growth in key performance areas. Assets grew by 6.7% to a total of \$17.487B. An operating surplus of \$329.89M was realized from productive assets. Savings (shares and deposits) and loans also recorded growth. A table which showed all key areas of performance over a four-year period (2018-2021) was presented.

Market Trends

As with 2020, the year 2021 continued as a true test of resilience and strength of organizations globally. The financial services industry continued to move towards digital service channels. A number of face-to-face service locations were closed and self-service stations were established where customers interacted with smart ABMs.

Membership Growth

The President reported that the Credit Union recorded growth in membership recruitment.

Despite the challenges brought about by the pandemic which caused closure of schools, restrictions on gatherings, and adjusted recruitment strategies; the initiatives still realized growth of membership base by 0.71%. A total of 236 new members were welcomed. Membership stood at 30,141 at the end of 2021.

Loan Growth

The Credit Union's loan portfolio rebounded in 2021 and grew by \$261M or 2.2% from a loss of \$207M (1.73%) recorded in 2020.

Delinquency Management

Delinquency rate went from a high of 4.01% in November to a low of 2.52% in March and closed 2021 at 3.04%, below the prudential standard of 5% and slightly above the Credit Union's internal marker of 3%.

It was highlighted that the main delinquent clients were retired teachers and those who work/reside overseas. Challenges were faced by teachers not receiving their pay from the Ministry of Education at specific times during the year. The team would continue to adopt rigorous monitoring strategies and follow up on delinquent accounts at the earliest sign of default.

New Member Service Channels

In order to comply with established restrictions on gatherings, 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.

In addition to the BNS and NCB bill payment platforms, a payment portal was also added on the Credit Union's website whereby members could use their credit cards to pay directly to their Credit Union account.

Human Resource Development & Administration

The ongoing Covid-19 pandemic challenged the Credit Union to constantly revise and implement various countermeasures to mitigate widescale disruptions in the workforce and service delivery. The Credit Union ensured that skills building and knowledge sharing were featured prominently during the year. Several events were held that consisted of active participation from staff at the head office and the entire branch network. The teams were kept engaged throughout the year.

Staffing

The divisional structure remained unchanged. Eight (8) new

employees were recruited and seven (7) promoted. Four (4) team members were separated from the organization, two (2) of whom were retirees. At the end of 2021, the cadre of staff was one hundred and seventeen (117)

Administration

During the year renovations were made to the Brown's Town, Mandeville, and Santa Cruz branches. Renovation was also done to the third floor of the head office.

A new location was identified at 107 Constant Spring Road, Kingston to host the head office and to establish a new branch.

Regional Services

The Credit Union's Regional Services comprised 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 business in the 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

The Credit Union continued its drive to give back in an impactful way. Three (3) schools were awarded in the Better Schools... Better Jamaica Programme. It was noted that in previous years only two (2) schools were awarded.

Schools were invited to submit projects that support Information Communication Technology (ICT) in schools. The winning schools were Donald Quarrie High, Catherine Hall Primary and Marymount High. Each school was awarded five hundred thousand dollars (\$500,000.00).

Sponsorship & Donations

During 2021, the Credit Union donated nearly \$4M to educational institutions and other civic groups for various projects.

Support continued for the JTA Golden Torch Awards and TVJ's Junior. 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. Miss Shona White, Senior Teacher at Alligator Pond Primary and Infant was awarded the prestigious Desmond "DC" Gascoigne Award for Excellence.

PEP Bursaries were awarded to first year high school students. Applications were opened to students whose parents were members of the Credit Union. Applications were received from all fourteen (14) parishes. The Top Boy for 2021 was Kayne Scarlett and the Top Girl was Kaylie Gordon.

Strategic Focus

The strategic focus would be to improve digital capabilities and build staff capacity to provide excellent service to members. In 2022 there are plans for roll out





of a number of new initiatives aimed at engaging members in a personal way.

### Board Meetings

A total of twelve (12) meetings were held in the year 2021. Twelve (12) members of the Board attended all meetings, two (2) members attended eleven (11) meetings, while two (2) members attended ten (10) meetings.

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 for their painstaking support during the year. He also thanked the Co-operative Network, especially the Jamaica Co-operative Credit Union League, the Department of Co-operatives and 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 challenging times.

At this point Mr. Morris Stewart, Director was asked to moderate the comments/queries posed.

### Matters Arising from the Report of the Board of Directors

Dr. Garth Anderson extended commendation to the President for the very comprehensive report. He placed emphasis on the marked improvement in customer service at the branches. This was acknowledged by a resounding applause.

Dr. Anderson requested information regarding the achievements of the technology driven strategic focus over the year under review. He also queried the absence from the report of the 1% of undistributed surplus that should have gone towards the Critical Illness Trust Fund and which was approved in 2020.

The chairman stated that the effectiveness of enhanced technology was threaded throughout the report and referenced at various specific areas as well. He added that the general manager could indicate further specific information that was not highlighted in his report.

With regards to the query about the funds to the Critical Illness Trust Fund, the chairman stated that the resolution was referred to the regulators for consultation. It was explained that any matter relating to financial management and prudence must be referred to the regulators as per the rules governing the Credit Union. The conclusion of the consultation revealed that the resolution breached Section 36 of the Co-operative Societies Act and Article 16, Rule 67 of the Credit Union Rules. Both Section 36 and Article 16, Rule 67 were read aloud. The chairman presented to the meeting how the net surplus of the society as ascertained by the auditors should be applied. It was emphasized that the Critical Illness Fund was one of the best stories of the JTA and that the Credit Union had placed \$3M in the fund as requested by the JTA.

There was a lengthy discussion on the matter with queries regarding whether proper consultation was done as reported at the last AGM and the way forward considering that the resolution was passed at the AGM which is deemed the highest decision-making body. Dr. Anderson was supported by Mrs. LaSonja Harrison; President-Elect of the Jamaica Teachers' Association, and an amended version of the resolution was again tabled. The motion was moved by Mrs. LaSonja Harrison seconded Ms. Kaydian Scott.

The chairman reiterated that the Credit Union would not operate to the extent of breaking established rules. He added that the Credit Union would continue to assist members through the request of the JTA.

Mrs. Barbara Gascoigne extended commendation to the board, committees and management for the high level of integrity, innovativeness and competence demonstrated.

Mr. Lawrence Dyer, President of the National Association of Retired Teachers, Clarendon Chapter asked about certificates for investment not yet received. The chairman stated that the general manager and the secretary would follow up accordingly.

### Adoption of the Report

The motion for the adoption of the report en bloc was moved by Ms. Anecia Campbell, member of the JTA Co-operative Credit Union and seconded by Mr. Mitchell Barnes of Braeton Primary. All were in favour

### TREASURER'S REPORT

The Treasurer - Mr. Cyril Lebert - invited Mr. Wilbert Spence, Independent Auditor of KPMG to provide opinion on the financial operations for the year under review.

A motion to allow for a condensed abridged version of the report was moved by Dr. Garth Anderson and seconded by Ms. Beverly Henry-Isaacs, Retiree.

### Independent Auditors' Report

Mr. Spence informed the meeting that the audited financial report was included in the Annual Report booklet on pages 56 to 127. The Report comprised the financial position as at December 31, 2021, 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.

Mr. Spence highlighted pages 52 to 55. Mr. Spence opined that the financial statements reflected a true and fair view of the financial position of the Credit Union as at December 31, 2021, and of its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards (IFRS) and the Co-operative Societies Act.

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

Mr. Spence stated that had obtained all information and explanation which were necessary for the purpose of the audit. Mr. Spence opined that from examination of the records, proper accounting records had been maintained; 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, 2022 and signed by KPMG, Chartered Accountants, Jamaica.

Mr. Lebert extended commendation to Mr. Spence at the end of his presentation. Mr. Lebert then presented his report for the year ended December 31, 2021. He began by reminding members of the global economic climate, the local economic climate, the effects of COVID-19

as well as other conditions that existed during the year under review.

Mr. Lebert highlighted that the financial market began recovery in 2021. There was less demand for consumer variables and there were improvements in tourism. The economy grew by 4.6%.

Unemployment decreased from 8.4% in 2020 to 7.1% as at October 2021. Inflation for the 2021 calendar year was 7.3%, an increase from 5.2% recorded in 2020 and above the Bank of Jamaica target of 4 - 6%. The movement was largely driven by increases in fuel, housing, food and non-alcoholic beverages categories. The central bank increased its policy rate from 0.5% to 2.5% during the year, and foreign currency was sold directly to authorized dealers. The Jamaican dollar depreciated by 8.7% with respect to the US\$ moving from a rate of \$142.65 to \$155.09.

The Credit Union would remain committed to offering superlative, personalized service to the members and a range of products at competitive rates. With 2021 being one which saw a full year of COVID-19 pandemic, the Credit Union nonetheless 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. The table below showed 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

Based on the foregoing information, the Credit Union's performance was an excellent one. This was met with a resounding applause. Mr. Lebert extended thanks to the members.

During the year under review, total assets increased by \$1.1B to \$17.5B, a growth of 6.7%. The Loan Portfolio stood at \$12.2B at the end of 2021. Investment portfolio stood at \$4.6B at the end of 2021, an increase of \$0.7B from the end of the previous year.

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 rates on savings, term deposits and voluntary shares remained very competitive. Net surplus of \$329.9M was earned on Revenues of \$1.8B, a reduction from the surplus of \$397.9M recorded in 2020.

With regards to the Savings Portfolio, the largest components were Voluntary Shares of \$7.2B or 53%, Special Deposits of \$4.4B or 31% and Golden Harvest of \$1.6B or 12%, Other Deposits of \$300M thus overall total of \$13.5B.

The table below shows the Savings Portfolio as at December 31, 2021 when compared to 2020.

Savings Product	2021 \$M	2020 \$M	Increase /(decrease) \$M
Voluntary Shares	7,227.9	6,733.3	294.6
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
<b>Total</b>	<b>13,534.2</b>	<b>11,719.3</b>	<b>847.8</b>

## Loan Portfolio

The Credit Union would continue to maintain a diversified loan portfolio to satisfy the multifaceted requirements of members. Despite limitations due to measures implemented to control the pandemic,

the Credit Union introduced several initiatives aimed at stimulating growth. At the end of 2021, Net Loans comprised 70.0% of assets when compared to 73.1% recorded in 2020. Asset Base grew by \$1.1B. The composition of the loan portfolio was presented as follows:

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
Others	80.7	85.9	-5.2

## Income & Expenditure

Interest income for the year was \$1.7B, a marginal \$49M or 2.8% reduction from 2020. The primary source of income was from loan interest which totalled \$1.68B or 85.4% in 2021. Investments contributed interest earnings of \$113.5M or 7.9% compared to \$71.7M in 2021. Equity-based unit trust investments earned \$33.7M in 2021.

Operating expenses increased by \$80.9M or 8.9%. In 2021, many 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 unions. The Operating Expense to Average Assets ratio for the year was a commendable 5.8%, well within the prudential standard of 8%.

## Prudential Standards

The Credit Union's performance, measured by PEARLS international prudential standards was highlighted by a detailed table presented. 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.

It was noted that in short order the Credit Union may be required to adopt another type of control called CAMELS.

At the close of 2021, Institutional Capital stood at \$2.7B, an increase of \$166M. Institutional Capital to Total Assets ratio was 15.5%, well ahead of the PEARLS standard of 8% which demonstrated that the Credit Union had strong capital base and able to withstand adverse financial conditions.

## Conclusion

The Credit Union's performance in 2021 was commendable despite the ongoing effects of the pandemic. Measures were implemented to mitigate its effect on the members. The Credit Union will continue to implement initiatives to strengthen and inspire growth while optimizing the benefits to the members.



## Acknowledgements

Mr. Lebert expressed his commitment to serve in the capacity of treasurer. He commended the management and staff for their hard work and dedication, the board and committees, KPMG, Jamaica Co-operative Credit Union League, Department of Co-operatives and Friendly Societies and the valued and loyal members for continued support. He asked for God's continued blessings for the organization.

## Matters Arising from the Treasurer and Auditor's reports:

There were no matters raised for discussion.

## Adoption of the Auditor's & Treasurer's Report

A motion for the adoption of the report en bloc was moved by Mrs. Barbara Gascoigne, Former General Manager of the JTA Co-operative Credit Union, and seconded by Dr. Patience Alonge, Teacher, Northern Caribbean University. All were in favour.

## REPORT OF THE CREDIT COMMITTEE

Mrs. Lena Russell, Secretary of the Credit Committee presented the report for year ended December 31, 2021. An apology was tendered on behalf of Mrs. Anne Geddes-Nelson; Chairman of the Committee who was unavoidably absent. Mrs. Russell highlighted three (3) amendments to the report which were accepted. The amendments were:

Page 128, under Regular Weekly Meetings, Line 3-4, date to read...January 1 – December 31, 2021.

Page 129, Table 2, year to read 2021

Page 131, Table 4, under 'Recommendations to the Board', the number for October to read...0

It was noted that the committee consisted of five (5) volunteers with a quorum of three (3) convened weekly or bi-weekly meetings to review loan applications, met with members experiencing challenges with their loans, conducted interviews, 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.

Mrs. Russell informed the meeting that during the period of review, 322 loan applications were received averaging 26 applications monthly. A table was presented which showed monthly breakdown of applications received. It was highlighted that 42 applications were received in September, the greatest uptick in applications recorded during the year.

## Loan Processing

The meeting was informed that of the three hundred and seventy-four (374) applications presented for review, two hundred and forty-nine (249) were requests for loan approvals while seventy-three (73) for rescheduling of loan repayments. A total of fifty-nine (59) requests for rescheduling were from retired members awaiting gratuity and pension benefits. The remaining fourteen (14) requests were from members facing extenuating circumstances which resulted from displacement or ill-health. A table was presented which provided detailed breakdown of the business activities for the year under review. When compared to 2020, there was a decrease of 14.4% in the number of loan applications submitted and processed during the 2021 period.

One hundred and twenty-three (123) waivers were granted during the review period, a 63.4% increase over the corresponding period where 78 were granted. Seventy-one (71) Loans were rescheduled, a decrease by 45% from 129 in 2020. In terms of loans referred to the Board of Directors for ratification, a total of 45 were processed, an increase of 17%. Five (5) loans were deferred in 2021, a decrease from twenty (20) recorded in 2020.

## Loan Analysis

A total of two hundred and forty-seven (247) new loans were approved, which was five (5) loans higher than in 2020. Total value of loans approved in 2021 was \$641,846,631.10, an increase of 32.56% when compared to the previous year.

A total of \$195,811,298.18, approximately 30% of all loans approved were for the purpose of debt consolidation. When compared to 2020, the figures presented were about 2% higher than the amounts approved in 2021.

Home Improvement Loans account for \$131,155,437.82, approximately 20% of the total value of loans approved and showed an increase of 8% when compared to 2020.

Auto Loan was the third highest loan type approved by the committee during the year. A total of \$122,259,158.11 were dispersed.

A total of \$39,474,275.25 was disbursed for mortgage payment. This category of loan accounted for 6% of the total loan portfolio. Combined with property purchase they accounted for 10%.

Motor Vehicle purchases ranked fifth and totalled \$27,840,227.37. This represents 4% of the total loans.

Construction, another loan product, closely linked to home ownership, experienced a slight decrease when compared to the corresponding period. A total of \$8,339,661.76, or 4% of total loans were disbursed.

The year f 2020 saw lowered applications for education loans but there were improvements in 2021 as the loan category clinched 2% of the total loans approved by the committee

## Conclusion

Mrs. Russell expressed profound gratitude on behalf of the Credit Committee for being able to serve the varied needs of the membership during these unprecedented times and contribute to the success of the Credit Union. She extended thanks to the management and staff of the Credit Union for the support provided in the process

of executing their responsibilities. 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".

Special thanks to the Almighty for bestowing on the team the time, talent, and the opportunity to serve the institution and colleagues.

## Matters Arising from the Report of the Credit Committee

There were no matters raised for discussion.

## Adoption of the Report

A motion for the Adoption of the Report en bloc was moved by Mrs. LaSonja Harrison; President-Elect of the Jamaica Teachers Association, and seconded by Ms. Karen Rattray of Spanish Town Infant School. All were in favour.

## REPORT OF THE SUPERVISORY COMMITTEE

Chairman of the Supervisory Committee - Mrs. Mary Dick - presented the report of the committee. The meeting was informed that the committee comprised of seven (7) members with its main objective to audit the Credit Union's operations for and on behalf of the members to ensure compliance with established standards, and in so doing oversee the internal audits; receive 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 auditor; and deal with

member complaints. With much pleasure Mrs. Dick announced that despite the challenges faced, there were no complaints from members. This was well received and acknowledged by a resounding applause.

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. Additionally, members of the committee attended meetings of sub-committees of the board which included Delinquency, Policy, Promotions and Education, Human Resource, and Risk and Compliance. The record of attendance was presented and highlighted.

Mrs. Dick reported that during the year, the committee selected randomly two thousand five hundred and thirty (2,530) transaction files for examination at the head office and branch offices. In addition, other files examined were Furniture and Fixture, Maintenance and Repairs, Senior Managers' Payroll, Members', Volunteers', Minutes of Board Meetings and Policies. Files were examined to ensure that the processes were done in accordance with established standards and to check on inventories to ensure assets were safeguarded and that the systems and policies were adhered to.

The meeting was informed that ten (10) of the eleven (11) branches were visited. It was observed that customers were satisfied with the services received. All branches visited had strict COVID-19 protocols implemented



and followed by both staff and members. A total of four hundred and eighty (480) loan applications and Withdrawal files were also examined. The files examined at all branches were found to be in good order.

The committee examined the general maintenance and repairs of the branch offices to ensure that standards were maintained for the comfort of members and administrative services. Recommendations were submitted for repairs at Morant Bay and Portmore branches which were addressed. Recommendations for improved security at the Mandeville and Santa Cruz branches were also implemented.

It was reported that all members of the committee participated in online training seminar for the Proceeds of the Crime Act (POCA) and session on Understanding the P.E.A.R.L.S. Rating System (Financial ratios used to monitor financial stability of the Credit Union).

Accounting records were examined regularly by the committee to ensure 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. It was noted that the required information such as TRN of applicants on loan applications was completed in almost all instances. Monthly payrolls and deductions made from staff salaries and the funds paid over to the relevant institutions. were also examined.

Monthly Internal Audit reports were submitted to the committee throughout the year. The findings as well as recommendations for improvements to procedures were perused by the committee. Management and other personnel were invited to clarify issues in the reports if required. During the year, thirty-six (36) areas were examined to include, Accruals, Bank Reconciliations, Journals, Closed Accounts, Reactivated Accounts, Value Books among others.

The Board of Directors would continue to provide excellent policy direction for the Credit Union to perform well in its strategic initiatives undertaken during the year.

The Credit Committee would continue to meet weekly to approve loans and to ensure that loans were granted in accordance with the organization's loan policies and guidelines of the regulators.

It was reported that Volunteers total savings was \$97,800,141.51 while Total Loans was \$97,800,141.51. Total Savings for Staff was \$153,586,711.08 and Total Loans of \$153,586,711.08.

The committee extended special commendation to the Board of Directors, management and staff of the Credit Union for the valiant efforts to maintain efficiency in the operations and system of the organization during in a year of unprecedented challenges in many of the financial institutions and other sectors of the economy. Special acknowledgement was made of the Marketing Department and their efforts to increase the organization's brand and image through increased activities on the website and social media platforms.

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**

The Adoption of the report of the Supervisory Committee en bloc was moved by Ms. Lavern Johnson of Davis Primary and seconded by Evangeline Martin.

At this point, Mr. Levy - General Manager- of the Jamaica Co-operative Credit Union League and Mr. Gallimore - Registrar - of the Department of Co-operatives and Friendly Societies were recognized and officially welcomed.

**GENERAL MANAGER'S PROGRESS REPORT**

The Progress Report of the General Manager, Mr. Robert Ramsay was presented.

Mr. Ramsay informed the meeting that his report was written in March 2022 therefore the presentation would provide information for the year in review as well as some guidance for the current year.

Mr. Ramsay extended the usual courtesies to Mr. Levy of the Jamaica Co-operative Credit Union League and Mrs. Barbara Gascoigne; former General Manager of the JTA Co-operative Credit Union.

Mr. Ramsay stated that the Covid-19 pandemic had brought about challenges for the Credit Union and had redefined the business landscape in Jamaica, thus the greater focus on digital transformation and automated services coupled with enhanced

and expanded communication channels. Members received more emails and text messages as service delivery was heightened by way of remote business transactions. The website had been redesigned to become the central point for information and service. The information was well received and acknowledged with a resounding applause.

As at March 31, 2022 the Credit Union's assets had grown to \$17.905M, Loans to \$12.586M and Savings to \$13.873M. Membership stood at 30,211.

**Strategic Planning**

The Credit Union had adopted a culture for effective strategic planning and implementing realistic goals and budgets. Strategic planning for over thirty (30) key initiatives were formulated and approved by the Board of Directors in the areas of Information Technology, Banking Operations, Human Resources Development & Administration, Marketing and Public Relations were The initiatives were aimed at expanded services, improved operational efficiencies, and provided greater member engagement and satisfaction.

**Banking Operations**

- **Increased Business Generating Capacity:**

The Credit Union would be committed to increase membership drive throughout 2022. The capacity at each branch would be strengthened to facilitate the anticipated growth. The period between recruiting and complete onboarding of new members would be shortened. A faster,

safer and more convenient service would be available to existing members.

- **Records Management:**

Improved records management would be introduced to accommodate the anticipated influx of new members and to maintain accurate records for existing members. Regular transaction documents would be digitized and kept for each member in electronic storage. Staff members would be trained and supported accordingly.

- **Build Member Education:**

Efforts would be made to increase member education in the areas of Co-operative Principles and Financial Planning. In 2022 the organization will host member education seminars, circulate articles via email, write blogs as well as establish a financial counselling platform to assist members on a one-on-one basis.

- **Loan Growth:**

A healthy loan portfolio powered by continuous growth would be in sharp focus for 2022. This would be achieved by keeping unsecured loan within the Credit Union's prescribed parameters. Secured loans would be given special attention. Special loan sales would be introduced periodically to boost growth. Delinquency portfolio would be managed by utilizing similar strategies in place during the review period such as enhanced staff competencies through training, active

monitoring to detect early signs of default and heightened communication with members facing financial difficulties with the aim of restoring their account.

**Information Technology**

Mr. Ramsay stated that various initiatives will be undertaken to improve IT infrastructure and connectivity including the acquisition and maintenance of systems and processes that support business operations and customer services in the organization.

- **Core Infrastructure Implementation:**

In 2022, the organization will replace the physical infrastructural technology. This will allow the Credit Union to remain current, secure, and resilient against the ever-growing cyber security threats and increased demand for processing capacity and storage.

- **Virtual Services Enhancement:**

The IT department will be empowered to continuously improve the organization's ability to facilitate members online. This initiative will allow members to transact debit card payments and ecommerce activities via the Credit Union's enhanced website.

- **Data Management:**

Data must always be properly and accurately secured. Failure to strengthen data protection could result in serious implications for the organization. The IT Department will support data





cleansing to ensure that all records are accurate and complete. Special consideration will be given to the storage, retrieval and capturing of data.

### Marketing and Public Relations

Mr. Ramsay emphasized that the fervent thrust of the Credit Union was to improve the lives of members through excellent financial services. The marketing and public relations efforts will focus primarily on members and their wellbeing. With that at the forefront, several initiatives had been strategically positioned:

- **School Visits:**

This long-standing initiative would continue with much intensity throughout 2022. This kind of interface allows the organization to have one-on-one interactions with members at the various institutions.

- **Digital Marketing:**

The Credit Union would increase the use of the online space to advertise and communicate with members. A constant flow of timely information would be disseminated to members.

- **New Members Competition:**

One competition would be held during 2022 to encourage new members to sign up. This initiative would run in tandem with a sustained year-long new members drive.

- **Reactivation of Dormant & Inactive Accounts:**

Members whose accounts had been inactive or dormant for various reasons would be contacted and invited to re-engage with the Credit Union to benefit from the many product offerings available.

### Human Resources Development & Administration

Mr. Ramsay placed much emphasis on human resource management and its importance in the organization. This area of focus would see improvement through staff training, human resource planning and building maintenance.

- **Staff Training:**

Key initiatives would be developed to allow members of staff to serve members in the best

possible way through the use of technology. Employees of the Credit Union would be empowered to participate in learning opportunities especially in the areas of use of technology, customer service and banking regulations.

- **Human Resource Planning:**

A comprehensive succession planning programme would be of great focus during 2022 including cross training in critical areas and staff rotation. Throughout the year the HRD & Administration Department would implement measures to improve effectiveness in time and vacation leave management to ensure that important staff functions are performed at optimal levels. A supportive workplace culture through health and wellness would be created and maintained for team members.

- **Building Maintenance:**

The programme of maintenance and upgrade of the physical infrastructure and aesthetics at each location would continue in 2022. The Portmore, Montego Bay, Port Antonio and Linstead branches have been earmarked for improvements. It was noted that the May Pen branch was in need of an upgrade however the upgrade could not be approved until a suitable location was identified for the branch to be relocated.

### Annual Branch and Staff Awards

Each year members of staff are recognized for hard work and dedication. Special commendation was extended to Mrs. Norda Brown, Santa Cruz branch who was awarded Employee of the Year. The Portmore Branch was named Branch of the Year and Ms. Millicent Westcarr, Regional Officer for the Portmore Branch copped the award of Saleswoman of the Year. The Managerial Cup was awarded to Mr. Rowan McFarlane, Regional Officer for May Pen and Linstead Branches. The awardees were acknowledged with a resounding round of applause.

Special commendations were extended to team members who together served the organization for a combined 115 years. Team Members awarded were Ms. Marie Morgan, Credit Manager at Head Office - 35 years; Ms. Angella Hartley, Branch Supervisor at Port Antonio Branch - 30 years; Mr. Robert Murray, Messenger at Head Office - 30 years; Ms. Anecia

Campbell-Fyne, Accounts Supervisor at Head Office - 10 years; and Ms. Kerrisha Facey, Member Service Representative at Linstead Branch - 10 years.

### Staff Movements

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 locations. Two staff members departed due to resignation. The organization welcomed eight new staff members, four of whom were placed in newly established positions..

### Gratitude and Appreciation

Mr. Ramsay expressed heartfelt gratitude to the members for the trust, loyalty and confidence placed in the organization. He extended special thanks to the various school communities who facilitated members of the team in whatever way possible during the pandemic. Sincere appreciation to the faithful volunteers, (directors and members of committees) for their contribution to the success of the organization 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.

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

### Matters Arising from the General Manager's Progress Report

Mr. Christopher Pierre from Salvation Army Primary School queried the rationale to reconcile delinquency when the record reflected 30,211 members. He added that the growth in membership of 1.7% against delinquency rate in the system required explanation. It was explained that a number of members had closed their accounts; hence the net growth of 1.7%.

Mr. Christopher Pierre queried the reason for the discontinuation of the Christmas Club Savings product offering. Mr. Ramsay advised that the product was still in place but would have to be opened as an individual account. He explained that the product could no longer be facilitated as a group as with the Partner Plan because it had proven very difficult to administer because there would have to be individual bankers in the schools. The risk of having bankers collect the money and taken to the Credit Union and thereafter to disperse individual pay outs was very challenging. He added that with the use of technology, it was much easier and simpler for a member to open a Christmas Club Account and channel funds to it and receive pay out electronically at year end.

Mrs. LaSonja Harrison made an impassioned plea to members to assist the Credit Union to contact members who borrow funds from the Credit Union and leave the island with their co-signees financially crippled. She reiterated that members should exhaust all possibilities to reach out to them and appeal to their

conscience. Her comments were acknowledged by a resounding round of applause.

Mrs. LaSonja Harrison queried whether the thrust for continuous training as indicated in the presentation would include the head office. She stated that the customer service at the head office was in need of improvement. Her comments were acknowledged by a round of applause. She further queried the last time the head office won the Branch of the Year award. She also asked about the plans to improve the front staff personnel because the pace at which members were attended to was a serious cause for concern.

Mr. Ramsay explained that the head office was the hub for final administrative functions and therefore an overall level of efficiency and support was its obligation to all branches. A restructuring process would take place to realize a head office and a Kingston branch. Mr. Ramsay further explained that because the head office was the support for the entire operations it could be a very challenging day for the front-line staff because they handle transactions for members both face-to-face and online. He stated that the customer service process was being reviewed and would result in improvements. He added that the credit union would engage independent customer service auditors to assist in the process.

Dr. Patience Alonge from Northern Caribbean University queried the systems in place to protect data and information during the improvement process for IT infrastructure connectivity taking



into consideration the digital age and the thrust to have most services available online. Mr. Ramsay stated that the servers were secured. He further stated that two (2) IT consulting partners were engaged to ensure that all protection systems were in place to prevent hacking or access by unauthorized persons.

The chairman acknowledged Ms. Maxine Ramsay of Ewarton Primary School who was celebrating her birthday on the same day of the meeting. The members joined in extending birthday wishes in song.

APPROPRIATION OF SURPLUS

Mr. Cyril Lebert; Treasurer moved a motion for the membership to accept the recommendation of the Board that interest in the amount of \$279,225,606 to be paid on Voluntary Shares, an award of 4%. The motion was seconded by Mrs. Barbara Gascoigne. All were in favour.

Dr. Garth Anderson appealed for a counter proposal counterproposal to be accepted despite the fact that the motion was already carried. His counter proposal counterproposal was that the percentage paid on Voluntary Shares and Permanent Shares be increased by a further 2% to 6% and 9% respectively.

Messrs. Gallimore and Levy from the Jamaica Co-operative Credit Union League intervened and assisted in the process. There was a lengthy deliberation on the issue. At the end of the deliberation, it was agreed that members would vote by way of show of hand for/against the recommendation of the Board presented by Mr. Lebert and the counterproposal by Dr. Anderson. Messrs. Gallimore and Levy coordinated the voting process.

At the end of the voting, the results were 97 in favour of the recommendation by the Board, 24 for the counterproposal and 16 abstentions. The motion by Mr. Lebert was carried. Commendation was extended to Messrs. Gallimore and Levy.

Mr. Lebert moved a motion for the members to accept the recommendation of the Board to pay a sum of \$6,153,700 for Permanent Shares, a 7% award. The motion was seconded by Mrs. Barbara Gascoigne. Members voted by way of show of hand. At the end of the voting process, the results were 129 in favour of the recommendation by the Board, one (1) against and five (5) abstentions.

FIXING OF MAXIMUM LIABILITY

Mr. Cyril Lebert, Treasurer moved that a motion that the Credit Union be allowed a maximum liability limit of ten times the capital equity, hence maximum liability would be \$39 million for the 2022 period. The motion was seconded by Mr. Clayton Hall. 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 NOMINATING COMMITTEE

Mr. Lebert Drysdale presented the report of the Nominating Committee. The committee comprised Dr. Paulette Shand, Mr. Alvin Lawson and Mr. Robert Ramsay, General Manager and advisor to the Committee.

A warm welcome was extended to all. The responsibilities of the Committee and the objectives of the meeting were clearly outlined.

Mr. Drysdale reported as follows:

The Retiring Members were:

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

The retiring members of the Credit Committee were:

Mrs. Lena Russell
Mr. Leaon Nash

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

Mrs. Lena Russell
Mr. Leaon Nash

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
Ms. Tina Reid
Mrs. Dawn Steele
Mr. Aston Messam
Mrs. Glecia Beckford
Mr. Clayton Hall
Mr. Rudolph Sewell

Ms. Tina Reid was introduced to a resounding round of applause. Her profile could be found on Page 147 in the booklet. A brief synopsis was presented.

Delegates to the League’s Annual General Meeting

Delegates nominated were as follows:

Delegates	President and Treasurer
Alternate Delegates	To be named by the Board of Directors

Volunteers Retiring in the Year 2023.

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)
Mrs. 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)

Mr. Drysdale was commended for his contribution.

Adoption of the Report

The Report was adopted on a motion by Ms. Beverly Henry Isaacs, retired teacher, and seconded by Mr. Norman Allen, Credit Committee member. All were in favour.

Mrs. Sheryll Brown 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

Retiring members of the Board of Directors were Mr. Cyril Lebert, Mr. Ray Howell, Mr. Huit Johnson, Mrs. Melva Humes-Johnson and Mrs. Lou Ann Bramwell-Shakes. There were no nominations from the floor.

The following members were duly elected to serve on the Board:

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)

A motion to formally elect the members to the Board of Directors was moved by Mr. Christopher Sinclair and seconded by Ms. Andrea Richards. All were in favour.

#### Credit Committee

Members retiring were Mrs. Lena Russell and Mr. Leanon Nash. There were no nominations from the floor.

The following members were duly elected to serve:

Mrs. Lena Russell  
Mr. Leanon Nash

A motion to formally elect the members to the Credit Committee was moved by Mr. Lawrence Dyer and seconded by Ms. Jasset Swaby-Smith. All were in favour.

#### Supervisory Committee

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

Ms. Tina Reid was previously introduced to the meeting. Her profile was included in the Annual Report on page 147.

The following members were duly elected to serve:

Mrs. Mary Dick  
Ms. Tina Reid  
Mrs. Dawn Steele  
Mr. Aston Messam  
Mrs. Glecia Beckford  
Mr. Clayton Hall  
Mr. Rudolph Sewell

A motion to formally elect the members to serve on the Supervisory Committee was moved by Ms. Joycelin Gordon-Brown and seconded by Ms. LaSonja Harrison. All were in favour.

#### Delegates to the League's Annual General Meeting

A motion to give the Board of Directors permission to

elect Delegates and Alternate Delegates to the League for 2022/2023 period was moved by Ms. Evangeline Martin seconded by Ms. Lavern Johnson. All were in favour.

Mrs. Brown advised that the newly elected Board of Directors and committees would meet within ten (10) days from the date of the election and submit all information in relation to the officers and members of the committees and Board of Directors to the Department of Co-operatives and Friendly Societies and to the Credit Union League. Congratulation was extended to the team.

Commendation was extended to Mrs. Brown for presiding over the elections.

#### RESOLUTION

Mrs. LaSonja Harrison presented a Resolution which was tabled on May 11, 2019 which stated that 1% of the JTA Credit Union annual surplus be contributed to the Jamaica Teachers' Association Critical Illness Fund. The Resolution indicated that the contribution be retroactive to 2019 and to last for a period of 15 years and subject to renewal upon the anniversary of expiration of said number of years.

The motion was moved by Mrs. LaSonja Harrison seconded by Ms. Kaydian Scott.

The chairman invited Mr. Gallimore, Registrar of the Department of Co-operatives and Friendly Societies to speak on the Resolution in his capacity as the regulator.

Mr. Gallimore stated that the matter was brought to his attention the previous year and examined in great details by the team of crucial officers and in the process determined whether the Fund was registered; who were the trustees and whether the fund was regulated. The team also examined the credit union's rules, the Credit Union Act and whether there were any similar corresponding entities in the movement. At the end of the due diligence exercise, it was found that the resolution to contribute 1% of the surplus to the Critical Critical Illness Fund was in breach of Rules 67 and Section 36. Based on the findings, the Resolution could not be supported and therefore deemed null and void.

Mr. Gallimore noted that the Fund comprised a few of the Directors of the Credit Union who were part of the trustees of the Fund. He explained to the Board that if

funds were paid over to the Fund then those Directors would have to step down because it would pose a conflict. He reiterated that the Fund could not be sanctioned and if approved by the Board, it would be challenged by his organization. He added that the JTA and the JTA Co-operative Credit Union were two separate entities and that the Credit Union is a regulated financial institution.

Mr. Gallimore suggested that the members could request of the Board to establish a registered foundation. It was noted that other credit unions have such in place. Foundations have been used to assist the wants and needs of members, schools and other types of social and charitable entities at the discretion of the Board. The comments were acknowledged by a resounding round of applause.

Mrs. Harrison commented that the Critical Illness Fund was registered and the directors questioned had always enjoyed a cordial relationship with both the JTA and the Credit Union. She stated that it was insufficient for Mr. Gallimore to indicate that there was a breach of Rule 67 and Section 36 of the Co-operative Societies Act when the documentation was not read so it could be clearly understood and recorded. She further queried whether Mr. Gallimore had the power to overrule the wishes and desires of the membership who had been deemed owners of the Credit Union.

The chairman reiterated that the members were the owners of the Credit Union. He also stated that Mr. Gallimore, in his capacity as Regulator, was authorized by law to act accordingly. He added that Rule 67 and Section 36 were recorded because they were referenced in earlier proceedings of the meeting. He then asked that

the Resolution be withdrawn. Mrs. Harrison withdrew the Resolution.

The chairman stated that the Board of Directors would conduct a series of self-engagement, examine other credit unions and the Co-operative Act and determine the most effective way to set up a foundation flanked by prudence, good financial management and governance.

#### ANY OTHER BUSINESS

Ms. Kaydian Scott of Avocat Primary and Junior High queried whether a projected timeline could be provided for the foundation to be established.

The chairman stated that a date could not be mentioned without the requisite self-engagement and investigation of the process involved. He added that discussions would commence on 2022 July 18 and status updates would be provided to the membership.

Ms. Kaydian Scott stated that legal advice would be sought.

Ms. Diana Beswick, Retired Teacher of Edith Dalton James High School asked about the minimum amount required for permanent share on opening an account and if that was the amount the 7% was calculated on.

The chairman stated that the minimum amount was Two Thousand Dollars (\$2,000.00). He confirmed that the 7% was calculated on permanent share.

Mrs. Harrison stated that the Credit Union had made a contribution of 1% and what was earlier questioned was the contribution of 1% of annual net surplus. She queried the dissonance in the situation.

The chairman stated that he could not provide a response because such would have to be carefully considered and time would not allow.

Mr. Ramsay informed the meeting of three (3) grand prizes available as give-a-ways. The prizes were two (2) television sets and a weekend for two at Grand Palladium Resort. The winners for the television sets were, Ticket #098 – Loraine Angella McTyre, -retired teacher, and Ticket #405 – Janice Stewart, Seaward Primary and Infant School. The winner for the weekend at Grand Palladium Resort was Ticket #119 – Peter Harding from Papine High School. There was a round of applause for the winners. Members were asked to check for a special prize placed under one of the chairs.

#### CLOSURE

The chairman expressed gratitude to the members of the Board of Directors and committees, especially Ms. Reid as well as those returning, the Department of Co-operatives and Friendly Societies, Members of the League, KPMG, stenographer and recording team, members of the media, JTA President and lead communicator Mr. Nash, videographers, and members for attending the AGM and for their participation. He also thanked the retired members who invested their time and efforts to attend for the success of the AGM. He asked for God's guidance on their journey home.

The meeting adjourned at 2:45pm.

  
**Patrick R. Smith**  
Secretary





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Serving Our Members... Impacting Lives Positively

\*Conditions apply

## 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**

BOARD SECRETARY  
SERVING REGION 5  
ST. ELIZABETH, MANCHESTER  
& CLARENDON



# Board of DIRECTORS



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



**KAREN HEWETT  
- KENNEDY**  
ASSISTANT BOARD SECRETARY  
SERVING AT LARGE



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



**RAY HOWELL**  
DIRECTOR  
SERVING AT LARGE



**LINCOLN JAMES**  
EXECUTIVE OFFICER  
SERVING REGION 4  
ST. JAMES, HANOVER  
& WESTMORELAND



**SANCIA  
STEWART- WILLIAMS**  
EXECUTIVE OFFICER  
SERVING REGION 4  
ST. JAMES, HANOVER & WESTMORELAND



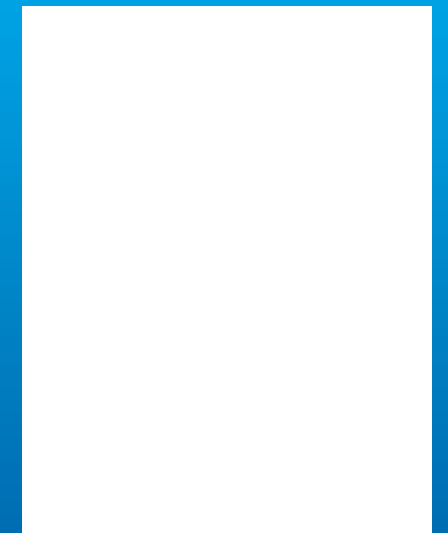
**HUIT JOHNSON**  
DIRECTOR  
SERVING REGION 1  
KINGSTON, ST. ANDREW  
& ST. CATHERINE



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



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



**DIRECTOR**  
SERVING REGION 3  
ST. MARY, ST. ANN & TRELAWNY



12 BRANCHES  
ISLANDWIDE  
TO SERVE OUR MEMBERS

**PRODUCTS AND SERVICES**

JTA Co-operative  
Credit Union Limited

**EASI ACCESS DEPOSIT PLAN**

**AGGRESS PLUS DEBIT CARD FACILITY**

**COUNSELLING SESSIONS**

**FAMILY INDemnITY PLAN**

**FREE INSURANCE**

**HELP**

**GOLDEN HARVEST SAVING PLAN**

**CHRISTMAS SAVING CLUB**

**SPECIAL DEPOSIT**

**PREMIUM FINANCING LOAN**

**COMPUTER PACK LOAN**

**PERSONAL LOAN**

**MORTGAGE LOAN**

**EASI LOAN**

**AUTO LOAN**

**Regular Credit Union Loans**  
• LOANS WITHIN 24 HOURS  
• LOANS WITH SAVINGS

**DRIVE**

**ONLINE!**

**Big**

**DRIVE**

**ONLINE!**

**DRIVE**

**ONLINE!**



### 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.



### 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.



### ORDINARY DEPOSIT ACCOUNT

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



### 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.



### 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.



### 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.



## 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.



## LENDING WITH A HEART

At the JTA Credit Union we believe that loans should be beneficial not burdensome. That is why we lend with a heart.



## 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.



## 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



## 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.



## 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

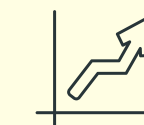
Acquiring quality insurance is one way to put your heart at ease.



## 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.



## 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 Phonline 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](http://www.jtacreditunion.com) select E-forms, download the online access form, complete and submit to [ibank@jtacreditunion.com](mailto:ibank@jtacreditunion.com) or [specialservices@jtacreditunion.com](mailto:specialservices@jtacreditunion.com)

Phonline - 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 FIFTY-NINTH ANNUAL GENERAL MEETING

The year 2022 began with high expectations of a strong recovery for the Jamaican economy. However, the rate of recovery for the island was slower than that of its peers in the region due in large part to long standing fiscal constraints. In addition, like other economies, the country grappled with a persistent increase in inflation brought on by global supply chain issues and the Russian invasion of Ukraine.

There was a gradual return to normalcy following two (2) years of movement restrictions, mask wearing, work from home mandates and online learning brought on by the pandemic. By the middle of the year, schools had reopened, workers started returning to the office, mask mandates lifted, and curfews and lockdowns were a thing of the past. However, it became apparent that some key aspects of our daily lives would remain forever changed. For one, the digitization of financial services experienced accelerated growth during the pandemic. The latter part of 2021 into 2022 saw major players in the banking industry consolidating the face-to-face operations by closing and merging multiple bank branches and replacing people outfitted branches with SMART ABMs.

Another key feature of the financial markets in Jamaica is the emergence of a high interest rate regime. Starting in the last quarter of 2021, the Central Bank consistently increased policy interest rates which led to a demand from investors for higher yields on savings. The corresponding effect was almost immediately felt in the loans market, with rates on contracts with variable rates increasing almost immediately.

Despite the increases in loan rates in the market, the Credit Union held its rates at the existing levels for most of the year and sought to increase revenues by generating higher volumes of business. This paid off, as loans grew by nearly 8% when compared with



2.2% in the prior year. Savings also grew by 5.96%. However, revenues still fell below target, in addition, there was an increase in bad debt expenses due to the failure of some members to honour their obligations. These factors resulted in a reduction in the generation of surplus.

### THE CREDIT UNION'S RESPONSE

JTA Co-operative Credit Union, despite the challenges in the operating environment, remained true to its commitment to the economic advancement of our members.

### Members Engagement

The Credit Union ramped up its communication machinery in 2022 by increasing the number of text and email messages going out to members. School visits were also on the increase as representatives of the Credit Union sought to personally engage with potential and existing members. Participation at education-related conferences and special events continued to be a very effective channel to engage our members. Television and print media advertising was also on the rise during the year.

### Return to Members

The Credit Union paid back over \$546 Million to members on their Shares and Deposits in the form of dividends 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 Fees

The Credit Union continued to keep the cost of doing business for members as low as possible. In 2022, income from fees represented just 2% of gross revenue in comparison to the Credit Union industry which derived an average of 9% of its total revenue from fees.

All available data continues to point to the fact that it costs far less to do business with JTA Co-op Credit Union than with any commercial bank and most other credit unions.

### Cost Efficiency

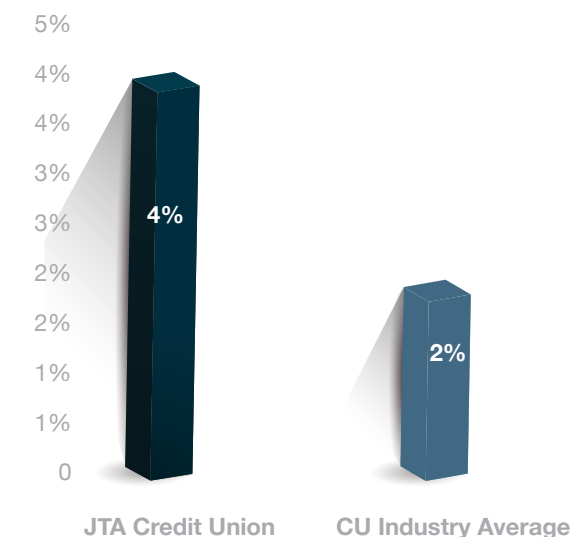
Cost efficiency continued to be top priority for the JTA Co-op Credit Union in 2022. Despite the rising costs for inputs, the organization maintained a level of operational efficiency that was comfortably below the industry average.

### KEY AREAS OF PERFORMANCE 2022

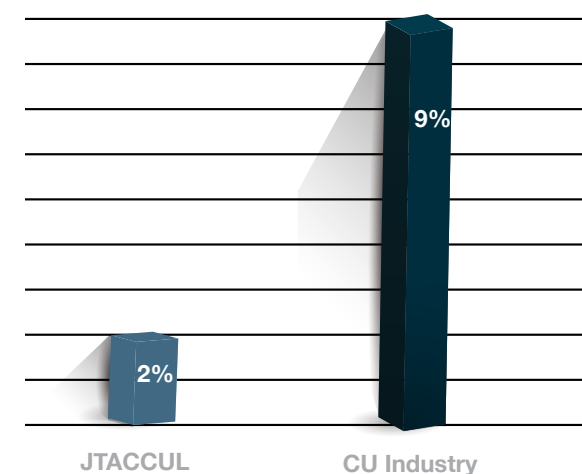
The Financial Year 2022 saw the Credit Union growing in all key areas except gross income. The growth trend over the past four (4) years has remained relatively flat as competition heightened in the financial services market, and the pandemic negatively affected consumer demand and investment yields. The Credit Union generated total revenues of \$1,851M in 2022.

Loans showed signs of growth in 2022, increasing by 7.97% after remaining relatively flat for the prior three (3) years. Despite the increase, the average return on the loan portfolio steadily decreased, resulting in less earnings for the Credit Union from loans. This is as a result of earlier systematic reductions in the interest rates on loans granted to members. The total Loan portfolio as at December 31, 2022, amounted to \$13,218M.

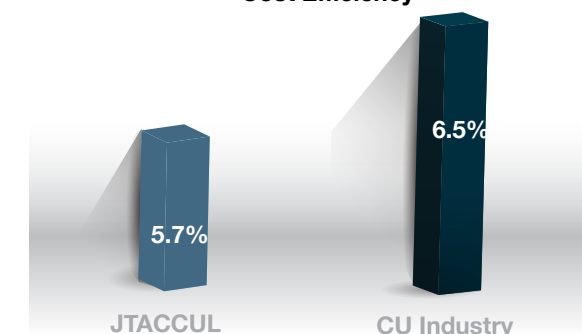
### Returns To Members 2022



### % Income from Fees

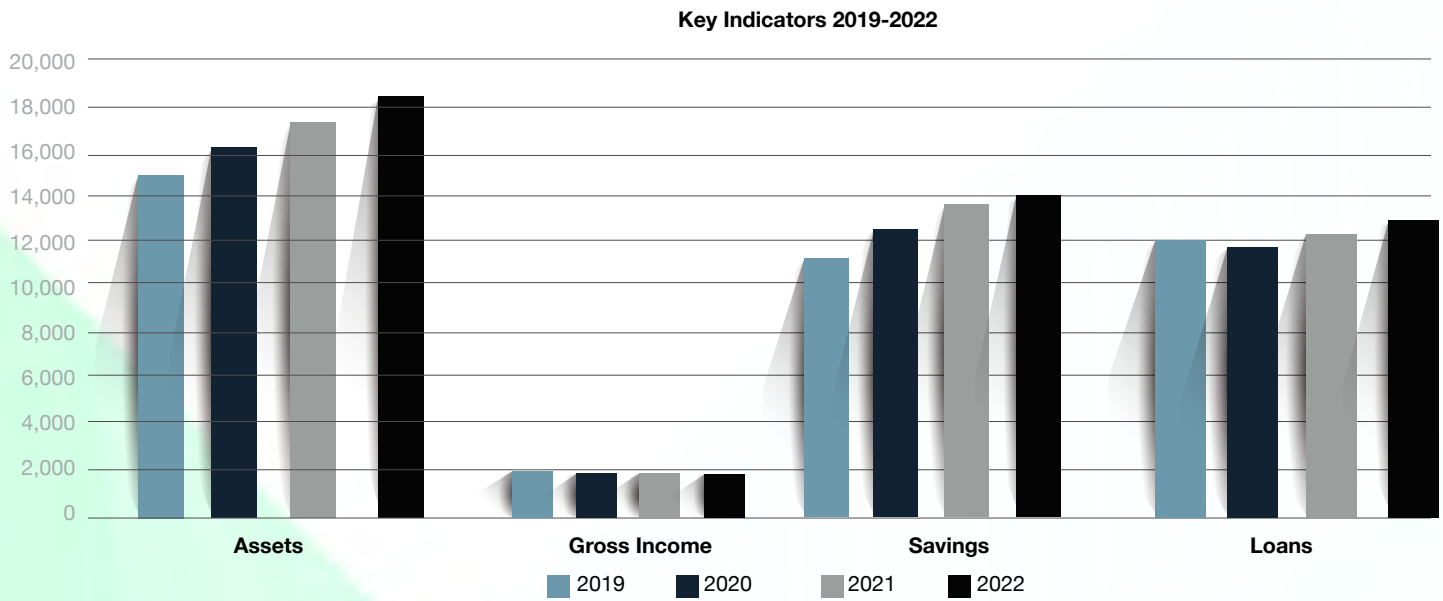


### Cost Efficiency





Assets and Savings both showed consistent growth over the past four (4) years with Assets increasing by 6.3% and Savings by 5.96%. Both growth rates, nevertheless, remained below the annual inflation rate of 8.8%. By the end of 2022 the Credit Union's Total Assets amounted to \$18,563M and Member Savings to \$14,342M.



## YEAR IN REVIEW

### Membership Growth

With the reopening of schools and the resumption of face-to-face learning, traditional in-person recruitment activities were undertaken in all earnest. Recruitment activities carried out during the year yielded growth of 2.9% (875 members) in membership. The Credit Union's membership base stood at 31,016 members at the end of the year, a favorable result when compared with the prior year's growth of 0.71% (236 members).

### Delinquency Managemen

Member migration was the most significant factor impacting the health of the Credit Union's loan portfolio during the year. Members opted to apply for unsecured loans at the Credit Union on the eve of emigrating, which resulted in a number of these loans falling into past due within months of being disbursed. This resulted in a persistent increase in the bad debt provisioning requirements which in turn dealt a devastating blow to surplus generation.

Nevertheless, the Credit Union maintained its focus and ultimately, rigorous monitoring and persistent follow-up of delinquent members saw the year ending with a delinquency ratio of 3.51%.

## HUMAN RESOURCE DEVELOPMENT & ADMINISTRATION

The Credit Union recognizes that human resource capital is the greatest input in sustaining our success and has placed priority on the training and motivation of all staff members.

In 2022, there was heightened support for, and awareness of safety in the workplace as the organization re-established normal operations post Covid-19. The health of our staff also remained a high priority; hence 'Wellness Wednesday' was introduced and remained a consistent feature throughout the year. Sixteen (16) team Members were trained in Basic Life Support by the Heart Foundation of Jamaica and have been certified as 'Heartsaver® CPR AED'.

The modernization of our HR function was a key focus for 2022 and the year heralded the implementation of an automated leave management system and an enterprise attendance system. These two additions to our operations have improved the ease with which team members were accounted for, as well as the ability to track daily human resource availability island wide.

There was the resumption of our in-person General Staff Meeting which was held on March 22, 2022 and the hosting of our annual Staff Retreat in September 2022 with some new features. These were welcomed changes for the team after a 2-year disruption.

### Staffing

The organization's structure remained in its original form with the General Manager, Mr. Robert Ramsay being in charge. He is supported by the Assistant General Manager, Mrs. Lisa Taylor; Finance Manager, Ms. Maxine Nugent; Information Technology Manager, Mr. Fabian Webb, and the Human Resources Development and Administration Manager, Mrs. Suezette Hemmings-Bryan.

There were seven (7) new recruits for 2022 and four (4) promotions. Ms. Angella Hartley, former Branch Supervisor, Port Antonio was included in the list of team members promoted during the year. She was advanced to the position of Regional Officer for Port Antonio, Port Maria and Browns Town branches following the retirement of the incumbent, Mr. Joel Scott. There was a total of nine (9) separations, three (3) of whom were retirees.

At the end of December 2022, the staff complement at the JTA Co-operative Credit Union was one hundred and thirteen (113). The staff assigned to each Division/ Department is outlined at the end of the booklet.

## Administration

Improvement works were done at the following locations during the year:

1. Portmore
2. Montego Bay

The purchase of 107 Constant Spring Road, Kingston to house the Credit Union's Head Quarters for its operations, and establishment of a new branch location was also completed during the period.

## REGIONAL SERVICES

The Credit Union's retail outlets contributed significantly to the generation of new business for the organization. With five (5) Regional Managers overseeing eleven (11) branch locations, the Credit Union was able to build up presence in the market through school visits and booth displays at parish meetings and seminars.

## CORPORATE SOCIAL RESPONSIBILITY

### Better Schools...Better Jamaica

During 2022 the Credit Union again awarded two schools in the annual Better Schools...Better Jamaica Programme; both schools received a total of \$1.5m. The first-place winner was Bridgeport High which received \$1M, the school used the grant awarded to construct a greenhouse that will be used by the Caribbean Secondary Education Certificate (CSEC) students. The second-place winner was Greenwich Primary, which won \$500,000 which would be used to refurbish a computer laboratory at the school.

## Donations and Sponsorships

The Credit Union continued to play an active role in the local community and during 2022 we donated over \$6.3M to educational institutions and other civic groups in local communities right across Jamaica.

We also gave support to various JTA initiatives throughout 2022. These include the prestigious Golden Torch Awards which we sponsored to the tune of \$500,000. The Credit Union also supported the JTA Sagicor Championship to which we gave sponsorship of over \$1.7M.

The Credit Union also maintained our presence as a key sponsor of the TVJ Junior Schools Challenge Quiz and the Gleaner Spelling Bee Competition.

### Tertiary Scholarships & Grants

In 2022 the JTA Credit Union continued with its decades old Tertiary Scholarships and grants. A total of eleven members were awarded grants and scholarships. Mrs. Stephanie Wright-Grant, a senior teacher at St. Jago High was awarded the prestigious Desmond "DC" Gascoigne Award For Excellence. In 2022 the JTA instituted another category of award within the tertiary scholarship named the W.A. Johnson Award. This award is second to the D.C. Gascoigne Awards and was named for one of the founding members of the Credit Union. Mrs. Sherene Anderson-McLaughlin was the first member to receive this award.





The Credit Union also awarded PEP Bursaries to students about to enter high school. The Bursary is open to students whose parents are members of the Credit Union. Applications for the bursaries were received from all fourteen parishes, the Top Boy for 2022 is Michael-Ajay Ramsay and the Top Girl is Kiara Mitchell.

Corporate Governance

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. During the year the board reviewed and approved the strategic plan, monitored performance on a monthly basis, and ensured that appropriate policies are in place to govern the Credit Union’s affairs and meet regulatory compliance.

In 2022, thirteen (13) meetings were held, the record of attendance of each board member is shown below:

BOARD ATTENDANCE SCHEDULE

NAME	POSITION	POSSIBLE ATTENDANCE	ATTENDED	NUMBER EXCUSED
Mr. Paul Adams	President	13	12	1
Mr. Morris Stewart	2nd V/ President	13	13	0
Mr. Cyril Lebert	Treasurer	13	12	1
Dr. Margaret Bailey	Asst. Treasurer	13	13	0
Mr. Patrick Smith	Secretary	13	13	0
Mrs. Ena Barclay	Asst. Secretary	13	12	1
Mr. Lincoln James	Executive Officer	13	12	1
Mrs. Lou Ann Bramwell-Shakes	Member	13	13	0
Mrs. Melva Humes-Johnsons	Member	13	13	0
Mr. Lebert Drysdale	Member	13	11	2
Mr. Fergus Mitchell	Member	3	3	0
Mr. Ray Howell	Member	13	12	1
Mrs. Karen Kennedy	Member	13	13	0
Mr. Huit Johnson	Member	13	13	0
Mrs. Sancia Stewart-Williams	Member	13	12	1

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 of the organization.

As we reflect on the Credit Union’s performance in 2022, it is with a heightened sense of gratitude that we make the following acknowledgements:

1. Our members continue to support and patronize the services of the Credit Union.
2. The management and staff who worked 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 Group, the Department of Co-operatives and Friendly Societies, Jamaica Co-operative Insurance Agency, CUNA Caribbean Insurance Jamaica Ltd and the National Union of Co-operative Societies.

5. The Ministry of Education.
6. Jamaica Teachers’ Association and its Allied group.
7. BDO, our auditors.

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

For and behalf of the Board of Directors

  
**Paul P. Adams (Mr.)**  
President





# Report of the TREASURER

FOR THE YEAR ENDED DECEMBER 31, 2022

The year 2022 saw the global economy emerging from the effects of the COVID-19 pandemic. Economic growth, impacted by the war in Ukraine and its effect on productivity in many countries, was 3.2%, following a 6.1% growth in 2021. Growth is projected to remain low over the next 2 years. As demand for goods and services grew during the year, widespread supply shortages, including computer chips, energy and labour, contributed to surging inflation. In addition, fuel prices were volatile because of the Ukraine war and the resultant restricted supplies from Russia.

Locally, business activity continued to rebound as the productive and service sectors headed back to pre-pandemic levels. Preliminary estimates show that the Jamaican economy grew by 5.2% growth, following the 4.6% expansion in 2021.

Unemployment fell from 7.1% at the end of 2021 to 6.6% at the end of September 2022. Inflation for 2022 was 8.8%, increasing from the 7.3% recorded in 2021, and remained above the Bank of Jamaica (BOJ) target of 4 - 6%. The increase was largely influenced by movement in the cost of fuel, housing, and food and beverages.

The BOJ continued to use various monetary policies aimed at achieving the inflation target and a stable foreign exchange rate. The central bank increased its policy rate from 2.5% to 7.0% during the year and continued to sell foreign currency directly to authorised dealers through an auction system.

During the year, the Jamaican dollar appreciated by 2% with respect to the US\$, moving from a rate of \$155.09 to \$152.05.

Amid this economic environment, the credit union continued to strive to provide excellent, consistent, personalised service to our members, and a range of products at competitive rates, targeted at members' needs, while managing its resources prudently.



## FINANCIAL RESULTS

Despite the worst of the pandemic being behind the country, consumers saw cost of living increasing sharply as inflation spiked. The real cost of basic food items and gasoline affected persons' disposable income significantly. Our members were challenged in their ability to increase savings and to service new or existing loans. This affected the growth of the credit union's loan portfolio, delinquency, and asset growth.

The following table shows the major targets set at our annual strategic management retreat, and the actual results achieved:

Objective	Goal	Actual
Increase Total Assets	9.0%	6.2%
Increase Savings to Assets Ratio	78.0%	77.3%
Institutional Capital to Total Assets Ratio	15.0%	15.0%
Operating Expenses to Average Assets Ratio	7.0%	5.9%
Delinquency Ratio	3.0%	3.5%
Increase Loans to Total Assets Ratio	71.5%	71.2%
Attain Revenues of	\$1.99B	\$1.85B

The credit union fell short on some of the strategic goals, including the delinquency ratio, revenue target and asset growth, while operating expenses were kept within the target ratio, at 5.9%.

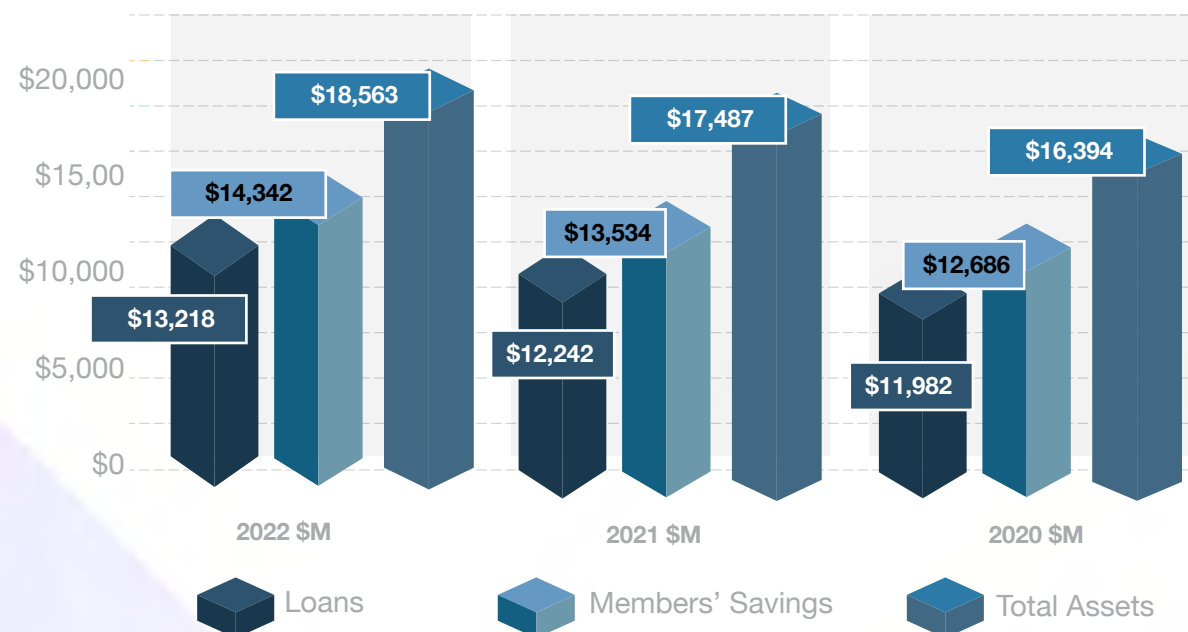
Key performance criteria are highlighted below:

Financial Indicators	2022 \$M	2021 \$M	2020 \$M	Increase 2021-2022	% Change 2021-2022	% Change 2020-2021	% Change 2019-2020
Total Assets	18,563.4	17,487.4	16,393.7	1,076.0	6.2	6.7	9.2
Loans	13,217.8	12,242.5	11,981.5	975.3	8	2.2	1.7
Investments	4,577.9	4,668.5	3,861.7	90.6	-1.9	20.9	68.9
Voluntary Shares	7,724.2	7,227.9	6,733.3	496.3	6.9	7.3	9.1
Members Deposits	6,617.9	6,306.2	5,953.1	311.7	4.9	5.9	7.4
Total Savings	14,342.1	13,534.2	12,686.4	807.9	6.0	6.7	8.3
Institutional Capital	2,786.9	2,712.1	2,546.3	74.8	2.8	6.5	24.8
Operating Expenses	1,069.0	981.8	900.8	87.2	8.9	9.0	2.7
Net Interest & Other Income	1,144.7	1,311.7	1,298.6	167.0	-12.7	3.4	3.5

In 2022, the credit union's Total Assets increased by \$1.1B, to \$18.6B, a growth of 6.2%. This commendable growth was achieved despite the numerous economic challenges and strong competition in the financial sector.



### Growth In Total Assets, Savings & Loans



The Net Loan Portfolio increased by \$975.3M, or 8%, to \$13.2B at the end of 2022. Loan demand increased over 2021 when the pandemic critically economic and recreational activity and when remote teaching had continued. The demand for motor vehicle loans was particularly vibrant.

The Investment portfolio stood at \$4.6B at the end of 2022, reflecting a marginal reduction from the end of 2021. The prior year was significantly enhanced by the reduction in loan disbursement, resulting in increased liquid funds available for investment.

Members' Deposits grew by \$312M to \$6.6B, a 4.9% increase over the balance at the end of 2021. Voluntary Shares increased by \$496M, or 6.9%, to 7.7B for the year. Members' savings continued to be remitted mainly through salary deductions. The credit union's rates on members' deposits and voluntary

shares remained very competitive in the credit union industry.

Net Surplus of \$75.7M was earned on revenues of \$1.8M, a reduction from the \$329M surplus in 2021.

### SAVINGS

The credit union continues to offer savings products with 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, Fixed Deposits and Golden Harvest, which represent 54%, 32% and 12% respectively, of our members' savings portfolio. The table below shows the Savings portfolio as at December 31, 2022, compared with 2021.

Product	2022 \$M	2021 \$M	Increase / (decrease) \$M
Voluntary Shares	7,724.2	7,227.9	496.3
Fixed Deposits	4,648.2	4,373.5	274.7
Golden Harvest	1,649.6	1,591.3	58.3
Other Deposits	320.1	341.5	-21.4
Total	14,342.1	13,534.2	807.9

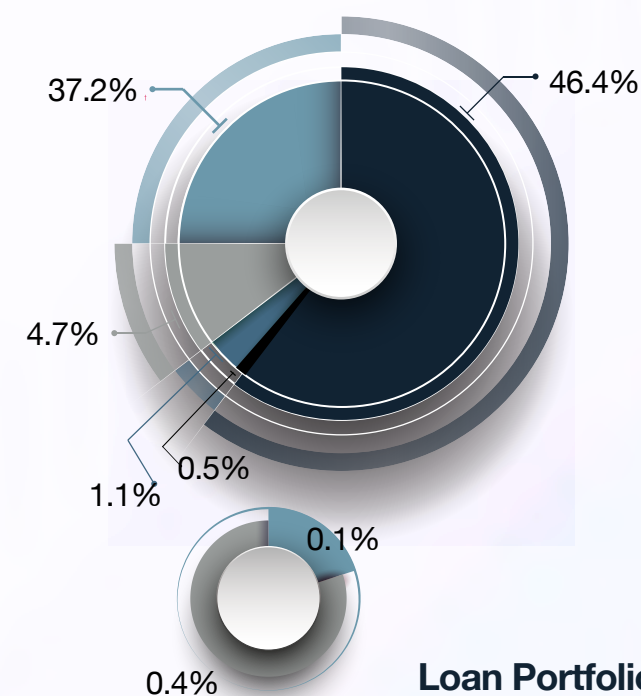
### LOAN PORTFOLIO

The credit union maintains a diversified loan portfolio for our members' varying requirements. Promotional activities were

ramped up during the year aimed at stimulating growth in the portfolio. At the end of 2022, net loans comprised 71.2% of assets, compared to 70.0% in 2021, as loan disbursement increased. The

loan portfolio grew by \$0.98B. The composition of the loan portfolio is shown in the following table:

Loan Type	2022 \$M	2021 \$M	Increase / (decrease) \$M
Regular Loan	6,242.6	6,003.6	239.0
Auto Loan	1,9976.3	1,513.0	463.3
Personal Loan	5,000.5	4,619.8	380.7
Consolidation Loan	14.3	49.3	-35.0
Easi Loan/Line of Credit	8.3	8.5	-0.2
Mortgage Loan	153.7	136.0	17.7
Others	47.3	80.7	-33.4

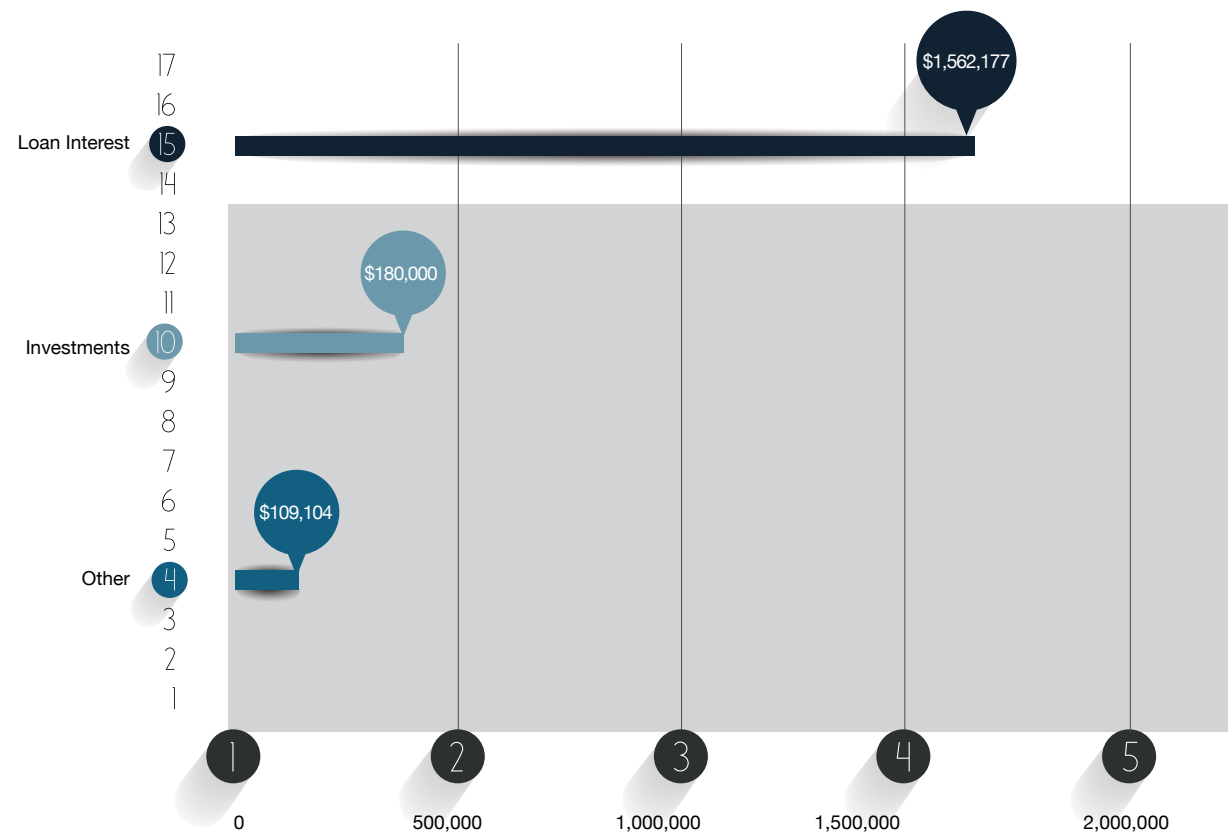


### INCOME & EXPENDITURE

Interest income for the year was \$1.7B, increasing by \$46M or 2.7% from 2021. Loan interest, the primary source of income, totalled \$1.56B in 2022, a \$24.8M, or 1.6%, reduction. Interest on Investments contributed \$184.5M compared to \$113.5M in 2021, as market rates increased.

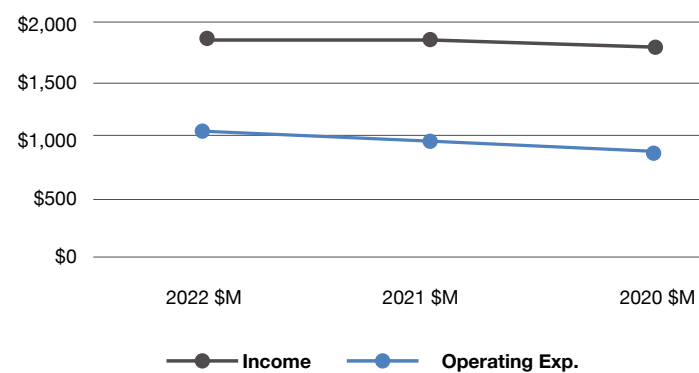
Operating expenses increased by \$87.2M (8.9%). The Operating Expense to Average Assets ratio for the year was a commendable 5.9%, indicating prudent utilization of resources, and it stands well within the prudential standard of 8%. Net interest income on loans was reduced by \$146.4M for impairment losses (\$27.9M in 2021). This is based on the portfolio and on internal and external factors as measured under International Financial Reporting Standards.





**Contribution to Income**

## Income & Expenditure



## PRUDENTIAL STANDARDS

The Credit Union's performance, measured by the PEARLS international prudential standards, is highlighted in the table below. As indicated 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 amid high inflation.

At the end of 2022, Institutional Capital stood at \$2.8B, an increase of \$75M. Our Institutional Capital to Total Assets ratio was 15%, 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 2022 was commendable despite the challenges of rising inflation, economic uncertainty, limitation of our bond and members' financial challenges. We will continue to implement and sustain measures which strengthen and grow our credit union while optimizing the benefits to our members.

## Performance Measured by Pearls Prudential Standards

INDICATOR	STANDARD	2022-12-31	2021-12-31
<b>PROTECTION</b>			
Provision for loan losses	100%	100%	100%
<b>EFFECTIVE FINANCIAL STRUCTURE</b>			
Net Loans/ Total Assets	60% - 80%	71.2%	70.0%
Total Savings/ Total Assets	70% - 80%	77.3%	77.3%
Institutional Capital/ Total Assets	<8%	15.9%	15.5%
<b>ASSET QUALITY</b>			
Delinquent Loans >30 days / Total Loans	47.3	80.7	-33.4
<b>RATES OF RETURN &amp; COST</b>			
Operating Expenses/ Average Assets	<8%	5.9%	5.8%
<b>LIQUIDITY</b>			
Liquidity Reserves/ Withdrawable Savings	>10%	24.2%	28.2%
<b>GROWTH</b>			
Growth in Total Assets	>Inflation rate	6.2%	6.7%
Growth in Membership	=> 5%	2.9%	0.7%
Growth in Savings	>Inflation rate	6.0%	6.7%

## 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 BDO, the Jamaica Co-operative Credit Union League Limited, the Department of Co-operatives and Friendly Societies and our loyal members.

May God continue to bless this great organization.

**Cyril Lebert**  
Treasurer





# Declaration of INTEREST, DIVIDEND & MAXIMUM LIABILITY

## Recommendations of the Board of Directors

The Board of Directors of the Credit Union is making the following recommendation to the meeting:

### Interest

That an interest of 3%, be paid on Voluntary Shares amounting to \$227M.

### Dividend

That a Dividend of 7% be paid on Permanent Shares amounting to \$6.3M.

### Fixing of Maximum Liability

That the Jamaica Teachers' Association Co-operative Credit Union Ltd. be allowed a maximum liability of 10 times the equity, hence maximum liability would be set at \$38B for 2023.

For and on Behalf of the Board of Directors



Cyril Lebert  
Treasurer

## Fees? What fees?

# 0%

- ✓ **NO** withdrawal fee
- ✓ **NO** deposit fee
- ✓ **NO** account holding fee
- ✓ **NO** account statement fee
- ✓ **NO** minimum balance fee
- ✓ **NO** account maintenance fee
- ✓ **NO** account reactivation fee

**We give it to you FREE,  
because we know that  
every dollar counts.**



JTA CO-OP CREDIT UNION LIMITED

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

922-2009, 618-1706, 922-9594

info@jtacreditunion.com

www.jtacreditunion.com

We take your **GOALS** to heart



The JTA Credit Union has  
**no hidden or exorbitant fees**  
to eat away your cash.





# Financial STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2022



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](mailto:info@dcfs.gov.jm)

Website: [www.dcfs.gov.jm](http://www.dcfs.gov.jm)

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

S1

R233/446/04/23

April 19, 2023

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 financial year ended December 31, 2022.

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



## INDEPENDENT AUDITORS' REPORT

To: The Registrar of Co-operatives and Friendly Societies  
Re: Jamaica Teachers' Association Co-operative Credit Union Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Jamaica Teachers' Association Co-operative Credit Union Limited set out on pages 53 to 139, which comprise the statement of financial position as at 31 December 2022, and the statements of surplus or deficit 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 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Co-operatives Societies Act.

#### Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Matter

The financial statements as at and for the year ended 31 December 2021 were audited by other independent auditors whose report dated 16 May 2022 expressed an unqualified opinion thereon.

#### Other Information

Management is responsible for the other information. The other information comprises the President's, Treasurers' and other reports included in the Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do 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.

Partners: S. M. McFarlane, J. Hibbert, D. Hobson, B. Vanriel, K. Heron  
Associate Partner: D. Brown

Offices in Montego Bay, Mandeville and Ocho Rios

BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

## INDEPENDENT AUDITORS' REPORT (CONT'D)

To: The Registrar of Co-operative and Friendly Societies  
Re: Jamaica Teachers' Association Co-operative Credit Union Limited

### Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements 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.

The Board of Directors is responsible for overseeing the Co-operative's financial reporting process.

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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



# INDEPENDENT AUDITORS' REPORT (CONT'D)

To: The Registrar of Co-operatives and Friendly Societies  
Re: Jamaica Teachers' Association Co-operative Credit Union Limited

## Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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 kept, 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 required.

  
Chartered Accountants

6 April 2023

## JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$'000	2021 \$'000
<b>INTEREST INCOME:</b>			
Loans		1,562,177	1,586,981
Liquid assets, resale agreements and financial investments		184,462	113,486
		<u>1,746,639</u>	<u>1,700,467</u>
<b>INTEREST EXPENSE:</b>			
Members' deposits		268,194	255,856
External credits		4,937	85
Members voluntary shares		271,177	252,047
Lease liabilities		4,673	3,727
Other finance cost		11,073	8,317
		<u>560,054</u>	<u>520,032</u>
<b>NET INTEREST INCOME</b>		1,186,585	1,180,435
Impairment gains on liquid assets, resale agreements and financial instruments		( 139)	402
Impairment losses on loans, net of recoveries	12(c)	( 146,400)	( 27,913)
<b>NET INTEREST INCOME AFTER IMPAIRMENT</b>		1,040,046	1,152,924
Non-interest Income	7	<u>104,641</u>	<u>158,724</u>
		<u>1,144,687</u>	<u>1,311,648</u>
Operating expenses	8	( 566,514)	( 520,814)
Staff costs	9	( 502,508)	( 460,942)
		<u>(1,069,022)</u>	<u>( 981,756)</u>
<b>SURPLUS FOR THE YEAR</b>		<u>75,665</u>	<u>329,892</u>
<b>OTHER COMPREHENSIVE LOSS</b>			
Item that will never be reclassified to surplus:			
Remeasurement of employment benefits asset	19(f)	( 66,909)	( 60,907)
Items that may be reclassified to surplus:			
Valuation gain/(loss) on fair value through other comprehensive income		<u>37,797</u>	<u>( 44,856)</u>
		<u>( 29,112)</u>	<u>( 105,763)</u>



JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2022

	Note	2022 \$'000	2021 \$'000
<b>ASSETS:</b>			
<b>EARNINGS ASSETS:</b>			
Liquid assets	10	1,964,583	2,087,077
Resale agreements	11	1,420,904	1,696,736
Loans to members after provision for impairment	12	13,217,835	12,242,475
Financial investments	13	1,192,388	884,671
Investment property	14	5,744	5,947
		<u>17,801,454</u>	<u>16,916,906</u>
<b>NON-EARNINGS ASSETS:</b>			
Cash and cash equivalents	15	55,666	51,881
Other assets	16	142,339	178,862
Property, plant and equipment	17	476,390	152,236
Intangible assets	18	15,689	23,024
Employee benefits asset	19	57,813	127,201
Right-of-use assets	20	14,005	37,284
		<u>761,902</u>	<u>570,488</u>
<b>TOTAL ASSETS</b>		<u><b>18,563,356</b></u>	<u><b>17,487,394</b></u>
<b>LIABILITIES:</b>			
<b>INTEREST BEARING LIABILITIES:</b>			
Lease liabilities	20	23,159	40,557
Members' deposits	21	6,617,941	6,306,223
Members' voluntary shares	22	7,724,222	7,227,941
External credits	23	220,562	395
		<u>14,585,884</u>	<u>13,575,116</u>
<b>NON-INTEREST BEARING LIABILITY:</b>			
Payables	24	215,327	192,390
<b>TOTAL LIABILITIES</b>		<u><b>14,801,211</b></u>	<u><b>13,767,506</b></u>
<b>EQUITIES:</b>			
Institutional capital	25	2,786,851	2,712,055
Non-institutional capital	26	975,294	1,007,833
<b>TOTAL EQUITIES</b>		<u><b>3,762,145</b></u>	<u><b>3,719,888</b></u>
<b>TOTAL LIABILITY AND EQUITIES</b>		<u><b>18,563,356</b></u>	<u><b>17,487,394</b></u>

Approved for issue by the Board of Directors on 6 April 2023 and signed on its behalf:

 Paul Adams President  
 Cyril Lebert Treasurer  
 Patrick Smith Secretary

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2022

	INSTITUTIONAL CAPITAL						NON-INSTITUTIONAL CAPITAL					
	Note	Permanent Shares \$'000	Statutory Reserve \$'000	Employee Benefit Reserve \$'000	Accumulated Surplus \$'000	Fair Value Reserve \$'000	Revaluation Reserve \$'000	Permanent Share Reserve \$'000	Total \$'000			
At 31 December 2020		87,137	2,459,156	181,702	673,832	87,249	9,430	2,329	3,500,835			
Comprehensive income for the year		-	-	-	329,892	-	-	-	329,892			
Comprehensive loss:												
Transfer of employee benefits asset to fair value of debt instruments at FVOCI	19	-	-	-	(60,907)	(44,856)	-	-	(60,907)			
Transfer comprehensive loss		-	-	-	(60,907)	(44,856)	-	-	(105,763)			
Comprehensive income for the year		-	-	-	268,985	(44,856)	-	-	224,129			
Permanent shares from permanent shares		1,002	-	-	-	-	-	229	1,002			
Transfer of employee benefits asset reserve to statutory reserve:		-	-	(54,501)	54,501	-	-	-	-			
Transfer year surplus	25 (b)	-	164,981	-	(164,981)	-	-	-	-			
Transfer fees	25 (b)	-	8	-	(6,086)	-	-	-	8			
	27	-	-	-	(116,566)	-	-	-	(6,086)			
		773	164,989	(54,501)	(116,566)	-	-	229	(5,076)			
At 31 December 2021		87,910	2,624,145	127,201	826,251	42,393	9,430	2,558	3,719,888			



**JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED 31 DECEMBER 2022**

	<u>Note</u>	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Surplus for the year		75,665	329,892
Adjustments for:			
Interest income		(1,746,639)	(1,700,467)
Interest expense		555,381	516,305
Interest expense on lease liabilities	20(iii)	4,673	3,727
Depreciation	14,17	23,074	20,481
Amortisation	18	7,335	7,335
Amortisation of right-of-use assets	20(i)	26,252	18,237
Impairment gain on liquid assets, resale agreements & financial investments		139	( 402)
Realised gains on investments		( 554)	( 37,222)
Gain on disposal of investment property		-	( 2,410)
Employee benefits asset	19(e)	18,617	9,402
Impairment losses on loans, net of recoveries	12(c)	<u>146,400</u>	<u>27,913</u>
Operating cash flows before movements in working capital		( 889,657)	( 807,209)
Changes in operating assets and liabilities			
Loans		(1,121,760)	( 288,891)
Other assets		77,121	( 53,986)
Pension contributions	19(b)	( 16,138)	( 15,808)
Members' deposits		311,718	353,121
Members' voluntary shares		496,281	494,599
Payables		<u>20,837</u>	<u>4,305</u>
Interest received		(1,121,598)	( 313,869)
Interest paid		<u>1,706,041</u>	<u>1,685,104</u>
		( 553,281)	( 515,147)
Net cash provided by operating activities		<u>31,162</u>	<u>856,088</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of investment property		-	3,900
Purchase of property, plant and equipment	17	( 347,025)	( 27,216)
Liquid assets		134,476	( 197,545)
Resale agreements		301,944	( 572,060)
Financial investments		<u>( 269,615)</u>	<u>( 38,176)</u>
Net cash used in investing activities		<u>( 180,220)</u>	<u>( 831,097)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Permanent shares (net)		1,819	1,002
External credit		220,167	( 929)
Dividend paid	27	( 6,126)	( 6,086)
Entrance fees		11	8
Repayment of leases liabilities	20(iv)	<u>( 25,044)</u>	<u>( 12,492)</u>
Net cash provided by/(used in) financing activities		<u>190,827</u>	<u>( 18,497)</u>
Net Increase in cash and cash equivalents		41,769	6,494
Cash and cash equivalents at beginning of year		<u>71,556</u>	<u>65,062</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	15(a)	<u><u>113,325</u></u>	<u><u>71,556</u></u>

**JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**YEAR ENDED 31 DECEMBER 2022**

	<u>INSTITUTIONAL CAPITAL</u>				<u>NON-INSTITUTIONAL CAPITAL</u>			
	Permanent Shares \$'000	Statutory Reserve \$'000	Employee Benefit Reserve \$'000	Accumulated Surplus \$'000	Fair Value Reserve \$'000	Revaluation Reserve \$'000	Permanent Share Reserve \$'000	Total \$'000
Balance at 31 December 2021	87,910	2,624,145	127,201	826,251	42,393	9,430	2,558	3,719,888
Total comprehensive income for the year	-	-	-	75,665	-	-	-	75,665
Surplus for the year	-	-	-	( 66,909)	-	-	-	( 66,909)
Other comprehensive loss:				-	37,797	-	-	37,797
Remeasurement of employee benefits asset	19	-	-	-	-	-	-	-
Change in fair value of debt instruments at FVOCI		-	-	( 66,909)	37,797	-	-	( 29,112)
Total other comprehensive loss		-	-	( 66,909)	37,797	-	-	( 29,112)
Total comprehensive income for the year		-	-	8,756	37,797	-	-	46,553
Issue of permanent shares		-	-	-	-	-	-	-
Transfer from permanent shares		1,819	-	-	-	-	-	1,819
Transfer from employee benefits asset reserve		( 220)	-	-	-	-	220	-
Transfer to statutory reserve:		-	( 69,388)	-	69,388	-	-	-
From current year surplus	25 (b)	-	-	-	( 73,186)	-	-	-
Entrance fees	25 (b)	-	-	-	-	-	-	-
Dividends	27	-	-	-	( 6,126)	-	-	( 6,126)
Balance at 31 December 2022	89,509	2,697,342	57,813	825,083	80,190	9,430	2,778	3,762,145





## JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

#### 1. IDENTIFICATION AND PRINCIPAL ACTIVITY:

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 25a) 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.

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.

#### 2. REPORTING CURRENCY:

Items included in the financial statements of the Co-operative are measured using the currency of the primary economic environment in which the co-operative operates ("the functional currency").

These financial statements are presented in Jamaican dollars, which is considered the Co-operative's functional and presentation currency.

#### 3. SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Amounts are rounded to the nearest thousands, unless otherwise stated.

##### (a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS). The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain properties and financial assets that are measured at fair value or revalued amounts.

## JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

##### (a) Basis of preparation (cont'd)

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Co-operative's accounting policies. Although these estimates are based on management's best knowledge of current events and action actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

##### New standards, interpretations and amendments that became effective during the year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Co-operative has assessed the relevance of all such new standards, amendments and interpretation and has concluded that the following new standards, interpretations and amendments are relevant to its operations:

- 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 and IFRS 16 Leases and are **(effective for accounting periods beginning on or after 1 January 2022)**.
  - (i) IFRS 9 *Financial Instruments* amendment clarifies that - for the purpose of performing the '10 percent test' for derecognition of financial liabilities in determining those fees paid net or received, a borrower includes only fees paid or received between the borrower and lender, including fees paid or received by either the borrower or lender on the other's behalf.
  - (ii) IFRS 16 *Leases* amendments removes the illustration of payments from the lessor relating to leasehold improvements.

There was no significant impact on the financial statements from the adoption of this amendments.

##### New standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted

At the date of authorization, there are a number of standards, amendments to standards and interpretations which have been issued by the IASB that are effective in future accounting periods that the Co-operative has decided not to adopt early. The most significant of these are:





NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

New standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted (cont'd)

**Amendments to IAS 1, 'Presentation of Financial Statements' on Classification of Liabilities (effective for accounting periods beginning on or after 1 January 2024).** These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectation of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

**Amendment to IAS 1, 'Practice statement 2 and IAS 8' (effective for annual periods beginning on or after 1 January 2023).** The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The Co-operative will assess the impact of future adoption of this amendment on its financial statements.

The Co-operative does not expect any other standards or interpretations issued by the IASB, but not yet effective, to have a material effect on its financial position.

(b) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated to Jamaican dollars using the mid-point of the closing rate as at the reporting date.

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognized in surplus or deficit.

(c) Property, plant and equipment

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(c) Property, plant and equipment (cont'd)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Co-operative and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the financial period in which they are incurred.

Depreciation is recognized in surplus or deficit on the straight line basis at such rates as will write down the carrying value of the assets over the period of their expected useful lives, to their residual values. Land is not depreciated. The expected useful lives of the other property, plant and equipment are as follows:

Buildings	2 ½%
Leasehold improvements	10%
Office furniture and equipment	10% - 25%

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining surplus or deficit.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

(d) 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 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.

(e) 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.





NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Financial instruments (cont'd)

Financial liabilities comprise lease liabilities, members' voluntary shares, members' deposits, external credits and other payables.

(i) Recognition and initial measurement

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

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

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

(ii) Classification and subsequent measurement

*Financial assets*

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

*Financial assets (cont'd)*

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 SPPI on the principal amount outstanding.

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 realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Co-operative's management;





NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets (cont'd)

Business model assessments (cont'd)

- 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 realized.

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:

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

*Financial assets ( cont'd)*

Assessment of whether contractual cash flows are solely payments of principal and interest (cont'd):

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

A prepayment feature is consistent with the SPPI 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.





## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

## (e) Financial instruments (cont'd)

## (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 surplus or deficit.

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

*Financial liabilities*

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

## (iv) Measurement and gains and losses

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

## (e) Financial instruments (cont'd)

## (iv) Measurement and gains and losses (cont'd)

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

## (v) Offsetting

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

## (vi) Specific financial instruments

## (1) Loans

Loans in the statement of financial position include loans measured at amortised cost. They are initially measured at fair value, plus incremental direct transaction costs and are subsequently measured at amortised cost less any expected credited loss allowance.

## (2) Resale agreements

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

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.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Financial instruments (cont'd)

(vi) Specific financial instruments

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Financial instruments (cont'd)

(vii) Identification and measurement of impairment (cont'd)

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

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

Measurement of ECLs

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

- *financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Co-operative expects to receive); and
- *financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows.

*Restructured financial assets*

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

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.





## JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

## (e) Financial instruments (cont'd)

## (vii) Identification and measurement of impairment (cont'd)

*Restructured financial assets (cont'd):*

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

*Credit-impaired financial assets*

At each reporting date, the Co-operative assesses whether financial assets carried at amortised cost and debt instruments carried at FVOCI are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

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

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

## JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

## (e) Financial instruments (cont'd)

## (vii) Identification and measurement of impairment (cont'd)

*Credit-impaired financial assets (cont'd):*

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, reflection 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.





NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Financial instruments (cont'd)

(vii) Identification and measurement of impairment (cont'd)

*Write-off (cont'd):*

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in surplus or deficit.

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.

(f) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(f) Employee benefits (cont'd)

(i) General (cont'd)

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.

(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 31 December 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 9].

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.





NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(g) Investment property

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

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.

(h) 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 recognizes 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(h) Leases (cont'd)

*As a lessee*

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

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

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

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

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

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

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

*Short-term leases and leases of low-value assets*

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





NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(h) Leases (cont'd):

*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 non-interest income.

(i) 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 surplus or deficit.

(j) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(k) Revenue recognition

(i) Interest income

*Effective interest rate*

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

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

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

*Amortised cost and gross carrying amount*

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

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

*Calculation of interest income*

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





NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(k) Revenue recognition (cont'd):

(i) Interest income (cont'd)

*Calculation of interest income (cont'd):*

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 the 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 12).

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 surplus or deficit, 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 members is measured based on the consideration specified in a contract with a member. The Co-operative recognises revenue when it transfers control over a service to a member.

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

A contract with a member 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(k) Revenue recognition (cont'd):

(ii) Fees and commission (cont'd)

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

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





NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(k) Revenue recognition (cont'd):

(iii) Dividends

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

(l) Interest expense

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

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

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

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

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

(m) 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.

(n) 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%.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D) :

(o) Impairment of non-financial assets

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

(i) Calculation of recoverable amount

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

(ii) Reversals of impairment

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

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

(p) Related party:

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.





## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

## (p) Related party (cont'd):

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.
- (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.

c. A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

d. 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.

## (q) League fees and stabilization dues:

JCCUL has fixed the rate of league fees at 0.20% of total assets. Stabilization dues are fixed at a rate of 0.15% of total savings.

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY:

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying the Co-operative's accounting policies, management has made the following critical accounting estimates or judgements which it believes have a significant risk of causing a material misstatement in these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONT'D):

## (a) Critical accounting estimate and judgement applied

## (i) 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.

## (ii) 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.

## (b) Key assumptions and other sources of estimation uncertainty

## (i) 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.

## (ii) Employee benefits asset

The amounts recognised in the statement of financial position and statement of surplus or deficit 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.



## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONT'D):

## (b) Key assumptions and other sources of estimation uncertainty (cont'd)

## (iii) Fair value of financial instruments

In the absence of quoted market prices, the fair value of the Co-operative's financial instruments are determined using a generally accepted alternative to quoted market prices. Considerable judgement is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

## (iv) Depreciable assets

Estimates of the useful life and residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Co-operative applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in surplus or deficit through impairment or adjusted depreciation provisions.

## 5. FINANCIAL RISK MANAGEMENT:

The Co-operative's activities are principally related to the use of financial instruments, which involve analysis, evaluation and management of some degree of risk or combination of risks. The Co-operative manages risk through a framework of risk principles, organizational structures and risk management and monitoring processes that are closely aligned with the activities of the Co-operative. The Co-operative's risk management policies are designed to identify and analyze 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.

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

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

In common with all other businesses, the Co-operative's activities expose it to a variety of risks that arise from its use of financial instruments. This note describes the Credit Union's objectives, policies and processes for managing those risks to minimize potential adverse effects on the financial performance of the Co-operative's and the methods used to measure them.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

## (i) Principal financial instruments

The principal financial instruments used by the Co-operative from which financial instrument risk arises, are as follows:

- Financial investments
- Loan to members after provision for impairment
- Liquid assets
- Resale agreements
- Other assets
- Cash and cash equivalents
- Payables
- Members' voluntary shares
- Members' deposits
- Lease liabilities
- External credits

## (ii) Financial instruments by category

## Financial assets

	Assets at amortised cost \$'000	Assets at fair value through profit or loss (surplus or deficit) \$'000	Assets at fair value through other comprehensive income \$'000	Total \$'000
<b>31 December 2022</b>				
Cash and cash equivalents	55,666	-	-	55,666
Liquid assets	1,962,266	2,317	-	1,964,583
Resale agreements	1,420,904	-	-	1,420,904
Other assets	108,150	-	-	108,150
Loans to members after provision impairment	13,217,835	-	-	13,217,835
Financial investments	<u>121,384</u>	<u>626,880</u>	<u>444,124</u>	<u>1,192,388</u>
	<u>16,886,205</u>	<u>629,197</u>	<u>444,124</u>	<u>17,959,526</u>
<b>31 December 2021</b>				
Cash and cash equivalents	51,881	-	-	51,881
Liquid assets	678,191	1,408,886	-	2,087,077
Resale agreements	1,696,736	-	-	1,696,736
Other assets	67,552	-	-	67,552
Loans to members after provision impairment	12,242,475	-	-	12,242,475
Financial investments	<u>38,556</u>	<u>631,342</u>	<u>214,773</u>	<u>884,671</u>
	<u>14,775,391</u>	<u>2,040,228</u>	<u>214,773</u>	<u>17,030,392</u>



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(ii) Financial instruments by category (cont'd)

Financial liabilities

	Amortised cost	
	2022 \$'000	2021 \$'000
Lease liabilities	23,159	40,557
Members' deposits	6,617,941	6,306,223
External credits	220,562	395
Payables	215,327	192,390
Members' voluntary shares	7,724,222	7,227,941
<b>Total financial liabilities</b>	<b>14,801,211</b>	<b>13,767,506</b>

(iii) Financial 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.

1. 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.

2. 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.

3. 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.

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(iii) Financial risk (cont'd)

These committees comprise persons inclusive of management and Supervisory, Finance and Risk and Compliance Committees report to the Board monthly. The information from the other committees reports through the General Manager to the Board of Directors.

The Co-operative's overall risk management programme seeks to minimize potential adverse effects on the Co-operative's financial performance. There have been no significant changes to the Co-operative's exposure to financial risks or the manner in which it manages and measures its risks.

(a) 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.

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.





**JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2022**

**JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2022**

**5. FINANCIAL RISK MANAGEMENT (CONT'D):**

**(iii) Financial risk (cont'd)**

**(a) Credit risk (cont'd)**

**Credit review process (cont'd)**

**(i) Loans (cont'd)**

*Management of risk (cont'd):*

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.

*Credit quality*

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

	<b>2022</b>			
	<b>Stage 1 \$'000</b>	<b>Stage 2 \$'000</b>	<b>Stage 3 \$'000</b>	<b>Total \$'000</b>
Performing	12,942,098	206,173	-	13,148,271
Non-performing	-	-	294,568	294,568
	12,942,098	206,173	294,568	13,442,839
Allowance for impairment Losses	( 52,564)	( 4,501)	(167,939)	( 225,004)
Carrying amount	<u>12,889,534</u>	<u>201,672</u>	<u>126,629</u>	<u>13,217,835</u>

	<b>2021</b>			
	<b>Stage 1 \$'000</b>	<b>Stage 2 \$'000</b>	<b>Stage 3 \$'000</b>	<b>Total \$'000</b>
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	<u>11,978,401</u>	<u>183,776</u>	<u>80,298</u>	<u>12,242,475</u>

**5. FINANCIAL RISK MANAGEMENT (CONT'D):**

**(iii) Financial risk (cont'd)**

**(a) Credit risk (cont'd)**

**Credit review process (cont'd)**

**(ii) Investments and resale agreements**

*Management of risk:*

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

*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.





## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

## (iii) Financial risk (cont'd)

## (a) Credit risk (cont'd)

Credit review process (cont'd)(ii) *Investments and resale agreements (cont'd)**Management of risk:*

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
	Stage 1	Stage 1
<b>Financial investments at FVOCI</b>		
Non-Investment grade, being total gross carrying amount	<u>444,124</u>	<u>214,773</u>
Loss allowance	<u>845</u>	<u>330</u>
<b>Financial investments at amortised cost</b>		
Non-investment grade	121,384	39,148
Loss allowance	( <u>328</u> )	( <u>592</u> )
Carrying amount	<u>121,056</u>	<u>38,556</u>
<b>Resale agreements at amortised cost</b>		
Non-Investment grade	1,421,449	1,697,359
Loss allowance	( <u>545</u> )	( <u>623</u> )
Carrying amount	<u>1,420,904</u>	<u>1,696,736</u>

(iii) *Liquid assets and bank balances*

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

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

## (iii) Financial risk (cont'd)

## (a) Credit risk (cont'd)

Credit review process (cont'd)(iii) *Liquid assets and bank balances*

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

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
	Stage 1	Stage 1
Total gross carrying amount	1,962,266	678,191
Loss allowance	( <u>299</u> )	( <u>331</u> )
Carrying amount	<u>1,961,967</u>	<u>677,860</u>

(iv) *Credit limits*

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

(v) *Collateral held and other credit enhancements*

The most widely used practice for mitigating credit risk is the taking of security in the form of physical assets, netting agreements and guarantees. The amount and type of collateral required depend on an assessment of the credit risk of the borrower and guidelines are implemented regarding the acceptability of different types of collateral. The principal collateral types provided for loans and advances are charges over members' balances, real property and motor vehicles. 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 11).





## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

## (iii) Financial risk (cont'd)

## (a) Credit risk (cont'd)

Credit review process (cont'd)(v) *Collateral held and other credit enhancements (cont'd)*

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.

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

*Collateral held for loans*

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
<b>Against past due not impaired financial assets</b>		
Properties	176,283	154,936
Shares and deposits	43,163	80,771
Liens on motor vehicles	<u>18,378</u>	<u>24,137</u>
	<u>237,824</u>	<u>259,844</u>
<b>Impaired financial assets</b>		
Properties	224,402	129,187
Shares and deposits	99,277	52,019
Liens on motor vehicles	<u>15,252</u>	<u>8,210</u>
	<u>338,931</u>	<u>189,416</u>
<b>Total</b>	<u>576,755</u>	<u>449,260</u>

(vi) **Impairment**

Inputs, assumptions and techniques used for estimating impairment see accounting policy at note 3(e).

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

## (iii) Financial risk (cont'd)

## (a) Credit risk (cont'd)

Credit review process (cont'd)(vi) **Impairment (cont'd)***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.

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.



JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(iii) Financial risk (cont'd)

(a) Credit risk (cont'd)

Credit review process (cont'd)

(vi) Impairment (cont'd)

*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.

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.

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(iii) Financial risk (cont'd)

(a) Credit risk (cont'd)

Credit review process (cont'd)

(vi) Impairment (cont'd)

*Credit risk grades*

Inputs, assumptions and techniques used for estimating impairment (cont'd)

Determining whether credit risk has been increased significantly (cont'd)

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

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

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

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





JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(iii) Financial risk (cont'd)

(a) Credit risk (cont'd)

Credit review process (cont'd)

(vi) Impairment (cont'd)

*Credit risk grades*

Inputs, assumptions and techniques used for estimating impairment (cont'd)

Determining whether credit risk has been increased significantly(cont'd)

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.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(iii) Financial risk (cont'd)

(a) Credit risk (cont'd)

Credit review process (cont'd)

(vi) Impairment (cont'd)

*Credit risk grades*

Inputs, assumptions and techniques used for estimating impairment (cont'd)

Determining whether credit risk has been increased significantly (cont'd)

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.

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.





JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(iii) Financial risk (cont'd)

(a) Credit risk (cont'd)

Credit review process (cont'd)

(vi) Impairment (cont'd)

*Credit risk grades*

*Incorporation of forward-looking information (cont'd)*

The economic scenarios used as at 31 December 2022 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.

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(iii) Financial risk (cont'd)

(a) Credit risk (cont'd)

Credit review process (cont'd)

(vi) Impairment (cont'd)

*Measurement of ECLs*

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.





## JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

## (iii) Financial risk (cont'd)

## (a) Credit risk (cont'd)

## (vi) Impairment (cont'd):

*Loss allowance*

The loss allowance recognised is analysed as follow:

	2022			
	Stage 1 \$'000	Stage 2 \$'000	Stage 3 \$'000	Total \$'000
<b>Loans</b>				
Balances at 1 January	55,917	4,164	108,331	168,412
New financial assets originated or Purchased Recognised During the Year	46,175	3,739	102,316	152,230
Transfer from Stage 1	-	139	81	220
Transfer from Stage 2	690	-	29	719
Transfer from Stage 3	-	3,056	-	3,056
Financial assets derecognised during the period	(50,217)	(6,598)	( 42,818)	( 99,633)
Balances at 31 December	<u>52,565</u>	<u>4,500</u>	<u>167,939</u>	<u>225,004</u>
	2021			
	Stage 1 \$'000	Stage 2 \$'000	Stage 3 \$'000	Total \$'000
<b>Loans</b>				
Balances at 1 January	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 31 December	<u>55,917</u>	<u>4,164</u>	<u>108,331</u>	<u>168,412</u>

## JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

## (iii) Financial risk (cont'd)

## (a) Credit risk (cont'd)

## (vi) Impairment (cont'd)

*Loss allowance (cont'd)*

	<u>2022</u> <u>\$'000</u> Stage 1	<u>2021</u> <u>\$'000</u> Stage 1
(i) <b>Financial investments:</b>		
(a) Amortised investments:		
Balance at 1 January	592	1,060
Recognised during the year	( 264)	( 468)
Balance at 31 December	<u>328</u>	<u>592</u>
(b) Fair value through other comprehensive income investments:		
Balance at 1 January	330	707
Recognised during the year	<u>515</u>	( 377)
Balance at 31 December	<u>845</u>	<u>330</u>
(ii) <b>Resale agreements:</b>		
Balance at 1 January	623	1,161
Recognised during the year	( 78)	( 538)
Balance at 31 December	<u>545</u>	<u>623</u>
(iii) <b>Liquid assets:</b>		
Balance at 1 January	331	104
Recognised during the year	( 32)	227
Balance at 31 December	<u>299</u>	<u>331</u>





## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

## (iii) Financial risk (cont'd)

## (a) Credit risk (cont'd)

## (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.

## Concentration of risk

The following tables summarise the Cooperative's credit exposure to financial assets at their carrying amounts and concentration of credit risk.

## Loans:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Construction and real estate	2,199,168	1,714,783
Education	-	57
Personal	5,014,796	5,528,877
Motor vehicle	2,024,849	1,547,575
General	<u>4,204,026</u>	<u>3,619,595</u>
	13,442,839	12,410,887
Less: Allowance for impairment losses	( 225,004)	( 168,412)
	<u>13,217,835</u>	<u>12,242,475</u>

## Liquid assets:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Corporate	7,741	1,414,254
Financial institution	<u>1,957,141</u>	<u>673,154</u>
	1,964,882	2,087,408
Less: Allowance for impairment losses	( 299)	( 331)
	<u>1,964,583</u>	<u>2,087,077</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

## (iii) Financial risk (cont'd)

## (a) Credit risk (cont'd)

## (vii) Exposure to credit risk (cont'd)

## Concentration of risk (cont'd)

## Debt and equity securities:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Government of Jamaica	435,452	206,101
Corporate	28,141	27,906
Financial institutions	<u>2,150,572</u>	<u>2,348,615</u>
	2,614,165	2,582,622
Less: Allowance for impairment losses	( 873)	( 1,215)
	<u>2,613,292</u>	<u>2,581,407</u>

## (b) 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 31 December 2022 was approximately 24.10% (2021: 28%) which is in compliance with the standard.



## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

## (iii) Financial risk (cont'd)

## (b) Liquidity risk (cont'd)

## 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

## (iii) Financial risk (cont'd)

## (b) Liquidity risk (cont'd)

## Liquidity risk management process (cont'd)

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	2 to 5 years \$'000	Over 5 years \$'000	Total cashflow \$'000	Total carrying amount \$'000
<b>31 December 2022</b>						
Lease liabilities	183	9,802	11,037	5,259	26,281	23,159
Members' deposits	4,817,379	447,472	1,467,385	167,280	6,899,516	6,617,941
Members' voluntary shares	7,724,222	-	-	-	7,724,222	7,724,222
External credits	6,230	18,689	99,672	240,875	365,466	220,562
Other liabilities	210,524	-	-	-	210,524	210,524
<b>Total financial liabilities</b>	<b>12,758,538</b>	<b>475,963</b>	<b>1,578,094</b>	<b>413,414</b>	<b>15,226,009</b>	<b>14,796,408</b>
<b>31 December 2021</b>						
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
<b>Total financial liabilities</b>	<b>12,021,790</b>	<b>378,862</b>	<b>1,445,389</b>	<b>185,679</b>	<b>14,031,720</b>	<b>13,767,506</b>



JAMAICA TEACHERS’ ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(iii) Financial risk (cont'd)

(c) 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\$.

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

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Liquid assets - earning	8	8
Resale agreements	174	441
Financial Investments	<u>568</u>	<u>310</u>
	<u>750</u>	<u>759</u>

The exchange rate of the US\$ to the J\$ at the reporting date was US\$149.9643 to J\$1.00 (2021: J\$152.7521).

*Foreign currency sensitivity*

The effect of a 4% (2021: 8%) 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\$4,498,000 (2021: J\$9,275,000). A 1% (2021: 2%) weakening in the exchange rate would, on the same basis, have resulted in a decrease in surplus of J\$1,124,000 (2021: J\$2,319,000).

JAMAICA TEACHERS’ ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(iii) Financial risk (cont'd)

(c) Market risk (cont'd)

(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 expected cashflows 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.





JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(iii) Financial risk (cont'd)

(c) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

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.

	2022					
	Within 3 months \$'000	3 to 12 months \$'000	2 to 5 years \$'000	Over 5 years \$'000	Non-interest bearing \$'000	Total \$'000
<b>Assets</b>						
Cash and bank balances	-	-	-	-	55,666	55,666
Liquid assets	998,356	966,227	-	-	-	1,964,583
Resale agreements	349,326	1,071,578	-	-	-	1,420,904
Financial investments	-	112,198	29,860	414,778	635,552	1,192,388
Loans	42,523	123,293	5,346,314	7,705,705	-	13,217,835
Other assets	-	-	-	-	108,150	108,150
<b>Total assets</b>	<b>1,390,205</b>	<b>2,273,296</b>	<b>5,376,174</b>	<b>8,120,483</b>	<b>799,368</b>	<b>17,959,526</b>
<b>Liabilities</b>						
Lease liabilities	1,481	9,802	5,824	6,052	-	23,159
Members' deposits	4,645,898	424,305	1,388,855	158,883	-	6,617,941
Members' voluntary shares	7,724,222	-	-	-	-	7,724,222
External credits	-	-	-	220,562	-	220,562
Other liabilities	-	-	-	-	210,524	210,524
<b>Total liabilities</b>	<b>12,371,601</b>	<b>434,107</b>	<b>1,394,679</b>	<b>385,497</b>	<b>210,524</b>	<b>14,796,408</b>
<b>Total interest sensitivity gap</b>	<b>(10,981,396)</b>	<b>1,839,189</b>	<b>3,981,495</b>	<b>7,734,986</b>	<b>588,844</b>	<b>3,163,118</b>
<b>Cumulative interest rate sensitivity gap</b>	<b>(10,981,396)</b>	<b>(9,142,207)</b>	<b>(5,160,712)</b>	<b>2,574,274</b>	<b>3,163,118</b>	

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(iii) Financial risk (cont'd)

(c) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

	2021					
	Within 3 months \$'000	3 to 12 months \$'000	2 to 5 years \$'000	Over 5 years \$'000	Non-interest bearing \$'000	Total \$'000
<b>Assets</b>						
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
<b>Total assets</b>	<b>2,200,013</b>	<b>1,801,265</b>	<b>5,599,274</b>	<b>6,670,410</b>	<b>870,740</b>	<b>17,141,702</b>
<b>Liabilities</b>						
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
<b>Total liabilities</b>	<b>11,672,477</b>	<b>358,584</b>	<b>1,369,572</b>	<b>174,483</b>	<b>192,390</b>	<b>13,767,506</b>
<b>Total interest sensitivity gap</b>	<b>( 9,472,464)</b>	<b>1,442,681</b>	<b>4,229,702</b>	<b>6,495,927</b>	<b>678,350</b>	<b>3,374,196</b>
<b>Cumulative interest rate sensitivity gap</b>	<b>( 9,472,464)</b>	<b>(8,029,783)</b>	<b>(3,800,081)</b>	<b>2,695,846</b>	<b>3,374,196</b>	<b>-</b>





NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(iii) Financial risk (cont'd)

(c) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

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.

	Effect on Surplus 2022 \$'000	Effect on Equity 2022 \$'000	Effect on Surplus 2021 \$'000	Effect on Equity 2021 \$'000
Change in basis points:				
2022: -5 (2021: -5)	( 12)	22	(148)	3,666
2022: +300 (2021: +300)	<u>682</u>	<u>(6,677)</u>	<u>890</u>	<u>(18,951)</u>

	2022				
	Within 3 months %	3 to 12 months %	2 to 5 years %	Over 5 years %	Weighted average %
Loans	14.50	10.84	12.22	12.37	12.09
Liquid assets	3.90	22.24	-	-	3.90
Resale agreements	7.76	8.36	-	-	8.12
Financial investments	-	10.23	0.06	3.52	3.30
Members' deposits	3.71	5.46	5.65	5.29	4.27
External credits	<u>-</u>	<u>-</u>	<u>-</u>	<u>7.50</u>	<u>7.50</u>

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(iii) Financial risk (cont'd)

(c) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

Interest rate sensitivity

	2021				
	Within 3 months %	3 to 12 months %	2 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	<u>-</u>	<u>-</u>	<u>8.00</u>	<u>-</u>	<u>8.00</u>

(d) 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.

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.





JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(iii) Financial risk (cont'd)

(d) Operational risk (cont'd)

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.

(e) 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% (2021: 16%) which is in compliance with the requirements.

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%.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(iii) Financial risk (cont'd)

(e) Capital management (cont'd)

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.

	2022		2021	
	Actual \$'000	Required \$'000	Actual \$'000	Required \$'000
Total regulatory capital	<u>2,789,330</u>	<u>1,485,068</u>	<u>2,712,055</u>	<u>1,398,992</u>
Total capital ratio	<u>15%</u>	<u>8%</u>	<u>16%</u>	<u>8%</u>

6. 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 realizable in an immediate settlement of the instruments. In addition, the calculation of estimated fair value is based on market conditions at a specific point in time and may not be reflective of future fair values.

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

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

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

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





## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 6. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D):

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

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

- (i) Level 1: Fair values are quoted prices (unadjusted) in active markets for identical instruments;
- (ii) Level 2: Fair value measurements are those derived from valuation techniques based on inputs other than quoted market prices included within level 1, that are observable for the instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3: Fair value measurements are those derived from valuation techniques using significant inputs for the instrument that are not based on observable market data (unobservable inputs).

## Accounting classification and fair values

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

	Carrying amount			Fair Value		
	FVOCI \$'000	FVTPL J\$'000	Total \$'000	Level 2 J\$'000	Level 3 J\$'000	Total J\$'000
	<u>2022</u>					
<b>Financial assets measured at fair value:</b>						
Unit trust funds	-	616,925	616,925	616,925	-	616,925
Unquoted equity	8,672	-	8,672	-	8,672	8,672
Jamaica Co-operative Credit Union League Limited						
JCCUL	-	9,955	9,955	-	9,955	9,955
Global bonds	120,638	-	120,638	120,638	-	120,638
Benchmark investment note	314,814	-	314,814	314,814	-	314,814
Money Market Funds	-	2,317	2,317	2,317	-	2,317
	<u>444,124</u>	<u>629,197</u>	<u>1,073,321</u>	<u>1,054,694</u>	<u>18,627</u>	<u>1,073,321</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 6. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D):

## Accounting classification and fair values

	Carrying amount			Fair Value		
	FVOCI \$'000	FVTPL J\$'000	Total \$'000	Level 2 J\$'000	Level 3 J\$'000	Total J\$'000
	<u>2021</u>					
<b>Financial assets measured at fair value:</b>						
Unit trust funds	-	621,387	621,387	621,387	-	621,387
Unquoted equity	8,672	-	8,672	-	8,672	8,672
Jamaica Co-operative Credit Union League Limited						
Securities	-	9,955	9,955	-	9,955	9,955
Global bonds	133,517	-	133,517	133,517	-	133,517
Money Market Funds	72,584	-	72,584	72,584	-	72,584
	<u>-</u>	<u>1,408,886</u>	<u>1,408,886</u>	<u>1,408,886</u>	<u>-</u>	<u>1,408,886</u>
	<u>214,773</u>	<u>2,040,228</u>	<u>2,255,001</u>	<u>2,236,374</u>	<u>18,627</u>	<u>2,255,001</u>

There were no transfer between levels during the year.

## 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.



## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 6. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D):

## Valuation techniques

Financial assetsMethods

Government of Jamaica J\$ securities	<ul style="list-style-type: none"> <li>Obtain bid yield from yield curve provided by a recognised pricing source (which uses market-supplied indicative bids);</li> <li>Using this yield, determine price using accepted formula;</li> <li>Apply price to estimate fair value.</li> </ul>
Government of Jamaica US\$ Global bonds	<ul style="list-style-type: none"> <li>Prices of bonds at reporting date as quoted by broker/dealer</li> </ul>
Units in unit trusts	<ul style="list-style-type: none"> <li>Obtain prices quoted by unit trust managers</li> <li>Apply price to estimate fair value</li> </ul>
Unquoted equities	<ul style="list-style-type: none"> <li>Net asset valuation method</li> </ul>

## 7. NON-INTEREST INCOME:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Fees	51,749	43,512
Bad debt recovery	40,896	32,202
Exchange (losses)/gains on foreign currency deposits	( 403)	4,199
Dividend income	675	552
Operating lease income (note 14)	1,016	872
Gain on disposal of investment property	-	2,410
Gain on disposal of property, plant and equipment	-	470
Realised gains on investments	554	37,223
Unrelaised (losses)/gains on unit trust investments	( 4,463)	33,704
Miscellaneous income	<u>14,617</u>	<u>3,580</u>
	<u>104,641</u>	<u>158,724</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 8. EXPENSES BY NATURE:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
<b>Administrative</b>		
ABM	8,883	7,974
Advertising and publicity	57,887	45,387
Amortisation	7,335	7,335
Annual general meeting	9,203	7,728
Auditors' remuneration (inclusive of GCT)		
Current year	7,475	8,662
Prior year	1,118	1,847
Board and committee meetings	8,713	10,037
Board and committee travelling	10,402	11,946
Ceremonies	2,532	2,919
Consultancy fees	5,255	5,375
Data processing	58,393	54,165
Depreciation and amortisation	49,326	38,718
Entertainment	84	162
General office	8,912	10,717
Insurance	8,765	5,859
Motor vehicle upkeep for travelling officers	34,787	30,172
Motor cycle repairs	264	233
Postage and telegrams	4,110	3,699
Repairs and maintenance	11,231	12,664
Security	27,128	22,684
Stationery and printing	12,165	15,047
Staff and board retreat	-	469
Travelling	11,670	9,369
Donations	<u>6,351</u>	<u>4,496</u>
	<u>351,989</u>	<u>317,664</u>
<b>Affiliation</b>		
League fees	29,574	26,941
League and other meetings	4,032	699
Stabilization dues	<u>16,918</u>	<u>9,515</u>
	<u>50,524</u>	<u>37,155</u>
<b>Establishment</b>		
Cleaning and sanitation	7,489	6,934
Electricity and telephone	48,353	42,136
Janitorial services	12,789	11,563
Rates and taxes	<u>7,572</u>	<u>16,923</u>
	<u>76,203</u>	<u>77,556</u>
<b>Members' security</b>		
Loans and savings insurance	79,731	72,437
Golden harvet savings insurance	<u>8,067</u>	<u>16,002</u>
	<u>87,798</u>	<u>88,439</u>
Total other operating expenses	<u>566,514</u>	<u>520,814</u>



JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

9. STAFF COSTS:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Salaries and wages	319,212	278,377
Payroll taxes	46,170	43,632
Pension expense (note 19e)	18,617	9,402
Staff welfare	47,319	35,255
Other staff benefits	<u>71,190</u>	<u>94,276</u>
	<u>502,508</u>	<u>460,942</u>
The number of persons employed during the year:		
Permanent staff	105	117
Temporary staff	<u>9</u>	<u>12</u>
	<u>114</u>	<u>129</u>

The Co-operative's contribution to the defined contribution multi-employer pension plan for the year amounted to \$5,770,000 (2021: \$5,433,000).

10. LIQUID ASSETS:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Earnings assets at amortised cost:		
Deposits		
JCCUL- Liquidity reserve	963,910	-
JCCUL- Demand deposit	520,462	-
JMMB Bank Jamaica Limited	441,144	653,479
JCCUL - cuets settlements	<u>5,424</u>	<u>5,368</u>
	<u>1,930,940</u>	<u>658,847</u>
Savings account balances (note 15a)		
The Bank of Nova Scotia Jamaica Limited	29,642	19,675
Mayberry Investments Limited	<u>1,983</u>	<u>-</u>
	<u>31,625</u>	<u>19,675</u>
	<u>1,962,565</u>	<u>678,522</u>
Financial assets at fair value through profit or loss		
Units in unit trust funds:		
JCCUL - CUMAX money market fund	<u>2,317</u>	<u>1,408,886</u>
	<u>1,964,882</u>	<u>2,087,408</u>
Less: Allowance for impairment losses (note 5a(iii))	<u>( 299)</u>	<u>( 331)</u>
	<u>1,964,583</u>	<u>2,087,077</u>

JCCUL requires credit unions to hold a monthly minimum average of 8% liquidity reserves with the League as follows:

- 6% in a liquidity reserve account
- 2% in a demand deposit account from which regular withdrawals may be made.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

11. RESALE AGREEMENTS:

The Co-operative enters into resale agreements collateralized 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.

(a) Resale agreements comprise:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Principal	1,421,449	1,697,359
Less: Allowance for impairment	<u>( 545)</u>	<u>( 623)</u>
	<u>1,420,904</u>	<u>1,696,736</u>

(b) Allowance for impairment

At beginning of the year	623	1,161
Recoveries for the year	<u>( 78)</u>	<u>( 538)</u>
At end of the year	<u>545</u>	<u>623</u>

For purposes of the statement of cashflows, an amount of \$26,034,000 (2021: Nil) is included in cash and cash equivalents.

The fair value of the underlying securities used to collateralize the resale agreements was \$1,483,320,000 (2020: \$1,826,276,000). All the securities purchased under resale agreements are fully collateralized by Government Securities.

12. LOANS:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Balance at beginning of year	12,410,887	12,192,816
Add: Disbursements and transfers	<u>4,293,267</u>	<u>3,419,921</u>
	16,704,154	15,612,737
Less: Repayments and transfers	<u>( 3,261,315)</u>	<u>( 3,201,850)</u>
	13,442,839	12,410,887
Less: allowance for impairment losses	<u>( 225,004)</u>	<u>( 168,412)</u>
	<u>13,217,835</u>	<u>12,242,475</u>



## JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 12. LOANS (CONT'D):

The amounts are expected to be recovered as follows:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Within 12 months	169,082	187,840
Over 12 months	<u>13,048,753</u>	<u>12,054,635</u>
	<u>13,217,835</u>	<u>12,242,475</u>

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

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Neither past due nor impaired	<u>12,942,098</u>	<u>12,034,318</u>
Past due but not impaired:		
Less than 2 months	100,353	116,415
2 to 3 months	<u>105,820</u>	<u>71,525</u>
	<u>206,173</u>	<u>187,940</u>
Individually impaired	<u>294,568</u>	<u>188,629</u>
	13,442,839	12,410,887
Less: Allowance for impairment losses (note 5(a) vi)	<u>( 225,004)</u>	<u>( 168,412)</u>
	<u>13,217,835</u>	<u>12,242,475</u>

## (b) Delinquent loans

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

<u>2022</u>						
Months in arrears	<u>Number of Accounts in arrears</u>	<u>Delinquent loans \$'000</u>	<u>Savings held against loans \$'000</u>	<u>Portion of loans net covered by savings \$'000</u>	<u>Pearls loan loss provision \$'000</u>	<u>Provision rate %</u>
1 month - < 2 months	81	110,951	46,726	64,225	-	
2 - 3 months	98	117,044	48,651	68,393	11,704	10
4 - 6 months	64	84,109	33,109	51,000	25,233	30
7 - 12 months	86	125,328	44,627	80,701	75,197	60
13 months and over	<u>35</u>	<u>36,098</u>	<u>16,872</u>	<u>19,226</u>	<u>36,098</u>	100
	<u>364</u>	<u>473,530</u>	<u>189,985</u>	<u>283,545</u>	<u>148,232</u>	

## JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 12. LOANS (CONT'D):

(b) Delinquent loans (cont'd)

<u>2021</u>						
Months in arrears	<u>Number of Accounts in arrears</u>	<u>Delinquent loans \$'000</u>	<u>Savings held against loans \$'000</u>	<u>Portion of loans net covered by savings \$'000</u>	<u>Pearls loan loss provision \$'000</u>	<u>Provision rate %</u>
1 month - < 2 months	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	<u>29</u>	<u>31,768</u>	<u>9,439</u>	<u>22,329</u>	<u>31,768</u>	100
	<u>303</u>	<u>376,569</u>	<u>136,487</u>	<u>240,082</u>	<u>119,305</u>	

The interest in respect of non-performing loans which had not been recognised in the surplus for the year was \$21,658,000 (2021: \$18,461,000). Loans on which interest is suspended amounted to \$282,819,000 (2021: \$188,629,000).

## (c) Allowance for impairment

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

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Balance at 1 January	168,412	211,319
Charged to surplus during the year	146,400	27,913
Amounts written off during the year	<u>( 89,808)</u>	<u>( 70,820)</u>
	<u>225,004</u>	<u>168,412</u>

The allowance for impairment under the JCCUL regulatory requirement is below the provision required under IFRS provisioning rules, hence, no amounts have been recognized 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.





JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

13. FINANCIAL INVESTMENTS:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
<b>Investments securities at fair value through other comprehensive income:</b>		
Quality Network Co-operative Limited ("QNET") shares (note a)	2,472	2,472
Jamaica Co-operative Insurance Agency Limited (JCIA)	3,000	3,000
Cumax Wealth Management Limited (CUMAX) (Note a)	<u>3,200</u>	<u>3,200</u>
	<u>8,672</u>	<u>8,672</u>
<b>Government of Jamaica Securities:</b>		
Benchmark investment note	314,814	133,517
Global bonds	<u>120,638</u>	<u>72,584</u>
	<u>435,452</u>	<u>206,101</u>
	<u>444,124</u>	<u>214,773</u>
<b>Investment securities at fair value through profit or loss:</b>		
JCCUL shares (note c)	9,955	9,955
Units in unit trust funds:		
Units held with JMMB Fund Managers Limited	42,790	42,329
Units held with Barita Investments Limited	502,177	492,989
Units held with Sagicor Investments Limited	<u>71,958</u>	<u>86,069</u>
	<u>626,880</u>	<u>631,342</u>
<b>Investments securities at amortised cost:</b>		
Government of Jamaica - Treasury bill	80,000	-
JCCUL - Mortgage funds (note e)	9,514	9,279
The Victoria Mutual building Society Mortgage deposit	<u>32,198</u>	<u>29,869</u>
	121,712	39,148
Less: Allowance for impairment losses	<u>( 328)</u>	<u>( 592)</u>
	<u>121,384</u>	<u>38,556</u>
	<u>1,192,388</u>	<u>884,671</u>
 The amounts are due to be recovered as follows:		
	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Within 12 months	649,122	651,257
Over 12 months	<u>543,266</u>	<u>233,414</u>
	<u>1,192,388</u>	<u>884,671</u>

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

13. FINANCIAL INVESTMENTS (CONT'D):

- (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) CUMAX 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.

14. INVESTMENT PROPERTY:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
<b>Cost</b>		
At 1 January	10,012	12,816
Disposal	<u>-</u>	<u>( 2,804)</u>
 At 31 December	<u>10,012</u>	<u>10,012</u>
<b>Accumulated depreciation</b>		
1 January	4,065	5,180
Charge for the year	203	198
Disposal	<u>-</u>	<u>( 1,313)</u>
 31 December	<u>4,268</u>	<u>4,065</u>
 Net Book Value		
31 December	<u>5,744</u>	<u>5,947</u>





NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

14. INVESTMENT PROPERTY (CONT'D):

An independent valuation of the properties was done as follows:

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

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: <ul style="list-style-type: none"><li>• A willing seller and buyer;</li><li>• A reasonable period in which to negotiate a sale, taking into account the nature of the property and state of the market;</li><li>• Values are expected to remain stable throughout the period of market exposure and disposal by sale (hypothetical);</li><li>• The property will be freely exposed to the market; and</li><li>• Potential rental value of the property in the current investment climate.</li></ul>	<ul style="list-style-type: none"><li>• Judgements if the property can be sold, exchanged, transferred, let, mortgaged or used for any other economic activity, within its use class.</li><li>• The potential rental value of the property in the current investment climate.</li></ul>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"><li>• The potential rental value of the property increased/(decreased).</li><li>• Judgement about what the property can be sold, exchanged, let, mortgaged, which had been determined to be better/(worse).</li></ul>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

14. INVESTMENT PROPERTY (CONT'D):

The income earned from the properties one of which is leased under operating lease amounted to \$1,016,000 (2021: \$872,000) (see note 7). Direct operating expenses arising from the properties during the year amounted to Nil (2021: Nil).

15. CASH AND CASH EQUIVALENTS:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Cash in hand	1,497	4,501
Bank balance	<u>58,212</u>	<u>50,174</u>
Bank overdraft	59,709 ( 4,043)	54,675 ( 2,794)
	<u>55,666</u>	<u>51,881</u>

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

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Repurchase agreements	26,034	-
Cash and cash equivalents (above)	55,666	51,881
Liquid assets - savings account balances (note 10)	<u>31,625</u>	<u>19,675</u>
	<u>113,325</u>	<u>71,556</u>

(b) At the reporting date cash and cash equivalents included amounts totaling \$5,085,000 (2021: \$4,652,000) which represent amounts due to the Ministry of Education, Youth & Information, that are not available to Co-operative for operational use (see note 24).

(c) Bank overdraft arose from unpresented cheques.

16. OTHER ASSETS:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Deposits and prepayment	30,888	109,294
Interest receivable	108,150	67,552
Sundry receivables	<u>3,301</u>	<u>2,016</u>
	<u>142,339</u>	<u>178,862</u>





JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

17. PROPERTY, PLANT AND EQUIPMENT:

	Freehold Land \$'000	Buildings \$'000	Construction in Progress \$'000	Leasehold Improvements \$'000	Office Furniture and Equipment \$'000	Total \$'000
Cost						
1 January 2021	3,381	83,042	-	63,370	218,886	368,679
Additions	-	-	-	9,389	17,827	27,216
Disposals	-	-	-	-	( 386)	( 386)
31 December 2021	3,381	83,042	-	72,759	236,327	395,509
Additions	-	-	297,134	-	49,891	347,025
Disposals	-	-	-	-	( 18,644)	( 18,644)
31 December 2022	<u>3,381</u>	<u>83,042</u>	<u>297,134</u>	<u>72,759</u>	<u>267,574</u>	<u>723,890</u>
Accumulated depreciation						
1 January 2021	-	16,753	-	37,697	168,926	223,376
Charge for the year	-	2,076	-	5,072	13,135	20,283
Disposals	-	-	-	-	( 386)	( 386)
31 December 2021	-	18,829	-	42,769	181,675	243,273
Charge for the year	-	2,076	-	5,274	15,521	22,871
Disposals	-	-	-	-	( 18,644)	( 18,644)
31 December 2022	-	<u>20,905</u>	-	<u>48,043</u>	<u>178,552</u>	<u>247,500</u>
Net Book Value:						
31 December 2022	<u>3,381</u>	<u>62,137</u>	<u>297,134</u>	<u>24,716</u>	<u>89,022</u>	<u>476,390</u>
31 December 2021	<u>3,381</u>	<u>64,213</u>	-	<u>29,990</u>	<u>54,652</u>	<u>152,236</u>

Construction in progress includes capital commitment expenditures which amounted to \$263,875,000 (note 31).

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

18. INTANGIBLE ASSETS:

	Software Rights \$'000
Cost	
31 December 2021 and 2022	<u>73,351</u>
Accumulated amortisation	
1 January 2021	42,992
Charge for the year	<u>7,335</u>
31 December 2021	50,327
Charge for the year	<u>7,335</u>
31 December 2022	<u>57,662</u>
Net Book Value:	
31 December 2022	<u>15,689</u>
31 December 2021	<u>23,024</u>

19. EMPLOYMENT BENEFIT 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 31 December 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.





## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 19. EMPLOYMENT BENEFIT ASSET (CONT'D):

- (a) The amounts recognized in the statement of financial position are determined as follows:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Present value of funded obligations (note c)	( 702,466)	(1,039,290)
Effects of asset ceiling	( 398,302)	-
Fair value of plan assets (note d (i))	<u>1,158,581</u>	<u>1,166,491</u>
Asset in the statement of financial position	<u>57,813</u>	<u>127,201</u>

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

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Balance at beginning of year	127,201	181,702
Contributions paid	16,138	15,808
Pension expense recognized in surplus (note (e))	( 18,617)	( 9,402)
Remeasurement recognized in other comprehensive income (note (f))	( 66,909)	( 60,907)
Balance at end of year	<u>57,813</u>	<u>127,201</u>

- (c) Movement in the present value of funded obligations

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Balance at beginning of year	1,039,290	935,930
Service costs	22,851	20,992
Interest cost	81,801	82,802
Employees' contributions	14,617	13,891
Benefits paid	( 33,555)	( 31,824)
Actuarial losses/(gains) arising from:		
Experience adjustments	( 48,289)	( 13,800)
Changes in financial assumptions	( 374,249)	31,299
Balance at end of year	<u>702,466</u>	<u>1,039,290</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 19. EMPLOYMENT BENEFIT ASSET (CONT'D):

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

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Fair value of plan assets at beginning of year	1,166,491	1,117,632
Employees' contribution	14,617	13,891
Employer's contribution	16,138	15,808
Interest income	93,207	100,490
Benefits paid	( 33,555)	( 31,824)
Administrative expenses	( 7,172)	( 6,098)
Actuarial losses	( 91,145)	( 43,408)
Fair value of plan assets at end of year	<u>1,158,581</u>	<u>1,166,491</u>

- (ii) Plan assets consist of the following

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Quoted equities	257,090	269,816
Real estate investment trust	14,317	13,137
Government of Jamaica securities	381,192	303,269
Resale agreements	109,293	104,234
Investment in property	257,356	266,130
Global bonds	83,073	153,740
USD certificates of deposit	-	9,714
Unit trust	63,110	62,082
Other	( 6,850)	( 15,631)
	<u>1,158,581</u>	<u>1,166,491</u>

- (e) Expense recognized in surplus

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Current service cost	22,851	20,992
Interest cost on obligation	81,801	82,802
Interest income on plan assets	(93,207)	(100,490)
Administrative expenses	<u>7,172</u>	<u>6,098</u>
Net pension expense included in staff costs (note 9)	<u>18,617</u>	<u>9,402</u>



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

19. EMPLOYMENT BENEFIT ASSET (CONT'D):

(f) Amounts recognized in other comprehensive income

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Change in effect of asset ceiling	398,302	-
Remeasured (gains)/losses on obligation	(422,538)	17,499
Remeasured losses on plan assets	<u>91,145</u>	<u>43,408</u>
	<u>66,909</u>	<u>60,907</u>

(g) As mortality continues to improve, estimates of life expectancy are expected to increase. The effect on the projected benefit obligation of an increase of one year in the life expectancy is approximately \$15,170,000 (2021: \$28,430,000).

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

	<u>2022</u>	<u>2021</u>
Discount rate	13.0%	8.0%
Expected future salary increases	5.5%	5.5%
Expected future pension increases	<u>5.5%</u>	<u>3.75%</u>

(i) Sensitivity analysis on projected benefit obligation

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

	<u>2022</u>		<u>2021</u>	
	1% Decrease \$'000	1% Increase \$'000	1% Decrease \$'000	1% Increase \$'000
Discount rate	87,532	( 69,332)	179,800	(141,019)
Future salary increases	(22,060)	26,222	( 48,496)	56,012
Future pension increases	<u>(47,991)</u>	<u>55,431</u>	<u>( 91,619)</u>	<u>107,361</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

19. EMPLOYMENT BENEFIT ASSET (CONT'D):

(j) Liability duration

	<u>2022</u> <u>Years</u>	<u>2021</u> <u>Years</u>
Active members	14.8	19.0
Deferred pensioners	13.0	17.0
Retirees	7.6	8.6
All participants	<u>12.5</u>	<u>15.8</u>

(k) The estimated pension contributions expected to be paid into the plan during the next financial year is \$ 15,700,000 (2021: \$15,540,000).

20. LEASES:

The Co-operative leases office space for its various branches. The leases typically run for a period of 1-5 years. Previously, the leases were classified as operating leases under IAS 17. 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.

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Balance at 1 January	37,284	24,355
New right of use assets	2,973	31,166
Amortisation charge for the year	<u>(26,252)</u>	<u>(18,237)</u>
Balance at 31 December	<u>14,005</u>	<u>37,284</u>





## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 20. LEASES (CONT'D):

## (ii) Lease liabilities

Undiscounted cashflows of lease liabilities

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Less than one year	9,985	9,991
One to five years	11,037	26,919
Six to ten years	<u>5,259</u>	<u>5,307</u>
Total undiscounted lease liabilities	26,281	42,217
Discount	<u>( 3,122)</u>	<u>( 1,660)</u>
Carrying amount of lease liabilities	<u>23,159</u>	<u>40,557</u>

## (iii) Amounts recognized in profit or loss

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Interest on lease liabilities	<u>4,673</u>	<u>3,727</u>

## (iv) Amounts recognized in statements of cash flows

Total cash outflow for leases	<u>25,044</u>	<u>12,492</u>
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## (v) Extension options

Some property leases contain extension options exercisable by the Co-operative up to one year before the end of the non-cancellable contract period. Where practicable, the co-operative seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Co-operative and not by the lessors. The Co-operative assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Co-operative reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 20. LEASES (CONT'D):

## (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.

## 21. MEMBERS' DEPOSITS:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Ordinary deposits		
At beginning of year	341,447	317,856
Add: savings and interest	<u>672,517</u>	<u>634,712</u>
	1,013,964	952,568
Less: withdrawals and transfers	<u>( 693,794)</u>	<u>( 611,121)</u>
At end of year	320,170	341,447
Golden Harvest Plan	1,649,592	1,591,294
Special fixed deposits	<u>4,648,179</u>	<u>4,373,482</u>
	<u>6,617,941</u>	<u>6,306,223</u>

The amounts are due to be settled as follows:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Within 12 months	5,070,203	4,793,129
Over 12 months	<u>1,547,738</u>	<u>1,513,094</u>
	<u>6,617,941</u>	<u>6,306,223</u>

## 22. MEMBERS' VOLUNTARY SHARES:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
At beginning of year	7,227,941	6,733,342
Add: savings	2,039,643	1,862,203
Interest	<u>271,177</u>	<u>252,047</u>
	9,538,761	8,847,592
Less: withdrawals and transfers	<u>(1,814,539)</u>	<u>(1,619,651)</u>
At end of year	<u>7,724,222</u>	<u>7,227,941</u>



JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

23. EXTERNAL CREDITS:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
JCCUL: Mortgage loans	-	395
JMMB Bank commercial mortgage loan	<u>220,562</u>	<u>-</u>
	<u>220,562</u>	<u>395</u>

The amounts are due to be settled as follows:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Within 12 months	8,615	395
Over 12 months	<u>211,947</u>	<u>-</u>
	<u>220,562</u>	<u>395</u>

The JCCUL mortgage loan was closed in 2022. The credit union procured a mortgage loan from JMMB Bank in 2022 to assist with financing the acquisition of a building on Constant Spring Road in Kingston, to house the head office and a branch. The cost of the property was \$280 million. The mortgage principal is \$224 million representing 80% of the cost of the property. The loan attracts interest of 7.5% per annum with maturity on 11 August 2037.

The loan is secured by:

- First legal mortgage to be stamped to cover \$224,000,000 over commercial property located at 107 Constant Spring Road Kingston 10 St. Andrew registered at volume 1185 Folio 187 on the name of Jamaica Teachers Association Co-operative Credit Union Limited.
- Assignment of Fire and allied perils Insurnace over commercial property at 107 Constant Spring Road, Kingtson 10, St. Andrew for the full replacement value with JMMB Bank's interest as First Mortgage.

24. PAYABLES:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Accrued charges	66,696	43,215
Interest payable	19,441	17,341
Withholding tax	4,803	5,052
Ministry of Education, Youth & Information refunds (note 15(b))	5,085	4,652
JTS Housing savings deposits	8,112	8,112
Youth savings deposits	4,158	4,077
Insurance	15,384	13,490
Other payables	<u>91,648</u>	<u>96,451</u>
	<u>215,327</u>	<u>192,390</u>

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

25. INSTITUTIONAL CAPITAL:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
(a) Members' permanent shares	<u>89,509</u>	<u>87,910</u>
(b) Statutory reserve		
Balance at beginning of year	2,624,145	2,459,156
Transfer from current year surplus	73,186	164,981
Entrance fees	<u>11</u>	<u>8</u>
	<u>2,697,342</u>	<u>2,624,145</u>
Balance at end of year	<u>2,786,851</u>	<u>2,712,055</u>

(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 31 December 2022, 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.

26. NON-INSTITUTIONAL CAPITAL:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
(a) Accumulated surplus	825,083	826,251
(b) Employee benefits asset reserve	57,813	127,201
(c) Fair value reserve	80,190	42,393
(d) Loan loss reserve	-	-
(e) Revaluation reserve	9,430	9,430
(f) Permanent share reserve	<u>2,778</u>	<u>2,558</u>
	<u>975,294</u>	<u>1,007,833</u>

(a) Accumulated surplus

This represents undistributed surplus.





## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 26. NON-INSTITUTIONAL CAPITAL:

## (a) 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.

## (b) Fair value reserve

This represents the unrealized gains or losses on the revaluation of FVOCI investments.

## (c) 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.

## (d) Revaluation reserve

This represents surplus arising on revaluation of land and building, prior to December 31, 2001.

## (e) Permanent share reserve

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

## 27. DIVIDENDS:

At the Annual General Meeting held on 8 July 2022 (2021: 15 May 2021) the members moved a motion to pay dividends of \$6,126,000 (2021: \$6,086,000).

## 28. 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 (2021: \$200,000).

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 28. INSURANCE (CONT'D):

## (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 \$79,730,000 (2021: \$72,437,000).

## (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 \$11,835,000 (2021: \$16,002,000).

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

## 29. RELATED PARTY TRANSACTIONS AND BALANCES:

The Co-operative entered into the following transactions with related parties:

## (a) Key management personnel:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Loan balances	17,541	18,875
Members deposits	20,599	19,420
Permanent shares	14	14
Voluntary shares	7,003	6,035
Interest earned from loans	1,378	217
Interest paid on deposits	<u>963</u>	<u>764</u>

## (b) At the reporting date, 14 (2021: 15) members of the Co-operative's Board of Directors and 12 (2021: 12) committee members had balances and transactions with the Co-operative as follows:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Members deposits	54,720	60,202
Permanent shares	242	220
Voluntary shares	37,800	37,378
Loans including accrued interest	115,303	105,245
Interest paid on deposits	2,953	2,960
Interest earned from loans	<u>10,584</u>	<u>11,072</u>



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

29. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D):

- (b) At the reporting date 13 (2021: 15) members of the Co-operative's Board of Directors and 12 (2021: 14) committee members had balances and transactions with the Co-operative as follows (cont'd):

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 \$400,615,000 (2021: \$105,315,000) and unsecured loans were \$136,019,000 (2021: \$18,805,000) and were being repaid in accordance with their loan agreements. No impairment has been recognized on related party balances.

- (c) Compensation of key management personnel:

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

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Salaries and other short term benefits	55,110	46,917
Post-employment benefits	<u>3,514</u>	<u>3,378</u>
	<u>58,624</u>	<u>50,295</u>

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

30. COMPARISON OF LEDGER BALANCES:

The detail records of balances relating to loans to members, deposits and members' voluntary shares compared with their respective control accounts were as follows:

	<u>Loans to</u> <u>Members</u> <u>\$'000</u>	<u>Members</u> <u>Deposits</u> <u>\$'000</u>	<u>Members</u> <u>Voluntary</u> <u>shares</u> <u>\$'000</u>
Balance as per general ledger	13,442,840	6,617,941	7,724,222
Balance as per members' ledger	13,442,840	6,617,941	7,724,222
Variances at 31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>
Variances at 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

31. CAPITAL COMMITMENT:

As at 31 December 2022 the Co-operative entered into contracts expenditure in the amount of \$303,677,000 (2021: \$335,758,000) in respect of which expenditure amounting to \$263,875,000 (2021: \$83,095,000) have been made (see note 17).

32. IMPACTS OF COVID-19:

The effects of COVID 19 pandemic continued in 2022, albeit to lesser degree, with economic activity returning to close to pre-pandemic levels.

The performance of the local financial markets continued to fluctuate throughout the year, with the main stock exchange losing over 9% in value as uncertainty remained. This had a negative impact on earnings on the Co-operative's investment portfolio, which included equity-based funds.

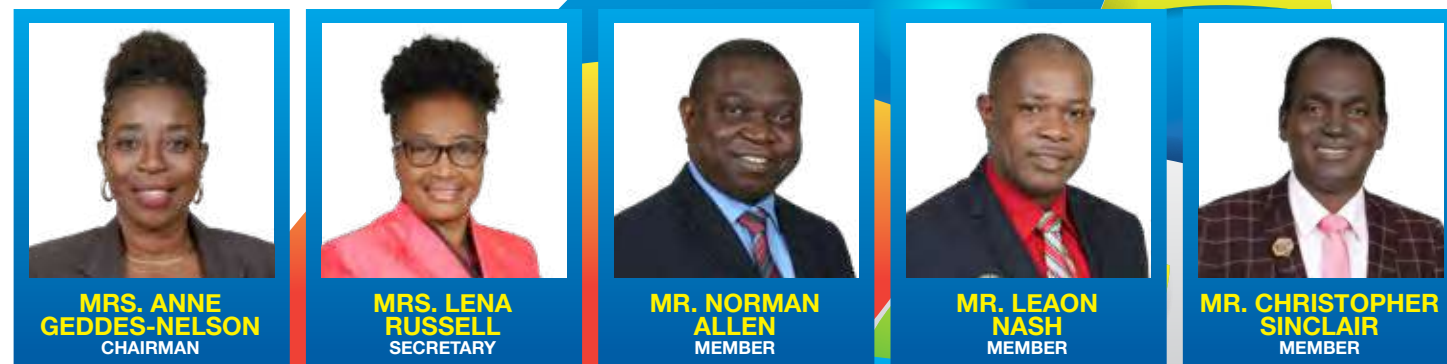
As most of the world came out of the COVID restrictions, inflation spiked. Like the rest of the population this affected members' cost of living and their ability to service loans. This in turn affected loan disbursement, delinquency, and provisioning for bad debt. We expect this trend to continue into the coming year as the effect of the pandemic lessens.





# Report of the CREDIT COMMITTEE

FOR THE YEAR ENDED DECEMBER 31, 2022



The JTA Co-op Credit Union operations continued to be impacted by the downturn in the economy occasioned by the Covid 19 Pandemic and rising inflation rates.

In the face of intense competition in the loans market, the Credit Union continued its focus on the unique needs of its members and the employment of prudent lending practices to protect the organization's largest asset class.

Despite these factors, the Credit Union's loan portfolio experienced significant growth in 2022.

## MEMBERS OF THE CREDIT COMMITTEE

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

At the 58th Conference Mrs. Russell, and Mr. Nash whose positions were retired, after the two-year tenure, were duly reelected; Mrs. Geddes, Mr. Allen, and Mr. Sinclair 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, 2022.

Members	No. of meetings held	No. of attended	No. of excuses
Mrs. Anne Geddes-Nelson	38	34	4
Mrs. Lena Russell	38	32	6
Mr. Norman Allen	38	24	14
Mr. Leاون Nash	38	31	7
Mr. Christopher Sinclair	38	33	5

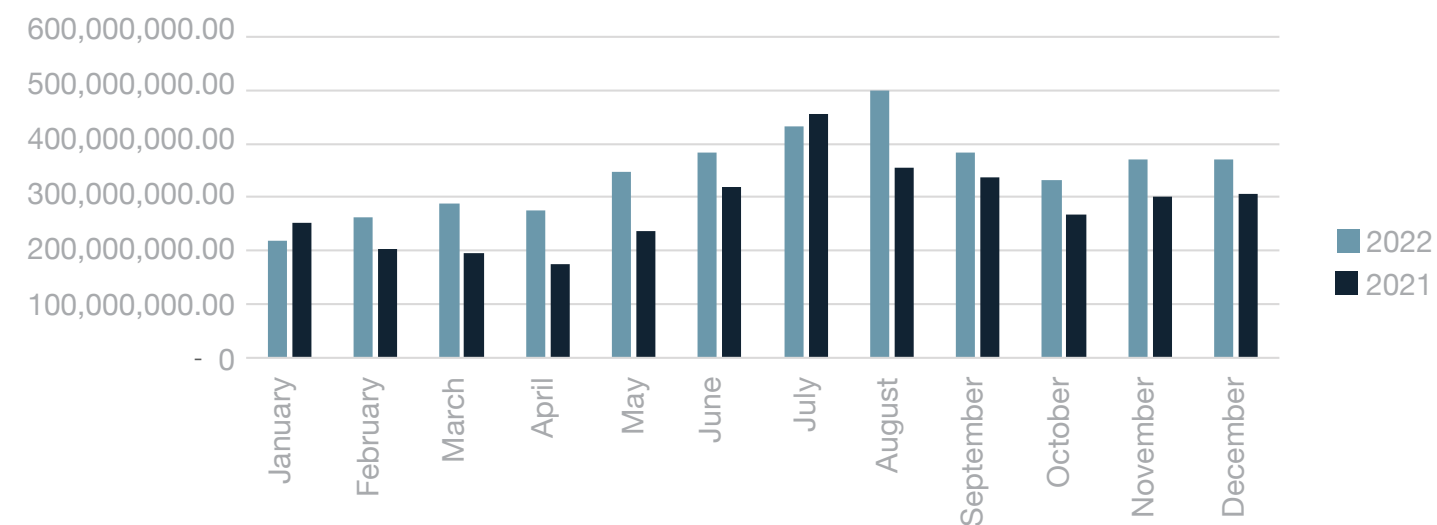
## Loan Disbursement and Portfolio Growth

A total of \$4.165B in loans were disbursed in 2022. This represents an increase of 22.3% over the year 2021 when \$3.406B in loans were disbursed.

The level of disbursement during the year led to the loan portfolio growing by 7.37% by year end, bringing the portfolio amount to \$13.217B, net of provision.

Figure 1 gives a comparative illustration of disbursements for the years 2022 and 2021.

## Loan Disbursements 2022 over 2021





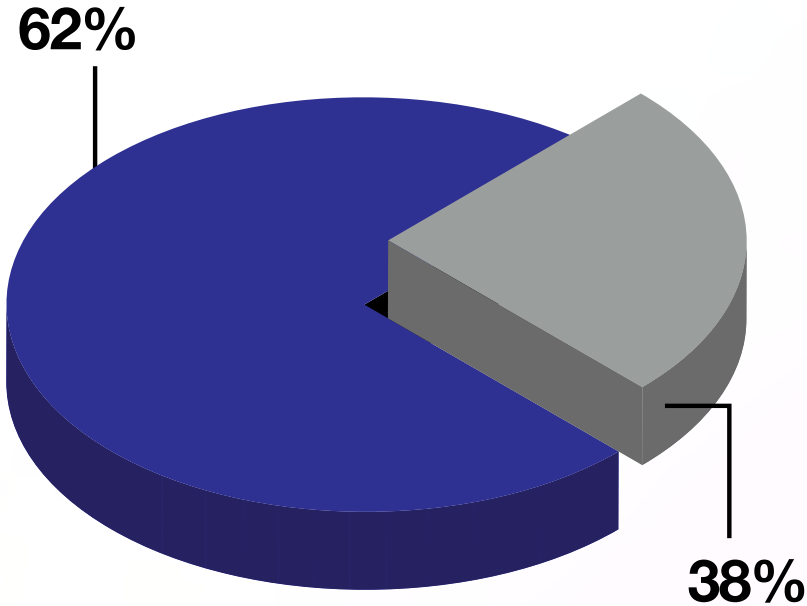
Loan Portfolio Composition

The Credit Union’s policy recommends a loan portfolio composition of no less than 60% in Secured Loans and no more than 40% in Unsecured Loans.

As at December 31, 2022 the Credit Union’s loan portfolio composition stood at 62% in Secured Loans and 38% in unsecured Loans.

Portfolio Composition

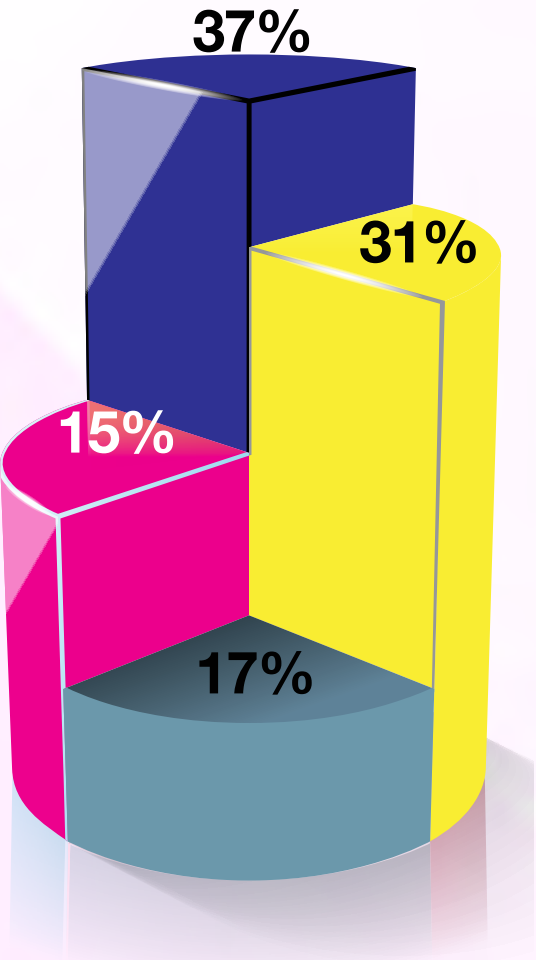
- Unsecured Loans
- Secured Loans



The portfolio concentration of loan classified by purpose is illustrated below:

Loan Portfolio Concentration

- Construction
- Personal
- Motor Vehicle
- General



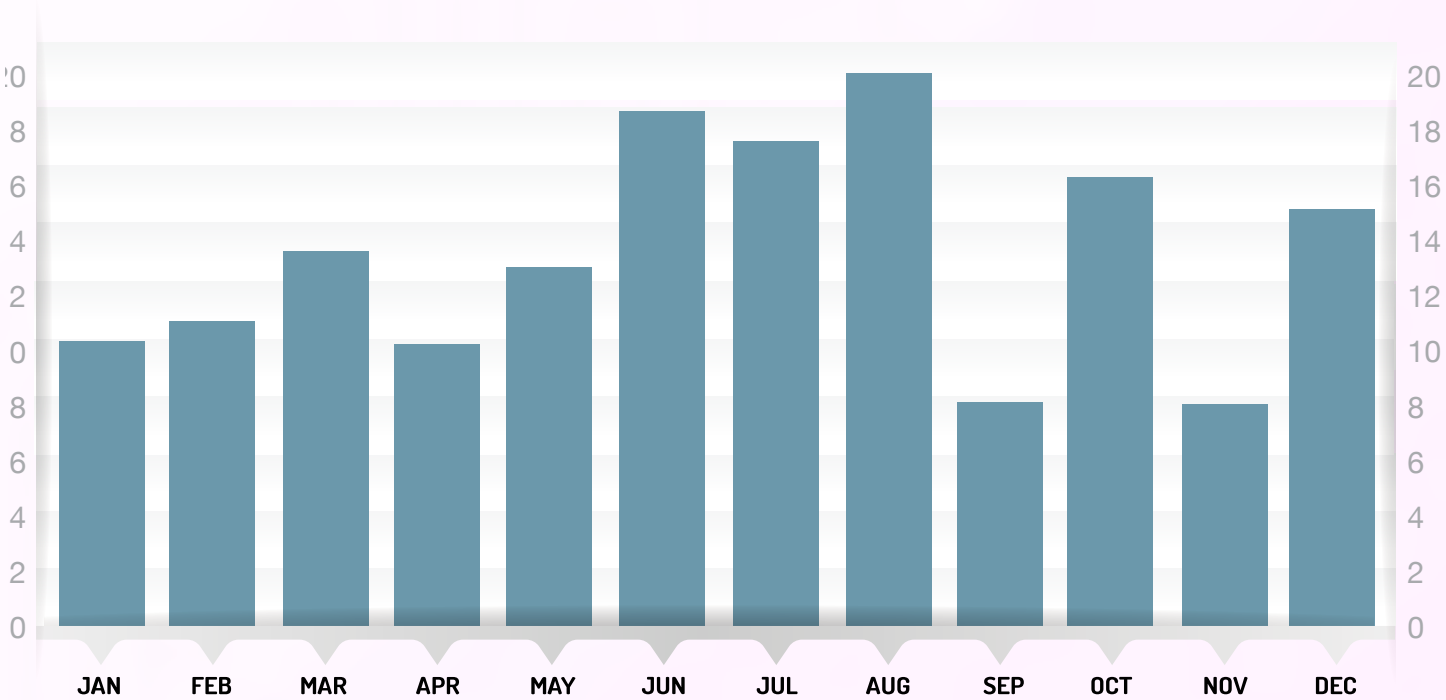
Loan Review Activities

In 2022, the Credit Committee processed one hundred and fifty-nine (159) loan applications for loans that were above the approval threshold of management. An average of thirteen (13) loan applications were reviewed by the Committee each month. The months with the highest activity for the Committee coincided with the months in which the Credit Union experienced

high levels of disbursements. For instance, loan demand peaked in August 2022 with over \$450M in loans being disbursed, consequently, the Committee saw its highest volume of applications for review that same month.

The monthly trend of loan reviews for the Credit Committee is presented in the chart below.

Monthly Loan Approval Activity





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

Loans Processed by Credit Committee

Activities	2022	2021
No. of Applications	159	322
No. of Loans Processed	159	322
No. of Loans Refused	2	4
No. Loans recommended to the Board for design	0	0
No. Loans recommended to the Board for approval	40	41
No. of Waivers granted	3	123
No. of Interviews conducted	1	2
No. of Spot Checks Conducted	0	0
No. of Loans Rescheduled	46	71
No. of Loans Deferred	1	5

When compared to 2021, there was a decrease of 51% in the number of loan applications submitted and processed by the committee during the 2022 period.

The number of waivers granted in 2022, three (3), decreased by nearly 100%

when compared to the 2021 period when 123 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. The loan officers were granted greater discretionary powers to sign off on those waivers.

Rescheduling of loans showed a decrement of 35%, from 71 in 2021 to a total of 46 in the 2022 period.

In terms of loans referred to the Board of Directors for ratification, this decreased nominally by 2% from a total of 41 in 2021 to a total of 40 in 2022.

Loans deferred this year decreased from five (5) in 2021 to one (1) in 2022. Loans are usually deferred until members submit additional documentation or acquire insurance to secure loan.

Loans refused remained at an infinitesimal 1%.

Conclusion

Though impacted by the downturn in the economy with the emergence of the Covid 19, pandemic, the Jamaica Teachers’ Association Co-operative Credit Union Ltd. continues to uphold its mantra: “Serving Our Members, Impacting Lives Positively.”

The Credit Committee is particularly pleased that it was able to serve the varied needs of the membership during these unprecedented times. We thank the Almighty for bestowing us with time, talent, and the opportunity to serve the institution and our colleagues.

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

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

To the membership, thank you for your continued subscription to the Credit Union of choice. We are happy to have served you at the Jamaica Teachers’ Association Co-operative Credit Union Ltd..

Mrs. Anne Geddes-Nelson  
(Chairman)





# Report of the SUPERVISORY COMMITTEE

FOR THE YEAR ENDED DECEMBER 31, 2022



**MR. RUDOLPH  
SEWELL**  
MEMBER



**MR. ASTON  
MESSAM**  
MEMBER



**MR. CLAYTON  
HALL**  
MEMBER



**MS. TINA  
REID**  
MEMBER



**MRS. GLECIA  
BECKFORD**  
MEMBER



**MRS. MARY  
DICK**  
CHAIRMAN



**MRS. DAWN  
STEELE**  
SECRETARY

The fifty-ninth (59th) Annual General Meeting of the Jamaica Teachers' Association Co-operative Credit Union Ltd. was held at the Jamaica College Auditorium, Old Hope Road, Kingston 6 on Friday, July 8, 2022.

All seven (7) members nominated were elected to serve on the Supervisory Committee for the ensuing year. The members of the Committee are as follows:

Mrs. Mary Dick  
Mrs. Dawn Steele  
Mr. Aston Messam  
Mr. Clayton Hall  
Ms. Glecia Beckford  
Mr. Rudolph Sewell  
Ms. Tina Reid

On Wednesday, July 13, 2022, a post-AGM Joint Board and Committee meeting was convened 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

## Year Under Review

The Supervisory Committee continued to monitor the application of policies as well as the overall performance of personnel and systems of the Credit Union. The scope of functions of the Committee also encompasses the observation and monitoring of the Board of Directors, Credit Committee, Customer Complaints, Loans and Credit Systems, Human Resources and operations of the Branches.

## Meetings

The Committee had eleven (11) regular monthly meetings and attended Joint Board and Committee meetings. The Committee also attended monthly work sessions at the Head Office.

Members	POSSIBLE SESSIONS	ACTUAL ATTENDANCE	EXCUSED	ABSENT
Mrs. Mary Dick	11	11	0	0
Mrs. Dawn Steele	11	11	0	0
Mr. Aston Messam	11	11	0	0
Mr. Clayton Hall	11	11	0	0
Ms. Glecia Beckford	11	11	0	0
Mr. Rudolph Sewell	11	11	0	0
Miss Tina Reid	5	5	0	0

## Files Review

Transaction files that were selected randomly for examination at the Head Office and the branch offices amounted to one thousand, six hundred and three (1,603). These included regular loans, loans within shares and withdrawals from shares and deposits as follows:

Loan Applications:  
987 Regular  
578 Within Shares

Withdrawals:  
Shares 38

Additionally, the Supervisory Committee examined:

- Access Cards Records
- Accounting records relating to:
  - Furniture and Fixture
  - Insurance of Fixed Assets
  - Maintenance and Repairs

## • Payables

- Members' Files
- Volunteers' files
- Policies
- Minutes of Board Meetings

## Visits and Inspections

All eleven (11) branches were visited by members of the Supervisory Committee. 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.
- Ensuring that the systems and policies of the Credit Union are being adhered to at all branches.

## Findings and Observations

The Supervisory Committee is pleased to report that in all branches COVID protocols continued to be enforced. Both staff and members of the Credit Union were observed to be compliant with the regulations in place.

At all the branches visited by the Committee, customers present stated they were satisfied with the service at the branch. At most of the branches the customers also found the aesthetics of the office pleasant.

At the eleven (11) branches visited, a total of two hundred and twenty-eight (228) Loan Applications and Withdrawals were reviewed as detailed below:

Loan Applications:  
153 Regular  
42 Within Shares



Withdrawals:	
Dividends	26
Shares	5
Deposits	2

The files were found in good order at all the branches visited. Any Anomalies noted were addressed and rectified.

There was general maintenance and repairs to branch offices and the head office throughout the year.

Once again, the Committee notes that the Portmore Branch has outgrown the space at the current location.

#### Training

The Credit Union continues to invest in the training and development of the staff and volunteers. All members of the Supervisory Committee participated in the AML/CFT/UNSCRIA training session and completed assessment for The Proceeds of the Crime Act (POCA).

#### Accounting Records

Relevant files and loan applications were examined regularly by the committee to ensure that loans were properly secured and that applications were made in keeping with procedural guidelines. It was observed that the correct interest rates were applied, and calculations computed according to established principles. The committee also reports that the monthly payrolls were examined, and deductions were made from staff salaries and the funds paid to the relevant institutions.

#### Internal Audit

Monthly Internal Audit Reports were submitted to the committee throughout the year. The overall objective of the audit is to provide management with assurance about the effectiveness of the key controls being operated in the organization, and the exposure to risk any control weakness may cause. Recommendations are made with a view to improving the adequacy, efficiency and effectiveness of controls based on the risk identified.

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 reports were presented to the Board of Directors at their monthly meetings.

For the year, the Internal Audit Plan covered the key risk areas in the Credit Union and an audit was done each month. Audits done covered the following areas:

- ABM Operation and Reconciliation
- Access Cards Records
- Accounts for Deceased Members
- Accounts Payable
- Branch Operation and Returns
- Call accounts, user access, procedural documents for death claim and loan write off.
- Cash Counts
- Closed Accounts
- Business Continuity and Disaster Recovery Plans
- Family Indemnity Plan (FIP)
- General Accounting and Investments
- Loans
- Members’ Files
- Net Savers
- New Members
- Online Dividend Payment
- Overdrawn Accounts
- Partner Plan
- Policies
- Prospective and Reactivated Accounts
- Salaries
- Teacher Optimizer Plus
- Value Books
- Volunteers’ files

#### Volunteers’ Performance

#### Board of Directors

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

#### Credit Committee

The Credit Committee continues to meet weekly to approve loans. They steadfastly ensure that loans are granted according to the loan policy of the

organization and the guidelines of the regulator. The Supervisory Committee commends the members for their efficiency and dedication.

#### Volunteers and Staff Loans

CATEGORIES	TOTAL SAVINGS (\$M)	TOTAL LOAN (\$M)
Volunteers	92.76	115.30
Staff	151.56	413.97
TOTAL	244.32	529.27

#### Management and Staff

The Management and Staff of the Credit Union continue 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 Ltd. on its valiant efforts to maintain efficiency in the operations and systems in spite of the economic and social challenges facing our financial institutions and other sectors of our economy.

The Supervisory Committee extends our heartiest congratulations to Mr. Clayton Hall who was the recipient of the JTA’s Roll of Honour Award on November 28, 2022.

Finally, we extend our sincere gratitude to the membership, for the trust placed in us to serve you and this most esteemed Credit Union. We are humbled by your confidence in our stewardship, and we worked diligently throughout the year to safeguard our assets and ensure that the Jamaica Teachers’ Association Co-op Credit Union continues to positively impact the lives of our members.



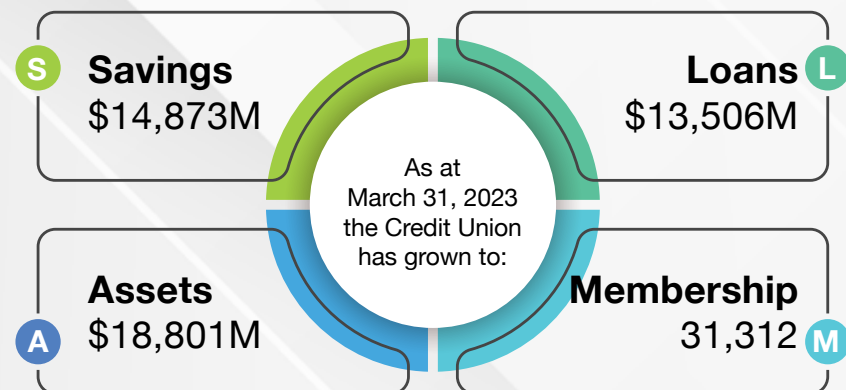
**Mary Dick**  
Chairman



# General Manager's PROGRESS REPORT

At the end of 2022, the JTA Co-op Credit Union completed sixty-three years of existence. It was a year of various challenges for the organization, especially during the first quarter of the year when the Omicron variant of the COVID-19 pandemic spread throughout the country. However, as the pandemic began to ease, and schools began to reopen the Credit Union strengthened its business activities. The reopening of the economy saw strong competition in the market coupled with rising inflation rates; this resulted in members being far more cautious in their financial endeavors. Nevertheless, the Credit Union stood firm behind its members and continued to offer products and services to assist them in achieving their financial goals.

A specific focus was placed on growing membership and this effort resulted in the Credit Union recruiting a total of 1,292 new members by the end of December 2022. Year 2023 has begun with the Credit Union prioritizing member engagement and digital transformation as our primary focus.



## THE WAY FORWARD

Your Credit Union management team and volunteers met once again in November 2022 to outline the strategic plans that will guide the organization throughout 2023. The overarching objective of the Credit Union for the new financial year is to intensify its member focus initiatives. This renewed focus on those we serve is highlighted in the areas of Marketing and Public Relations, Banking Operations, Information Technology, and Human Resources. The strategies are outlined as follows:



## Marketing and Public Relations

The JTA Co-op Credit Union is one among many organizations offering loans and savings products in Jamaica; however the JTA Co-op Credit Union is the only one that caters exclusively to educators. Because of our unique customer base the Credit Union will, in 2023, focus largely on engaging our members and building stronger relationships with them.

**Member Focus Communication:** The JTA Co-op Credit Union will place greater emphasis on its communication with our members. This will be accomplished through the use of text messages, emails and our social media channels. The most important way in which we will be engaging with our members is face-to-face. After nearly two years of being separated and now being able to move about freely we will take every opportunity to see our members face-to-face. These activities will keep our members informed about the affairs of their Credit Union, but more importantly will bring our members closer.

**New Product Launch:** Two new savings products will be developed by the Credit Union. These are products that will be designed to meet specific needs of our members.

**Public Relations Activities:** The Credit Union prides itself in the outreach activities it engages in that are specific to our teachers. In 2023 the Credit Union will continue to educate our members host programmes and activities that feature the teachers, and support initiatives that will showcase the positive work of our members.

## Banking Operations

Throughout 2023 the banking operations of the Credit Union will focus on three main areas, these are: increase in the business generating capacity of all service locations, improved records integrity, improved member satisfaction levels.

### Business Generating Capacity

In order to increase the business generating capacity of our locations the staff members will be integrally involved in more strategic ways. The strategies employed will see members of staff trained and equipped to reach out to the general membership in very targeted ways.

The Membership Drive initiated in 2022 will continue in 2023, as it is imperative that the Credit Union continues to increase its membership among educators across the island.

### Improved Record keeping Integrity

Improving how the organization retrieves and stores information is of paramount importance to the operations of the Credit Union. The organization continues to improve how it captures and stores the personal records of each member, and the capabilities of the Credit Union to properly capture and store this information will be improved and expanded. Standards for how this information must be handled will be established by the Credit Union and these standards will be reviewed to ensure that there is compliance and uniformity across the island.

## Improved Member Satisfaction

Improvement of member satisfaction is one more area to which the Banking Operations of the Credit Union will turn its attention. The organization will seek to increase the positive experiences that our members have in their interactions with us. This will be accomplished through the involvement of staff at all levels of the Credit Union. Training and review of staff knowledge and interactions with staff will be carried out. Additionally, a new loan origination software system will also be implemented to aid in the smooth processing of member loans.

## Information Technology

The purpose of the Information Technology (IT) Department of the Credit Union is to support the organization's service delivery and improve the experience of our members. To realize this purpose during 2023 the IT department will continue to employ the following strategies: Automated Banking Operations, Support Operations, Automation and Data Management as well as IT Infrastructure Migration and Expansion.

**Automated Banking Operations:** At present the banking operations are heavily paper based, this will be significantly lessen with the adaptation of an integration loan origination system which will result in an improved and strengthen banking operations that is more efficient. The adaptation of an enterprise management of electronic records system will support operations automation and data management. This will be done with a view to reducing costs and storage space.



Automation and Data management: The now enacted Data Protection Act will require a review of how the organization manages the personal data of our members and we will ensure that by the end of November 2023 the organization is compliant with the Act.

IT infrastructure Migration and Expansion: The final area of focus for the IT department is the migration and expansion of the IT infrastructure. During 2022 the Credit Union upgraded and modernized the core IT infrastructure. Having done this, the organization will turn its attention to ensuring that the use of the new technology is maximized and optimized.

**Human Resources Development and Administration**

The essential function carried out by the Credit Union cannot be accomplished without the work undertaken by our members of staff. Therefore, the continued development of staff will be a focus for the HRD and Administration department throughout 2023. Specific months of the year will be identified and marked for staff members to receive training and thus continue to develop and grow in their roles.

Policies and Procedures Manual: During 2023 the Credit Union will implement a Human Resources policies and procedures manual. The manual will govern labour issues at the Credit Union such as recruitment, discipline, training and development. The Credit Union has implemented and will continue to use technology to automate the staff leave application and approval process and attendance management.

Refurbished Spaces: The improvement of workspaces will continue during 2023. These newly refurbished spaces will offer more comfort for staff as well as the general membership. The following locations have been identified for much needed improvement during 2023: Portmore, May Pen, Morant Bay and the Head Office.

**Annual Branch & Staff Awards**

The dedication of our members of staff cannot go unnoticed as it is impossible to meet our goals and targets without the hard work of our staff. The following members are being recognized for their outstanding performance during 2022:



**EMPLOYEE OF THE YEAR**  
RUSHANE DALEY  
CREDIT DEPARTMENT



**BRANCH OF THE YEAR FOR 2022.**  
THE STAFF MEMBERS AT THE SANTA CRUZ BRANCH THROUGH THEIR DEDICATION WON BRANCH OF THE YEAR FOR 2022.



**SALESMAN OF THE YEAR**  
MAÏSE HAYLES, REGIONAL OFFICER  
SANTA CRUZ & MANDEVILLE



**40 YEARS OF SERVICE**  
MRS. NADINE BLACKWOOD



**35 YEARS OF SERVICE**  
MRS. MILLICENT WESTCARR



**35 YEARS OF SERVICE**  
MISS CLAUDIA SMITH



**20 YEARS OF SERVICE**  
MISS GIFFET SHAKES



**10 YEARS OF SERVICE**  
MRS. MELROSE BYFIELD



**10 YEARS OF SERVICE**  
MISS TANISHA SCOTT



**10 YEARS OF SERVICE**  
MISS NAKITA SMITH

Special congratulations are extended to the following persons who have given decades of service to the Credit Union:



Staff Movement

During 2022 the Credit Union said goodbye to three (3) colleagues as they proceeded on their retirement:



The Credit Union welcomed seven (7) new members of staff and had six (6) staff resignations.

Gratitude and Appreciation

Thanks to the management team and the general staff complement for their sterling commitment and passion for excellence which makes our success possible. We are grateful to our members for the trust, loyalty and confidence that they have placed in this organization. We extend special thanks to our various school communities who facilitate us in whatever way they could. We extend sincere appreciation to the faithful volunteers (directors and committee members) for their contribution to our success over the years.

Special thanks to the Jamaica Co-operative Credit Union League, the bursars, Ministry of Finance,

Ministry of Education, and the Jamaica Teachers Association.

All thanks go to the Almighty God who has continued to be faithful in providing us with wisdom, guidance and direction.

**Robert Ramsay**  
General Manager

Report of the  
**NOMINATING  
COMMITTEE**  
FOR THE YEAR ENDED DECEMBER 31, 2022



The Nominating Committee met at the Jamaica Teachers' Association Co-operative Credit Union Limited, 97a Church Street, Kingston on Tuesday, May 2, 2023.

Present were:

- |                          |                                                   |
|--------------------------|---------------------------------------------------|
| Mrs. Melva Humes Johnson | - Chairman                                        |
| Mrs. Winnie Berry        | - Member                                          |
| Mr. Worrell Morrison     | - Member                                          |
| Mr. Robert Ramsay        | - General Manager,<br>Advisor to the<br>Committee |

The Chairman welcomed all to the meeting, she outlined the responsibilities of the Committee and the objectives of the meeting. The main objective was to nominate persons who are to serve on the Board and Committees, as well as to nominate the delegates to the Jamaica Co-operative Credit Union League's Annual General Meeting.

The said Nominating Committee reports as follows:

Retiring members are:

**Board of Directors**

- |                              |                                               |
|------------------------------|-----------------------------------------------|
| Mrs. Ena Barclay             | - Region 2 (Portland, St. Thomas)             |
| Mr. Lebert Drysdale          | - Region 2 (Portland, St. Thomas)             |
| Mrs. Sancia Stewart-Williams | - Region 4 (St. James, Hanover, Westmoreland) |
| Mr. Lincoln James            | - Region 4 (St. James, Hanover, Westmoreland) |
| Mr. Alfred Thomas            | - Region 3 (St. Mary, St. Ann, Trelawny)      |





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

Mrs. Ena Barclay	- Region 2 (Portland, St. Thomas)
Mr. Lebert Drysdale	- Region 2 (Portland, St. Thomas)
Mrs. Sancia Stewart-Williams	- Region 4 (St. James, Hanover, Westmoreland)
Mr. Lincoln James	- Region 4 (St. James, Hanover, Westmoreland)
Mr. Alfred Thomas	- Region 3 (St. Mary, St. Ann, Trelawny)

**Credit Committee**

**Retiring members are:**

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

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

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

**Supervisory Committee**

**All members are retiring:**

Mrs. Mary Dick  
Mrs. Dawn Steele  
Mr. Aston Messam  
Mrs. Glectia Beckford  
Mr. Clayton Hall  
Mr. Rudolph Sewell  
Ms. Tina Reid

**Members nominated to serve for one year are:**

Mrs. Mary Dick  
Mrs. Dawn Steele  
Mr. Aston Messam  
Mrs. Glectia Beckford  
Mr. Clayton Hall  
Mr. Rudolph Sewell  
Ms. Tina Reid

**Delegates to the League’s Annual General Meeting**

**Delegates nominated are as follows:**

Delegates - President and Treasurer

Alternate Delegates to be named by the Board of Directors

Volunteers Retiring in the Year 2024

Volunteers retiring will be as follows:

**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)

**Credit Committee**

Mrs. Lena Russell  
Mr. Leanon Nash

**Supervisory Committee**

(All persons nominated in 2023)



**Melva Humes Johnson**  
Chairman

*Profile of*  
**ALFRED THOMAS, J.P.**

Mr. Alfred Thomas has been a member of the Jamaica Teachers’ Association Co-operative Credit Union Limited for 24 years having joined in October 1999.

He is married and father to two beautiful daughters. A resourceful, transformational leader and educator who is committed to empowering individuals thus enabling them to become impactful nation-builders.

Mr. Thomas lives by the mantra “build on your own dreams, or someone will hire you to build theirs” .

**EDUCATIONAL HISTORY**

**Walden University**

Master of Science Educational Leadership and Administration  
2017-2019

**University of Technology**

Bachelor’s Degree in Education in Industrial Technology  
2002-2004

**Mico University College**

Diploma 1996-1999

**Ferncourt High School**

1989-1994

**PROFESSIONAL CAREER:**

**Principal**

January 2016 to present  
Brown’s Town High School

**Interim Principal**

January 2014 to December 2015  
Robert Lightbourne High School

**Vice Principal**

2008-2014  
Titchfield High School



**Classroom Teacher,  
Grade Coordinator & Block Supervisor  
Titchfield High School  
2002-2008**

**Class Teacher  
Brown’s High School  
Sept. 1999-2002**

Mr. Thomas has served on many committees such as:

Career Advancement Programme (CAP) National Technical Working Committee

Executive Member of the Inter Secondary School Sports Association (ISSA)

PRO, Region 3 Secondary School Leaders Association

Treasure for QEC 26,

Chairman of the Secondary Committee for JTA St. Ann Chapter

Chairperson and member of JTA Properties and Investment  
2015 -2016

**AWARDS RECEIVED**

- Leadership Cup in the Pandemic 2020 for Principals - Region 3,
- Lasco/Jamaica Teaching Council
- Community Involvement
- Director at the Cause for Change Foundation
- Vice Chairman of the Brown’s Town Primary School
- Board, Member of the JTA National Secondary Committee
- Member of the JN Circle Brown’s Town.
- Justice of the Peace for the Parish of St. Ann.



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**



**ANGELLA HARTLEY**  
REGIONAL OFFICER  
PORT ANTONIO, PORT MARIA  
& BROWN'S TOWN



**MAISE HAYLES**  
REGIONAL OFFICER  
MANDEVILLE, SANTA CRUZ



**MARK THOMAS**  
REGIONAL OFFICER  
MONTEGO BAY, SAVANNA-LA-MAR



**MILLICENT WESTCARR**  
REGIONAL OFFICER  
PORTMORE, MORANT BAY



**ROWAN MCFARLANE**  
REGIONAL OFFICER  
Linstead, MAY PEN





**ROBERT RAMSAY**  
GENERAL MANAGER

## General **MANAGER'S OFFICE**



**ANDREA REEVES**  
EXECUTIVE SECRETARY



**KEMEISHA SEWELL**  
CLERK-TYPIST



**AUDREY FUNG**  
AUDIT SUPERVISOR



**ALTHEA SIMMS**  
AUDIT OFFICER



**J'REEENEEN DIXON**  
AUDIT CLERK



**DENISE WALKER**  
MARKETING & PR OFFICER



**GERTLINE WHITE**  
ASSISTANT  
MARKETING & PR OFFICER



**TIFFANNI ROBINSON**  
RISK & COMPLIANCE MANAGER



**SUEZETTE  
HEMMINGS-BRYAN**  
HRD & ADMINISTRATION MANAGER

## Human Resource & **ADMINISTRATION**



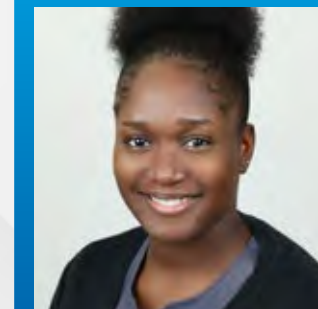
**NICKEISHA VERMONT**  
HUMAN RESOURCE  
DEVELOPMENT OFFICER



**LATOYA GOODEN-REID**  
SUPERVISOR OFFICE SERVICES



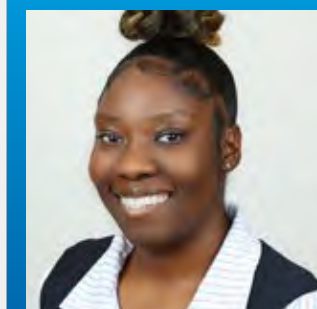
**HEATHER HIGGINS**  
SECRETARY, HRD &  
ADMINISTRATION



**BRITNEY CARTER**  
TELEPHONE OPERATOR &  
RECEPTIONIST



**MELROSE BYFIED**  
COURIER CLERK



**SHANNIA SOLEY**  
OFFICE ATTENDANT



**SHEREEN DUDHI**  
OFFICE ATTENDANT



**ROBERT MURRAY**  
MESSENGER



**NORVAL GORDON**  
PORTER

## Information **TECHNOLOGY**



**FABIAN WEBB**  
MANAGER  
INFORMATION TECHNOLOGY



**DAVID WAITE**  
IT OPERATIONS OFFICER



**DAMION CAMPELL**  
SYSTEM SUPPORT TECHNICIAN





**MARIE MORGAN**  
CREDIT MANAGER

# Credit DEPARTMENT



**VERA SHARPE**  
SUPERVISOR  
LOANS MORTGAGE OFFICER



**PETHREL GREEN**  
CLERK-TYPIST



**NADINE BLACKWOOD**  
LOANS OFFICER



**CALOO PINNOCK**  
LOANS OFFICER



**DAVE BLACKWOOD**  
LOANS OFFICER



**FAITH HULL**  
LOANS SECURITIES OFFICER



**RANALDO MONTIQUE**  
LOANS SECURITIES CLERK



**TREY ADMAN**  
LOAN SECURITIES CLERK



**CAROL RINGROSE**  
DELINQUENCY OFFICER



**RUSHANE DALEY**  
DELINQUENCY CLERK



**DANE LAZARUS**  
DELINQUENCY CLERK



**TORI STYLE**  
CHEQUE DESK CLERK



**MAXINE NUGENT**  
MANAGER - FINANCE

# Finance DEPARTMENT



**MARCIA MCINTYRE-THOMAS**  
ACCOUNTANT



**ANECIA CAMPBELL-FYNE**  
ACCOUNTS SUPERVISOR



**MAXINE NICHOLSON**  
SECRETARY, FINANCE



**ANDRE JOHNSON**  
INVESTMENT OFFICER



**SHERINE GOODEN-BLOUNT**  
ACCOUNTS-DATA SYSTEMS  
SUPPORT OFFICER



**DENESHA GIBSON**  
MEMBERSHIP SERVICE  
REPRESENTATIVE



**TIFFANY CLARKE**  
MEMBERSHIP SERVICE  
REPRESENTATIVE



**OPAL CARTY**  
ACCOUNTS CLERK



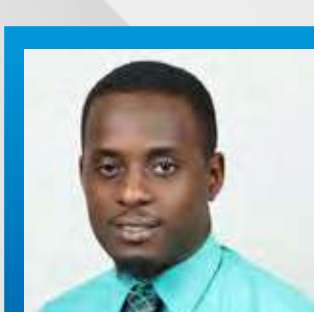
**FLETCHER JACOBS**  
ACCOUNTS CLERK  
- EXPENSE PAYABLE



**VANESSA FARQUHARSON**  
ACCOUNTS CLERK/BRANCH  
RECONCILIATION



**ALEXIA WILLIAMS**  
ACCOUNTS CLERK-JOURNAL



**AKEEM AMOS**  
ACCOUNTS CLERK





**LISA TAYLOR**  
ASSISTANT GENERAL MANAGER/  
BANKING OPERATIONS

# 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



**ANGELLA HARTLEY**  
REGIONAL OFFICER PORT MARIA,  
PORT ANTONIO AND BROWN'S TOWN



**SHAEKIA  
BOWERS-BLACK**  
BRANCH SUPERVISOR



**ROWAN MCFARLANE**  
REGIONAL OFFICER  
CLARENDON & ST. CATHERINE



**KERENE GRIFFITHS**  
BRANCH SUPERVISOR

## LINSTEAD



**LOTOYA  
SIMPSON-ALLISON**  
MEMBER SERVICE REPRESENTATIVE



**MOESHA GREAVES**  
BRANCH CLERK



**KERRISHA FACEY**  
MEMBER SERVICE  
REPRESENTATIVE



**FAYONA EDWARDS**  
BRANCH CLERK



**NICOLE LAWRENCE**  
BRANCH CLERK



**STEPHANIE JACKSON**  
OFFICE ATTENDANT



**TANEEL RAINFORD**  
BRANCH CLERK



**MICHELLE RODNEY**  
OFFICE ATTENDANT



# Regional OFFICES

## MANDEVILLE



**MAISE HAYLES**  
REGIONAL OFFICER MANDEVILLE  
& SANTA CRUZ



**NOVA SWABY**  
BRANCH SUPERVISOR



**ROWAN MCFARLANE**  
REGIONAL OFFICER Linstead  
& MAY PEN



**ALDERENE ROYE**  
BRANCH SUPERVISOR



**TELSIA THOMPSON**  
MEMBER SERVICE  
REPRESENTATIVE



**SIMON HENDRICKS**  
BRANCH CLERK



**SHEVELLE GRANT**  
MEMBER SERVICE  
REPRESENTATIVE



**TISHAWN HIBBERT**  
BRANCH CLERK



**ALEX HIGGINS**  
BRANCH CLERK



**VENNEL TAI**  
OFFICE ATTENDANT



**TYRONE PINNOCK**  
BRANCH CLERK

## MAY PEN

# Regional OFFICES

## MONTEGO BAY



**MARK THOMAS**  
REGIONAL OFFICER  
MONTEGO BAY & SAV-LA-MAR



**CLAUDIA SMITH**  
BRANCH SUPERVISOR



**TANIA SHIPPY**  
MEMBER SERVICE  
REPRESENTATIVE



**MARJORIE-ANN  
BROWN**  
BRANCH CLERK



**KIMBERLY NEIL**  
BRANCH CLERK



**SYLVIA MULLINGS**  
OFFICE ATTENDANT

## MORANT BAY



**MILLICENT WESTCARR**  
REGIONAL OFFICER  
PORTMORE & ST. THOMAS



**GLENDA COLE**  
BRANCH SUPERVISOR



**MELLISSA  
MARSHALLECK**  
MEMBER SERVICE REPRESENTATIVE



**CHRIS ANN HITCHMAN**  
BRANCH CLERK



**CHENECKA WILLIAMS  
LOUZA**  
BRANCH CLERK



**DONNA HAMILTON**  
OFFICE ATTENDANT



# Regional OFFICES

## PORTMORE



**MILLCENT WESTCARR**  
REGIONAL OFFICER  
PORTMORE & ST. THOMAS



**KERIN MITCHELL**  
BRANCH SUPERVISOR



**NAKITA SMITH**  
MEMBER SERVICE REPRESENTATIVE



**KIMBERLY MATTIS**  
BRANCH CLERK



**LATOYA EDIE**  
BRANCH CLERK



**CAMILLE CLARKE**  
OFFICE ATTENDANT

## PORT ANTONIO



**ANGELLA HARTLEY**  
REGIONAL OFFICER PORT MARIA,  
PORT ANTONIO AND BROWN'S TOWN



**SHERRI-GAE BROWN**  
MEMBER SERVICE  
REPRESENTATIVE



**KAREN WHITE-CASSIE**  
OFFICE ATTENDANT



**TANISHA SCOTT**  
BRANCH SUPERVISOR



**PAULA WILLIAMS**  
BRANCH CLERK

# Regional OFFICES

## PORT MARIA



**ANGELLA HARTLEY**  
REGIONAL OFFICER PORT MARIA,  
PORT ANTONIO AND BROWN'S TOWN



**TATLYN ANDERSON**  
MEMBER SERVICE  
REPRESENTATIVE



**SHANTEL  
DUCKIE-DANVERS**  
BRANCH CLERK



**VERON WESTON**  
BRANCH SUPERVISOR



**JOAN SUER  
SOMIREDDY**  
BRANCH CLERK



**KAREN FLYNN**  
OFFICE ATTENDANT

## SANTA CRUZ



**MAISE HAYLES**  
REGIONAL OFFICER  
MANCHESTER & ST. ELIZABETH



**LEONARD SMITH**  
MEMBER SERVICE REPRESENTATIVE



**LINCOLN MURRAY**  
BRANCH CLERK



**NORDA BROWN**  
BRANCH SUPERVISOR



**KISHANN ROCHESTER  
-DYER**  
BRANCH CLERK

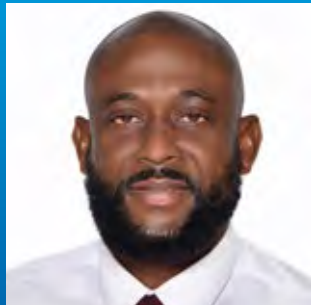


**MELLODY KERR**  
OFFICE ATTENDANT



# Regional OFFICES

## SAVANNA-LA-MAR



**MARK THOMAS**  
REGIONAL OFFICER  
MONTEGO BAY & SAV-LA-MAR



**ANDREA GRANT-BROWN**  
BRANCH SUPERVISOR



**KAY-ANN BAXTER**  
MEMBER SERVICES  
REPRESENTATIVE



**JODIAN JOHNSON**  
BRANCH CLERK

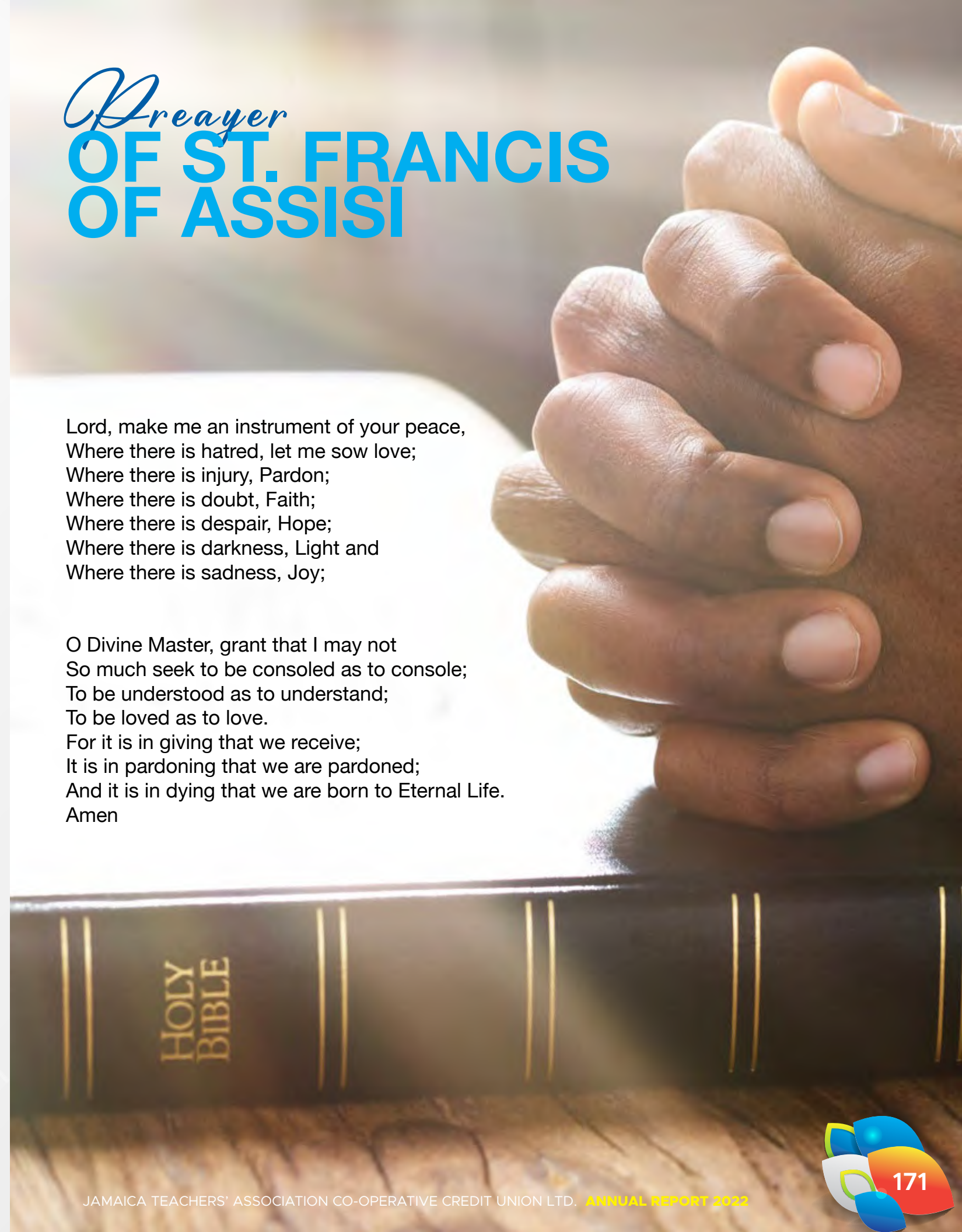


**GIFFET SHAKES**  
OFFICE ATTENDANT

# Prayer OF ST. FRANCIS OF ASSISI

Lord, make me an instrument of your peace,  
Where there is hatred, let me sow love;  
Where there is injury, Pardon;  
Where there is doubt, Faith;  
Where there is despair, Hope;  
Where there is darkness, Light and  
Where there is sadness, Joy;

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





# Year IN REVIEW



Celebrating with our teachers in 2022



Celebrating with our teachers in 2022



A 2022 Golden Torch Awardee receives her plaque from the JTA Credit Union's General Manager, Robert



2022 Golden Torch Awardees flanked by the JTA Credit Union Marketing Team, Denise Walker and Gertline White.



Board Member Lou Bramwell-Shakes gets into character during Read Across Jamaica Day 2022.



A 2022 Golden Torch Awardee receives his plaque from the President of the Board of Directors Paul Adams



The JTA Credit Union plays a part in supporting the fight against breast cancer



Second place winners in the 2022 Better Schools Better Jamaica programme Greenwich Primary is awarded their cash prize



First Place winners in the 2022 Better School Better Jamaica Programme Bridgeport High school receives their cash award from the General Manager Robert Ramsay.



Greenhouse Construction at Bridgeport High School, first place winners in the 2022 Better School Better Jamaica programme.



The JTA Credit Union plays a part in supporting the fight against breast cancer



JTA Credit Union plays a role in keeping our country clean one beach at a time



The JTA Credit Union plays a part in supporting the fight against breast cancer



Celebrating with our teachers in 2022



Celebrating with our teachers in 2022



Members of Staff and students at Greenwich Primary School the second-place winners in the 2022 Better Schools Better Jamaica programme



Celebrating with our teachers in 2022



Celebrating with our teachers in 2022



Celebrating with our teachers in 2022



Celebrating with our teachers in 2022



Celebrating with our teachers in 2022



Visiting our schools throughout 2022



Visiting our schools throughout 2022



Visiting our schools throughout 2022



# 2022 OBITUARIES

Beckford Phillipa  
Bell Inez  
Bigby Patricia  
Bramwell-McFarlane Delores  
Bremmer Enid  
Brown Rose  
Campbell Claudette  
Cassie Beatrice  
Channer Evadne  
Christie Sylvia  
Cox Joycelyn  
Currie Daisy  
Daley Karlene  
Davids-Hendrick Gloria  
Davy-Williams Joan  
Dennis Denise  
Dennis Garfield  
Diviney-Morgan Nellie  
Donegan Verna  
Edwards-Knight Merline  
Facey Matilda  
Francis-Riley Velmore  
Freemantle Farona  
Gardiner Andrel  
Gidden Jennifer  
Golding-McLeggon Ann-Marie  
Green Audrey  
Hall Karlene  
Harrison Charlette  
Headley-Jennings Veronica  
Heaven Polleen  
Henningham Maizilyn  
Henry-Howell Jennifer  
Holness Valentine  
Hyde-Frazer Odette  
Hylton-Johnson Claudette  
Johnson-Lindo Annmarie

Johnson-Oliver Leslene  
Marlene-Hutchinson Lellieth  
McFarlane-Bramwell Deloris  
Miller Judith  
Mitchell Yvette  
Morris Shelia  
Myrie Carolyn  
Neysmith Winsome  
O'Connor Brenda  
Perry Jennifer  
Petzold Nola  
Pinnock Shirley  
Pitter Xavier  
Powell Jennifer M.  
Powell-Lee Carolyn  
Pyne Denise  
Riley Leslie  
Roberts Marcia Y.  
Robinson Kamica  
Rowe Audrey  
Salmon-Swaby Haidie  
Scott Dothney  
Skeene Lillieth  
Smith Alison  
Paddyfoote Venice  
Spence Loy  
Spence-Golaub Tracey-Ann  
Stewart Audley  
Stewart Mabel  
Thompson Ivorine  
Tomlinson Amosy  
Tracey Lionel  
Tulloch Vincent  
Walters Vinnette  
Whyte Vivian  
Williams Marilyn  
Williams Marsha

# 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





## **JTA Co-operative Credit Union Limited**

97a Church Street, Kgn

**1.876.618.1706**

[info@jtacreditunion.com](mailto:info@jtacreditunion.com)

[specialservices@jtaccul.com](mailto:specialservices@jtaccul.com)

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