



JTA Co-operative  
Credit Union Limited

# Reimagining SERVICE



20 ANNUAL  
23 REPORT



**JTA Co-operative  
Credit Union Limited**

Serving Our Members... Impacting Lives Positively

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# ANNUAL GENERAL MEETING

**"THE NAME OF THE LORD IS A STRONG TOWER;  
THE RIGHTEOUS RUN TO IT AND ARE SAFE"  
PROVERBS 18 VS 10 (NKJV)**



# MISSION

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

# VISION

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

# CORE VALUES

Courtesy • Transparency • Empathy • Innovation • Teamwork

# CORPORATE PROFILE

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

<b>ASSETS</b>	<b>SAVINGS</b>	<b>LOANS</b>	<b>MEMBERSHIP</b>
<b>\$19,877M</b>	<b>\$15,385M</b>	<b>\$14,369M</b>	<b>32,164</b>

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# NOTICE OF MEETING

The Board of Directors of the JTA Co-operative Credit Union Ltd. hereby gives notice of its 60th Annual General Meeting to be held in person on Saturday, May 18, 2024, commencing at 10 a.m. at the Jamaica Conference Centre 14-20 Port Royal Street, Kingston. Registration begins at 9:00 a.m.

The purpose of the AGM is to present the audited Financial Statements for 2023 and to conduct the normal business of the Credit Union.

The 2023 Annual Report is available on our website at [www.jtacreditunion.com](http://www.jtacreditunion.com) in the About Us section.

Signed: Patrick Smith  
Secretary: Board of Directors  
Date May 1, 2024

## AGENDA

1. Ascertainment of a Quorum
2. Devotion
3. President's Welcome & Opening Remarks
4. Minutes of 59th Annual General Meeting held on Saturday, June 10, 2023
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



**JTA Co-operative  
Credit Union Limited**

Serving Our Members... Impacting Lives Positively

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**DREAMS**

with our **AUTO LOAN.**



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and used*




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that turns the wheels in your  
favour.



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MINUTES OF GENERAL

# MEETING

held on Saturday June 10, 2023 Karl Hendrickson Auditorium Jamaica College, 189 Old Road, Kingston 6, commencing at 9:00 a.m.

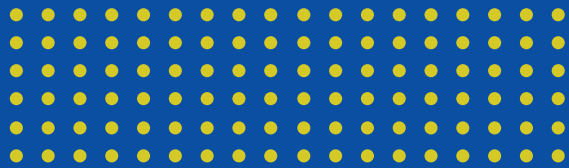


JAMAICA  
TEACHERS'  
ASSOCIATION  
CO-OPERATIVE  
CREDIT UNION  
LIMITED

## BOARD OF DIRECTORS

- Mr. Paul Adams - Chairman/President
- Mr. Morris Stewart - 1st Vice President
- Mrs. Ena Barclay - 2nd Vice President
- Mr. Cyril Lebert - Treasurer
- Dr. Margaret Bailey - Assistant Treasurer
- Mr. Patrick Smith - Secretary
- Mrs. Karen Hewett-Kennedy - Assistant Secretary
- Mrs. Lou Ann Bramwell-Shakes - Director
- Mrs. Melva Humes Johnson - Director
- Mrs. Sancia Stewart-Williams - Director
- Mr. Lincoln James - Director
- Mr. Lebert Drysdale - Director
- Mr. Ray Howell - Director
- Mr. Huit Johnson - Director
- Mr. Alfred Thomas - Director





In attendance were:

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

**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 Russe - Secretary  
Mr. Norman Allen  
Mr. Leao Nash  
Mr. Christopher Sinclair



## Ascertainment of a Quorum

Mr. Patrick Smith, Secretary called the meeting to order at 10:00 a.m. It was confirmed that two hundred and twenty (220) members were in attendance thus the required quorum was achieved.

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

## Devotion

Mrs. Ena Barclay, 2nd Vice President led the devotional exercise.

## President's Welcome & Opening Remarks

The Chairman - Mr. Paul Adams – President, extended a warm welcome to all members. 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. Also recognized were Retirees, Contact Teachers, and first-time attendees.

The following persons were specially recognized by the Chairman:

**Mrs. LaSonja Harrison**, President -  
Jamaica Teachers' Association

**Dr. Mark Nicely**, Secretary General –  
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. Robin Levy**, Group CEO  
Jamaica Co-operative Credit Union League

**Mr. Donald Brown**, Associate Partner, BDO

**Miss Karen Pusey**, Auditor Manager

**Miss Danisia Grant**,  
Department of Cooperatives and Friendly Societies

**Mrs. Cheryl Brown**,  
Department of Cooperatives and Friendly Societies

**Ms. Nicola Scott**,  
Department of Cooperatives and Friendly Societies

**Mrs. Barbara Gascoigne**,  
Former General Manager via Online

**Mr. Carl Bryan**, Verbatim Writer

The Chairman extended apologies on behalf of Mr. Morris Stewart, Director; Mr. Rudolph Sewell of the Supervisory Committee, and Mr. Christopher Sinclair of the Credit Committee.

Mr. Adams in his address highlighted the significance of the regulatory framework for governance of the Credit Union and the initiatives implemented by Credit Unions in order to meet expectations. He basked in the realization of almost \$19 billion asset base and emphasized that targets set for growth of the asset base was crucial to meet the standards of the Bank of Jamaica. He emphasized that the Credit Union would continue to offer loans at the lowest rate, offer the highest interest rate on investment and while doing so, encourage investors to remain with the Credit Union. He added that in order to achieve set targets the Credit Union must be efficient, responsible, innovative, and flexible for the benefit of the members, the Credit Union, and the Jamaica Teachers' Association.

## Minutes of 58th Annual General Meeting held on Friday, 2022 July 08

Mr. Patrick Smith drew the meeting's attention to the Minutes of last Meeting held on July 08, 2022, found between pages 08 – 25 and which was previously circulated. A motion that the Minutes be taken as read was moved by Ms. Julene Henry of Eltham High School and seconded by Ms. Vivienne Douglas of Dalvey Primary School. All were in agreement hence the motion was carried.

The Minutes were amended as follows:

Page 22, second paragraph, second line, under heading "Appropriation Surplus" remove "counter proposal."

Page 22, third paragraph, first sentence to read: Mr. Gallimore from the Department of Cooperatives and Friendly Societies and Mr. Levy from Jamaica Cooperative Credit Union League intervened and assisted in the process.

## Confirmation of Minutes

Following the amendments, the Minutes were then confirmed on a motion moved by Ms. Lavern Johnson

of Davis Primary School, St. Catherine and seconded by Ms. Joycelyn Gordon Brown of Old Harbour High School. All were in agreement; hence the motion was carried.

## **MATTERS ARISING**

### **JTA Co-operative Credit Union Foundation**

Dr. Garth Anderson queried whether any step had been taken to treat with the matter regarding the establishment of a Foundation for members with respect to health and wellbeing.

Mr. Smith advised that the Credit Union was still exploring the possibilities and would be relying on information that the Department of Co-operatives could provide that were within the boundaries of the rules governing the Credit Union.

### **Obituaries**

Obituaries as indicated on Page 174 of the booklet were highlighted.

### **Greetings**

Mrs. LaSonja Harrison, President of the Jamaica Teachers' Association (JTA) brought greetings on behalf of the Association.

Mrs. Harrison lauded the efforts of the leadership of the Credit Union in remaining true to its mandate of positively impacting the lives of members. She indicated that the union between the JTA and the Credit Union had been profitable. The history, performance and product offerings have made the Credit Union the financial place of choice for members of the JTA. She endorsed the sentiments for growth, renewal, and expansion

as the focus to achieve longevity, relevance and to remain current.

Mrs. Harrison reiterated that the prime focus of the JTA was for a collaborative approach for growth and sustenance of teachers. She stated that while competitive motor vehicle rates were good, more efforts should be made with regards to financial literacy by introducing lower interest rates for real estate acquisition.

Commendation was extended to the Credit Union for financial support to the JTA's events and initiatives with much emphasis on the \$2.3 million contribution for the staging of the 38th National Primary Championship that was in progress at the National Stadium.

Mrs. Harrison highlighted the need for a unified and service-oriented team to impact the lives of members positively.

At this juncture, the Chairman reported a total of 293 members were in attendance.

## **STATUTORY REPORTS**

### **Board of Directors**

The President stated that the year started with high expectations of strong recovery for the economy. He spoke of the war in Ukraine and the gradual return to normalcy following two years of restrictions by Covid-19 pandemic.

The President highlighted the strength of the organization and the areas that separated the Credit Union from other financial institutions. He stated that despite the increases in loan rates, the Credit Union held its rates at the existed levels for most of the year and increased revenues by

generating higher volumes of business. Loans grew by 8% when compared to 2.2% realized in the previous year. Savings also grew by 5.96%; however, revenues fell below target. There was increased bad debt expenses due to failure of some members to honour their obligation. The foregoing factors resulted in a reduction in the generation of surplus.

The President stated that despite the challenges in the operating environment, the Credit Union remained true to its commitment to the economic advancement of the members.

### **Members' Engagement**


The JTA Co-operative Credit Union ramped up the communication machinery by increasing the number of text and email messages to members. School visits were also increased as well as participation at education-related conferences and special events. Engagement via television and print media advertising was also increased.

### **Returns to Members**

The Credit Union maintained its position as industry leader with regards to the rate of return paid to members. Over \$546 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 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, this showed we 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 average total of 9% of total revenue from fees. It therefore costs four times less to do business with the JTA Co-op Credit Union than the industry average.

### **Cost Efficiency**

Cost efficiency continued to be top priority for the JTA Co-operative Credit Union in 2022. Despite the rising cost of inputs, the Credit Union maintained a level of operational efficiency that was comfortably below industry average: Credit Union 57%, the industry 65%.

The President presented the report on the performance of the Credit Union for the financial year ended December 31, 2022.

For the Financial year 2022, the Credit Union recorded growth in all key performance areas except gross income. Total revenues generated was \$1.851M. Loans showed signs of growth by 7.97% to \$13,218M. Assets and savings showed consistent growth over the past four years with increased assets by 6.3% and savings by 5.96%. Both growth rates remained below the annual inflation rate of 8.8%. At the end of 2022, the total assets grew by 6.3% to \$18.5B and Member Savings by 5.96% to \$14.3B.

### **Membership Growth**

The President reported that recruitment activities carried out during the year yielded growth of 2.9%; an increase in membership by 875. Membership base stood at 31,016 at the end of 2022. It was noted that the previous year's growth was 0.71% (236 members).

### **Delinquency Management**

The President alluded to migration being the most significant factor impacting the health of the Credit Union's loan portfolio. Members opted to apply for unsecured loans on the eve of emigrating which resulted in several loans falling into past due within months of being disbursed. This resulted in persistent increase in bad debt requirement which in turn dealt a devastating blow to the surplus generation.

The Credit Union maintained its focus and ultimately with rigorous monitoring and persistent follow-up of

delinquent members ended the year with delinquency ratio of 3.51%.

### **Human Resource Development & Administration**

Human resource capital continued to be the greatest input in sustaining the Credit Union's success. Mr. Ramsay and his very slim team worked across weekends to provide service to members.

The Credit Union placed priority on the training and motivation of employees. In 2022, there was heightened support for health and safety in the workplace. As a result, Wellness Wednesdays was introduced and remained consistent throughout the year. Sixteen (16) team members were also trained in Basic Life Support by Heart Foundation of Jamaica and have been certified as Heartsaver® CPR AED.

In-person General Staff Meetings resumed with the first meeting held on March 22, 2022. The annual Staff Retreat was hosted in September 2022 with some new features.

### **Staffing**

The divisional structure remained unchanged. Seven (7) new employees were recruited and four (4) promoted. Nine (9) team members were separated from the organization, three (3) of whom were retirees. At the end of 2022, the staff complement was one hundred and thirteen (113).

### **Administration**

During the year, improvement works were made to the Portmore and Montego Bay branches.

The President was proud to announce that the Credit Union had purchased a property at 107 Constant Spring Road which would house the new Head Office. The existing Head Office location would be maintained as a branch office. This was met with a resounding applause.

### **Regional Services**

Regional Services comprised five Regional Managers who manage eleven branches island wide. With Covid-19 restrictions lifted, 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**

The Credit Union continued to furnish its drive of corporate social responsibility through the “Better Schools...Better Jamaica” programme totalling \$1.5 million dollars. Two (2) schools were awarded. The first place was winner was Bridgeport High School which received \$1M. The school would use the funds to construct a greenhouse for use by CSEC students. The second-place winner was Greenwich Primary which received \$500,000.00. The funds would be used to refurbish the school’s computer laboratory.

### **Sponsorship & Donations**

During 2022, the Credit Union donated over \$6.3M to educational institutions and other civic groups in local communities across Jamaica.

Support continued for the various JTA initiatives which included the prestigious JTA Golden Torch Awards to the tune of \$500,000, JTA Sagicor Championship, TVJ Jr. Schools Challenge Quiz and the Gleaner Spelling Bee Competitions.

### **Tertiary Scholarships and Grants**

The Credit Union continued to award scholarships and grants to teachers in tertiary institutions. Eleven (11) members were awarded grants and scholarships. Miss Stephanie Wright Grant, Senior Teacher at St. Jago High School was awarded the prestigious Desmond “DC” Gascoigne Award for Excellence.

In 2022 another category of award, the W.A. Johnson Award was instituted within the Tertiary Scholarship. The award, second

to the D.C. Gascoigne Awards is named in honour of one of the founding members of the Credit Union. It was noted that W.A. Johnson was the individual who moved the motion for the establishment of the Credit Union. Mrs. Sherene Anderson McLaughlin was the first member to receive this award.

PEP Bursaries awarded to first year high school students also continued. 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 2022 was Michael-Ajay Ramsay (no relation to Mr. Robert Ramsay, General Manager) and the Top Girl was Kiara Mitchell.

### **Corporate Governance**

The Board of Directors and the Sub-Committees played key roles in the oversight of the management and direction of the Credit Union. During the year, the Board reviewed and approved a strategic plan, monitored performance monthly and ensured that appropriate policies were in place to govern the affairs of the Credit Union and meet regulatory compliance.

### **Board Meetings**

A total of thirteen (13) meetings were held in the year 2022. Seven members of the Board attended all meetings, six members attended twelve times, one attended eleven times and one attended three times.

### **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, be prepared economically to withstand any financial difficulties and to take responsibility for the management of one’s finances.

### **Acknowledgement**


The President thanked the members for their loyalty; the management and staff for their diligence and faithfulness; the Board and Committee for their attention to details and painstaking support during the year; the Co-operative Network especially the Jamaica Cooperative 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; BDO, the auditors; and Almighty God whose guidance, wisdom and protection steered the organization through another year.

At this point Mrs. Ena Barclay, 2nd Vice President was asked to moderate the comments/queries posed.

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

Dr. Garth Anderson queried whether there were plans afoot to increase the number of Tertiary Grants from eleven (11) considering membership of 30,000.

The President advised that there were plans in the making, however there was no timeline. He added that a decision to increase would



be dependent on the surplus realized as well as the Credit Union's ability to undertake other initiatives to retain the standard.

Based on the Chairman's response, Dr. Anderson suggested that the number be increased to fifteen (15) on the premise that the Credit Union's operating surplus was impressive. He added that he could move a motion for an increase by two the following year.

The President advised that as the Credit Union continues to grow, the Board would look at improvement in dividend, improvement in interest, sponsorship, and scholarship; however, the Credit Union would not operate via impulsive decisions. The response was accepted by a resounding applause.

Mrs. J. Gordon Brown extended commendation to the Board for the increased sponsorship. She lauded the Board and team for achievement in growth and development.

### **Adoption of the Report**

The motion for the adoption of the report en bloc was moved by Mrs. Raia Richards-Peart of Jonathan Grant High School and seconded by Ms. Debbie Meek of Elletson Primary and Infant School.

### **TREASURER'S REPORT**

Mr. Cyril Lebert, Treasurer invited Mr. Donald Brown, Associate Partner, BDO to provide opinion on the financial operations for the year under review.

A motion to allow for a condensed unabridged version of the report was moved by Mrs. Michelle Barnes-Evans of Braeton Primary and Junior High School seconded by Ms. Diana Menzie, Retired Teacher of Edith Dalton James High School.

### **Independent Auditors' Report**

Mr. Brown informed the meeting that the audited financial report was included in the Annual Report booklet on pages 53 to 139. The Report is comprised of financial position as at December 31, 2022, statements of surplus or deficit and other comprehensive income, changes in equity, cash flows for the year ended December 31, 2022, notes comprising significant accounting policies and other explanatory information.

Mr. Brown 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. Brown stated that they had obtained all information and explanation which, to the best of his knowledge, were necessary for the purpose of the audit.

Mr. Brown 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 06, 2023, and signed by BDO, Chartered Accountants, Jamaica.

Mr. Lebert extended commendation to Mr. Brown at the end of his presentation.

Mr. Lebert then presented his report for the year ended December 31, 2022. He commenced his presentation by providing highlights of the impact of the Covid-19 pandemic and the war in Ukraine and its effect on productivity in many countries including Jamaica. It was noted that preliminary estimate showed that the economy grew by 5.2% following the 4.6% expansion in 2021.

Mr. Lebert highlighted that the financial market began recovery in 2021. There was less demand for consumer variables and there were improvements in tourism. 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%, an increase from 7.3% recorded in 2021 and above the Bank of Jamaica target of 4 - 6%. The increase was largely influenced by movement in the cost of fuel, housing, food and beverages. The central bank increased its policy rate from 2.5% to 7.0% during the year and continued to sell foreign currency directly to authorized dealers through an auction system. The Jamaican dollar appreciated by 2% with respect to the US\$ moving from a rate of \$155.09 to \$152.05.

It was expressed that amid the economic environment, the Credit Union continued to strive to provide

excellent, consistent personalized service to members, and a range of products at competitive rates targeted at members' needs while managing resources prudently.

## FINANCIAL RESULTS

Despite the worst of the pandemic being behind, consumers saw cost of living increasing sharply as inflation spiked. The real cost of basic food items and gasoline significantly affected citizens disposable income. Members were challenged in their ability to increase savings and to service

Based on the foregoing, the Credit Union fell short on some of the strategic goals including the delinquent ratio, revenue target and asset growth, while operating expenses were kept within the target ratio at 5.9%. Delinquency ratio was budgeted at 3%; however, the actual result was 3.5% and below the standard 5%. It was highlighted that migration of teachers with outstanding loans contributed significantly to the level of the delinquency ratio. The Credit Union exhausted all possibilities to find delinquent teachers wherever they were.

new or existing loans. As a result, the growth of the Credit Union's loan portfolio, delinquency and asset growth were affected.

The table below shows the major targets set at the 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 Expense 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

During the year under review, Total Assets increased by \$1.1B to \$18.6B, a growth of 6.2%. The Loan Portfolio stood at \$12.2B at the end of 2021. Net Loan Portfolio increased by \$975.3M or 8%, to 413.2B at the end of 2022. Investment portfolio stood at \$4.6B at the end of 2022 which reflected a marginal reduction from the end of 2021.

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 rates on members' deposits and voluntary shares remained very competitive. Net surplus of \$75.7M was earned on revenues of \$1.8M, a reduction from the surplus of \$329M recorded in 2021. 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 for an overall total of \$13.5B.

The table below shows the Savings Portfolio as at December 31, 2022, when compared to 2021.

Savings Product	2022 \$M	2021 \$M	Increase/decrease \$M
Voluntary Shares	7,724.2	7,227.9	496.3
Special 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
<b>Total</b>	<b>14,342.1</b>	<b>13,534.2</b>	<b>807.9</b>

## Loan Portfolio

The Credit Union continued to maintain a diversified loan portfolio to satisfy the multifaceted requirements of members. Increased promotional activities aimed at stimulating growth in the loan portfolio were undertaken during the year. At the end of 2022, Net Loans comprised 71.2% of assets when compared to 70.0% recorded in 2021, as loan disbursement increased. Loan Portfolio grew by \$0.98B. The composition of the loan portfolio was presented as follows:

Loan Type	2021 \$M	2020 \$M	Increase/decrease \$M
Regular Loan	6,242.6	6,003.6	239.0
Auto Loan	1,976.3	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

## Income & Expenditure

Interest income for the year was \$1.7B, increasing by \$46M or 2.7% from 2021. The primary source of income was from loan interest which totalled \$1.56B in 2022, a \$24.8M, or 1.6% reduction. Investments contributed interest earnings of \$184.5M compared to \$113.5M in 2021 as market rates increased. Operating expenses increased by \$87.2M or 8.9%. The Operating Expense to Average Assets ratio for the year was a commendable 5.9% well within the Prudential Standard of 8%. Net interest income on loans was reduced by \$146M for impairment losses (\$27.9M in 2021) and based on the portfolio and on internal and external factors measured under International Financial Reporting Standards.

At the close of 2022, Institutional Capital stood at \$2.9B, an increase of \$75M. Institutional Capital to Total Assets ratio was 15%, 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.

### Prudential Standards

The Credit Union's performance, measured by PEARLS international prudential standards was highlighted by a detailed table presented. Mr. Lebert highlighted a few amendments to the table as follows:

Under "Effective Financial Structure," Line 3 – Institutional Capital to Total Assets to read:15% and not 15.9%.

Under "Asset Quality," first line – Delinquent Loans et al, change 47.3 to >5%, 80.7 to 3.51% and -33.4 to 3.40%.

As per the results, the Credit Union would continue to meet key 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.

### Conclusion

The Credit Union's performance in 2022 was commendable despite the challenges of rising inflation, economic uncertainty, limitation of bond and members' financial challenges. The Credit Union would continue to implement and sustain measures to strengthen and inspire growth while optimizing the benefits to members.

### Acknowledgements

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



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

Ms. Beverley Gustaff, Retired Teacher from Kingston Technical High School extended commendation to the Board and management of the Credit Union for the continued success. She asked questions as follows:

1. The medium of communication and procedures adopted by the Credit Union to reach out to delinquent members.
2. The nature of assistance initiated by the Credit Union to assist retired teachers.
3. Procedures in place to assist retirees to avoid delinquency status if pension payments fail to arrive in time to satisfy the Credit Union's deductions.

Mr. Lebert used the opportunity to introduce Dr. Bailey, Chairman of the Delinquency Committee. He advised that as soon as the impairment was observed the initial contact would be by telephone calls then letter followed by other established procedures. For delinquent members abroad, the Credit Union would try to engage the embassies and high commissions to ascertain if assistance could be provided to locate them. Another avenue was to find out if other members had been in contact with them and seek their assistance for information on their location. He emphasized that it had been a difficult process despite their best efforts. With regards to query #2, Mr. Lebert stated that the retirees had provided exemplary service to the organization and was very grateful for their investment. He advised that retirees enjoy 0.75%

above the product offering to other members. In response to question #3, Mr. Lebert stated that the Credit Union had always been sympathetic to matters of such nature and was aware that pension receipts were often late. He asked that in such situations the member should visit the Credit Union to speak with officials in charge.

Ms. Ayesha Hamilton from Seaward Primary and Infant School asked about plans to relax the stringent procedures in place at the Credit Union. She stated that the issue has caused members to take loans at commercial banks at higher rates.

Mr. Adams stated that situations differ due to varying reasons which may be untimely provision of required documentation for processing, among others. He emphasized that procedures have been in place merely to protect the organization funds. He encouraged members to visit the website and note the required documents for processing of loans which would allow for more efficient process. He asked that Ms. Hamilton have dialogue with Mrs. Lisa Taylor, Assistant General Manager before leaving the meeting.


Ms. Beverley Gustaff asked about the turnaround time for online payments to the Credit Union. She stated that she made a payment on the first of June and to date it was not received. Mr. Adams requested of Mrs. Taylor to assist accordingly. Mrs. Taylor used the opportunity to provide telephone contact details for herself and Mrs. Morgan, Credit Manager, and asked members to make contact whenever required.

Mr. Ainsley Wright of William Knibb Memorial High School asked whether there were plans in the pipeline for distribution of services to avoid lengthy travel time for members in light of the fact that branches were not available in all parishes. He also requested that improvements be made with regards to efficiency for in-branch loan processing.

Mr. Lebert stated that with the advent of technology the practise over the years was to have fewer branches and not to increase branches. He added that the Board would meet to decide on solutions to better serve members; however increasing branches would not be considered in the near future. With regards to the processing time for loans, Mr. Lebert agreed that the organization should make an effort to create more effective ways to reduce the time for business processes.

Mrs. Michelle Barnes-Evans from Braeton Primary asked whether the Credit Union would consider the use of social media platforms such as Tik Tok and Facebook to reach out to delinquent members. She also asked about the procedures adopted by the Credit Union to increase membership as the target had not been met as reported. He queried whether the initiative of utilizing Contact Teachers had been implemented.

With regards to the first query, Dr. Margaret Bailey, Assistant Treasurer/Chairman, Delinquent Committee advised that the Credit Union had been utilizing social media platforms to reach out to delinquent members. She stated that names were published in newspapers and in the branches.



The internet had been combed, research conducted, contact made with schools, especially in North Carolina, sent email and sought assistance of members to reach out. She used the opportunity to ask members who know the whereabouts of delinquent members to contact her before leaving. With regards to the second query, Mr. Lebert informed that there were Contact Teachers in place, however he could not vouch for the effectiveness of each contact teacher. He added that the Contact Teacher would become available once queries were made at the school.

### **Adoption of the Auditors & Treasurer's Report**

A motion for the adoption of the report was moved by Mr. Andrew Rose of Pembroke Hall High School and seconded by Mrs. Beverley Henry-Isaacs, Retired Teacher. All were in favour.

### **DECLARATION OF INTEREST, DIVIDEND AND FIXING MAXIMUM LIABILITY**

Mr. Lebert advised that the Board of Directors had made the following recommendations:

#### **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 Limited be allowed a maximum liability of ten (10) times the equity, hence maximum liability would be set at \$38B for 2023.

#### **Comments/Queries:**

Mrs. E. Davis-Wright requested that the Credit Union improve on the offering from 3% to 5%.

The request was received by a resounding round of applause.

Mr. Lebert explained that the surplus recorded for the year under review had been uncharacteristically low. He stated that the operation climate had gone down to seventy-five, coupled with the fact that the loan portfolio was behind in projection for 2023

and interest had just started to increase. Mr. Lebert added that research had shown that the Credit Union was way ahead of its competitors in terms of dividend offerings and that some Credit Unions were unable to make dividend payments.

Ms. Donna Greenwood of Charlemont High School suggested that the Credit Union move towards saving the environment by going green by eliminating printing of booklets. She added that a lot of members would not read the booklet and it therefore could be circulated via emails allowing for just a few printed copies for circulation. Mr. Lebert welcomed the suggestion and advised that the comments would strengthen discussions that had already started on the matter.

Mrs. Raia Richards-Peart of Jonathan Grant High School questioned the sudden change from how well the Credit Union performed to how poorly the operations were. Mrs. Richards-Peart moved a motion to propose that the dividend be moved from 3% to 4%. The motion was seconded by Ms. Beverley Gustaff.

Mr. Lebert asked the members to carefully consider the performance of the Credit Union. He stated that in 2022 the surplus whittled down to \$75M and the current year had not been doing well. He further stated that the JTA Co-operative Credit Union maintained its strength and stability against other Credit Unions because the Board and management had been cautious. He added that forcing the Board to overstep boundaries and against principles was not in the best interest of the Credit Union. Mr. Adams provided support by explaining that in 2020 the surplus was \$329M, \$75M in 2022. The additional 1% would be equivalent to \$75.6M which the Credit Union could not afford. Mr. Adams stoutly defended the position of the Credit Union and its ability to pay only 3% and highlighted that some Credit Union were unable to pay dividend.

Ms. Paulette Jones, Retired Member expressed discomfort at the tone of Mr. Adams. She stated that the tone was such of a reprimanding one and requested of Mr. Adams to be cognizant of such. Ms. Jones expressed support for her fellow colleague, Ms. Donna Greenwood for reduction in production of the booklets and for the funds to be allocated to increased dividend for members. Mr. Lebert extended an apology for the discomfort caused

during the impassionate exchange of information.

Mr. Leighton Johnson of Muschett High asked if the indicators that caused the reduction in surplus between 2021 and 2022 had been identified. Mr. Lebert explained that the reduction in net surplus for 2022 was due to decreased loan income, weighted average rate earned on the portfolio decreased during the year as the growth was mainly from lower cost loan such as motor vehicles. On the expense side, the provision for loan losses (IFRS9) increased by only \$27.9M in 2021. In 2022, IFRS9 provision was \$146.4 due to the rise in delinquency. Mr. Lebert asked that members assist to curb delinquency.

Mr. Levy of the Jamaica Co-operative Credit Union League was afforded the opportunity to address the meeting. In his address, he stated that it was unusual for interest rates to be set at an AGM. He referred to the fact that there were no concerns raised about the 7% dividend. Mr. Levy stated that the rates offered by banks was much less than 3%. He urged the membership to trust the expertise of the professional management team in place at the Credit Union who operated to the best of their ability for the long-term interest and benefit of all. His comments were well received and acknowledged by a resounding applause.

There was a lengthy debate on the matter with inputs from members in support of the motion.

Following the lengthy debate, the motion by Mr. Cyril Lebert for interest of 3% to be paid on

voluntary shares amounting to \$227M was seconded by Mrs. Verona Barrett-Brown of Bethesda Primary and Infant School. All were in favour.

### **REPORT OF THE CREDIT COMMITTEE**

Mrs. Anne Geddes-Nelson, Chairman of the Credit Committee presented the report for year ended December 31, 2022. The members of the Committee were introduced and presence acknowledged. An apology was tendered on behalf of Mr. Christopher Sinclair.

The roles and responsibilities of the Committee were highlighted.

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

#### **Loan Disbursement and Portfolio Growth**

Mrs. Geddes-Nelson informed the meeting that during the period of review, a total of \$4.165B in loans were disbursed, an increase of 22.3% over the corresponding year when \$3.406B were disbursed. The Loan portfolio grew by 7.37% as at December 31, 2022, to \$13.217B, net of provision.

#### **Loan Portfolio Composition and Concentration**

As at December 31, loan portfolio composition stood at 62% in secured loans and 38% in unsecured loans. It was noted that of the loans approved during the year 37% were for personal loans, 31% for general loans, 15% for motor vehicle loans and 17% for construction loans.


### **Loan Review and Analysis**

The meeting was informed that the Committee processed one hundred and fifty-nine (159) loan applications that were above the approval threshold for management. An average of thirteen (13) loan applications were reviewed monthly. The months of June and August recorded the highest levels of activity. In August 2022, over \$450M in loans were disbursed. A table which provided detailed information on loan activities for 2021 and 2022 was presented.

Mrs. Geddes-Nelson highlighted that in 2021 as against 2022, loan applications decreased by 51%. A total of three (3) waivers were granted, a decreased by almost 100% when in 2021, 123 waivers were granted. Rescheduling of loans showed decrement of 35%, from 71% in 2021, to a total of 36% in 2022. In terms of loans referred to the Board of Directors for ratification, there was a nominal decrease by 1% from a total of 41% in 2021 to 40% in 2022. Loans deferred decreased from five 5 in 2021 to one 1 in 2022. Loans refused remained at an infinitesimal 1%.

### **Conclusion**

Mrs. Geddes-Nelson 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 bestowed 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 Dr. Patience Alonge of Northern Caribbean University seconded by Ms. Lavern Johnson of Davis Primary and Infant School. All were in favour.

### **REPORT OF THE SUPERVISORY COMMITTEE**

Mrs. Mary Dick presented the report of the Supervisory Committee. The meeting was informed that the Committee comprised of seven (7) members with the main objective to audit the Credit Union’s operations for and on behalf of the members to ensure compliance with established standards. In doing so the committee worked closely with the Board and Credit Committee, reviewed the minutes of meetings to note decisions taken, liaised with the Credit Union’s external auditors, and dealt with member complaints as well as other responsibilities which were detailed. It was noted that there were no complaints from members during the review period.

It was noted that three (3) members of the Committee were elected to serve on Sub-Committees namely; Mr. Rudolph Sewell - Policy Committee, Mrs. Dawn Steele – Promotion and Education Committee, and Mr. Clayton Hall – Delinquency Committee.

The Committee had eleven (11) regular monthly meetings, attended Joint Board and Committee meetings, and attended monthly work sessions at the Head Office. The record of attendance by the Committee was presented and highlighted.

Mrs. Dick reported that during the year, the Committee randomly selected one thousand six hundred and three (1,603) transaction files at the Head Office and branch offices for examination and which included

regular loans, loans within shares and withdrawals. In addition, other files examined were access cards records, accounting records relating to furniture and fixture, insurance of fixed assets, maintenance and repairs, payables, members, volunteers, minutes of Board meetings, and policies. Files were examined to ensure that the processes were done in accordance with established standards; inventories checked to ensure assets were safeguarded; and adherence to systems and policies.

During the review period, all eleven (11) branches were visited and during the process the operations and physical conditions of the offices were observed, inventories were checked, files examined and systems and policies checked for compliance. It was reported that at all the branches visited, customers were satisfied with services received and found the aesthetics of the branch to be pleasant. Commendation was extended to the management and staff for exemplary performance during the period.

A total of two hundred and twenty-eight (228) Loan Applications and Withdrawal files were also examined. The files examined at all branches were found to be good order. Anomalies noted were addressed and rectified.

There were general maintenance and repairs to branch offices and Head Office throughout the year. Covid-19 protocols were maintained.

It was reported that members of the Committee participated in the Proceeds of the Crime Act (POCA) training.

The Committee regularly examined accounting records 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 in most cases. Monthly payrolls were also examined and deductions were made from staff salaries and the funds paid over to the relevant institutions.

Mrs Dick reported that close work relations were maintained with the Supervisory Committee to ensure that policies implemented were in place and systems checks conducted to ensure that policies were realistic.

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, the Internal Audit examined twenty-four (24) key risk areas including: ABM Operations and Reconciliation, access card records, accounts for deceased members, accounts payables.

Mrs. Dick, on behalf of the Committee, extended commendation to the Board of Directors, management, staff, and volunteers for maintaining efficiency in operations.

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 \$92.76M while Total Loans was \$115.30M. Total Savings for Staff was \$151.56M and Total Loans of \$413.97.

The Committee extended special commendation to the Board of Directors, management, and staff of the Credit Union on its valiant efforts to maintain efficiency in the operations and systems despite the economic and social challenges facing financial institutions and other sectors of the economy.

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. Roymane Robinson of Yallahs Primary and seconded by Ayesha Kerr Hamilton of Seaward Primary and Infant School.

At this point, Mrs. Pauline Stephenson, former member of the Supervisory Committee was officially recognized and welcomed.

The Chairman extended condolences to Braeton Primary School on the death of the eight-years old student.

### **GENERAL MANAGER'S PROGRESS REPORT**

The Progress Report of Mr. Robert Ramsay was presented.

Mr. Ramsay began his presentation with words from a famous quote, "Continuity gives us root, change gives us branches, let us stretch and grow to reach newer heights." He reflected on presentations from the team, the comments made by the members, the impact of COVID-19 on the Credit Union's finances and the fierce competition in the market coupled with delinquency and rising costs.

Mr. Ramsay informed the meeting that the Board's Strategic Retreat held in November 2022 was very engaging and a number of initiatives were developed and some were implemented. He stated that the main objective is to prioritize membership growth. He emphasized that the Credit Union will embark on a comprehensive

and rigorous recruitment drive island wide. It was noted that in 2022, 1,292 new members were recruited. As at March 31, 2023, the Credit Union's assets grew to \$18,801M, Loans to \$13,506M and Savings to \$14.873M. Membership stood at 31,312.

Mr. Ramsay stated that for 2023, there would be renewed focus in the areas of Marketing and Public Relations, Banking Operations, Information Technology and Human Resources.

### **Marketing and Public Relations**

The Credit Union would continue to strengthen member communication to deliver consistent brand message and build stronger relationships through engagement via use of technology in the form of text messages, email, and social media platforms – Facebook, TikTok, YouTube. There would be heightened face to face communication.

**Public Relations Activities:** The Credit Union would continue to educate members and host activities and initiatives to support members and the school communities. Mr. Ramsay made an appeal to members to forward information about activities at the school such as fundraising events for publicity on the Credit Union's social media pages and website. He added that videos and photos from completed events could also be submitted and would be posted accordingly.

**New Product Launch:** Two new savings products would be developed. Mr. Ramsay informed that one of the new products was on the verge of being rolled out.



## Banking Operations

Mr. Ramsay stated that banking operations would be one of the main focus for 2023. Wide scale refresher training commenced throughout all branches to ensure uniformity across branches. The Credit Union would also embark on improved records integrity and member satisfaction levels through heightened efficiency.

- **Business Generating Capacity:** Employees at all locations would be integrally involved in more strategic ways. Membership drive would continue.
- **Improved Record keeping Integrity:** The Credit Union would transition from paper-based operations to the use of digital platforms. With the introduction of the Data Protection Act, standards would be established to properly capture and store information. Established standards would be reviewed to ensure compliance and uniformity at branches across the island.
- **Improved Member Satisfaction:** The involvement of all levels of staff at all branches would be required to increase the positive experiences of members. Training and review of staff knowledge and interactions with team members would be undertaken. Also, a new Loan origination software system would be implemented to aid in the smooth processing of member loans.

## Information Technology

Mr. Ramsay stated that the IT Department would support the Credit Union's effort to improve service delivery and improve the experience of members. This would be achieved through Automated Banking Operations, Support Operations, Automation and Data Management as well as IT Infrastructure Migration and Expansion.

- **Automated Banking Operations:** The Credit Union would be transitioning to full automation stage. An integration loan origination system would be introduced to improve operational efficiency and strengthen banking operations.
- **Automation and Data Management:** With the introduction of the Data Protection Act, the Credit Union would develop strategies to ensure effective

management of personal data of members. It was expressed that electronic storage was at an advanced stage and by the end of November 2023 the organization would be compliant with the Data Protection Act.

- **IT Infrastructure Migration and Expansion:** The IT Department would remain focused on the migration and expansion of the IT infrastructure. During 2022 the system was upgraded and modernized to world standard to facilitate connectivity with all branches.

## Human Resources Development & Administration

Mr. Ramsay placed much emphasis on human resource management and its importance in the organization. He stated that training and development would be the main focus throughout 2023. Specific months of the year would be identified and marked for developmental training.

**Policies and Procedures Manual:** During 2023, the Credit Union would implement a Human Resource policies and procedures manual. The manual would govern labour issues such as recruitment, discipline, training, and development.

**Refurbished Spaces:** The improvement of workspaces would continue during 2023. Locations earmarked for improvement were Portmore, May Pen, Morant Bay, and Head Office. It was expressed that extensive search had been ongoing to identify a more suitable location for the May Pen Branch.

## Annual Branch and Staff Awards

The dedication of the staff could not go unnoticed as it was an impossible task to meet goals and targets without the hard work of the staff.

Mr. Ramsay extended special recognition and commendation to the delinquency team of the Credit Department. Mr. Rushane Daley of the Credit Department, with responsibility for delinquency, was awarded the Employee of the Year. The Santa Cruz Branch was named Branch of the Year and Ms. Maise Hayless, Regional Officer for Santa Cruz and Mandeville Branches copped the award of Salesperson of the Year. The Managerial Cup was awarded to Ms. Vera Sharpe. The awardees were acknowledged by a resounding round of applause.

Special commendations were extended to team members who had given decades of service to the Credit Union. Team Members awarded were Mrs. Nadine Blackwood - 40 years, Mrs. Miss Claudia Smith - 35 years, Miss Giffet Shakes - 20 years, Mrs. Melrose Byfield, Miss Tanisha Scott, and Miss Nakita Smith - 10 years.

### **Staff Movements**

During 2022, three staff members bid farewell due to retirement. Ms. Shirley Francis-Levene, Courier Clerk, Ms. Ingrid Lacklish, Office Attendant of the Portmore Branch and Ms. Cutilyn Bowen, Office Attendant of the Brown's Town Branch. Six staff members departed due to resignation. The organization welcomed seven (7) new members.

### **Gratitude and Appreciation**

Mr. Ramsay expressed thanks to the management team and the general staff complement for their sterling commitment and passion for excellence for the success of the Credit Union. He also expressed heartfelt gratitude to the members for the trust, loyalty and confidence placed in the organization; special thanks to the various school communities who facilitated members of the team in whatever way possible; sincere appreciation to the faithful volunteers, (directors and members of committees) for their contribution to the success of the organization over the years. He expressed special thanks to the Jamaica Cooperative Credit Union League, the bursars, Ministry of Finance, Ministry of Education, and the Jamaica Teachers Association.

Mr. Ramsay also gave 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**

Dr. Garth Anderson of Church Teachers' College asked about the transition from paper-based to integrated technology driven operations for efficiency and effectiveness. He stated that he had heard talks about it happening, however it had not been implemented. Mr. Ramsay referred to excerpts from his presentation where it was revealed that a Loan Originator System had been purchased and was being configured. He added that he hoped that at his next visit to the Credit Union the new system would be operational.

Ms. Suzette Walters of Papine High School extended commendation to Mr. Ramsay and team for staff retention and developmental training for staff. She asked whether there would be consideration for income generation from the newly purchased property at 107 Constant Spring Road. Mr. Ramsay advised stated that the new building would only house the Head Office. He emphasized that no part of the building would be available for rental. He added that the existing Head Office building was a rented property and would be utilized as a branch.

Mr. Andrew Rose of Pembroke Hall High School while extending commendation to the management and staff for exemplary service delivery, expressed the challenges faced when interfacing with the platform to transfer funds to his savings account. He stated that

the process was very tedious and time-consuming. Mr. Ramsay stated that there were limitations with regards to banking operations. He explained that transfer across commercial banks was seamless however the same would not apply to the Credit Union. He used the opportunity to explain that the Bank of Jamaica (BOJ) would only allow for bank to bank or building society to bank; however, it would not allow direct credit union transfers. He added that he was hopeful that on completion of the impending official regulation it would allow for the Credit Union to be added to the RTGS platform and for the service to be available to all members.

Mrs. Estel Davis-Wright, retired, extended commendation to the staff at Morant Bay Branch for exemplary service delivery. Her comments were acknowledged by a resounding round of applause.


Mr. Alando Lawrence of Lower Buxton All-Age in Brown's Town extended commendation to the Brown's Town Branch for service excellence.

The Chairman asked that commendation be emailed to the office.

The Chairman extended a warm welcome to Mrs. Nadine Molloy, Past President of the JTA.

### **REPORT OF THE NOMINATING COMMITTEE**

Mrs. Melva Humes Johnson, Chairman presented the report of the Nominating Committee. The Committee is comprised of Mrs. Winnie Berry, Mr. Worrell Morrison 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 Committee were clearly outlined.

Mrs Humes-Johnson reported as follows:

The Retiring Members were:

### Board of Directors

Mrs. Ena Bartley	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 Bartley	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)

Mr. Alfred Thomas was introduced to the meeting. His profile could be found on Page 157 in the booklet. A brief synopsis was presented

### Credit Committee

The retiring members of the Credit Committee were:

Mrs. Anne Geddes-Nelson

Mr. Christopher Sinclair

Mr. Norman Allen

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

Mrs. Anne Geddes-Nelson

Mr. Christopher Sinclair

Mr. Norman Allen

### Supervisory Committee

All members of the Committee were retiring:

Mrs. Mary Dick

Mrs Dawn Steele

Mr. Aston Messam

Mrs. Glecia Beckford

Mr. Clayton Hall

Mr. Rudolph Sewell

Ms. Tina Reid

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

Mrs. Mary Dick

Mrs Dawn Steele

Mr. Aston Messam

Mrs. Glecia Beckford

Mr. Clayton Hall

Mr. Rudolph Sewell

Ms. Tina Reid

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

Delegates nominated were as follows:

Delegates	President and Treasurer
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Alternate Delegates	To be named by the Board of Directors
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### Volunteers Retiring in the Year 2024

Volunteers who would be retiring were 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. Paul Adams	Region 5 (St. Elizabeth, Manchester, Clarendon)
Mr. Patrick Smith	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)

Mrs. Humes-Johnson was commended for her contribution.

### Adoption of the Report

The Report was adopted on a motion by Beverley Henry-Isaacs and seconded by Alando Lawrence. All were in favour.

Mrs. Cheryl 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 were Mrs. Ena Barclay, Mr. Lebert Drysdale, Mrs. Sancia Stewart Williams, Mr. Lincoln James, and Mr. Alfred Thomas.

There were no nominations from the floor.

### The following members were duly elected to serve on the Board for 2023:

Mrs. Ena Bartley	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)

A motion to formally elect the members to the Board was moved by Ms. Beverley Gustaff, Retired Teacher of Kingston Technical High and seconded by Ms. Monica Campbell of Brown's Town Primary School. All were in favour.

### Credit Committee

Members retiring were Mrs. Anne Geddes-Nelson, Mr. Christopher Sinclair, and Mr. Norman Allen.

There were no nominations from the floor.

The following members were duly elected to serve:

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

A motion to formally elect the members to the Credit Committee was moved by Mr. Andrew Rose of Pembroke Hall High School and seconded by Mr. Alando Lawrence of Buxton All-Age. All were in favour.

### Supervisory Committee

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



The following members were duly elected to serve:

Mrs. Mary Dick

Mrs. Dawn Steele

Mr. Aston Messam

Ms. Glecia Beckford

Mr. Clayton Hall

Mr. Rudolph Sewell

Ms. Tina Reid

A motion to formally elect the members to serve on the Supervisory Committee was moved by Ms. Estel Davis-Wright, retired, seconded by Ms. Roymane Robinson of Yallahs Primary School. All were in favour.

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

A motion to give the Board permission to elect Delegates and Alternate Delegates to the League for 2023/2024 period was moved by Dr. Garth Anderson of Church Teachers' College, seconded by Ms. Beverley Henry-Isaacs, Retired Teacher. All were in favour.

Mrs. Brown advised that the newly elected Board and Committees should submit all information in relation to the officers and members of the Committees and Board to the Department of Co-operatives and Friendly Societies and to the Credit Union League. Congratulation was extended to the team

The Chairman extended commendation to Mrs. Brown for presiding over the elections.

### **RESOLUTION**

A Resolution to amend Rule 4, Article 11 was presented for members to consider, and if thought fit to pass. The Resolution, if passed, would allow for membership in the Jamaica Teachers' Association Co-operative Credit Union to be opened to Teachers employed in public and private educational institutions in Jamaica; Other employees in educational institutions; Employees of the Jamaica Teachers' Association Co-operative Credit Union; Employees of the Jamaica Teachers Association and its subsidiaries; Persons employed in educational services.

### **Comments/Queries:**

Mrs. Estel Davis-Wright, retired, expressed her concern about the Resolution which would allow all teachers in public institutions to become members under the same procedures and with similar privileges as JTA members.

The Chairman explained that when the Credit Union was formed in 1959 membership was extended to all teachers in public and private institutions. Changes were made in the mid-seventies when an additional teachers' professional organization, namely the National Union of Democratic Teachers started rivaling the JTA and hence the stipulation was made that only JTA members were allowed membership with the Credit Union. He further explained that in recent times, credit unions had adopted the opportunity of merging; however, the JTA Co-operative Credit Union could not consider that option despite numerous approaches, due to the stipulation of JTA membership. He added that opening the bond would not change relationships, but a multi-dimensional approach to build capital base, increased membership and to meet BOJ standards.

Dr. Garth Anderson of Church Teachers' College expressed his concern about expanding the membership opportunity to all teachers. He stated that it would be unfair for the JTA membership to build the Credit Union to \$18B asset and for all teachers to be afforded similar benefits was unreasonable and unethical. He further stated that no analysis had been presented for deliberation. He urged members to stand up and defend the position that the JTA Co-operative Credit Union would remain for JTA members only. His comments were acknowledged by a resounding applause.

Mr. Levy of the Jamaica Co-operative Credit Union League addressed the meeting. He outlined the mission of the League and the responsibilities of the JTA Co-operative Credit Union. He encouraged the membership to favourably consider the Resolution. He was supported by Mrs. Cheryl Brown of the Department of Co-operatives & Friendly Societies.

Ms. Carlene Thompson of One Step Primary and Infant School stated that the extension of membership would widen the capacity and allow for the Credit

Union to manage more effectively. Similar comments were shared by Ms. Loana Carty of Penwood High School.

Mr. Leighton Johnson of Muschett High School queried whether there was an existing threat or change to the governing regulation that would have triggered the need for the expansion. He further stated that extending the membership could allow for increased delinquency which would impact the surplus realized.

The Chairman stated that the opening of the bond to approximately 12,000 teachers was one of the best initiatives to achieve returns on teachers' investment. He explained that the targeted group was similar in terms of salary and job stability and therefore the risk of increased delinquency could not be measured by adding more members, but on a percentile basis. The Chairman advised that the decision put forward was based on proper guidance, research, analysis and understanding.

Following a lengthy deliberation, a motion to accept the Resolution was moved by Mr. Patrick Smith, Board Secretary seconded by Ms. Debbie Meek of Elletson Primary and Infant School.

Ms. Cheryl Brown presided over the voting process for the passing of the Resolution. The rules governing the process were outlined. At the end of the voting

process, 285 persons voted for the Resolution, 45 against and 4 abstained. The Resolution was declared passed. The result was acknowledged by a resounding applause.

### ANY OTHER BUSINESS

A member expressed disappointment with the voting process. She suggested that voting of such monumental appropriation should be by secret ballot and properly supervised, preferably by the EOJ to facilitate a clean and fair process.

The Chairman accepted the recommendation and advised that the information would be submitted to the respective body.

Ms. Diana Beswick from Edith Dalton James High School and Member of the Retired Teachers' Association – KSA Chapter extended an invitation to newly retired teachers to join her organization. The Chairman supported the call and urged members to join the Association.

Mr. Ramsay informed the meeting of three (3) prizes available as give-a-ways. The winners were, Ticket #10 – Yvonne Ferron, Retired Teacher of Warsop Primary and Infant School; Ticket #70 – Nikesha Johnson of Seaforth High School, Weekend for Two at Holiday Inn Hotel; Ticket #125 – Verona Barrett Brown of Bethesda Primary and Infant School.

### CLOSURE

The Chairman expressed gratitude to the members of the Board and Committees, the Department of Co-operatives and Friendly Societies, Members of the League, BDO, stenographer and recording team, JTA President, 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 and always.

The meeting adjourned at 3:20pm.



Patrick R. Smith  
Secretary

There's no place  
like your \_\_\_\_\_



# OWN HOME

Make homeownership a reality  
with a mortgage loan offered at a  
low fixed rate.

# BOARD OF DIRECTORS



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SERVING REGION 5  
ST. ELIZABETH, MANCHESTER  
& CLARENDON



**ENA BARCLAY**  
1ST VICE PRESIDENT  
SERVING REGION 2  
PORTLAND & ST. THOMAS



**SANCIA  
STEWART- WILLIAMS**  
2ND VICE PRESIDENT  
SERVING REGION 4  
ST. JAMES, HANOVER & WESTMORELAND



**CYRIL LEBERT**  
TREASURER  
SERVING AT LARGE



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

# BOARD OF **DIRECTORS**



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



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



**LINCOLN JAMES**  
**EXECUTIVE OFFICER**  
SERVING REGION 4  
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& WESTMORELAND



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



**RAY HOWELL**  
**DIRECTOR**  
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**LOU ANN  
BRAMWELL-SHAKES**  
DIRECTOR  
SERVING REGION 5  
ST. ELIZABETH, MANCHESTER  
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**LEBERT DRYSDALE**  
DIRECTOR  
SERVING REGION 2  
PORTLAND & ST. THOMAS



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



**ALFRED THOMAS**  
DIRECTOR  
SERVING REGION 3  
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**RUDOLPH SEWELL**  
DIRECTOR SERVING AT LARGE

JTACCUL

# PRODUCTS & SERVICES



Regular Credit Union Loans  
• LOANS WITHIN SHARES  
• LOANS WITHIN SAVINGS

GOLDEN HARVEST  
SAVING PLAN



CHR SAVI



EASI ACCESS  
DEPOSIT PLAN







**12** BRANCHES  
ISLANDWIDE  
TO SERVE OUR MEMBERS



JAMAICA TEACHERS'  
ASSOCIATION CO-OP  
CREDIT UNION LTD



## REPORT OF THE **BOARD OF DIRECTORS.**



### CHAIRMAN'S REMARKS

I am pleased to report that 2023 was a successful year for the JTA Co-op Credit Union Ltd (JTACCUL). Significant achievements were made in key performance areas such as assets which surpassed the nineteen-billion-dollar mark, ending the year at \$19.87B. Total deposits climbed over the fifteen-billion-dollar marker and stood at \$15.38B and the loan portfolio grew by over one billion dollars during the year to close out at \$14.37B. The Credit Union also saw record growth in membership, surpassing its end of year target for the first time in recent years, with an increase of 3.7% over the prior year.

Despite the achievements in 2023, the Credit Union faced many challenges that required agile and targeted strategies. For one, the Bank of Jamaica policy rate remained at a high of 7% throughout the year. This challenged the Credit Union to maintain an optimal balance between product pricing and member satisfaction.

The labour migration phenomena, though not a new threat, intensified during 2023 and its impact was brought to bear on the Credit Union's loan stock. The level of deterioration of the loan asset would have been even more severe had the Board and management not been proactive in implementing credit tightening measures to limit exposure. Despite these tactics however, the level of bad debt provision did increase, and this had a direct and negative impact on surplus generation.

The implementation of the requirements of the Data Protection Act of 2020 was a key feature for operations as the Credit Union fast-tracked the implementation of the requirements in light of the December 1, 2023 deadline. Undoubtedly, compliance with the Act will not only change the way we operate in terms of gathering and managing our members' data but will inevitably increase the cost for the Credit Union to provide services to members.

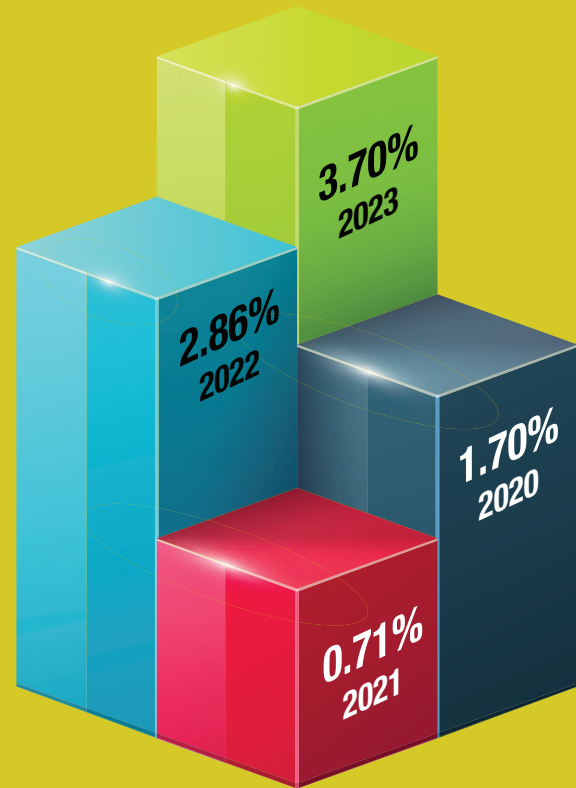
Cyber security was another area of focus as all major players in the financial services sector ramped up security measures to minimize unauthorized electronic access to customer's accounts. JTACCUL has adopted a proactive approach by increasing account monitoring activities to minimize the risk of losses.

## REVIEW OF PERFORMANCE

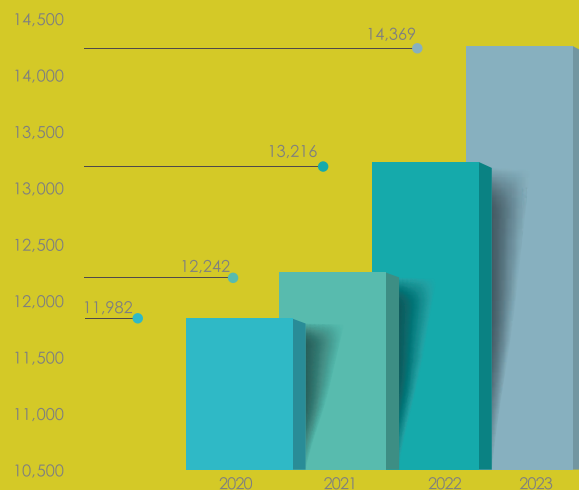
### Key Indicator – Membership Growth

The Credit Union was able to achieve growth in all its key performance indicators with membership growth surpassing the internal target of 3%, finishing the year at 3.7%. School visits and direct marketing strategies continue to be the main drivers of membership growth. At the end of 2023 the Credit Union had 32,164 members.

**Membership Growth  
4 year trend**



**Loan Growth 4-year trend  
\$'000,000**



### Key Indicator – Loan growth

Loans increased by 9.0% in 2023 carrying the portfolio to \$14.37B, representing a total of \$1.19B in growth. Despite the growth in the portfolio, the average interest rate continued to decline which affected the Credit Union’s ability to achieve targeted growth in revenue, and ultimately surplus.

### Key Indicator – Savings Growth

The savings portfolio grew by 7.28% in 2023 to a total of \$15.38B representing an addition of \$1.04B in savings to the portfolio. The driving force behind savings growth continues to be Voluntary Shares which accounted for 62% of the growth achieved during the year.

### Key Indicator – Asset Growth

Assets have been growing at a steady upward pace for the past four (4) years. The growth of assets is a key strategy used to address the problems that accompany monetary devaluations and high inflation. Total assets grew by 7.28% to \$19.88B in 2023. The loan to asset ratio has increased from 71% in 2022 to 72% in 2023, indicating a higher level of productivity within the asset portfolio.

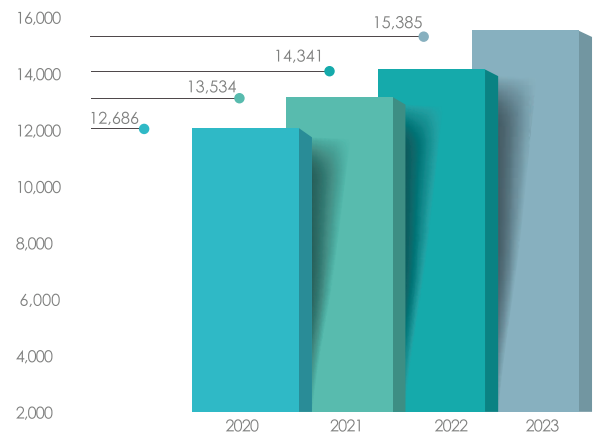
### Key Indicator – Gross Income

The Credit Union’s gross income increased by 11% over last year despite being below budget by 6%. Interest on loans continued to be the number one income earner for the Credit Union accounting for 81.9% of gross income for 2023. However, this is a reduction over 2022 where loan interest accounted for 86.3% of gross income. Interest on investment has increased in terms of proportion of gross income earned by the Credit Union.

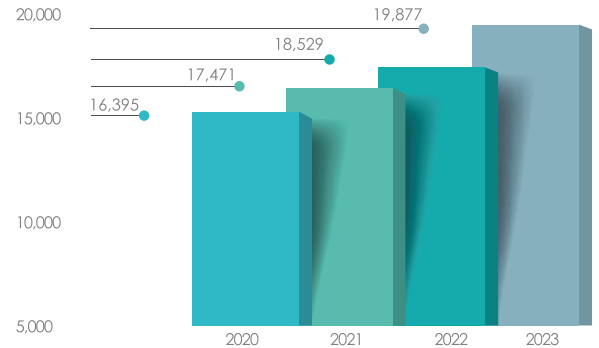
### Key Indicator – Member Satisfaction

The primary focus for member service strategies was the standardization of service quality right across the organization. Standards were developed for the Credit Union’s digital and brick and mortar service channels. During the year, a sample of members visiting all Credit Union locations was surveyed to get an idea of how members perceive the service quality of the Credit Union. Ninety-one (91%) of all members surveyed had a positive opinion of the service delivered by the Credit Union as more than half (54%) of our members rated our service as ‘**Excellent**’, 27% rated the service as ‘**Very Good**’ and a further 10% gave a rating of ‘**Good**’. A ‘**Fair**’ to ‘**Unsatisfactory**’ rating was given by 9% of the sample.

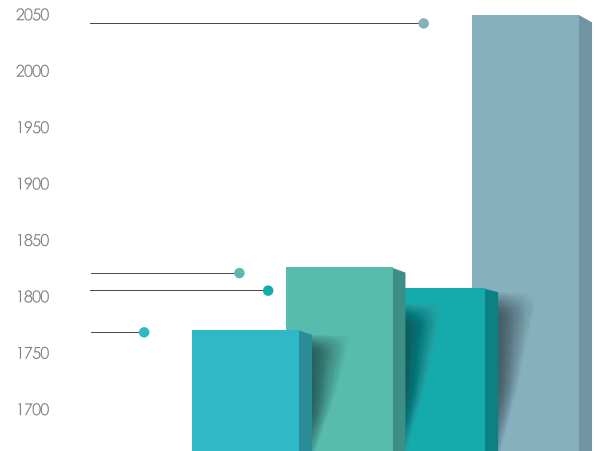
#### Savings Growth 4-year trend \$'000,000



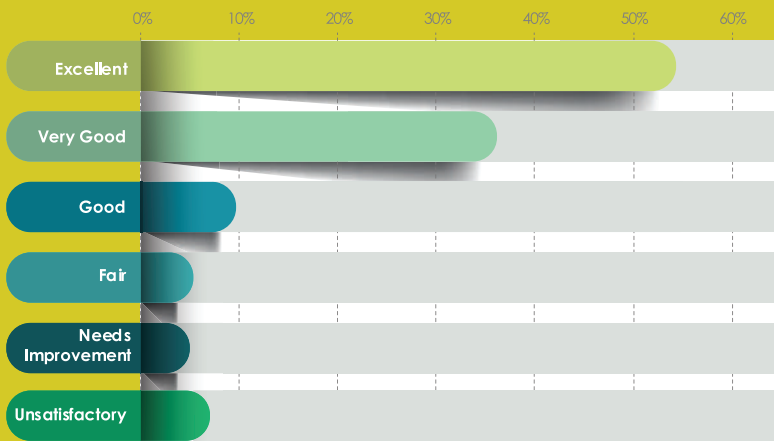
#### Asset Growth 4-year trend \$'000,000



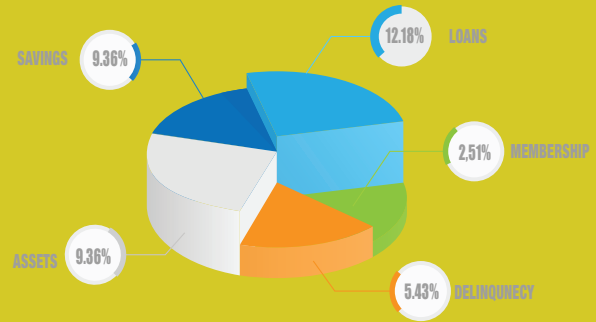
#### Gross Income 4-year trend \$'000,000



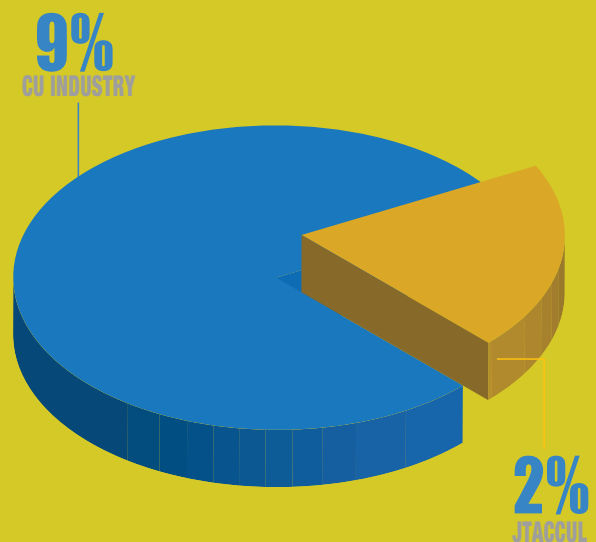
### 2023 Member Satisfaction Rating



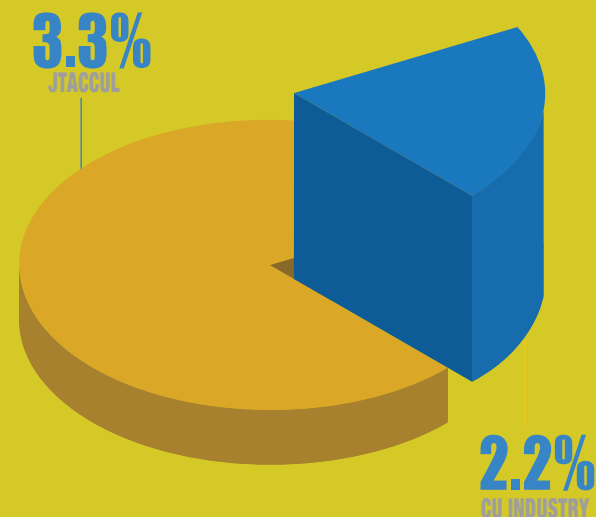
### KEY GROWTH AREAS / CU INDUSTRY AVERAGE



### % Income from Fees



### % Average Rate of Return



### PERFORMANCE OF THE CREDIT UNION MOVEMENT

At the end of 2023, there were twenty-five (25) credit unions serving just over one million Jamaicans. Credit Unions in Jamaica continue to be a viable option for high quality financial services at a lower cost.

During 2023, on average, the credit union movement enjoyed favorable growth rates for assets, loans and deposits. The rate of loan delinquency also reduced from over 6% to 5.43%. Membership growth was at 2.51%, falling below the Prudential mark of 5%. The performance of the movement in key areas of growth are represented:

### JTA CO-OP CREDIT UNION'S VALUE PROPOSITION

JTACCUL remained committed to the co-operative mantra of 'Not for Profit but for Service'. Despite having to adjust fees and interest rates on some loans, as well as manage our interest payments on savings, we were still able to maintain a leading position within the Credit Union movement in providing value to our members.

#### Value Proposition 1- High Quality Products and Services at a Low Cost to Members

The cost of doing business with JTA Co-op Credit Union continued to be one of the lowest throughout the credit union movement. Income from fees for the Credit Union represented 2% of gross income, well below the credit union industry average of 9%. This means that members pay four (4) times less to do business with JTACCUL than the average credit union.



## RISK MANAGEMENT AND COMPLIANCE FRAMEWORK

The financial industry is a heavily regulated one with the potential for significant losses due to non-compliance, bad debt, and cyber fraud. A significant amount of human and financial resources was expended to ensure that the operations of the Credit Union remain prudent and focused on reducing exposure to significant risks.

As in previous years, risk identification, mitigation and elimination strategies continued to receive targeted focus in 2023. Our risk reporting and management framework was bolstered by the streamlining of the risk registration and monitoring framework.

Compliance with the Data Protection Act which was legislated in 2020 and due to come into effect on December 1, 2023, was brought to a 90% level of completion during the year. The Credit Union is aiming to be registered within the new deadline set for June 2024.

Managing and mitigating the risk to loan loss proved difficult as the migration trend among educators continued into 2023. This had a negative effect on the generation of surplus as the provisioning requirements for bad debt increased consistently throughout the year. The year ended with a loan delinquency ratio of 3.75%.

## HUMAN RESOURCE DEVELOPMENT & ADMINISTRATION

The HRD and Administration unit is responsible for the development of the company's human capital and the management of plant and equipment. During the reporting period, the strategic priorities of the HRD and Administration unit included:

- Fostering a continuous learning environment that develops and retain key talent
- Creating a harmonious employer/employee relations climate
- Continuing the organization's staff health and wellness campaign
- Improving the comfort level of staff and members

### Human Resource

Talent development was facilitated through a number of internally and externally executed training initiatives.

The areas of focus included: Loan Administration, Digital Marketing Tactics, Data Protection, and Privacy and Retirement Planning.

### Staffing

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

There were ten (10) new recruits for 2023 and three (3) promotions. Mr. Dave Blackwood, former Loans Officer was included in the list of team members promoted during the year. He was advanced to the position of Loans Supervisor and Mortgage Officer, following the retirement of the incumbent, Mrs. Vera Sharpe. There was a total of thirteen (13) separations, five (5) of whom were retirees.

At the end of December 2023, 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.

## PUBLIC RELATIONS PROGRAMS

### Better Schools...Better Jamaica

The Better Schools...Better Jamaica program was conceived out of a desire to give back to schools in a meaningful way. As such, each year schools are invited to make submissions to the Credit Union for funding towards projects that will enhance the quality of education at their respective institution. In 2023, the Lacovia High and Herbert Morrison High Schools were successful in receiving funding of \$1M and \$500,000 respectively.

### Star Teacher of the Year

During 2023 there was a re-introduction of the Star Teacher of the Year award. This award was first initiated during 2017. However, it was discontinued for a few years and was restarted in 2023, during its second instalment Mrs. Erica Allen-Lennon of Alpha Infant who was formally recognized for her outstanding contribution to her school and her unwavering passion for education in general. The accolade of Star

Teacher of the Year was accompanied by a monetary award of \$250,000.

### Sponsorships

The main sponsorship activities undertaken for the year were as follows:

- The JTA Sagicor Championship - sponsorship amount - \$2,154,000
- The Credit Union also maintained our presence as a key sponsor of the TVJ Jr. Schools Challenge Quiz.
- The JTA Golden Torch Awards
- The Gibson/McCook Relays

### Tertiary Scholarships & Grants

In 2023 the JTA Co-operative Credit Union continued with its decades old Tertiary Scholarships and Grants. Eleven (11) deserving recipients were awarded grants and scholarships totalling \$2.4M. Mr. Tyrone Knight received the prestigious Desmond “DC” Gascoigne Award for Excellence (\$350,000 in value) and Mrs. Carmen-Josephs received the W.A. Johnson Award (\$260,000 in value). This award is second to the D.C. Gascoigne Awards and is named for one of the founding members of the Credit Union.

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 parishes, the Top Boy for 2023 was Derval Martin and the Top Girl was O-kya Hanson.

### 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. These sub committees include, the Human Resource Committee, the Policy Committee, the Finance Committee, the Asset and Liability Committee, the Delinquency Committee and Enterprise Risk Management (ERM) Committee. Together they represent the direct interests of you, our members, in the decision-making process and ensure that management maintains a high level of prudence in managing the Credit Union.

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

In 2023, Eighteen (18) meetings were held, the record of attendance of each Board member is shown below:

NAMES	POSITION	POSSIBLE ATTENDANCE	ATTENDED	NUMBER EXCUSED
Mr. Paul Adams	President	18	15	3
Mr. Morris Stewart	1st V/President	14	5	Retired
Mrs. Ena Barclay	2nd V/President	18	16	2
Mr. Cyril Lebert	Treasurer	18	18	1
Dr. Margaret Bailey	Asst. Treasurer	18	16	2
Mr. Patrick Smith	Secretary	18	18	0
Mrs. Karen Hewett-Kennedy	Asst. Secretary	18	18	0
Mr. Lincoln James	Executive Officer	18	17	1
Mrs. Melva Humes-Johnsons	Executive Officer	18	14	4
Mrs. Lou Ann Bramwell-Shakes	Member	18	17	1
Mr. Ray Howell	Member	18	17	1
Mr. Lebert Drysdale	Member	18	16	2
Huit Johson	Member	18	18	0
Mrs. Sancia Stewart-Williams	Member	18	18	0
Mr. Alfred Thomas	Member	15	14	1
Mr. Rudolph Sewell (Replaced Mr. Morris Stewart)	Member	4	4	0



## Conclusion

As we reflect on the challenges and achievements of 2023, it is imperative that the following stakeholders be acknowledged for their contributions during the year:

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; the Department of Co-operatives and Friendly Societies; CUFMC Jamaica; Jamaica Cooperative Insurance Agency; CUNA Caribbean Insurance Jamaica Ltd; and the National Union of Co-operative Societies.

5. The Ministry of Education.
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



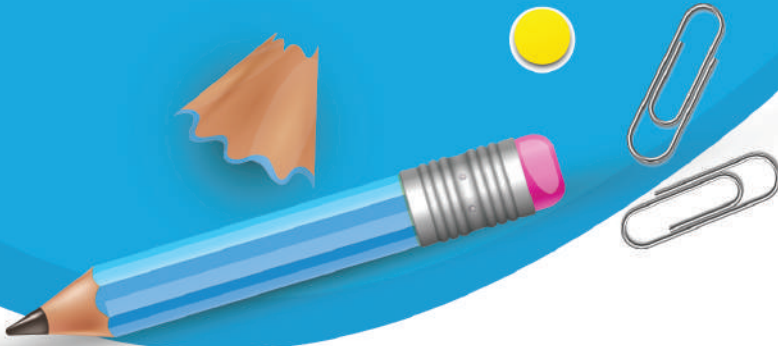
Paul P. Adams (Mr.)  
President





**DEADLINE**  
Friday, July 15, 2024

# Let Us Create **BETTER SCHOOLS**



The JTA Co-Op Credit Union is now accepting proposals for the **BETTER SCHOOLS, JAMAICA** *Project*

Tell us about a school project you have started or wish to start that needs financial support and will positively impact your students' learning capacity and experiences.

**2 SCHOOLS  
WILL WIN**

---

**1<sup>ST</sup> PRIZE  
\$1,000,000**

**2<sup>ND</sup> PRIZE  
\$500,000**

# THE YEAR AT A GLANCE



Our Star shines brightly, outstanding educator Erica Allen-Lennon is awarded the title of Star Teacher of the year for her tireless work at Alpha Infant and the wider school community.



All roads lead to the JTA Co-operative Credit Union on Teachers' Day.



Minister of Education, Fayval Williams stops by the Credit Union's booth, she is greeted by Board Member Alfred Thomas and Regional Officer Angella Hartley



The JTA Co-operative Credit Union is proud of supporting future generations through various channels.



Readers are leaders the JTA Co-operative Credit Union engaged in the annual Read Across Jamaica Day.



Saying good-bye is never easy that is why the JTA Co-operative Credit Union representatives Millicent Westcarr and Glenda Cole visited the Duckenfield Primary School to pay respects to the school that had recently lost their principal and our committee member Christopher Sinclair.



Meeting with Shadow Minister of Education Damion Crawford at the Annual Principals Conference.



The JTA Co-operative Credit Union has committed itself to supporting the improvement of all our teachers. The 2023 Tertiary Scholarship winners are among those educators who have been given this chance, they are now able to better serve our nation's children.



Future leaders and thinkers the first-place winners of the JTA Co-operative Credit Union's PEP Bursary. They are a representation of the 75 students who were awarded with bursaries during 2023. The winners are surrounded by Board Treasurer, Cyril Lebert, GM Robert Ramsay and P & E Committee member Lou-Ann Bramwell-Shakes.



The journey of a lifetime the 2022 Desmond Gascoigne Tertiary Scholarship Winner Stephanie Wright-Grant shares her experience as the first-place 2022 Tertiary Scholarship winner with audience.



Tyrone Knight says thank you on behalf of all the JTA Co-operative Credit Union 2023 awardees.



An outstanding leader and a man ready to make changes in Jamaica the 2023 Desmond Gascoigne Awardee Tyrone Knight receives his winning trophy from Gloria Gascoigne the widow of the late Desmond Gascoigne.



Showing gratitude to Annual Awards Guest Speaker Elaine Foster-Allen



Ready, set, go! First-place winner of the Better Schools... Better Jamaica Programme Lacovia High School is now able to outfit their reading room.



The homework centre at Herbert Morrison high just got better with a \$500,000 boost for the second-place winner of the Better Schools Better Jamaica programme.



The JTA Co-operative Credit Union supports the JTA's annual athletic meet.



JAMAICA TEACHERS'  
ASSOCIATION CO-OP  
CREDIT UNION LTD



## REPORT OF THE **TREASURER** THE YEAR ENDED **DECEMBER 31, 2023**



Global economic growth slowed during 2023 to an estimated 2.9% as many countries faced challenges to their post-pandemic recovery. Western countries fought to contain inflation, and many European Union nations faced the threat of recession. Geopolitical tension increased, as the war in Ukraine continued and a new Israeli-Palestinian conflict developed. Natural disasters and frequent extreme weather further contributed to the slowdown in the recovery of the global economy.

The Jamaican economy expanded by approximately 2.6%, a slower rate than the previous two years which had reflected an economy rebounding from the slow activity during the pandemic.

Inflation was 6.9%, which was above the Bank of Jamaica's (BOJ) target of 4-6%, although lower than the rate for 2022. The main drivers for the increase during 2023 were in the areas of food and beverages, transport, and restaurant and accommodation services. The BOJ kept the policy rate at 7% throughout the year, after increases in the previous year aimed at controlling inflation. Market interest rates increased significantly, and as fixed income securities became more attractive at these high rates, investors gravitated to these lucrative and safer options, rather than the purchase of stocks. This contributed to a decline in the stock market, which lost almost \$90B in value for the year.

Financial institutions saw continued growth in consumer credit, although not yet back to pre-pandemic volumes. These institutions maintained healthy levels of asset quality, liquidity, and capitalization.

The Jamaican dollar depreciated 1.9% against the US dollar during the year, moving from a rate of \$152.05 to \$154.95. Unemployment fell to 4.2% as at October 2023, improving from 6.1% for 2022.

At the Credit Union, we continued to provide a wide range of loan and savings products to our members at competitive rates. Coupled with prudent management of resources, this resulted in a very successful year in which there was an impressive performance. Total Assets increased by \$1.35B, 7.3%, to \$19.88B, and Net Surplus grew from \$57.52M (after restatement as explained below) to \$203.72M.

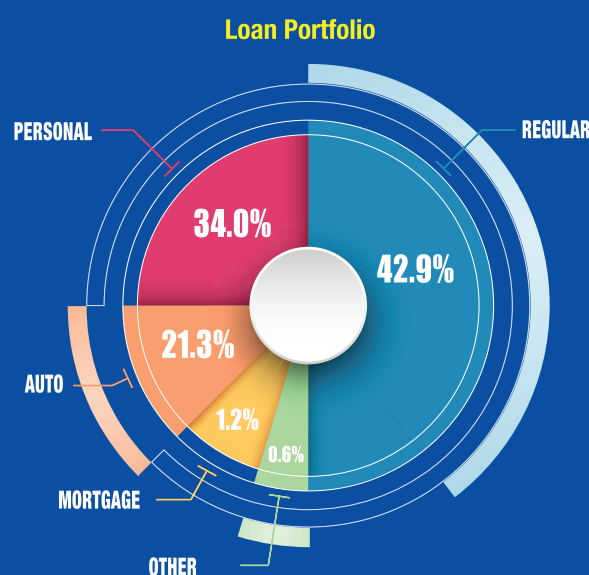
## FINANCIAL PERFORMANCE

The following table shows key performance indicators.

FINANCIAL INDICATORS	2023 (\$M)	2022 (\$M)	CHANGE 2022-2023	% CHANGE 2022-2023
Net Loans	14,369.3	13,183.0	1,186.3	9.0%
Investments	4,527.4	4,577.9	-50.5	-1.1%
Voluntary Shares	8,370.6	7,724.2	646.4	8.4%
Members Deposits	7,014.6	6,617.9	396.7	6.0%
Total Savings	15,385.2	14,342.1	1,043.1	7.3%
Operating Expenses	1,185.4	1,069.0	116.4	10.9%
Net Surplus	203.7	57.5	146.2	254.3%
Institutional Capital	2,983.1	2,786.9	196.2	7.0%
Total Assets	19,877.5	18,528.5	1,349.0	7.3%

Net loans increased by \$1.2B, or 9.0%, during 2023, compared to an 8.0% growth, \$0.98B, in 2022. The largest growth was in the very competitive auto loan segment, which saw the portfolio increase by 87%. Investments saw a small 1.1% reduction at year-end, based on loan disbursement requirements.

Total Savings increased by over \$1.0B, to close 2023 at \$15.4B, a very commendable performance, especially considering the competition in the financial sector and economic challenges faced by members. Voluntary Shares grew by \$647M, boosted by strong loan disbursement, as members are required to hold minimum shares equal to a percentage of the loan balance. Members' Deposits, which includes fixed



deposits and the long-term savings account, increased by \$398M as attractive rates were offered and members continued to display confidence in the Credit Union.

Operating expenses increased by \$116.4M, 10.9% above 2022 expenditure, and were utilized to facilitate initiatives such as technological upgrades and members' appreciation.

The Net Surplus of \$203.7M recorded was an increase of 254.3% over 2022 on higher revenues, a moderate increase in operating costs, and financial costs which reflected very favourable rates paid on members voluntary shares and deposits. There was an adjustment with respect to the new treatment of loan origination fees, which affected the prior year surplus.

We set aside an additional \$193.7M to Institutional Capital from the surplus for 2023 and maintained capital reserves totalling 15% of assets.

## INCOME

Interest income for the year was \$2.0B, increasing by 209.0M or 11.8% over 2022. Loan interest totalled \$1.7B in 2023, a \$84.3M, or 5.3%, increase. Loan rates and terms were kept attractive and there were several promotional drives during the year. Interest on Investments contributed \$309.2M compared to \$184.5 in 2022. There was a substantial increase in rates on fixed income investments early in the year and this held throughout. The Credit Union significantly reduced its holdings in unit trust funds as these equity-based funds being tied to the performance of stocks had not done well in the previous year.

### Other Income – Loan Fees

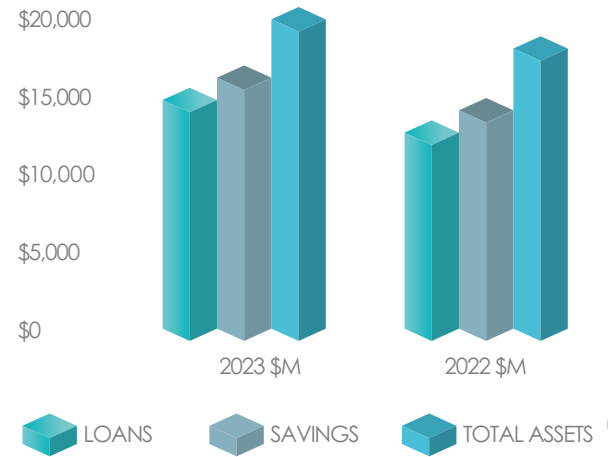
During the year, the Cooperative changed how it accounted for loan origination fees, as required by the IFRS 9 accounting standard. Previously, these fees were taken to income during each year. IFRS 9 however, requires that these fees be added to the loans at issue and recognised over the life of the loans. Fee income was therefore adjusted for 2022 and 2021.

The financial statements for these years have been restated to reflect this change.

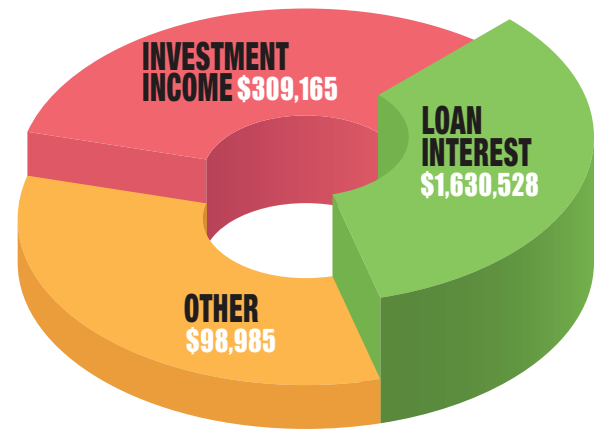
## EXPENSES

The Credit Union had operating expenses for the year totalling \$1.2B, a ratio of 6.0% of assets, while implementing and maintaining processes, equipment, and resources to improve and enhance service delivery and efficiency.

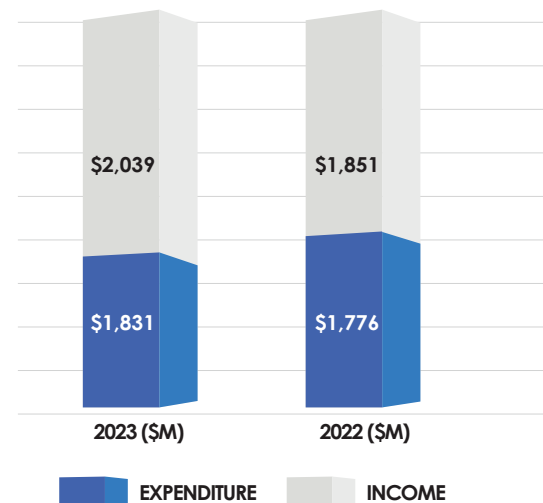
## Assets, Savings & Loans



## Sources of Income



## Income & Expenditure \$'000,000



The provision for expected credit losses (ECL) as required by IFRS 9 at the end of 2023, stood at \$248.0M and interest income on loans was reduced by this amount. The ECL is based on the past due loans and computed factoring in the economic outlook, the probability of default, collateral held, and the age of each delinquent loan. Delinquency was closely managed throughout the year to ensure that loans falling into delinquency were minimised. A particular challenge remains with the issue of the migration of teachers holding loans.


In some instances, the Credit Union receives no notification or arrangement to continue servicing these loans. At the end of 2023, delinquent loans totalled \$550.2M, 3.75% of the portfolio.

### PRUDENTIAL STANDARDS

The Credit Union's performance as measured by the PEARLS prudential standards is shown in the following table.

### PERFORMANCE MEASURED BY PEARLS PRUDENTIAL STANDARDS

INDICATOR	STANDARD	2023-12-31
<b>PROTECTION</b>	%	%
Provision for loan losses	100%	100%
<b>EFFECTIVE FINANCIAL STRUCTURE</b>		
Net Loans / Total Assets	60%-80%	72.29%
Total Savings / Total Assets	70%-80%	77.40%
Institutional Capital / Total Assets	8%	15.00%
<b>ASSET QUALITY</b>		
Delinquent Loans > 30 days/ Total Loans	<= 5%	3.83%
<b>RATES OF RETURN &amp; COST</b>		
Operating Expense/Average Assets	8%	6.17%
Net Income /Average Assets	to maintain capital ratio of =>8%	1.06%
<b>LIQUIDITY</b>		
Liquidity Reserves / Withdrawable Savings	>10%	25.45%
<b>SIGNS OF GROWTH</b>		
Growth in Total Assets	=> Inflation rate (6.9%)	7.28%
Growth in Membership	=> 5%	3.70%
Growth in Savings	=> Inflation rate (6.9%)	7.29%



Net Loans after provision totalled \$14.4B at the end of 2023, a growth of \$1.2B. The Net Loans/Total Assets ratio achieved was 72.29%, as compared to the standard of 60-80% of total assets. The strategies employed during the year which targeted the safe growth of the secured portfolio bore fruit.

Total Savings grew by 7.3% in 2023, to end the year at \$15.39B, with a Savings/Total Assets ratio of 77.40%, a stellar performance when measured against the standard of 70-80% of total assets.

Institutional Capital at the end of the year totalled \$2.98B, which was 15% of total assets. The standard requires minimum capital of 8% of total assets and the Credit Union has been maintaining a strong capital base well above this requirement.

Delinquency at the end of 2023 totalled \$550.2M, representing 3.83% of the loan portfolio and was well within the standard of not greater than 5%. This compliance was maintained throughout the year, with monitoring at the corporate and branch levels.

Operating Expenses for 2023 represented 6.17% of average assets. The standard is that operating expenses be no greater than 8% of average assets. Throughout the year, costs were judiciously managed, while ensuring that the necessary resources were provided to achieve the desired levels of productivity, member satisfaction and efficiency.

Net Income for 2023 was \$203.7M, representing a ratio to average assets of 1.06%. The standard requires that net income be enough to maintain a capital ratio of 8% or greater. We transferred \$193.7M to reserves, which allowed us to maintain a 15% capital ratio, well above the 8% standard.

The standard requires that liquidity reserves of at least 10% of savings is maintained. The Credit Union ended the year with a ratio of 25.45%, far surpassing the standard.

Membership growth of a 5% minimum is the PEARLS standard. This has been an ongoing challenge largely because of the limitations of our bond. Nevertheless, growth of 3.7% was achieved in 2023. With the revision of the bond, which was approved by the membership in 2023, greater growth is anticipated in the coming year.

Our operations resulted in a 7.28% growth in assets for the year. This surpassed the standard, which calls for asset growth of at least the inflation rate, which was 6.9% in 2023. The Credit Union closed the year with an asset base of \$19.9B.

The 2023 performance demonstrates the strength and resilience of the organisation, underpinned by the loyalty of its members, as it rebounded from a less robust year in 2022. These characteristics will be crucial in ensuring that, going forward, the Credit Union is able to continue to grow and strengthen amid economic, financial, and regulatory challenges.

## ACKNOWLEDGEMENTS

It has been an honour to serve as Treasurer this year and I wish to thank the following for their continued support: the management and staff, my colleagues on the Board, members of other Committees, our auditors BDO, the Jamaica Cooperative Credit Union League Limited, the Department of Cooperatives and Friendly Societies and our loyal members.

May God continue to bless our Credit Union.



Cyril Lebert  
Treasurer





JAMAICA TEACHERS'  
ASSOCIATION CO-OP  
CREDIT UNION LTD



## 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 \$241M.

#### Dividend

That a Dividend of 7% be paid on Permanent Shares amounting to \$6.4M.

#### 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 \$40B for 2024.

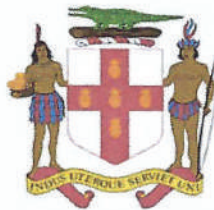
For and on Behalf of the Board of Directors

Cyril Lebert  
Treasurer



# FINANCIAL STATEMENTS

2023



DEPARTMENT OF CO-OPERATIVES & FRIENDLY SOCIETIES

CHARITIES AUTHORITY, JAMAICA

Ministry of Industry, Investment, and Commerce

2 Musgrave Avenue, Kingston 10

Jamaica, W.I.

Tel: (876) 927-4912 | 927-6572 | 978-1946

E-mail: [dcfs@cwjamaica.com](mailto:dcfs@cwjamaica.com)

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

R233-209/04/24

April 2, 2024

The Secretary

**Jamaica Teachers' Association Co-operative Credit Union Limited**

97A Church Street

Kingston

Sir/Madam:

I forward herewith the Financial Statements of your Society for the year ended December 31, 2023.

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

Yours truly,

.....  
**Lavern Gibson-Eccleston (Mrs.)**

**(For) REGISTRAR OF CO-OPERATIVE SOCIETIES  
AND FRIENDLY SOCIETIES.**

HOPE GARDENS

Hope Gardens, Kingston 6  
(876) 648-6870

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



Tel: (876) 926-1616/7, 926-4421  
Fax: (876) 926-7580  
www.bdo.com.jm

Chartered Accountants  
26 Beechwood Avenue  
P.O. Box 351  
Kingston 5, Jamaica

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## **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 55 to 145, which comprise the statement of financial position as at 31 December 2023, 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 material 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 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IFRS Accounting Standards) 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and with the requirements of the Co-operative Societies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Co-operative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Co-operative or to cease operations, or has no realistic alternative but to do so.

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

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

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

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**INDEPENDENT AUDITORS' REPORT (CONT'D)**

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

**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.

A handwritten signature in black ink that reads 'BDO'.

Chartered Accountants

2 April 2024





**JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED**  
**STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME**  
**YEAR ENDED 31 DECEMBER 2023**

	<u>Note</u>	<u>2023</u> <u>\$'000</u>	<u>Restated</u> <u>2022</u> <u>\$'000</u>
<b>INTEREST INCOME:</b>			
Loans		1,666,978	1,582,726
Liquid assets, resale agreements and financial investments		<u>309,165</u>	<u>184,462</u>
		<u>1,976,143</u>	<u>1,767,188</u>
<b>INTEREST EXPENSE:</b>			
Members' deposits		284,496	268,194
External credits		19,282	4,937
Members voluntary shares		218,002	271,177
Lease liabilities		5,391	4,673
Other finance cost		<u>13,009</u>	<u>11,073</u>
		<u>540,180</u>	<u>560,054</u>
<b>NET INTEREST INCOME</b>		1,435,963	1,207,134
Impairment gains on liquid assets, resale agreements and financial instruments		( 1,821)	( 139)
Impairment losses on loans, net of recoveries	12(c)	( <u>103,407</u> )	( <u>146,400</u> )
<b>NET INTEREST INCOME AFTER IMPAIRMENT</b>		1,330,735	1,060,595
Non-interest Income	7	<u>58,364</u>	<u>65,945</u>
		<u>1,389,099</u>	<u>1,126,540</u>
Operating expenses	8	( 648,155)	( 566,514)
Staff costs	9	( <u>537,221</u> )	( <u>502,508</u> )
		<u>(1,185,376)</u>	<u>(1,069,022)</u>
<b>SURPLUS FOR THE YEAR</b>		<u>203,723</u>	<u>57,518</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
Item that will never be reclassified to surplus:			
Remeasurement of employment benefits asset	19(g)	99,485	( 66,909)
Items that may be reclassified to surplus:			
Valuation (loss)/gain on fair value through other comprehensive income		( <u>21,678</u> )	<u>37,797</u>
		<u>77,807</u>	( <u>29,112</u> )
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>281,530</u></u>	<u><u>28,406</u></u>

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

**STATEMENT OF FINANCIAL POSITION**

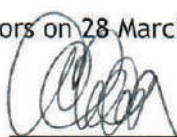
**31 DECEMBER 2023**

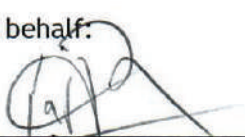
	<u>Note</u>	<u>2023</u> <u>\$'000</u>	Restated <u>2022</u> <u>\$'000</u>	Restated <u>2021</u> <u>\$'000</u>
<b>ASSETS:</b>				
<b>EARNINGS ASSETS:</b>				
Liquid assets	10	2,512,854	1,964,583	2,087,077
Resale agreements	11	1,404,436	1,420,904	1,696,736
Loans to members after provision for impairment	12	14,369,349	13,182,987	12,225,774
Financial investments	13	600,159	1,192,388	884,671
Investment property	14	<u>4,265</u>	<u>5,744</u>	<u>5,947</u>
		<u>18,891,063</u>	<u>17,766,606</u>	<u>16,900,205</u>
<b>NON-EARNINGS ASSETS:</b>				
Cash and cash equivalents	15	42,822	55,666	51,881
Other assets	16	261,894	142,339	178,862
Property, plant and equipment	17	485,066	476,390	152,236
Intangible assets	18	8,354	15,689	23,024
Employee benefits asset	19	167,179	57,813	127,201
Right-of-use assets	20	<u>21,082</u>	<u>14,005</u>	<u>37,284</u>
		<u>986,397</u>	<u>761,902</u>	<u>570,488</u>
<b>TOTAL ASSETS</b>		<u>19,877,460</u>	<u>18,528,508</u>	<u>17,470,693</u>
<b>LIABILITIES:</b>				
<b>INTEREST BEARING LIABILITIES:</b>				
Lease liabilities	20	32,516	23,159	40,557
Members' deposits	21	7,014,603	6,617,941	6,306,223
Members' voluntary shares	22	8,370,569	7,724,222	7,227,941
External credits	23	<u>212,662</u>	<u>220,562</u>	<u>395</u>
		15,630,350	14,585,884	13,575,116
<b>NON-INTEREST BEARING LIABILITY:</b>				
Payables	24	<u>241,783</u>	<u>215,327</u>	<u>192,390</u>
<b>TOTAL LIABILITIES</b>		<u>15,872,133</u>	<u>14,801,211</u>	<u>13,767,506</u>
<b>EQUITIES:</b>				
Institutional capital	25	2,983,050	2,786,851	2,712,055
Non-institutional capital	26	<u>1,022,277</u>	<u>940,446</u>	<u>991,132</u>
<b>TOTAL EQUITIES</b>		<u>4,005,327</u>	<u>3,727,297</u>	<u>3,703,187</u>
<b>TOTAL LIABILITY AND EQUITIES</b>		<u>19,877,460</u>	<u>18,528,508</u>	<u>17,470,693</u>

\*Restated. See note 32

Approved for issue by the Board of Directors on 28 March 2024 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 2023

		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			
<b>BALANCE AT 31 DECEMBER 2021</b>												
As previously reported	32	87,910	2,624,145	127,201	826,251	42,393	9,430	2,558	3,719,888			
Prior year adjustments		-	-	-	(16,701)	-	-	-	(16,701)			
As restated		87,910	2,624,145	127,201	809,550	42,393	9,430	2,558	3,703,187			
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>												
Surplus for the year		-	-	-	75,665	-	-	-	75,665			
As previously reported	32	-	-	-	(18,147)	-	-	-	(18,147)			
Prior year adjustments		-	-	-	57,518	-	-	-	57,518			
As restated		-	-	-	-	-	-	-	-			
<b>OTHER COMPREHENSIVE LOSS:</b>												
Remeasurement of employee benefits asset	19	-	-	-	(66,909)	-	-	-	(66,909)			
Change in fair value of debt instruments at FVOCI		-	-	-	-	37,797	-	-	37,797			
Total other comprehensive loss		-	-	-	(66,909)	37,797	-	-	(29,112)			
Total comprehensive income for the year		-	-	-	(9,391)	37,797	-	-	28,406			
Issue of permanent shares		1,819	-	-	-	-	-	-	1,819			
Transfer from permanent shares		(220)	-	-	-	-	-	220	-			
Transfer from employee benefits asset reserve		-	-	(69,388)	69,388	-	-	-	-			
Transfer to statutory reserve:												
From current year surplus	25 (b)	-	73,186	-	(73,186)	-	-	-	-			
Entrance fees	25 (b)	-	11	-	-	-	-	-	11			
Dividends	27	-	-	-	(6,126)	-	-	-	(6,126)			
<b>BALANCE AT 31 DECEMBER 2022 as restated</b>		1,599	73,197	(69,388)	(9,924)	-	-	220	(4,296)			
		89,509	2,697,342	57,813	790,235	80,190	9,430	2,778	3,727,297			



**JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 DECEMBER 2023**

	INSTITUTIONAL CAPITAL				NON-INSTITUTIONAL CAPITAL				Total \$'000
	Permanent Shares \$'000	Statutory Reserve \$'000	Employee Benefit Reserve \$'000	Accumulated Surplus \$'000	Fair Value Reserve \$'000	Revaluation Reserve \$'000	Permanent Share Reserve \$'000		
<b>BALANCE AT 31 DECEMBER 2022</b>									
As previously reported	89,509	2,697,342	57,813	825,083	80,190	9,430	2,778	3,762,145	
Prior year adjustments	-	-	-	(34,848)	-	-	-	(34,848)	
As restated	89,509	2,697,342	57,813	790,235	80,190	9,430	2,778	3,727,297	
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>									
Surplus for the year	-	-	-	203,723	-	-	-	203,723	
<b>OTHER COMPREHENSIVE INCOME:</b>									
Remeasurement of employee benefits asset	-	-	-	99,485	-	-	-	99,485	
Change in fair value of debt instruments at FVOCI	19	-	-	-	(21,678)	-	-	(21,678)	
Total other comprehensive (loss)/income	-	-	-	99,485	(21,678)	-	-	77,807	
Total comprehensive income for the year	-	-	-	303,208	(21,678)	-	-	281,530	
Issue of permanent shares	2,741	-	-	-	-	-	-	2,741	
Transfer from permanent shares	(257)	-	-	-	-	-	257	-	
Transfer from employee benefits asset reserve	-	-	109,366	(109,366)	-	-	-	-	
Transfer to statutory reserve:									
From current year surplus	-	193,700	-	(193,700)	-	-	-	-	
Entrance fees	-	15	-	-	-	-	-	15	
Dividends	27	-	-	(6,256)	-	-	-	(6,256)	
<b>BALANCE AT 31 DECEMBER 2023</b>	91,993	2,891,057	167,179	784,121	58,512	9,430	3,035	4,005,327	

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED



## STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> <u>\$'000</u>	<u>Restated</u> <u>2022</u> <u>\$'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Surplus for the year		203,723	57,518
Adjustments for:			
Interest income		(1,939,693)	(1,746,639)
Interest expense		534,789	555,381
Interest expense on lease liabilities	20(iii)	5,391	4,673
Depreciation	14,17	33,987	23,074
Amortisation	18	7,335	7,335
Amortisation of right-of-use assets	20(i)	21,312	26,252
Impairment gain on liquid assets, resale agreements & financial investments		1,821	139
Realised losses/(gains) on investments		17,589	( 554)
Employee benefits asset	19(f)	6,167	18,617
Impairment losses on loans, net of recoveries	12(c)	<u>103,407</u>	<u>146,400</u>
Operating cash flows before movements in working capital		(1,004,172)	( 907,804)
Changes in operating assets and liabilities			
Loans		(1,289,769)	( 1,103,613)
Other assets		( 7,805)	77,121
Pension contributions	19(b)	( 16,048)	( 16,138)
Members' deposits		396,662	311,718
Members' voluntary shares		646,347	496,281
Payables		<u>25,420</u>	<u>20,837</u>
		(1,249,365)	( 1,121,598)
Interest received		1,827,943	1,706,041
Interest paid		<u>( 533,753)</u>	<u>( 553,281)</u>
Net cash provided by operating activities		<u>44,825</u>	<u>31,162</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment	17	( 41,184)	( 347,025)
Liquid assets		( 520,270)	134,476
Resale agreements		20,818	301,944
Financial investments		<u>551,945</u>	<u>( 269,615)</u>
Net cash provided by/(used in) investing activities		<u>11,309</u>	<u>( 180,220)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Permanent shares (net)		2,741	1,819
External credit		( 7,900)	220,167
Dividend paid	27	( 6,256)	( 6,126)
Entrance fees		15	11
Repayment of leases liabilities	20(iv)	<u>( 24,423)</u>	<u>( 25,044)</u>
Net cash (used in)/provided by financing activities		<u>( 35,823)</u>	<u>190,827</u>
Net increase in cash and cash equivalents		20,311	41,769
Cash and cash equivalents at beginning of year		<u>113,325</u>	<u>71,556</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	15(a)	<u>133,636</u>	<u>113,325</u>

\*Restated

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 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. MATERIAL 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.



## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

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

The preparation of financial statements in conformity with IFRS Accounting Standards 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:

**Amendment to IAS 1, 'Practice statement 2 and IAS 8' (effective for annual periods beginning on or after 1 January 2023).** The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed.

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.

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:

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 3. MATERIAL 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.

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.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. MATERIAL 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.

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

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

Financial liabilities comprise lease liabilities, bank overdraft, 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 2023

3. MATERIAL 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;

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 3. MATERIAL 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 2023

3. MATERIAL 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.

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 3. MATERIAL 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 2023

3. MATERIAL 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.

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 3. MATERIAL 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 2023

3. MATERIAL 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 2023

### 3. MATERIAL 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.





NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. MATERIAL 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.

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 3. MATERIAL 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 2023

3. MATERIAL 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.

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 3. MATERIAL 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 2023

3. MATERIAL 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.

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 3. MATERIAL 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 2023

3. MATERIAL 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.

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 3. MATERIAL 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 customers is measured based on the consideration specified in a contract with a customer. The Co-operative recognises revenue when it transfers control over a service to a customer.

Fee and commission income that are integral to the effective interest rate on financial assets are included in the effective interest rate.

If a loan commitment is not expected to result in the draw down of a loan, then the related loan commitment fee is recognized on a straight-line basis over the commitment period.

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





NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

(k) Revenue recognition (cont'd):

(ii) Fees and commission (cont'd)

A contract with a customer that results in a recognised financial instrument in the Co-operatives 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-operatives 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.

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

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms.	Revenue recognition under IFRS 15.
Service fees	Transaction-based fees such as credit bureau fees are charged to the customers' accounts when the transaction takes place.	Revenue from account services and servicing fees is recognised over time as the services are provided.
	Servicing fees are charged on a monthly basis and are based on fixed rate determined by the Co-operatives.	Revenue related to transactions is recognised at the point in time when the transaction takes place.

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 3. MATERIAL 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 2023

3. MATERIAL 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.

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 3. MATERIAL 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 2023

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 surplus or deficit 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.

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 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 2023

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 2023</b>				
Cash and cash equivalents	42,822	-	-	42,822
Liquid assets	2,510,465	2,389	-	2,512,854
Resale agreements	1,404,436	-	-	1,404,436
Other assets	219,900	-	-	219,900
Loans to members after provision for impairment	14,369,349	-	-	14,369,349
Financial investments	<u>122,732</u>	<u>53,987</u>	<u>423,440</u>	<u>600,159</u>
	<u>18,669,704</u>	<u>56,376</u>	<u>423,440</u>	<u>19,149,520</u>
<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 for impairment	13,182,987	-	-	13,182,987
Financial investments	<u>121,384</u>	<u>626,880</u>	<u>444,124</u>	<u>1,192,388</u>
	<u>16,851,357</u>	<u>629,197</u>	<u>444,124</u>	<u>17,924,678</u>

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

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

##### Financial liabilities

	Amortised cost	
	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Lease liabilities	32,516	23,159
Members: deposits	7,014,603	6,617,941
External credits	212,662	220,562
Payables	215,506	215,327
Members' voluntary shares	<u>8,370,569</u>	<u>7,724,222</u>
<b>Total financial liabilities</b>	<b><u>15,845,856</u></b>	<b><u>14,801,211</u></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.





## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

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

These committees, 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 2023

### 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:

	2023			
	Stage 1 \$'000	Stage 2 \$'000	Stage 3 \$'000	Total \$'000
Performing	14,096,364	202,689	-	14,299,053
Non-performing	-	-	376,968	376,968
	14,096,364	202,689	376,968	14,676,021
Allowance for impairment losses	( 48,305)	( 4,481)	(195,220)	( 248,006)
Carrying amount	14,048,059	198,208	181,748	14,428,015
	2022			
	Stage 1 \$'000	Stage 2 \$'000	Stage 3 \$'000	Total \$'000
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	12,889,534	201,672	126,629	13,217,835



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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>2023</u> <u>\$'000</u> Stage 1	<u>2022</u> <u>\$'000</u> Stage 1
<b>Financial investments at FVOCI</b>		
Non-Investment grade, being total gross carrying amount	<u>423,440</u>	<u>444,124</u>
Loss allowance	<u>903</u>	<u>845</u>
<b>Financial investments at amortised cost</b>		
Non-investment grade	124,019	121,712
Loss allowance	<u>( 1,287)</u>	<u>( 328)</u>
Carrying amount	<u>122,732</u>	<u>121,384</u>
<b>Resale agreements at amortised cost</b>		
Non-Investment grade	1,404,750	1,421,449
Loss allowance	<u>( 314)</u>	<u>( 545)</u>
Carrying amount	<u>1,404,436</u>	<u>1,420,904</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 2023

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>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
	Stage 1	Stage 1
Total gross carrying amount	2,511,799	1,962,565
Loss allowance	( 1,334)	( 299)
Carrying amount	<u>2,510,465</u>	<u>1,962,266</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).

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 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>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
<b>Against past due not impaired financial assets</b>		
Properties	109,396	176,283
Shares and deposits	42,811	43,163
Liens on motor vehicles	<u>18,952</u>	<u>18,378</u>
	<u>171,159</u>	<u>237,824</u>
<b>Impaired financial assets</b>		
Properties	429,483	224,402
Shares and deposits	52,525	99,277
Liens on motor vehicles	<u>14,520</u>	<u>15,252</u>
	<u>496,528</u>	<u>338,931</u>
<b>Total</b>	<u>667,687</u>	<u>576,755</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 2023

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 2023

### 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 (cont'd)*

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.





NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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 (cont'd)*

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 return 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 2023

### 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 (cont'd)*

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.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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 (cont'd)*

*Definition of default (cont'd)*

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 2023

### 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 (cont'd)*

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

The economic scenarios used as at 31 December 2023 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.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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 2023

### 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:

	2023			
	Stage 1 \$'000	Stage 2 \$'000	Stage 3 \$'000	Total \$'000
<b>Loans</b>				
Balances at 1 January	52,565	4,500	167,939	225,004
New financial assets originated or Purchased recognised during the year	21,968	1,078	4,634	27,680
Transfer from Stage 1	( 2,931)	2,931	112,515	112,515
Transfer from Stage 2	-	-	44,500	44,500
Transfer from Stage 3	-	71	-	71
Financial assets derecognised during the period	(23,295)	(4,100)	(134,369)	(161,764)
Balances at 31 December	<u>48,307</u>	<u>4,480</u>	<u>195,219</u>	<u>248,006</u>
	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>



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
	Stage 1	Stage 1
(i) <b>Financial investments:</b>		
(a) Amortised investments:		
Balance at 1 January	328	592
Recognised during the year	<u>959</u>	<u>(264)</u>
Balance at 31 December	<u>1,287</u>	<u>328</u>
(b) Fair value through other comprehensive income investments:		
Balance at 1 January	845	330
Recognised during the year	<u>58</u>	<u>515</u>
Balance at 31 December	<u>903</u>	<u>845</u>
(ii) <b>Resale agreements:</b>		
Balance at 1 January	545	623
Recognised during the year	<u>(231)</u>	<u>(78)</u>
Balance at 31 December	<u>314</u>	<u>545</u>
(iii) <b>Liquid assets:</b>		
Balance at 1 January	299	331
Recognised during the year	<u>1,035</u>	<u>(32)</u>
Balance at 31 December	<u>1,334</u>	<u>299</u>

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Construction and real estate	2,499,004	2,199,168
Personal	5,042,805	5,014,796
Motor vehicle	3,145,851	2,024,849
General	<u>3,988,361</u>	<u>4,204,026</u>
	14,676,021	13,442,839
Less: Allowance for impairment losses	( 248,006)	( 225,004)
	<u>14,428,015</u>	<u>13,217,835</u>

Liquid assets:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Corporate	36,719	5,424
Financial institution	<u>2,475,080</u>	<u>1,957,141</u>
	2,511,799	1,962,565
Less: Allowance for impairment losses	( 1,334)	( 299)
	<u>2,510,465</u>	<u>1,962,266</u>





NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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 securities:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Government of Jamaica	493,507	515,452
Corporate	9,754	9,514
Financial institutions	<u>1,439,617</u>	<u>1,453,647</u>
	1,942,878	1,978,613
Less: Allowance for impairment losses	<u>( 1,601)</u>	<u>( 873)</u>
	<u>1,941,277</u>	<u>1,977,740</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 2023 was approximately 25.45% (2022: 24.10%) which is in compliance with the standard.

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 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 2023

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 cashflows \$'000	Total carrying amount \$'000
<b>31 December 2023</b>						
Lease liabilities	6,724	19,621	18,555	450	45,350	32,516
Members' deposits	5,059,614	498,080	1,595,318	157,507	7,310,519	7,014,603
Members' voluntary shares	8,370,569	-	-	-	8,370,569	8,370,569
External credits	7,078	21,235	113,253	245,382	386,948	212,662
Other liabilities	215,506	-	-	-	215,506	215,506
<b>Total financial liabilities</b>	<b>13,659,491</b>	<b>538,936</b>	<b>1,727,126</b>	<b>403,339</b>	<b>16,328,892</b>	<b>15,845,856</b>
<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>

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 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>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Liquid assets - earning	24	8
Resale agreements	196	174
Financial Investments	<u>568</u>	<u>568</u>
	<u>788</u>	<u>750</u>

The exchange rate of the US\$ to the J\$ at the reporting date was US\$153.59 to J\$1.00 (2022: J\$152.7521).

#### *Foreign currency sensitivity*

The effect of a 4% (2022: 4%) strengthening of the United States dollar against the Jamaica dollar at the reporting date would, all other variables held constant, have resulted in an increase in surplus for the year of J\$4,841,000 (2022: J\$4,498,000). A 1% (2022: 1%) weakening in the exchange rate would, on the same basis, have resulted in a decrease in surplus of J\$1,211,000 (2022: J\$1,124,000).



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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 2023

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.

	2023					Total \$'000
	Within 3 months \$'000	3 to 12 months \$'000	2 to 5 years \$'000	Over 5 years \$'000	Non- interest bearing \$'000	
<b>Assets</b>						
Cash and bank balances	-	-	-	-	42,822	42,822
Liquid assets	395,204	2,117,650	-	-	-	2,512,854
Resale agreements	1,295,500	108,936	-	-	-	1,404,436
Financial investments	-	33,580	153,110	413,469	-	600,159
Loans	6,553	127,611	5,810,697	8,424,488	-	14,369,349
Other assets	-	-	-	-	219,900	219,900
<b>Total assets</b>	<b>1,697,257</b>	<b>2,387,777</b>	<b>5,963,807</b>	<b>8,837,957</b>	<b>262,722</b>	<b>19,149,520</b>
<b>Liabilities</b>						
Lease liabilities	5,662	14,208	12,376	270	-	32,516
Members' deposits	4,882,401	472,138	1,510,394	149,670	-	7,014,603
Members' voluntary shares	8,370,569	-	-	-	-	8,370,569
External credits	1,893	5,962	40,292	164,515	-	212,662
Other liabilities	-	-	-	-	215,506	215,506
<b>Total liabilities</b>	<b>13,260,525</b>	<b>492,308</b>	<b>1,563,062</b>	<b>314,455</b>	<b>215,506</b>	<b>15,845,856</b>
<b>Total interest sensitivity gap</b>	<b>(11,563,268)</b>	<b>1,895,469</b>	<b>4,400,745</b>	<b>8,523,502</b>	<b>47,216</b>	<b>3,303,664</b>
<b>Cumulative interest rate sensitivity gap</b>	<b>(11,563,268)</b>	<b>(9,667,799)</b>	<b>(5,267,054)</b>	<b>3,256,448</b>	<b>3,303,664</b>	

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(iii) Financial risk (cont'd)

(c) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

	2022					Total \$'000
	Within 3 months \$'000	3 to 12 months \$'000	2 to 5 years \$'000	Over 5 years \$'000	Non- interest bearing \$'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 2023

### 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 2023 \$'000	Effect on Equity 2023 \$'000	Effect on Surplus 2022 \$'000	Effect on Equity 2022 \$'000
Change in basis points:				
2023: -25 (2022: -5)	(9,947)	5,390	( 12)	22
2023: +25 (2022: +300)	<u>9,947</u>	<u>(10,512)</u>	<u>682</u>	<u>(6,677)</u>

	2023				Weighted average
	Within 3 months	3 to 12 months	2 to 5 years	Over 5 years	
	%	%	%	%	%
Loans	16.82	11.49	12.33	11.15	12.95
Liquid assets	8.26	4.40	-	-	6.33
Resale agreements	9.33	9.10	-	-	9.22
Financial investments	-	8.10	6.45	9.66	8.07
Members' deposits	3.63	5.49	5.62	5.24	4.99
External credits	<u>7.50</u>	<u>-</u>	<u>-</u>	<u>9.75</u>	<u>8.63</u>





NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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*

	<u>2022</u>				<u>Weighted average</u>
	<u>Within 3 months</u>	<u>3 to 12 months</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>	
	%	%	%	%	%
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>

(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 2023

### 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 14% (2022: 15%) 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%.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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.

	2023		2022	
	<u>Actual</u> <u>\$'000</u>	<u>Required</u> <u>\$'000</u>	<u>Actual</u> <u>\$'000</u>	<u>Required</u> <u>\$'000</u>
Total regulatory capital	<u>2,983,050</u>	<u>1,590,197</u>	<u>2,786,851</u>	<u>1,482,281</u>
Total capital ratio	<u>15%</u>	<u>8%</u>	<u>15%</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.

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 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 transfers between levels during the year. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Fair Value		
	FVOCI \$'000	FVTPL J\$'000	Total \$'000	Level 2 J\$'000	Level 3 J\$'000	Total J\$'000
			<u>2023</u>			
<b>Financial assets measured at fair value:</b>						
Unit Trust Funds	-	44,032	44,032	44,032	-	44,032
Unquoted equity Jamaica Co-operative Credit Union League Limited JCCUL	9,331	-	9,331	-	9,331	9,331
Global bonds	-	9,955	9,955	-	9,955	9,955
Benchmark investment note	103,624	-	103,624	103,624	-	103,624
Money Market Funds	310,485	-	310,485	310,485	-	310,485
	-	<u>2,389</u>	<u>2,389</u>	<u>2,389</u>	-	<u>2,389</u>
	<u>423,440</u>	<u>56,376</u>	<u>479,816</u>	<u>460,530</u>	<u>19,286</u>	<u>479,816</u>



# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

#### Valuation techniques

<u>Financial assets</u>	<u>Methods</u>
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>2023</u>	Restated <u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Fees	25,216	24,512
Bad debt recovery	39,122	40,896
Exchange gains/(losses) on foreign currency deposits	2,662	( 403)
Dividend income	398	675
Operating lease income (note 14)	1,014	1,016
Realised (losses)/gains on investments	(17,589)	554
Unrelaised gains/(losses) on unit trust investments	1,242	( 4,463)
Miscellaneous income	<u>6,299</u>	<u>3,158</u>
	<u>58,364</u>	<u>65,945</u>



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

8. EXPENSES BY NATURE:

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
<b>Administrative</b>		
ABM	8,089	8,883
Advertising and publicity	56,467	57,887
Amortisation	7,335	7,335
Annual general meeting	9,394	9,203
Auditors' remuneration (inclusive of GCT)		
Current year	7,857	7,475
Prior year	-	1,118
Board and committee meetings	12,498	8,713
Board and committee travelling	13,131	10,402
Ceremonies	3,562	2,532
Consultancy fees	5,592	5,255
Data processing	76,847	58,393
Depreciation and amortisation	55,299	49,326
Entertainment	147	84
General office	9,392	8,912
Insurance	11,365	8,765
Motor vehicle upkeep for travelling officers	39,039	34,787
Motor cycle repairs	372	264
Postage and telegrams	4,986	4,110
Repairs and maintenance	16,393	11,231
Security	37,309	27,128
Stationery and printing	19,023	12,165
Staff and board retreat	3,630	-
Travelling	17,182	11,670
Donations	<u>6,087</u>	<u>6,351</u>
	<u>420,996</u>	<u>351,989</u>
<b>Affiliation</b>		
League fees	31,718	29,574
League and other meetings	10,659	4,032
Stabilization dues	<u>17,928</u>	<u>16,918</u>
	<u>60,305</u>	<u>50,524</u>
<b>Establishment</b>		
Cleaning and sanitation	8,189	7,489
Electricity and telephone	43,219	48,353
Janitorial services	13,919	12,789
Rates and taxes	<u>8,850</u>	<u>7,572</u>
	<u>74,177</u>	<u>76,203</u>
<b>Members' security</b>		
Loans and savings insurance	84,058	79,731
Golden harvet savings insurance	<u>8,619</u>	<u>8,067</u>
	<u>92,677</u>	<u>87,798</u>
Total other operating expenses	<u>648,155</u>	<u>566,514</u>

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

9. STAFF COSTS:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Salaries and wages	346,540	319,212
Payroll taxes	53,083	46,170
Pension expense (note 19f)	6,167	18,617
Staff welfare	49,595	47,319
Other staff benefits	<u>81,836</u>	<u>71,190</u>
	<u>537,221</u>	<u>502,508</u>
The number of persons employed during the year:		
Permanent staff	111	105
Temporary staff	<u>8</u>	<u>9</u>
	<u>119</u>	<u>114</u>

The Co-operative's contribution to the defined contribution multi-employer pension plan for the year amounted to \$6,570,000 (2022: \$5,770,000).

10. LIQUID ASSETS:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Earnings assets at amortised cost:		
Deposits		
JCCUL- Liquidity reserve	951,182	963,910
JCCUL- Demand deposit	553,856	520,462
JMMB Bank Jamaica Limited	659,381	441,144
Victoria Mutual Building Society	250,000	-
JCCUL - CUETS settlements	<u>36,719</u>	<u>5,424</u>
	<u>2,451,138</u>	<u>1,930,940</u>
Savings account balances (note 15a)		
The Bank of Nova Scotia Jamaica Limited	56,825	29,642
Mayberry Investments Limited	<u>3,836</u>	<u>1,983</u>
	<u>60,661</u>	<u>31,625</u>
	2,511,799	1,962,565
Less: Allowance for impairment losses (note 5a(iii))	( <u>1,334</u> )	( <u>299</u> )
Total earning assets at amortised cost	2,510,465	1,962,266
Financial assets at fair value through surplus or deficit (profit or loss)		
Units in unit trust funds:		
JCCUL - CUMAX money market fund	<u>2,389</u>	<u>2,317</u>
	<u>2,512,854</u>	<u>1,964,583</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.





NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Principal	1,404,750	1,421,449
Less: Allowance for impairment	( 314)	( 545)
	<u>1,404,436</u>	<u>1,420,904</u>

(b) Allowance for impairment

At beginning of the year	545	623
Recoveries for the year	( 231)	( 78)
At end of the year	<u>314</u>	<u>545</u>

For purposes of the statement of cashflows, an amount of \$26,334,000 (2022: \$26,034,000) is included in cash and cash equivalents.

The fair value of the underlying securities used to collateralize the resale agreements was \$1,615,330,000 (2020: \$1,483,320,000). All the securities purchased under resale agreements are fully collateralized by Government Securities.

12. LOANS:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Balance at beginning of year	13,442,839	12,410,887
Add: Disbursements and transfers	<u>4,533,548</u>	<u>4,293,267</u>
	17,976,387	16,704,154
Less: Repayments and transfers	( 3,300,366)	( 3,261,315)
	14,676,021	13,442,839
Less: allowance for impairment losses	( 248,006)	( 225,004)
Balance carried forward (page 71)	<u>14,428,015</u>	<u>13,217,835</u>

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

12. LOANS (CONT'D):

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Balance brought forward (page 70)	14,428,015	13,217,835
Less unamortised loan fees:		
At the beginning of the year	( 34,848)	( 16,701)
Additions during the year	( 60,268)	( 38,696)
	( 95,116)	( 55,397)
Fees amortised during the year	<u>36,450</u>	<u>20,549</u>
	( 58,666)	( 34,848)
Balance at end of year	<u>14,369,349</u>	<u>13,182,987</u>

The amounts are expected to be recovered as follows:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Within 12 months	168,813	169,082
Over 12 months	<u>14,259,202</u>	<u>13,048,753</u>
	<u>14,428,015</u>	<u>13,217,835</u>

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

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Neither past due nor impaired	<u>14,308,478</u>	<u>12,942,098</u>
Past due but not impaired:		
Less than 2 months	117,773	100,353
2 to 3 months	<u>93,767</u>	<u>105,820</u>
	<u>211,540</u>	<u>206,173</u>
Individually impaired	<u>156,003</u>	<u>294,568</u>
	14,676,021	13,442,839
Less: Allowance for impairment losses (note 5(a) vi)	( 248,006)	( 225,004)
	<u>14,428,015</u>	<u>13,217,835</u>



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

12. LOANS (CONT'D):

(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:

2023						
Months in arrears	Number of Accounts in arrears	Delinquent loans \$'000	Savings held against loans \$'000	Portion of loans net covered by savings \$'000	PEARLS loan loss provision \$'000	Provision rate %
1 month - < 2 months	103	117,464	22,106	95,358	-	
2 - 3 months	73	93,767	14,686	79,081	9,377	10
4 - 6 months	86	141,859	16,884	124,975	42,558	30
7 - 12 months	96	132,701	25,153	107,548	79,621	60
13 months and over	<u>38</u>	<u>64,362</u>	<u>9,654</u>	<u>54,708</u>	<u>64,362</u>	100
	<u>396</u>	<u>550,153</u>	<u>88,483</u>	<u>461,670</u>	<u>195,918</u>	

2022						
Months in arrears	Number of Accounts in arrears	Delinquent loans \$'000	Savings held against loans \$'000	Portion of loans net covered by savings \$'000	PEARLS loan loss provision \$'000	Provision rate %
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>	

The interest in respect of non-performing loans which had not been recognised in the surplus for the year was \$18,962,000 (2022: \$21,658,000). Loans on which interest is suspended amounted to \$338,923,000 (2022: \$282,819,000).

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 12. LOANS (CONT'D):

#### (c) Allowance for impairment

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

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Balance at 1 January	225,004	168,412
Charged to surplus during the year	103,407	146,400
Amounts written off during the year	<u>( 80,405)</u>	<u>( 89,808)</u>
	<u>248,006</u>	<u>225,004</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.

### 13. FINANCIAL INVESTMENTS:

	<u>2023</u> <u>\$'000</u>	<u>2022</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) (note b)	3,000	3,000
Cumax Wealth Management Limited (CUMAX) (Note d)	<u>3,859</u>	<u>3,200</u>
	<u>9,331</u>	<u>8,672</u>
Government of Jamaica Securities:		
Benchmark investment note	310,485	314,814
Global bonds	<u>103,624</u>	<u>120,638</u>
	<u>414,109</u>	<u>435,452</u>
Balance carried forward (page 74)	<u>423,440</u>	<u>444,124</u>



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

13. FINANCIAL INVESTMENTS (CONT'D):

Investments at fair value through other comprehensive income balance forward (page 73)	423,440	<u>444,124</u>
<b>Investment securities at fair value through surplus or deficit (profit or loss):</b>		
JCCUL shares (note c)	9,955	9,955
Units in Unit Trust Funds:		
Units held with JMMB Fund Managers Limited	44,032	42,790
Units held with Barita Investments Limited	-	502,177
Units held with Sagicor Investments Limited	-	<u>71,958</u>
	<u>53,987</u>	<u>626,880</u>
<b>Investments securities at amortised cost:</b>		
Government of Jamaica - Treasury bill	79,398	80,000
JCCUL - Mortgage funds (note e)	9,754	9,514
The Victoria Mutual building Society Mortgage deposit	<u>34,867</u>	<u>32,198</u>
	124,019	121,712
Less: Allowance for impairment losses	<u>( 1,287)</u>	<u>( 328)</u>
	<u>122,732</u>	<u>121,384</u>
	<u>600,159</u>	<u>1,192,388</u>
 The amounts are due to be recovered as follows:		
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Within 12 months	157,010	649,122
Over 12 months	<u>443,149</u>	<u>543,266</u>
	<u>600,159</u>	<u>1,192,388</u>

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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. During the year, an additional of 659,000 shares were acquired of a par value of \$1.
- (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>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Cost -		
At 1 January	10,012	10,012
Transfer to property, plant and equipment (note 17)	( 2,804)	-
At 31 December	<u>7,208</u>	<u>10,012</u>
Accumulated depreciation -		
1 January	4,268	4,065
Charge for the year	-	203
Transfer to property, plant and equipment (note 17)	( 1,325)	-
31 December	<u>2,943</u>	<u>4,268</u>
Net book value		
31 December	<u>4,265</u>	<u>5,744</u>

During the year, investment property located at Shop 26, 3 Bryan's Crescent, May Pen, Clarendon was transferred to property, plant and equipment at its carrying value.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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
<p>Market based approach. This model takes into account:</p> <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>

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

14. INVESTMENT PROPERTY (CONT'D):

The income earned from the properties one of which is leased under operating lease amounted to \$1,014,000 (2022: \$1,016,000) (see note 7). Direct operating expenses arising from the properties during the year amounted to Nil (2022: Nil).

15. CASH AND CASH EQUIVALENTS:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Cash in hand	6,148	1,497
Bank balance	<u>36,958</u>	<u>58,212</u>
Bank overdraft	43,106 ( 284)	59,709 ( 4,043)
	<u>42,822</u>	<u>55,666</u>

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

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Repurchase agreements	30,153	26,034
Cash and cash equivalents (above)	42,822	55,666
Liquid assets - savings account balances (note 10)	<u>60,661</u>	<u>31,625</u>
	<u>133,636</u>	<u>113,325</u>

(b) At the reporting date cash and cash equivalents included amounts totaling \$6,470,000 (2022: \$5,085,000) 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 unrepresented cheques.

16. OTHER ASSETS:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Deposits and prepayment	35,980	30,888
Interest receivable	219,900	108,150
Sundry receivables	<u>6,014</u>	<u>3,301</u>
	<u>261,894</u>	<u>142,339</u>





NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

17. PROPERTY, PLANT AND EQUIPMENT:

	Freehold Land \$'000	Buildings \$'000	Construction in Progress \$'000	Leasehold Improvements \$'000	Office Furniture and Equipment \$'000	Total \$'000
<b>Cost</b>						
1 January 2022	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	3,381	83,042	297,134	72,759	267,574	723,890
Additions	-	-	34,115	-	7,069	41,184
Transfer from investment properties (note 14)	-	2,804	-	-	-	2,804
Disposal	-	-	-	-	( 1,428)	( 1,428)
31 December 2023	<u>3,381</u>	<u>85,846</u>	<u>331,249</u>	<u>72,759</u>	<u>273,215</u>	<u>766,450</u>
<b>Accumulated depreciation</b>						
1 January 2022	-	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	-	20,905	-	48,043	178,552	247,500
Charge for the year	-	3,605	-	5,233	25,149	33,987
Transfer from investment properties (note 14)	-	1,325	-	-	-	1,325
Disposal	-	-	-	-	( 1,428)	( 1,428)
31 December 2023	<u>-</u>	<u>25,835</u>	<u>-</u>	<u>53,276</u>	<u>202,273</u>	<u>281,384</u>
<b>Net Book Value:</b>						
31 December 2023	<u>3,381</u>	<u>60,011</u>	<u>331,249</u>	<u>19,483</u>	<u>70,942</u>	<u>485,066</u>
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>

Construction in progress represents costs incurred to date for the property, at Constant Spring Road and developments at Portmore office. Future capital commitment expenditures is expected to amount to \$399,224,000 (note 31).

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

18. INTANGIBLE ASSETS:

	Software Rights <u>\$'000</u>
Cost	
31 December 2022 and 2023	<u>73,351</u>
Accumulated amortisation	
1 January 2022	50,327
Charge for the year	<u>7,335</u>
31 December 2022	57,662
Charge for the year	<u>7,335</u>
31 December 2023	<u>64,997</u>
Net Book Value:	
31 December 2023	<u>8,354</u>
31 December 2022	<u>15,689</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 2023

19. EMPLOYMENT BENEFIT ASSET (CONT'D):

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

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Present value of funded obligations (note c)	(1,044,833)	( 702,466)
Effects of asset ceiling	( 1,896)	( 398,302)
Fair value of plan assets (note e (i))	<u>1,213,908</u>	<u>1,158,581</u>
Asset in the statement of financial position	<u>167,179</u>	<u>57,813</u>

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

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Balance at beginning of year	57,813	127,201
Contributions paid	16,048	16,138
Pension expense recognized in surplus (note (f))	( 6,167)	( 18,617)
Remeasurement recognized in other comprehensive income (note (g))	<u>99,485</u>	<u>( 66,909)</u>
Balance at end of year	<u>167,179</u>	<u>57,813</u>

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

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Balance at beginning of year	702,466	1,039,290
Service costs	9,149	22,851
Interest cost	87,580	81,801
Employees' contributions	14,517	14,617
Benefits paid	( 57,548)	( 33,555)
Actuarial losses/(gains) arising from:		
Experience adjustments	10,405	( 48,289)
Changes in financial assumptions	<u>278,264</u>	<u>( 374,249)</u>
Balance at end of year	<u>1,044,833</u>	<u>702,466</u>

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

19. EMPLOYMENT BENEFIT ASSET (CONT'D):

(d) The movement in the asset ceiling is as follows:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Effect of asset ceiling at beginning of period	398,302	-
Interest on effect of asset ceiling	51,779	-
Change in effect of asset ceiling	<u>(448,185)</u>	<u>398,302</u>
Effect of asset ceiling at end of period	<u>1,896</u>	<u>398,302</u>

(e) (i) Movement in fair value of pension plan assets:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Fair value of plan assets at beginning of year	1,158,581	1,166,491
Employees' contribution	14,517	14,617
Employer's contribution	16,048	16,138
Interest income	148,862	93,207
Benefits paid	( 57,548)	( 33,555)
Administrative expenses	( 6,521)	( 7,172)
Actuarial losses	<u>( 60,031)</u>	<u>( 91,145)</u>
Fair value of plan assets at end of year	<u>1,213,908</u>	<u>1,158,581</u>

(ii) Plan assets consist of the following:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Quoted equities	248,508	257,090
Real estate investment trust	13,446	14,317
Government of Jamaica securities	440,522	381,192
Resale agreements	61,569	109,293
Investment properties	277,588	257,356
Global bonds	67,609	83,073
USD certificates of deposit	-	-
J\$ certificates of deposit	37,197	-
Unit trust	75,503	63,110
Other	<u>( 8,034)</u>	<u>( 6,850)</u>
	<u>1,213,908</u>	<u>1,158,581</u>



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

19. EMPLOYMENT BENEFIT ASSET (CONT'D):

(f) Expense recognized in surplus or deficit:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Current service cost	9,149	22,851
Interest cost on obligation	87,580	81,801
Interest income on plan assets	(148,862)	(93,207)
Interest on effect of asset ceiling	51,779	-
Administrative expenses	<u>6,521</u>	<u>7,172</u>
Net pension expense included in staff costs (note 9)	<u>6,167</u>	<u>18,617</u>

(g) Amounts recognized in other comprehensive income:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Change in effect of asset ceiling	(448,185)	398,302
Remeasured losses/(gains) on obligation	288,669	(422,538)
Remeasured losses on plan assets	<u>60,031</u>	<u>91,145</u>
	<u>( 99,485)</u>	<u>66,909</u>

(h) As mortality continues to improve, estimates of life expectancy are expected to increase. The effect on the projected benefit obligation of an increase of one year in the life expectancy is approximately \$28,410,000 (2022: \$15,170,000).

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

	<u>2023</u>	<u>2022</u>
Discount rate	11.0%	13.0%
Expected future salary increases	8.0%	7.5%
Price inflation	6.0%	5.5%
Expected future pension increases	<u>6.0%</u>	<u>5.5%</u>

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

#### (j) 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.

	2023		2022	
	1% Decrease \$'000	1% Increase \$'000	1% Decrease \$'000	1% Increase \$'000
Discount rate	163,553	(130,394)	87,532	(69,332)
Future salary increases	( 44,465)	50,677	(22,060)	26,222
Future pension increases	( 85,555)	99,331	(47,991)	55,431

#### (k) Liability duration

	<u>2023</u> <u>Years</u>	<u>2022</u> <u>Years</u>
Active members	19.5	14.8
Deferred pensioners	17.1	13.0
Retirees	8.8	7.6
All participants	<u>15.5</u>	<u>12.5</u>

(l) The estimated pension contributions expected to be paid into the plan during the next financial year is \$15,280,000 (2022: \$15,700,000).

### 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)



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

20. LEASES (CONT'D):

(i) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property.

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Balance at 1 January	14,005	37,284
New right of use assets	28,389	2,973
Amortisation charge for the year	<u>(21,312)</u>	<u>(26,252)</u>
Balance at 31 December	<u>21,082</u>	<u>14,005</u>

(ii) Lease liabilities

Undiscounted cashflows of lease liabilities:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Less than one year	26,345	9,985
One to five years	18,555	11,037
Six to ten years	<u>450</u>	<u>5,259</u>
Total undiscounted lease liabilities	45,350	26,281
Discount	<u>(12,834)</u>	<u>( 3,122)</u>
Carrying amount of lease liabilities	<u>32,516</u>	<u>23,159</u>

(iii) Amounts recognized in surplus or deficit:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Interest on lease liabilities	<u>5,391</u>	<u>4,673</u>

(iv) Amounts recognized in statements of cash flows:

Total cash outflow for leases	<u>24,423</u>	<u>25,044</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.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Ordinary deposits		
At beginning of year	320,170	341,447
Add: savings and interest	<u>727,513</u>	<u>672,517</u>
	1,047,683	1,013,964
Less: withdrawals and transfers	<u>( 659,502)</u>	<u>( 693,794)</u>
At end of year	388,181	320,170
Golden Harvest Plan	1,634,794	1,649,592
Special fixed deposits	<u>4,991,628</u>	<u>4,648,179</u>
	<u>7,014,603</u>	<u>6,617,941</u>

The amounts are due to be settled as follows:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Within 12 months	5,354,539	5,070,203
Over 12 months	<u>1,660,064</u>	<u>1,547,738</u>
	<u>7,014,603</u>	<u>6,617,941</u>

22. MEMBERS' VOLUNTARY SHARES:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
At beginning of year	7,724,222	7,227,941
Add: savings	2,181,212	2,039,643
Interest	<u>218,002</u>	<u>271,177</u>
	10,123,436	9,538,761
Less: withdrawals and transfers	<u>( 1,752,867)</u>	<u>(1,814,539)</u>
At end of year	<u>8,370,569</u>	<u>7,724,222</u>





NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

23. EXTERNAL CREDITS:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
JMMB Bank commercial mortgage loan	<u>212,662</u>	<u>220,562</u>
The amounts are due to be settled as follows:		
	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Within 12 months	7,855	8,615
Over 12 months	<u>204,807</u>	<u>211,947</u>
	<u>212,662</u>	<u>220,562</u>

The credit union procured a mortgage loan from JMMB Bank in 2023 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 9.75% (2022: 7.5%) per annum with maturity on 11 August 2037.

The loan is secured by:

- i) 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.
- ii) Assignment of Fire and allied perils Insurance over commercial property at 107 Constant Spring Road, Kingston 10, St. Andrew for the full replacement value with JMMB Bank's interest as First Mortgage.

24. PAYABLES:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Accrued charges	37,518	66,696
Interest payable	20,477	19,441
Withholding tax	5,449	4,803
Ministry of Education, Youth & Information refunds (note 15(b))	6,470	5,085
JTS Housing savings deposits	8,112	8,112
Youth savings deposits	351	4,158
Insurance	15,606	15,384
Other payables	<u>147,800</u>	<u>91,648</u>
	<u>241,783</u>	<u>215,327</u>

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

25. INSTITUTIONAL CAPITAL:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
(a) Members' permanent shares	<u>91,993</u>	<u>89,509</u>
(b) Statutory reserve		
Balance at beginning of year	2,697,342	2,624,145
Transfer from current year surplus	193,700	73,186
Entrance fees	<u>15</u>	<u>11</u>
	<u>2,891,057</u>	<u>2,697,342</u>
Balance at end of year	<u>2,983,050</u>	<u>2,786,851</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. 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>2023</u> <u>\$'000</u>	Restated <u>2022</u> <u>\$'000</u>
(a) Accumulated surplus	784,121	790,235
(b) Employee benefits asset reserve	167,179	57,813
(c) Fair value reserve	58,512	80,190
(d) Loan loss reserve	-	-
(e) Revaluation reserve	9,430	9,430
(f) Permanent share reserve	<u>3,035</u>	<u>2,778</u>
	<u>1,022,277</u>	<u>940,446</u>

(a) Accumulated surplus

This represents undistributed surplus.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

26. **NON-INSTITUTIONAL CAPITAL (CONT'D):**

(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 10 June 2023 (2022: 8 July 2022) the members moved a motion to pay dividends of \$6,256,000 (2022: \$6,126,000).

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 (2022: \$200,000).

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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 \$84,058,000 (2022: \$79,730,000).

(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 \$12,006,000 (2022: \$11,835,000).

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>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Loan balances	19,998	17,541
Members deposits	17,679	20,599
Permanent shares	14	14
Voluntary shares	6,990	7,003
Interest earned from loans	1,372	1,378
Interest paid on deposits	<u>931</u>	<u>963</u>

(b) At the reporting date, 15 (2022: 14) members of the Co-operative's Board of Directors and 10 (2022: 12) committee members had balances and transactions with the Co-operative as follows:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Members deposits	61,723	54,720
Permanent shares	221	242
Voluntary shares	32,383	37,800
Loans including accrued interest	142,779	115,303
Interest paid on deposits	2,763	2,953
Interest earned from loans	<u>12,728</u>	<u>10,584</u>



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

- (b) At the reporting date 15 (2022: 13) members of the Co-operative's Board of Directors and 10 (2022: 12) 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 \$448,433,000 (2022: \$400,615,000) and unsecured loans were \$124,827,000 (2022: \$136,019,000) 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>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Salaries and other short term benefits	57,184	55,110
Post-employment benefits	<u>3,900</u>	<u>3,514</u>
	61,084	58,624

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	14,676,021	7,014,603	8,370,569
Balance as per members' ledger	<u>14,676,021</u>	<u>7,014,603</u>	<u>8,370,569</u>
Variances at 31 December 2023	-	-	-
Variances at 31 December 2022	-	-	-

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 31. CAPITAL COMMITMENT:

As at 31 December 2023 the Co-operative entered into contracts for expenditure in the amount of \$399,224,000 (2022: \$303,677,000) in respect of which expenditure amounting to \$30,950,000 (2022: \$263,875,000) have been made (see note 17).

### 32. PRIOR YEAR ADJUSTMENTS:

The Credit Union changed how it accounted for loan origination fees, which was previously recognized under IFRS 15 instead of IFRS 9. The loan origination fees were recognized in surplus or deficit as the services were provided, however, IFRS 9 requires these fees to be added to the loans and amortised over the life of the loans. As a consequence, fee income and loans to members were overstated. The correction has been made and the affected line items have been restated, and the adjustment made to undistributed surplus for the prior periods.

The impact on the statement of financial position for 31 December 2021 and 2022 are as follows:

	2022 As previously reported \$'000	Adjustments \$'000	2022 As restated \$'000
<b>ASSETS</b>			
<b>EARNING ASSETS:</b>			
Liquid assets	1,964,583	-	1,964,583
Resale agreements	1,420,904	-	1,420,904
Loans to members after provision for impairment	13,217,835	(34,848)	13,182,987
Financial investments	1,192,388	-	1,192,388
Investment property	<u>5,744</u>	<u>-</u>	<u>5,744</u>
	<u>17,801,454</u>	<u>(34,848)</u>	<u>17,766,606</u>
<b>NON-EARNING ASSETS:</b>	<u>761,902</u>	<u>-</u>	<u>761,902</u>
<b>TOTAL ASSETS</b>	<u>18,563,356</u>	<u>(34,848)</u>	<u>18,528,508</u>
<b>LIABILITIES</b>			
Interest bearing liabilities	14,585,884	-	14,585,884
Non-interest bearing liabilities	<u>215,327</u>	<u>-</u>	<u>215,327</u>
<b>TOTAL LIABILITIES</b>	<u>14,801,211</u>	<u>-</u>	<u>14,801,211</u>
<b>EQUITY</b>			
Institutional capital	2,786,851	-	2,786,851
Non-institutional capital	<u>975,294</u>	<u>(34,848)</u>	<u>940,446</u>
<b>TOTAL EQUITY</b>	<u>3,762,145</u>	<u>(34,848)</u>	<u>3,727,297</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>18,563,356</u>	<u>(34,848)</u>	<u>18,528,508</u>



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

32. PRIOR YEAR ADJUSTMENTS (CONT'D):

The impact on the statement of financial position for 31 December 2021 and 2022 are as follows (cont'd):

	2021 As previously reported \$'000	Adjustments \$'000	2021 As restated \$'000
<b>ASSETS</b>			
<b>EARNING ASSETS:</b>			
Liquid assets	2,087,077	-	2,087,077
Resale agreements	1,696,736	-	1,696,736
Loans to members after provision for impairment	12,242,475	(16,701)	12,225,774
Financial investments	884,671	-	884,671
Investment property	<u>5,947</u>	<u>-</u>	<u>5,947</u>
	<u>16,916,906</u>	<u>(16,701)</u>	<u>16,900,205</u>
<b>NON-EARNING ASSETS:</b>	<u>570,488</u>	<u>-</u>	<u>570,488</u>
<b>TOTAL ASSETS</b>	<u>17,487,394</u>	<u>(16,701)</u>	<u>17,470,693</u>
<b>LIABILITIES</b>			
Interest bearing liabilities	13,575,116	-	13,575,116
Non-interest bearing liabilities	<u>192,390</u>	<u>-</u>	<u>192,390</u>
<b>TOTAL LIABILITIES</b>	<u>13,767,506</u>	<u>-</u>	<u>13,767,506</u>
<b>EQUITY</b>			
Institutional capital	2,712,055	-	2,712,055
Non-institutional capital	<u>1,007,833</u>	<u>(16,701)</u>	<u>991,132</u>
<b>TOTAL EQUITY</b>	<u>3,719,888</u>	<u>(16,701)</u>	<u>3,703,187</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>17,487,394</u>	<u>(16,701)</u>	<u>17,470,693</u>

# JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 32. PRIOR YEAR ADJUSTMENTS (CONT'D):

The impact on the restatement of the loan origination fees on the statement of surplus or deficit and other comprehensive income for the year ended 31 December 2022 is as follows:

	2022 As previously reported <u>\$'000</u>	Adjustments <u>\$'000</u>	2022 As restated <u>\$'000</u>
<b>INTEREST INCOME:</b>			
Loans	1,562,177	20,549	1,582,726
Liquid assets, resale agreements and financial investments	<u>184,462</u>	-	<u>184,462</u>
	<u>1,746,639</u>	<u>20,549</u>	<u>1,767,188</u>
<b>INTEREST EXPENSE:</b>			
Members' deposits	268,194	-	268,194
External credits	4,937	-	4,937
Members' voluntary shares	271,177	-	271,177
Lease liabilities	4,673	-	4,673
Other finance cost	<u>11,073</u>	-	<u>11,073</u>
	<u>560,054</u>	-	<u>560,054</u>
<b>NET INTEREST INCOME</b>	<u>1,186,585</u>	<u>20,549</u>	<u>1,207,134</u>
Impairment losses on liquid assets, resale agreements and financial investments	( 139)	-	( 139)
Impairment losses on loans, net of recoveries	<u>( 146,400)</u>	-	<u>( 146,400)</u>
	<u>1,040,046</u>	<u>20,549</u>	<u>1,060,595</u>
<b>NET INTEREST INCOME AFTER IMPAIRMENT</b>			
Non-interest income	<u>104,641</u>	<u>(38,696)</u>	<u>65,945</u>
	<u>1,144,687</u>	<u>(38,696)</u>	<u>1,126,540</u>
Operating expenses	( 566,514)	-	( 566,514)
Staff costs	<u>( 502,508)</u>	-	<u>( 502,508)</u>
	<u>(1,069,022)</u>	-	<u>(1,069,022)</u>
<b>SURPLUS FOR THE YEAR</b>			
<b>OTHER COMPREHENSIVE LOSS</b>	<u>75,665</u>	<u>(18,147)</u>	<u>57,518</u>
Item that will never be reclassified to surplus:			
Remeasurement of employment benefit asset	( 66,909)	-	( 66,909)
Item that may be reclassified to surplus:			
Valuation gain on fair value through other comprehensive income	<u>37,797</u>	-	<u>37,797</u>
	<u>( 29,112)</u>	-	<u>( 29,112)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>46,553</u>	<u>(18,147)</u>	<u>28,406</u>





NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

32. PRIOR YEAR ADJUSTMENTS (CONT'D):

The restatement of the fee income had the following impact on the statement of cash flows for the year ended 31 December 2022:

	Presented <u>2022</u> <u>\$'000</u>	<u>Adjustments</u> <u>\$'000</u>	<u>Restated</u> <u>\$'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	75,665	(18,147)	57,518
Net surplus			
Adjustments:			
Interest income	(1,746,639)	-	(1,746,639)
Interest expense	555,381	-	555,381
Interest expense on lease liabilities	4,673	-	4,673
Depreciation	23,074	-	23,074
Amortisation	7,335	-	7,335
Amortisation on right use of assets	26,252	-	26,252
Impairment gain on liquid assets, resale agreements and financial investments	139	-	139
Realised gains on investments	( 554)	-	( 554)
Employee benefits asset	18,617	-	18,617
Impairment losses on loans, net of recoveries	<u>146,400</u>	<u>-</u>	<u>146,400</u>
Operating cash flows before movements in working capital	( 889,657)	(18,147)	( 907,804)
Changes in operating assets and liabilities			
Loans	(1,121,760)	18,147	(1,103,613)
Other assets	77,121	-	77,121
Pension contributions	( 16,138)	-	( 16,138)
Members' deposits	311,718	-	311,718
Members' voluntary shares	496,281	-	496,281
Payables	<u>20,837</u>	<u>-</u>	<u>20,837</u>
	(1,121,598)	-	(1,121,598)
Interest received	1,706,041	-	1,706,041
Interest paid	<u>( 553,281)</u>	<u>-</u>	<u>( 553,281)</u>
Net cash provided by operating activities	31,162	-	31,162
Net cash used in investing activities	( 180,220)	-	( 180,220)
Net cash provided by financing activities	<u>190,827</u>	<u>-</u>	<u>190,827</u>
Net increase in cash and cash equivalents	41,769	-	41,769
Cash and cash equivalents at beginning of year	<u>71,556</u>	<u>-</u>	<u>71,556</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR 15(a)</b>	<u><u>113,325</u></u>	<u><u>-</u></u>	<u><u>113,325</u></u>



JAMAICA TEACHERS'  
ASSOCIATION CO-OP  
CREDIT UNION LTD



## REPORT OF THE **CREDIT COMMITTEE**

FOR THE YEAR ENDED DECEMBER 31, 2023



**MRS. ANNE  
GEDDES-NELSON**  
CHAIRMAN



**MRS. LENA  
RUSSELL**  
SECRETARY



**MR. NORMAN  
ALLEN**  
MEMBER



**MR. LEON  
NASH**  
MEMBER

The JTA Co-op Credit Union operations continued to impact the lives of its members by facilitating their varied needs this calendar year.

The year 2023 was characterized by high interest rates as the Central Bank tried to tackle the upward movement of inflation. Fortunately, these economic realities did not completely dull the appetite for consumer loans and the Credit Union saw increases in loan disbursement and growth in its loan portfolio.

At the 58th Annual General Meeting Mrs. Geddes-Nelson, Mr. Allen, and Mr. Sinclair, whose positions were retired, after the two-year tenure, were duly re-elected. Mrs. Russell, and Mr. Nash continued to serve for the second of a two (2) year stint. At the first Board meeting post the Annual General Meeting, Mrs. Nelson and Mrs. Russell were again nominated to serve as chairman and secretary,

respectively. The committee was subsequently reduced to four members with the passing of Mr. Christopher Sinclair on November 5, 2023. The Credit Committee hails the sterling contribution of Mr. Sinclair over the period of his service and expresses deepest condolences to his family.

Competition in the loans market remained a challenge, this was most intense in the auto loan market. There was also a noticeable increase in the migration trend of the membership which led to interruptions in the servicing of loans for some members and others abandoning their obligations altogether. This has called for increased focus on credit risk management and more rigorous monitoring of loans.

The five-member Credit Committee met on a weekly basis or as required to review the applications for loans. The committee also met with members facing extenuating situations which hindered them from meeting their financial obligations.

The committee remained resolute in promoting the welfare of the members whilst protecting the company's assets.

### MEMBERS OF THE CREDIT COMMITTEE

Mrs. Anne Geddes-Nelson (Chairman)

Mrs. Lena Russell (Secretary)

Mr. Norman Allen

Mr. Leaon Nash

Mr. Christopher Sinclair

### Regular Weekly Meetings

Table 1 below shows the attendance record of each committee member at Regular and Ad Hoc meetings held during the period of January 1 – December 31, 2023.

Members	No. of Meetings Held	No. of meetings attended	No. of excuses
Mrs. Anne Geddes - Nelson	53	51	2
Mrs. Lena Russell	53	46	7
Mr. Norman Allen	53	46	7
Mr. Leaon Nash	53	51	2
Mr. Christopher Sinclair	53	30	12

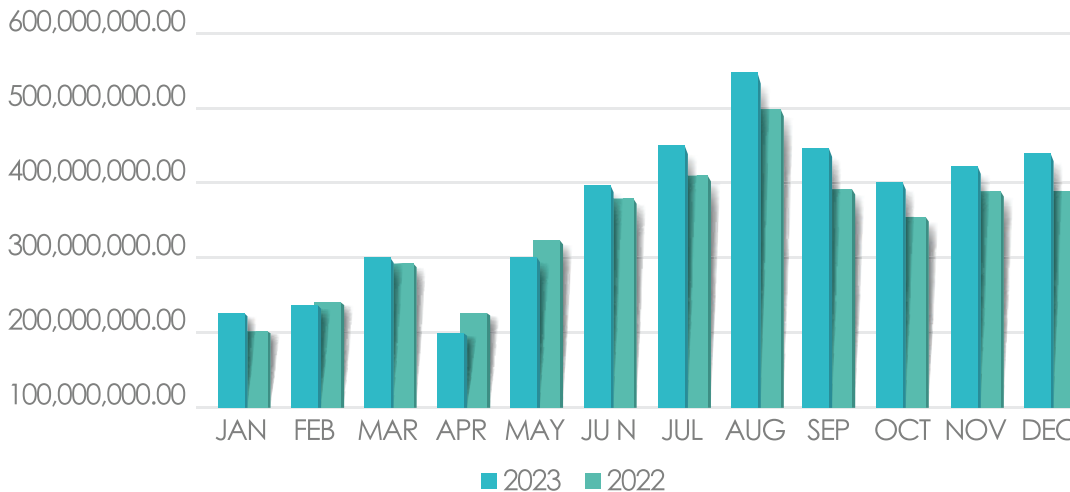
### Loan Disbursement and Portfolio Growth

A total of \$4.94B in loans were disbursed in 2023. This represents an increase of 7.9% over the year

2022 when \$4.165B in loans were disbursed. The level of disbursement during the year led to the loan portfolio growing by 9% at year end, bringing the portfolio amount to \$14.36B, net of provision.

Figure 1 gives a comparative illustration of disbursements for the years 2023 and 2022

Figure 1  
Loan Disbursements 2023 over 2022



### 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, 2023, the Credit Union’s loan portfolio composition stood at 34% in Unsecured Loans and 66% in Secured Loans.

The portfolio concentration in terms of loan purpose classification is illustrated to the side:

### Loan Review Activities

In 2023, the Credit Committee reviewed one hundred and seventy-six (176) loan applications that fell outside of the approval authority of management. Of this amount one hundred and twenty-four (124) were requests for loan approvals while fifty-two (52) were for rescheduling of loan repayment.

The majority of the requests forty (40) for rescheduling came from retired members awaiting gratuity and pension benefits. The remaining requests, twelve (12) were from members facing extenuating circumstances which resulted from unemployment, displacement, or ill-health.

Figure 2  
Loan Portfolio Composition

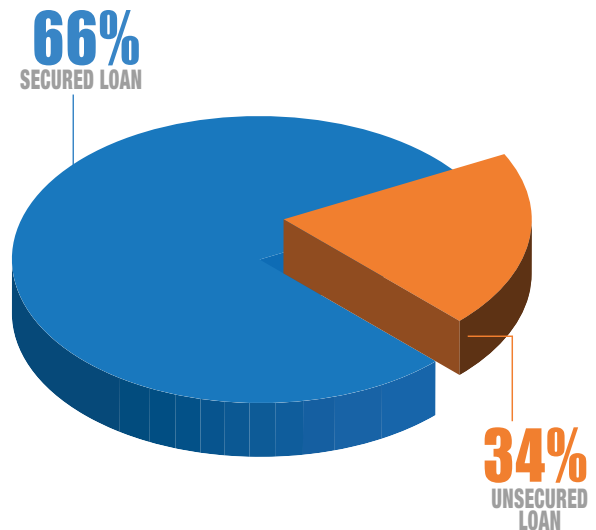


Figure 3  
Loan Portfolio Concentration

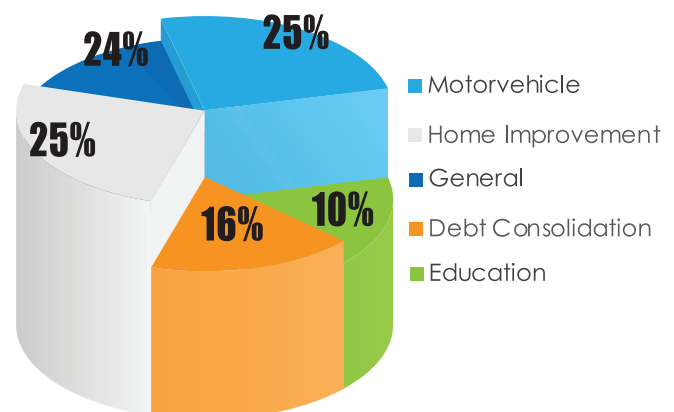


Figure 4 gives an illustration of the amount of loans reviewed each month by the Committee.

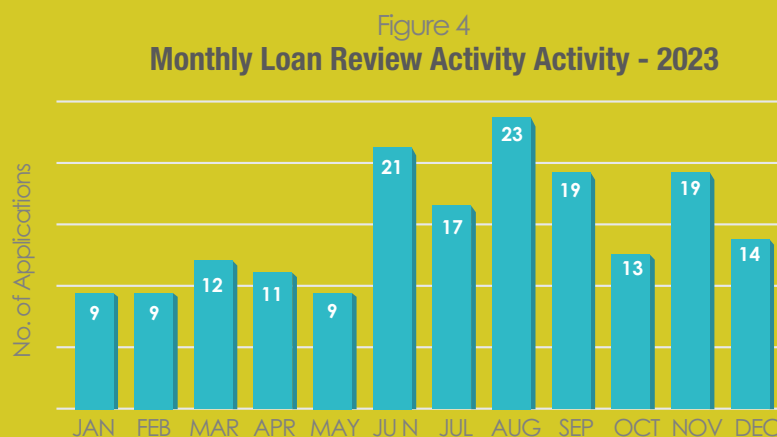


Table 2 (below) gives a detailed breakdown of the business activities for the year 2023 and 2022.

	2023	2022
No. of Applications	176	159
No. of Loans Processed	176	159
No. of Loans Refused	1	2
No. of Loans recommended to the Board for decision	0	0
No. of Loans recommended to the Board for approval	31	40
No. of Waivers granted	0	3
No. of Interviews conducted	0	1
No. of Spot Checks Conducted	0	0
No. of Loans Rescheduled	52	46
No. of Loans Deferred	0	1

When compared to 2022, there was an increase of 11% in the number of loan applications submitted and processed by the committee during the 2023 period.

The committee received and granted no waiver this year. This facility is within the remit of the loans officers. Members generally sought waiver on the stipulated three (3) months waiting period between loans, or where a lump sum was added to shares to qualify for a loan.

Rescheduling of loans was slightly higher than in 2022; the number increased from 46 to 52.

In terms of loans recommended to the Board of Directors for ratification, this decreased by 22.5% from a total of 40 in 2022 to a total of 31 in 2023.

No loan was deferred this year. Loans are usually deferred until members submit additional documentation or acquire insurance to secure a loan.

Loans refused remained at an infinitesimal 0.5%.

### Conclusion

The Credit Committee is pleased that it was able to serve the varied needs of the membership even in a generally very unstable financial environment.

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 the 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 Cooperative Credit Union.



JAMAICA TEACHERS'  
ASSOCIATION CO-OP  
CREDIT UNION LTD



## REPORT OF THE **SUPERVISORY COMMITTEE**

FOR THE YEAR ENDED DECEMBER 31, 2023



**MRS. MARY  
DICK**  
CHAIRMAN



**MRS. DAWN  
STEELE**  
SECRETARY



**MR. ASTON  
MESSAM**  
MEMBER



**MR. CLAYTON  
HALL**  
MEMBER



**MS. TINA  
REID**  
MEMBER



**MS. GLECTIA  
BECKFORD**  
MEMBER

The fifty-ninth (59th) Annual General Meeting of the Jamaica Teachers' Association Co-operative Credit Union was held at the Jamaica College's Auditorium, Old Hope Road, Kingston 6 on Saturday, June 10, 2023.

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. Glectia Beckford  
Mr. Rudolph Sewell  
Miss Tina Reid

On Tuesday, June 13, 2023, a post-AGM Joint Board and Committee meeting was convened to elect officers as well as representatives 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 of the Board:

- 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 encompassed the observation and monitoring of the Board of Directors, Credit Committee, Customer Complaints, Loans and Credit Systems, Human Resources and Branch Operations.

### Meetings

The Committee had eleven (11) regular monthly meetings, attended Joint Board and Committee meetings, participated in specially convened Board meetings to review loan applications recommended to the Board of Directors. The Committee also attended monthly work sessions at the Head Office.

MEMBERS	POSSIBLE SESSIONS	ACTUAL ATTENDANCE	EXCUSES / ABSENT
Mrs. Mary Dick	11	11	0
Mrs. Dawn Steele	11	11	0
Mr. Aston Messam	11	11	0
Mr. Clayton Hall	11	11	0
Ms. Glecia Beckford	11	11	
Mr. Rudolph Sewell	10	9	0
Miss Tina Reid	11	11	0

### Files

Transaction files that were selected randomly for examination at the head office and the branch offices amounted to one thousand, nine hundred and thirty-eight (1,938). In addition, the following files were examined by the Supervisory Committee:

- Access Cards Records
- Branch Operation
- Furniture and Fixture
- Insurance of Fixed Assets
- Maintenance and Repairs Files

- Members' Files
- Minutes of Board meetings
- Payables
- Policies
- Volunteers' files

### Visits and Inspections

Ten (10) branches were visited by members of the Supervisory Committee during the year 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

- At all the branches visited by the Committee, customers present stated they were satisfied with the service at the branch. At most of the branch offices, the customers found the aesthetics pleasant.
- At the ten branches visited, a total of two hundred and fifty-eight (258) loan applications and withdrawals were reviewed as detailed below:

#### Loan Applications:

183 Regular and 42 Within Shares

#### Withdrawals:

Dividends - 26,  
From Shares - 5  
From Deposits – 2

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

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

### Training

The Credit Union continued to invest in the training and development of the staff and volunteers. All members of the Supervisory Committee participated in training on:

### Proceeds of the Crime Act (POCA)

Anti-Money Laundering/Combatting the Financing of Terrorism / The United Nations Security Council Resolution Implementation Act (AML/CFT/UNSCRIA)

### Accounting Records

Relevant files and loan applications were examined regularly by the Committee to ensure that loans were properly secured, applications correctly completed and policy and procedural guidelines were followed. 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 over 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 improve 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.

The Internal Audit Department examined and reported their findings on the following areas:

- ABM Operation and Reconciliation
- Access Cards Records
- Accounts for Deceased Members
- Accounts Payable
- Auto Loans
- Branch Operations & Returns
- Loan Write Off
- Cash Counts
- Closed Account
- Continuity Plan
- Disaster Recovery Plan



- Family Indemnity Plan (FIP)
- Furniture and Fixture
- Insurance of Fixed Assets
- Investments
- Journals (Expense Cheque Desk)
- Loans disbursed at Browns Town and Port Antonio
- Loans with Monthly Payment of \$0.01
- Maintenance and Repairs Files
- Meeting Expense
- Members' Files
- Minutes of Board meetings
- Net Savers
- New Members
- Online Dividend Payment
- Overdrawn Accounts
- Partner Plan
- Payables
- Policies
- Prospective Accounts
- Reactivated Accounts
- Salary Refund
- Teacher Optimizer Plus
- Value Books
- Volunteers' files

Where necessary, recommendations were made for the improvement of procedures which would strengthen controls and reduce exposure to risk.

### **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 for the year.

#### **Credit Committee**

The Credit Committee continued to meet weekly to approve loans. They steadfastly ensured that loans were granted according to the loan policy of the organization and the guidelines of the regulator.

The Supervisory Committee commends the members for their efficiency and dedication

### **Volunteers and Staff Loans**

#### **Management and Staff**

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

#### **Acknowledgements**

The Supervisory Committee takes this opportunity to congratulate the Management, Staff and volunteers of the Jamaica Teachers' Association Cooperate Credit Union on their efforts to maintain efficiency in the operations and systems of the Credit Union despite challenges experienced during the year.

The Committee extends our heartfelt sympathy to the family of Mr. Christopher Sinclair who served as a committed member of the Credit Committee for several years.

As we bid farewell to Mrs. Audrey Fung and wish for her a peaceful period of retirement, we extend a warm welcome to the new Internal Audit Supervisor, Miss Phiona Martin.

Finally, we extend our sincere gratitude to the membership for the trust that placed in us to serve this most esteemed Credit Union on your behalf. 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 serve our members by impacting lives positively.

Prepared by:  
Steele, Dawn  
Secretary

Submitted and presented by:



Dick, Mary  
Chairman



JAMAICA TEACHERS'  
ASSOCIATION CO-OP  
CREDIT UNION LTD



## GENERAL MANAGER'S **PROGRESS REPORT**

“It always seems impossible until it is done.” This quote, attributed to Nelson Mandela is profound, truthful and has great meaning in so many ways. The year 2023 was indeed a watershed year for the Credit Union and posed obstacles which seemed insurmountable. With an asset base of \$18.5b and a membership standing a little over 30,000 individuals, the Credit Union knew it had to expand its boundaries to assure our members of the level of financial stability and success that they deserve. This expansion means that the Credit Union can offer membership to, and therefore improve the lives of everyone employed in the education sector. However, while it is true that the bond has been expanded, we remain exclusively dedicated to the educational sector because we want to ensure that special attention can still be given to each member and foster that feeling of family. This new change we believe, will give us the level of business growth that will allow the Credit Union to remain a going concern for many more years to come.

The Credit Union has taken the new mandate to market our products and services far and wide within the education sector, and to date we are seeing the growth in our membership as well as other areas. As at February 2024 the Credit Union has grown to:



### LOOKING AHEAD

This year, 2024 the Credit Union will mark sixty-five (65) years of existence, and while this milestone generally signals retirement for most individuals, for the Credit Union this triggers our will for renewal, rebranding and repositioning the organization for greater growth.

The main objectives of 2024 are:

- a comprehensive organizational review,
- the implementation of a new loan origination system,
- digitization of members' transaction records,
- the completion of a new head office and branch facility.

### BANKING OPERATIONS

The Banking Operations department sits at the heart of our product and service delivery activities. This department encompasses our Branch Network, the Credit department, Member Services as well as Data Collection Storage and Retrieval unit. The main objectives of the Banking Operations Department for 2024 are to:

- **Increase the business generating capacity of all locations:** this objective will be met by conducting new business generation reviews and performance assessments as well as implementing a major schools visits drive in the Kingston and St. Andrew region. This school visit drive will greatly increase the Credit Union's membership growth, which is a major goal.

- **Implement the digital loan origination process-**The loan origination system will facilitate an efficient processing of the members' loan applications and will be critical to the automation of our business processes. This will result in several benefits including:

1. members being required to complete less paperwork
2. the facilitation of a greater risk-based lending process
3. the streamlining of loan administration
4. a reduction in the volume of printed material.

- **Improve procedural and regulatory compliance in operations.**

To achieve this, we will ensure that all operational procedures are updated and will formulate procedures for data protection and privacy. A procedural manual will also be produced.

- **Delinquency management**

As we move forward in 2024, we must place strong emphasis on not just generating new loans and increasing savings, but we must also manage our delinquency portfolio. During 2023 the delinquency rate rose as high as 4.15% or \$601M. The increase in delinquent loans and the related bad debt provisions remains the greatest risk to the Credit Union's viability. To maintain a reasonable rate the following strategies are being utilized:

- increase the documentation of all email addresses and current contact information for our members,
- follow up members 14 days or more past due to detect delinquency at the earliest point,
- visiting schools and other institutions to ensure that the salary deduction agreement is enforced,
- timely charge-off of non-performing loans.

There are some members whom the Credit Union has been unable to contact and some who are deliberately refusing to pay on their loans. For these individuals, the strongest delinquent debt recovery process will be enforced. This includes listing whereabouts request in the local newspapers and on our social media pages and soliciting the services of bailiffs to enforce payment and recover collateral.

The Credit Union offers various channels for members to remit payment and maintain their accounts from anywhere in the world via:

1. Our Website through Credit card
2. Remittance agencies - Xoom via JMMB, and RIA via VMBS
3. Wire transfer
4. Bank transfer and Bill payment via BNS and NCB
5. Standing orders

## **MARKETING & PUBLIC RELATIONS**

The Marketing & Public Relations Unit continues to build that bridge between the Credit Union and its membership. In 2023 the Credit Union supported several school initiatives across the island, we supported our members with bursaries, scholarships and grants, and will continue to do so in 2024. Two schools, Herbert Morrison Technical High and Lacovia High, were winners of the Better Schools...Better Jamaica programme and Mrs. Erica Allen-Lennon was named the star Teacher of the year for 2023. To all our scholarship and grant winners as well as our Better Schools and Star Teacher winner we say big congratulations.

In 2024 the Credit Union will continue these initiatives as well as implement new ones. High on our list of priorities for 2024 is our increased school visits. We know that our members are on the ground in the schools and so we will reach them on their territory. There is a

new avenue on our website for our members to book visits from us to their schools. We are encouraging our members to use this channel to invite the Credit Union to meet with you in your school, to recruit new members and get updates about our latest activities.

The Credit Union intends to increase the use of its website, allowing members to conduct some business processes and provide financial counselling services to those who may need it. We will also embark on a redesign of the branch offices to reflect a more modern and uniform presentation of the organization to its members. The Credit Union will be developing a fresh, new logo to give the organisation a stronger identity. Educating our membership is a top priority for the Credit Union and as such we will be hosting an education seminar that will bring greater awareness about the Credit Union, its purpose, benefits and offerings to our members.

## **RISK AND COMPLIANCE-**

In everything that we do as an organization there are inherent risks involved and if no attention is paid to these risks, then the organization will be left exposed and vulnerable to breaches. To stave off these events, policies and procedures have been implemented by the organization and will continue to be monitored and refreshed as needed.

The Data protection Act became a reality in 2023 and as such going forward for 2024, we will have to abide by this act. Non compliance can result in heavy fines for the Credit Union, so to ensure we are in compliance the organization has created a steering committee to guide the implementation process. Before the enactment of the Data Protection Act in 2023, the Credit Union undertook a company-wide sensitization blitz and as a result both management and staff are aware of ways that they can protect the data of our members and what failure to do so can cause. As required by law, a Data Protection Officer has been identified and engaged by the organization.

The Risk and Compliance unit of the Credit Union continues to monitor transactions to see where inconsistencies occur. All types of fraud, money laundering and other suspicious transactions are closely and regularly monitored to ensure a secure and compliant business environment.

## INFORMATION TECHNOLOGY

The Role of the Information Technology (IT) Department is to ensure the smooth operations of all product and service delivery using technology. To that end, there is a continued thrust toward the use of new and emerging technologies to carry out the business of the Credit Union. During 2024 the Credit Union will seek to carry out a third-party integration with our banking system. This integration will allow for greater efficiencies, increased access to members and timely dissemination of information. Our online facility will be expanded, the e-commerce capabilities strengthened and the special services email channel will all be enhanced to allow members to access the services of the Credit Union remotely.

## HUMAN RESOURCE DEVELOPMENT AND ADMINISTRATION

The HRD and Administration department continues to carry out its main function of ensuring that the organization is fully staffed with a strong, diverse and competent workforce. During 2024 the HRD and Administration department will undertake two major initiatives. The first is an organizational review and the second is the buildout of a new head office for the organization.

Organizational review- This review will ensure that the Credit Union's mission, vision and strategic goals are aligned with its day-to-day operations and decision-making process. This will ensure that the Credit Union has the optimal organizational structure in place.

New head office location- the JTA Co-operative Credit Union is in the process of completing a new head office location at 107 Constant Spring Road, Kingston. This initiative began in 2023 and will be completed in 2024. Other branch locations will also be improved during 2024, these include May Pen, the current head office location and Linstead branches.

## STAFF MOVEMENTS

During 2023 the Credit Union saw an unprecedented wave of staff members movements. There were nine resignations, four retirements and the Credit Union welcomed eleven new members of staff.

## Retirement

I must take this opportunity to say a very special thank you to the following four ladies who together have served the Credit Union for a total of one-hundred and fifty years.

Audrey Fung	Audit Supervisor
Andrea Grant Brown	Branch Supervisor
Nadine Blackwood	Loans Officer
Vera Sharpe	Supervisor, Loans Mortgage Officer

These ladies represent for me the true meaning of loyalty and commitment.

## Employee of the Year

Nova Swaby

## Branch of the year

Port Maria

## Salesman of the Year

Angella Hartley

## Leadership Cup winner of the year

Denise Walker

## 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 can. 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 many school administrators and the Ministries of Finance and Education with which we collaborate to make our operations a success.

Above all, thanks to the Almighty God who has continued to be faithful in providing us with wisdom, guidance and blessings.



Robert Ramsay  
General Manager



## Retirement



**VERA SHARPE**  
SUPERVISOR, LOANS  
MORTGAGE OFFICER



**AUDREY FUNG**  
AUDIT SUPERVISOR



**ANDREA GRANT  
BROWN**  
BRANCH SUPERVISOR



**NADINE BLACKWOOD**  
LOANS OFFICER



**NOVA SWABY**  
EMPLOYEE OF THE YEAR



**PORT MARIA**  
BRANCH OF THE YEAR



**ANGELLA HARTLEY**  
SALESMAN OF THE YEAR



**DENISE WALKER**  
LEADERSHIP CUP WINNER OF THE YEAR

# FEES!

WHAT FEES?



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



- NO** WITHDRAWAL
- NO** DEPOSIT
- NO** ACCOUNT HOLDING
- NO** ACCOUNT STATEMENT
- NO** MINIMUM BALANCE
- NO** ACCOUNT MAINTENANCE
- NO** ACCOUNT REACTIVATION

# FEES

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



**JTA Co-operative  
Credit Union Limited**

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

Contact us at: Tel. (876) 922-2009 / (876) 618-1706 or  
Email: [info@jtacreditunion.com](mailto:info@jtacreditunion.com) | Website: [www.jtacreditunion.com](http://www.jtacreditunion.com)



JAMAICA TEACHERS'  
ASSOCIATION CO-OP  
CREDIT UNION LTD



## REPORT OF THE **NOMINATING COMMITTEE**

FOR THE YEAR ENDED DECEMBER 31, 2023



**MR. LEBERT  
DRYSDALE**  
CHAIRMAN



**MRS. ABIGAIL JAMES**  
MEMBER



**MS. GRACE SAVAGE**  
MEMBER



**MRS. LISA TAYLOR**  
ASSISTANT GENERAL  
MANAGER

The Nominating Committee met at the Jamaica Teachers' Association Co-operative Credit Union Limited, 97a Church Street, Kingston on Thursday, April 11, 2024

Present were:

Mr. Lebert Drysdale - Chairman

Mrs. Abigail James - Member

Ms. Grace Savage - Member

Mrs. Lisa Taylor - Assistant General Manager, Advisor to the Committee

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



The said Nominating Committee reports as follows:

Retiring members are:

#### **Board of Directors**

- Dr. Margaret Bailey - Region 1 (Kingston, St Andrew, St Catherine)
- Mr. Rudolph Sewell - At Large
- Mr. Patrick Smith - Region 5 (St Elizabeth, Manchester, Clarendon)
- Mr. Paul Adams - Region 5 (St Elizabeth, Manchester, Clarendon)
- Mrs. Karen Hewett - Kennedy At Large

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

- Dr. Margaret Bailey - Region 1 (Kingston, St Andrew, St Catherine)
- Mr. Rudolph Sewell - At Large
- Mr. Patrick Smith - Region 5 (St Elizabeth, Manchester, Clarendon)
- Mr. Paul Adams - Region 5 (St Elizabeth, Manchester, Clarendon)
- Mrs. Karen Hewett - Kennedy - At Large

#### **Credit Committee**

Retiring members are:

- Mrs. Lena Russell
- Mr. Leaon Nash
- Mr. Christopher Sinclair - Deceased

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

- Mrs. Lena Russell
- Mr. Leaon Nash
- Ms. Debbie Meek (to serve unexpired portion of 1yr. of Mr. Sinclair's term)

#### **Supervisory Committee**

All members are retiring:

- Mrs. Mary Dick
- Mrs. Dawn Steele
- Mr. Aston Messam
- Mrs. Glecia Beckford
- Mr. Clayton Hall

- Ms. Tina Reid
- Ms. Andria Givans

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

- Mrs. Mary Dick
- Mrs. Dawn Steele
- Mr. Aston Messam
- Mrs. Glecia Beckford
- Mr. Clayton Hall
- Ms. Tina Reid
- Ms. Andria Givans

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 2025**

Volunteers retiring will be as follows:

#### **Board of Directors**

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

#### **Credit Committee**

- Mrs. Anne Geddes Nelson
- Mr. Norman Allen
- Ms. Debbie Meek

#### **Supervisory Committee**

(All persons nominated in 2024)



Lebert Drysdale  
Chairman



# NOMINEES' PROFILES



## RUDOLPH ANTHONY SEWELL

Mr. Sewell has been a member of the JTA Co-op Credit Union for over 30 years.

An educator with experience in managing educational entities, programmes and projects, serving as member of Boards of Directors, as well as facilitating technology and management courses.

### CAREER EXPERIENCE:

Vice President, Administration  
The Mico University College  
(September 2017 – Present)

Acting President  
The Mico University College  
(September 2023 – April 2024)

Acting Dean, Faculty of Education,  
The Mico University College  
(September 2014 – December 2015)

### EDUCATION:

Executive Masters in Educational  
Management (Distinction) UWI  
Mona School of Business - 2010

Bachelor of Science in Trade and  
Industrial Education (Honours)  
University of Arkansas, 1989

Teachers' Diploma in Industrial Arts  
(Honours)  
The Mico College, 1984

### PROFESSIONAL ASSOCIATIONS/ ENGAGEMENTS:

Member of the Jamaica Teachers'  
Association (JTA) and the Association  
of Caribbean Higher Education  
Administrators (ACHEA)

Member of School Boards (Jonathan  
Grant High & The Mico University College)

Member of the Supervisory Committee of  
the JTACCUL (2020-2023)

Member of the Board of Directors of the  
JTACCUL (2023 – present)

# NOMINEES' PROFILES



## ANDRIA GIVANS

Ms. Givans has been a member of the Jamaica Teachers' Association Co-operative Credit Union Limited for 25 years having joined in May 1999.

A Dedicated educator/principal committed to fostering student growth through innovative educational programs.

An effective instructional leader who firmly believes that every child is capable of greatness. With a proven track record of developing student-centred environments and cultivating positive relationships with staff and parents. Driven to create holistic learning experiences that empower students to thrive academically, socially, and emotionally.

Principal - Sept. 2016 to present  
Naggo Head Primary

### EDUCATIONAL HISTORY

Western Caralina University  
Masters in Educational Supervision - 2008 – 2010  
University of the West Indies  
Bachelors of Art in Library and Information Studies –  
2001 to 2004

### NATIONAL DUTIES:

Electoral Office of Jamaica  
Supervisor for National Election - (1997 – present)  
Voluntary Work:  
Friends of Region 6 – JTA  
Committee Member (2022 – present)  
Gregory Park Baptist Evening Institute  
Social Studies Tutor (2014-2016)



## DEBBIE A.M. MEEK

Ms. Meek has been a member of the Jamaica Teachers' Association Co-operative Credit Union Limited for 21 years having joined in March 2003.

She is a highly motivated and results-oriented professional with over 30 years of experience in education.

### PROFESSIONAL EXPERIENCE:

Elletson Primary and Infant School  
Principal  
September 2020-present

### EDUCATIONAL HISTORY

University of the West Indies Open Campus 2021  
Professional Qualification for Principalship (PQP)  
University of the West Indies 2006  
Bachelor of Education Degree  
Shortwood Teachers' College 1991  
Diploma in Teaching

### COMMUNITY INVOLVEMENT:

Yellow Flowers Women's Network (YFWN) founding  
member -Meadowbrook United Church  
Circle K International  
Eastern Canada and the Caribbean Circle K District

(E.C &C)  
Distinguished President Award

### LEADERSHIP EXPERIENCE:

JTA Co-op Credit Union Ltd.  
Contact Teacher 2002 - present  
Jamaica Teachers' Association  
• St. Andrew Teachers' Association  
• West Central St. Andrew District Association

### National Duties:

Electoral Office of Jamaica  
Poll Clerk & Presiding Officer  
1997 & 2016



# 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



# GENERAL MANAGER'S OFFICE & INFORMATION TECHNOLOGY



**ROBERT RAMSAY**  
GENERAL MANAGER



**ANDREA REEVES**  
EXECUTIVE SECRETARY



**KEMEISHA SEWELL**  
CLERK-TYPIST



**FABIAN WEBB**  
MANAGER, INFORMATION  
TECHNOLOGY



**PHIONA MARTIN**  
AUDIT SUPERVISOR



**ALTHEA SIMMS**  
AUDIT OFFICER



**J'REEENEEN DIXON**  
AUDIT CLERK



**DAVID WAITE**  
IT OPERATIONS OFFICER



**DENISE WALKER**  
MARKETING & PR OFFICER



**GERTLINE WHITE**  
ASSISTANT  
MARKETING & PR OFFICER



**TIFFANNI ROBINSON**  
RISK & COMPLIANCE MANAGER



**DAMION CAMPELL**  
SYSTEM SUPPORT TECHNICIAN

# HUMAN RESOURCE & ADMINISTRATION



**SUEZETTE  
HEMMINGS-BRYAN**  
HRD & ADMINISTRATION MANAGER



**NICKEISHA VERMONT**  
HUMAN RESOURCE  
DEVELOPMENT OFFICER



**LATOYA GOODEN-  
REID**  
SUPERVISOR OFFICE SERVICES



**HEATHER HIGGINS**  
SECRETARY, HRD &  
ADMINISTRATION



**BRITNEY CARTER**  
TELEPHONE OPERATOR-  
RECEPTIONIST



**SHANNIA SLOLEY**  
OFFICE ATTENDANT



**SHEREEN DUDHI**  
OFFICE ATTENDANT



**MARCIA WILLIAMS**  
OFFICE ATTENDANT



**ROBERT MURRAY**  
MESSENGER



**NORVAL GORDON**  
PORTER



# CREDIT DEPARTMENT



**MARIE MORGAN**  
CREDIT MANAGER



**PETHREL GREEN**  
CLERK-TYPIST



**DAVE BLACKWOOD**  
SUPERVISOR LOANS,  
MORTGAGE OFFICER



**CALOO PINNOCK**  
LOANS OFFICER



**ALEXIA WILLIAMS**  
LOANS OFFICER



**FAITH HULL**  
LOANS SECURITIES OFFICER



**TREY ADMAN**  
LOAN SECURITIES CLERK



**CAROL RINGROSE**  
DELINQUENCY OFFICER



**RUSHANE DALEY**  
DELINQUENCY CLERK



**DANE LAZARUS**  
DELINQUENCY CLERK



# FINANCE DEPARTMENT



**MAXINE NUGENT**  
MANAGER, FINANCE



**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



**JAZERENE REID**  
ACCOUNTS CLERK



**TIFFANY CLARKE**  
MEMBERSHIP SERVICE  
REPRESENTATIVE



**OPAL CARTY**  
ACCOUNTS CLERK



**FLETCHER JACOBS**  
MEMBERSHIP SERVICE  
REPRESENTATIVE



**VANESSA FARQUHARSON**  
ACCOUNTS CLERK/BRANCH  
RECONCILIATION



**TORI STYLE**  
ACCOUNTS CLERK  
- EXPENSE PAYABLE



# BANKING OPERATIONS



**LISA TAYLOR**  
ASSISTANT GENERAL MANAGER/  
BANKING OPERATIONS



**PAULINE  
STEWART-TIBBY**  
SECRETARY, BANKING



**TONI-ANN FRASER**  
MEMBER SERVICES CO-ORDINATOR



**SHANIEK MAYNE-  
JONES**  
MEMBER INFORMATION OFFICER



**SHAWNA SYMISTER**  
MEMBER INFORMATION CLERK



**ALICIA SIMPSON**  
REGISTRY SUPERVISOR



**LISA SMITH**  
REGISTRY CLERK



**JAYSON BARNETT**  
REGISTRY CLERK

## BROWN'S TOWN



**ANGELLA HARTLEY**  
REGIONAL OFFICER PORT MARIA,  
PORT ANTONIO AND BROWN'S TOWN



**SHAIEKIA BOWERS-BLACK**  
BRANCH SUPERVISOR



**LOTOYA SIMPSON-ALLISON**  
MEMBER SERVICE REPRESENTATIVE



**MOESHA GREAVES**  
BRANCH CLERK



**NICOLE LAWRENCE**  
BRANCH CLERK



**STEPHANIE JACKSON**  
OFFICE ATTENDANT

## LINSTAAD



**ROWAN MCFARLANE**  
REGIONAL OFFICER  
MAY PEN & LINSTAAD



**KERENE GRIFFITHS**  
BRANCH SUPERVISOR



**KERRISHA FACEY**  
MEMBER SERVICE  
REPRESENTATIVE



**FAYONA EDWARDS**  
BRANCH CLERK



**TANEEL RAINFORD**  
BRANCH CLERK



**MICHELLE RODNEY**  
OFFICE ATTENDANT



# REGIONAL OFFICES

## MANDEVILLE



**MAÏSE HAYLES**  
REGIONAL OFFICER MANDEVILLE  
& SANTA CRUZ



**NOVA SWABY**  
BRANCH SUPERVISOR



**TELSIA THOMPSON**  
MEMBER SERVICE  
REPRESENTATIVE



**ALEX HIGGINS**  
BRANCH CLERK



**VENNEL TAI**  
OFFICE ATTENDANT

## MAY PEN



**ROWAN MCFARLANE**  
REGIONAL OFFICER LINSTAD  
& MAY PEN



**ALDERENE ROYE**  
BRANCH SUPERVISOR



**SHEVELLE GRANT**  
MEMBER SERVICE  
REPRESENTATIVE



**TISHAWN HIBBERT**  
BRANCH CLERK



**TYRONE PINNOCK**  
BRANCH CLERK



# 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



**NATANYA FOSTER**  
BRANCH CLERK



**SYLVIA MULLINGS**  
OFFICE ATTENDANT

# REGIONAL OFFICES

# MORANT BAY



**MILLICENT WESTCARR**  
REGIONAL OFFICER  
PORTMORE & ST. THOMAS



**GLENDIA 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



**MILLICENT 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



**TANISHA SCOTT**  
BRANCH SUPERVISOR



**SHERRI-GAE BROWN**  
MEMBER SERVICE  
REPRESENTATIVE



**PAULA WILLIAMS**  
BRANCH CLERK



**KAREN WHITE-CASSIE**  
OFFICE ATTENDANT



**TORI-ANN  
CLEGHORN**  
BRANCH CLERK

## PORT MARIA



**ANGELLA HARTLEY**  
REGIONAL OFFICER PORT MARIA,  
PORT ANTONIO AND BROWN'S TOWN



**VERON WESTON**  
BRANCH SUPERVISOR



**TATLYN ANDERSON**  
MEMBER SERVICE  
REPRESENTATIVE



**JOAN SUER  
SOMIREDDY**  
BRANCH CLERK



**SHANTEL  
DUCKIE-DANVERS**  
BRANCH CLERK



**KAREN FLYNN**  
OFFICE ATTENDANT

## SANTA CRUZ



**MAISE HAYLES**  
REGIONAL OFFICER  
MANCHESTER & ST. ELIZABETH



**NAGRA BENNETT**  
BRANCH SUPERVISOR



**LEONARD SMITH**  
MEMBER SERVICE  
REPRESENTATIVE



**KISHANN  
ROCHESTER-DYER**  
BRANCH CLERK



**SIMONE HENDRICKS**  
BRANCH CLERK



**MELLODY KERR**  
OFFICE ATTENDANT



## REGIONAL **OFFICES**

### **SAVANNA-LA-MAR**



**MARK THOMAS**  
REGIONAL OFFICER  
MONTEGO BAY & SAV-LA-MAR



**AMANDA HERON**  
BRANCH SUPERVISOR



**DEIDRE-ANN  
WILLIAMS**  
BRANCH CLERK



**SASHAWNA  
EDWARDS**  
BRANCH CLERK



**GIFFET SHAKES**  
OFFICE ATTENDANT





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## 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



# Christopher Sinclair

## A TRUE FRIEND AND COLLEAGUE

Service to others is the rent you pay for your room here on earth. -Muhammed Ali.

In late November 2023 Christopher Sinclair, JP. said goodbye to the world. His passing is an enormous loss, to not only his immediate family and school community but also the JTA Co-op Credit Union. Mr. Sinclair became a member of the Credit Union in August 1998; his organizational and leadership skills brought him to the attention of the Credit Union as someone who could serve the membership. He was subsequently selected to serve as a member of the Credit Union's Credit Committee as well as Policy Committee he served on these committees between the years 2016 until the time of his passing in 2023. During this time, he proved himself to be reliable, knowledgeable and someone willing to do all he could to assist the membership. Christopher was the Principal of Duckenfield Primary School, a Justice of the Peace and Past President of the Lions Club of St. Thomas. He was also well respected and a committed Miconian who did it all with his might.

Christopher was a god-fearing, family man who was passionate about his family and those he served,

even on the days when he was not at his best he still smiled and gave of himself as much as he could. Of Christopher, his former colleagues of the Credit Committee have said that he served the Credit Union's community well. He was an outspoken person who spoke without malice, a good colleague who was respected, admired and appreciated for the contributions he made to the Credit Committee and the wider JTA Co-op Credit Union. Christopher was also an integral part of the Policy Committee and was always concerned about how changes in the policies, and procedures of the Credit Union would affect the well-being of the members while adhering to international and national laws.

Mr. Sinclair proved himself to be a real credit union man who sought to promote the organization and its numerous benefits whenever and wherever he could. He is remembered as a true ambassador, someone who saw the value of the Credit Union and was not afraid to say so.

**In Christopher Sinclair the Credit Union has lost a valuable volunteer, a caring colleague and a true friend.**



## 2023 OBITUARIES

Ainsworth	Dorset M.	McIndoe	Uriel
Alpheus	Solan	McInnis	Bevin
Bacchas	Vincent	Mckenzie-Smith	Nordeen
Beckford	Monique	Miller	Nicholas
Bennett	Jean	Oliver	Estelene
Blake	Vinceroy	Pennant-Campbell	Velma
Braham-Morgan	Delores	Roache	Virginia
Brooks-Walker	Claudette	Robinson	Paulette A.M.
Brown-Ellison	Jennifer	Rodwell	Peter
Brown	Marlene	Rose-Brooks	Sonia
Burnett	Chester	Russell	Angela
Burnett	Horace	Samuda	Claudia
Chung	Marjorie	Sinclair	Christopher
Clarke	Pamela Jean	Sloley	Sonia
Clarke	Melva	Small	Merlyn
Clennon-Gordon	Denise	Smalling	Sameika
Cole	Abbygayle	Smith	Adith
Coote	Clifford	Smith	Marjorie
Cunningham	Shenalee	Stephens	latchmore
Daley	Joan	Stewart	Nellie
Dowie-Whyte	Janet	Tait	Beryl
Doyle	Kerryann	Thompson-Oliver	Lucille
Findlater	Angela	Tomlinson	Alexis
Francis	Eda	Vassell	Philomine
Graham-McLeod	Ethelyn	Wallen	Marjorie
Henry	Ismay	Walter	Lloyd
Henry	Lesmond	Weathers	Evadney
Haye-Riley	Angela	Weir	Mary
Hutchinson	Latoya	Williams	Jacinth
Kerr	Margianna	Williams	Omar
Manley	Sanjay	Witter	Donnette

# 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**

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## **MAY PEN**

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May Pen, Clarendon  
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## **MONTEGO BAY**

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Montego Bay, St. James  
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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  
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## **PORT MARIA**

Little Bay, St. Mary  
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**MANAGER: ANGELLA HARTLEY**  
Email:branch05@jtacreditunion.com

## **SANTA CRUZ**

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## **SAVANNA-LA-MAR**

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Savanna-la-mar, Westmoreland, Leeds Plaza  
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**MANAGER: MARK THOMAS**  
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