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Your Credit Union



You may have seen this symbol before on our posters perhaps, or in our newsletters or in a newspaper, or even on Credit Union Buildings islandwide, but you may not know what it means.

We think it's important that you know and we'd like to give you a formal introduction.

The "hands family and globe" symbol as it is called stands for Credit Unions everywhere -whether it's a Credit Union where you work or live, no matter if you work or live in Timbuktu or Jamaica.



A pair of hands? The hands represent the self-help nature of all Credit Unions. When you become a Credit Union member you become part of a group of people who save together and make low-cost loans plus several other services to each other from the accumulated funds,

Credit Unions engender democracy in the truest sense of the word - as a member you are part owner of the business and exercise control of its policies. It is your organisation.



Credit Unions are world-wide financial organisations That's why we've

included a globe as part of the overall symbol.

As a matter of fact, there are more than 38,000 Credit Unions all over the world 101 in Jamaica.



The four silhouettes represent the family unit - the family or mankind working for the mutual benefit of all. Care was taken in the actual design to avoid difference between national dress or custom and other details because Credit Unions serve all people all over the world.



Altogether now... the "hands, family and globe" symbol was selected as a trademark that stands for Credit Unions in any language, in any country. the theme is universal and conveys graphically, accurately and instantly.

So when you feel the urge to save money or borrow money, think of the Credit Union where you get low interest loans and all the surplus is returned to you.

***Your credit union -
Is where you belong!***



NOTICE

OF 46th ANNUAL GENERAL MEETING

Notice is hereby given that the 46th Annual General Meeting of the Trelawny Co-operative Credit Union Limited will be held on Saturday, September 16, 2023 at the William Knibb Memorial High School, commencing at 10 a.m. to allow members to:

1. Transact the ordinary business of the Society.

The following protocols will be observed at this Annual General Meeting:

- Members are encourage to wear mask.
- Refreshment will be packaged to go;
- Bounce-a-bout, activities and finger food for kids will be available
- On the day of the AGM Registration begins at 8 a.m.;
- Pre-registration begins online on September 9, 2023, www.trelawnycu.com
- Transportation will be provided from Albert Town, Jackson Town/Clarks Town/Duncans and Wakefield/Deeside/Bounty Hall

N.B. All queries and concerns call 876-954-3253 / 876-582-3747.

Signed this 29th day of August, 2023

Janice Skeen-Miller (Mrs.)
Secretary, Board of Directors



TRELAWNY

CO-OPERATIVE CREDIT UNION LIMITED

Agenda

1. CALL TO ORDER AND ASCERTAINMENT OF QUORUM
2. INVOCATION
3. APOLOGIES FOR ABSENCE
4. CHAIRMAN'S OPENING REMARKS
5. READING AND CONFIRMATION OF THE MINUTES OF THE 45TH ANNUAL GENERAL MEETING HELD ON SATURDAY, NOVEMBER 5, 2022 AND CONSIDERATION OF THE MATTERS ARISING THEREFROM.
7. REPORTS OF:
 - Board Of Directors
 - Treasurer And Auditors
 - Credit Committee
 - Supervisory Committee
8. DISTRIBUTION OF SURPLUS AND FIXING OF MAXIMUM LIABILITY
9. NOMINATING COMMITTEE REPORT
10. ELECTIONS
 - Board Of Directors
 - Credit Committee
 - Supervisory Committee
11. RESOLUTIONS
12. ANY OTHER BUSINESS
13. ADJOURNMENT



TRELAWNY
CO-OPERATIVE CREDIT UNION LIMITED

Minutes

OF THE FORTY-FIFTH ANNUAL GENERAL MEETING OF TRELAWNY CO-OPERATIVE CREDIT UNION LIMITED HELD ON SATURDAY, NOVEMBER 5, 2022 AT THE WILLIAM KNIBB MEMORIAL HIGH SCHOOL'S AUDITORIUM

DEVOTION

Members of staff from the Trelawny Co-operative Credit Union conducted devotion.

ASCERTAINMENT OF QUORUM AND CALL TO ORDER

The 45th Annual General Meeting of the Trelawny Co-operative Credit Union Limited was called to order by Director Maxine Smith, President of the Board of Directors of the Trelawny Co-operative Credit Union League Ltd., at 11:03 a.m., with a quorum of 100 members.

NOTICE OF MEETING

The notice of the meeting was read by Mrs. Janice Skeen-Miller, Secretary of the Board of Directors, indicating that the meeting would discuss the performance of the Credit Union for 2021.

APOLOGIES FOR ABSENCE

Apologies were tendered on behalf of the following persons:

Mr. George Traile
- *Director*

Mrs. Suzette McKail-Linton
- *Credit Committee*

Mrs. Dawn Campbell-Codling
- *Supervisory Committee*

Mrs. Keneisha Elliot-Wilson
- *Supervisory Committee*

Mrs. Krestina McCrea-Thorpe
- *Supervisory Committee*

Mr. Nicholas Elliott
- *Supervisory Committee*

WELCOME

President Smith extended a warm welcome to everyone - members, current and past Directors, Committee members, management, staff and the distinguished guests - to the 45th Annual General Meeting of the Trelawny Co-operative Credit Union.

President Smith also expressed special welcome to the following visitors:

Ms. Celloney Bailey
- *Department of Co-operatives and Friendly Societies (DCFS)*

Mrs. Phueona Reynolds
- *Jamaica Co-operative Credit Union League (JCCUL)*

Mrs. Melaine Campbell
- *Jamaica Co-operative Credit Union League (JCCUL)*

Mr. Sixto Coy
- *HLB Mair Russell (Chartered Accountants)*

President Smith introduced the volunteers in attendance:

Board of Directors:

- Mrs. Maxine Smith
- *President*
- Mrs. Julet Bailey-McNish
- *Vice President*
- Mr. Trevon Clayton
- *Treasurer*
- Mrs. Winsome Harper
- *Assistant Treasurer*
- Mrs. Janice Skeen-Miller
- *Secretary*
- Ms. Geraldine Palmer
- *Assistant Secretary*
- Mrs. Lois Aarons
- *Director*
- Mr. Webster Thompson
- *Director*

SUPERVISORY COMMITTEE MEMBER:

Omar Clarke

CREDIT COMMITTEE MEMBERS:

Ms. Rochelle Anderson
Ms. Fiona Riley-Thomas
Mrs. Margaret Clarke-Thompson
Ms. Charmaine Barrett

GENERAL MANAGER:

Ms. Jheanell Adjudah

READING AND CONFIRMATION OF THE MINUTES OF THE 44th ANNUAL GENERAL MEETING AND THE DECEMBER 11, 2021 SPECIAL GENERAL MEETING

Steve Morris moved a motion for the minutes of the 44th Annual General Meeting and the December 11, 2021 Special General Meeting, having been previously circulated, to be taken as read. The motion was seconded by Ms. Doris Wright. There being no amendments to both minutes, the minutes of the 44th Annual General Meeting was confirmed by Mrs. Paula Samuels-Forrest and seconded by Mr. Glester Rowe, while the minutes for the December 11, 2021, Special General Meeting was confirmed by Ms. Jean Bryan and seconded by Mrs. Margaret Clarke-Thompson.

MATTERS ARISING FROM THE MINUTES OF THE 44th ANNUAL GENERAL MEETING AND THE DECEMBER 11, 2021, SPECIAL GENERAL MEETING

There were no matters arising from both minutes.

REPORTS

BOARD OF DIRECTORS REPORT

President Smith presented the report for 2021. The year continued to be a difficult one following on the start of the COVID-19 pandemic in March 2020. The country returned to growth in the second half of the year and real GDP was estimated to increase by 4.4% by the end of 2021.

In the first half of 2021, the Bank of Jamaica maintained the policy rate at 0.50% per annum. However, by the fourth quarter, the rate was revised upward each month, ending the year at 2.5%. The Inflation rate at year end was 9.1%. The financial sector recorded overall loans growth of 10.1% and deposits growth of 13.1%. Total assets in the financial sector grew by 13.4%.

The Trelawny Co-operative Credit Union continued to be impacted as members in the tourism and transport sectors lost jobs and income due to the closure of hotels and the decision of the cruise ship industry to put cruises on hold. However, the Credit Union was able to achieve asset growth of 10.45%, a growth above the inflation rate.

GOVERNANCE

The Board implemented sub-committees to ensure proper governance of the Credit Union. Meetings of the following committees were held during the year:

1. Finance Committee
2. Delinquency Committee
3. HR Committee
4. Risk Management Committee
5. Outreach Committee

The Committees conducted in-depth analysis of various reports and proposals and made the requisite recommendations to the Board for approval.

SUCCESSION PLAN

After serving the Credit Union for 40 years in the capacity of Committee member, Director, and General Manager, Mr. Winston

Tomlinson retired. A congratulatory resolution was put forward by the Trelawny Co-operative Credit Union and read at the Jamaica Co-operative Credit Union League's Annual General Meeting held on June 18, 2022, thanking Mr. Tomlinson for his yeoman service. Due to the pandemic, the naming of the Falmouth building and send-off for Mr. Tomlinson was postponed until 2022.

The Jamaica Co-operative Credit Union League conducted a salary survey and job evaluation exercise and all employees received salary increases ranging from 8% to 50%, to bring them in line with salaries paid in the Credit Union Movement. All employees were interviewed and assessed regarding their best-fit in the organization and successors were identified for each position.

Nine (9) employees received promotions while seven (7) persons joined the organization. Some employees did not have the qualification and experience required for some of the positions. The Board implemented an educational grant and bonding agreement to assist employees to improve their educational qualifications to meet the minimum requirements for the various positions. The new employees to the Trelawny Credit Union family are in the following positions; Risk Officer, Tellers (2), HR & Administration Officer, Credit and Collections Officer, Accountant and the new General Manager, Miss Jheanell Adjudah.

STRATEGIC PLANNING

The Credit Union held a strategic planning retreat to chart the way forward to meet the needs of members and as well as to satisfy regulatory requirements.

The strategic objectives for 2022-2026 are:

1. Improve member service delivery
2. Improve member education and awareness
3. Streamline branch operations for greater efficiency
4. Enhance technology to support business processes
5. Improve risk and compliance framework
6. Increase loan portfolio
7. Improve delinquency control and management
8. Revive revenue streams
9. Training and development of staff and volunteers
10. Improve internal communication
11. Engaged and motivated staff

DELINQUENCY

The year closed with approximately \$1 billion worth of delinquent loans, with 2,762 members being delinquent in their obligations to the Credit Union. Work continues with the affected members but the Credit Union had to repossess some of the collaterals pledged by members as they either did not visit the Credit Union to make new arrangements, or defaulted on the new arrangements they had agreed to. Members were implored that it was important to visit the Credit Union to discuss their delinquent status so that new arrangements could be made. Collection agencies were also contracted to recover the monies owed by members.

Due to the high delinquency rate, the Credit

Union amended the Loan Policy to ensure that only members who showed the ability to repay the loans were afforded loans. The Credit Union is very liquid and therefore able to meet loan demands, but it can only approve loans to members who demonstrate their ability to repay the loans. Even with those setbacks, the Credit Union ended the year with a surplus of \$35.185 million and met most of the prudential financial ratios monitored by the Jamaica Co-operative Credit Union League.

POLICY AND PROCEDURES REVIEW AND DEVELOPMENT

The Jamaica Co-operative Credit Union League provided temporary administration to the Credit Union in 2021 and assisted the Board and Committees to develop policies and procedures to ensure the safety and soundness of the credit union. Fourteen (14) policies and procedures were reviewed or developed and approved.

The Credit Union also ensured the safety of members, employees and volunteers by implementing the Government's recommendations of physical distancing and sanitization. Shields were also provided for Member Service Officers and Tellers who interacted with the members.

TRAINING AND DEVELOPMENT OF STAFF AND VOLUNTEERS

The Credit Union staff and volunteers received training in various areas such as Credit Administration, Delinquency Management and Collections, Loan Securities Documentation, Anti-Money Laundering and Counter Financing of Terrorism.

Staff members and volunteers also benefitted from activities organized by the Jamaica Co-operative Credit Union League (JCCUL) and the Department of Co-operatives and Friendly Societies (DCFS). The Credit Union was duly represented at the JCCUL AGM, which was held on June 5, 2021, in a hybrid format.

SERVICES

In response to the needs of its membership, the Credit Union continued to offer an attractive suite of products and services during 2021.

Loan Protection and Life Savings Insurance

During 2021 the Credit Union paid \$11.617 million in premiums on behalf of all members to ensure that in the event a member dies their beneficiaries (the relatives they named as their beneficiaries) will receive twice their savings and the loan the member had with the Credit Union would be repaid up to the value of the insured limit.

Twenty-one (21) members' beneficiaries benefitted from the insurance, as the Credit Union paid out \$5.463 million to relatives of deceased members. This benefit, which is paid for by credit unions, is not offered by any other financial institution.

Family Indemnity Plan (FIP)

The FIP is another great benefit for members. A member pays one low premium which covers the final expenses of the member and 5 other family members. In 2021 \$29.988

million was paid out to ninety nine (99) members to give their deceased relatives a decent farewell.

Critical Illness Insurance

Members were encouraged to take advantage of another fine product offered by the Credit Union through CUNA Caribbean Insurance Limited. This insurance covered critical illnesses such as stroke, cancer, major burns. Members were encouraged to sign up with the Credit Union to ensure that they had coverage for these illnesses, which are very common in Jamaica.

Savings Products

Members were encouraged to save for a rainy day and for future plans through the Credit Union's savings products.

ENHANCEMENTS TO THE PHYSICAL PLANT

President Smith reported that the tenant at Water Square was advised that the area was needed to provide a more convenient and conducive space to meet the needs of staff and members. Renovations are currently underway to improve the ambiance and comfort

After years of searching, a suitable property to house the Albert Town branch was acquired. The property was purchased for approximately \$25 million and renovations are in progress. Members in that area are now enjoying a more spacious area to conduct business.

MEMBER ACCESS THROUGH TECHNOLOGY

The Credit Union ensured that members had easy access to their funds by relocating the ATM at the Falmouth branch so that members could access it after opening hours and on weekends. Additionally, a second ATM was installed at the location. Members were encouraged to visit the Credit Union and sign up for their AccessPlus debit card, as they can also use the card at ATMs of financial institutions that are a part of the Multilink network.

The Board will conduct an analysis regarding the installation of an ATM at the Albert Town branch so that members can withdraw from and make deposits to their savings accounts and make loan payments via the ATM.

OUTREACH PROGRAMME

The Credit Union provided assistance to the most vulnerable and needy members of the Credit Union. During 2021, a total of \$4.144 million was disbursed in donations. The Credit Union remains committed to education as it is key to member development, especially Youth Savers, as this assistance contributes to nation building. Bursaries and scholarships were provided to twenty-two (22) needy students to assist with back-to-school expenses.

ACKNOWLEDGEMENTS

President Smith expressed the Board's confidence in the ability of the members to rise above the challenges resulting from the pandemic and the Credit Union's commitment to continue to assist members to bounce back.

She also expressed the Board's confidence in the management and staff who continue to serve members, even under the difficult circumstances. Sincere thanks and gratitude were extended to former Directors and members of the Supervisory and Credit Committees. Their willingness to serve was not only exemplary but exhibited commitment to the development of the parish. Appreciation was also extended to other stakeholders and partners for their loyalty and support over the years. In particular, the following organizations were acknowledged:

- Auditors at HLB Mair Russell (Chartered Accountants)
- The Department of Co-operatives and Friendly Societies
- The Jamaica Co-operative Credit Union League Limited
- CUNA Caribbean Insurance Limited
- The Bank of Jamaica
- Other institutions the Credit Union transacted business with in 2021

DISCUSSION AND ADOPTION OF THE BOARD OF DIRECTORS' REPORT

- Mr. Rudolph Brown commended the Board, Volunteers, Credit Union management, the League and the DCFS for their assistance over the last two years. He further commented that there was no mention of the Internal Audit Officer in the report. President Smith advised that the position was filled internally by Cassandra Lewis.

- Mrs. Paula Samuels-Forrest asked if the two (2) additional Tellers mentioned in the report were still employed. The General Manager responded that one was still with the Credit Union. Mrs. Samuels-Forrest then stated that more Tellers were needed to serve the members as the wait time was very lengthy.
- Mr. Glenville Sewell requested that his account be reinstated as he was not deceased (the account was dormant). The General Manager promised to address the matter directly with him.
- Mr. Delroy Downer stated that the names of the persons promoted should be stated as well as the amounts given to the needy students.
- Mr. Downer also stated that the report did not indicate the number of new members for 2021. President Smith promised to include that information in subsequent reports.

There being no further questions or comments, the Board of Directors' Report was adopted on a motion moved by Mr. Rudolph Brown and seconded by Julet Bailey-McNish. The motion was unanimously carried.

TREASURER'S AND AUDITOR'S REPORTS

The Treasurer, Mr. Trevon Clayton invited Mr. Sixto Coy, Audit representative of HLB Mair Russell to read the Independent Auditor's Report, following which Direct Clayton presented the Treasurer's report.

OVERVIEW

Treasurer Clayton reported that the Credit Union continued to be negatively impacted by the high rate of delinquency and the attendant provisioning requirements under International Financial Reporting Standards 9 (IFRS9). Despite these obstacles and a decline in financial performance, the Credit Union recorded a surplus of \$35.19 million compared to \$44.92 million recorded in 2020, a reduction of 21.67% year over year. This was largely attributable to increased provisioning for delinquent loans and a reduction in the number of new loans granted within the year.

FINANCIAL PERFORMANCE

Total Assets, Liabilities & Capital

The Total Assets, Liabilities and Capital of the Credit Union increased to \$3.38 billion in 2021 when compared to \$3.06 billion in 2020. The increase was mainly attributable to increased members savings, increase in the investment portfolio and the purchase of the new Albert Town branch location. The loan portfolio has been declining since 2019 and since this impacts the Credit

Union's growth and viability, members were encouraged to utilize the services of the Credit Union in this regard.

The Credit Union's capital base steadily increased over the period 2019-2021, but it was important to make additional provisions for unexpected shocks, such as a pandemic, that may have a negative impact on the financial system. The Board recommended that an additional sum be put towards the Credit Union's capital.

A resolution to increase Permanent and Voluntary Shares will be presented to the membership for their approval.

Income & Expenditure

For 2021 the Credit Union's total interest income declined from \$446 million in 2020 to \$368 million, a 17.60% reduction. This decrease resulted from reduced interest income from loans as well as a marginal decline in investment income.

Operating Expenses

Operating expenses increased to \$211 million, up from \$173 million in 2020. Two main items that accounted for the increase were:

1. increase in personnel costs arising from an increase in the staff salaries
2. increase in depreciation provisioning attendant on the completion of renovations at the Head Office.

Delinquency

The delinquency ratio increased from 36% in 2020 to 39.91% in 2021. Loan provisioning had to be increased from \$537.34 million in 2020 to \$706.86 million in 2021. There were 2,762 delinquent loans at the end of December 2021 compared with 2,683 in 2020. Delinquent loans totaled \$1.081 billion in 2021 compared to \$978.06 million in 2020. This is an alarming trend as the number of new loans declined and the probability of default increased.

Members were encouraged to visit the credit union to discuss any challenges they were experiencing in paying their loans. Members were also encouraged to use the services of the Credit Union responsibly by ensuring that they saved diligently and met their loan obligations.

DISCUSSION ON THE TREASURER'S REPORT

- Mr. Rudolph Brown expressed concern for the high delinquency and encouraged the Board to work on it. He also recommended that excess liquidity be invested.
- Mr. Delroy Downer was also concerned about the high delinquency and stated that all delinquent members should be contacted, regardless of who they were.
- Mrs. Paula Samuels-Forrest stated that the loan process was too lengthy.
- Mr. Steve Morris asked what was being done to curtail the high delinquency. The Treasurer advised that members were contacted and a debt collector had been engaged.

There being no further questions or comments, the Treasurer's and Auditor's reports were adopted on a motion moved by Mr. Steve Morris and seconded by Mr. Henry Palmer. The motion was unanimously carried.

CREDIT COMMITTEE REPORT

Mrs. Rochelle Anderson, Committee chairperson, reported that the Committee met on a weekly basis to review members' loan applications. The Committee processed fifty (50) loan applications, provided financial counselling to members, conducted interviews and site visits, reviewed delinquent loans and encouraged members to make additional savings while repaying loans.

The Committee ensured that all loan applications that were approved took into consideration the members' credit history, collateral presented, the purpose of the loan and the member's ability to repay. The Committee also reviewed all loan products and made the appropriate recommendations to the Board of Directors as needed.

Committee members attended Joint Committee and policy review meetings as well as training seminars. They also participated in the Credit Union's strategic planning retreat held on November 20, 2021, where they assisted with formulating strategies for the Credit Department

LOANS ASSESSED BY THE COMMITTEE

Month	No. of Loan Applicants	2021 Activities	
January	0	No. of loan applications reviewed	50
February	4	No. of loans approved	43
March	0	No. of loans declined	7
April	2	No. of interviews conducted	5
May	2	No. of loans recommended to the Board for approval	0
June	11	No. of loans deferred	6
July	7	Site Visits	2
August	5		
September	7		
October	7		
November	2		
December	3		
Total	50		

Loan Type (approved by the Credit Committee)	Total Value
Motor Vehicle	\$ 37,574,042.71
Land & Building	\$ 8,377,500.00
Domestic Expenses	\$ 1,200,000.00
Debt Consolidation	\$ 375,000.00
Education	\$ 345,000.00
Agriculture	\$ 720,000.00
Medical Expenses	\$ 450,000.00

LOAN ANALYSIS – 2021

Purpose	Year 2021	Year 2020	Variance
Agriculture	\$13,054,750.60	\$11,385,500.00	\$1,669,250.60
Business	\$14,798,127.58	\$36,883,311.94	-\$22,085,184.36
Business Development	\$550,000.00	\$1,604,330.64	-\$1,054,330.64
Debt Consolidation	\$5,381,143.28	\$8,370,848.42	-\$2,989,705.14
Domestic	\$120,344,399.42	\$165,787,302.75	-\$45,442,903.33
Education	\$8,991,942.08	\$22,965,615.23	-\$13,973,673.15
Funeral	\$4,494,740.80	\$4,116,778.36	\$377,962.44
Furniture & Appliances	\$7,765,699.01	\$6,728,192.16	\$1,037,506.85
Land & Building	\$63,673,371.28	\$131,593,508.27	-\$67,920,136.99
Legal Expenses	\$436,148.85	\$550,000.00	-\$113,851.15
Wedding	\$0.00	\$350,000.00	-\$350,000.00
Medical	\$5,590,828.03	\$5,400,773.14	\$190,054.89
Motor Vehicle & Insurance	\$274,717,741.49	\$397,880,191.84	-\$123,162,450.35
NHT Housing	\$40,000.00	\$0.00	\$40,000.00
Staff	\$9,323,505.90	\$5,698,263.01	\$3,625,242.89
Travelling	\$50,000.00	\$215,000.00	-\$165,000.00
Within Savings	\$24,139,600.00	\$6,291,115.00	\$17,848,485.00
Total	\$553,351,998.32	\$805,820,730.76	-\$252,468,732.44

Mr. Downer asked for an explanation for the Provision for Other Losses. The Treasurer advised that this amount was set aside in case of any unforeseen losses, so that the Board does not have to call a Members' Meeting to approve any additional funds.

There being no further comments or questions, the Treasurer moved a motion for the acceptance of the distribution of surplus; Mr. Omar Clarke seconded the motion. The motion was unanimously carried.

PROPOSAL FOR THE FIXING OF THE MAXIMUM LIABILITY

In keeping with Rule 72, the Board of Directors recommended that the maximum liability (borrowing limit) should not exceed fifteen (15) times the Credit Union's Capital and Reserve Fund. The motion was moved by Director Clayton and seconded by Ms. Rochelle Anderson. The motion was unanimously carried.

NOMINATING COMMITTEE REPORT

The Nominating Committee report was presented by Director Clayton. Following the presentation of the report, Mr. Clayton reminded everyone that nominees must be fit and proper to serve and should not be delinquent in their financial obligations with any financial institution. A motion to adopt the Nominating Committee's Report was moved by Ms. Rochelle Anderson and seconded by Mr. Glester Rowe. The elections for the Board of Directors, Credit Committee and Supervisory Committee were presided over by Ms. Celloney Bailey of the Department of Cooperative and Friendly Societies (DCFS). A motion to confirm the nominees was moved by Mr. Glester Rowe and seconded by Mr. Rudolph Brown. There were no nominations from the floor and all recommended nominees were unanimously accepted. The results of the Elections were as follows:

BOARD OF DIRECTORS

- Mrs. Maxine Smith (1 year)
- Mrs. Winsome Harper (1 year)
- Mrs. Janice Skeen-Miller (1 year)
- Mr. Trevon Clayton (2 years)
- Mr. Webster Thompson (2 years)
- Ms. Lois Aarons (2 years)
- Mr. Omar Clarke (3 years)
- Mr. Steve Morris (3 years)
- Mr. George Traile (3 years)

CREDIT COMMITTEE

- Mrs. Fiona Riley-Thomas (1 year)
- Mrs. Margaret Clarke-Thompson (1 year)

- Ms. Charmaine Barrett (1 year)
- Ms. Rochelle Anderson (2 years)
- Ms. Shawnon Francis (2 years)

SUPERVISORY COMMITTEE (1 year)

- Mr. Kenroy Gordon
- Mr. Ronald Blissett
- Ms. Claudette Cooke
- Ms. Dedra Brown
- Mrs. Zaila Francis Scott

DELEGATES/ALTERNATE DELEGATES TO THE LEAGUE

- President Delegate
- Treasurer Delegate
- Secretary Alternate-Delegate
- General Manager Alternate-Delegate

A motion to confirm the Delegates and Alternate Delegates to the League was moved by Mr. Henry Palmer and seconded by Mr. Rudolph Brown

RESOLUTIONS

- A Congratulatory Resolution to the Credit Union's former General Manager, Mr. Winston Tomlinson, was moved by President Smith and seconded by Mr. Glester Rowe.
- A second Resolution to amend the Credit Union's Rules regarding minimum Permanent and Volunteer Shares; Credit Committee Term Limits; Virtual and Hybrid Committee Meetings was read by Director Bailey-McNish.

- A motion to adopt the insert entitled "Proposed amendment to the resolution to increase the minimum shares requirement" was moved by Director Skeen-Miller and seconded by Ms. Rochelle Anderson.
- Mrs. Paula Samuels-Forrest wanted to know the reason for the increase. She commented that due notice should have been provided, prior to the meeting. President Smith advised that the notice was placed on the Credit Union's website.
- The Resolution to amend the value of Permanent and Voluntary Shares was accepted on a motion moved by Mrs. Paula Samuels-Forrest and seconded by Ms. Doris Wright.
- The Resolution was carried: 77/100 accepted: 1/100 rejected: 22/100 abstained
- A motion to accept the amendments to the Rules was moved by Mr. Steve Morris and seconded by Mr. Henry Palmer.

ANY OTHER MATTERS

- President Smith thanked Mr. Glester Rowe, Mr. Rudolph Brown and all former

Presidents/Directors, for attending the meeting.

- Mr. Henry Palmer indicated that:
 - he was not happy with the level of communication with members, specifically in relation to the notice of the AGM, as well as members not being advised of the discontinuation of the usage of passbooks.
 - he was not aware of how the former General Manager was recognized, upon his retirement.
 - he wished to know the names of employees who were separated from the credit Union and the reason for the separation
- President Smith reported that a town crier was engaged to announce the date and time of the AGM and the recognition function held for Mr. Tomlinson was not widely advertised due to time constraints.

She also reported than an Information Desk is now in place at the Main branch, to help in providing information/ assistance to members.

- In relation to staff separation President Smith advised that the Board had reviewed the organization's structure in keeping with operations within the Credit Union Movement. She further stated that staff separations were by way of redundancies and the affected staff were given the opportunity to apply for the new positions. The Operations Manager, Credit Manager and Albert Town Branch Supervisor positions were made redundant and Branch Managers were recruited for both branch locations.

TERMINATION

President Smith requested a motion for the termination of the meeting. The motion was moved by Ms. Suzette Clarke and seconded by Mrs. Paula Samuels-Forrest. The meeting was terminated at approximately 2:15 pm.



Janice Skeen-Miller (Mrs.)
Secretary



We can finance your next

Mortgage

UTILIZED
FOR
THE PURCHASE
OF PROPERTY
OR LAND

8%
PER ANNUM
Interest Rate

We will Finance up to 95% Market Value of the Property

Loan tenure up to 30 years

CONDITIONS APPLY



Trelawny Co-operative Credit Union *your financial dream is our responsibility*



www.trelawnycu.com info@jtccu.com



876 954 3253 / 582 3747





TRELAWNY
CO-OPERATIVE CREDIT UNION LIMITED

Board of Directors



Maxine Smith
President



Juliet Bailey-McNish
Vice President



Trevon Clayton
Treasurer



Janice Skeen-Miller
Secretary



Winsome Harper
Asst. Treasurer



George Traile
Director



Lois Aarons
Director



Webster Thompson
Director



Geraldine Palmer
Assistant Secretary



TRELAWNY
CO-OPERATIVE CREDIT UNION LIMITED

REPORT

of the Board of Directors



Maxine Smith -
President

I am honored to share the performance of the Trelawny Co-operative Credit Union on behalf of the Board of Directors for the year ending 2022. Despite challenges posed by the local economy's post-pandemic recovery and the competitive financial landscape, the Credit Union demonstrated strong performance. These outcomes reflect our ongoing focus on excellence, unwavering dedication to serving you, and the leadership's commitment to anticipating and addressing the evolving needs of our members.

ECONOMY - B O J

In his yearly report to the nation for 2022, the Governor of the Bank of Jamaica presented the following economic indicators about Jamaica's economic performance and outlook.

- Domestic inflation remained above the Bank's inflation target of 4.0 to 6.0 per cent for the year 2022 trending since 2021.
- In response to that trend, the Bank's Monetary Policy Committee (MPC) employed a three-pronged approach in its monetary policy actions, which had commenced in the last quarter of 2021. These were: (i) raising the Bank's policy interest rate by 450 basis points (bps) to 7.0 per cent during 2022, following In December 2022.
- The moderation predominantly reflected lower energy-related inflation, base effects, and the impact of tight monetary conditions. Food-related inflation also stabilized given a deceleration in domestic agricultural price inflation associated with improved production in the sector. The Jamaican economy continued to show signs of strong recovery in 2022, with real quarterly economic activity estimated to have returned to pre-COVID-19 levels in the December 2022 quarter.
- Real gross domestic product (GDP) for 2022 is estimated to have grown by 5.4 per cent, above the increase of 4.4 per cent in 2021.
- The Bank also signaled that its future decisions was conditional on it observing more pass-through of international commodity price reductions to domestic prices and on the Federal Reserve (Fed) not exceeding its stated policy rate increases.
- After peaking at 11.8 per cent in April 2022, annual headline inflation generally trended downwards to 9.4 per cent in December 2022.

- Jamaica's international reserves remained well above levels considered adequate.
- The decline in gross reserves largely reflected the impact of Government debt payments, the effect of which was partially offset by net purchases by 1 Base effect occur when changes in the CPI in the base month (i.e., the comparable month of the previous year) have a significant impact on the year over year/ annual rate of measured inflation.

He expressed that notwithstanding the challenges that persisted throughout 2022 which adversely impacted the attainment of the primary objective of price stability, Bank of Jamaica remains resolute in its commitment to the effective discharge of its mandate. Accordingly, the Bank will continue to closely monitor the global and domestic economy for potential risks price and financial system stability and take appropriate action when necessary.

Governance

Your Board continued to provide oversight operations of the credit union through the following areas:

- Outreach Committee
- Human Resources Committee
- Risk Management Committee

These Committees conducted in-depth analysis on various reports and proposals and made the requisite recommendations to the Board for approval and action by management.

- Strategic Planning Retreat.

Composition of the Board of Directors

At the AGM held on November 5, 2022, the following directors were elected to serve:

- **Maxine Smith**
– *President*
- **Julet Bailey McNish**
– *Vice President*
- **Trevon Clayton**
– *Treasurer*
- **Janice Skeen-Miller**
– *Secretary*
- **Winsome Harper**
– *Assistant Treasurer*
- **Geraldine Palmer**
– *Assistant Secretary*
- **George Traile**
– *Director*
- **Lois Aarons**
– *Director*
- **Webster Thompson**
– *Director*

Meeting Attendance – Board of Directors

For the period January to December 2022, the meeting attendance of the Board of Directors is outlined below.

Name	# of Possible Meetings	Board Meetings Attended	Sub Committee Meetings Attended	Joint Committee Meetings Attended	Absent with Excuses	Absent Without excuses
Maxine Smith	44	16	24	4	0	0
Steve Morris	7	2	4	1	0	0
Trevon Clayton	44	12	28	4	2	0
Winsome Harper	42	16	21	5	0	0
Janice Skeen - Miller	28	14	9	5	2	0
George Traile	10	4	3	3	6	0
Webster Thompson	32	16	11	5	1	0
Omar Clarke	5	2	1	2	0	0
Geraldine Palmer	18	10	5	3	3	0
Lois Aarons	32	15	12	5	2	0

Strategic Planning

Your credit union organized planning sessions to outline the path ahead and fulfilling our regulatory obligations.

The strategic objectives for 2022-2026 are:

1. Improve member service delivery.
2. Improve member education and awareness.
3. Streamline branch operations for greater efficiency.
4. Enhance technology to support business processes.
5. Improve risk and compliance framework.
6. Increase loan portfolio.
7. Improve delinquency control and management.
8. Revive revenue streams.
9. Training and development of staff and volunteers
10. Improve internal communication.
11. Engaged and motivated staff

PERFORMANCE

Delinquency

Delinquency has been a persistent issue within our credit union, causing significant concerns, it has consistently posed substantial challenges for our credit union. Delinquency has been a major source of ongoing frustration and has hindered our

efforts to maintain smooth operations. Addressing this issue is extremely crucial in ensuring our credit union's overall health and success.

However, with much effort, the delinquency percentage has improved to 38% in 2022, down from the previous rate of 45.08% in 2021. This positive trend is reflected in the latest report. In 2022, the number of delinquent members decreased to 1934, showcasing a noteworthy improvement from the 2762 delinquent members in 2021. This notable reduction indicates a positive shift in member engagement and payment compliance.

Due to the high delinquency your credit union had to amend the loan policy to ensure that only members who showed the ability to repay the loans were afforded loans. Although the credit union is dedicated to assisting all our members, we cannot jeopardize the savings of members by lending to those who are unwilling to pay their loans.

Your credit union possesses surplus liquidity and can adequately fulfill loan requests. However, we must authorize loans only for members who demonstrate the capability and willingness to repay.

We insistently urge our members to communicate their challenges. The ethos of credit unions revolves around this principle – **“PEOPLE HELPING PEOPLE”**. In addressing the period marked, an unparalleled degree of non-performing loans affected our excess and profitability. Hence, we are reiterating that individuals to regard the Credit Union as their own, even as we recognize that the duty of obligations still rests upon them.

Even with those setbacks, your credit union ended the year with a surplus of \$35.324 million and met most of the Prudential Financial ratios monitored by the regulators.

In the year 2022, the Credit Union directed its efforts towards a plan of action outlined by the Department of Cooperatives and Friendly Societies. During this period, the organization saw an impressive 6.95% augmentation in its assets, driven by members deposits and the guidance and strategic approach of the Team. The membership experienced a growth of 3.36% in 2022.

The Credit Union remains committed to its members, the Board's focus encompassed growth, profitability, regulatory adherence, and member contentment.

TCCU continue to stand by our mission, 'to improving the social and economic conditions of all members through efficient, friendly and flexible financial services.' Fellow cooperators as we continue the business of the CU and ensuring sustainability in this competitive industry. The partnership and communication from the members are vital to the going concern and growth of the Trelawny Cooperative Credit Union.

Policy and Procedures Review and Development

The Credit Union Board of Directors and Committees continue to review our policies and procedures to ensure the safety and soundness of the credit union. Some of our policies and procedures were reviewed, adjusted, and approved in 2022:

1. Human Resource Management
2. Code of Ethics
3. Delinquency Management
4. Information Technology Security
5. Cash Management
6. Governance
7. Fit and Proper
8. Member Loan policy
9. Staff Loan policy
10. Anti-Money Laundering
11. Enterprise Risk Management
12. Real Estate Valuation
13. Fraud Policy
14. Volunteers travel and stipend policy and procedures.

Training and Development of Staff and Volunteers

Our credit union places the highest priority on training for both Staff and Volunteers to ensure continuity and provide excellent service to our members. Furthermore, we believe investing in training not only enhances our teams' capabilities but also strengthens the overall members' experience.

Your credit union was duly represented at the JCCULAGM held on June 18, 2023.

Services

In 2022 the TCCU maintained its commitments to its members by continuing to offer an attractive suite of services that catered to the changing need of its membership continued to offer an attractive suite of services during the 2022 administrative year.

Loan Protection and Life Savings Insurance

During 2022 your credit union paid \$10.032 million in premium on behalf of all our members to ensure that in the event a member dies their beneficiaries (the relatives they named as their beneficiaries) will receive twice their savings and the loan the member had with the credit union would be repaid up to the value of the insured limit.

In 2022 forty- six (46) members' beneficiaries benefited from the insurance as the credit union through our insurers CUNA Caribbean Insurance Limited paid out \$7.95 million to deceased members' relatives. This benefit, which is paid for by your credit union, is not given by any other financial institution, only your credit union.

Family Indemnity Plan

The FIP is another great benefit for members. A member pays one low premium which covers the final expenses of the member and 5 other family members. In 2022 \$23.02 million was paid out to forty-seven (47) members to give their deceased relatives a decent farewell.

Critical Illness Insurance

Take advantage of another fine product offered by your credit union through CUNA Caribbean Insurance Limited. This insurance covers critical illnesses such as stroke, cancer, major burns. Sign up with your credit union today to ensure you have coverage for these illnesses which are very common in Jamaica.

Savings Products:

Save for a rainy day and for future through the

credit unions' savings products:

- Regular Deposit
- Fixed Deposit
- School Savers Club
- Golden Harvest Savings Plan
- Partner Plan

Other Services

- Bill Payment and PATH payment facility through Paymaster
- Remittances

Member Access through technology

Your credit union continued to ensure easy access to your funds by relocating the ATM at the Falmouth branch so that members could access it after credit union opening hours and on weekends. We also installed a second ATM at the location. Please visit your credit union and sign up for the Access Plus debit cards so that you can use them at any financial institution ATM island wide that is part of the Multilink network.

Your Board is still seeking to install an ATM at the Albert Town branch so members can access their funds and deposit their savings and pay their loans at their convenience via the ATM machine.

Outreach Programme

Embodying the theme of "people helping people," the Trelawny Co-operative Credit Union has consistently provided support to some of our most vulnerable and needy members of the community. This commitment extends to both new members and various organizations that have benefited from the Credit Union's assistance.

Donations

In 2022 your credit union donated over six (6) million to various causes and initiatives within our communities.

Trelawny Co-operative Credit Union is dedicated to education, recognizing its pivotal role in the advancement of our members, particularly the Youth Savers. Our unwavering support for the educational progress of our young members significantly contributes to the nation's development. In the year 2022, we awarded bursaries and scholarships to {twenty-nine} students, assisting them with back-to-school costs.

ACKNOWLEDGEMENTS and CONCLUDING REMARKS

In conclusion, the Board of Directors remains firm in its confidence in the resilience of our valued members, believing in your ability to overcome the all the challenges that linger. We pledge to stand by your side, helping wherever possible, as we collectively strive to recover from these trying times.

Our dedicated management and staff continue to serve you diligently, displaying unwavering commitment. Their efforts are a testament to their solid dedication to the Credit Union's mission. We extend our heartfelt commendation to them for their remarkable hard work.

Also, the Board expresses profound gratitude to our current and former volunteers who have served on the Board, Supervisory and Credit Committees. Their willingness to contribute exemplifies not only their individual excellence but also their dedication to fostering the growth and

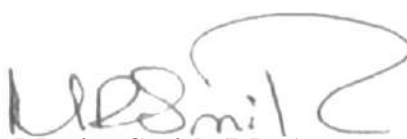
progress of Trelawny Credit Union. As we move forward, united, and resolute, we celebrate the accomplishments of the past and embrace the opportunities of the future. Together, we are forging a stronger and brighter path ahead.

Special thank you to our partners:

- Our Auditors – HLB Mair Russell (Chartered Accountants)
- The Department of Co-operatives and Friendly Societies
- The Jamaica Co-operative Credit Union League
- CUNA Caribbean Insurance Limited
- The Bank of Jamaica
- Other institutions with which we transacted business in 2022.

The Trelawny Co-operative Credit Union Limited remains firm in upholding its vision and mission. Our solid commitment to our members' well-being remains at the core of our operations. We eagerly anticipate the ongoing collaboration as we diligently strive to provide friendly, efficient, and flexible financial services. Our aim is to maintain our position as the primary financial institution within the parish, satisfying the diverse needs of our community. God bless you All.

For and on behalf of the Board of Directors.



Maxine Smith (Mrs.)
President

Golden Harvest Saving Plan

START WITH AS LOW AS
\$1000 MONTHLY

SAVE TOWARDS YOUR MEDIUM TO LONG TERM GOALS

COMPETITIVE INTEREST RATE
PLAN INSURED AT NO COST TO YOU





TRELAWNY

CO-OPERATIVE CREDIT UNION LIMITED

REPORT

Of The Treasurer

For the year ended December 31, 2022



Trevon Clayton
Treasurer

Overview

The Trelawny Cooperative Credit Union (TCCU) Limited for the year 2022 made positive strides through the challenges and the requirements of the Regulator's. Notwithstanding, the exodus of covid-19 pandemic and the sheer adapting to globalization combined are shifting the culture of consumer's preference. Which can either be detrimental or advantageous to the Credit Union's business model and member's satisfaction. The Government of Jamaica and regulatory frameworks are steadily creating the atmosphere for economic resilience, business sustainability and growth respectively for 2022 onwards. The TCCU acknowledged the trends and weathered the competitions but remained steadfast throughout the year in order to achieve our financial objectives.

Moreover, the CU continues to be resolute in the reduction of the total delinquency to gross loan ratio. There were strategies in motion to positively impact the delinquency portfolio and will proceed into the following year. In order to bridge the gap, the CU members have to realize the solution starts with them and to remain viable there must be a collaborative effort. With the oversight of the financials by

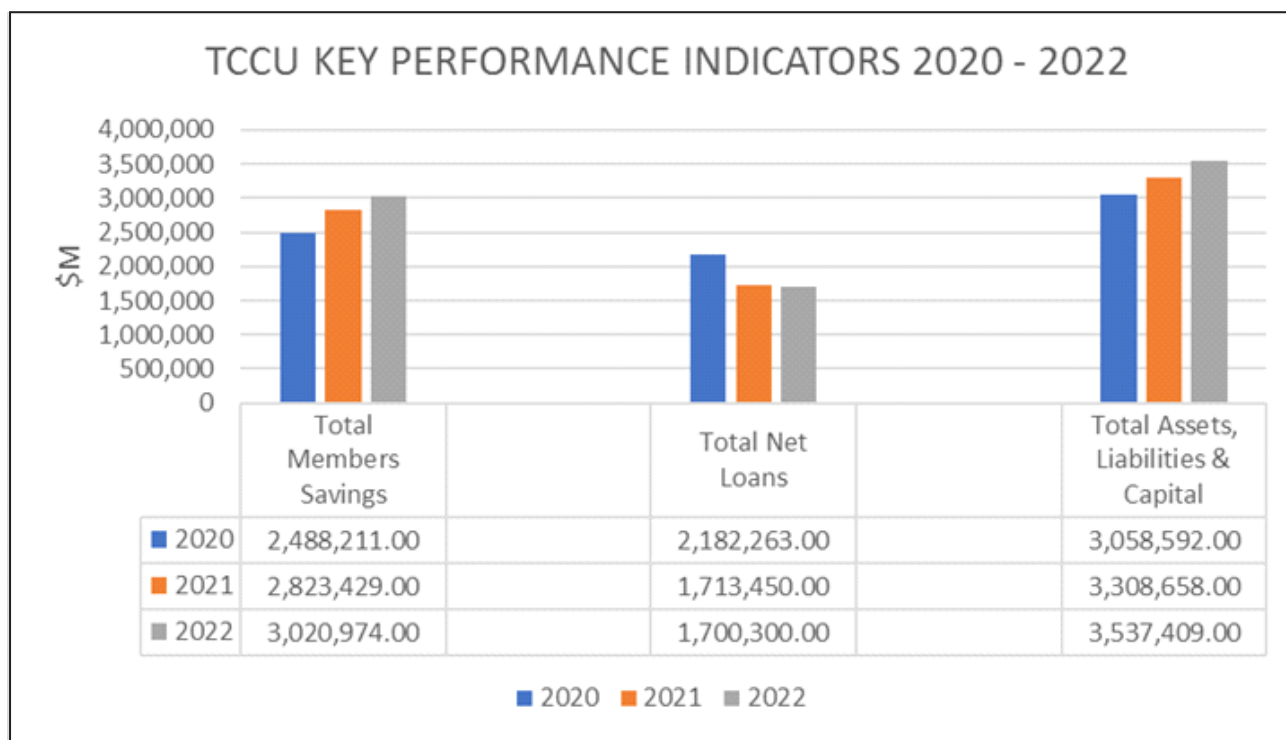
the Bank of Jamaica, Credit Union's are expected to execute more emphasis in prudence, compliance, timeliness and safeguarding of the finances. The CU was able to record a surplus of \$35.32 million for 2022 versus the \$35.19 million recorded for 2021, an increase of 0.37% year over year and largely attributable to increased liquid assets and less provisioning compared to that of last year.

FINANCIAL PERFORMANCE

Total Assets, Liabilities & Capital

The Total Assets, Liabilities and Capital of the Credit Union increased \$3.54 billion in 2022 when compared to \$3.31 billion 2021, an increase of 6.95% with the increase mainly attributable to increased member's deposit, earning assets and less provision for the year compared to last year of over \$1 billion. The loan portfolio saw another decline for the year but the CU is very optimistic for next year. Nevertheless, members are encouraged to be marketers for the CU and let us draw more people to utilize the services that are being offered.

Table 1 TCCU Key Performance Indicators for the years 2020 – 2022.



Permanent share is the member's capital investment in the business of the Credit Union, the accumulation of reserves of twenty (20) percent of surplus as stipulated in the Cooperatives Societies Act, and any other amounts set aside by the Board of Directors (BOD) and approved by the members, from undistributed surplus which forms apart of the institutional capital. Institutional Capital provides a stable financial resource to absorb any losses and thus provides a degree of protection for members and other creditors in the event of insolvency or financial crisis. TCCU's capital base has shown a steady increase but its necessary to make additional

provision for unexpected shocks that might significantly impact the financial system. Table 2a below shows the movement of the institutional capital in dollar value over the period 2020 to 2022. Showed a growth of 5.28% compared 2021 and 2020 and 5.90% increase compared to 2022 and 2021.

Whilst Table 2b shows the movement between institutional capital and capital ratio over the period 2020 to 2022. The Credit Union steadily maintained the standard ratio year over year at the rate of 10%. This is critical as it indicated that the CU would be able to manage any financial shock.

Table 2a TCCU Movement in Dollar Value for the Institutional Capital for the years 2020 – 2022.

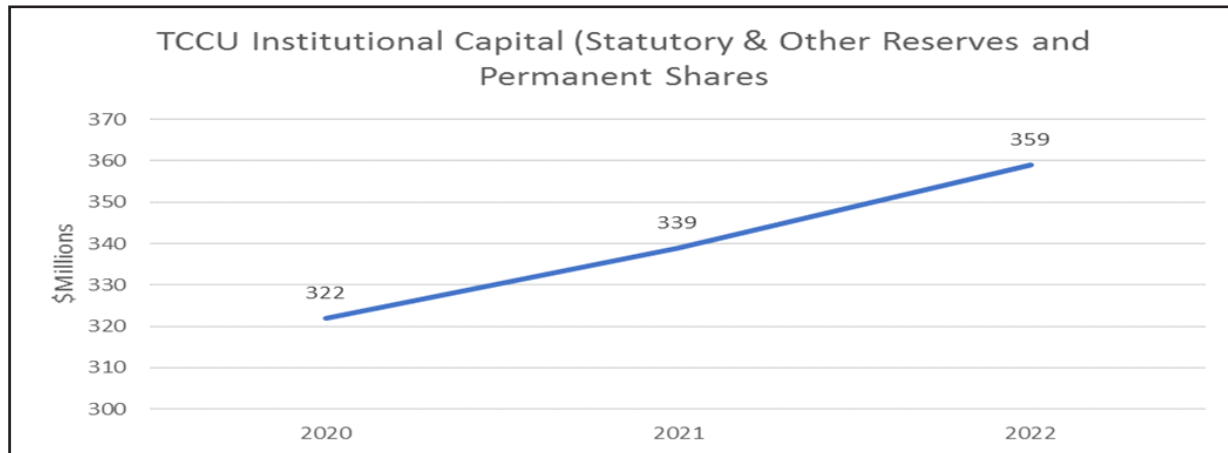
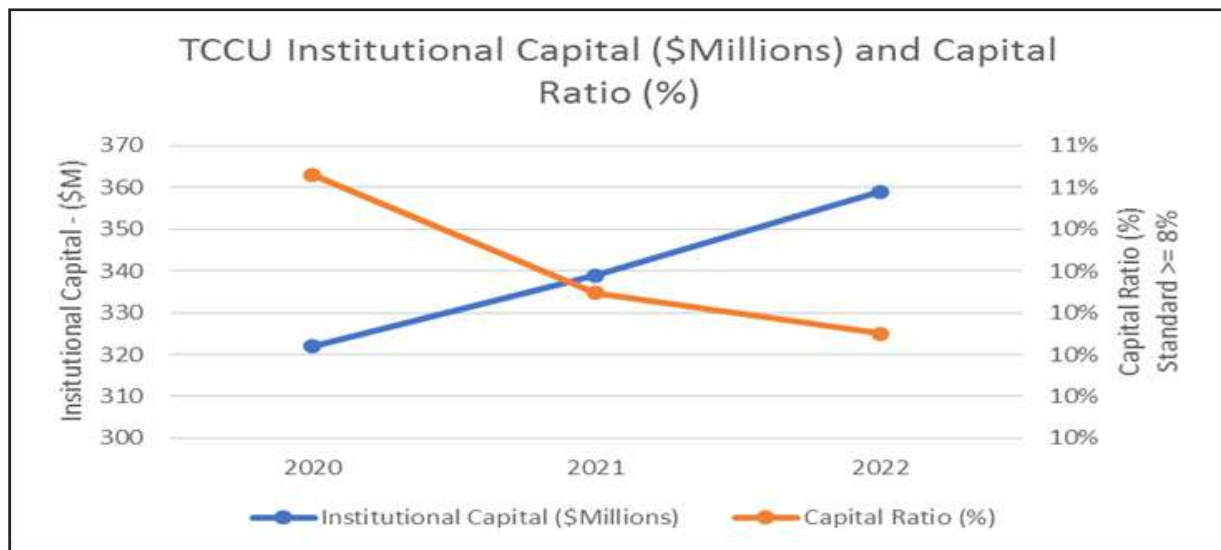


Table 2b TCCU Movements in Dollar Value for the Institutional Capital & Capital Ratio for the years 2020 – 2022.



Income and Expenditure

For the year 2022 the Credit Union's total interest income, comprising interest on member's loan and liquid asset. Total declined to \$354 million down from \$368 million in 2021, a 3.79% reduction. This

decrease in earnings is direct result of decrease in the interest received on loans even though there was an increase in the liquid assets of 71.51% compared to 2021 which was \$45.162 million. Also, with the prior year adjustments contributed the surplus for 2022 increase to \$35.324 million from \$35.185 million for 2021.

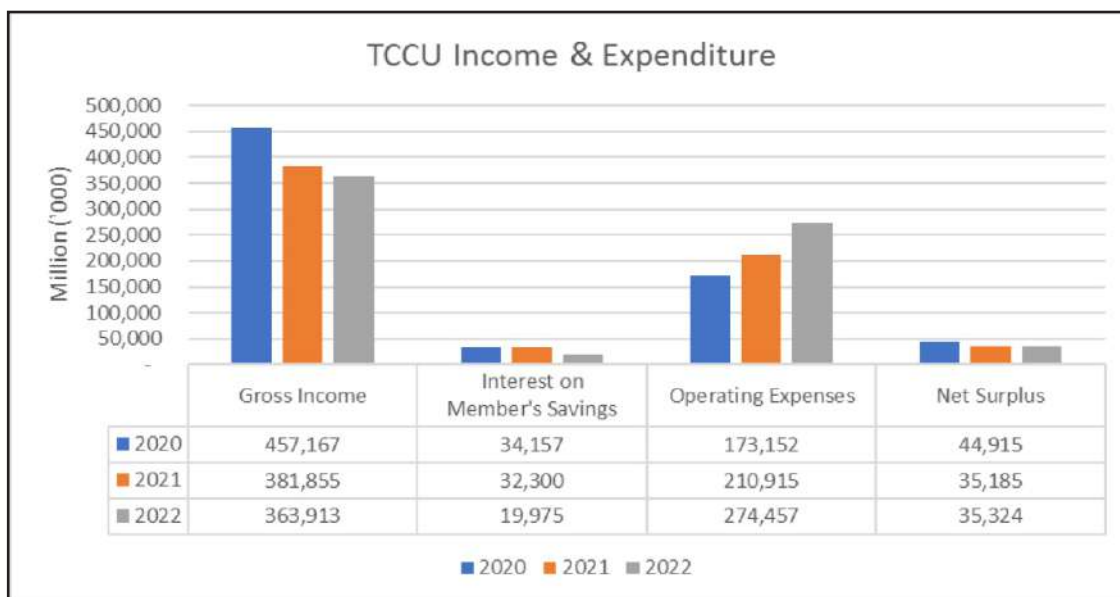
Operating Expenses

The Credit Union's operating expenses increased in 2022 to \$274 million up from \$211 million in 2021, a 29.86% increase. The main items accounted for the increased costs, namely:

1. The increase in personnel costs which resulted from an increase in the staff complement to fill key positions in order to meet BOJ requirements and also improving operational activity as needed.
2. The increase in representation and affiliation costs which involved statutory and non-statutory obligations for the CU.
3. The increase in the marketing and promotion costs which entailed the streamline of marketing unit and activities that rolled out in the last quarter of 2022 and slated to progress into 2023.
4. The increase in administrative cost increased as a result of improving the quality service to members, establishing our corporate social responsibilities and refining the internal systems (software and hardware).

The Credit Union is confident in making better strides for the coming years both in cost reduction measures, income generation and investment opportunities.

Table 3 below shows the Income and Expenditure Performance of the TCCU over the years 2020 – 2022.



Delinquency

The delinquency portfolio is one of the main areas of focus for the TCCU. That will consistently form part of the strategic and marketing plans in not only reducing the rate but ensuring our current loans' performance does not replicate those of the past. The CU has made positive impact on the provisioning compared to 2021 of \$1.081 billion. The delinquency rate reduced from the 45.08% recorded for 2021 to 38% for 2022 which resulted in the provision of \$636.85 million. This provided a decrease compared to 2021 provisioning. There were 1934 delinquent loans at the end of December 2022 compared with 2,762 delinquent loans for 2021. In dollar value this amounted to \$889.67 million in 2022 compared to \$1.081 billion in 2021. The low provision is a move in the right direction as measures are taken in managing the portfolio and reducing the rate steadily by: building members awareness; training staff/volunteers; collaboration debt collecting agencies and improving arbitration process.

The TCCU continue to stand by our mission, 'to improving the social and economic conditions of all members through efficient, friendly and flexible financial services.' Fellow cooperators as we continue the business of the CU and ensuring sustainability in this competitive industry. The partnership and communication from the members are vital to the going concern and

growth of the Trelawny Cooperative Credit Union.

Acknowledgements

I would like to thank you our members for your continued loyalty and support to our Credit Union over the years. Special thanks are extended to our:

- Dedicated management and staff for their hard work, corporation and perseverance
- Committed Directors for their guidance and direction of the Credit Union's affairs
- Volunteers of Supervisory, Credit and other Sub-Committees for their dedication to serve
- Auditors – HLB Mair Russell
- Our Regulators, the Department of Cooperatives and Friendly Societies
- The Jamaica Cooperative Credit Union League
- The Bank of Jamaica who are continually ensuring that this Credit Union remains viable and compliant.



Trevon Clayton

Treasurer



TRELAWNY
CO-OPERATIVE CREDIT UNION LIMITED

RESOLUTION

PROPOSAL FOR THE DISTRIBUTION OF SURPLUS as at DECEMBER 31, 2022

	\$
TOTAL AVAILABLE FOR DISTRIBUTION	49,055,000.00
<i>PROPOSAL FOR THE DISTRIBUTION OF SURPLUS</i>	
PAYMENT OF DIVIDENDS ON PERMANENT SHARES – 20% (TO MEMBERS ENROLLED AS AT DECEMBER 31, 2022)	4,144,400.00
INSTITUTIONAL CAPITAL	19,000,000.00
OUTREACH/DONATIONS	5,000,000.00
HONORARIUM	5,000,000.00
PROVISION FOR LOAN LOSSES	10,000,000.00
PROVISION FOR OTHER LOSSES	
UNDISTRIBUTED SURPLUS	5,910,600.00
	49,055,000.00

Moved by Treasurer:
Trevon Clayton

Seconded by:

PROPOSAL FOR THE FIXING OF THE MAXIMUM LIABILITY

To December 2023

In keeping with Rule 72

The Board of Directors recommends that the maximum liability (borrowing limit) shall not exceed Fifteen (15) times the Credit Union's Capital and Reserve Fund.

Moved by Treasurer:
Trevon Clayton

Seconded by:



DEPARTMENT OF CO-OPERATIVES & FRIENDLY SOCIETIES

CHARITIES AUTHORITY, JAMAICA

Ministry of Industry, Investment and Commerce

2 Musgrave Avenue, Kingston 10

Jamaica, W. I.

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

E-mail: info@dcfs.gov.jm

Website: www.dcfs.gov.jm

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

S1

R329/989/08/23

August 24, 2023

The Secretary
Trelawny Co-operative Credit Union Limited
Water Square
P.O. Box 115
Falmouth

Dear Sir/Madam:

I forward herewith the Financial Statements of your Society for the financial year ended December 31, 2022.

The Annual General Meeting (AGM) must be convened under **Regulation 19, 21 and 25 a-f** of the Co-operative Societies (Amendment) Regulations, 2021. At least seven (7) days' notice shall be given before the meeting is held.

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

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

Yours truly,

Lavern Gibson-Eccleston (Mrs.)
(For) Registrar of Co-Operative Societies
And Friendly Societies

HOPE GARDENS

Hope Gardens
Kingston 6
(876) 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



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Independent auditor's report

To the Registrar of Co-operative Societies
Re: Trelawny Co-operative Credit Union Limited
(A society registered under the Co-operative Societies Act)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Trelawny Co-operative Credit Union Limited ("the Credit Union"), which comprise the statements of financial position as at December 31, 2022, statement of income and expenditure, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Credit Union as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirement of the Co-operative Societies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

hlbjm.com

Partners: Sixto P. Coy, Karen A. Lewis

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HLB Mair Russell is an independent member of HLB the global advisory and accounting network

Independent auditor's report (cont'd)

To the Registrar of Co-operative Societies
Re: Trelawny Co-operative Credit Union Limited
(A society registered under the Co-operative Societies Act)

Report on the Audit of the Financial Statements (cont'd)

Key audit matters (cont'd)

Loan and allowances for credit losses on loans

As at December 31, 2022 loans after allowances for credit losses of \$636 Million amounted to \$1.7 billion or 52% of the total assets of the Credit Union. We consider the measurement of expected credit losses a key audit matter as there is a number of significant judgement by management, including:

Determining the criteria for a significant increase in credit risk, which impacts the staging of the asset and the related calculation, ie one year or lifetime expected loss calculations.

Determining the relevant inputs and techniques included in the expected credit loss model utilised in probability of default (PD), loss given default (LGD) and exposures at default (EAD) parameters.

For loans and advances, a significant amount of historical data is built into the PD, LGD and EAD risk parameters.

Use of multiple economic scenarios that are forward looking.

Valuation of motor vehicle pledged as collateral for term loans: this is the most significant repayment source for credit-impaired assets.

We evaluated the appropriateness of the Credit Union's staging and where applicable, determined whether the significant increase in credit risk and default definitions were appropriately applied.

We obtained an understanding of management's ECL model including source data, evaluated the theoretical soundness and tested the mathematical integrity of the model. We tested reliability of source data used in the models on a sample basis by corroborating to historical data or external public information where available.

We evaluated the appropriateness of management's judgement pertaining to forward looking information, the basis of the multiple economic scenarios used and the weighting applied to capture nonlinear losses.

We tested the opening equity adjustments in relation to the adoption of the new standard's classification and measurement requirements.

Independent auditor's report (cont'd)

To the Registrar of Co-operative Societies
Re: Trelawny Co-operative Credit Union Limited
(A society registered under the Co-operative Societies Act)

Report on the Audit of the Financial Statements (cont'd)

Key audit matters (cont'd)

Loan and allowances for credit losses on loans (cont'd)

We performed the calculation of days past due, a key data input into the PD parameter, in the Credit Union's banking system on a sample basis.

We tested the completeness and accuracy of the historical data used by agreeing details on default rates and recovery rates. The data used for these assessments were based on the Credit Union's internal default experience segmented by loan type. For a sample of credit exposures, we agreed the critical data fields, such as origination date, maturity date, default date, principal, collateral value and cash recoveries and exposure limits, used in developing default, recovery and utilisation rates to source documents.

For a sample of stage 3 loans we obtained an understanding of the latest developments at the borrowers and the basis of measuring the impairment provisions and considered whether key judgements were appropriate given the borrower's circumstances. We re-performed management's impairment calculation including the expected future cash flows and valuation of collateral held, and determined reasonableness of the valuation of real estate collateral with the assistance of auditors' expert.

Based on the procedures described above, no material exceptions were noted in our assessment of the Credit Union's implementation of IFRS 9, including its provisioning in accordance with its newly adopted expected credit loss model.

How our audit addressed the key audit matter

We assessed and tested the design and operating effectiveness of the controls over impairment data and calculations. These controls included those over identification of which loans and advances were impaired. We determined we could rely on these controls for the purposes of our audit.

The criteria we used to determine if there is objective evidence of impairment included:

- Default or delinquency in interest or principal payments;
- Concessions granted to a borrower that would not otherwise be considered due to the borrower's financial difficulty.

We tested the completeness of management's listing of potentially impaired loans by reperforming the process using management's impairment criterion. Based on the testing, no adjustments were considered necessary.

Independent auditor's report (cont'd)

To the Registrar of Co-operative Societies
Re: Trelawny Co-operative Credit Union Limited
(A society registered under the Co-operative Societies Act)

Report on the Audit of the Financial Statements (cont'd)

How our audit addressed the key audit matter (cont'd)

We evaluated the performance of the loan portfolio subsequent to the end of the reporting period to identify significant adjusting subsequent events and did not identify any such events.

Other information

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

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

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

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

Responsibilities of Management and the Board of Directors for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Credit Union'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 Credit Union or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Credit Union's financial reporting process.

Independent auditor's report (cont'd)

To the Registrar of Co-operative Societies
Re: Trelawny Co-operative Credit Union Limited
(A society registered under the Co-operative Societies Act)

Report on the Audit of the Financial Statements (cont'd)

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

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

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union'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 Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Credit Union 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 presents a true and fair view.

Independent auditor's report (cont'd)

To the Registrar of Co-operative Societies
Re: Trelawny Co-operative Credit Union Limited
(A society registered under the Co-operative Societies Act)

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the financial statements (cont'd)

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

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

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Co-operative Societies Act, in the manner required.

The engagement partner on the audit resulting in this independent auditor's report is Sixto Coy.

Kingston, Jamaica

August 18, 2023



Chartered Accountants

STATEMENT OF FINANCIAL POSITION

December 31, 2022

	Note	2022 \$'000	Restated 2021 \$'000	Restated 2020 \$'000
Assets				
Non-current assets				
Earning				
Financial investments	(4)	352,257	479,295	336,710
Loans, after provision for expected credit losses	(5)	827,756	1,097,951	1,992,295
		1,180,013	1,577,246	2,329,005
Non-Earning				
Property, plant and equipment	(6)	173,203	178,206	157,945
Retirement benefit asset	(7)	1,475	-	6,720
		174,678	178,206	164,665
Total non-current assets		1,354,691	1,755,452	2,493,670
Current assets				
Earning				
Financial investments	(4)	1,203,170	797,230	281,255
Loans, after provision for loan impairment	(5)	872,544	615,499	159,902
		2,075,714	1,412,729	441,157
Non-earning				
Bank and cash balances	(8)	101,040	90,991	34,308
Receivables and prepayments	(9)	5,964	49,486	21,050
		107,004	140,477	55,358
Total current assets		2,182,718	1,553,206	496,515
Total assets		3,537,409	3,308,658	2,990,185




STATEMENT OF FINANCIAL POSITION (cont'd)


December 31, 2022

	Note	2022 \$'000	Restated 2021 \$'000	Restated 2020 \$'000
Capital and liabilities				
Capital				
Members' permanent share capital	(10)	20,722	20,047	19,605
Institutional capital	(11)	338,385	319,269	301,748
Non-institutional capital	(12)	75,989	122,187	181,424
Undistributed surplus		49,055	(14,964)	27,291
Total capital		484,151	446,539	475,486
Liabilities				
Non-current				
Interest bearing				
Members' deposits	(13)	449,310	465,910	262,794
Members' voluntary shares	(14)	4,216	3,972	3,909
		453,526	469,882	266,703
Non-interest bearing				
Retirement benefit liability	(8)	-	3,423	-
Total non-current liabilities		453,526	473,305	266,703
Current				
Interest bearing				
Members deposit	(13)	2,567,448	2,353,547	2,211,555
Non-interest bearing				
Accounts payable and accruals	(15)	32,284	35,267	36,441
Total current liabilities		2,599,732	2,388,814	2,247,996
Total liabilities		3,053,258	2,862,119	3,514,699
Total capital and liabilities		3,537,409	3,308,658	2,990,185

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

Approved for issue by the Board of Directors on _____ and signed on its behalf by:


Maxine Smith (President)


Janice Skeen - Miller (Secretary)

 12/18/2023
Trevon Clayton (Treasurer)

STATEMENT OF INCOME AND EXPENDITURE

December 31, 2022

	Note	2022 \$'000	2021 \$'000
Interest income			
Members' loans		276,284	322,533
Liquid assets		77,458	45,162
		353,742	367,695
Interest expense and dividends			
Interest on members' deposits		(19,975)	(32,300)
		(19,975)	(32,300)
Net interest income		333,767	335,395
Net movement on loan impairment provision	(6c)	(31,157)	(101,455)
Net interest income after loan impairment provision		302,610	233,940
Non-interest income			
Fees and other income	(17)	10,171	14,160
		10,171	14,160
Net interest and other income		312,781	248,100
Less: Operating expenses	(21)	(274,457)	(210,915)
Surplus before honorarium		38,324	37,185
Less: Honorarium		(3,000)	(2,000)
Surplus for the year		35,324	35,185

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

STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2022

	Note	2022 \$'000	2021 \$'000
Surplus for the year (page 9)		35,324	35,185
Other comprehensive income:			
Actuarial gain/(loss) on defined benefit plan	(8)	5,676	(10,143)
Total comprehensive income for the year		41,000	25,042

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



STATEMENT OF CHANGES IN EQUITY

Year ended December 31, 2022

	Permanent Share Capital \$'000	Institutional Capital \$'000	Non- Institutional Capital \$'000	Undistributed Surplus \$'000	Total \$'000
Balance at December 31, 2021	20,047	319,269	122,187	(14,964)	446,539
Surplus for the year	-	-	-	35,324	35,324
Actuarial gain on defined benefit	-	-	-	5,676	5,676
Total comprehensive income for the year	-	-	-	41,000	41,000
Transaction with owners:					
20% statutory reserve	-	7,665	-	(7,665)	-
Dividends paid on permanent shares	-	-	-	(4,025)	(4,025)
Transfer share	-	-	(150)	-	(150)
Co-operative social responsibilities	-	-	5,029	(5,000)	29
Other reserve	-	11,368	4,024	(15,392)	-
Share capital issued	675	-	-	-	675
Loan loss reserve	-	-	15,000	(15,000)	-
Transfer of capital reserve	-	-	(75,000)	75,000	-
Retirement benefit	-	-	4,898	(4,898)	-
Entrance fees	-	83	-	-	83
Balance at December 31, 2022	675	19,116	(46,199)	23,020	(3,388)
	20,722	338,385	75,988	49,056	484,151

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



STATEMENT OF CHANGES IN EQUITY (cont'd)

Year ended December 31, 2022

	Permanent Share Capital \$'000	Institutional Capital \$'000	Non- Institutional Capital \$'000	Undistributed Surplus \$'000	Total \$'000
Balance at December 31, 2020	19,605	301,748	181,424	28,713	531,490
Restated	-	-	-	(56,004)	(56,004)
Balance at December 31, 2020 – Restated	19,605	301,748	181,424	27,291	475,486
Surplus for the year	-	-	-	35,185	35,185
Retirement benefit asset reserve	-	-	(10,143)	-	(10,143)
Total comprehensive income for the year	-	-	(10,143)	35,185	25,042
Transaction with owners:					
20% statutory reserve	-	7,437	-	(7,437)	-
Dividends paid on permanent shares	-	-	-	(3,921)	(3,921)
Transfer from surplus	-	10,000	-	(10,000)	-
Co-operative social responsibilities	-	-	1,500	(1,500)	-
Loan loss reserve	-	-	(50,594)	-	(50,594)
Share capital issued	442	-	-	-	442
Entrance fees	-	84	-	-	84
Balance at December 31, 2021	442	17,521	(49,094)	(22,858)	(53,989)
	20,047	319,269	122,187	14,964	446,539

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



STATEMENT OF CHANGES IN EQUITY (cont'd)
Year ended December 31, 2022

	Institutional Capital			
	Statutory Reserve \$'000	Capital Expenditure Capital \$'000	Special Reserve \$'000	Total \$'000
Balance at January 1, 2021	266,709	8,160	26,879	301,748
Appropriations from surplus				
Transfer from accumulated surplus	10,000	-	-	10,000
20% statutory reserve	7,437	-	-	7,437
Entrance fees	84	-	-	84
Balance at December 31, 2021	284,230	8,160	26,879	319,269
Appropriations from surplus				
Transfer from accumulated surplus	1,368	-	10,000	11,368
20% statutory reserve	7,665	-	-	7,665
Entrance fees	83	-	-	83
Balance at December 31, 2022	293,346	8,160	36,879	338,385

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



STATEMENT OF CHANGES IN EQUITY (cont'd)
Year ended December 31, 2022

	Non-Institutional Capital									
	Capital expenditure reserve \$'000	Retirement Benefit Asset Reserve \$'000	Loan Loss Reserve \$'000	Special Loan Facility \$'000	Share Transfer Fund \$'000	Revaluation Reserve \$'000	Responsibilities Reserve \$'000	Social Reserve \$'000	Other Reserve \$	Total \$'000
49 Balance at January 1, 2021	75,000	6,720	50,594	4,970	2,440	37,251	4,449	-	-	181,424
Co-operative social responsibilities	-	-	-	-	-	-	1,500	-	-	1,500
Loan loss reserve transfer	-	-	(50,594)	-	-	-	-	-	-	(50,594)
Transfer to increase in retirement benefit assets	-	(10,143)	-	-	-	-	-	-	-	(10,143)
Balance at December 31, 2021	75,000	(3,423)	-	4,970	2,440	37,251	5,952	-	-	122,187
Transfer of capital reserve	(75,000)	-	-	-	-	-	-	-	-	(75,000)
Co-operative social responsibilities	-	-	-	-	-	-	5,029	-	-	5,029
Transfer of share capital	-	-	-	-	(150)	-	-	-	-	(150)
Loan loss reserve	-	-	15,000	-	-	-	-	-	-	15,000
Other reserve	-	-	-	-	-	-	-	-	4,025	4,025
Transfer to increase in retirement benefit assets	-	4,898	-	-	-	-	-	-	-	4,898
Balance at December 31, 2022	-	1,475	15,000	4,970	2,290	37,249	10,981	4,025	-	75,989

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

STATEMENT OF CASH FLOWS

Year ended December 31, 2022

	2022 \$'000	2021 \$'000
Cash flows from operating activities:		
Adjustments for:		
Interest received	353,743	367,695
Interest paid	(19,975)	(32,300)
Fees and other income	(10,171)	14,160
Provision for loan impairment	(35,000)	(87,294)
Payments to employees and suppliers	(224,129)	(188,004)
	64,468	74,257
Changes in operating assets and liabilities		
Loan and members	83,165	356,519
Other assets	43,522	(28,436)
Retirement benefit asset	(5,676)	10,143
Members' deposits	197,301	345,108
Members' voluntary shares	139	63
Net cash provided by operating activities	382,919	757,654
Cash flows from investing activities:		
Financial investments	(254,432)	(658,561)
Purchase of property, plant and equipment	(3,658)	(39,015)
Net cash used in investing activities	(258,090)	(697,576)
Cash flows from financing activities:		
Entrance fee	83	84
Dividend paid	(4,025)	(3,921)
Members' permanent share capital	675	442
Net cash (used in)/provided by financing activities	(3,267)	(3,395)
Net increase/(decrease) in bank and cash balances	10,049	56,683
Bank and cash balances at beginning of year	90,991	34,308
Bank and cash balances at end of year (Note 9)	101,040	90,991

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

1. General information and nature of operation

Trelawny Co-operative Credit Union Limited (the Credit Union) is incorporated under the laws of Jamaica and is registered under The Co-operative Societies Act. The Credit Union's registered office is located at Water Square, Falmouth, Trelawny, and its operations are concentrated in the parish of Trelawny.

The main activities of the Credit Union are to promote thrift amongst its members by affording them an opportunity to accumulate their savings and to create for them a source of credit, for provident or productive purposes at reasonable rates of interest.

The Credit Union is a member of the Jamaica Co-operative Credit Union League Limited (JCCUL/the League), which provides financial services, technical support and sets prudential standards for the credit union movement.

2. Regulation

The Co-operative Societies Act requires, amongst other provisions, that at least twenty percent (20%) of the net surplus of the Credit Union be transferred to a reserve fund each year. Section 59 of the Act provides for the exemption from income tax and stamp duty for the Credit Union.

3. Summary of significant accounting policies

The Credit Union's financial statements have been prepared in accordance with IFRS, and have been prepared on an accrual basis and under the historical cost convention except for the revaluation of properties and certain financial assets and financial liabilities.

These financial statements are expressed in Jamaican Dollars (J\$).

a Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). They have been prepared under the assumption that the Credit Union operates on a going concern basis.

Changes in accounting policies

Standards, interpretations and amendments to published standards effective in the current year

Certain new standards, interpretations and amendments to existing standards have been published and became effective during the current financial year. The Credit Union has assessed the relevance of all such new standards, interpretations and amendments and determined that the following will have an impact on the Credit Union.

Amendments to IAS 1 and IAS 8 on the definition of material. These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information.

3. Summary of significant accounting policies (cont'd)

a Basis of preparation (cont'd)

Standards, interpretations and amendments to published standards effective in the current year

Amendments to IFRS 9 IAS 39, IFRS 4, IFRS 16 and IFRS 7- Interest rate benchmark reform. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.

Standards, amendments and interpretations issued but not yet effective and have not been early adopted by the Credit Union

At the date of approval of these financial statements, certain new standards amendments and interpretations to existing standards have been published but are not yet effective, and have not been early adopted by the Credit Union.

Management anticipates that all relevant pronouncements will be adopted in the Credit Union's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not early adopted or listed below are not expected to have a material impact on the Credit Union's financial statements.

Amendments to IAS 1, Presentation of financial statements', on classification of liabilities, (effective for annual periods beginning on or after January 1, 2022. 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 expectations 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.

A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9 and IFRS 16, (effective for annual periods beginning on or after 1 January 2022). Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments' and the Illustrative examples accompanying IFRS 16, 'Leases'.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8, (effective for annual periods beginning on or after January 1, 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

3. Summary of significant accounting policies (cont'd)

b Property, plant and equipment

- i Property, plant and equipment are carried at historical cost less accumulated depreciation and impairment losses. No depreciation is considered necessary in respect of land and work-in-progress. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 Credit Union and the cost can be measured reliably.

All repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

- ii Depreciation is charged on assets from the date of acquisition.

Depreciation is provided on the straight line basis at such rates as will write off the cost or revalued assets over the period of their expected useful lives. The useful lives are:

Buildings	2½%
Computers	33 %
Furniture fixtures and equipment	10%

No depreciation is provided on land. Property and equipment are reviewed periodically for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. Repairs and renewals are charged to the revenue and expenditure statement when the expenditure is incurred.

- iii Repairs and renewals

The costs of repairs and renewals which do not increase the expected useful lives of assets or enhance their carrying values, are charged to the Revenue and Expenditure Statement when incurred.

c Foreign currency translation:

Functional and presentation currency

The financial statements are prepared and presented in Jamaican dollars, which is the functional currency of the company.

Foreign currency translations and balances

- (i) Foreign currency balances at the date of the statement of financial position have been translated at rates of exchange ruling at that date;
- (ii) Transactions in foreign currency are converted at rates of exchange ruling at the dates of those transactions;
- (iii) Gains/losses arising from fluctuations in exchange rates are included in the Statement of comprehensive income.

3. Summary of significant accounting policies (cont'd)

d Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income for all interest bearing instruments on an accrual basis, using the effective yield method, based on the actual purchase price. Interest income includes coupons earned on fixed income investments and accrued discounts or premiums on discounted instruments.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Credit Union estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Where collection of interest income is considered doubtful, the related financial instruments are written down to their recoverable amounts and interest income is thereafter recognised based on the rate of interest that was used to discount the future cash flows for the purpose of measuring the impairment loss.

e Fees and other income

Fees and other income are recognised on an accruals basis. Loan origination fees are deferred and are recognised over the life of the loan, as an adjustment to the effective yield on the loans.

f Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred. Expenditure for warranties is recognised when the Credit Union incurs an obligation, which is typically when the related goods are sold.

g Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Credit Union becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

3. Summary of significant accounting policies (cont'd)

g Financial instruments (Cont'd)

Classification and initial measurement of financial assets (Cont'd)

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

In the periods presented the company does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Credit Union's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

The category also contains equity investments. The Credit Union accounts for these equity investments at FVTPL and did not make the irrevocable election to account for these equity investments at fair value through other comprehensive income (FVOCI).

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

3. Summary of significant accounting policies (cont'd)

g Financial instruments (cont'd)

Financial assets at fair value through other comprehensive income (FVOCI)

The Credit Union accounts for financial assets at FVOCI if the assets meet both of the following conditions:

- they are held under a business model whose objective is achieved by both collecting the contractual cash flows and selling the financial assets and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses are recognised in other comprehensive income (OCI).

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.

The Credit Union considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Credit Union makes use of a simplified approach in accounting for impairment of trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Credit Union uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Credit Union assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due.

3. Summary of significant accounting policies (cont'd)

g Financial instruments (cont'd)

Impairment of financial assets (cont'd)

Classification and measurement of financial liabilities

The Credit Union's financial liabilities include borrowings, trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs, unless the Credit Union designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

h Accounts receivable

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on all outstanding amounts at year end. Bad debts are written off in the year in which they are identified.

i Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and at bank and deposits with original maturities of less than 90 days, not held to satisfy League requirements, net of bank overdrafts. Bank overdrafts are shown within borrowings on the statement of financial position.

j Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3. Summary of significant accounting policies (cont'd)

k Employee benefits

(i) Pension plan

The Credit Union participates in a multi-employer defined benefit pension plan. The pension plan is generally funded by payments from employees and by the participating Credit Unions, taking into account the recommendations of independent qualified actuaries.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The asset or liability recognised in the statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets, together with adjustments for past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality Government of Jamaica bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the statement of comprehensive income

(ii) Termination benefits

Termination benefits are payable when employment is terminated by the Credit Union before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Credit Union recognises termination benefits at the earlier of the following dates: (a) when the Credit Union can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

l Provisions

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

m Members' voluntary shares

Members' voluntary shares represent withdrawable deposit holdings of the Credit Union's members to facilitate eligibility for loans and other benefits. Interest paid on these shares are determined at the discretion of the Credit Union and reported as interest expense in the statement of comprehensive income in the period in which they are approved.

3. Summary of significant accounting policies (cont'd)

n Members' permanent share capital

Members' permanent share capital represents shares paid up in cash and form part of the risk capital of the Credit Union. Members' permanent share capital may be redeemable subject to the sale, transfer or repurchase of such shares. Dividends on members' permanent share capital are recognised in members' voluntary shares in the period in which they are approved by the Credit Union's members.

o Institutional capital

Institutional capital includes the statutory reserve fund, as well as other reserves established from time to time which, in the opinion of the directors, are necessary to support the operations of the Credit Union and, thereby, protect the interest of the members. These reserves are not available for distribution to members.

p Non-institutional capital

Non-institutional capital includes various reserves established from time to time which, in the opinion of the directors, are necessary to support the operations of the Credit Union.

q Critical accounting estimates and judgements in accounting policies

Estimates and judgements 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.

The Credit Union makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Depreciable assets

Estimates of the useful life and the 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 Credit Union 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 profit or loss through impairment or adjusted depreciation provisions.

3. Summary of significant accounting policies (cont'd)
r Restatement of comparative information

Certain prior year figures have been restated as a result of decreases in interest receivables in the year ended December 31, 2021.

	Note	As previously stated Year Ended December 31, 2021 \$'000	Effect of restatement \$'000	Restated Year Ended December 31, 2021 \$'000
Assets				
Non-current assets				
Earning				
Reverse repurchase agreements		301,075	(301,075)	-
Financial investments	(4)	483,295	(4,000)	479,295
Loans, after provision for expected credit losses	(5)	1,097,951	-	1,097,951
		1,882,321	(305,075)	1,577,246
Non-Earning				
Property, plant and equipment	(6)	178,206	-	178,206
		178,206	-	178,206
Total non-current assets		2,060,527	(305,075)	1,755,452
Current assets				
Earning				
Financial investments	(4)	520,625	276,605	797,230
Loans, after provision for loan impairment	(5)	645,565	(30,066)	615,499
		1,166,190	246,539	1,412,729
Non-earning				
Bank and cash balances	(8)	90,991	-	90,991
Receivables and prepayments	(9)	59,357	(9,871)	49,486
		150,348	(9,871)	140,477
Total current assets		1,316,538	236,668	1,553,206
Total assets		3,377,065	(68,407)	3,308,658

3. Summary of significant accounting policies (cont'd)
r Restatement of comparative information

	Note	As previously stated Year Ended December 31, 2021 \$'000	Effect of restatement \$'000	Restated Year Ended December 31, 2021 \$,000
Capital and liabilities				
Capital				
Members' permanent share capital	(10)	20,047	-	20,047
Institutional capital	(11)	319,269	-	319,269
Non-institutional capital	(12)	122,187	-	122,187
Undistributed surplus		37,040	(56,004)	(14,964)
Total capital		498,543	(56,004)	446,539
Liabilities				
Non-current				
Interest bearing				
Members' deposits	(13)	465,910	-	465,910
Members' voluntary shares	(14)	3,972	-	3,972
		469,882	-	469,882
Non-interest bearing				
Retirement benefit liability	(8)	3,423	-	3,423
Total non-current liabilities		473,305	-	473,305
Current				
Interest bearing				
Members deposit	(13)	2,363,500	(9,953)	2,353,547
Non-interest bearing				
Accounts payable and accruals	(15)	37,717	(2,450)	35,267
Total current liabilities		2,401,217	(12,403)	2,388,814
Total liabilities		2,874,522	(12,403)	2,862,119
Total capital and liabilities		3,373,065	(68,407)	3,308,658

3. Summary of significant accounting policies (cont'd)

r Restatement of comparative information

Certain prior year figures have been restated as a result of decreases in interest receivables in the year ended December 31, 2020.

	Note	As previously stated Year Ended December 31, 2020 \$'000	Effect of restatement \$'000	Restated Year Ended December 31, 2020 \$'000
Assets				
Non-current assets				
Earning				
Reverse repurchase agreements		112,067	(112,067)	-
Financial investments	(4)	340,710	(4,000)	336,710
Loans, after provision for expected credit losses	(5)	1,992,295	-	1,992,295
		2,445,072	(116,067)	2,329,005
Non-Earning				
Property, plant and equipment	(6)	157,945	-	157,945
Retirement Benefit Assets		6,720	-	6,720
		164,665	-	164,665
Total non-current assets		2,060,737	(116,067)	2,493,670
Current assets				
Earning				
Financial investments	(4)	193,658	87,597	281,255
Loans, after provision for loan impairment	(5)	189,968	(30,066)	159,902
		383,626	57,531	441,157
Non-earning				
Bank and cash balances	(8)	34,308	-	34,308
Receivables and prepayments	(9)	30,921	(9,871)	21,050
		65,229	(9,871)	55,358
Total current assets		448,855	47,660	496,515
Total assets		3,058,592	(68,407)	2,990,185

3. Summary of significant accounting policies (cont'd)

r Restatement of comparative information

	Note	As previously stated Year Ended December 31, 2020 \$'000	Effect of restatement \$'000	Restated Year Ended December 31, 2020 \$,000
Capital and liabilities				
Capital				
Members' permanent share capital	(10)	19,605	-	19,605
Institutional capital	(11)	301,748	-	301,748
Non-institutional capital	(12)	181,424	-	181,424
Undistributed surplus		28,713	(56,004)	(27,291)
Total capital		531,490	(56,004)	475,486
Liabilities				
Non-current				
Interest bearing				
Members' deposits	(13)	262,794	-	262,794
Members' voluntary shares	(14)	3,909	-	3,909
		266,703	-	266,703
Non-interest bearing				
Retirement benefit liability	(8)	-	-	-
Total non-current liabilities		266,703	-	266,703
Current				
Interest bearing				
Members deposit	(13)	2,221,508	(9,953)	2,211,555
Non-interest bearing				
Accounts payable and accruals	(15)	38,891	(2,450)	36,441
Total current liabilities		2,260,399	(12,403)	2,247,996
Total liabilities		2,527,102	(12,403)	2,514,699
Total capital and liabilities		3,058,592	(68,407)	2,990,185

4. Financial investments

	2022 \$'000	2021 \$'000
Non-current assets		
Fair value through other comprehensive income		
Jamaica Co-operative Credit Union League (a)	2,342	2,342
Quality Network Co-operative Limited (QNET) (b)	1,769	1,769
Jamaica Co-operative Insurance Agency Limited (c)	500	500
	4,611	4,611
Fair value through profit or loss		
Victoria Mutual Market Brokers Deferred Shares	35,000	40,000
Barita/Money Market Trust	188,885	68,001
	223,885	108,001
Amortised cost		
Barita Investment	-	101,601
Jamaica Money Market Brokers	78,536	76,184
Victoria Mutual Building Society -		
Fixed deposit	-	187,643
NCB Capital Market	45,225	-
Interest receivable	-	1,255
	123,761	366,683
Total non-current assets	352,257	479,295
Current assets		
Fair value through profit or loss		
Victoria Mutual Building Society-	216,285	-
Jamaica National Fund Managers Limited	83,296	-
CUMAX	638,123	336,679
	937,704	336,679
Amortised cost		
Jamaica National Fund Managers Limited	57,157	132,226
NCB Capital Market	129,778	168,849
JMMB P2P	65,885	183,633
CUET Settlement	317	313
Interest receivable	12,329	-
	265,466	485,021
Total current assets	1,203,170	821,700
Total financial investments	1,555,427	1,300,995

- (a) The investment in the Credit Union Fund Management Company represents the aggregate of the minimum shares previously held by member societies which were merged, is a requirement for the Credit Union to retain membership status.

4. Financial investments (cont'd)

- (b) The investment in Quality Network Co-operative Limited is to help facilitate the development of the QNET software by that company.
- (c) The investment in Jamaica Co-operative Insurance Agency Limited (formerly NUCS – Co-operative Insurance Services Limited) is to assist in capital expansion plans of that company.

5. Loans, after provision for loan impairment

- (a) Movement in loans during the year

	2022 \$'000	2021 \$'000
Balance at the beginning of the year	2,398,355	2,699,612
Loan issued during the year	725,160	800,663
	3,123,515	3,500,275
Less: Repayment	(808,597)	(1,101,920)
	2,314,918	2,398,355
Add: Interest receivable	22,228	21,955
	2,337,146	2,420,310
Less: Expected credit loss	(636,846)	(706,860)
	1,700,300	1,713,450
Less: Current portion	(872,544)	(615,499)
Total	827,756	1,097,951

- (b) Expected credit losses

	2022 \$'000	2021 \$'000
Provision for impairment at beginning of year	706,860	537,338
Transfer from loan loss reserve	-	50,564
Write off loan facility fee	(105,015)	31,664
Increase amounts provided for during the year	35,000	87,294
Provision for impairment at end of year	636,845	706,860

- (c) Net movement on loan impairment provision:

	2022 \$'000	2021 \$'000
Increase in loan loss provision during the year	35,000	87,294
Bad debt recovered	(6,429)	-
Bad debt written-off	2,586	14,161
Charged to income and expenditure and appropriations account during the year	31,157	101,455

5. Loans, after provision for loan impairment (cont'd)

(d) Delinquent loans

At December 31, 2022, there were two thousand, seven hundred and sixty - two (2,762) (2021 - two thousand, six hundred and eighty - three (2,683)) delinquent loans. At minimum, the total loan provision derived below is consistent with the loan loss provisioning rules of the League. The total provision for 2022 and 2021 were not in excess of the provision required under IFRS provisioning rules as indicated in Note 6 (e) below. These loans are summarised as follows:

Number of Months in Arrears	2022				PEARLS provision required \$'000
	Total number of loans	Delinquent loans	Exposure	Rates	
		\$'000	\$'000	%	
Less than 2	2,464	1,525,518,822	1,525,518,822	-	-
2 to 3	164	73,006,966	7,300,966	10	7,300,697
3 to 6	414	170,185,457	170,185,457	30	51,055,637
6 to 12	579	190,540,302	190,540,302	60	114,324,181
Over 12	523	355,665,988	355,665,988	100	355,665,988
Total	4,144	2,314,917,535	2,314,917,535		528,346,503

All delinquent loans over 12 months were written-off in prior year.

Number of Months in Arrears					PEARLS provision required \$'000
	Total number of loans	Delinquent loans	Exposure	Rates	
		\$'000	\$'000	%	
Less than 2	270	123,913	123,913	-	-
2 to 3	183	101,729	101,729	10	10,173
3 to 6	445	192,222	192,222	30	57,667
6 to 12	729	224,211	224,211	60	134,527
Over 12	1,135	439,082	439,082	100	439,082
Total	2,762	1,081,157	1,08,157		641,449

(e) Provision for loan impairment:

	2022 \$'000	2021 \$'000
Provision at end of year - IFRS	636,845	706,860
Pearls provision	528,347,503	641,449

6. Property, plant and equipment

The carrying amounts for property, plant and equipment for the years included in these financial statements as at December 31, 2022 can be analysed as follows:

	Land \$'000	Building \$'000	Computer Equipment \$'000	Furniture Fixtures and Equipment \$'000	Construction in Progress \$'000	Total \$'000
Gross carrying amount						
Balance at December 31, 2021	10,000	147,832	44,191	27,163	-	229,186
Transfer	-	-	-	-	3,658	3,658
Additions	-	-	6,156	3,226	-	9,382
Balance at December 31, 2022	10,000	147,832	50,347	30,389	3,658	242,226
Depreciation						
Balance at December 31, 2021	-	(9,401)	(27,432)	(14,147)	-	(50,980)
Depreciation	-	(7,513)	(8,137)	(2,393)	-	(18,043)
Balance at December 31, 2022	-	(16,914)	(35,569)	(16,540)	-	(69,023)
Carrying amount at December 31, 2022	10,000	130,918	14,778	13,849	3,658	173,203

6. Property, plant and equipment (cont'd)

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

The carrying amounts for property, plant and equipment for the years included in these financial statements as at December 31, 2022 can be analysed as follows:

	Land \$'000	Building \$'000	Computer Equipment \$'000	Furniture Fixtures and Equipment \$'000	Construction in Progress \$'000	Total \$'000
Gross carrying amount						
Balance at December 31, 2020	10,000	33,800	30,039	24,011	92,321	190,171
Transfer	-	89,294	3,027	-	(92,321)	-
Additions	-	24,738	11,125	3,152	-	39,015
Balance at December 31, 2021	10,000	147,832	44,191	27,163	-	229,186
Depreciation						
Balance at December 31, 2020	-	(6,232)	(14,397)	(11,597)	-	(32,226)
Depreciation	-	(3,169)	(13,035)	(2,550)	-	(18,754)
Balance at December 31, 2021	-	(9,401)	(27,432)	(14,147)	-	(50,980)
Carrying amount at December 31, 2021	10,000	138,431	16,759	13,016	-	178,206

7. Retirement benefit

The Credit Union participates in a joint contributory pension scheme, which is open to all permanent employees of the Credit Union and operated by the Jamaica Co-operative Credit Union League Limited. The plan provides benefits to members based on average earnings for their final 3 years of service with the Credit Union and employees each contributing 5% - 10 % of pensionable salaries. The plan is valued annually by independent actuaries using the projected unit credit method; the latest such valuation being as at December 31, 2022. Additionally, the plan is valued by independent actuaries triennially to determine the adequacy of funding; the latest such valuation being as at December 31, 2022 revealed that the scheme was adequately funded as at that date.

The disclosures below are based on the actuarial valuation which was carried out as at December 2022.

(Liability)/asset recognised in the statement of financial position

	2022 \$'000	2021 \$'000
Present value of funded obligation	(28,021)	(62,295)
Fair value of plan assets	55,774	58,872
Change in effect of asset ceiling	(26,279)	-
(Liability)/asset recognised in the statement of financial position	1,474	(3,423)

Changes in the present value of pension obligation

	2022 \$'000	2021 \$'000
Balance at beginning of year	62,295	46,562
Current service cost	2,541	1,767
Interest cost	4,710	4,112
Actuarial gain	(36,446)	9,298
Members' contributions	1,756	2,313
Benefits paid	(6,835)	(1,757)
Present value of obligation at end of year	28,021	62,295

Changes in fair value of plan assets

	2022 \$'000	2021 \$'000
Balance at beginning of year	58,872	53,282
Interest income	4,593	4,937
Actuarial loss on plan assets	(4,492)	(2,133)
Members' contributions	1,756	2,313
Employer's contributions	2,166	2,594
Benefits paid	(6,835)	(1,757)
Administrative expenses	(286)	(364)
Balance at end of year	55,774	58,872

7. Retirement benefit (cont'd)

Expense recognised in income and expenditure statement

	2022	2021
	\$'000	\$'000
Current service cost	2,541	1,767
Administrative expenses	286	364
Interest income (net)	117	(825)
Total, included in staff costs (Note 22)	2,944	1,306

As at the last valuation date, the present value of the defined benefit obligation was comprised of approximately \$23,128,000 relating to active employees, \$964,000 relating to pensioner.

Component of OCI (Remeasurement)

	2022	2021
	\$'000	\$'000
Actuarial loss on obligation	(36,446)	9,298
Actuarial loss on plan assets	4,492	2,133
Change in effect of asset ceiling	26,279	-
Actuarial loss recorded in OCI	(5,676)	11,431

Movements in the amounts recognised in the statement of financial position:

	2022	2021
	\$'000	\$'000
Asset at beginning of year	(3,424)	(6,720)
Amounts recognised in the staff costs (Note 22)	(2,944)	(1,306)
Employers Contributions	2,166	2,594
Total re-measurements included in other comprehensive income	5,676	(11,431)
(Liability)/asset at end of year	1,474	(3,423)

Plan assets are comprised as follows:

	2022	2022	2021	2021
	\$'000	%	\$'000	%
Quoted equities	12,376	22.19	13,617	23.13
Real estate	13,078	23.45	14,094	23.94
Government bonds	18,352	32.90	15,306	26.00
Repurchase Agreements	5,261	9.43	5,261	8.94
US\$ Bonds	3,999	7.17	8,249	14.01
Other	2,708	4.86	2,345	3.98
	55,774	100	58,872	100

Expected contributions to the post-employment plan for the year ending December 31, 2022 are \$1,610,000 (2021- \$2,080,000).

7. Retirement benefit (cont'd)

The significant actuarial assumptions used were as follows:

	2022 %	2021 %
Discount rate	13	8
Future salary increases	7.5	5.5
Expected pension increase	5.5	3.75

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Impact on Post-employment obligations			
	Change in assumption %	Increase in assumption \$'000	Decrease in assumption \$'000
Discount rate	1	(3,345)	5,128
Future salary increases	1	2,066	(1,416)
Expected pension increase/(decrease)	1	2,715	(2,111)
			Increase in assumption by one year \$'000
Life expectancy			730

Risk associated with pension plans and post-employment plans

Through its defined benefit assets, the Credit Union is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields; if plan assets under perform this yield, this will create a deficit.

As the plan matures, the Credit Union intends to reduce the level of investment risk by investing more in assets that better match the liabilities. The Government bonds largely represent investments in Government of Jamaica securities.

However, the Credit Union believes that due to the long-term nature of plan liabilities, a level of continuing equity investment is an appropriate element of the Credit Union's long-term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in Government of Jamaica bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

7. Retirement benefit (cont'd)

Inflation risk

Higher inflation will lead to higher liabilities in the event that discretionary pension increases are granted.

Life expectancy

The majority of the plans' obligations are to provide benefits for the life of the member, so increase in the life expectancy will result in an increase in the plans' liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy.

The Credit Union ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension plan. Within this framework, the Credit Union's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due. The Credit Union actively monitors how duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The Credit Union does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2022 consist of Government bonds and Repurchase Agreements.

Funding levels are monitored on an annual basis and the current agreed contribution rate is 5% - 10% of pensionable salaries. The next triennial valuation is due to be completed as at December 31, 2022. The Credit Union considers that the contribution rates set at the last valuation date to be sufficient to prevent a deficit and that regular contributions, which are based on service costs, will not increase significantly.

The liability duration for each category of Member as at the current and prior period measurement dates is shown below:

Category of Participant	Liability duration (years)	
	2022	2021
Active Members	21.7	28.9
Deferred pensioners	17.2	-
Retirees	6.3	7.2
All participants	16.7	25.1

8. Bank and cash balances

	2022	2021
	\$'000	\$'000
Cash in hand	54,229	40,858
Current accounts	46,811	50,133
Total	101,040	90,991

9. Receivables and prepayments

	2022 \$'000	2021 \$'000
Accounts receivables	4,130	42,208
Prepaid expenses	1,834	7,278
Total	5,964	49,486

10. Members' permanent share capital

Members' permanent share capital represents shares invested by members of the Credit Union. These shares are not available for withdrawal. The attribution of the permanent shares at December 31 as follows:

	2022 \$'000	2021 \$'000
Balance at beginning of year	20,047	19,605
Share capital issued	675	442
Balance at end of year	20,722	20,047

The Credit Union may purchase shares from a member out of its Share Transfer Fund Reserve (Note 13b) for transfer to the Credit Union.

Dividends may be paid on permanent shares subject to the profitability of the Credit Union.

11. Institutional capital

	2022 \$'000	2021 \$'000
Statutory reserve (a)	293,346	284,230
Special reserve (b)	26,879	26,879
Capital reserve (c)	8,160	8,160
Total	338,385	319,269

(a) Statutory reserve

As required by the Co-operative Societies, a minimum of twenty percent (20%) of the annual surplus before entrance fees, and amounts collected for entrance fees must be transferred to this reserve.

(b) Special reserve

This reserve was set aside in addition to the statutory reserve in order for the Credit Union to maintain a minimum of 8% of institutional capital to total assets. This reserve is not available for distribution.

(c) Capital reserve

This reserve was set aside for the purpose of strengthening institutional capital.

12. Non-Institutional capital

	2022 \$'000	2021 \$'000
Retirement benefit asset reserve (a)	1,475	(3,423)
Share transfer fund (b)	2,590	2,440
Loan loss reserve (c)	15,000	-
Special loan facility (d)	4,970	4,970
Revaluation reserve (e)	37,249	37,251
Co-operative social responsibilities reserve (f)	10,981	5,949
Building reserve (g)	-	75,000
Total	75,990	122,187

(a) **Retirement benefit asset reserve**

This reserve was created to match the retirement benefit asset of the Credit Union. Movement on this reserve passes through accumulated surplus.

(b) **Share transfer fund reserve**

The share transfer fund reserve was established in accordance with Rule 15 and the Special Bye-laws relating to Rule 11 of the Credit Union Rules, for the purpose of redeeming permanent shares from a member to the Credit Union. Shares purchased through this reserve must be sold to members of the Credit union before any new shares may be issued.

(c) **Loan loss reserve**

This represents excess of the Credit Union's internally assessed provision for loan impairment over the amount required under IFRS. This amount was an appropriation from accumulated surplus.

(d) **Special loan facility**

This is to provide for special loans.

(e) **Revaluation reserve**

This reserve comprises the revaluation gain on land and building.

(f) **Co-operative social responsibilities reserve**

This reserve was set aside to facilitate donations, scholarships and grants.

(g) **Building reserve**

This reserve is to provide for future building reserve.

13. Members' deposits

	2022 \$'000	2021 \$'000
(a) Members' ordinary deposits		
Opening balance	2,452,745	2,155,261
Deposits during the year	375,094	2,585,689
	2,827,839	4,704,950
Less: Withdrawals during the year	(224,833)	(2,288,205)
	2,603,006	2,452,745
(b) Members' fixed deposits		
Opening balance	276,960	255,299
Deposits during the year	1,468,000	1,370,366
	1,744,960	1,625,665
Less: Withdrawals during the year	(1,428,125)	(1,348,705)
	316,835	276,960
(c) Members' Golden Harvest deposits		
Opening balance	10,458	9,959
Deposits during the year	504	4,825
	10,962	14,784
Less: Withdrawals during the year	(1,053)	(4,326)
	9,909	10,458
(d) Members' Partner plan		
Opening balance	76,348	55,172
Deposits during the year	49,388	160,839
	125,736	216,011
Less: Withdrawals during the year	(39,150)	(139,663)
	86,586	76,348
(e) Interest payable on members' deposits	-	2,946
	3,016,336	2,819,457
Less: Current portion	(2,567,448)	(2,353,547)
Total	448,888	465,910

14. Members' voluntary shares

	2022 \$'000	2021 \$'000
Balance at the beginning of the year	3,972	3,909
Shares issued	288	109
Shares withdrawn or transferred	(44)	(46)
Total	4,216	3,972

15. Accounts payables

	2022 \$'000	2021 \$'000
Other payables	27,179	19,272
Accruals	3,937	6,772
General Consumption Tax liability	1,168	9,223
Total	32,284	35,267

16. Fees and other income

	2022 \$'000	2021 \$'000
Rental	363	1,418
Commission	7,423	6,313
Other	2,385	6,429
Total	10,171	14,160

17. Commitments

At December 31, 2022, there were commitments of approximately \$NIL (2021 - \$NIL) in respect of loans approved, but not disbursed.

18. Comparison of ledger balances

	Voluntary Shares \$'000	Deposits \$'000	Loans \$'000
Balance per members' ledgers	4,216	3,016,336	2,314,918
Balance per general ledger	4,216	3,016,336	2,314,918
Ledger difference	-	-	-

19. Insurance

(a) **Fidelity Insurance coverage**

Fidelity insurance coverage was maintained during the year.

(b) **Life savings and loan protection insurance**

There were life and savings and loan protection insurance during the year.

20. Related party transactions and balances

Related parties of the Credit Union include staff members, committee members and Board of Directors. The following transactions were carried out with related parties:

(a) Key management compensation

	2022	2021
	\$'000	\$'000
Salaries and other short-term employee benefits	6,634	7,182
Statutory contributions	630	597
Other	1,664	461
Total	8,829	8,240

(b) Loans, shares and savings

Loans, shares and savings to directors, committee members, staff members and key management of the Credit Union (and their families):

	2022	2021
	\$'000	\$'000
Directors and committee members, and their families		
Shares and savings	405	5,098
Loans, including interest	5,691	14,042
Staff members and their families -		
Shares and savings	4,112	15,642
Loans including interest	38,928	48,957

No provision for impairment is required for these loans.

21. Operating expenses

	2022	2021
	\$'000	\$'000
Staff costs		
Salaries and allowances	69,349	63,628
Statutory deductions	11,806	9,154
Pension costs	4,493	2,670
Other	43,831	30,585
	129,479	106,037
Administrative		
Travelling and subsistence	5,621	594
Audit fees and related costs	2,990	3,065
Repairs and maintenance	5,575	7,574
Security services	5,493	6,425
Life savings and loan protection	10,032	11,617
Insurance	1,409	516
Office expenses	4,947	9,840
Fidelity bond	1,305	1,360
Bank charges	404	902
Telephone	5,987	5,514
Rates and taxes	307	41
Electricity	5,579	4,877
Rent - branch office	665	776
Donation and subscription	6,259	2,358
Bailiff and other fees	1,760	-
Miscellaneous expenses	7,399	580
Cleaning and sanitation	1,185	1,116
Entertainment	30	330
Members prizes	267	1,178
Loan administration fees	6,560	2,683
Computer repairs	4,406	3,194
Printing and stationery	2,230	4,146
Legal and professional fees	13,762	-
General Consumption Tax provision	-	9,223
Accounts write-off	6,559	-
Depreciation	18,044	18,754
Total administrative expenses	118,775	96,623
Representation and affiliation		
League fees	6,903	6,029
Stabilisation dues	3,526	1,866
Prior years adjustment: League fee and Stabilisation dues	-	(11,408)
Strategic planning	114	120
Board and committee expenses	8,695	9,160
Total representation and affiliation expenses	19,238	5,767
Marketing and promotion		
Advertising and promotion	6,965	2,488
Total marketing and promotion expenses	6,965	2,488
Total operating expenses	274,457	210,915

22. Risk management policies

The Credit Union's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risk. Taking risk is core to the financial services industry, and operational risk is an inevitable consequence of being in business. The Credit Union's aim is therefore to achieve an appropriate balance between risk and returns and minimise potential adverse effects on the Credit Union's financial performance. The Credit Union's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the adherence to limits by means of reliable and up-to-date information systems. The Credit Union regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Credit Union's risk management policies and strategies and is committed to complying with all the regulations and legislation under which the Credit Union operates. In addition, an effective compliance programme is an important element of its risk management system.

The Board has established committees/units for managing and monitoring risks as follows:

(i) Finance and Delinquency Committees

- (a) This unit ensures conformity with regulatory requirements. Ensures that all regulatory requirements of the Bank of Jamaica, the League and the Financial Investigating Unit of the Ministry of Finance and Planning are met.
- (b) Manages the Credit Union's assets and liabilities and the overall financial structure. It is also primarily responsible for managing the funding and liquidity risks of the Credit Union. The Finance Committee is responsible for monitoring and formulating investment portfolios and investment strategies for the Credit Union.
- (c) Establishing appropriate trading limits and reviewing reports on compliance controls to ensure that its mandate is properly followed.

(ii) Supervisory Committee

The Supervisory Committee oversees how management monitors compliance with the Credit Union's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Credit Union. The Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors through the Supervisory Committee.

In addition, the League has established a Risk Manager Association for credit unions in Jamaica and the Credit Union participates in this risk management initiative. They conduct seminars, draft policies and assist credit unions in identifying and managing risks.

The Credit Union is exposed to credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk and interest rate risk.

22. Risk management policies (cont'd)

a Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk arises mainly from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Risk and Compliance Officer who monitors price movements of financial assets on the local market. Market risk exposures are measured using sensitivity analysis. There has been no change to the Credit Union's exposure to market risk or the manner in which it manages and measures the risk.

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 Credit Union incurs foreign currency risk on transactions and balances denominated in a currency other than the Jamaican Dollar. Risk arising from exposure to foreign currencies is insignificant.

ii Interest rate risk

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

Floating rate instruments expose the Credit Union to cash flow interest risk, whereas fixed interest rate instruments expose the Credit Union to fair value interest risk.

The Credit Union's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities. The Board of Directors sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored by the Asset and Liability Committee and the Treasury Committee.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

22. Risk management policies (cont'd)

a Market risk (cont'd)

ii Interest rate risk (cont'd)

The following tables summarise the Credit Union's exposure to interest rate risk. It includes the Credit Union's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

2022	Within One Month \$'000	Within Three Months \$'000	Three to Twelve Months \$'000	One to Five Years \$'000	Non-Interest Bearing \$'000	Total \$'000
Financial assets						
Earning assets						
Financial investments	-	265,466	937,705	352,257	-	1,555,428
Loans, net of impairment provision	60,121	236,477	629,296	774,405	-	1,700,299
Non-earning assets	-	-	-	-	107,004	107,004
Total financial assets	60,121	501,943	1,567,001	1,126,662	107,004	3,362,731
Interest bearing liabilities						
Members' deposits	-	2,567,448	-	449,310	-	3,016,758
Members' voluntary shares	-	-	-	4,216	-	4,216
Non-interest bearing liabilities	-	-	-	-	32,284	32,284
Total financial liabilities	-	2,567,448	-	453,526	32,284	3,053,258
Total interest rate						
Sensitivity Gap	60,121	(2,065,505)	1,567,001	673,136	74,720	309,473
Cumulative Gap						
	60,121	(2,005,384)	(438,383)	(234,752)	309,473	-

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

22. Risk management policies (cont'd)

a Market risk (cont'd)

ii Interest rate risk (cont'd)

2021

	Within One Month \$'000	Within Three Months \$'000	Three to Twelve Months \$'000	One to Five Years \$'000	Non-Interest Bearing \$'000	Total \$'000
Financial assets						
Earning assets						
Reverse repurchases agreements	-	301,075	-	-	-	301,075
Financial investments	183,946	-	336,679	483,295	-	1,003,920
Loans, net of impairment provision	115,072	46,586	483,907	1,097,951	-	1,743,516
Non-earning assets	-	-	-	-	150,348	150,348
Total financial assets	299,018	347,661	820,586	1,581,246	150,348	3,198,859
Interest bearing liabilities						
Members' deposits	-	2,363,500	-	465,910	-	2,829,410
Members' voluntary shares	-	-	-	3,972	-	3,972
Non-interest bearing liabilities	-	-	-	-	37,717	37,717
Total financial liabilities	-	2,363,500	-	469,882	37,717	2,871,099
Total interest rate Sensitivity Gap	299,018	(2,015,839)	820,586	1,111,364	112,631	327,760
Cumulative Gap	299,018	(1,716,821)	(896,235)	215,129	327,760	

22. Risk management policies (cont'd)

a Market risk (cont'd)

ii Interest rate risk (cont'd)

Average effective yields on interest rate sensitive financial instruments by the earlier of the contractual re-pricing or maturity dates:
2022

	Within one month %	Within three months %	Three to twelve months %	One to five years %	Over five years %	Weighted average %
Financial assets						
Earning assets						
Financial investments	-	3.9	5.5	7	-	5.5
Loans to members	13	13	13	13	13	13
Interest bearing liabilities						
Members' deposits	-	1	-	1	-	1

2019

	Within one month %	Within three months %	Three to twelve months %	One to five years %	Over five years %	Weighted average %
Financial assets						
Earning assets						
Reverse repurchase agreement	-	2.5	-	-	-	2.5
Financial investments	4.5	-	4.5	4.5	-	4.5
Loans to members	15	15	15	15	15	15
Interest bearing liabilities						
Members' deposits	-	1.0	-	1.5	-	1.25

(1) Yields are based on book values, net of allowances for credit losses and contractual interest rates.

(2) Yields are based on contractual interest rates.

22. Risk management policies (cont'd)

a Market risk (cont'd)

ii Interest rate risk (cont'd)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Credit Union's net surplus.

The sensitivity of the surplus is the effect of the assumed changes in interest rates on net surplus based on reverse repurchase agreements, financial investments and members' deposits. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to the changes in each variable, variables had to be analysed on an individual basis. It should be noted that movements in these variables are non-linear.

Change in basis points 2022	Effect on Net Surplus 2022 \$'000	Change in basis points 2021	Effect on Net Surplus 2021 \$'000
J\$ instruments		J\$ instruments	
-50	(15,474)	-50	(16,673)
+300	<u>18,568</u>	+300	<u>10,004</u>

b Credit risk analysis

The Credit Union takes on exposure to credit risk, which is the risk that its members or counterparties will cause a financial loss for the Credit Union by failing to discharge their contractual obligations carefully manages its exposure to credit risk. Credit exposures arise principally in lending and investment activities. There is also credit risk in financial instruments not included in the statement of financial position, such as loan commitments. The Credit Union structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty, related counterparties and industry segments.

Credit review process

The Credit Union has a credit quality review process involving regular analysis of the ability of borrowers to meet interest and capital repayment obligations.

(i) Loans

The Credit Union assesses the probability of default of borrowers. Exposure to credit risk is managed in part by obtaining collateral and personal guarantees. The credit quality review process allows the Credit Union to assess the potential loss as a result of the risk to which it is exposed and take corrective action.

(ii) Investments

The Credit Union limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality, and in Government of Jamaica securities. Accordingly, management does not expect any counterparty to fail to meet its obligations.

22. Risk management policies (cont'd)

b Credit risk analysis (cont'd)

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the member and the size of the loan. Guidelines are implemented regarding the acceptability of different types of collateral.

The main types of collateral obtained are as follows:

- Mortgages over real estate
- Bills of sale on motor vehicles
- Furniture and appliance
- Hypothecated financial instruments such as certificates of deposits with regulated banks
- Liens on members' deposits maintained with the Credit Union

Management monitors the market value of collateral, during its review of the adequacy of the provision for credit losses.

Loans to members and expected credit loss

The Credit Union applies the “three stage” model under IFRS 9 in measuring the expected credit losses on loans, and makes estimations about likelihood of defaults occurring, associated loans ratios, changes in market conditions, and expected future cash flows. This is measured using the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) for loans.

Probability of Default – This represents the likelihood of a borrower defaulting on its financial obligation either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Exposure at Default – This represents the expected balance at default, taking into account the repayment of principal and interest from the statement of financial position date to the default event together with any expected drawdowns of committed facilities.

Loss Given Default – The LGD represents the expected losses on the EAD given the event of default, taking into account the mitigating effect of collateral value at the time it is expected to be realised and also the time value of money.

The “three stage” model is used to categorise financial assets according to credit quality as follows:

Stage 1 – financial assets that are not credit impaired on initial recognition or are deemed to have low credit risk. These assets generally abide by the contractual credit terms. The ECL is measured using a 12 month PD, which represents the probability that the financial asset will default within the next 12 months.

Stage 2 – financial assets with a significant increase in credit risk (SICR) since initial recognition, but are not credit impaired. The ECL is measured using a lifetime PD.

Stage 3 – credit impaired financial assets. The ECL is measured using a lifetime PD.

22. Risk management policies (cont'd)

b Credit risk analysis (cont'd)

Financial assets can be transferred between the different categories depending on their relative increase in credit risk since initial recognition. Financial instruments are transferred out of stage 2 if their credit risk is no longer considered to be significantly increased since initial recognition. Financial instruments are transferred out of stage 3 when they no longer exhibit any evidence of credit impairment.

In measuring the expected credit losses, the loan to member have been assessed on a case by case basis as they possess different credit risk characteristics. They have been grouped based on the loan type (motor vehicle, real estate, cash secured and unsecured), past due days and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for customers over the past three years before December 31, 2022 and January 1, respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Credit Union has identified interest rate, exchange rate gross domestic product (GDP) and unemployment rates of Jamaica to be the most relevant factors and according adjusts historical loss rates for expected changes in these factors.

On the above basis the expected credit loss for loan members receivables as at December 31, 2022 and January 1, 2022 was determined as follows:

Expected credit loss summarise by stage

Loan stage	December 31, 2022		
	Total loan balance	Expected credit loss	Expected credit loss rate
	\$'000	\$'000	%
Stage 1	1,422,554	40,574	3
Stage 2	172,059	22,499	13
Stage 3	720,305	573,772	79
Total	2,314,918	636,845	

Expected credit loss summarise by stage

Loan stage	December 31, 2021		
	Total loan balance	Expected credit loss	Expected credit loss rate
	\$'000	\$'000	%
Stage 1	1,328,677	50,208	4
Stage 2	202,905	27,803	14
Stage 3	866,773	628,849	72
Total	2,398,355	706,860	

22. Risk management policies (cont'd)

b Credit risk analysis (cont'd)

Impairment

The main considerations for the loan impairment assessment include whether any payments of principal or interest are overdue by more than 30 days, or there are any known difficulties in the cash flows of counterparties, or there are infringements of the original terms of the contract.

The Credit Union addresses impairment assessment individually. An impairment allowance is provided for each individual loan that is impaired with no consideration of materiality. At minimum, an impairment assessment is conducted annually. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at the statement of financial position date on a case-by-case basis, and are applied to all accounts with a past due date of more than 30 days. The assessment normally encompasses collateral held and the anticipated receipts for that individual account.

The loan loss provisioning rules described above focus more on credit-quality mapping of the respective delinquency periods to corresponding pre-determined percentages. In contrast, impairment provisions are recognised for financial reporting purposes only for losses that have been incurred at the statement of financial position date based on objective evidence of impairment. Due to the different methodologies applied, the amount of incurred credit losses provided for in the financial statements may differ from the amount determined from the League's loan loss provisioning rules that are used for internal operational management and the Credit Union's internal provisioning method.

The table below shows loans to members and the associated IFRS impairment provision:

	2022	
	Loans \$'000	Impairment provision \$'000
Loans to members	2,314,918	636,845
	2021	
	Loans \$'000	Impairment provision \$'000
Loans to members	2,398,355	706,860

22. Risk management policies (cont'd)

b Credit risk analysis (cont'd)

Credit risk exposure

Maximum exposure to credit risk

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

For items on the statement of financial position, the exposures are based on net carrying amounts as reported in the statement of financial position.

The following table explains the changes in the loan loss provision between the beginning and the end of the financial year.

(i) Expected credit losses

	2022 \$'000	2021 \$'000
Provision for impairment at beginning of year	706,860	537,338
Transfer from loan loss reserve	-	50,564
Written off of loan facility fee	-	31,664
Increase amounts provided for during the year	35,000	87,294
Write -off loan previously provided for	(105,015)	-
Provision for impairment at end of year	636,845	706,860

(ii) Credit quality of loans are summarised as follows:

	2022 \$'000	2021 \$'000
Neither past due nor impaired	1,422,554	1,369,219
Past due but not impaired	172,059	304,784
Impaired	742,532	746,307
Gross	2,337,145	2,420,310
Less: Provision for impairment	(636,845)	(706,860)
Net	1,700,300	1,713,450

The majority of past due loans are considered to be impaired. Further information on the impairment allowance for loans is provided in Note 8.

(iii) Ageing analysis of past due but not impaired loans:

	2022 \$'000	2021 \$'000
Less than 2 months	107,791	166,622
2 - 3 months	64,268	92,227
3 - 6 months	-	45,935
Net	172,059	304,784

22. Risk management policies (cont'd)

b Credit risk analysis (cont'd)

(iii) Renegotiated loans

Restructuring activities include extended payment arrangements, approved external management plans, modification and deferral of payments. Following restructuring, a previously overdue customer account is reset to a normal status and managed together with other similar accounts. Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans. As at December 2022, there were renegotiated loans.

(iv) Repossessed collateral

The Credit Union obtained assets by taking possession of collaterals held as security. The force sale value of these assets were as follows:

	2022	2021
	\$'000	\$'000
Motor vehicles	-	-
Total	-	-

Reposessed collateral is sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness. In general, the Credit Union does not occupy reposessed property for business use. There is no transfer of title to the Credit Union and it therefore does not recognise the property as an asset.

(v) Debt securities

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

	2022	2021
	\$'000	\$'000
Credit Union Fund Management Company Limited	642,734	529,236
Financial institution	912,693	775,759
Total	1,555,427	1,300,995

The disclosures provided in this note are based on the Credit Union's investment portfolio as at December 31, 2022 and 2021.

22. Risk management policies (cont'd)

b Credit risk analysis (cont'd)

(vi) Loans

The following table summarises the Credit Union's credit exposure for loans at their carrying amounts, as categorised by the industry sectors:

	2022 \$'000	2021 \$'000
Construction and real estate	169,781	44,003
Motor vehicle	1,010,030	975,615
Personal and other	1,135,107	1,378,737
	2,314,918	2,398,355
Less: Provision for impairment	(636,845)	(706,860)
	1,678,073	1,691,495
Interest receivable	22,228	21,955
Total	1,700,301	1,713,450

c Liquidity risk

Liquidity risk is the risk that the Credit Union will encounter difficulty in raising funds to meet its commitments associated with financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay members and fulfil commitments to lend.

Liquidity risk management process

The Credit Union's liquidity risk management processes are monitored by the Treasury Committee includes:

- (i) monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash outflows and the availability of cash to meet these outflows;
- (ii) maintaining a balanced portfolio between financial investments and liquid assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) optimising cash returns on investments;
- (iv) maintaining committed lines of credit; and
- (v) monitoring statement of financial position liquidity ratios against internal and regulatory requirements.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, 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.

22. Risk management policies (cont'd)

c Liquidity risk (cont'd)

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Credit Union. It is unusual for financial institutions to ever be completely matched since business transacted is often on uncertain terms and of different types. An unmatched position potentially enhances profitability, but also increases the risk of losses.

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 Credit Union and its exposure to changes in interest rates and exchange rates.

The tables below represent the cash flows of the Credit Union for financial liabilities held for managing liquidity risk by remaining contractual maturity. The amounts disclosed in the table are the contractual undiscounted cash flows (principal and interest cash flows).

2022					
	Within Three Months \$'000	Three to Twelve Months \$'000	One to Five Years \$'000	Non-Rate Sensitive \$'000	Total \$'000
Interest bearing liabilities					
Members' deposits	2,567,448	-	453,526	-	3,020,974
Members' voluntary shares	-	-	-	-	-
Non-interest bearing liabilities	-	-	-	32,284	32,284
Total financial liabilities	2,567,448	-	453,526	32,284	3,053,258
2021					
	Within Three Months \$'000	Three to Twelve Months \$'000	One to Five Years \$'000	Non-Rate Sensitive \$'000	Total \$'000
Interest bearing liabilities					
Members' deposits	2,353,547	465,910	-	-	2,819,457
Members' voluntary shares	-	-	3,972	-	3,972
Non-interest bearing liabilities	-	-	-	35,267	35,267
Total financial liabilities	2,353,547	465,910	3,972	35,267	2,858,696

The above contractual maturities reflect the gross flows, which may differ to the carrying values of the liabilities at the date of the statement of financial position.

22. Risk management policies (cont'd)

d Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the Credit Union's processes, personnel, technology and infrastructure, and from external factors other than financial risks such as those arising from legal and regulatory requirements.

The Credit Union's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its 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 identify operational risk is assigned to the Board and management. This responsibility is supported by overall Credit Union standards for the management of operational risk in the following areas:

- (i) requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- (ii) requirements for the appropriate segregation of duties, including the independent authorisation of transactions
- (iii) requirements for the reconciliation and monitoring of transactions
- (iv) compliance with regulatory and other legal requirements
- (v) documentation of controls and procedures
- (vi) requirements for the reporting of operational losses and proposed remedial action
- (vii) development of contingency plans
- (viii) training and professional development
- (ix) ethical and business standards
- (x) risk mitigation, including insurance where this is effective

Compliance with Credit Union policies is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Supervisory Committee, senior management and the Board of Directors.

23. Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

Market price is used to determine fair value where an active market exists, as it is the best evidence of the fair value of a financial instrument. However, market prices are not available for a number of financial assets and liabilities held and issued by the Credit Union. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the statement of financial position date.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates.

The following methods and assumptions have been used in determining or estimating the fair value of the Credit Union's financial instruments:

- (i) The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amounts. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities.
- (ii) The fair value of members' deposits is assumed to be the amount payable on demand at the statement of financial position date.
- (iii) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts.
- (iv) The fair value of fixed rate loans is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. For match-funded loans, the fair value is assumed to be equal to their carrying value, as gains and losses offset each other. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the provisions for credit losses from both book and fair values.
- (v) Financial investments classified as available-for-sale are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or other recognised valuation techniques. Unquoted equities classified as available-for-sale are measured at historical cost less impairment, as their fair values cannot be reliably determined.
- (vi) The estimated fair values of the off-statement of financial position financial instruments is assumed to approximate the amount committed at year end.
- (vii) The carrying value of borrowings approximates fair value as the borrowings are carried at amortised cost reflecting its contractual obligations, and the interest rates are reflective of current rates for similar transactions.

23. Fair value estimation (cont'd)

Financial instruments that are measured in the statement of financial position at fair value are grouped based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets is the current bid price. These instruments are grouped in Level 1;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2; and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The following table presents the Credit Union's financial assets that are measured at fair value:

December 31, 2022

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Available for-sale financial assets				
Quoted equities	-	-	4,611	4,611
Unquoted equities	-	-	-	-
Fixed and other deposits	-	1,550,816	-	1,550,816
Total	-	1,550,816	4,611	1,555,427

December 31, 2021

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Available for-sale financial assets				
Unquoted equities	-	-	4,611	4,611
Fixed and other deposits	-	1,296,384	-	1,296,384
Total	-	1,296,384	8,611	1,300,995

There has been no transfer between levels 1 and 3 in the reporting period.

24. Capital management, policies and procedures

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

- (i) to maintain the members' confidence in the safety and viability of the Credit Union;
- (ii) to safeguard the Credit Union's ability to continue as a going concern so that it can continue to provide returns and benefits for its members;
- (iii) to continuously meet statutory and any other regulatory requirements as required by the Registrar of Co-operative and Friendly Societies, the Bank of Jamaica and the Jamaica Co-operative Credit Union League Limited;
- (iv) to maintain a strong capital base to support planned expansion and the development of new lines of business.

Capital adequacy and the use of regulatory capital are monitored by the Credit Union's management according to the guidelines in its Capital Adequacy Management Policy. The computation is reported to the Board of Directors each month and the Credit Union's capital adequacy ratio currently exceeds the benchmarks set by the regulatory authorities.

The League currently requires member Credit Unions to maintain a minimum level of the institutional capital at 8% of total assets. The proposed Bank of Jamaica regulations require the League to ensure that member credit unions:

- (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%.

There was no change during the financial year in relation to how the Credit Union manages its capital. All League and Bank of Jamaica regulatory capital requirements were met during the years ended December 31, 2022 and 2021.

There was no change to the Credit Union's approach to capital management during the year.

The Credit Union complied with all externally imposed capital requirements to which they were subjected.

REPORT

of the Credit Committee

For the year ended December 31, 2022



Rochelle Anderson
Chairperson



Charmaine Barrett



Fiona Riley
Vice Chairperson



**Margaret Clarke -
Thompson**
Secretary



Suzette McKail-Linton



TRELAWNY
CO-OPERATIVE CREDIT UNION LIMITED

REPORT

of the Credit Committee

For the year ended December 31, 2022

The Credit Committee is comprised of five (5) volunteers who meet on a weekly basis to review loan applications. To ensure the speedy processing of loans, those below a certain value were reviewed and approved by an In-house Committee of senior employees and loans of a higher value were reviewed for approval by the Credit Committee. In 2022, the committee adjudicated fifty (247) loan applications, conducted site visits, reviewed delinquent loans, and encouraged members to make additional savings while repaying loans.

The Credit Committee ensured that all loan applications that were approved took into consideration the members' credit history, collateral presented, the purpose of the loan and their ability to repay.

The Committee members reviewed all loan products and made the appropriate recommendations to the Board of Directors as needed.

MEMBERS OF THE CREDIT COMMITTEE

Mrs. Rochelle Anderson
(Chairperson)

Mrs. Fiona Riley -Thomas
(Vice Chairperson)

Mrs. Margaret Clarke -Thompson
(Secretary)

Mrs. Charmaine Barrett
(Assistant Secretary)

Mrs. Suzette McKail -Linton
(Member)

Miss. Shawnon Francis
(Member)

PROFILE OF THE CREDIT COMMITTEE

The Credit Committee comprises of suitably trained team players from various backgrounds, who are passionate about serving the members of Trelawny Co-operative Credit Union.

The Credit Committee members possess good leadership, communication, analytical, planning, and organizational skills. They also serve in leadership roles in the churches, businesses, education, community groups and government establishments in the parish of Trelawny. It has been their continued pleasure to serve the members of the Trelawny Co-operative Credit Union, while dispensing proper guidance and advice to them.

The Credit Committee members attended Joint Meetings with the Board and Supervisory Committee, and training seminars during the year. Our Credit Union is still the place to meet our members' financial needs, providing a wide range of products and services to fit every need.

REGULAR WEEKLY MEETINGS

The table below shows the attendance record of each member. Meetings were generally kept every Thursdays, however depending on the amount of loans available for review, meeting days varied between twice per week or once every other week. Staff members such as Credit and Business Development Officers, Delinquency Officers and Managers would be present at these meetings from time to time.

Name	No. of Possible Meetings	No. of Meetings Attended	No. of Excuses	No. Joint Committee Meetings	No. of Joint Meetings Attended
Rochelle Anderson	47	46	1	4	4
Charmaine Barrett	47	44	Nil	4	3
Fiona Riley	47	33	5	4	4
Shawnon Francis (new member)	7	6	Nil	2	2
Margaret Clarke-Thompson	47	43	2	4	4
Suzette Mckail-Linton (was not reappointed after AGM)	40	33	3	4	4

LOANS ASSESSED BY THE COMMITTEE

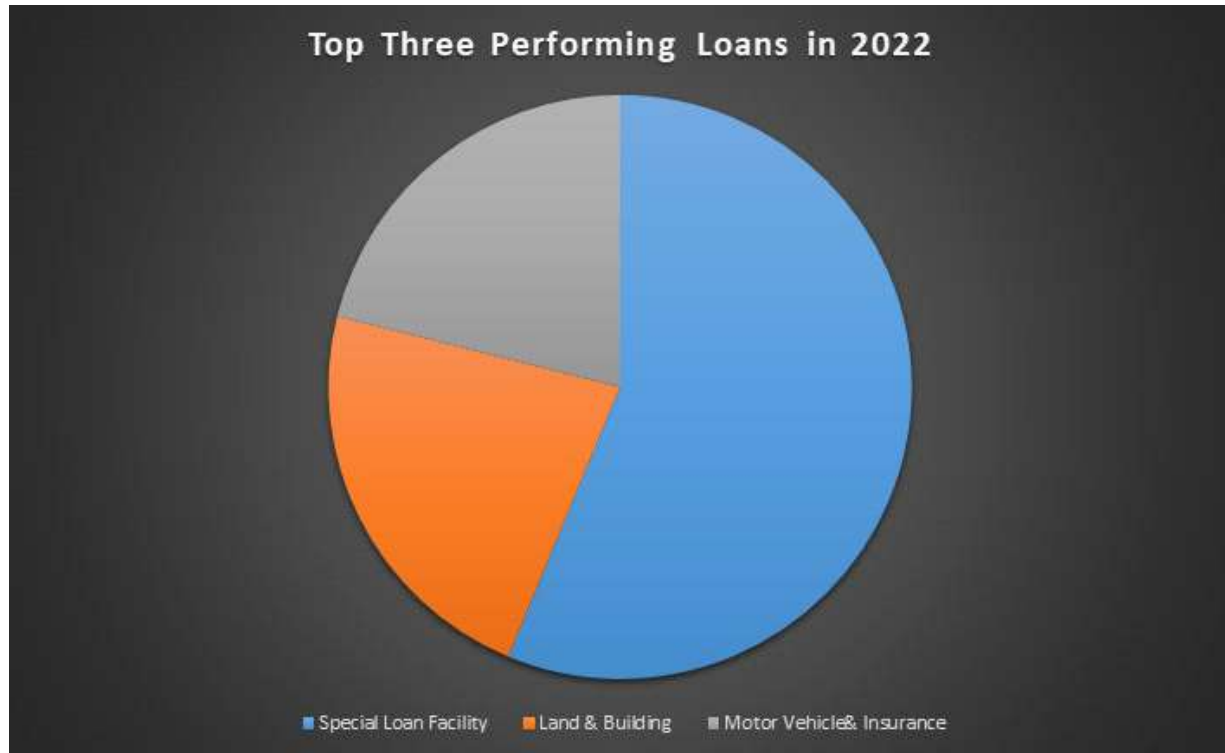
Month	No. of Loans Applicants		
January	18	Activities	2022
February	14		
March	10	No. of Applicants	207
April	10	No. of Loans Approved	174
May	4	No. of Loans Disapproved	10
June	12	No. of Interviews Conducted	0
July	18	No. of Loans Recommended to the board for approval	10
August	23	No. of Loans Deferred	13
September	13	Site Visits	2
October	23		
November	28		
December	34		
Total	207		

LOAN ANALYSIS – 2022

Purpose	Year 2022	Year 2021	Variance
Agriculture	\$17,472,137.32	\$13,054,750.60	\$4,417,386.72
Business	\$22,674,203.02	\$14,798,127.58	\$7,876,075.44
Business Development	\$6,050,000.00	\$550,000.00	\$5,500,000.00
Debt Consolidation	\$12,054,983.97	\$5,381,143.28	\$6,673,840.69
Domestic	\$22,026,673.56	\$120,344,399.42	(\$98,317,725.86)
Education	\$10,547,895.98	\$8,991,942.08	\$1,555,953.90
Funeral	\$2,090,000.00	\$4,494,740.80	(\$2,404,740.80)
Furniture & Appliances	\$12,143,888.89	\$7,765,699.01	\$4,378,189.88
Land & Building	\$120,643,015.87	\$63,673,371.28	\$56,969,644.59
Legal Expenses	\$1,005,259.66	\$436,148.85	\$569,110.81
Wedding	\$654,630.17	\$0.00	\$654,630.17
Medical	\$885,418.83	\$5,590,828.03	(\$4,705,409.20)
Motor Vehicle & Insurance	\$112,481,061.36	\$274,717,741.49	(\$162,236,680.13)
Mortgage	\$41,319,795.46	\$40,000.00	\$41,279,795.46
Staff	\$17,792,365.22	\$9,323,505.90	\$8,468,859.32
Special Loan Facility	\$300,000,000.00		\$300,000,000.00
Travelling	\$990,000.00	\$50,000.00	\$940,000.00
Within Savings	\$24,274,675.42	\$24,139,600.00	\$135,075.42
Total	\$725,106,004.73	\$553,351,998.32	\$171,754,006.41

There was an increase in monetary value of \$171.7 million in loans disbursed, coming from \$553.35 million in 2021 to **\$725.1 million in 2022**; an overall rise of 23.69%. The significant surge in the loan portfolio can be seen in the category of Special Loan

Facility and Land and Building. These two along with Motor Vehicle & Insurance were the top three performing loans for 2022 financial year. The introduction of mortgage loans has also made a notable contribution to the achievement of the overall loan portfolio.



The Year in Review

As the Covid-19 pandemic deteriorated, the economy started to pick up and things were slowly going back to normal. Businesses reopened and members were going back to work. The first half of the year saw a steady inflow of loan applications for the Credit Committee as a result. During this period approximately sixty-seven (67) loans were adjudicated by the Credit Committee. Delinquent loans and other loans that were approved by the in-house committee were also reviewed by the Credit Committee. Members of the Jamaica Co-operative Credit Union League (JCCUL) were present in a few of the meetings that were held throughout the month of January. They were there to review the adjudication process of the Credit Committee, conduct training, provide clarity

to any questions posed and offer support and words of advice to the members of the Credit Committee. The Committee also took the opportunity to read through the Credit Policy in detail to be familiarized again with the requirements stipulated by the Board of Directors in the granting of loans to members.

The Credit Committee reviewed delinquent loans to make assessments on the next steps to be taken, to ensure collection or repossession of the collateral from the relevant members. This initiative assisted with highlighting some specific areas that were important for the adjudication process. The experience was an eye opener for the Credit Committee and produced valuable information that will be considered when adjudicating future loans.


REPORT **of the Credit Committee**

The second half of the year saw an increase in the number of loans reviewed by the Credit Committee. Approximately one hundred and thirty-nine (139) loans were adjudicated by the Credit Committee during that period and an additional forty (40) in-house loans were reviewed throughout the year. The latter part of the year saw the introduction of the mortgage product to the Credit Union. Approximately three (3) mortgages were reviewed by the Credit Committee, plans are in place to offer additional training to adjudicate these types of loans.

The Annual General Meeting (AGM) was held in November 2022. During that time Mrs. Suzette McKail-Linton chose to relinquish her post as a member of the Credit Committee. As a result, due process was conducted, and Miss Shawnon Francis was selected, introduced, and became the new member of the Credit Committee.

ACKNOWLEDGEMENTS

The Credit Committee wishes to thank the Board of Directors, members of the Supervisory Committee, Management, the Credit Department, other Employees of the Credit Union, Jamaica Co-operative Credit Union League (JCCUL) and most of all our valued members for the overwhelming support rendered to the Credit Committee throughout the year. We express our deepest gratitude to the members of the Credit Union who have entrusted us with presiding over their financial well-being. Special commendations to all the members of the Credit Committee who have made themselves available for meetings and followed through on their commitment to serve the members of the Trelawny Co-operative Credit Union.


Rochelle Anderson-Frater (Mrs.)
Chairperson, Credit Committee



TRELAWNY
CO-OPERATIVE CREDIT UNION LIMITED

Supervisory Committee



Dawn Campbell-Codling
Chairperson



Keneisha Elliott-Wilson



Omar Clarke -
Secretary



Krestina McCrea-Thorpe



Nicolas Elliott



REPORT

of the Supervisory Committee

For the year ended December 31, 2022

The vision of Trelawny Co-operative Credit Union is “*To be the premier financial institution of choice for our members.*” This mantra and in particular our functions as the watchful guardians of the Credit Union, providing risk based and objective assurance, advice and insight to the Board of Directors to enhance the Credit Unions value, in keeping with Section 50 and 51 of the Rules of the Credit Union, guided our engagements during the review period.

As your elected volunteers it is also our duty to report to the membership of the Credit Union on the activities for the year. The Committee is therefore honoured to present to this meeting, the activities pursued in 2022 to ensure the interest of the institution and members remain protected.

The members of the Committee were as follows (January to November 5, 2022)

- Dawn Campbell – Codling
- Keneisha Elliott-Wilson
- Omar Clarke
- Krestina McCrea-Thorpe
- Nicolas Elliott

The Committee is now comprised of the following members elected November 5, 2022

- Kenroy Gordon
- Ronald Blissett
- Claudette Cooke
- Dedra Brown
- Zaila Francis-Scott who resigned and was replaced by Shelley-Ann Martin

Meetings attendance record

Name	Possible meetings	Meeting attended	Absence	Excuses	Joint Committee meetings	Joint Committee meetings attended
Dawn Campbell-Codling	11	9	2	1	3	1
Keneisha Elliott-Wilson	11	11	0	N/A	3	3
Nicolas Elliott	11	9	2	1	3	1
Omar Clarke	11	11	0	N/A	3	3
Krestina McCrea-Thorpe	8	7	1	0	3	2
Zaila Francis - Scott	3	3	0	N/A	1	1
Dedra Brown	3	3	0	N/A	1	1
Kenroy Gordon	3	3	0	N/A	1	1
Ronald Blissett	3	3	0	N/A	1	1
Claudette Cooke	3	2	1	0	1	1

The Credit Union continued to retain the services of Centralized Strategic Services a subsidiary of the Jamaica Co-operative Credit Union League to perform its Internal Audit Functions. Accordingly, the Supervisory Committee ensured audits were reviewed, findings communicated, and recommendations made to the Board of Directors for corrective actions to be taken. The following Audits were undertaken and reviewed in 2022:

- Building Renovation
- Dormant and Deceased Accounts
- Loans to Volunteers and Connected parties
- Salary Advances
- Payables and disbursements
- Traveling Claim
- Fixed Assets (report reviewed in 2023)

REPORT **of the Supervisory Committee**

Some of the recommendations that were implemented based on our findings were:

- The implementation of separation of duties in the procurement process.
- The development of a Deceased and Dormant Accounts policy.
- The amendment to the Loan policy and procedures.
- Salary advance payment arrears regularized and staff loan policy implemented.
- The use of keys in Teller vaults.
- The development and implementation of a travel claim policy and procedures for volunteers.

The Committee is however concerned that more of the agreed upon recommendations were not implemented during the period.

Members of the Committee participated in training from the Jamaica Co-operative Credit Union League in the areas of:

- Role and responsibilities
- Audit Techniques

The year 2022 had its challenges, notwithstanding the Committee remains humble by the sheer will of the membership who allowed us to serve in such a critical role. We remain committed to this institution and wish to express gratitude to the membership for seeing it fit to allow us to serve your interest, the League for the support and guidance provided and to the Internal Audit team who have been our hands and feet during this time. *“Alone we can do so little; together we can do so much” Helen Keller.* Thank you.



Dedra Brown

Chairperson

Supervisory Committee



TRELAWNY
CO-OPERATIVE CREDIT UNION LIMITED

REPORT

DELEGATES REPORT

Jamaica Co-operative Credit Union League Ltd.

81st ANNUAL GENERAL MEETING

HELD JUNE 17 - 22, 2022

The Jamaica Co-operative Credit Union League (JCCUL) held its first fully in person annual convention and 81st annual general meeting, since the start of the pandemic, at the Ocean Coral Spring hotel in Trelawny from June 17 to 22, 2022. The convention was held jointly with the Caribbean Confederation of Credit Unions (CCCU), celebrating their 50-year anniversary, at their 64th annual international convention and attracted attendees from credit unions across seventeen (17) Caribbean countries. The theme for the joint convention was 'Innovation, Integration, Next Generational Leadership'.

JCCUL's annual general meeting, held on June 18, 2022 under the theme 'Developing Credit Unions ...Building Jamaica', was attended by approximately one hundred and forty-five (145) delegates, alternate delegates and observers from Jamaica's credit unions.

The schedule of activities for the joint convention included an opening ceremony, a trade show, reception and workshops. A description of the activities are listed.

FRIDAY, JUNE 17

The following activities took place:

- **CEO ROUNDTABLE/MANAGERS' FORUM;**

Credit Union Managers and League CEOs benefitted from six (6) presentations regarding the status of the credit union movement and ideas to grow and strengthen the movement. The speakers and their topics were as follows:

- **Presenter:**

Harry Davis, *Deputy Chief Executive Officer* at the Jamaica Business Development Corporation

Topic:

Our Future re-imagined

Synopsis:

An analysis of the present state of the movement and the use of innovation to modernize the movement to meet the changing needs of future generations

- **Presenter:**
Bruce Bowen, *Chief Executive Officer* at Advantage Ltd.

Topic:
Caribbean Financial Services

Synopsis:
A discussion on issues such as compliance, fraud, cyber security, digitization and the modernization of technology, preparations for natural disasters, future pandemics and tackling changing consumer expectations.

- **Presenter:**
Suzanne Cole, *Senior Manager of Risk Assurance* at PwC Jamaica

Topic:
Enterprise Risk

Management:
Key Concepts Every Director and Manager Should Know

Synopsis:
The importance of proper ERM in building brand and reputation, improving business performance and compliance.

- **Presenter:**
Morvin Williams, *Director* at the Financial Services Regulatory Commission

Topic:
Corporate Governance/Business Continuity

Synopsis:
An examination of governance failures in credit unions, the importance and fundamentals of corporate governance, regulatory and supervisory oversight of the governance function.

- **Presenter:**
Dimitri Dawkins, *Commercial Director*, at Phoenix International, MC Systems

Topic:
The Role of Fintech for Financial Service Providers

Synopsis:
Driving customer experience through financial technology.

- **Presenter:**
Julie Turner, *Founder & CEO* of HR@Heart Consulting Inc.

Topic:
Key Drivers to the Future Success of Your People Operations

Synopsis:
Key drivers that engage management and staff to develop a stronger, productive and involved team.

SATURDAY, JUNE 18 – June 21

Participants enjoyed varied presentations aimed at aiding credit unions with deciding their strategic direction and business focus to ensure the growth and continuity of their credit union.



Each presenter's presentation can be accessed via the following link: <https://caribccu.coop/cccu-convention-presentations-jamaica-2022/>.

The remaining activities can be viewed via the following link: <https://rb.gy/jzpjia>

The list of trade show participants are below.

1. Cuna Caribbean Insurance
2. Cumax Wealth Management
3. Quality Network Co-operative (QNET)
4. HomeCU
5. Jamaica Co-operative Insurance Agency (JCIA)
6. IBIS Management Associates
7. Credit Union Brand Engineering (CUBE)
8. Smart Solution
9. Creditinfo
10. ShareTec
11. MC Systems
12. ECHMB Capital
13. CRIF Information Bureau
14. Jamaica Institute of Financial Services (JIFS)
15. TechnoSoft

16. Jamaica Collection & Recovery Services

17. Millennial Vision Inc. (MVI)

18. MSD Emortelle

SATURDAY JUNE 18

JCCUL's ANNUAL GENERAL MEETING

Approximately one hundred and forty-five (145) credit union delegates attended the 81st annual general meeting.

President Mr. Lambert Johnson, chaired the meeting. He welcomed the participants and then gave a summary of the Board report for the year 2021. All other reports including that from the Treasurer, the Supervisory and Nominating Committees, as well as the audited financial statements were presented.

Distribution of Surplus

The Delegates agreed to the distribution of the surplus of two hundred and seventeen million and nine hundred thousand dollars (\$217.9 million).

The Delegates voted for the maximum liability of the League to be set at \$5 billion.

ELECTION OF OFFICERS

The Meeting voted to accept the nominations for the following persons to fill vacancies on the JCCUL Board.

Name	Credit Union	Category
Martin Blackwood	Portland	CU Managers Rep.
Andrea Messam	Broadcast & Allied	Small
Alexander Bourne	Manchester	Medium
Patrick Smith	JTA	At Large
Winston Fletcher	EduCom	At Large
Ryan Muir	Lascelles Employees & Partners	At Large
Bornette Donaldson	C&WJ	Large

The following persons were elected to serve on the Supervisory Committee:

NAME	Credit Union
Mary Elizabeth Dick	JTA Co-operative Credit Union
Ricardo Jones	COK Sodality Co-operative Credit Union
Karen Robotham-Teape	Broadcast & Allied Services Co-operative Credit Union
Nicola Reid	Palisadoes Co-operative Credit Union
Snr Supt Paulette Green	Jamaica Police Co-operative Credit Union



RESOLUTIONS

Seven (7) resolutions were passed at the meeting as follows:

Anniversary congratulatory resolutions

- Broadcast & Allied Services Co-op Credit Union – 70th anniversary
- Jamaica Co-operative Credit Union League – 80th anniversary

Congratulatory resolutions

- NCB Employees Co-op Credit Union – Joan Fay Garfield, JP
- Postal Co-op Credit Union – Joereen McLean
- Trelawny Co-op Credit Union – Winston Tomlinson

Condolence Resolutions

- COK Sodality Co-op Credit Union – Albert 'Bertie' Morris
- Jamaica Police Co-op Credit Union – David Weston Rowe (AKA Moonie)

RULE CHANGES

There were no rule changes.

Following the AGM the executive was elected to serve on the League Board for the 2022-2023 year:

Lambert Johnson

- President

Andrea Wilson-Messam

- 1st Vice President

O'Neil Grant

- 2nd Vice President

Norris Gilbert

- Treasurer

Ryan Muir

- Assistant Treasurer

Lt. Col. Michael Anglin

- Secretary

Alexander Bourne

- Assistant Secretary

Martin Blackwood

Brenda Cuthbert

Bornette Donaldson

Winston Fletcher

Jerry Hamilton

Anthony McLaughlin

Patrick Smith

Hector Stephenson



The Credit Union Awards were announced at the Annual General Meeting. The awardees are as follows:

AWARDS

Large	
Winner	EduCom Co-operative Credit Union
Runner Up	First Heritage Co-operative Credit Union
Medium sized	
Winner	Portland Co-operative Credit Union
Runner Up	Palisadoes Co-operative Credit Union
Small	
Winner	Lascelles Employees and Partners Co-operative Credit Union
Runner Up	BJ Staff Co-operative Credit Union

Other Credit Unions that won prizes were:

- Portland Co-operative Credit Union – Highest Asset Growth
- JDF Co-operative Credit Union - Highest Solvency
- First Heritage Co-operative Credit Union - Highest Net Capital Growth

- CPD Online Top Performing Credit Union (1st Runner up) – Lascelles Employees and Partners Co-operative Credit Union
- CPD Online Top Performing Credit Union (2nd Runner up) – Public Sector Employees Co-operative Credit Union
- CPD Online Top User – Sherry Ann Scott (First Heritage Co-operative Credit Union)

Other prizes:

- CPD Online Top Performing Credit Union- NCB Employees Co-operative Credit Union

The convention ended officially on Tuesday June 21, 2022 with a Grand Finale



TRELAWNY
CO-OPERATIVE CREDIT UNION LIMITED

REPORT

of the Nominating Committee

For the year ended December 31, 2021

Rule 63 states “A Nominating Committee shall be appointed by the Board of Directors at least ninety (90) days prior to the Annual General Meeting and shall consist of three (3) members of which not more than one may be a serving member of the Board of Directors, who is not up of election.”

In accordance with the above rule, the Board of Directors appointed the following persons to serve on the Nominating Committee:

Maxine Smith	Chairman
Winsome Harper	Member
Fiona Riley	Member

RULE REGARDING NOMINATION BY PETITION

Rule 64 states: Not less than seventy five (75) days prior to the Annual General Meeting the Nominating Committee shall meet. The Committee shall:

- (i) Advertise among the membership in writing at least sixty (60) days before the Annual Meeting the vacancies for the Board, Credit and Supervisory Committees. Nominations may be made by petition and must be signed by twenty five (25) members. The committee may use electronic

mail to notify members who have opted to receive notices or statements electronically.

- (ii) The written notice must state the closing date for receiving nominations by petition. In all cases, the period for receiving nominations by petition must extend at least fourteen (14) days from the date the petition requirement are mailed to all members.
- (iii) The written notice must indicate that that there will be no nominations from the floor.
- (iv) Interview and recommend one (1) member for each vacancy
- (v) File the nominations with the Secretary of the Credit Union at least thirty (30) days before the Annual Meeting.

In accordance with the above rule, an invitation for nomination by petition dated February 26th, 2023, was placed in the Daily Gleaner and the Western Mirror with a deadline date for submission of April 30, 2023, indicating there would be no nominations from the floor at the AGM. The



REPORT **of the Nominating Committee**

Notice was extended from June 29 to July 16, 2023.

As at submission deadline date the Nominating Committee received 4 nominations by petition.

MANDATE OF THE NOMINATING COMMITTEE

The Nominating Committee is tasked with recruiting candidates that have expressed their willingness to serve and possess the qualifications and competencies necessary for effective governance and leadership to strengthen the existing board and Committees.

The committee conducts due diligence to ensure these candidates are deemed fit and proper and can be recommended to the membership as meeting the criteria of skills and experience required of a director, supervisory committee member and credit committee member.

The committee agreed that the skill sets required for the Board and Committees include: Leadership, Accounting, Legal, Human Resource Development, Project and Property Management, Auditing, Credit Analysis, Marketing and Information Technology.

Volunteers can serve a maximum of three (3) terms; a term is 1, 2 or 3 years.

REPORT **of the Nominating Committee**

The following persons were nominated to serve on the Board of Directors, Credit and Supervisory Committee:

Board of Directors		
Retiring	Recommended	Terms of office
Maxine Smith	Landa Sheveres	3 years
Winsome Harper	Kenroy Gordon	3 years
Janice Skeen-Miller	Janice Skeen-Miller	3 years
Other Board Members		Term remaining
Steve Morris		2 years
Omar Clarke		2 years
George Traile		2 years
Trevon Clayton		1 year
Webster Thompson		1 year
Lois Aarons		1 year
Credit Committee		
Retiring	Recommended	Terms of office
Charmaine Barrett	Charmaine Barrett	2 years
Fiona Riley	Errol Smith	2 years
Margaret Clarke-Thompson	Margaret Clarke-Thompson	2 years
Other Committee Members		Term remaining
Shawnon Francis		1 year
Rochelle Anderson-Frater		1 year
Supervisory Committee		
Retiring	Recommended	Terms of office
Kenroy Gordon	Ronald Blissett	1 year
Ronald Blissett	Henry Palmer	1 year
Dedra Brown	Dedra Brown	1 year
Shelley-Ann Martin	Shelley-Ann Martin	1 year
Claudette Cooke	Deomari Merchant	1 year



REPORT **of the Nominating Committee**


DELEGATES/ALTERNATE DELEGATES TO THE LEAGUE

The Nominating Committee is recommending that the persons who fill the positions below be nominated as Delegates and Alternate Delegates to the Jamaica Co-operative Credit Union League:

President	Delegate
Treasurer	Delegate
Secretary	Alternate
Delegate	
General Manager	Alternate
Delegate	

ACKNOWLEDGEMENT

The Nominating Committee and the Trelawny Co-operative Credit Union would like to express gratitude to all the volunteers who have dedicated their time and technical expertise in serving the Credit Union in a worthwhile way over the past year. Thank you.



Maxine Smith
Chairman



TRELAWNY
CO-OPERATIVE CREDIT UNION LIMITED

55th
ANNIVERSARY

55th Anniversary Congratulatory Resolution

WHEREAS the Trelawny Co-operative Credit Union Limited was registered on January 11, 1968 for the purpose of providing financial services to the people whom live or work in Trelawny and their immediate family members;

And

WHEREAS the membership of the Credit Union has grown steadily over the past fifty (55) years to over forty thousand;

And

WHEREAS through carefully planned strategies and the sterling commitment of the members, volunteers, managers and staff, the assets of the Credit Union have topped Three Billion (\$3,537,000,000);

And

WHEREAS the Credit Union has continued over these many years to play a pivotal role in the lives of its members through the Co-operative philosophy of people helping people.

And

WHEREAS the Credit Union is fully committed to its mission of being the premier financial institution of choice for its members for the ensuing fifty-five (55) years and beyond.

BE IT RESOLVED that this 46th Annual General Meeting of the Trelawny Co-operative Credit Union Limited extends heartiest congratulations to the membership, staff and volunteers for achieving this significant milestone, and for its pioneering work, endearing culture and outstanding contribution to the growth and development of the Credit Union Movement in Jamaica over the past fifty-five (55) years.

Moved by: Maxine Smith, President

Seconded by:

Members of **STAFF**

2022



Jheanell Adjudah



Natasia Barrett-Boswell



Odingi Stone



Patricia Gager



Ricardo Hemmings



Rushae Bryson



Sashana Binglin



Sashoy Robinson



Shaneek Forrest

Members of **STAFF** 2022



Delano Delisser



Desmond Edwards



Fayola Clarke-Chambers



FranceWayne Codling



Hazel Ricketts



Hopeton Gordon



Hopeton Lewis



Jenii Dunn



Jovani Reid

Members of **STAFF** 2022



Allistair Walker



Angelene Hutchinson



Attu Lake



Cassandra Lewis



Sharona Nicholson-Edwards



Chyke Prendergast



Clayon Small



Colesha Johnson



Deena Bernard

Members of **STAFF** 2022



Tishana Dobson



Julia Gowe-Lindsay



Keino Johnson



Natasha Shirley



Kimone Evans



Lorraine Senior



Lorraine Williams



Lovern Moore



Marsha Robinson

Members of **STAFF** 2022



Shanice Brown



Shanice Keene



Sharona Nicholson-Edwards



Shavaughn Gordon



Tiffany Taylor



Tavaughn Miller



55th
ANNIVERSARY





TRELAWNY
CO-OPERATIVE CREDIT UNION LIMITED

55th
ANNIVERSARY







TRELAWNY

CO-OPERATIVE CREDIT UNION LIMITED

The Peace Prayer of St. Francis of Assisi

Make me a channel of your peace,
Where there is hatred, let me bring your love,
Where there is injury, your pardon, Lord,
And where there's doubt, true faith in you.

Make me a channel of your peace,
Where there's despair in life, let me bring hope,
Where there is darkness, only light,
And where there's sadness, ever joy.

O Master, grant that I may never seek,
So much to be consoled as to console,
To be understood as to understand,
To be loved as to love with all my soul.

Make me a channel of your peace,
It is in pardoning that we are pardoned,
In giving of ourselves that we receive.
And in dying that we're born to eternal life.

JAMAICA NATIONAL ANTHEM

*Eternal Father, Bless our Land
Guide us with thy mighty hand
Keep us free from evil powers
Be our light through countless hours
To our leaders, great defender
Grant true wisdom from above
Justice, truth be ours forever
Jamaica, land we love
Jamaica, Jamaica, Jamaica, land we love*

*Teach us true respect for all
Stir response to duty's call
Strengthen us the weak to cherish
Give us vision lest we perish
Knowledge send us Heavenly Father
Grant true wisdom from above
Justice, truth be ours forever
Jamaica, land we love
Jamaica, Jamaica, Jamaica, land we love*