



IECCU
THE INSURANCE EMPLOYEES
CO-OPERATIVE CREDIT UNION LIMITED



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"A Union of Possibilities"



Our Philosophy

The success of The Insurance Employees Co-operative Credit Union Limited is highly dependent on the co-operative effort of dedicated and committed men and women bound together by mutual interest and working towards the common objective of providing quality service to all our members. It is in this context that we set out below for all to see some of our basic beliefs.

We believe that all members should be treated justly and fairly and that there should be no favouritism.

We believe that the needs of members and employees must be recognized and that every effort should be made to satisfy their financial well-being.

We believe that employees' desire for self development, job satisfaction and knowledge of what is going on within the Credit Union should not only be encouraged but should be facilitated and assisted.

We believe that the Board of Directors is obliged to provide the members with innovative and creative services and strong Credit Union leadership.

We believe that members and employees should be encouraged to make their individual contributions to the success and growth of IECCU and that the society should have a social responsibility towards the communities within which it operates.

We believe that ours is the business of sharing and caring and that able and experienced people should avail themselves to sustaining the growth and development of the Credit Union.

We believe that our financial strength can be realized through prudent financial management, increased capital inflows and substantial surplus.

We believe in maintaining a good and effective relationship with all Credit Unions in Jamaica, the Co-operative Credit Unions, The World Council of Credit Unions and all Credit Union movements throughout the world, in order to advance the best interest of our members.



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MISSION STATEMENT

The background features a grid of hexagonal icons. The icons include: a gear, a bar chart, a line graph, a magnifying glass, a group of three people, and a lightbulb with gears inside. The overall color scheme is a mix of blue, purple, and white.

To promote the Co-operative principles of the Credit Union movement as the most effective approach for our members to achieve personal financial well being, and to provide a dynamic and friendly organization in which our employees will grow and develop, our members will prosper, and the public will respect.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY-SIXTH ANNUAL GENERAL MEETING OF THE INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED WILL BE HELD IN PERSON AT THE PEGASUS HOTEL, 81 KNUTSFORD BOULEVARD, KGN 5 ON WEDNESDAY, SEPTEMBER 21, 2022 AT 5:00 P.M.

THE MEETING IS BEING CONVENED FOR THE FOLLOWING PURPOSE:

1. TO TRANSACT THE ORDINARY BUSINESS OF THE CO-OPERATIVE.
2. TO CONSIDER, AND IF THOUGHT FIT, TO APPROVE A RESOLUTION IN RESPECT TO AMENDMENTS TO THE RULES OF INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED FOR MEMBERSHIP IN THE SOCIETY.
3. TO ELECT OFFICERS FOR THE YEAR 2022/23
4. TO DEAL WITH ANY OTHER MATTERS THOUGHT FIT

AGENDA

THE INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LTD. 46TH ANNUAL GENERAL MEETING

1. ASCERTAIN THAT A QUORUM IS PRESENT
2. CALL TO ORDER
3. APOLOGIES
4. MINUTES OF THE 45th ANNUAL GENERAL MEETING
5. MATTERS ARISING NOT COVERED IN REPORTS
6. REPORTS & DISCUSSION
 - A. BOARD OF DIRECTORS
 - B. FINANCIAL REPORTS FOR 2021
 - i. AUDITOR'S REPORT
 - ii. TREASURER'S REPORT
 - C. SUPERVISORY COMMITTEE REPORT
 - D. CREDIT COMMITTEE REPORT
 - E. REPORT OF THE DELEGATES TO THE LEAGUE'S AGM
7. RESOLUTIONS
 - i. APPROPRIATIONS & MAXIMUM LIABILITY
 - ii. PROPOSED RULE CHGANGE:
To consider, and if thought fit, to approve a Resolution in respect to amendments to the Rules of Insurance Employees Co-operative Credit Union Limited for Membership in the Society
8. ELECTIONS
 - A. REPORT OF THE NOMINATIONS COMMITTEE
 - B. ELECTION OF OFFICERS
 - i. BOARD
 - ii. CREDIT COMMITTEE
 - iii. SUPERVISORY COMMITTEE
 - iv. DELEGATES TO THE LEAGUE'S AGM
10. ANY OTHER BUSINESS
11. ADJOURNMENT

MINUTES

MINUTES OF THE 45th ANNUAL GENERAL MEETING OF THE INSURANCE EMPLOYEES COOPERATIVE CREDIT UNION LIMITED HELD ON TUESDAY, DECEMBER 7, 2021 AT THE KNUTSFORD COURT HOTEL, 16 CHELSEA AVENUE, KINGSTON 5

CALL TO ORDER

A quorum having been ascertained, the Chairman, Mr. Mark Wallen called the meeting to order at 3:25 p.m.

The Chairman extended a warm welcome to all to the 45th Annual General Meeting.

He noted that the Credit Union had been operating in unprecedented times where it had to be adapting to the various changes being imposed, one such change being that only a limited number of members could be in attendance at the AGM and the rest would have to join online. The present rules, he stated, did not allow for this and as such a resolution amending the rules would have to be moved and passed before the meeting could commence. He asked that the standing order be suspended at this juncture to accommodate the passing of that resolution.

This was moved by Mr. Ray Johnson, seconded by Mr. Peter Samuels.

PASSING OF RESOLUTION TO HOLD VIRTUAL AND HYBRID MEETINGS

He directed the meeting's attention to the resolution which was on the website which he took as read, it having been previously circulated. He asked if there were any questions and Mr. Garfield Coke queried as to how members' input would be validated. The Chairman explained that members were informed to log into the meeting with their names so it could be cross checked and validated. He stated that once the resolution had been passed the virtual audience would be able to participate in all activities including voting and would have all the rights that members in the room are entitled to.

The Chairman took the meeting through the resolution which was projected on screen. The resolution was then moved by Mr. Ray Johnson, seconded by Mr. Peter Samuels. The resolution was thereafter put to the vote and the Registrar's representative declared the resolution passed with 33 members present in the room voting in favour of the resolution and 42 voting online for the resolution, and 25 abstention.

The resumption of the Standing Order was then moved

by Mr. Barrington Lawrence, seconded by Mr. Trevor Muschette.

APOLOGIES FOR ABSENCE:

Apologies were received on behalf of Paulette Small and Rejeanne Campbell, Directors; and Joyce Archibald, member.

WELCOME:

The Chairman extended welcome to the following guests:

Mr. Richard Dunn	
Ms. Marjorie Campbell	Department of Co-operatives and Friendly Societies
Mrs. Bethune Lugg Banton	QNET
Mr. Patrick D-Aguilar	Jamaica Credit Union League
Mr. Warren Bogle	Auditor

MINUTES OF THE LAST MEETING:

The minutes having been previously circulated was taken as read.

There being no corrections the minutes were adopted on a motion moved by Mr. Peter Samuels, seconded by Mrs. Macherie Hamilton Clarke.

Matters Arising:
(None recorded)

REPORTS:

Board of Director's Report

The Chairman highlighted the following:

- He noted that Covid 19 hit Jamaica on March 10, 2020 and that the better part of 2020 was spent trying to survive and being safe.
- That the Minister of Finance predicted a national growth of 2.2%, which sentiments were endorsed by external entities such as the IMF and that this led to an improved economy and a greater level of confidence.

MINUTES

- That there was continuous reduction in the interest rate with the T-Bill rate moving from 1.32% yield in 2019 falling to 1.25% year over year.
- As the pandemic took hold, virtually all sectors of the economic were affected including IECCU where the loan to assets ratio fell from 74% to 72% in February and by June it was down to 70%. In this regard, loanable funds had to be channelled to investment opportunities that offered low rates on returns.
- Notwithstanding the challenges, with the resilience of the Credit Union and its hardworking, committed and dedicated staff members, a surplus of over \$1.2M was realized in 2020.
- He outlined the composition of the Board and asked those present to stand and be acknowledged. Out of the possible 13 meetings, 10 were convened and he projected the attendance register on screen.
- There was a modest growth in membership in 2020 of 147 new members.
- There was a decline in persons utilizing Internet banking which fell by 148, which he stated was a strange phenomenon considering that more persons were utilizing the internet in light of the pandemic.
- There had been a whopping increase in the Family Indemnity Plan year over year moving from 42 to 601.
- In terms of the Goal Accounts, there was a modest decline of 12%.
- There was a modest increase of 10 in terms of debit cards.
- In keeping with Covid 19 protocols established by the Government, the Credit Union was forced to adjust its operational hours, as well as implemented a work from home policy, set up sanitization stations, practiced social distancing and sent out advisory to members indicating the alternative channels so as to reduce the traffic coming in the Credit Union.
- Members experiencing financial hardships due to loss of jobs and other factors were offered moratoriums on loans, principal payment, allowance for immediate access to unsecured funds, among other things.
- Marketing activities were curtailed but notwithstanding, newsletters were used to promote some of the products such as the Water Tank Loans and the Golden Harvest Saving Plan.
- The Credit Union continued its corporate social responsibility by providing assistance and support to the Richmond Nazarine Basic School by improving the sanitary conveniences there. Tayjanae Jones and Giovanni McLaughlin were the recipients of the PEP Scholarship and the JCCUL Bursary went to Shainee Davis.
- In terms of the saving products, there was a modest decline in the youth accounts and Golden Harvest account, with the biggest decline being in fixed deposits which moved from \$538M in 2019 to \$247M in 2020.
- The Montego Bay office had modest increases in deposits, transfers, and withdrawals and a decrease in the area of loans granted.
- The Credit Union commenced a project to upgrade its access plus debit card in partnership with Mastercard which comes with the pin and chip technology in addition to the transaction alert. He noted that moving to Mastercard would give members a wider usage including at the international level.
- The Chairman noted that challenges were still being experienced in respect to delivering statement via e-mail, something which the Credit Union was committed to address.
- He implored the membership to utilize internet banking to reduce the number of persons within the banking hall.
- Delinquency continued to be an area of concern and several strategies were implemented to curb the delinquency rate.
- He thanked the Jamaica Credit Union League for the support given to them during the pandemic.
- The Credit Union continued to pursue merger discussions in preparation for the Bank of Jamaica oversight to be more efficient in respect to service delivery.
- Condolences were offered to the families and friends of the following members who passed on during the year 2020:
Racquel Aldridge
Lurline Balliston
Guy Chen Sue
Warren Henriques
Rohan Scarlett

MINUTES

Lalorna Turner
Lloyd Wint

Condolences were also offered to members who lost loved ones to crime and other tragedies.

The Chairman acknowledged and thanked the members for their continued support, patience and understanding.

He acknowledged the hard work of the Supervisory, Credit, and Delinquency Committees, external partners and the management and staff of the Credit Union.

In concluding, the Chairman noted that though the year 2020 was by far most challenging and unusual, it should be seen as one that provided the impetus to do things differently and find new ways of communicating and doing business. New ways were found to host meetings, moving money, and supporting employees in ensuring quality service delivery. He assured all that the Credit Union would continue in the pandemic and after to serve its loyal members.

The Report of the Board of Directors was adopted on a motion moved by Trevor Muschette, seconded by Audrey Longmore Wilson.

Auditor's and Treasurer's Report

The Chairman invited Mr. Bogle to read the Auditor's Report.

He read the report which stated inter alia that the financial statements gave a true and fair view of the financial performance and cash flows of the Credit Union for the year ended in accordance with the International Financial Reporting Standards and the requirements of the Co-operative Societies Act.

The Chairman asked if there were any questions/ comments for the Auditors and reminded persons online that they could put their questions in the chat. There were no questions.

Treasurer, Miss Lesa Robinson, took the meeting through the report and highlighted the following:

- That 2020 was a challenging year due to the pandemic and a year in which the Credit Union had to do things differently in order to continue as a going concern.
- The Credit Union made a modest surplus in 2020.
- Total assets grew by 6.5% or \$122 million to close 2020

at \$2 Billion. This she noted was against the background of an inflation of 5.19%.

- Finance costs associated with deposit products reduced in line with the market rate which started from 2019 and continued throughout 2020.
- There was reduction in the loan rate in order to remain competitive.
- Loans after provision declined by 3.1%.
- Interest on loan declined by 7%.
- Payroll short term loans increased by 14%.
- Return on property improved by 5% over the prior year.
- Commissions and fees income increased by 26% while service charges decreased by 18%. This she attributed to the reduction in several service charges to ease the difficulties that members were facing.
- Members' savings increased by 14% or \$103M.
- Deposits increased by \$14M or 2%. She noted that it was from deposits that the Credit Union lend to members and implored members present to encourage their co-workers to become members as more members would bring in more deposits and the greater the income/surplus would be over the years.
- She projected on screen a pie chart which showed the source of funds where deposits and shares accounted for 74% of the total pool of funds.
- Institutional capital and permanent shares to assets was at 14.5% which was above the PEARLS standard of 8%.
- She noted that the Credit Union met most of the PEARLS Standard ratios.
- Loans to assets fell significantly from 76% to 69% but noted that this was still within the PEARLS ratio.
- Delinquency was 3.8% as at December 31, 2020 and while this was an increase over the last period, it was way below the PEARLS standard of 5%.
- Persons who lost their jobs or were laid off during the pandemic were offered moratoriums, renegotiated rates, payment plan and other assistance.

MINUTES

- Another pie chart was projected on screen showing how the income was earned, 69% from loans versus 16% from investments.
- In closing she implored all present to sell the Credit Union to others out there and to save more as the greater the pool of funds the more funds that the Credit Union can lend to its members.
- She thanked the Auditors, the Registrar of Co-operatives, Jamaica Co-operative Credit Union League, management, team members and the volunteers for the support given over the year.

There being no questions/comments the Treasurer's and Auditor's Reports were unanimously adopted on a motion moved by Mark Bowen, seconded by Mark Wallen.

Supervisory Committee Report:

Mr. Peter Samuels, Chairman presented the report.

He outlined the members of the Committee to include Peter Samuels, Chairman, Dwight Moore, Secretary; Napair McLeary, Gabre Spence and Damion White.

He noted that the Committee had eight meetings via the Zoom platform for the year and directed the members' attention to the attendance record which was projected on screen.

A thorough investigation was done in relation to Information and Communication Technology (ICT) and a number of areas were reviewed such as the work from home policy, financial management, delinquency, membership growth, marketing and HR. The recommendations made by the Committee were actioned by management.

The Committee commended the management and staff for the overall running of the Credit Union amidst the impact of Covid.

He noted that the Credit Union met most of the PEARLS ratio but in relation to Signs of Growth ratio, it was below the PEARLS standard for some time but with the coming on board of the new Marketing Officer there should be improvement in this area as also membership growth. He stated that with the increase in the maximum limit for unsecured loans, this would help to generate new members and increase the loan portfolio.

He expressed appreciation to the membership of the Credit Union, the Board of Directors, other volunteers, the Management and staff of the Credit Union for the support and co-operation given to the Committee during the

period under review. He thanked the members for their commitment to serve and time.

Questions/Queries

Mrs. Carol Nathan stated that some of the PEARLS ratio in the AGM book were different from what were projected on the screen and alluded to Delinquency being reported at 3.8% while in the book it was reported as 2.9%. She noted that average savings, liquidity, cost of fund ratios were way below the standard set, and that as it concerned membership this was a perennial problem that had nothing to do with Covid.

Mr. Bowen in answer stated that in terms of the delinquency ratio, it should be 3.3% and not 2.9% and added that it was corrected but that she may have downloaded the previous report with had the incorrect figure.

He noted that in respect to income to asset ratio, that this was a reflection of earnings over the year which directly affected loans to asset ratio which fell during Covid as members were not borrowing, and which had an effect also on the liquidity ratio as most of the money available to lend to members had to be put on short term investments which yielded a minimal income.

Membership he stated was being actively worked on.

He encouraged the membership to borrow from their Credit Union as this would help to improve several of the ratios.

Ms Nathan further added that income to average assets had been a problem from 2016 and could not be contributed to Covid and questioned the strategies that the Credit Union put in place to improve its financial stability. Mr. Bowen explained that the Credit Union gets its income from two sources, interest income on loan and fee income, but because of the competitive space in which the Credit Union had to operate in, there had been a reduction in interest rates so the Credit Union had to come up with competitive offerings for its members such as increasing the amount of its unsecured loans which was risky but he assured all that this was reflective of the desire to ensure that income is increased going forward.

Mr. Delahaye assured the membership that while he was Treasurer they had surplus of \$1.7M and this was turned around and asked the membership not to become disheartened because of the low surplus earned.

He then asked if the Credit Union was a going concern. Mr. Bowen pointed to the Auditor's Report where they stated that it was a going concern.

MINUTES

Mr. Delahaye further questioned whether there were plans afoot to merge. Mr. Bowen stated that at the moment there was no plan in place to merge with another credit union but there were discussions that had started and would resume with respect to choose credit unions that share the same synergies.

There being no questions the Supervisory Committee Report was adopted on a motion moved by Lesa Robinson, seconded by Ray Johnson.

CREDIT COMMITTEE REPORT:

The Chairman Mr. Woodrow Smallwood asked that a moment of silence be observed for two persons who passed during the year that he did not hear their names mentioned in the list presented by the Chairman as these persons were strong supporters of the Credit Union and made it a place for their loans.

Mr. Smallwood then highlighted the following:

- The Credit Union membership accessed over \$1B in loans to finance various needs and desires.
- Improved loan offerings such as a \$3M unsecured loan line, reduced interest rates, improved motor vehicle loan terms were introduced.
- Members requested funds for a variety of purposes, chief among them were for domestic and personal uses.
- The motor vehicle loan programme was heavily utilized and there were increased requests for real estate loans, home improvement and educational loans.
- The Credit Union's total loan growth over the period remained relatively flat which he attributed to a number of persons being apprehensive to borrow.
- The functions of the Credit Committee were administered by the IECCU staff members, notably Dionne, Roxanne, Mark and the front-line team.
- The Credit Committee comprised of Audrey Wilson, Neuton Nelson, Courtney Golding, Odeon Campbell and himself, Woodrow Smallwood.

He extended thanks to the committed members for continuing to choose IECCU to be their financial partner, the Board of Directors, Supervisory Committee and the management and staff.

There being no questions, the Credit Committee Report was adopted on a motion moved by Peter Samuels, seconded by Lesa Robinson.

NOMINATION COMMITTEE REPORT

The Chairman of the Nominating Committee, Mrs. Macherie Hamilton Clark, presented the report. She stated that the Committee was responsible for proposing persons to serve according to the rule and that they looked at the requisite resources needed for all committees, examined the impact of term limits, fit and proper requirement, and rotation in seeking to fill the vacancies from the wider membership.

BOARD OF DIRECTORS

Directors Retiring:

Rejeanne Campbell	Mark Wallen
Lesa Robinson	Barrington Lawrence

Directors Nominated:

Rejeanne Campbell	Mark Wallen
Lesa Robinson	Barrington Lawrence
Andre McFarlane	Aldane Milton

These persons were nominated for a term of two years, except for Mr. Aldane Milton who would serve one year.

CREDIT COMMITTEE

Retiring:

Odeon Campbell	Audrey Wilson
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Nominated:

Odeon Campbell	Audrey Wilson
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These persons were nominated for a term of two years.

SUPERVISORY COMMITTEE

Retiring:

Peter Samuels	Dwight Moore
Napair McLeary	Gabre Spence
Damion White.	

Nominated:

Peter Samuels	Napair McLeary
Damion White	Dwight Moore
Gabre Spence	

They were nominated for a term of one year.

She read the profiles of all the newly elected nominees.

MINUTES

ELECTIONS

Mr. Richard Dunn from the Department of Cooperatives was invited to conduct the elections. He indicated that he would be asking for nominations from the floor three times and if there were additional nominations from the floor voting would be done by secret ballots for those present and online by the poll.

BOARD OF DIRECTORS

He then asked for nominations from the floor and online three times. There being none, he declared the following persons below duly elected to serve on the Board of Directors for a term of two years except for Mr. Aldane Milton who would serve one year:

Rejeanne Campbell	Mark Wallen,
Lesa Robinson	Barrington Lawrence
Andre McFarlane	Aldane Milton

CREDIT COMMITTEE

The floor was open for nominations.

There being no other nominations from the floor and online, Odeon Campbell and Audrey Wilson were duly elected to serve on the Credit Committee for a term of two years.

SUPERVISORY COMMITTEE

Nominations from the floor and online were asked for three times. There being none, Mr. Dunn declared Peter Samuels, Napair McLeary, Damion White, Dwight Moore and Gabre Spence duly elected to serve on the Supervisory Committee for a period of one year.

DELEGATES OF THE LEAGUE

He asked the members to allow the Board to nominate the Delegates to the League and any other fora they report to.

He asked the Board of Directors and the Committees to meet within ten days and select their executive and forward the names to the Department of Co-operative and Friendly Societies and any other fora that they are associated with.

DELEGATES REPORT

This report was presented by Mr. Mark Bowen.

Mr. Bowen stated that the League's Annual General Meeting was held in a hybrid format in October of 2020

due to the pandemic. 53 delegates from 25 credit unions were in attendance in person and 150 delegates through the Zoom platform.

The delegates agreed to the distribution of the surplus of \$9.09M.

There were no rule changes and there were five congratulatory resolutions.

APPROPRIATION OF SURPLUS

The Treasurer, Lesa Robinson, proposed on behalf of the Board that the surplus of \$1,267,970 for the year ended December 31, 2020 be distributed as follows:

Statutory Reserve of 20% totalling \$263,594
Undistributed Surplus of \$1,014,376 2M to be retained

This was accepted on a motion moved by Ray Johnson, seconded by Barrington Lawrence.

Maximum Liability

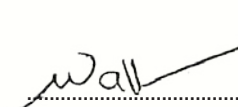
The Board of Directors proposed a Maximum Liability of \$2 billion for 2021 which would satisfy the maximum projected growth in interest bearing liabilities in keeping with Article XIX, Rule 69.

This accepted on a motion moved by Mark Wallen, seconded by Peter Samuels.


The agenda having been exhausted, the Chairman thanked the hardworking staff of IECCU, volunteers and committee members of the Credit Union, the technical team who provided technical support, the League, the Department of Co-operatives and Friendly Societies and everyone for attending both in person and online and implored all to continue to keep safe.

ADJOURNMENT

The adjournment was taken at 5:44 p.m.



Mark Wallen
Chairman



Macherie Hamilton Clarke
Secretary

PERSONS PRESENT AT AGM

MEMBER'S NAME MEMBER'S NAME MEMBER'S NAME COMPANY

ONLINE

1. Adalia Nembhard
2. Aldane Milton
3. Alicia Hart
4. Althea Barrett
5. Andrea Bent
6. Andrene Hunt
7. Annette Tennant
8. Annmarie Richards
9. Asah Bailey
10. Carlene Haughton
11. Carol Nathan
12. Caroline Duncan
13. Cavell Pryce
14. Cavell Bowens
15. Chantal Smith
16. Chantelle McGowan
17. Charlee Everette-Gavin
18. Charmain Mighty Campbell
19. Charmaine Smith
20. Dalbert Hunter
21. Darren Young
22. Denise Hanson-Barrett
23. Dionne Dewar
24. Donna DaCosta
25. Dwight Moore
26. Ena Pantry
27. Eric Nathan
28. Eula Daley
29. Evan Thompson
30. Gabre Spence
31. Garfield Coke
32. Gavin Walters
33. Georgia Hibbert
34. Glenroy Castle
35. Godfrey Silvera
36. Hartley Fisher
37. Isaac Johnson
38. Janet Clarke
39. Joan Dennis
40. Jovanie Bailey
41. Julia Stewart
42. Kadeen Lewars
43. Kareen Nathan
44. Karen McGregor
45. Kay Dacres
46. Kay Young
47. Kimarny Wint
48. Kimberley Walker
49. Larklin Christie
50. Lawrence Barker
51. Leighton Morgan
52. Loris Chin Young
53. Marcella Roach-Martin
54. Marcia Jones
55. Marina Allison
56. Marsha Smith
57. Marva Ebanks
58. Marvin Douglas
59. Matthew Barker
60. Maureen Williamson
61. Maurice Bent
62. Maxine Daley
63. Mellisa Amos
64. Merlette Lawton
65. Michael Huie
66. Mikala Clarke
67. Mikayla Williams
68. Nadine Thompson
69. Natalee Walters

70. Newton Dixon
71. Noel Codling
72. Omar Dacres
73. Pamela Leith
74. Paul Simpson
75. Paulette Small
76. Penelope Morgan
77. Peter Townsend
78. Petrian Grant
79. Racquel Francis
80. Rohan Grant
81. Rolando Moodie
82. Romane McCourty
83. Samuel Dewar
84. Sandra Harrison
85. Sandrene Dubidad
86. Sharon Bell
87. Sharon Waugh
88. Sheree Davis-Cuthbert
89. Shirley Green
90. Sutanias Dixon
91. Tamele Wint
92. Terri-Ann Evering-Watson
93. Triola Harper-Smith
94. Vernon McGowan
95. Vivienne Boothe
96. William Cobran
97. Winston Delahaye
98. Yvonne Grey
99. Yvonne Williams
100. Yvonne Bignall

AT LOCATION

1. Andre McFarlane Statin
2. Audrey Wilson Guardian Life
3. Christine Barker IECCU
4. Claudette Graham IECCU
5. Cordella McGowan IECCU
6. Cosmo Walker Retired
7. Damia Mcdonald-Barrett IECCU
8. Devar Rhoomes IECCU
9. Dionne White IECCU
10. Everton Campbell IECCU
11. Imogene Spence MC Systems Ltd.
12. Jacqueline Wilson IECCU
13. Jahmar Rose JN Bank
14. Kamisha Wint IECCU
15. Karlene Thompson-Williams IECCU
16. Krisan Codner IECCU
17. Kristen Hutchinson IECCU
18. Latoya Jones IECCU
19. Latoya Lucas IECCU
20. Lesa Robinson VMBS
21. Lovonne Facey IECCU
22. Macherie Hamilton-Clarke Guardian Life
23. Mark Bowen IECCU
24. Mark Wallen Heart Trust NTA
25. Michelle Nembhard IECCU
26. Napair McLeary KEY Insurance
27. Nyadian Dubidad IECCU
28. Odeon Campbell Sagikor
29. Peter Samuels Caribbean
30. Ray Johnson Sagikor
31. Raymond Mckenley IECCU
32. Richard Findlay IECCU
33. Roxanne Brown IECCU
34. Trevor Muschette -----
35. Tricia Robinson IECCU
36. Uletta Virgo-Watson -----
37. Vinnillia Alexander IECCU
38. Woodrow Smallwood Sagikor

SPECIALY INVITED GUESTS

39. Bethune Lugg-Banton Quality Network
40. Denton Atkins JAIFA
41. Joyce James Stenographer
42. Katrina D'Aguiar JCCUL
43. Kimberly Lindo JCCUL
44. Marjorie Campbell Department of Co-operatives
45. Richard Dunn Department of Co-operatives
46. Warren Bogle Auditor

2021 Highlights

PEP SCHOLARSHIPS

The Insurance Employees Co-operative Credit Union awarded scholarships & gifts to children of its members who sat the 2021 Primary Exit Profile (PEP) exams and are headed to high school in September.

The scholarships valued at J\$150,000.00 each were awarded to one boy and one girl and will fund the awardees' high-school education for five years; \$30,000.00 being paid over each academic school year.

A Jamaica Co-operative Credit Union League bursary scholarship valued at J\$25,000.00 was awarded to one student that placed third in the rankings.

Due to COVID-29 restrictions the recipients were invited separately to the credit union's offices located in Kingston and Montego Bay for the official handing over of the awards.

Below are photos of the awardees.



IECCU PEP Scholarship 2021 Recipient:
Nathan Smith, Mother; Mrs. Kedine Matthews-Smith
& Award Presenter
Ms. Kamla Brown, Business Administrator
(IECCU Montego Bay Branch)



Jamaica Co-op Credit Union League Bursary 2021
Recipient: **Ruthan Smith**,
Mother; Mrs. Triola Harper-Smith & Award Presente
Ms. Kamla Brown, Business Administrator
(IECCU Montego Bay Branch)



IECCU PEP Scholarship 2021 Recipient:
Tianna Patman
& Award Presenter;
Mr. Mark Bowen, General Manager



IECCU

THE INSURANCE EMPLOYEES CO-OPERATIVE
CREDIT UNION LIMITED

Partner with IECCU and
grow your cash the
fast and secure way!

Open an IECCU

Partner Plan

account today!

- Six (6) months and twelve (12) months plan available
- You decide how much to throw per hand (monthly)
- Minimum \$1,000.00 per hand
- Get your savings plus a bonus (Brawta) at maturity

Conditions apply

Kingston

27 Parkington Plaza, Kingston 10
Telephone: (876) 929-1706,
929-1466 and 906-5362-4
Fax: 968-6208

Montego Bay

Shop #22 Montego Bay Shopping Center
Howard Cooke Boulevard
Tel: (876) 979-6516
Fax: 971-7540

 /InsuranceEmployeesCreditUnionJa
 /ieccu1977



BOARD OF DIRECTORS REPORT



Top (L-R): MARK WALLEN - President, REJEANNE CAMPBELL - Vice President, LESA ROBINSON - Treasurer;
Bottom (L-R): ANDRE MCFARLANE, PAULETTE SMALL, BARRINGTON LAWRENCE
MACHERIE HAMILTON-CLARKE - Secretary; Missing from photo: ALDANE MILTON

REPORT OF THE BOARD OF DIRECTORS 2021

Opening Comments

The new year ushered in a continuation of the Covid 19 Pandemic even though the promise of a solution in a vaccine grew closer. Despite this, your credit union remained focused on doing all we could to live through the Pandemic and not just await its dissolution. We recognized that not only was the passing of Covid 19 not guaranteed, but that it may very well be overtaken by new strains and perhaps other serious illnesses. It was vital therefore that we maintained our support for our members and strengthen the measures that helped us to remain relevant to their success.

Economic Overview

Inflation for prior year 2020 ended at about 6.4%, not far off from government policy, endorsed by Minister of Finance Dr Nigel Clarke. This encouraged the Bank of Jamaica to maintain its focus on maintaining interest rates at low levels. This policy was also aimed at encouraging economic activity in order to undo the effects of Covid 19. Treasury bill rates fell to enhance the conditions required to spur economic growth¹ as seen in the table on the following page.

¹ CUBIZ February 2021

BOARD OF DIRECTORS REPORT

Table 1

	90 - Day T Bill	180 - Day T Bill	270 - Day T Bill
Issue Date	Jan 15, 2021	Jan 15, 2021	Jan 15, 2021
Average Yield	0.74%	0.81%	0.99%
Previous Average	0.77%	0.86%	1.04%
Change	-0.03	-0.05	-0.05

The government sent another signal to the market by passing the Microfinance Act in the Senate. The Act aims at encouraging borrowing by discouraging poor practices by rapacious lenders.

The economy grew by an estimated 6 percent for the quarter ended December 31, 2021. This was driven by increases of 7.8 per cent and 0.4 per cent in the Services and Goods Industries respectively. Remittances went up by 20.7 per cent. As the year progresses, the dollar began saw a gradual decline against all major currencies at the start of the year. The table² below reflects average buying rates at the start of the year and at the end.

Table 01	Dec 30, 2020	Dec 31, 2021
US\$	141.00	153.06
GBP £	187.61	207.14
Can\$	106.41	116.32

This decline contributed to the cost of fuel which drove inflation to 7.3%, again exceeding the national target, with predictions of further upward movement given the increases in basic food items and higher fuel costs. We have seen action by the central bank to arrest this trend in the current year. These actions will bring loan and deposit rates into focus.

Savings remain flat throughout the year. Loans sale towards the end of the year provided some growth illustrated by the graphs. This reflects the lingering business downturn from the Covid-19 Pandemic.



Loans chart for the year ended December 31, 2021.

² CUBIZ December 2021; BOJ Indicative Rates >> Bank of Jamaica

BOARD OF DIRECTORS REPORT

Despite the many challenges brought on by covid-19 we were able to end the year with a surplus of \$8.3M

Board of Directors

The Board of Directors comprised of Mark Wallen, President, Rejeanne Campbell, Vice-President, Macherie Hamilton Clarke, Secretary, Lesa Robinson, Treasurer, Aldane Milton, Sheree Davis Cuthbert, Andre McFarlane, Barrington Lawrence and Paulette Small. The table below shows attendance at Board meetings for the period.

Board Members Attendance

Members	Possible Meetings	# of Meetings Held	# Attended	No Meeting
Mark Wallen	9	6	0	3
Rejeanne Campbell	9	4	2	3
Sheree Davis Cuthbert	9	3	3	3
Lesa Robinson	9	6	0	3
Barrington Lawrence	9	6	0	3
Macherie Hamilton-Clarke	9	6	0	3
Paulette Small	9	5	1	3
Aldane Milton	9	6	0	3
Andre McFarlene	9	5	1	3

Operations

A summary of the activities in member services is provided below.

	2021	2020
Members	11085	10,984
Internet Banking	1233	1018
New FIP	609	601
Goal Accounts	138	141
Debit Cards	3507	3529

The IECCU continued to analyze the market to ensure that the products and services met the demand of its membership. From the tables above you would have recognized that there was increase in all areas except goal accounts and debit card usage.

BOARD OF DIRECTORS REPORT

Select Savings Products

Savings Type	2021		2020	
	Nos.	Amt \$	Nos.	Amt \$
Youth Accounts	838	20.2M	841	18.M
Golden Harvest	40	14.7M	49	16.8M
Partner Plan	58	1.8M	53	1.8M
Savers Club	9	211847	15	2.M
Christmas Club	31	189,482	29	184,647
Term/Fixed Deposits	573	237M	575	247.M

Select Savings Products

Select Savigs and Products in Table 3, shows only two of these experienced growth, the others experienced a decline in numbers and value. These products offered competitive rates and it is our priority to continue assessing the market to ensure our members receive value for their money.

Staffing

Although, the pandemic was at a more controlled level when compared with the previous year, measures were revisited and implemented to ensure the safety of all stakeholders. Interestingly, the pandemic did not preclude IECCU from experiencing job changes as we said goodbye to three employees in the Member Services Department, Mr. Gavin Walters, Miss Alicia Hart and Miss Carlene Haughton and one employee from the Marketing Department, Miss Teniesha Bailey. We thank them whole heartedly for their contribution and wish them all the best. We also welcomed three new employees, Mr. Raymond McKenley, Miss Kristen Hutchinson, and Miss Latoya Lucas.

One of our goals is to continuously provide quality service to our internal and external membership. As such a Member Service and Need Analysis Survey was conducted. From this survey we recognized that recruiting younger members would help to sustain IECCU and assist with business continuity. We have also recognized the need to provide more online services to meet the high expectation of our membership. We have therefore started the process of identifying suitable developers to provide the necessary information technology infrastructure.

Marketing

In keeping with my last report, our marketing resources and activities were strengthened in 2021. The credit union embarked on a drive to increase our savings and loans portfolio along with membership growth.

New products such as the Motor Vehicle Value Loan was added to our existing loan portfolio. This loan offered 100% financing on motor vehicle loans with an extended loan term of up to 10 years for repayment. Existing products such as the Payroll Loan (Unsecured Loan) was also upgraded. Changes included the loan limit being increased to 5 million Dollars with an extended loan term of up to 72 months. The 6-month waiting period for the loan was also waived to allow members to benefit from the changes.

The savings portion requirement for both loans was also increased to correlate with the improvement in loan availability amount.

Our assistance to the Richmond Park Nazarine Basic school continued. In conjunction with the Jamaica Co-operative Credit Union League, the school was assisted with the improvements required to be Covid-19 compliant. This was a necessity for face-to-face classes to resume. Areas renovated included the kitchen, classrooms and garbage disposal area. An additional sick bay was also built, and the school retrofitted with several sanitization areas. This successful endeavor resulted in the school being approved for reopening in September 2021.

BOARD OF DIRECTORS REPORT

The IECCU Primary Exit Profile (PEP) Scholarship Awards for the year were rewarded to Nathan Smith, son of Mrs. Kedine Matthews-Smith and Tianna Patman, daughter of Ms. Teniesha Henry. The Jamaica Co-operative Credit Union League (JCCUL) Bursary was offered to Ruthan Smith, daughter of Mrs. Triola Harper-Smith.

With some pandemic restrictions still in place, engagement with members through online means continued. We continued utilization of Google ads, and interaction through our social media platforms. The Spice newsletter was also used for the promotion of products such as the Motor Vehicle Value loan, Payroll Loan and the new Credit Union Gold Series Health plan.

To strengthen these efforts, IECCU's Instagram page (@ieccuja) was launched in October, joining Facebook and Twitter. Members are invited to like/follow the Instagram page to keep updated with current events and to get prompt feedback as the page is always monitored.

Text messaging continues to be our most efficient way to communicate with members. A total of 252,551 texts were sent for the year. This included birthday acknowledgements, AGM notifications etc.

Credit Union Week activities were scaled down once again to maintain social distancing. The week kicked off with the National Credit Union Week church program. Members were invited to join via the zoom platform. The credit union in conjunction with the Credit Union League participated in radio programs across various radio stations for the week. For Credit Union Day, October 21, 2021, members were invited to participate via our website and social media pages. The usual prizes and surprises were offered. To avoid crowding, members were allowed up to November 30, 2021 to collect tokens. The week ended with staff appreciation day where the staff was treated for their efforts in making the week a success.

In December, we had our 1st Hybrid Annual General Meeting. Members were invited to join us via Zoom while staff and volunteers convened at the Knutsford Court Hotel.

The greatest area of challenge continues to be membership growth. IECCU being a closed credit union crippled with the changes in the insurance industry where insurance companies are now affiliating themselves with their own fiscal entity subsidiaries. Efforts for 2021 resulted in 101 new adult accounts and 6 minor accounts being added to the membership. To improve on our labors, we will be targeting the relatives of our significant membership base that has not yet been tapped into. Members are urged to encourage their family members to become a part of this unique organization.

The credit union also recognizes the need to introduce

new savings and loan products geared towards the younger membership base. Upgrading of the Golden Harvest savings plan and membership incentive programs are just a few of the strategies to be employed for 2022.

Our efforts to promote savings have received encouraging results as seen in the table below.

We commend those who make the effort to save despite the challenges.

Montego Bay

The Montego Bay office remains a vital part of the service delivery in Western Jamaica. However, there is a need to expand our reach to other parishes in the region where our membership is underrepresented.

Table 4

Performance of Montego Bay office

ACTIVITY	2021	2020
Deposits	28.6M	31.5M
Transfers	11.5M	12.4M
Withdrawals	12.2M	7.7M
Loan Granted	31.9M	23.9M
Enquiries	892	910
Debit Cards Issued	15	9
New Accounts	6	6

The Covid-19 pandemic which affected the Economy at the start of March 2020, continued its challenges in 2021. Job security concerns saw the need for access to more cash by our members as demonstrated by an increase in transfers and withdrawals combined and a reduction in deposits. In-Branch transactions were reduced, so members utilized online resources and the IECCU AccessPlus debit card. Loans increased over the period as a result of the introduction of new products that were beneficial to our members.

Information Technology

IECCU embarked on a project, in collaboration with the League and in partnership with MasterCard, to upgrade the Access Plus debit cards. The main objectives of the upgrade are to enhance security by introducing pin and chip technology, provide an alert management system notifying members of processed transactions and the widening of card capabilities to include international usage and contactless transactions. The cards were issued to specified users to test the features and

BOARD OF DIRECTORS REPORT

capabilities and a full launch is expected to the general membership in 2022.

The challenge to deliver statements by email without compromising our domain has not yet been overcome. Members are asked to utilise internet banking for continuous access to balances and transaction information. There were 309 new Internet Banking accounts that were created in 2021. Statements may be requested from the internet banking platform as well as directly from our Offices until the issue has been resolved.

The Access Plus card is especially important at this time given the effects of the COVID-19 pandemic. Members are able to access loan proceeds and request transfers to their card accounts for immediate use. We remind all card holders to exercise care to protect your card and pin from those around you when doing your transactions, including those you may not see.

The website continues to be used as a marketing tool. Members have used the site to access their accounts, make inquiries or appointments for loan interviews and to download forms. We continue to encourage members to use this tool to assist in managing their financial affairs.

Delinquency

There was continuous close monitoring of the Delinquency Portfolio in 2021 to detect changes in members circumstances and payment patterns. With the reduction of covid restrictions and individual arrangements where necessary, more members were able to regularise their payments. In general, interest only payments were no longer required. The Delinquency Ratio was 2.9% at the end of 2021. This was within the required PEARLS Ratio standard of 5%. As different types of businesses get closer to normalcy, it is hoped that the challenges faced with delinquency will continue to reduce.

Members are reminded to make contact with the credit union at the first indication that a payment may be missed.

League

As was reported in 2020, the credit unions remained buoyant in 2021 and the League continued to guide the movement to find ways of helping members to succeed in spite of the Pandemic. Unlike the past, there was no convention in 2021 but the general meeting was held under hybrid arrangements. The league continues to help credit unions in merger discussions, preparing for Bank of Jamaica oversight and becoming more efficient to serve the Movement effectively by providing relevant and best services.

Condolence

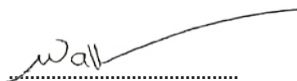
Certainly, the year 2021 was a difficult year for many families across the world and many lives were lost, some due to the COVID 19 Pandemic. The IECCU family extends condolences to the families and close friends of *Lurline Balliston, Rupert Billet, Waldemar Bramwell, Veronica Brown, Carl Layne, Pauline Smith-Haughton, Cyril Stewart, Winston Thomas*, any other not mentioned here. Their contribution to our credit union will be greatly missed.

Conclusion

We are encouraged by the positive results in 2021 despite the circumstances. New ways of operating such as hosting meetings online, communicating, moving money and supporting employees in delivering services to members have helped us improve efficiencies but we cannot rest idly by. We will continue to seek out new initiatives and methods that can be implemented to help our members and create value.

May God continue to bless and strengthen each and every one of you.

For and on behalf of the Board of Directors,



Mark Wallen
President

FINANCIALS



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

R467/675/07/22

July 4, 2022

The Secretary
Insurance Employees Co-operative Credit Union Limited
27 Parkington Plaza
KINGSTON 10

Dear Sir/Madam:

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

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

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

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

Yours truly,

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

06 JUN 2022

HOPE GARDENS

Hope Gardens
Kingston 6
(876) 977-2508 / 927-1948

MANDEVILLE, MANCHESTER

23 Caledonia Road
(RADA Bldg.)
(876) 615-9083

MONTEGO BAY, ST. JAMES

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



INSURANCE EMPLOYEES
CO-OPERATIVE CREDIT UNION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

FINANCIALS

Independent Auditor's Report

To the Registrar of the Co-operative Societies
INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION
(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 Insurance Employees Cooperative Credit Union ("the Credit Union") set out on pages 6 to 34, which comprise the statements of financial position as at 31 December 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Credit Union as at 31 December 2021 and of financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), and the Co-operative Societies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 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 the 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.

During the current year audit there were two areas which we consider to be a key audit matter.

FINANCIALS

To the Registrar of the Co-operative Societies
INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION
(A Society Registered Under the Co-operative Societies Act)

Impact of the Corona virus

The Credit Union has assessed the impact of the recent Corona virus and its ability to continue as a going concern.

In this evaluation, the Credit Union assessed its industry, including its customer base in determining the potential future impacts.

Our responsibility was to assess these factors and determine if management's conclusions as to its ability to continue as a going concern is reasonable.

Management has concluded that based on the industry which it currently is, there will not be significant negative impact on its ability to continue as a going concern.

We have assessed the factors and based on the type of industry found no significant exceptions to their conclusion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our 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 or 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 with 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 the Board of Directors

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.

FINANCIALS

To the Registrar of the Co-operative Societies
INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION
(A Society Registered Under the Co-operative Societies Act)

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.

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.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix of this auditor's report. This description, which is located on page 5, forms part of our auditor's report.

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 Worrick Bogle.



BOGLE & COMPANY
Chartered Accountants
Kingston, Jamaica
June 28, 2022

FINANCIALS

Appendix to the Independent Auditor's report

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.

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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

	Note	2021 \$	2020 \$
ASSETS			
NON-CURRENT ASSETS			
Earning:			
Financial Investments	3	191,991,605	171,346,176
Loans, after provision for loan impairment	4	<u>1,364,010,898</u>	<u>1,331,478,354</u>
Total Earning		<u>1,556,002,503</u>	<u>1,502,824,530</u>
Non-earning:			
Property, plant & equipment	6	<u>37,643,393</u>	<u>37,800,284</u>
Total Non-earning		<u>37,643,393</u>	<u>37,800,284</u>
TOTAL NON-CURRENT ASSETS		<u>1,593,645,896</u>	<u>1,540,624,814</u>
CURRENT ASSETS			
Earning:			
Financial Investments	3	188,390,983	154,871,851
Cash & cash equivalents	7	188,714,692	190,005,985
Loans, after provision for loan impairment		49,483,732	42,014,882
Total Earning		<u>426,589,407</u>	<u>386,892,718</u>
Non-earning:			
Accounts Receivable	8	20,381,416	19,351,138
Cash & cash equivalents	7	<u>35,552,883</u>	<u>53,882,787</u>
Total Non-Earning		<u>55,934,299</u>	<u>73,233,925</u>
TOTAL CURRENT ASSETS		<u>482,523,706</u>	<u>460,126,643</u>
TOTAL ASSETS		<u>2,076,169,602</u>	<u>2,000,751,457</u>

The accompanying notes form part of these financial statements.


FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

	Note	2021 \$	2020 \$
EQUITY			
Permanent Shares	9	26,355,006	26,229,480
Institutional capital	10	265,839,470	264,173,180
Non-institutional capital	11	122,482,766	119,998,887
Undistributed Surplus	12	16,085,767	8,183,295
TOTAL EQUITY		<u>430,763,009</u>	<u>418,584,842</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Interest bearing:			
Members Shares		846,718,263	826,145,729
External Credit	13	73,671,615	73,671,616
Total Interest bearing		<u>920,389,878</u>	<u>899,817,345</u>
TOTAL NON-CURRENT LIABILITIES		<u>920,389,878</u>	<u>899,817,345</u>
CURRENT LIABILITIES			
Interest bearing:			
Saving Deposits	14	698,533,774	666,163,182
Total Interest bearing		<u>698,533,774</u>	<u>666,163,182</u>
Non-interest bearing			
Payables and Accruals	15	26,482,941	16,186,088
Total Non-interest bearing		<u>26,482,941</u>	<u>16,186,088</u>
TOTAL CURRENT LIABILITIES		<u>725,016,715</u>	<u>682,349,270</u>
TOTAL LIABILITIES		<u>1,645,406,593</u>	<u>1,582,166,615</u>
TOTAL EQUITY AND LIABILITIES		<u>2,076,169,602</u>	<u>2,000,751,457</u>

Approved by the Board of Directors on June 28, 2022 and signed on its behalf by:

 / Director

 / Director

The accompanying notes form part of these financial statements.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED PROFIT & LOSS AND COMPREHENSIVE INCOME AS AT DECEMBER 31, 2021

	Note	2021 \$	2020 \$
Interest and Investment Income	16	141,268,721	139,528,068
Interest expense			
Interest on Deposits		(12,410,559)	(11,473,592)
Interest on Shares		(4,093,275)	-
		<u>(16,503,834)</u>	<u>(11,473,592)</u>
Net interest income		<u>124,764,887</u>	<u>128,054,476</u>
Finance Cost		(4,813,312)	(6,392,218)
Loan loss provision		(291,714)	(4,514,270)
		119,659,861	117,147,988
Other Revenue		25,263,249	18,654,695
Gross margin		<u>144,923,110</u>	<u>135,802,683</u>
Operating expenses:			
Staff Costs		(85,142,440)	(84,402,041)
General Overheads		(36,325,241)	(36,722,808)
Affiliation and Representation		(8,761,933)	(8,199,313)
Marketing & Promotion		(3,893,789)	(3,784,765)
Depreciation & Amortisation		(2,473,104)	(1,425,786)
Total Expenses	17	<u>(136,596,507)</u>	<u>(134,534,713)</u>
Surplus for the year		<u>8,326,603</u>	<u>1,267,970</u>
Other comprehensive income			
Those that might be reclassified to profit or loss in subsequent periods			
Revaluation (from)/to Loan Loss Reserve		-	8,060,790
Unrealised Gain on Investment		3,836,061	7,069,136
Other comprehensive income for the year		<u>3,836,061</u>	<u>15,129,926</u>
Total comprehensive income for the year		<u>12,162,664</u>	<u>16,397,896</u>

The accompanying notes form part of these financial statements.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED STATEMENT OF CHANGES IN EQUITY AS AT DECEMBER 31, 2021

	Reserves			Retained Earnings	Total
	Permanent Shares	Institutional capital	Non-institutional capital		
	\$	\$	\$	\$	\$
Balance as at 1 January 2019	24,845,226	263,918,316	104,868,960	12,162,306	405,794,808
Comprehensive Income					
Surplus for the year				1,267,970	1,267,970
Loan Loss Reserve	-	-	-	15,129,926	15,129,926
Total comprehensive income for the year	-	-	-	16,397,896	16,397,896
Entrance fee		1,270			1,270
Current year Statutory transfer		253,594		(253,594)	-
Honorarium				(2,000,000)	(2,000,000)
Receipts/Transfer	1,384,254	-	-	(2,993,386)	(1,609,132)
Loan loss reserve			8,060,790	(8,060,790)	-
Unrealised holding gain			7,069,137	(7,069,137)	-
Total other	<u>1,384,254</u>	<u>254,864</u>	<u>15,129,927</u>	<u>(20,376,907)</u>	<u>(3,607,862)</u>
Balance as at 31 December 2020	<u>26,229,480</u>	<u>264,173,180</u>	<u>119,998,887</u>	<u>8,183,295</u>	<u>418,584,842</u>
Balance as at 1 January 2020	26,229,480	264,173,180	119,998,887	8,183,295	418,584,842
Comprehensive income					
Surplus for the year				8,326,603	8,326,603
Other comprehensive income for the year	-	-	-	3,836,061	3,836,061
Total comprehensive income for the year	-	-	-	12,162,664	12,162,664
Other					
Entrance fee	-	970	-	-	970
Statutory transfer	-	1,665,320	-	(1,665,320)	-
Receipts/Transfer	125,526	-	(110,993)	-	14,533
Loan loss reserve	-	-	(1,241,189)	1,241,189	-
Unrealised holding gain	-	-	3,836,061	(3,836,061)	-
Total other	<u>125,526</u>	<u>1,666,290</u>	<u>2,483,879</u>	<u>(4,260,192)</u>	<u>15,503</u>
Balance as at 31 December 2021	<u>26,355,006</u>	<u>265,839,470</u>	<u>122,482,766</u>	<u>16,085,767</u>	<u>430,763,009</u>

The accompanying notes form part of these financial statements.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED STATEMENT OF CASH FLOWS AS AT DECEMBER 31, 2021

	Note	2021 \$	2020 \$
Cash flow from operating activities			
Surplus for the year		8,326,603	1,267,970
Depreciation & Amortisation		2,473,104	1,425,786
Interest Income		(141,268,720)	(139,528,068)
Less Unrealised Gain		(3,836,061)	(7,069,136)
Other Assets		(1,030,278)	(526,726)
Payables & accruals		10,081,058	(6,603,416)
Interest received		141,941,468	138,930,245
Net cash flow from operations		<u>16,687,174</u>	<u>(12,103,345)</u>
Cash flow from investing activities			
Purchase of property, plant and equipment		(2,316,213)	(3,623,065)
Financial Investments		(50,265,459)	(148,864,856)
Loans from Members		(40,712,955)	44,649,178
Net cash flow from investing activities		<u>(93,294,627)</u>	<u>(107,838,743)</u>
Cash flow from financing activities			
Appropriations & payments		4,261,169	10,391,406
Permanent shares		125,526	1,384,254
Members' shares deposits		53,023,692	116,790,608
Loan Loss Movement		1,241,189	-
Current year Statutory Transfer		(1,665,320)	(253,594)
Net cash flow from financing activities		<u>56,986,256</u>	<u>128,312,674</u>
Net increase in cash held		<u>(19,621,197)</u>	<u>8,370,586</u>
Cash and cash equivalents at beginning of financial year		243,888,772	235,518,186
Cash and cash equivalents at end of financial year	7	<u>224,267,575</u>	<u>243,888,772</u>

The accompanying notes form part of these financial statements.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

1 Identification & Activities

The Insurance Employees Co-operative Credit Union Limited is a Co-operative Society registered under the Co-operative Societies Act. Membership is restricted to present and past employees of Life, Health and General Insurance and their related companies, Building Societies along with their extended families. The Credit Union's operations are concentrated in the parishes of St. Andrew and St. James. The registered office and principal place of business is located at 27 Parkington Plaza, Kingston 10.

The objectives of the credit union are to promote thrift among its members and to create hereby a source of credit for its members at competitive rates of interest for provident and productive purposes.

To receive the savings of its members

To make loans to members for provident and productive purposes in the way and manner hereinafter provided.

To invest in any security in which trustees are for the time being by Law authorized to invest.

To borrow money as provided by the rules of the Credit Union subject to the provisions of the Law and Regulations.

To draw, make, accept, endorse, discount, execute and issue Promissory Notes, Bills of lading, Bills of Exchange, Bills of Sale, Warrants and other negotiable or transferrable instruments.

2 Summary of Significant Accounting Policies

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for financial reporting purposes, fair value measurement are categorised into level 1,2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Credit Union can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly: and
- Level 3 inputs are unobservable inputs for the asset or liability.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

(a) New Accounting Standards for Application in Future Periods

The Credit Union has not applied the following new and revised IFRSs that have been issued but are not yet effective and the Credit Union has not opted for early adoption.

IFRS 17	Insurance Contracts ¹
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¹Effective for annual periods beginning on or after 1 January 2021.

(b) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The significant accounting policies that have been used in preparation of the financial statements are summarised below and have been consistently applied for all the years presented. The Measurement bases used are those specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

(c) Reporting currency

The amounts stated in these financial statements are presented in Jamaican Dollars which is the functional currency of the Credit Union.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

(d) Basis of Preparation

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for financial reporting purposes, fair value measurement is categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Credit Union can access at the measurement date.

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly: and

Level 3 inputs are unobservable inputs for the asset or liability

(e) Financial Instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets are classified into the following specified categories: financial assets 'investments FVTPL and FVTOCI' and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

(e) Financial Instruments (cont'd)

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Loans and Receivables

Loans and receivables are measured at amortised cost; they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method.

Financial Investments

The 'Financial Investments' caption in the statement of financial position includes:

- debt and equity investment securities mandatorily measured at FVPL or designated as FVPL;
- debt securities measured at FVOCI; and
- equity investment securities designated as at FVOCI

The Credit Union elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Cumulative gains and losses recognised in OCI are transferred to the surplus and appropriations account on disposal of an investment.

Dividends

Dividends are recognised in profit or loss unless they clearly present a recovery of part of the cost of the investment, in which case they are recognised in OCI.

(f) Provisions

The Credit Union recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- Loans, after provision for loan impairment

No impairment on loss recognised on equity investments.

The Credit Union measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- Debt investment securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments on which credit risk has not increased significantly since their initial recognition

12-month ECL are the portion of ECL that the result from default events on a financial instrument that are possible within the 12 months after the reporting date. Loans for which a 12-month ECL is recognised are referred to as "Stage 1"

Lifetime ECL are the ECL that result from all possible default events over the expected life of the loan. Loans for which a lifetime ECL is recognised but which are not credit-impaired are referred to as "Stage 2 and 3"

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

(f) Provisions (cont'd)

Measurement of ECL

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

- Financial assets that are no credit-impaired at the reporting date: as the present value of all cash shortfalls;
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Credit Union of the commitment is drawn down and the cash flows that the Credit Union expects to receive.

The Credit Union also provides based on the industry standards. This provision does not factor the time value of money, neither does it consider collateral.

The excess of the provision set for by the industry and that prescribed by IFRS is accumulated in a reserve called 'Loan loss Reserve' included in non-institutional capital.

(g) Property, Plant and Equipment

Land and Building comprises the building located at 27 Parkington plaza, Kingston 10, which is also the Credit Union's main office. All property, plants and equipment are reported at their initial cost less accumulated depreciation and accumulated impairment.

Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method and next month convention. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The annual depreciation rates for the Credit Union are as follows:

Building	2.5%
Furniture and Fixtures	10%
Office Equipment	20%
Computer	20%

The useful lives of the property, plant and equipment are reviewed and adjusted if necessary.
Land is not depreciated

Repairs and maintenance expenditures are charged to the profit or loss as general overhead during the period in which they are incurred.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

(h) Foreign Currency Transactions and Balances

The Credit Union is subject to changes in foreign currency rates as it relates to the accounts held in United States dollar. It is recorded initially in the functional currency using the spot exchange rate of the Jamaican dollar to the United States dollar at the date of transaction. At the end of the period the foreign currency is converted to the functional currency using the closing rate for the period. Exchange differences arising from conversion of the rates used for initial recording and at the end of the period are recognised in the profit and loss statement.

(i) Cash and Cash Equivalents

Cash and Bank balances included notes and coins on hand, unrestricted funds held at other financial institutions representing non-interest-bearing liquid assets owned by the Credit Union. Interest bearing liquid assets such as interest-bearing savings accounts and short-term investments which are expected to be converted within a ninety-day cycle (90).

(j) Revenue and Other Income

Interest on investment

Dividend/Interest income from investments is recognized when the investor's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Credit Union and the amount of income can be measured reliably).

Interest on loans

Interest on loans is recognized when interest is calculated on the outstanding balance at the end of each month, using the reducing balance method.

Rental Income

Rental Income is recognised based on the accrual basis on rental agreement for the portion of building located at 27 Parkington plaza, Kingston 10.

Commission and Fees

Fees and commission income are generally recognised on a cash basis when the service has been provided.

(k) Institutional Capital

Institutional Capital includes the Statutory Reserve Fund as well as various other reserves established from time to time as is deemed necessary by the Board of Directors and agreed upon by the members to support the operation of the Credit Union and thereby protect the interest of the members. These reserves are not available for distribution.

The stronger the overall capital position, the easier it is for the credit union to deal with future uncertainties such as asset loss and adverse economic cycles.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

(l) Members' Shares in Co-operative Entities and Similar Instruments

Members' shares in co-operative entities have some characteristics of equity. They also give the holder the right to request redemption for cash, although that right may be subject to certain limitations. IFRIC 2 gives guidance on how those redemption terms should be evaluated in determining whether the shares should be classified as financial liabilities or as equity.

Members' shares- (voluntary)

The voluntary shares are the main account for the credit union members. It forms the corner stone of the members' relationship with the credit union.

(m) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

(n) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Credit Union retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(o) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Credit Union.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

3 Financial investments

		2021	2020
		\$	\$
Current			
Financial assets at fair value through profit or loss	3(a)	<u>188,390,983</u>	<u>154,871,851</u>
Total current assets		<u>188,390,983</u>	<u>154,871,851</u>
Non-Current			
Investment securities designated as at FVTPL	3(a)	59,009,600	43,068,549
Investment securities measured at FVOCI - debt instruments	3(b)	20,680,274	40,563,562
Investments securities designated as at FVOCI - equity instruments	3(c)	<u>112,301,731</u>	<u>87,714,065</u>
Total non-current assets		<u>191,991,605</u>	<u>171,346,176</u>
Total Financial Investments		<u>380,382,588</u>	<u>326,218,027</u>

(a) Investment securities designated as at FVTP

	2021	2020
	\$	\$
Debt Securities	68,670,079	51,493,486
Equity Securities	<u>178,730,504</u>	<u>146,446,914</u>
Financial assets at fair value through profit or loss	<u>247,400,583</u>	<u>197,940,400</u>

(b) Debt Securities measured at FVOCI

	2021	2020
	\$	\$
Listed investments at fair value:		
Government and fixed interest securities	<u>20,680,274</u>	<u>40,563,562</u>
Total Investments measured at FVOCI - debt instruments	<u>20,680,274</u>	<u>40,563,562</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

3 Financial investments (cont'd)

(c) Equity Investments designate as at FVOCI

	2021	2020
	\$	\$
NCB CAP Income Optimizer	112,301,731	87,714,065
Total Investment securities designated as at FVOCI- equity instruments	<u>112,301,731</u>	<u>87,714,065</u>

4 Loans, after provision for loan impairment

	Note	2021	2020
		\$	\$
Staff Loans		79,369,871	92,821,234
Ordinary Loans		364,030,724	334,518,192
Motor Vehicle Loans		416,915,784	459,460,805
Guardian Life Facilities		73,156,921	86,768,637
Payroll Short term loan		354,400,600	316,230,844
Other		124,126,678	81,196,197
Total Gross Loans		<u>1,412,000,578</u>	<u>1,370,995,909</u>
Loan loss provision	5	(4,749,543)	(4,457,829)
Accrued Interest		6,243,595	6,955,156
Loans Net of Provision for Impairment		<u>1,413,494,630</u>	<u>1,373,493,236</u>

(a) Maturity Schedule

	Maturity Schedule				Carrying Value	Carrying Value
	Within 3	3 to 12	1 to 5 Years	Over 5 years		
	Months	Months			2021	2020
	\$	\$	\$	\$	\$	\$
Loans to Individuals	16,309,848	31,679,832	896,964,054	467,046,844	1,412,000,578	1,370,995,909
Accrued Interest	6,243,595				6,243,595	6,955,156
Less: provision for Loan loss					(4,749,543)	(4,457,829)
	<u>22,553,443</u>	<u>31,679,832</u>	<u>896,964,054</u>	<u>467,046,844</u>	<u>1,413,494,630</u>	<u>1,373,493,236</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

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

(b) Collateral

The Credit Union holds collateral against loans to members in the form of mortgage interests over property, lien over motor vehicles, other registered securities over assets, hypothecation of shares held in the Credit Union and guarantees. Estimates of fair values are based on value of collateral assessed at the time of borrowing and are generally not updated except when a loan is individually assessed as impaired.

The Credit Union had nil repossessed collateral at the reporting date with a market value of nil (2020: nil).

5 Provisions

There are a total of 75 (2020 :73) non-performing loans. The credit union defines a non-performing loan as one where payments are beyond 30 days past due. The Credit Union does not accrue interest for loans which are in arrears for over 90 days

The Credit Union provides for its non-performing loans using the loan loss provision as prescribed by IFRS 9 as well as the standards of the Jamaica Co-operative Credit Union League (JCCUL). Each loan has been analysed as required by the standard and the adjustment reclassified to the Loan Loss Reserve under non-institutional capital.

	Loan Loss Provision	Loan Loss Reserve	Total
	\$	\$	\$
Balance as at 1 January 2020	4,457,829	23,157,231	27,615,060
Additional provisions	291,714	-	291,714
Unused amounts reversed	-	(1,241,189)	(1,241,189)
Balance as at 31 December 2021	4,749,543	21,916,042	26,665,585

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

5 Provisions (cont'd)

(a) ECL Evaluation

A total of 2,128 contracts have been assessed by the Credit Bureau as at the reporting date of December 31, 2021. Based on the assessment the following assumption were made:

- Loss Given Default (LGD) = 4.82%
- Contacts with terms remaining < 1 month not assessed
- Contract already in default assumed to have a Probability of Default (PD) of 100% going forward.
- 5% discount rate

Below is the staging policy used

Stage	DPD	PD
1	< 31	12 Months
2	31- 89	Lifetime
3	> 90	Lifetime

(b) Provision as Prescribed by JCCUL

In the financial statements the credit union does not provide for loan loss in accordance to Jamaica Co-operative Credit Union League (JCCUL) as those methods are superseded that those of the International Financial Reporting Standards set out in the preceding paragraph.

For comparative purposes, the credit union continues to maintain the provision schedule in accordance with JCCUL requirements.

Provision based on the Jamaica Co-operative Credit				
	Number of accounts	Delinquent Loans	Required provision	Provision rate
		\$	\$	%
Delinquent Loans (60 - 90 days)	5	4,719,004	471,900	10
Delinquent Loans (>90 - 180 days)	9	5,072,611	1,521,783	30
Delinquent Loans (>180 - 360 days)	12	6,482,523	3,889,515	60
Delinquent Loans (Over 360 days)	49	20,782,387	20,782,387	100
	75	37,056,525	26,665,585	

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

6 Property, plant & equipment

	Land and Buildings	Furniture, Fixtures & Fittings	Computer	Office Equipment	Total
	\$	\$	\$	\$	\$
Cost/Valuation					
Balance as at 1 January 2020	15,249,144	5,088,053	29,052,212	15,163,737	64,553,146
Additions	99,021	44,018	3,047,446	432,580	3,623,065
Balance as at 31 December 2020	15,348,165	5,132,071	32,099,658	15,596,317	68,176,211
Additions	-	65,241	1,938,852	312,120	2,316,213
Disposals	-	-	-	-	-
31 December 2021	15,348,165	5,197,312	34,038,510	15,908,437	70,492,424
Accumulated Depreciation					
Balance as at 1 January 2020	4,219,953	3,034,242	11,098,012	10,597,932	28,950,139
Depreciation expense	322,091	192,075	553,762	357,860	1,425,788
Balance as at 31 December 2020	4,542,044	3,226,317	11,651,774	10,955,792	30,375,927
Depreciation expense	322,091	194,687	498,613	1,457,713	2,473,104
Disposals	-	-	-	-	-
Balance as at 31 December 2021	4,864,135	3,421,004	12,150,387	12,413,505	32,849,031
31 December 2021	10,484,030	1,776,308	21,888,123	3,494,932	37,643,393
31 December 2020	10,806,121	1,905,754	20,447,884	4,640,525	37,800,284

Land and Building comprises land in the amount of \$2,464,594 (2020: \$2,464,594), which is not depreciated.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

7 Cash & cash equivalents

	2021	2020
	\$	\$
Cash and cash equivalents		
Non-earning:		
Cash on hand	405,985	444,695
Bank accounts Denominated in Jamaican Dollar	35,146,898	53,438,092
	<u>35,552,883</u>	<u>53,882,787</u>
Earning:		
Bank accounts Denominated in United States Dollar	16,292,866	16,813,167
Short term investments	172,421,826	173,192,818
	<u>188,714,692</u>	<u>190,005,985</u>
Total cash and cash equivalents	<u>224,267,575</u>	<u>243,888,772</u>

The Short-term investments represent the fair value of the investments as at December 31, 2021 and are expected to mature within 3 months or less. These investments are categorised as Fair Value through Profit or Loss (FVPL).

Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2021	2020
	\$	\$
Cash and cash equivalents	224,267,575	243,888,772
Balance as per statement of cash flows	<u>224,267,575</u>	<u>243,888,772</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

8 Accounts Receivables

The accounts receivable accounts represent amounts owed to the Credit Union as of December 31, 2021. There has been no provision for loss against these accounts

	2021	2020
	\$	\$
Current		
Premium receivables	1,777,435	1,777,435
Rental receivable	1,494,347	1,494,347
Prepaid assets	1,246,967	1,069,929
Security Deposit	34,188	34,188
Withholding tax	3,888,828	3,292,937
Other receivables	11,939,651	11,682,302
Total current trade and other receivables	<u>20,381,416</u>	<u>19,351,138</u>
Total trade and other receivables	<u>20,381,416</u>	<u>19,351,138</u>

a) Withholding tax represents accumulated withholding tax on investments. Effective September 1, 2010, the Credit Union was granted a 10-year exemption on withholding tax. The Credit Union has been reducing this balance by offsetting it against the withholding tax payable on interest paid to members on shares and deposits.

b) Premiums Receivables represents balance owed by members to reimburse Credit Union for payments made on their behalf

9 Permanent Shares

This represents equity in the Credit Union which cannot be withdrawn but may be transferred to another member or repurchased by the Credit Union through its permanent shares reserve Fund.

	2021	2020
	\$	\$
Permanent Shares	26,111,522	26,178,411
Permanent Shares reserve	243,484	51,069
	<u>26,355,006</u>	<u>26,229,480</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

10 Institutional capital

a. **Statutory Reserve**

Pursuant to the Co-operative Societies Act Credit Unions are required to transfer to a Statutory Reserve all entrance fees collected and a minimum of 20% of net surplus.

b. **Special Reserve**

This reserve represents amounts appropriated by members to strengthen the capital based of the Credit Union and is not available for distribution.

	2021	2020
	\$	\$
Statutory Reserve	265,821,284	264,155,964
Entrance fees	18,186	17,216
	<u>265,839,470</u>	<u>264,173,180</u>

11 Non-institutional capital

This represents amounts set aside to facilitate outreach and development activities of the credit union.

	2021	2020
	\$	\$
Capital Reserve	3,000,000	3,000,000
Gain on Investment	23,489,717	19,653,649
Share Fund transfer reserve	466,321	577,321
General Reserve	73,610,686	73,610,686
Loan Loss Reserve	21,916,042	23,157,231
	<u>122,482,766</u>	<u>119,998,887</u>

- i. Capital Reserve represents an amount put aside for significant capital expenditure.
- ii. Gain on investment represents the accumulated interest on the Credit Union's National Commercial Bank Capital Market account and its gain on the Jamaica Unit Trust securities
- iii. The Share Transfer Reserve is used to purchase/buy back retired Permanent Share (\$3,000.00) whenever an Account is closed. These amounts are placed in the "Nominee Account" for future share distribution to new Members
- iv. Loan loss reserves represents the cumulative excess of provision for loan loss determined by using the JCCUL regulatory requirements over the amount determined under IFRS.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

12 Undistributed Surplus

This represents amount available for distribution to the members of the Credit Union

	\$
Balance as at 31 December 2020	8,183,295
Surplus for the year	8,326,603
Transfer (to)/ from Loan Loss Reserve	1,241,189
Statutory transfer	<u>(1,665,320)</u>
Balance as at 31 December 2021	<u>16,085,767</u>

13 External Credit

	1 to 5 years	Over 5 Years	Carrying value 2021	Carrying value 2020
	\$	\$	\$	\$
Secured by Building	48,394,630		48,394,630	48,394,630
Secured by Hypothecation		25,276,985	25,276,985	25,276,986
	<u>48,394,630</u>	<u>25,276,985</u>	<u>73,671,615</u>	<u>73,671,616</u>

- i. The loan facility from Sagicor life Jamaica Limited matures 2022 and is secured by Building located at 27 Parkington Plaza, Kingston 10 and bears an interest rate of 4%.
- ii. The loan facility from Guardian life Limited matures 2025 and is secured by hypothecation and bears an interest rate of 5%.

14 Members Deposits

	2021	2020
	\$	\$
Regular Deposit	96,323,531	99,389,080
Term Deposits	595,716,548	559,858,911
Accrued Interest	6,493,695	6,915,191
	<u>698,533,774</u>	<u>666,163,182</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

15 Payables and Accruals

This represents the non-interest earning liabilities of the Credit Union.

	2021	2020
	\$	\$
Current		
Accounts Payables	2,824,149	1,796,552
Death Claims	1,846,237	1,359,392
Premiums Payables	4,477,206	601,482
General Consumption Tax	1,804,368	765,538
Honoraria	-	824,375
QNET	282,277	559,799
Security Deposit	301,417	301,417
Audit Fees	1,258,000	1,922,076
Other Payables	13,689,287	8,055,457
	<u>26,482,941</u>	<u>16,186,088</u>

16 Revenue and Other Income

	2021	2020
	\$	\$
Revenue		
Interest and Investment Income		
Investment Income	9,062,273	5,056,136
Interest on Loans	<u>132,206,448</u>	<u>134,471,932</u>
	<u>141,268,721</u>	<u>139,528,068</u>
Other Revenue		
Commission and Fees	2,131,172	2,062,207
Bills of Sale	88,500	139,000
Discount Cards	9,800	13,320
Service Charge	13,190,982	6,689,856
Other Revenue	5,540,592	5,775,191
Investment Property	3,409,482	3,975,121
Bad Debt Recovered	892,721	-
	<u>25,263,249</u>	<u>18,654,695</u>
Total Revenue	<u>166,531,970</u>	<u>158,182,763</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

17 Administrative expenses

	2021	2020
	\$	\$
Staff Costs		
Salaries, allowances & statutory contributions	78,181,919	78,011,590
Staff Training	279,315	-
Travelling & related expenses	796,198	1,110,638
Pension	5,885,008	5,279,813
	<u>85,142,440</u>	<u>84,402,041</u>
General Overheads		
Donation	34,600	-
Auditor's Remuneration	1,258,000	1,899,996
Office Rental	1,487,334	1,607,257
Insurance	6,433,220	6,997,519
FIP Expense	1,790,316	1,713,546
Office Expenses	5,393,532	3,640,108
Professional fees	3,910,507	4,499,271
Repair and Maintenance	1,266,595	1,101,684
Security and messenger service	2,520,587	2,507,896
Telephone, cable, postage & telegram	6,961,527	8,039,619
Electricity	3,837,980	3,685,532
Rates & taxes	1,431,043	1,030,380
	<u>36,325,241</u>	<u>36,722,808</u>
Marketing & Promotion	<u>3,893,789</u>	<u>3,784,765</u>
Affiliation and Representation		
Stabilization dues	1,119,232	1,533,386
League fees	3,995,501	3,712,344
Seminars and meetings	3,647,200	2,953,583
	<u>8,761,933</u>	<u>8,199,313</u>
Depreciation & Amortisation	<u>2,473,104</u>	<u>1,425,786</u>
Total operating expenses	<u>136,596,507</u>	<u>134,534,713</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

18 Contingent Liabilities and Contingent Assets

The Credit Union has guaranteed \$9.6M to Collector of Customs for 3 years from June 2015 if a member fails to pay the duties on the vehicles imported when they are sold. In exchange a freehold title for a 2-bedroom apartment valued at \$12M provides security.

19 Auditor's Remuneration

	2021	2020
	\$	\$
Remuneration of the auditor for:		
auditing or reviewing the financial statements	1,258,000	1,176,000
due diligence services	-	723,996
	<u>1,258,000</u>	<u>1,899,996</u>

20 Related Party Balances

On December 31, 2021, 11 (2020: 14) members of the credit union's Board of Directors, Committee members and key management personnel had savings and loans inclusive of interest of the figures below:

	2021	2020
	\$	\$
Savings	15,350,820	18,684,597
Loans (inclusive of interest)	19,340,690	39,804,619

21 Staff Compliment

	2021	2020
Number of persons employed		
Permanent	23	23
	<u>23</u>	<u>23</u>

22 Comparison of ledger balances

	Saving Deposits	Members Shares	Permanent Shares	Loans Gross of Allowance
	\$	\$	\$	\$
General Ledger	692,120,645	846,718,263	26,111,522	(1,412,000,578)
Sub Ledger	692,120,645	846,718,263	26,111,522	1,412,000,578
Variance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

23 Fair Values

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed upon between knowledgeable and willing parties who are under no compulsion to act. This is best evidenced by a quoted market price. Many of the society's financial instruments lack an available trading market. Therefore, these instruments have been valued using other valuation techniques and may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments. The fair values of cash resources, securities purchased under resale agreements, other assets, and other liabilities, are assumed to approximate their carrying values due to their short-term nature. The fair value of the quoted equities is determined based on their quoted bid price at the statement of financial position date. The fair value of Government of Jamaica securities is estimated by discounting the future cash flows of the securities at the estimated yields at the date of the statement of financial position for similar securities. The estimated fair values of loans to members are assumed to be the principal receivable less any allowance for loan losses.

The fair value of external credits, deposits payable on demand or after notice, and deposits with a variable or floating rate payable on a fixed date are assumed to be equal to their carrying values. The estimated fair values of fixed rate deposits payable within a year are assumed to approximate their carrying values, due to their short-term nature. The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

	2021 Fair Value \$	2021 Fair Value \$	2020 Fair Value \$	2020 Fair Value \$
Financial Asset				
Loans and advances	1,413,494,630	1,413,494,630	1,373,493,236	1,373,493,236
Liquid assets (including cash and bank balance)	224,267,575	224,267,575	243,888,772	243,888,772
Financial investments	380,382,588	380,382,588	326,218,027	326,218,027
Non-earning assets	20,381,416	20,381,416	19,351,138	19,351,138
Financial liabilities				
Savings deposits	698,533,774	698,533,774	666,163,182	666,163,182
Members' share capital	846,718,263	846,718,263	826,145,729	826,145,729
Other liabilities				
Non-interest liabilities	26,482,941	26,482,941	16,186,088	16,186,088

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

23 Fair Values (cont'd)

Fair value hierarchy as at 31/12/21

	Level 2 \$	Level 3 \$	Total \$
Financial assets			
Liquid assets	172,421,826		172,421,826
Loans and receivables:			
loans to members		1,413,494,630	1,413,494,630
Other receivables		20,381,416	20,381,416
Fair Value through Profit or loss:			
Repurchase agreements	188,390,983		188,390,983
Unquoted investments		8,056,518	8,056,518
Fair Value through Other Comprehensive Income	<u>112,301,731</u>		<u>112,301,731</u>
	<u>473,114,540</u>	<u>1,441,932,564</u>	<u>1,915,047,104</u>
Financial liabilities			
Saving Deposits		698,533,774	698,533,774
Members' share capital		846,718,263	846,718,263
Loans from other entities		73,671,615	73,671,615
Trade and other payables		26,482,941	26,482,941
		<u>- 1,645,406,593</u>	<u>1,645,406,593</u>

24 Financial Risk Management

(a) Insurance

The Credit Union has in place the following insurance coverage which are deemed adequate:

- GK General Insurance Company Limited: Commercial All Risk, Fidelity Guarantee, Public Liability, Money, Machinery Breakdown, and Low Voltage.

(b) Credit Risk

Credit risk is the risk of financial loss to the Credit Union if a member or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Credit Union's loans to members, deposits with other institutions and investment securities. There is also credit risk exposure in respect of instruments such as loan commitments and guarantees which may not be stated on the Statement of Financial Position. They expose the Credit Union to similar risks as loans and are managed in similar manner.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

(b) Credit Risk (cont'd)

The carrying amount of financial assets represents the maximum exposure to credit risk (before application of collateral held) which at the statement of financial position date was:

	2021 \$	2020 \$
Financial assets		
Cash and Cash Equivalents	224,267,575	243,888,772
Accounts Receivables	20,381,416	19,351,138
Loans and receivables (including trade receivables balance)	1,433,876,046	1,392,844,374
Investments	380,382,588	326,218,027
Financial liabilities		
Payables and Deposits	1,645,406,593	1,582,166,615

(c) Liquidity Risk

The Credit Union's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal or stressed conditions. Prudent liquidity risk management which the Credit Union uses includes maintaining sufficient cash and marketable securities, monitoring future cash flows and liquidity on a daily basis and maintaining an adequate amount of committed overdraft facilities.

The Credit Union is subject to a liquidity limit set by the Jamaica Co-operative Credit Union League and compliance is closely monitored. The key measure used by the Credit Union for managing liquidity risk is the ratio of liquid assets to total savings deposit.

For this purpose, liquid assets include cash and bank balances, deposits held with JCCUL and highly liquid investments which are readily converted into cash within three months. The liquid asset ratio at the end of the year was 1:0.59 (2018:1:0.49). There has been no change to the Credit Union's exposure to liquidity risk or the manner in which it manages and measures the risk.

	2021 \$	2020 \$
Cash resources:		
Loans (after provision for loan impairment)	49,483,732	42,014,882
Financial investments (within 3 months)	188,390,983	154,871,851
Liquid assets	172,421,826	173,192,818
Cash & bank balances	51,845,749	70,695,954
Accounts Receivable	20,381,416	19,351,138
	<u>482,523,706</u>	<u>460,126,643</u>
Saving Deposits and other payables:		
Members deposits	698,533,774	666,163,182
Payables & accruals	26,482,941	16,186,088
	<u>725,016,715</u>	<u>682,349,270</u>
Ratio	0.67	0.67

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

(c) Liquidity Risk (cont'd)

Members' Voluntary share capital can be withdrawn at the option of the members, unless they are held as security for loans and guarantees and will therefore affect the liquidity position of the Credit Union. These have no contractual maturity. The amounts included in the analysis are based on management's estimate of flows on expected cash from these instruments as determined by retention history. These may vary significantly from actual cash flows which are generally expected to maintain a stable or increasing balance.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. These arise mainly from changes in interest rate, foreign currency rate and equity prices and will affect the Credit Union's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Market risk exposures are measured using sensitivity analysis.

There has been no change to the Credit Union's exposure to market risks or the manner in which it manages and measures the risk.

(e) Interest rate risk

Interest rate risk is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates. It arises when there is a mismatch between interest-earning assets and interest-bearing liabilities which are subject to interest rate adjustments within a specified period. It can be reflected as a loss of future net interest income and or a loss of current market values. Interest rate risk is managed by holding primarily fixed rate financial instruments.

A summary of the Credit Union's interest rate gap position and sensitivity analysis is as follows:

	Within 3 Months	3-12 Months	1 to 5 years	>5 Years	No Maturity	Total
31 December 2021						
Assets						
Cash & cash equivalents	224,267,575					224,267,575
Financial Investments	188,390,983			183,935,087	8,056,518	380,382,588
Loan Portfolio, net	22,553,443	31,679,832	896,964,054	467,046,844	(4,749,543)	1,413,494,630
Property, plant & equipment					37,643,393	37,643,393
Other Assets		20,381,416				20,381,416
Total Assets	435,212,001	52,061,248	896,964,054	650,981,931	40,950,368	2,076,169,602
Liabilities						
Demand Savings Account	317,381,752					317,381,752
Term Deposits	160,287,015	220,865,007				381,152,022
Loans Payable	671,615	-	48,000,000	25,000,000		73,671,615
Other Liabilities					873,201,204	873,201,204
Total Liabilities	478,340,382	220,865,007	48,000,000	25,000,000	873,201,204	1,645,406,593
Total Equity					430,763,009	430,763,009
Total Liabilities and Equity	478,340,382	220,865,007	48,000,000	25,000,000	1,303,964,213	2,076,169,602
Asset Liability Gap	(43,128,381)	(168,803,759)	848,964,054	625,981,931	(1,263,013,845)	-
Cumulative Asset-Liability Gap	(43,128,381)	(211,932,140)	637,031,914	1,263,013,845	-	1,644,985,238

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

(f) Capital Management

The Credit Union's objectives when managing capital are to safeguard the Credit Union's ability to continue as a going concern.

The Credit Union defines its capital as members' share capital, institutional capital and non-institutional capital. Dividend pay-outs are made taken into account as maintenance of an adequate capital base.

The Credit Union is required by the League to maintain its institutional capital inclusive of permanent shares at a minimum of 8 % of total assets. At the statement of financial position date, this ratio was 13 % (2020: 14 %) which is in compliance with the requirements.

There were no changes in the Credit Union's approach to capital management during the year.

	2021	2020
	\$	\$
Institutional Capital	266,087,708	264,173,180
Total Assets	2,076,169,602	2,000,751,457
Ratio	13%	13%

TREASURER REPORT



LESA ROBINSON - **Treasurer**

REPORT FROM YOUR TREASURER

On behalf of the Board and Management I am pleased to report on the financial performance of your Credit Union for the year ended 31 December 2021.

OVERVIEW

The Surplus for the year 2021 grew significantly compared to 2020, coming in at \$8.32M. Total assets grew by 3.8% or \$76 million to close 2021 at \$2.076 billion (2020 - \$2 billion)

During the year, finance costs associated with deposit products were increased by 39% from \$6.4M to \$8.9M as we were able to pay a return on shares for 2021. This is not immediately obvious as interest of \$4.1M which are part of payables were distributed after the accounts were finalized.

Interest charged on some loans were reviewed but in most cases were found to be in line with market rates.

INCOME

Loans after provisions increased by 2.9%, with interest on loans overall declining by 1%. Investment income increased by 79%. The loan appetite of our members decreased with the uncertainty in the job market and the affect the pandemic had and continues to have on the economy. A reallocation of some service charges resulted in an increase of the total for the year.

Our return on property reduced by 14% (\$3.97M to \$3.4M) over prior year and our Commissions and Fees income increased by 3%. Overall the total revenue increased by 5%.

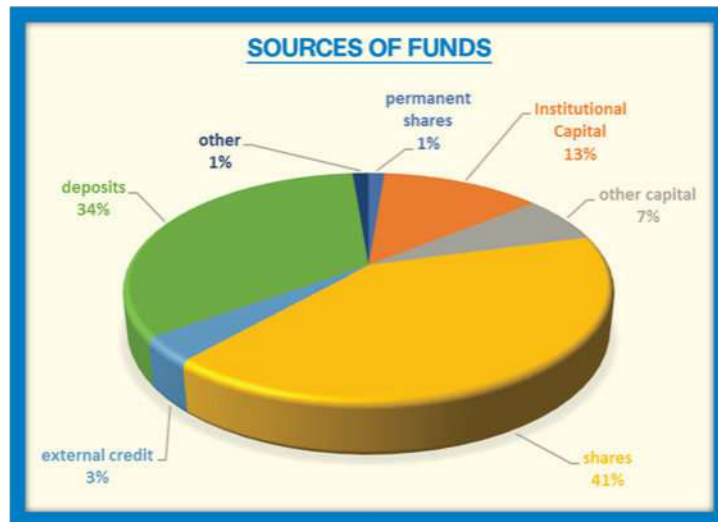
While public utterances suggest some financial institutions charge rapacious fees, we are confident that our service charges are well below those of other entities and appropriately recognize the cost of providing the service. Utilizing this avenue to increase revenue will play a significant role in our future strategies.

MEMBERS' SAVINGS

Members' savings in share accounts increased by 2.4% or \$20M as at 31 December 2021. Deposits also increased by \$32M or 4.9%. These deposits form the pool from which funds are made available to loan to members. Savings together form the main source of funds supporting the Credit Union. Other sources include institutional and non-institutional capital, undistributed surplus and minor borrowings.

The chart, **Sources of Funds** shows both the sources and the percentage mix of the Credit Union's funds that are used for lending. Members' savings (Voluntary shares- 41% and savings deposits -34%) comprised 75% of the total.

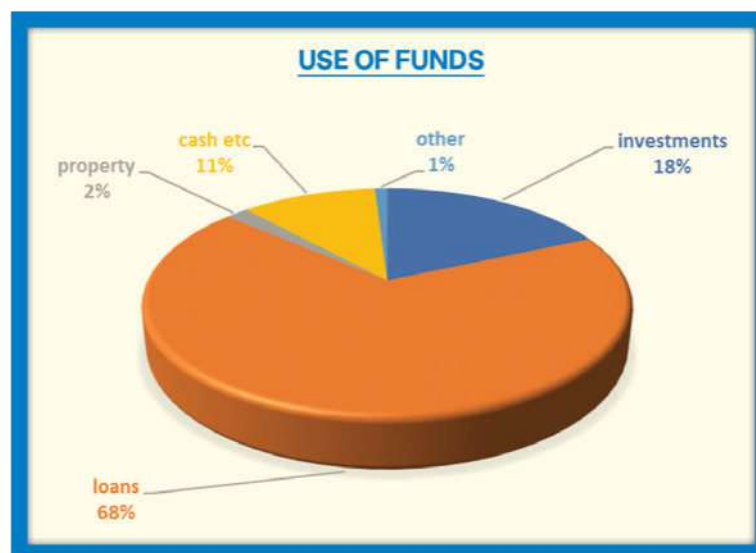
TREASURER REPORT



EQUITY

Institutional Capital and Permanent shares to assets at 14.5%, which is above the standard of 8%. This is a measure of the Credit Union's ability to withstand shocks and maintain adequate cash flows. We must ensure our capital is continuously funded from surpluses for future requirements.

The chart below, **Use of funds** shows the use to which members' deposits are put.



LOANS

Our Loans to assets of 68% over the last period of 68.6% was in compliance with the PEARLS standard of between 60% and 80%. We remain committed to attaining a higher ratio to ensure we maximise our loan interest income returns in a competitive market.

Delinquency was 3.4% at December 31, 2021 compared to the standard of 5% an slight improvement over the last period. The credit union was able to keep the rate in line with acceptable ratios due in part to the granting of moratorium

TREASURER REPORT

to our members who experienced cash flow fluctuations due to the Pandemic. We continue to work with our members to ensure that we offer financial advice and expertise to ensure that we protect your credit rating. Our members whose circumstances have affected their credit rating are encouraged to make contact so that we can assist in restoring your position.

The PEARLS ratios, as prescribed by the Jamaica Co-operative Credit Union League continue to be the financial measuring tool of how well a credit union has performed financially. IECCU's performance measured against the PEARLS Standard is set out below. The table below presents our performance for the last five (5) periods.

KEY RATIOS As At December 31, 2021

Protection	STANDARD	2021	2020	2019	2018	2017
Adequacy of A.L.L For Delinquency > 12 Months	100%	100%	100%	100%	100%	100%
Net Capital /Asset	>8%	14%	14.5%	15.33%	15%	14%
Effective financial structure						
Net Loans / Total Assets	60-80%	68%	68.6%	75.68%	76%	77%
Total Savings / Total Assets	70-80%	74%	74.6%	73.03%	73%	72%
Asset quality						
Delinquent Loans / Gross Loans	<5%	3.4%	3.8%	2.21%	3.78%	5.1%
Total Non-Earning Assets / Total Assets	<7%	4.5%	3.5%	7.57%	6%	5%
Rate of return & costs						
Cost Of Funds / Average Member Savings	>8%	0.57%	0.4%	1.22%	1.90%	2.6%
Operating Expenses / Average Assets	<8%	6.6%	6.7%	7.90%	6.5%	6.5%
Net Income / Average Assets	>2.3%	0%	0%	0.32%	0.4%	0.1%
Liquidity						
Liquid investments / members savings	20-30%	39%	35%	21.51%	21%	21%
Signs of growth						
Total Assets	>2.4%	3.8%	6.5%	2.80%	2%	8%
Membership	>5%	1%	1.3%	5.68%	2.5%	4%

OTHER

We ask members to note that all credit contracts including those outside IECCU form part of the provision assessment. It is important to maintain a good credit record as it will assist your loan prospects as well as the overall cost of credit.

Your financial wellbeing is dependent on how you save and borrow. We therefore continue to emphasize the following:

1. Let us assist you to manage your loans. If you identify an imminent challenge, contact us without delay.
2. Save more with your Credit Union as an avenue to building wealth.

TREASURER REPORT

CONCLUSION

Despite the challenges that your Credit Union has faced throughout the year, we remain committed to providing our members with greater benefits and rewards all while minimizing costs. We have had to learn to pivot and become innovative in our handling of the pandemic and all the attendant costs that have arisen in order for us to provide a safe space for our team members and members to operate business.

The hosting of a blended AGM last year was one such way that we have had to evolve to be able to continue to be relevant in this ever changing environment.

We encourage our members to continue to invest in your Credit Union and invite others to do so, as despite our best efforts, we can only be as successful as you make us. We are a partnership, owners together, working together and achieving together.

While we work at achieving and ensuring the financial health of your Credit Union, we balance our activities with prudent management of our operations in observance of the requirements of our regulators, industry best practices and reporting requirements as set out for financial institutions. This is our commitment to you to ensure the longevity of this institution.

I must also say thanks to our auditors Bogle and Company, the Registrar of Cooperative Societies, and the Jamaica Co-operative Credit Union League for their professional assistance and guidance provided throughout the year. On behalf of the members of the Board of IECCU. I must also thank our dedicated management, team members and volunteers, who continue to serve this noble organisation.

The resolve of the IECCU remains that of serving our members and working alongside you in helping you to achieve the dreams and goals for yourselves and your families.



Lesla Robinson
Treasurer

SUPERVISORY COMMITTEE REPORT



Left-Right: STEPHEN LEVY - Secretary, DAMION WHITE, DWIGHT MOORE
Missing from photo: PETER SAMUELS - Chairman, NAPAIR MCLEARY - Vice Chairman

REPORT OF THE SUPERVISORY COMMITTEE 2021

The committee's overall objective was to ensure compliance with key requirements, to ensure transparency, as well as ensure soundness and that the credit union operate in the best interest of its members.

MEMBERS OF THE COMMITTEE

At the first meeting of the Committee, Peter Samuels was elected as Chairman and Stephen Levy elected Secretary. The Committee met together on four (4) occasions online via 'Zoom' which was facilitated by committee member Napair McLeary. It should also be noted that the Committee communicated at other times on matters concerning the credit union via other online application. The following table gives a profile of the members' attendance for the online meetings.

MEMBERS	POSSIBLE MEETING	ATTENDED MEETINGS	EXCUSED
Peter Samuels (Chairman)	7	7	0
Stephen Levy (Secretary)	7	7	0
Damion White	7	6	1
Dwight Moore	7	7	0
Napair McLeary	7	6	1

MAJOR AREAS OF FOCUS

The Committee probed the operations of the Credit Union and investigated areas such as Financial Management, Information and Communication Technologies (ICT), Delinquency, Membership Growth, Marketing and Membership. The Credit Union's management should be commended for the overall running of the credit union. The following areas of concerns were however noted.

SUPERVISORY COMMITTEE REPORT

Financial Management: At the completion of the first half of the year the Credit Union is not having a good year to date. Revenues are up by 2% over budget realizing \$71.9m vs a budget of \$70.2m, net interest income after the appropriation of interest expense was down by 1% recording \$62.5m vs a budgeted \$63.3m. The problem starts with the provision for bad debt, where \$7m was provided for vs a budgeted \$3m which was 134% above the target. After adjusting for Misc. Income, the Operating margin came in at \$61.5m vs a budget of \$69m an 11% reduction.

Operating expense for the first half of the year was \$78.1m vs a budget \$65.3m which 19% over what was budgeted, the breakdown of share by category is below:

- Presentation & Affiliation 140% over
- Marketing & Promotion 30% over
- Administration Expenses 19% over
- Personnel Expenses 11% over

The total of the above is a year-to-date deficit of \$16.5m vs a budgeted surplus of \$3.7m.

Ratios – The PEARLS Ratios overall were not bad when compared to benchmark standards, but signs of growth continue to be a struggle with Membership at 1.44% vs a benchmark of 5% and Total Assets at 3.86 vs a benchmark of 8%. The other two sub areas which were out of line was Net Income/Average Assets which was at -1% vs a positive 2.3% expected benchmark and Savings Deposits/Avg. Savings Deposits which was at 1.1% and the benchmark is for it to be above 8%.

General Observations – Of note the 2013 reconciliation variances are still being carried as an asset which mans the assets are overstated. Capital remains strong despite all that has been happening. Based on the December Peer Group ranking from the League, IECCU has performed above average in most of the categories where it ought to. The most noticeable category relates to growth where their average is 3.7 vs a group average of 7.98%. The report is included for your perusal.

Information and Communication Technologies:

Dual Role of IT Manager - The IT Manager currently oversees Systems and Processing and is charged with the responsibility of processing and authorizing transactions. This creates an issue of possible conflict as the manager is able to authorize transactions that she processes. Having a separation of roles will allow greater efficiencies within the department. This can be achieved by employing a suitable individual for the team.

Emailing of Monthly Statements to Members - The Credit Union (CU) has been experiencing issues with emailing monthly statements to its members for at least two years. The problem started where the CU's email domain was blacklisted since emails to members would be flagged as "Junk Mail" and are usually undelivered.

In 2021, the blacklisting of the domain was cleared; however, the emails are still being flagged as "Junk Mail."

A solution is therefore required to allow statements to be sent to members without using the CU's domain.

MasterCard – Debit Cards - IECCU has been conducting "Pilot Phase" testing of these cards for a few months now and there are plans afoot to for the roll out to our members soon.

Cyber Insurance - There is currently no Cyber Insurance in place for the operations of the IECCU. We would recommend that a review be conducted to determine the CU's exposure to adverse events such as Ransom Ware attacks. Unfortunately, the premiums for this type of insurance policy have been increasing due to the frequency and severity of losses being experienced globally.

ACKNOWLEDGEMENT

The Supervisory Committee wishes to express appreciation to the members of the credit union for the confidence placed in us to serve the membership. We also want to say thanks to the board of directors, other volunteers, the management and staff of the credit union for the support and cooperation given us during our tenure.

Let me also say thank you to the members of the Supervisory Committee for their time and commitment to serve the Committee, staff, volunteers and the credit union membership.



.....
Peter Samuels, MBA; BSc. (Hons); FLMI
Chairman



IECCU
The Insurance Employees
Co-operative Credit Union Limited



**'An unprecedented
LOAN
for unprecedented
TIMES'**

SOLAR Plus+ LOAN



**BORROW UP TO
→ \$3 Million**

- ✓ Solar Powered Products
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CREDIT COMMITTEE REPORT



Left-Right: ODEON CAMPBELL - Chairman, AUDREY WILSON, NEUTON NELSON, COURTNEY GOLDING
Missing from photo: WOODROW SMALLWOOD - Vice Chairman

REPORT OF THE CREDIT COMMITTEE 2021

IECCU continued to be resilient during the year 2021, notwithstanding pandemic induced challenges and increased competition.

The members' demand for funds resulted in a disbursement of over \$1.17 billion in loans for the period under review.

For the Year 2021, loan demand was stimulated via the following new and improved offerings, namely:

1. Unsecured loans up from \$ 3 Million to 5 Million
2. Value Loans using real estate at concessionary terms
3. Value Loans using motor vehicles at concessionary terms

IECCU ended its year of activities with a total loan portfolio of \$1.41 billion. (See Figure 1 on the following page). Loan demand is expected to increase based on enhanced marketing of IECCU's competitive loan products.

Motor Vehicle Purchases and Repairs remained the leading reason for which members requested financing.

Home Improvement and real estate purchase placed second, facilitating members' ongoing need for home ownership and making their residences more comfortable and marketable.

Members also opted to further simplify their finances and obtain increased disposable income via debt consolidation – which occupied third place.

CREDIT COMMITTEE REPORT

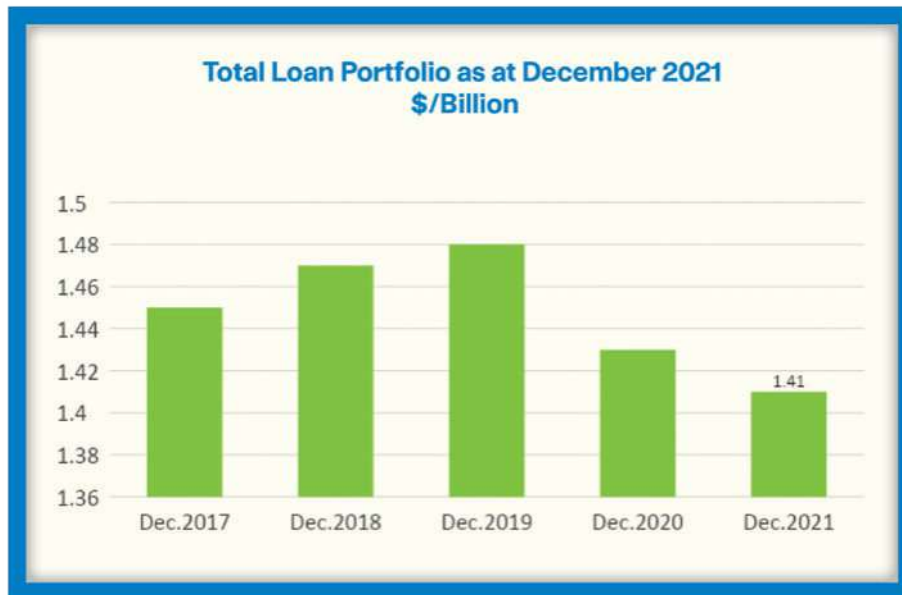


Figure 1

Education emerged in fourth place followed by Domestic & Personal Expenses thereby completing the top five loan purposes for 2021.

Throughout the year, IECCU Staff and the Credit Committee worked together in serving the membership by:

1. conducting member interviews
2. consistently analyzing, reviewing and approving loan applications,
3. doing site visits for real estate assessment
4. facilitating the process towards disbursements whilst
5. providing general feedback and financial counsel among other transactions.

The Credit Committee namely, Audrey Wilson, Courtney Golding, Woodrow Smallwood, Neuton Nelson and I – Odeon Campbell, encourages you, our fellow members to:

1. Access IECCU funds to finance your dreams and goals
2. Repay your loans on time to enhance your credit history for a further loan and
3. Save in the true tradition of credit unions enhancing whilst protecting the pool of funds from which we lend

We implore you to communicate with IECCU in instances where you anticipate or experience a challenge in paying.

We strongly recommend that you encourage your entire family to become members of IECCU, thereby growing your generational wealth and collectively increasing your spending power.

We thank you, our members, the Credit Union Staff and Management for helping to make the year 2021 the success it was. The Credit Committee members are available to continue serving the Insurance Employees Co-operative Credit Union for the upcoming financial year.

Let's continue to make IECCU – Our Union of Possibilities.

Odeon Campbell
Chairman

NOMINATING COMMITTEE REPORT

REPORT OF THE NOMINATIONS COMMITTEE 2021

The nominating committee is responsible for proposing persons to serve according to the Rules, considering the requisite talents required by the Credit Union, term limit, fit and proper requirements, standing as a member, and the spectrum of membership.

The nominees are as follows:

BOARD NOMINATIONS

NAME	RETIRING	NOMINATED	TERM (YRS)
ALDANE MILTON	Yes	Yes	2
PAULETTE SMALL	Yes	Yes	2
SHEREE DAVIS-CUTHBERT	Yes	Yes	2
MACHERIE HAMILTON-CLARKE	Yes	Yes	2

CREDIT COMMITTEE NOMINATIONS

NAME	RETIRING	NOMINATED	TERM (YRS)
COURTNEY GOLDING	Yes	Yes	2
NEUTON NELSON	Yes	Yes	2
WOODROW SMALLWOOD	Yes	End of Limit	
CHARMAINE MIGHTY CAMPBELL	New		2

- Mr. Woodrow Smallwood's term limit has expired. As a result, Ms. Charmaine Mighty Campbell is being nominated to the Credit Committee. She is currently employed to Guardsman in the Human Resource Department.

SUPERVISORY COMMITTEE NOMINATIONS

NAME	RETIRING	NOMINATED	TERM (YRS)
PETER SAMUELS	Yes	Yes	1
NAPAIR MCLEARY	Yes	No	1
DAMION WHITE	Yes	Yes	1
DWIGHT MOORE	Yes	Yes	1
STEPHEN LEVY	Yes	Yes	1
SANDRA PALMER	New	New	1

- Mr. Napair McLeary is no longer able to serve in this position. As a result, Miss Sandra Palmer, Manager, Quality Review and Administrative Support, at the Victoria Mutual Building Society is being nominated to fill this position.

COMMITTEE MEMBERS:

Rejeanne Campbell-Chairman, Mark Bowen, Michelle Walters Nembhard


 Rejeanne Campbell - Chairman

DELEGATES REPORT

DELEGATES REPORT ON THE 80th ANNUAL GENERAL MEETING OF THE JAMAICA CO-OPERATIVE CREDIT UNION LEAGUE LTD.

The 80th annual general meeting of the Jamaica Co-operative Credit Union League was held on June 5, 2021 at Sullivan Hall, Credit Union House. The meeting was delivered virtually using a hybrid method with limited in-person attendees in accordance with the Government's COVID-19 public restrictions at the time.

There were sixteen (16) persons in attendance including the Registrar, some JCCUL Board members, the Supervisory and Nominating Committee Chairpersons and JCCUL Group staff and approximately one hundred (100) persons on the Zoom platform. Delegates from twenty-five (25) Credit Unions were in attendance.

President Mr. Lambert Johnson chaired the meeting. Delegates agreed to the distribution of the surplus of \$10.17 million and maximum liability of the League set at \$5 billion.

ELECTIONS

New Director, Anthony McLaughlin of Jamaica Police Co-operative Credit Union was elected while Ms. Carol Anglin, COK Sodality Co-op Credit Union exiting. For a list of Directors and Supervisory Committees, the League website can be referenced.

RULE CHANGES and RESOLUTIONS

Special Resolution to amend Rules 23, 25, 30 and 86 to allow for virtual-only and hybrid-meetings, was passed.

Resolution to amend Rule 15 regarding flexibility to amend liquidity reserves requirement, was passed.

Five (5) congratulatory resolutions were passed at the meeting.



.....
Mark Bowen

APPROPRIATION OF SURPLUS

PROPOSAL FOR THE APPROPRIATION OF SURPLUS FOR THE YEAR ENDING DECEMBER 31, 2021

Your Board proposes the appropriation of surplus as follows:

Surplus	<u>\$ 8,326,603</u>
Reserve Fund 20%	\$ 1,665,320
Dividends (approx. 8%)	\$2,500,000
Honoraria	\$2,300,000
Undistributed Surplus	\$1,861,283

PROPOSAL FOR THE SETTING OF MAXIMUM LIABILITY FOR THE YEAR ENDING DECEMBER 31, 2022

The Board of Directors proposes that the maximum liability for 2021 be set at \$2.2 Billion. This will satisfy the maximum projected growth in interest bearing liabilities during 2021 in relation to Article XIX, Rule 69.

For and on behalf of the Board of Directors



Lesa Robinson
Treasurer

Staff Member Photos



Mark Bowen
General Manager



Michelle Walters Nembhard
Operations Manager

Staff Member Photos

Marketing Department



KAMISHA WINT

Business Admin (MoBay)



KAMLA BROWN

Systems & Processes Department



EVERTON CAMPBELL



CORDELLA MCGOWAN



CHRISTINE BARKER

Staff Member Photos

Credit Department



ROXANNE BROWN



DIONNE WHITE

Accounts Department



VINNILLA ALEXANDER



GODFREY STEWART



DAMIA BARRETT

Staff Member Photos

Delinquency Department



TRICIA ROBINSON



DEVAR RHOOMES

Risks, Compliance & Securities Department



JACQUELINE WILSON

Administrative Department



**KARLENE
THOMPSON-WILLIAMS**



**CLAUDETTE
GRAHAM-JOHNSON**

Staff Member Photos

Member Service Department



NYADIAN DUBIDAD-HUIE



KRISAN CODNER



LATOYA JONES



RAYMOND MCKENLEY



LATOYA LUCAS



KRISTEN HUTCHINSON



Prayer of St. Francis Assisi


Lord make me an instrument of thy peace,
Where there is hatred, let me sow love
Where there is injury pardon;
Where there is doubt faith;
Where there is despair hope;
Where there is darkness, light and
Where there is sadness, joy.


O divine master, grant that I may not
So much seek to be consoled as to console;
To be understood as to understand;
To be loved as to love;
For it is in giving that we receive;
It is in pardoning that we are pardoned;
And in dying that we are born to eternal life.



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