



IECCU
THE INSURANCE EMPLOYEES
CO-OPERATIVE CREDIT UNION LIMITED

ANNUAL
REPORT
2023

*"A
Union
of
Possibilities"*





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.

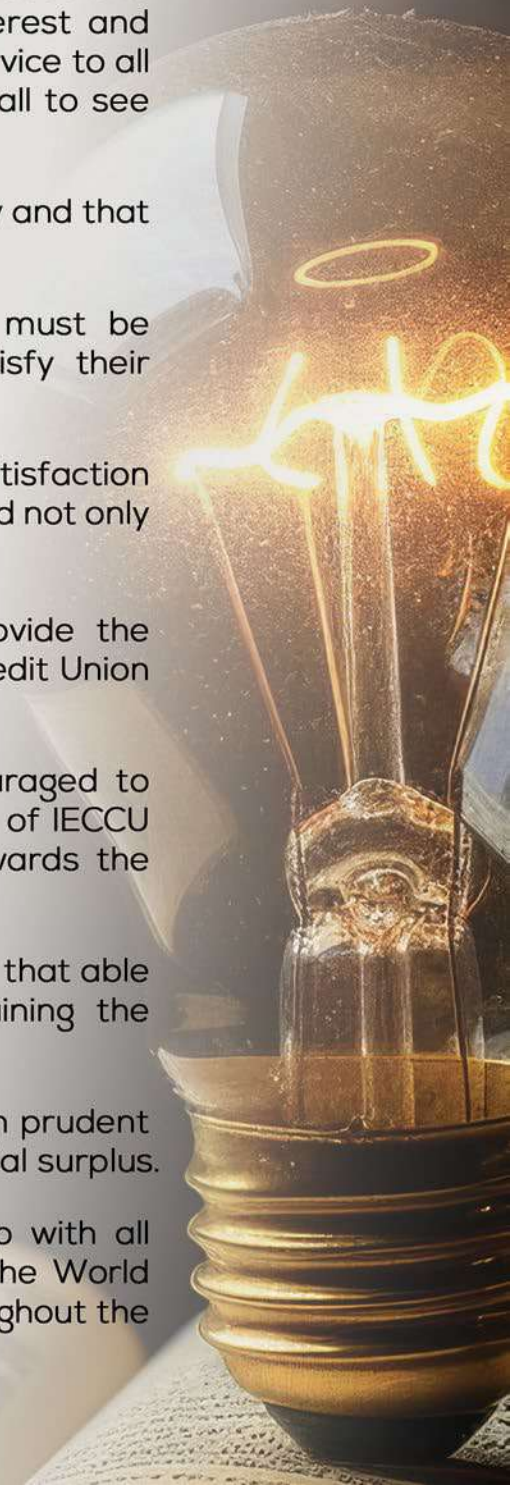
We believe that the Board of Directors is obliged to provide the members with innovative and creative services and strong Credit Union leadership.

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

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.

A hand in a white shirt sleeve points towards the word 'MISSION' in a futuristic digital interface. The interface is dark blue with various icons and data visualizations. The word 'MISSION' is in large, bold, blue capital letters. The background features a grid of hexagons and various icons including a gear, a target, a bar chart, a lightbulb, and a globe. The overall aesthetic is high-tech and professional.

MISSION

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 JAMAICA PEGASUS HOTEL (MONTEGO SUITE), 81 KNUTSFORD BOULEVARD, KGN 5 ON WEDNESDAY, AUGUST 28, 2024 AT 5:00 P.M.

THE MEETING IS BEING CONVENED FOR THE FOLLOWING PURPOSE:

1. TO CONFIRM THE MINUTES OF THE 47TH ANNUAL GENERAL MEETING.
2. TO RECEIVE AND CONSIDER THE REPORTS OF THE BOARD OF DIRECTORS AND THE VARIOUS COMMITTEES.
3. TO ELECT OFFICERS FOR THE YEAR 2024-2025.
4. TO PRESENT THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2023.
5. TO DEAL WITH ANY OTHER MATTERS THOUGHT FIT.

AGENDA

THE INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LTD. 48TH ANNUAL GENERAL MEETING

- | | |
|--|--|
| 1. ASCERTAIN THAT A QUORUM IS PRESENT | 8. ELECTIONS |
| 2. CALL TO ORDER | A. REPORT OF THE NOMINATIONS COMMITTEE |
| 3. APOLOGIES | B. ELECTION OF OFFICERS |
| 4. MINUTES OF THE 47th ANNUAL GENERAL MEETING | i. BOARD |
| 5. MATTERS ARISING NOT COVERED IN REPORTS | ii. CREDIT COMMITTEE |
| 6. REPORTS & DISCUSSION | iii. SUPERVISORY COMMITTEE |
| A. BOARD OF DIRECTORS | iv. DELEGATES TO THE LEAGUE'S AGM |
| B. FINANCIAL REPORTS FOR 2023 | 9. ANY OTHER BUSINESS |
| i. AUDITOR'S REPORT | 10. ADJOURNMENT |
| 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 | |

MINUTES

MINUTES OF THE 47th ANNUAL GENERAL MEETING OF THE INSURANCE EMPLOYEES COOPERATIVE CREDIT UNION LIMITED HELD ON WEDNESDAY, DECEMBER 6, 2023 AT THE JAMAICA PEGASUS HOTEL, 81 KNUTSFORD BOULEVARD, KINGSTON 5

CALL TO ORDER

A quorum having been ascertained, the General Manager, Mr. Bowen, called the meeting to order at 5:18 p.m.

He invited the Secretary to read the notice convening the meeting.

Members were asked to stand and recite the Prayer of St. Francis of Assisi.

APOLOGIES FOR ABSENCE:

Apologies for absence were tendered on behalf of the following members:

Mr. Courtney Holding	Miss Rejeanne Campbell
Mrs. Lesa Robinson	Mr. Aldane Milton
Mrs. Loris Chin Young	Mr. Ray Johnson
Mr. Neville Hendrickson	

WELCOME:

Welcome was extended to the following guests:

Ms Melaine Campbell	
Ms Kathrina D'Aguiar	Jamaica Co-operative Credit Union League
Ms Tresan Thompson	
Ms. Kayon Thompson	Department of Co-operatives and Friendly Societies
Mr. Warren Bogle	Auditor
Ms Georgia Morrison	CUNA Mutual
Ms Joyce James	Stenographer
Ms Charmaine Mighty Campbell	

He extended special welcome to the following past presidents who were present:

Mr. Kenneth DaCosta
Ms Bernita Locke
Mr. Derrick Logan

MINUTES OF THE 46th AGM:

The minutes having been previously circulated was taken as read on a motion moved by Yvonne Grey (Guardian General) seconded by Garfield Coke (Exodus Insurance Brokers).

Corrections

Page 6, 2nd column, under 'Introduction of the Head Table, 'Mr. Paulette Small' should read 'Ms Paulette Small'

The Minutes were confirmed on a motion moved by Ms Heather Lindo, seconded by Mrs. Veronica Blake Turner

Matters Arising:

In relation to Page 10, 4th paragraph, where it was recommended that the Credit Union renew its initiatives to grow membership as the aging membership would eventually cause a diminished membership, Ms Arlene Fairclough queried what the Credit Union was doing for its aging members and attracting younger members.

Mr. Bowen stated that to facilitate the mature members, an insurance was put in place that would allow them to continue borrowing after the age of 70 without them having to consider that their advancing years could affect the risk that the Credit Union face. In addition, a savings plan called the Senior Investor Plus for the older members was also put in place for this category of members.

A member suggested that a brochure listing all benefits available to the seniors should be given out as sometimes the staff are not aware of these things.

He further stated that the opening of the bond in 2022 was attracting younger persons.

Merlene Daley, a 79-year-old member suggested that the Credit Union assign a customer service representative to the seniors who they could interact directly with whenever they have a problem or need information. Mr. Bowen assured her that they do interact with these members on a one and one basis and cited an incident where they had to go to the home of one of their members to conduct business and sign documents.

Queried by Ms Fairclough if anything had been done in relation to the revival of the member relationship programme to boost membership, Mr. Bowen stated that this was now being done through the field reps who are updated through meetings as to the products and benefits offered by the Credit Union. He also added that the expansion of the bond last year had helped to boost the number, which number would not be seen in the 2022 figures being presented but would be reported in the 2023 figures.

REPORTS:

Board of Director's Report

The President, Mr. Mark Wallen, noted that it was a pleasure to work and serve along with the rest of Board members and the other volunteers.

He highlighted the following:

- With the relaxing of the Covid 19 restrictions, the year 2022 began with continued focus on helping members manage the effect of the Covid 19.
- Inflation for 2021 ended at 9.1% which resulted in the Bank of Jamaica increasing its policy rates in order to manage inflation. This was accompanied by other measures to contain liquidity.
- The Microcredit Act was passed in 2022 by Government and registered five entities. Over 100 applications were received for processing which was a strong indication of the competitive nature of the lending market.
- 2022 marked 45 years of the existence of IECCU and throughout the year several events were held to celebrate this milestone. Included in the events were a Joint Movie Night with the Jamaica Co-operative Credit Union League at Carib Cineplex 2, a Church Service at the Richmond Park Church of the Nazarene, an Anniversary Christmas Banquet at the Terra Nova All Suite Hotel where volunteers and employees were recognized for their contribution to IECCU. A newspaper supplement was developed with the support of many stakeholders in the industry, members and associates. Special thanks were extended to the staff and members who led and participated and contributed to the activities.
- The implementation of the Common Reporting Standard took place during the year and the Credit Union was successful in meeting the deadline. Also implemented was the Simplified Due Diligence as a way to onboard new members who sometime had difficulty meeting the normal standards. Since its introduction, there had been an improvement in membership growth coupled with the widening of the common bond in late 2022.
- Also implemented during the period under review was the Creditor Life Insurance for non-cash secured loans exceeding \$1M which provided further protection to members borrowing more than the Loan Protection coverage.
- There was an increase in the loan loss provisions during the year, which was the main factor that resulted in a deficit of \$3.08M for 2022.
- Members' attention was drawn to the Board Members Attendance on Page 29.
- The Credit Union continued to invest in training in the areas of assessing membership applicants, delinquency control, and credit assessment while facilitating certified training in several areas of the Proceeds of Crime Act.
- Albeit the challenges experienced with people, technology and environment, the Credit Union continued to focus on being compliant with regulatory bodies and acquiring the most suitable software.
- In looking to the future emphasis would be placed on how to achieve greater efficiencies particularly through the introduction of new technologies.
- A performance management tool was developed for implementation during 2023 to better align effort to reward.
- After the easing of Covid 19 restrictions, members at the centre became a focus for the Credit Union where they were engaged through activities such as trips to several places and the team visited various offices and engaged with the members.
- The Partner Plan Account, Christmas Club and Savers Club were some of the products promoted throughout the year. A new product, Solar Plus Loan was added to the existing loan portfolio.
- The Holiday Loan was upgraded enabling members to access up to 80% of the average of their salary at

10% per annum interest. The waiving of the 6-month waiting period for the Payroll Loan was also extended to 2022.

- The Credit Union transitioned to the AccessPlus Debit Mastercard which was initiated by the credit union movement in Jamaica. Several weekend promotions took place where members were issued with the new cards.
- The 2022 PEP Scholarship Award recipients were Cam'ron Wright and Khya'Sanoi Duncan. The Jamaica Co-operative Credit Union League Bursary was offered to Nickojay Barnett.
- In celebration of the 45th Anniversary, the Credit Union had a week of activities for Credit Union Week from October 17 – 21, 2022 which was kicked off with the National Credit Union Week church service held by the Jamaica Co-operative Credit Union League. Maxfield Park Children's Home was the beneficiary of the Community Outreach project for the week.
- The Montego Bay office remained a vital part of the service delivery in Western Jamaica.
- Efforts to deliver statements by email without compromising the domain yielded fruit as a solution was found at the end of the year. Delivery of statements by emails commenced in 2023. Members were however encouraged to utilise the internet banking for continuous access to balances and transaction information.
- The website continued to be used as a marketing tool where members were able to access their accounts, make inquiries and loan appointments and download forms.
- The year ended with a Delinquency Ratio of 5.09% exceeding the PEARLS Ratio standard of 5%. The team was persistent in locating some of the delinquent members who had since regularised their accounts. Association with the collections agencies and Credit Bureau contributed to the increase in recoveries.
- Condolences were offered to the families and close friends of Inez Beckford, Donald Cooper, Merril Francis, Marcia Gordon, Edgar Lazarus, Paul Massey, Jenevia Scott, Evangeline Smith, Allison Stephenson, Allison Sterling-Smith, Zephline Walker, Yvette Wallace, Ruby Watson and any other whose names were not mentioned.

- The Chairman on behalf of the Board acknowledged with gratitude the hard work of the Supervisory Committee, the Credit Committee, the Delinquency Committee and their external partners. He extended thanks to the members for their unwavering commitment and loyalty and implored all present to make the Insurance Cooperative Credit Union their union of possibilities to assist them on their way to financial success.

Questions/Comments

Mr. Garfield Coke expressed concern as it related to the savings to loan ratio as also the decline in loan take-up. He queried if the Credit Union was considering, in terms of loan processing, to make the process easier for longstanding members.

He noted that 50% of Board Members did not attend 75% of the meetings held hence contributing to one third of the scheduled meetings not being held due to a lack of quorum.

The Chairman stated that as pointed out in the report, funds were available for onlending but the loan take-up was not as buoyant as expected. This he added led to a process of innovation being undertaken where they now have a loan to facilitate every single aspect of the life of every single member and staff members were sensitized, especially the frontline staff members, to the various product offerings so as to better able assist members who apply for a loan. Marketing efforts had been ramped up in relation to the product offerings. He added that the marketplace was very competitive, and all efforts were being made to engage and share with the members that IECCU had the lowest interest rates on loan in the market. Going forward a more targeted marketing would be adopted in terms of the product offering so as to bring about awareness. He noted that there should be some traction from the young members that were coming on board with the widening of the bond. He urged all members to help in this regard.

In relation to the poor attendance of Board Members, he admitted that a lot of the meetings were aborted due to a lack of quorum but notwithstanding they were in constant dialogue with the General Manager and other members of team and that the committees that function as important arms of the Board ensured that the work of the Board was executed and carried out. He expressed optimism that going forward this would not be repeated in terms of attendance as a much more stringent approach would be taken in terms of absenteeism.

MINUTES

A member complained bitterly that she was not pleased with the spread that she received on her savings compared to the rate she paid on her loan and added that savings in the Credit Union was to build wealth for members and not to make them poorer and asked that the Credit Union look at the rates being charged on the loan versus the rates paid on savings. The Chairman acknowledged that this was something which was deliberated and agonized on at meetings. He however pointed out that in the financial landscape there had been a gradual move towards increasing fees enabling a lot of banks to report mega-profits which come mainly from fees, and not interest income, while IECCU charged little or no fee. He agreed with the member that the ultimate goal was about building wealth and ensuring the wellbeing, financial safety and stability of every member but as trustees of the Credit Union they had a fiduciary responsibility to ensure that the finances were managed in a fashion that did not jeopardize the Credit Union. He further pointed out that presently they did not have an equity portfolio, while the other players in the marketplace, the bulk of their earnings come from their pool funds to include equities and real estate and that this was something that was being looked at by the Credit Union to enable it to earn meaningful returns.

Mr. Bowen added that the Credit Union was risk averse and avoid instruments that are high risk, but they do have investment partners that they work with and place any excess funds from members who want to have their funds placed on bonds which carry better returns.

The member also noted the poor attendance of Board members at meeting and reminded the Board that they were elected to serve the membership and not just having their names on paper saying they are members of the Board.

Ms. Dorna Parker (Guardian Life) stated that NHT had expanded their loan portfolio and their loan tenure and was now seeking partners, to include credit unions, to come onboard with them but that she was aware that IECCU did not take up the offer. The Chairman stated that that was not so as they were in the process of developing a strategic plan in terms of the way forward which would form the basis of how they move forward as a stronger union.

Mr. Bowen explained that NHT was facilitating an arrangement where institutions like the credit unions and the banks were asked to become lenders of mortgage loans to NHT recipients. These institutions he stated

would bear all the risks associated with that loan, while at the same time the rate of return applied was not up to them. He noted that the Credit Union had since met with NHT as to the way forward as they would have funds tied up in a long-term instrument at a low rate of return. He pointed out that major institutions were not involved and so they had to be very careful in getting into such arrangements. The Chairman added they would continue to explore and evaluate the matter and at the end of the process the membership would be informed of the outcome.

Mr. Michael Richard (Guardian Life) expressed concern in relation to the two large loan balances reported in the Annual Report which he stated could jeopardize his interest and queried what led these members to that level of dependency.

The Chairman pointed out that he had given in his report a synopsis of the genesis of IECCU and as such a lot of their members were life underwriters and would only be paid based on the amount of business they write and with the advent of Covid 19 some of them fell on hard time. He noted that the Credit Union continued to support and work with many of them as they were not quick to foreclose and repossess but there were instances where despite the efforts made, some of these loans ended in the wrong column and so they were moving to recover. He however assured the meeting that these moneys were not lost as efforts continued to collect even though they were written off.

There being no questions the Report of the Board of Directors was unanimously adopted on a motion moved by Dorna Parker seconded by Brian Clennon.

Auditor's and Treasurer's Report

Auditor's Report

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

Mr. Bogle asked that a motion be moved to have the Appendix to the Audit taken as read. This was moved by Mr. Dwayne Brown, seconded by Mr. Derrick Logan.

He then 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.

Treasurer's Report

The Treasurer's Report was presented by Mr. Bowen, General Manager, in the absence of the Treasurer.

He pointed out that there was an error in the report as it related to the League's Annual General Meeting which he noted was held in 2022 but was a part of the CCU Convention.

He then highlighted the following:

- Assets grew by 4.3% or \$89 Million to close 2022 at \$2.16 Billion, compared to \$2.07 Billion in 2021.
- During the year, finance costs associated with deposit products were increased by 6%, moving from \$16.5 Million to \$17.5 Million. He explained that financial costs are the returns paid to members, which he noted reflected the determination of the Credit Union to pay a little more to members.
- Interests charged on some loans were reviewed and were found to be in line with market rates.
- There was a significant increase in Loan Loss Provision of \$18.5 Million or 15%. This he stated was associated with a few large loans which were in arrears and were being pursued.
- Loans after Provision increased by 2% and loans overall increased by \$14.5 Million or 11% which arose from the strategy of increasing higher premium loans as these loans carry better returns.
- Return on property income reduced from \$3.4 Million to \$2.8 Million which he attributed to less rental being collected as the tenant left and because more office space was needed, was not replaced.
- He noted that while public utterances suggested that some financial institutions charge rapacious fees, something which he commented on last year, IECCU service charges were well below those of other entities, albeit recognizing that going forward, utilizing this avenue to increase income was unavoidable and would play a significant role in future strategy. He however assured the meeting that these fees would be reasonable and reminded the members that management was always open to negotiation.
- Members savings in share account increased by 3% or \$25 Million as at December 2022.
- He directed the meeting's attention to the chart depicted on screen which showed that the source of funds remained stable over the past several years.
- Institutional Capital and Permanent Shares to Asset Ratio was approximately 12% which was above the standard of 8%. He however pointed out that whilst it was at 12% and would be considered good, it had been inching down slowly where last year it was at 14.5% and it was now down to 12% and was something that they were paying special attention to. He explained that to stem the decrease, the Credit Union would have to earn more dividend enabling it to put more into Institutional Capital.
- Loan to Asset stood at 67% compared to 68% in 2021, a ratio that was compliant with the standard though they would have preferred to be at least 73%.
- Delinquency stood at 5.2% in December 2022, the standard being 5%, which was a slight decline over the previous period. He encouraged all members experiencing financial challenges to come in and talk with a representative and do not allow the Credit Union to go the route of collectors as it was a cost to both the borrower as well as the Credit Union.
- He directed members' attention to the Use of Funds Chart which showed that 67% of the funds were allocated to loans.
- He also directed members to the table showing Key Ratios and their movement as at December 31, 2022.
- In relation to Signs of Growth ratio, he pointed out that there had been improvement in membership growth, but this would not be seen in the booklet as it started at the end of the year when the bond was changed.
- He stated that all credit contracts including those outside IECCU formed part of the provision assessment and added that it was important for members to maintain good credit record as this would improve their loan prospect.
- A new loan product geared towards young persons studying had been developed, which he stated was the only one around and which had some elements of Student Loan but there were improvements to it and asked members to enquire about it.
- In conclusion, he stated that the 45th year was marked by a focus on competing for loans in a very aggressive

market which required product reviews and flexibility as it related to members' borrowing needs.

- He reminded the members that the Credit Union was owned by them and its success would be to their benefit.
- Looking to the future, he noted that the year 2023 would involve more risks and there would be changes to the operations as the Credit Union seeks to improve efficiency. He assured the meeting that the new regulations that had come to the fore would be met going forward and would require balance and creativity within the boundaries of prudence.
- Thanks was extended to the Auditors, Bogle and Company, the Registrar of Cooperative Societies, the Jamaica Cooperative Credit Union League, CUNA for their professional assistance and guidance throughout the year. He thanked the members for their loyalty and dedication. The Board, on behalf of the members, thanked the management, team members and volunteers who continued to serve the organization.

Questions/Comments

In terms of the two delinquent loans that featured in the Annual Report, Ms. Stewart questioned whether the Credit Union was a part of the Credit Bureau as these borrowers, if they were overseas, could be tracked down. Mr. Bowen stated that IECCU was a part of the Credit Bureau but that it was difficult to track persons overseas but noted that there was a collector with access to overseas avenues who they engaged and implored to leave no stones unturned in tracking those who have run off with the Credit Union's money.

The Treasurer and Auditor Report was unanimously adopted on motion moved by Antonette McDonald seconded by Julia Stewart.

Supervisory Committee Report:

The Supervisory Committee Report was presented by Damion White, member of the Supervisory Committee.

- He outlined that the membership of the Supervisory Committee consisted of Peter Samuels, Dwight Moore, Stephen Levy, Damion White and Pauline Givans.
- The Committee convened ten meetings during the period and there was 100% compliance in respect of attendance at meetings.

The Committee reviewed the following areas of the operations of the Credit Union:

- Information and Communication Technologies (ICU)
- Financial Management
- Delinquency
- Marketing and Membership Growth
- Human Resource Management

He outlined the areas of concerns as reported in the Report but noted that in relation to these areas of concerns, dialogue was had with the management who was responsive and co-operative.

- The Supervisory Committee expressed condolences to the family of the former Chairman, Mr. Peter Samuels, who retired earlier in the year due to ill health and subsequently passed.
- He extended thanks to the Board of Directors, other volunteers, the management and staff of the Credit Union for the support and cooperation given to the Committee during the year.
- He thanked the members of the Supervisory Committee for their time and commitment to serve and their cooperation.

There being no questions the Supervisory Committee Report was adopted on a motion moved by Rohan Grant, seconded by Lilieth Henry.

CREDIT COMMITTEE REPORT:

The Report was presented by the Chairman, Mr. Odeon Campbell.

He highlighted the following:

- That the Year 2022 marked IECCU's 45th year of existence as a Credit Union as well as its unwavering commitment to provide credit financing to its members.
- That Motor Vehicle Loan, Education Loan, Travel and Vacation Loan continued to be the more popular loan types on IECCU's menu of loans.
- The Credit Union continued to review its loan products being sensitive to its membership's needs as reflected in the recent introduction of the Water Tank Loan and the Solar Loan.

MINUTES

- The Credit Union widened its bond in 2022 as a means of generating growth in membership which had been yielding result. He urged all members to encourage relatives and co-workers to join the Credit Union.
- During the year under review over 1800 applications for loans were reviewed resulting in a total disbursement of \$1.1 Billion in loans, which represented an increase of 6% over the previous year.

He thanked the members for their patronage and continued participating in the Credit Union activities, the management, staff and Board of Directors for the support extended to them during the period under review. He extended special thanks to the Committee for their commitment and dedication.

There being no questions, the Credit Committee Report was adopted on a motion by Lillias Mowatt, seconded by Doreen Allen.

APPROPRIATION OF SURPLUS

Mr. Bowen reported that no appropriation would be made as the Credit Union made a deficit of \$3M for 2022.

MAXIMUM LIABILITY

The Board of Directors proposed that the Maximum Liability for 2023 be set at \$2.2 billion which would satisfy the maximum projected growth in interest bearing liabilities in keeping with Article XIX, Rule 6g.

This was accepted on a motion moved by the Treasurer, seconded by Bryan Clennon.

NOMINATIONS COMMITTEE REPORT

The Chairman of the Nominations Committee presented the Nominations Committee Report, which Committee was appointed in accordance with the Credit Union Rule. The Committee consisting of Paulette Small, Mark Bowen and Mitchell Walters Nembhard looked at the requisite resources needed for all committees, examined the impact of term limits, fit and proper requirement, and delinquency in seeking to fill the vacancies from the wider membership and nominated the following persons:

BOARD OF DIRECTORS

Directors Retiring:	Directors Nominated	Term
Andre McFarlane	Andre McFarlane	2
Lesa Robinson	Lesa Robinson	2
Barrington Lawrence	Barrington Lawrence	2
Mark Wallen	Anphia Morgan	2
Rejeanne Campbell	Diana Facey	2

She gave a brief profile of the two new members to the Board.

Anphia Morgan, a member of IECCU for 30 years, whose career started in the insurance business at Frazer Fontaine and Kong underwriting insurance. She was now employed at Civil Aviation Authority where her area of speciality was in Risk Management.

Miss Diana Facey, a former banker, and an active member of IECCU for 15 years and now employed to Sagicor in Sales for 14 years and in law insurance for 3 years. She possessed skill in the area of managing regulatory requirements.

CREDIT COMMITTEE

Odeon Campbell	Odeon Campbell	2
Audrey Wilson	Audrey Wilson	2

SUPERVISORY COMMITTEE

It was noted that all members retire at the end of each year.

Retiring were:	Nominated:
Damion White	Damion White
Dwight Moore	Dwight Moore
Pauline Givans	Pauline Givans
Steven Levy	Steven Levy
	Eugenie Cousins

Eugenie Cousins, a member of IECCU for over 20 years, and a trained educator and an experienced Administrator of over two decades at Sagicor Life Jamaica has been involved in customer service administration, projects management, technology implementation and holds a Masters Degree in Business Administration. She headed the implementation and deployment of a number of technology improvements and efficiency projects and has integrated her tech savvy approach into her various roles at Sagicor.

MINUTES

All of the above nominees expressed their willingness to serve if elected.

ELECTIONS

Ms Tresan Thompson from the Department of Cooperatives was invited to conduct the elections. She stated that it was a pleasure to be present at the meeting. On behalf of the Department of Co-operatives she conveyed condolence to the members of IECCU on the passing of Mr. Peter Samuels.

BOARD OF DIRECTORS

She noted that Andre McFarlane, Lesa Robinson, Barrington Lawrence, Anphia Morgan and Diana Facey were nominated to the Board for a term of 2 years. She then asked for nominations from the floor. On the second call Mr. Neuton Nelson nominated Mr. Woodrow Small who was not present and therefore the nomination was not accepted. There being no further nominations she declared the abovenamed nominees duly elected to serve on the Board of Directors for a term of two years. This was accepted on a motion moved by Merlene Daley, seconded by Dwayne Brown.

CREDIT COMMITTEE

Nominations were asked three times from the floor and hearing none, Ms Thompson declared Odeon Campbell and Audrey Wilson duly elected to serve on the Credit Committee for two years. This was accepted on a motion moved by Lorraine Hall Clarke, seconded by Veronica Blake Turner.

SUPERVISORY COMMITTEE

Nominations were asked three times from the floor and hearing none Ms Thompson declared Damion White, Dwight Moore, Pauline Givans, Steven Levy and Eugenie Cousins to serve on the Supervisory Committee for a period of one year. This was accepted on a motion moved by Joseph Walters seconded Lilieth Henry.

She asked the elected persons to meet within 10 days of the meeting and thereafter submit to the Department of Co-operatives, the Jamaica Co-operative Credit Union and any other subsidiaries the listing of the volunteers to include their contact information.

The Chairman thanked Ms Thompson for so ably guiding the election process.

ANY OTHER BUSINESS:


(None was brought forward)

Mr. Bowen took the meeting through the prize giving exercise.

The agenda having been exhausted the Chairman thanked all for coming.

ADJOURNMENT

The adjournment was taken at 8:40 p.m.



ANDRE MCFARLANE
Chairman



MACHERIE HAMILTON CLARKE
Secretary

PERSONS PRESENT AT AGM

MEMBER'S NAME		COMPANY	MEMBER'S NAME		COMPANY	
1.	Abigale	Waisome	78.	Novellet	Hart	Sagior
2.	Andrea	Vassell	79.	Olive	James	Spectrum
3.	Annelise	Aiken	80.	Patrick	Sinclair	Sagior
4.	Anthia	Ramsey-Waisome	81.	Paulette	Higgins	Sagior
5.	Antonette	McDonald	82.	Pauline	Archer	
6.	Arlene	Henry	83.	Pauline	Fairclough	unattached
7.	Beaulah	Harris	84.	Peter	Townsend	Sagior
8.	Bernita	Locke	85.	Petrian	Grant-Willis	unattached
9.	Brian	Clennon	86.	Rhona	Briscoe	VMBS
10.	Brian	Clennon (JNR)	87.	Robert	Samuels	Sagior
11.	Caroline	Duncan	88.	Rohan	Gordon	
12.	Chantel	Smith	89.	Rohan	Grant	Advantage
13.	Charlene	Bennett	90.	Shakira	Johnson	Chancellor
14.	Chrisla	Barker	91.	Shamaine	Campbell	TIP
15.	Christine	Brown	92.	Sharon	Waugh (1st prize)	Guardian Life
16.	Clinton	McLennon	93.	Shaunice	McLennon	Student
17.	Colin	Holder	94.	Suzanne	Smith-Blake	unattached
18.	Corrinthia	Griffiths	95.	Tanishia	Williams	unattached
19.	Cosmo	Walker	96.	Tara-Mone	Smith	
20.	Dane	Williams	97.	Tassia	Spencer	Kris Radiology
21.	Danyell	Johnson	98.	Teisha	Dyke	
22.	Davia	Harvey	99.	Vanessa	Quarrie	unattached
23.	Dawnette	Coke	100.	Veronica	Blake-Turner	Guardian Life
24.	Delceta	Clarke	101.	Vinroy	Cameron	Guardian Life
25.	Delma	Roberts	102.	Vivan	Lawes	JN
26.	Derrick	Logan	103.	Winston	Delahaye	unattached
27.	Dianne	Ogunde	104.	Yvonne	Grey	Guardian Life
28.	Donna	DaCosta	105.	Yvonne	Lawson-Johnson	FFK
29.	Donna	Josephs	106.	Yvonne	Lewis	Guardian Life
30.	Doreen	Allen				
31.	Dorna	Parker	STAFF			
32.	Dwayne	Brown	1.	Akilah	Hutton	
33.	Earl	Mcpherson	2.	Christina	Hawthorne	
34.	Eleisa	Beckford	3.	Christine	Barker	
35.	Erica	Clare	4.	Cordella	Mcgowan	
36.	Eula	Daley (3rd prize)	5.	Devar	Rhoomes	
37.	Franklin	Johnson	6.	Dionne	Wint	
38.	Gabre	Spence	7.	Donalee	Bonner	
39.	Garfield	Coke	8.	Gabrielle	Victory	
40.	Gavin	Walters	9.	Godfrey	Silvera	
41.	Grace	Martin	10.	Indiana	Beckford	
42.	Grace	McLean	11.	Jacqueline	Wilson	
43.	Heather	Lindo	12.	Kamisha	Wint	
44.	Imogene	Spence	13.	Karlene	Thompson- Williams	
45.	Jamar	Rose	14.	Latoya	Lucas	
46.	Jennifer	Saddler	15.	Mark	Bowen	
47.	Joan	Dennis	16.	Michelle	Walters Nembhard	
48.	Joseph	Walters	17.	Raymond	Mckentley	
49.	Jouvanie	Baley	18.	Richard	Findlay	
50.	Judy	Miller-Smith	19.	Roxanne	Brown	
51.	Julia	Stewart	20.	Tricia	Robinson	
52.	Karen	Fagan				
53.	Kenenth	Dacosta	VOLUNTEERS			
54.	Kenneth	Dacosta	1.	Macherie	Hamilton- Clarke	
55.	Kerrel	Senior	2.	Barrington	Lawrence	
56.	Lenoria	Campbell	3.	Paulette	Small	
57.	Leroy	Stewart	4.	Andre	McFarlene	
58.	Lezlie	Reynolds Orion	5.	Mark	Wallen	
59.	Lilieth	Fearon-Henry	6.	Odeon	Campbell	
60.	Lillias	Mowatt	7.	Courtney	Golding	
61.	Lorraine	Hall-Clarke	8.	Neuton	Nelson	
62.	Magnale	Cooper	9.	Audrey	Wilson	
63.	Marcia	Jones (2nd prize)	10.	Pauline	Givans	
64.	Marcia	Moncie	11.	Dwight	Moore	
65.	Marcia	Smith	12.	Stephen	Levy	
66.	Marcian	Clennon	13.	Damion	White	
67.	Margaret	Gayle	14.	Charmaine	Mighty Campbell	
68.	Mathew	Barker				
69.	Maxine	Daley	SPECIAL INVITEES			
70.	Mellisa	Diviney	1.	Gay-Ann	Thompson	
71.	Mendel	Thompson	2.	Georgia	Morrison	
72.	Merlene	Daley	3.	Joyce	James	
73.	Michael	Greene	4.	Katrina	D'Aguilar	
74.	Michelle	Grant	5.	Melane	Campbell	
75.	Nardia	Preddy	6.	Tresann	Thompson	
76.	Nicola	William	7.	Warren	Bogle	
77.	Norma	Clarke				

2023 HIGHLIGHTS

PEP SCHOLARSHIP AWARDEES

IECCU CONTINUES TO REWARD EXCELLENCE



The Insurance Employees Co-operative Credit Union awarded scholarships & gifts to children of its members who sat the 2023 Primary Exit Profile (PEP) exams.

The scholarships valued at J\$150,000.00 each was awarded to one boy and one girl and will fund the awardees' high-school education for five (5) years, with \$30,000.00 to be paid each academic year.

The recipients of this year's scholarship are Lee-Anthony Gordon and Erin Young. Lee-Anthony was awarded a place at Campion College while Erin will be attending Immaculate Conception High.

Nickesia McCleary received the Jamaica Co-operative Credit Union League bursary scholarship valued at J\$25,000.00 to support her first-year studies at St. York Castle High.

The recipients and their parents/guardians were invited to the official handover at the awards ceremony on July 19, 2023, at the Kingston Branch of the Insurance Employees Co-operative Credit Union.





IECCU
The Insurance Employees
Co-operative Credit Union Limited
"A Union of Possibilities"

DRIVE THE **CAR OF YOUR DREAMS**

**GET
100% FINANCING
ON MV LOAN
INTEREST RATE STARTS AT
6.95%**

**UP TO 11 YEARS
TO REPAY**
*CONDITIONS APPLY



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MONTEGO BAY: SHOP 22, SAGICOR SHOPPING CENTRE, HOWARD COOKE BLVD., MOBAY

TEL: 876-979-6516

✉ info@ieccu.com | 🌐 www.ieccu.com | **f** @InsuranceEmployeesCreditUnionJa | **ig** @ieccuja

BOARD OF DIRECTORS REPORT



Top (L-R): ANDRE MCFARLANE - President, LESA ROBINSON - Vice President, DIANA FACEY - Treasurer;
Bottom (L-R): MACHERIE HAMILTON-CLARKE - Secretary, BARRINGTON LAWRENCE, PAULETTE SMALL, ALDANE MILTON;
Missing from photo: ANPHIA MORGAN & SHERIE DAVIS-CUTHBERT

REPORT OF THE BOARD OF DIRECTORS 2023

Opening Comments

It was a welcome change that 2023 began with a focus on growth and expansionary activities have become the focus. This would summarise the theme for the country as individuals and companies sought out new opportunities for investing.

Economic Overview

The economy grew by 2.6%, a reduction from the 5.2% observed in the previous year in the immediate aftermath of the pandemic. The leading sectors fuelling this growth were tourism and mining. Agriculture, forestry & fishing, and construction saw no growth. Services and manufacturing industries slowed to 2.9% and 2% respectively.

Throughout 2023, the Bank of Jamaica (BOJ) maintained a focus on achieving an inflation target of 4% to 6%, and holding the policy rate at 7%. Monetary policy also included increases in both domestic and foreign currency cash reserve requirements (CRR) to 6% and 14% respectively.

BOARD OF DIRECTORS REPORT

At December 2023, inflation was 7.5% for the calendar year. Positive trends were observed in the labour market, with unemployment reaching a historic low of 4.2% near year end, an improvement from the 4.5% recorded earlier in the year. The local currency experienced a slight depreciation, trading at an average rate of \$154.95 to US\$1 by December 31, 2023, a 1.9% decrease in value compared to 2022. In contrast, 2022 saw a 1.96% appreciation.

The domestic financial system demonstrated growth in loans, deposits, and assets. Loans and advances grew by 11.3% (\$141.3 billion) compared to 13% (\$145.1 billion) for 2022. Personal loans increased by 11.7% (\$76.6 billion) compared with growth of 13.3% (\$76.9 billion) in 2022. Deposits increased by 10.6% (\$178.2 billion), exceeding the increase of 8% (\$124.9 billion) observed in the preceding year. Total assets in the sector grew by an estimated 9.1% (\$222.7 billion) for 2023, compared with 6.5% (\$150.1 billion) for 2022.

The main business of your Credit Union is inviting savings and offering loans. During 2023 we saw an increase in savings from B\$1.51B to \$1.55B as seen in the chart below. At the same time, loans increased in tandem throughout the year. We also highlight the wide disparity between savings and loans indicating that loanable funds are underutilized.



Loans and savings chart for the year 2023

.We saw an increase in loan loss provisions during the year and this was the main factor resulting in a deficit of \$2.5M for 2023.

Regulatory compliance

The implementation of the Common Reporting Standard took place in the year and we were successful in meeting the deadline. We also implemented Simplified Due Diligence as a way to on-board new members who sometimes have difficulty in meeting the normal standards. We focused significant time and effort in training and systems review pursuant to recognize the Data Protection Act. Widening the bond was certified by our regulators during the year. Members are reminded that they must update their information at least every five (5) years, even to advise that there are no changes.

Board of Directors

The Board of Directors comprised of Andre McFarlane, President, Lesa Robinson, Vice-President, Macherie Hamilton Clarke, Secretary, Diana Facey Treasurer, Aldane Milton, Sheree Davis Cuthbert, Anphia Morgan, Barrington Lawrence and Paulette Small. The table on the following page shows attendance at Board meetings for the period.

BOARD OF DIRECTORS REPORT

Board Members Attendance to August 2024

Members	Possible Meetings	# of Meetings Held	# Attended
Andre McFarlane	8	8	8
Lesa Robinson	8	8	6
Sheree Davis Cuthbert	8	8	4
Diana Facey	8	8	8
Barrington Lawrence	8	8	8
Macherie Hamilton-Clarke	8	8	6
Paulette Small	8	8	6
Aldane Milton	8	8	7
Anphia Morgan	8	8	6

Operations

At the Insurance Employees Cooperative Credit Union Limited we are thankful for another sustainable year in business. In 2023, like other financial organizations our capabilities/ functionalities in all areas of business were tested and in some areas are still being tested. Some of these areas include our human resources, technology and marketing.

Human capital is the life of any organization and for various reasons we were kept occupied in 2023, filling vacancies in different departments, as we strived to remain viable. These vacancies resulted from resignations throughout the year. In December 2023 we were approaching the end of that recruitment journey and were satisfied that we were on a path to filling all vacant positions. Our systems department remained challenged and one of the areas that directly impacted operations was the implementation of our Access Plus Debit Mastercard. This phase came with its own teething pain which created some inconveniences to our members. Although these nuisances were reduced as the days went by, we were still not at the level of service we anticipated from this new product. Nonetheless, as part of a movement we remained hopeful, believing that we will eventually experience less challenges and be able to benefit from the efficiency and improved service that the Access Plus Debit Mastercard can provide. The Marketing report will provide details on the developments with membership growth.

Training

With the continuous implementation/on boarding of new regulatory requirements, IECCU as part of the Credit Union Movement and the wider financial sector, participated in workshops/training relating to Enterprise Risk Management, Data Protection Act and Anti-Money Laundering/Combating Financing of Terrorism etc. The staff participated in other online and physical training to equip them to meet the organization's goals and objectives as well as personal development.

BOARD OF DIRECTORS REPORT

As the year 2023 ended, we were confident that generally, systems were implemented that would position 2024 to be a better year than 2023. We are mindful of the high expectation our members and stakeholders have for IECCU. We are also mindful of the economic climate and the impact it has on our membership. However, we will remain viable and resilient as we continue to make IECCU a Union of Possibilities.

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

	2023	2022	2021
Members	11418	11147	11085
Internet Banking	1574	1223	1233
FIP	645	606	609
Goal Accounts	184	181	138
Debit Cards	3211	3602	3507

The IECCU continued to analyze the market to ensure that the products and services met the demand of its membership. From the table above increases in several areas are observed, notably membership, goal accounts and card issuance.

Select Savings Products

Savings Type	2023		2022	
	Nos.	Amt \$	Nos.	Amt \$
Youth Accounts	795	\$21.5m	814	19.7m
Golden Harvest	46	\$18.9m	51	17.1m
Partner Plan	71	\$3.1m	64	3.5m
Savers Club	21	\$1.1m	16	913K
Christmas Club	46	\$2.7m	50	3.06m
Term/Fixed Deposits	538	\$249.5m	556	242.6m

Marketing

Our marketing efforts included multiple strategies covering member engagement and expansion, product development, and enhancements to ensure compliance with regulations.

BOARD OF DIRECTORS REPORT

Outreach activities and events

- JAIFA
- Merichan Group Blast Off
- CARAIFA's Annual Sales Congress
- Covenant Insurance Brokers
- Sagicor Knutsford
- Rainforest Seafoods Staff Fair
- Ocho Rios: covering key offices such as Guardian Life, Sagicor Life, Chancellor Life Insurance and Key Insurance Brokers.

There was a total of 167 new accounts for 2023 from these and other activities.

Product Development and Launches

During the year we created/redeveloped several new products to meet the varying needs of our membership. These included:

- GH Premium Product
- Solar Loan
- Home Essentials Loan Campaign
- Holiday Loan Promotion
- Study Bride Educational Loan

Compliance and Data Protection

As a continuing effort to meet regulatory requirements, we ensure compliance by updating membership requirements to facilitate simplified due diligence. We also supported the asset inventory and member notification process to support compliance with the Data Protection Act.

Social Media and Member Engagement

- Instagram Page Launch: The department launched its Instagram page (@ieccuja) adding to the existing Facebook and Twitter platforms to enhance member engagement.
- Text Messaging Campaigns: A total of 252,551 texts were sent throughout the year for various communications, including promotions, birthday acknowledgments, and event notifications.
- Financial Literacy and Education: The department actively participated in the JCCUL Financial Literacy Month and other educational programs

to engage members and promote financial awareness.

- Credit Union Week: Activities included Credit Unions of Jamaica National Church Service / Member Appreciation Day and Free Gospel Concert.
- Membership Satisfaction Survey: Survey conducted with the aim of gauging member satisfaction, with results to be analyzed and integrated into future strategies.

Corporate Social Responsibility

- Richmond Park Nazarene Basic School Support: Medical supplies were donated as part of a Social Outreach Day Activity, showcasing the department's commitment to community support.
- PEP Scholarship Awards: The recipients of the scholarship awards were Lee-Anthony Gordon, Son of Suzette Boswell and Erin Young, daughter of Darren Young Jnr. Lee-Anthony was awarded a place at Campion College while Erin will be attending Immaculate Conception High. Nickesia McCleary, daughter of Nikita Graham-McCleary, received the Jamaica Co-operative Credit Union League's bursary scholarship valued at J\$25,000.00 to support her first-year studies at St. York Castle High.

The Marketing effort is focused on membership growth and member engagement through its varied and strategic initiatives in 2023. Collaborations with the League ensured we remain true to broader industry trends and training activities strengthened our strategic focus. Moving forward, the department will focus on overcoming challenges related to youth membership in the 18-30 year age group, growth and product approval, while continuing to strengthen its communication strategies and community outreach efforts.

Information Technology

We encourage our members to consider upgrading to the Access Plus Debit MasterCard, which offers enhanced security with PIN and chip technology, convenient contactless transactions, e-commerce capabilities, and international usage. We are pleased to announce that since our formal launch in August 2022,

BOARD OF DIRECTORS REPORT

there have been no reports of fraudulent transactions. Even though difficulties were encountered, they were reported to the League and the Programmers, who sought to resolve the problems as they emerged. Notably, SMS transaction alerts have been discontinued. The League is actively developing an alternative solution to deliver these alerts via email. We urge members to be vigilant and to take great care in protecting your PINS and CVVs.

Our efforts to deliver statements by email without compromising our domain yielded fruit as a solution was found at the end of 2022. Statement of accounts were sent electronically for 2023 and we have been consistent with the delivery of quarterly of statements for 2024. Nonetheless, members are still asked to utilise internet banking for continuous access to balances and transaction information.

We will be improving our IT capabilities and have commenced the process of strengthening our competences. This will ensure viability, adherence to regulatory requirements and provide improved deliverables and functionalities for all stakeholders.

The website continues to be used as a marketing tool. Members have used the site to access their accounts, make inquires 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

The Delinquency Ratio at the end of 2023 was 5.54%. Our team increased communication with members via SMS, Whatsapp, e-mails and calls, urging them to honour commitments and regularize or liquidate their loans. Our interactions with Jamaica Collection & Recovery Services Limited and Epsilon Credit Risk Solutions Limited continued. IECCU's association with the credit bureau remained beneficial for all parties involved, as it is an important factor when assessing and granting loans to meet our members requests as best as possible. Difficulty locating some members is a challenge. We urge members to keep us abreast of their circumstances and arrange for loans to be current within the shortest possible time.

League

There was no significant change in the Credit Unions movement in 2023. 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 to members. Youth members, innovation, mortgage loans and mergers summarize the areas of focus.

Condolence

Certainly, the year 2023 was a difficult year for many families across the world and many lives were lost. The IECCU family expresses condolence to the families and close friends of Sylvester Bissick, Susan Blake-Smith, Paul Brown, Katty-Ann Burgess-Smith, Maureen Darmand, Logan Dockery, Patrick Foster, Ernest Parague, Patrick Taylor any other not mentioned here. Their contribution to our credit union will be greatly missed.

Conclusion

Our focus has remained member focus, innovation and efficiency. Whilst technology provides new opportunities, we are cognizant of the risks associated particularly considering Artificial Intelligence (AI). The costs of meeting new requirements are considerable whilst meeting the needs of employees to ensure they maintain focus. We have already seen changes resulting from these adaptations in 2024.

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

For and on behalf of the Board of Directors,



Andre McFarlane
President



Ministry of Industry Investment & Commerce

Jamaica's **Business** Ministry



DEPARTMENT OF CO-OPERATIVES & FRIENDLY SOCIETIES CHARITIES AUTHORITY, JAMAICA

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

S1
R467- 526/07/24

July 29, 2024

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, 2023.

The Annual General Meeting (AGM) must be convened in accordance with **Regulations 19 & 21** of the Co-operative Societies Regulations, 1950 and **Regulation 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 for the Annual General Meeting, so that arrangements can be made for representation.

Yours truly,

.....
Vanessa Porter-Allen (Mrs.)
(For) REGISTRAR OF CO-OPERATIVE SOCIETIES
AND FRIENDLY SOCIETIES.

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Minister)
(876) 952-7913

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INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION

FINANCIAL STATEMENTS

For the year Ended December 31, 2023





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 2023, 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 2023 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 no 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)

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.

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.

FINANCIALS

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

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 4, 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
July 19, 2024

FINANCIALS

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

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, 2023

	Note	2023 \$	2022 \$
ASSETS			
NON-CURRENT ASSETS			
Earning:			
Financial Investments	3	194,755,243	212,897,012
Loans, after provision for loan impairment	4	63,145,708	1,385,493,734
Total Earning		<u>257,900,951</u>	<u>1,598,390,746</u>
Non-earning:			
Property, plant & equipment	6	45,739,983	42,574,367
Total non-earning		<u>45,739,983</u>	<u>42,574,367</u>
TOTAL NON-CURRENT ASSETS		<u>303,640,934</u>	<u>1,640,965,113</u>
CURRENT ASSETS			
Earning:			
Financial Investments	3	322,995,432	313,509,437
Cash & cash equivalents	7	69,842,709	68,606,981
Loans, after provision for loan impairment		1,429,589,439	59,526,735
Total Earning		<u>1,822,427,580</u>	<u>441,643,153</u>
Non-earning:			
Accounts Receivable	8	20,629,122	27,982,044
Cash & cash equivalents	7	81,513,519	54,845,506
Total non-earning		<u>102,142,641</u>	<u>82,827,550</u>
TOTAL CURRENT ASSETS		<u>1,924,570,221</u>	<u>524,470,703</u>
TOTAL ASSETS		<u>2,228,211,155</u>	<u>2,165,435,816</u>


FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2023

	Note	2023 \$	2022 \$
EQUITY			
Permanent Shares	9	27,016,009	26,667,043
Institutional capital	10	265,842,570	265,841,070
Non-institutional capital	11	162,610,848	145,789,526
Undistributed Surplus	12	<u>(17,866,096)</u>	<u>(4,436,721)</u>
TOTAL EQUITY		<u>437,603,331</u>	<u>433,860,918</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Interest bearing:			
Members Shares		892,868,117	872,002,413
External Credit	13	<u>73,378,906</u>	<u>73,671,617</u>
Total Interest bearing		<u>966,247,023</u>	<u>945,674,030</u>
 TOTAL NON-CURRENT LIABILITIES		 <u>966,247,023</u>	 <u>945,674,030</u>
CURRENT LIABILITIES			
Interest bearing:			
Saving Deposits	14	<u>786,575,839</u>	<u>757,724,549</u>
Total Interest bearing		<u>786,575,839</u>	<u>757,724,549</u>
Non-interest bearing			
Payables and Accruals	15	<u>37,784,962</u>	<u>28,176,319</u>
Total non-interest bearing		<u>37,784,962</u>	<u>28,176,319</u>
 TOTAL CURRENT LIABILITIES		 <u>824,360,801</u>	 <u>785,900,868</u>
 TOTAL LIABILITIES		 <u>1,790,607,824</u>	 <u>1,731,574,898</u>
 TOTAL EQUITY AND LIABILITIES		 <u>2,228,211,155</u>	 <u>2,165,435,816</u>

Approved by the Board of Directors on July 19th, 2024 and signed on its behalf by:

 / Director

 / Director

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
PROFIT & LOSS AND COMPREHENSIVE INCOME
 AS AT DECEMBER 31, 2023

	Note	2023 \$	2022 \$
Interest and Investment Income	16	167,640,760	159,067,183
Interest expense			
Interest on Deposits		(13,816,954)	(12,893,041)
Interest on Shares		(4,466,031)	(4,619,422)
		<u>(18,282,985)</u>	<u>(17,512,463)</u>
Net interest income		<u>149,357,775</u>	<u>141,554,720</u>
Finance Cost		(4,805,827)	(2,799,734)
Loan loss provision		(2,613,321)	(477,007)
		141,938,627	138,277,979
Other Revenue		18,246,580	15,813,005
Gross margin		<u>160,185,207</u>	<u>154,090,984</u>
Operating expenses:			
Staff Costs		(102,030,308)	(95,385,504)
General Overheads		(43,773,756)	(43,767,614)
Affiliation and Representation		(11,484,069)	(10,106,594)
Marketing & Promotion		(3,994,763)	(6,087,931)
Depreciation & Amortisation		(1,400,432)	(1,828,065)
Total Expenses	17	<u>(162,683,328)</u>	<u>(157,175,708)</u>
Deficit for the year		<u>(2,498,121)</u>	<u>(3,084,724)</u>
Other comprehensive income			
<i>Those that might be reclassified to profit or loss in subsequent periods</i>			
Unrealised Gain on Investment		5,890,068	5,757,996
Other comprehensive income for the year		<u>5,890,068</u>	<u>5,757,996</u>
Total comprehensive income for the year		<u>3,391,947</u>	<u>2,673,272</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT DECEMBER 31, 2023

	Reserves			Retained Earnings	Total
	Permanent Shares	Institutional capital	Non-institutional capital		
	\$	\$	\$	\$	\$
Balance as at 1 January 2021	26,355,006	265,839,470	122,593,766	16,085,767	430,874,009
Comprehensive Income					
Deficit for the year				(3,084,724)	(3,084,724)
Other comprehensive income for the year	-	-	-	5,757,996	5,757,996
Total comprehensive income for the year	-	-	-	2,673,272	2,673,272
Entrance fee		1,600			1,600
Receipts/Transfer	312,037	-	-	-	312,037
Loan loss reserve			17,437,764	(17,437,764)	-
Unrealised holding gain			5,757,996	(5,757,996)	-
Total other	312,037	1,600	23,195,760	(23,195,760)	313,637
Balance as at 31 December 2022	<u>26,667,043</u>	<u>265,841,070</u>	<u>145,789,526</u>	<u>(4,436,721)</u>	<u>433,860,918</u>
Balance as at 1 January 2022	26,667,043	265,841,070	145,789,526	(4,436,721)	433,860,918
Comprehensive income					
Deficit for the year				(2,498,121)	(2,498,121)
Other comprehensive income for the year	-	-	-	5,890,068	5,890,068
Total comprehensive income for the year	-	-	-	3,391,947	3,391,947
Other					
Entrance fee	-	1,500	-	-	1,500
Receipts/Transfer	348,966	-	-	-	348,966
Loan loss reserve	-	-	10,931,254	(10,931,254)	-
Unrealised holding gain	-	-	5,890,068	(5,890,068)	-
Total other	348,966	1,500	16,821,322	(16,821,322)	350,466
Balance as at 31 December 2023	<u>27,016,009</u>	<u>265,842,570</u>	<u>162,610,848</u>	<u>(17,866,096)</u>	<u>437,603,331</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
STATEMENT OF CASH FLOWS
AS AT DECEMBER 31, 2023

	Note	2023 \$	2022 \$
Cash flow from operating activities			
Deficit for the year		(2,498,121)	(3,084,724)
Depreciation & Amortisation		1,400,432	1,828,065
Interest Income		(166,977,218)	(158,983,609)
Less Unrealised Gain		(5,890,068)	(5,757,996)
Other Assets		7,352,922	(7,610,721)
Payables & accruals		9,608,643	16,156,762
Interest received		154,637,966	150,134,246
Net cash flow from operations		<u>(2,365,444)</u>	<u>(7,317,977)</u>
Cash flow from investing activities			
Purchase of property, plant and equipment		(4,566,048)	(6,759,039)
Financial Investments		8,655,774	(145,879,884)
Loans from Members		(47,714,678)	(31,515,746)
Net cash flow from investing activities		<u>(43,624,952)</u>	<u>(184,154,669)</u>
Cash flow from financing activities			
Appropriations & payments		1,500	23,308,360
Permanent shares		348,966	312,037
Members' shares deposits		84,474,925	84,474,925
Loan Loss Movement		(10,931,254)	(17,437,764)
Net cash flow from financing activities		<u>73,894,137</u>	<u>90,657,558</u>
Net increase in cash held		<u>27,903,741</u>	<u>(100,815,088)</u>
Cash and cash equivalents at beginning of financial year		123,452,487	224,267,575
Cash and cash equivalents at end of financial year	7	<u>151,356,228</u>	<u>123,452,487</u>

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

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.

The bond has been extended to include:

1. Holders of Insurance Policies
2. Members/Customers of Financial Institutions

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

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.

(a) New and Amended Accounting Policies Adopted by the Credit Union

At the date of authorisation of these financial statements, certain new and amended standards and interpretations have been issued and are effective for the current year. The Credit Union has assessed them with respect to its operations and has determined that the following are relevant:

Amendments to IAS 1 Presentation of Financial Statements are effective for annual periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help entities to provide useful accounting policy disclosures. The key amendments to IAS 1 include: requiring entities to disclose their material accounting policy information rather than their significant accounting policies; - clarifying that accounting policy information related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and - clarifying that not all accounting policy information that relate to material transactions, other events or conditions are themselves material to an entity's financial statements.

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

(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.

(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

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

(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.

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.

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

(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. Loan which a lifetime ECL is recognised but which are not credit-impaired are referred to as “Stage 2 and 3”

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.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

(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.

(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).

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

(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.

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

(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 cornerstone 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, 2023

3 Financial investments

		2023	2022
		\$	\$
Current			
Financial assets at fair value through profit or loss	3(a)	322,995,432	313,509,437
Total current assets		<u>322,995,432</u>	<u>313,509,437</u>
Non-Current			
Investment securities designated as at FVTPL	3(a)	17,977,367	55,257,779
Investment securities measured at FVOCI - debt instruments	3(b)	70,864,317	58,035,261
Investments securities designated as at FVOCI - equity instruments	3(c)	105,913,559	99,603,972
Total non-current assets		<u>194,755,243</u>	<u>212,897,012</u>
Total Financial Investments		<u>517,750,675</u>	<u>526,406,449</u>

(a) Investment securities designated as at FVTP

	2023	2022
	\$	\$
Debt Securities	27,807,737	64,609,543
Equity Securities	313,165,062	304,157,673
Financial assets at fair value through profit or loss	<u>340,972,799</u>	<u>368,767,216</u>

(b) Debt Securities measured at FVOCI

	2023	2022
	\$	\$
Listed investments at fair value:		
Government and fixed interest securities	70,864,317	58,035,261
Total Investments measured at FVOCI - debt instruments	<u>70,864,317</u>	<u>58,035,261</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2023

3 Financial investments (cont'd)

(c) Equity Investments designate as at FVOCI

	2023	2022
	\$	\$
NCB CAP Income Optimizer	105,913,559	99,603,972
Total Investment securities designated as at FVOCI- equity instruments	<u>105,913,559</u>	<u>99,603,972</u>

4 Loans, after provision for loan impairment

	Note	2023	2022
		\$	\$
Staff Loans		85,173,004	83,485,040
Ordinary Loans		374,776,349	384,911,195
Motor Vehicle Loans		305,401,652	350,033,971
Guardian Life Facilities		36,130,389	47,296,378
Payroll Short term loan		465,904,239	419,342,162
Other		225,757,438	158,567,764
Total Gross Loans		<u>1,493,143,071</u>	<u>1,443,636,510</u>
Loan loss provision	5	(7,839,871)	(5,226,550)
Accrued Interest		7,431,947	6,610,509
Loans Net of Provision for Impairment		<u>1,492,735,147</u>	<u>1,445,020,469</u>

(a) Maturity Schedule

	Maturity Schedule					
	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 years	Carrying Value	Carrying Value
	Current		Non-current		2023	2022
	\$	\$	\$	\$	\$	\$
Loans to Individuals	32,779,936	30,365,771	709,252,420	720,744,944	1,493,143,071	1,443,636,510
Accrued Interest	7,431,947				7,431,947	6,610,509
Less: provision for Loan loss					(7,839,871)	(5,226,550)
	<u>40,211,883</u>	<u>30,365,771</u>	<u>709,252,420</u>	<u>720,744,944</u>	<u>1,492,735,147</u>	<u>1,445,020,469</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

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 repossessed collateral at the reporting date with a market value of nil (2022: \$4,150,000.00).

5 Provisions

There are a total of 106 (2022 :93) 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 2022	5,226,550	39,353,806	44,580,356
Additional provisions	2,613,321	10,931,254	13,544,575
Balance as at 31 December 2023	7,839,871	50,285,060	58,124,931

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2023

5 Provisions (cont'd)

(a) ECL Evaluation

A total of 2,019 contracts have been assessed by the Credit Bureau as at the reporting date of December 31, 2023. 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)	10	15,975,141	1,597,514	10
Delinquent Loans (>90 - 180 days)	8	8,192,671	2,457,801	30
Delinquent Loans (>180 - 360 days)	14	11,143,853	6,686,312	60
Delinquent Loans (Over 360 days)	74	47,383,304	47,383,304	100
	<u>106</u>	<u>82,694,969</u>	<u>58,124,931</u>	

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2023

6 Property, plant & equipment

	Land and Buildings	Furniture, Fixtures & Fittings	Computer	Office Equipment	Total
	\$	\$	\$	\$	\$
Cost/Valuation					
Balance as at 1 January 2022	15,348,165	5,197,312	34,038,510	15,908,437	70,492,424
Additions	1,699,741	295,306	4,503,566	260,426	6,759,039
Balance as at 31 December 2022	17,047,906	5,492,618	38,542,076	16,168,863	77,251,463
Additions	-	148,212	4,240,007	177,829	4,566,048
Disposals	-	-	-	-	-
31 December 2023	17,047,906	5,640,830	42,782,083	16,346,692	81,817,511
Accumulated Depreciation					
Balance as at 1 January 2022	4,864,135	3,421,004	12,150,387	12,413,505	32,849,031
Depreciation expense	364,582	578,261	602,267	282,955	1,828,065
Balance as at 31 December 2022	5,228,717	3,999,265	12,752,654	12,696,460	34,677,096
Depreciation expense	364,582	112,167	653,313	270,370	1,400,432
Balance as at 31 December 2023	5,593,299	4,111,432	13,405,967	12,966,830	36,077,528
31 December 2023	11,454,607	1,529,398	29,376,116	3,379,862	45,739,983
31 December 2022	11,819,189	1,493,353	25,789,422	3,472,403	42,574,367

Land and Building comprises land in the amount of \$2,464,594 (2022: \$2,464,594), which is not depreciated.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2023

7 Cash & cash equivalents

	2023	2022
	\$	\$
Cash and cash equivalents		
Non-earning:		
Cash on hand	47,431	161,727
Bank accounts Denominated in Jamaican Dollar	81,466,088	54,683,779
	<u>81,513,519</u>	<u>54,845,506</u>
Earning:		
Bank accounts Denominated in United States Dollar	20,292,218	21,445,708
Short term investments	49,550,491	47,161,273
	<u>69,842,709</u>	<u>68,606,981</u>
Total cash and cash equivalents	<u><u>151,356,228</u></u>	<u><u>123,452,487</u></u>

The Short-term investments represent the fair value of the investments as at December 31, 2023 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:

	2023	2022
	\$	\$
Cash and cash equivalents	<u>151,356,228</u>	<u>123,452,487</u>
Balance as per statement of cash flows	<u><u>151,356,228</u></u>	<u><u>123,452,487</u></u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

8 Accounts Receivables

The accounts receivable accounts represent amounts owed to the Credit Union as of December 31, 2023. There has been no provision for loss against these accounts.

	2023	2022
	\$	\$
Current		
Premium receivables	1,781,277	1,778,969
Rental receivable	-	1,494,347
Prepaid assets	2,727,549	2,574,455
Security Deposit	34,188	34,188
Withholding tax	4,115,755	4,115,755
Other receivables	11,970,353	17,984,330
Total trade and other receivables	<u>20,629,122</u>	<u>27,982,044</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.

	2023	2022
	\$	\$
Permanent Shares	26,745,681	26,400,293
Permanent Shares reserve	270,328	266,750
	<u>27,016,009</u>	<u>26,667,043</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2023

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.

	2023	2022
	\$	\$
Statutory Reserve	265,821,284	265,821,284
Entrance fees	21,286	19,786
	265,842,570	265,841,070

11 Non-institutional capital

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

	2023	2022
	\$	\$
Capital Reserve	3,000,000	3,000,000
Gain on Investment	35,137,781	29,247,713
Share Fund transfer reserve	577,321	577,321
General Reserve	73,610,686	73,610,686
Loan Loss Reserve	50,285,060	39,353,806
	162,610,848	145,789,526

- 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, 2023

12 Undistributed Surplus

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

	\$
Balance as at 31 December 2022	(4,436,721)
Surplus for the year	3,391,947
Transfer to/(from) Loan Loss Reserve	(10,931,254)
Unrealised holding gain	(5,890,068)
Balance as at 31 December 2023	<u>(17,866,096)</u>

13 External Credit

	1 to 5 years	Over 5 Years	Carrying value 2023	Carrying value 2022
	\$	\$	\$	\$
Secured by Building	48,101,919		48,101,919	48,394,630
Secured by Hypothecation		25,276,987	25,276,987	25,276,987
	<u>48,101,919</u>	<u>25,276,987</u>	<u>73,378,906</u>	<u>73,671,617</u>

- i. The loan facility from Sagicor life Jamaica Limited matures 2023 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

	2023	2022
	\$	\$
Regular Deposit	117,846,136	120,743,961
Term Deposits	662,247,471	630,620,050
Accrued Interest	6,482,232	6,360,538
	<u>786,575,839</u>	<u>757,724,549</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2023

15 Payables and Accruals

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

	2023	2022
	\$	\$
Current		
Accounts Payables	3,226,033	2,143,995
Death Claims	2,537,460	3,016,635
Premiums Payables	9,390,829	4,917,380
General Consumption Tax	2,035,699	1,760,232
Honoraria	374,188	1,162,438
QNET	1,136,701	478,576
Security Deposit	301,417	301,417
Audit Fees	1,785,000	1,552,500
Other Payables	16,997,635	12,843,146
	<u>37,784,962</u>	<u>28,176,319</u>

16 Revenue and Other Income

	2023	2022
	\$	\$
Revenue		
Interest and Investment Income		
Investment Income	21,971,611	11,322,098
Interest on Loans	145,669,149	147,745,085
	<u>167,640,760</u>	<u>159,067,183</u>
Other Revenue		
Commission and Fees	2,342,409	2,218,795
Bills of Sale	17,000	100,500
Discount Cards	15,000	15,390
Service Charge	7,234,931	7,589,775
Other Revenue	2,385,672	1,363,699
Investment Property	1,538,595	2,800,705
Bad Debt Recovered	4,712,973	1,724,141
	<u>18,246,580</u>	<u>15,813,005</u>
Total Revenue	<u>185,887,340</u>	<u>174,880,188</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2023

17 Administrative expenses

	2023	2022
	\$	\$
Staff Costs		
Salaries, allowances & statutory contributions	93,329,291	87,140,059
Staff Training	733,165	880,402
Travelling & related expenses	1,242,064	1,097,839
Pension	6,725,788	6,267,204
	<u>102,030,308</u>	<u>95,385,504</u>
General Overheads		
Donation	10,000	197,375
Auditor's Remuneration	1,790,700	1,893,335
Office Rental	1,913,163	1,861,595
Insurance	6,694,452	6,068,689
FIP Expense	1,920,174	1,801,663
Office Expenses	7,610,118	7,996,573
Professional fees	4,759,630	5,405,836
Repair and Maintenance	1,779,709	1,989,062
Security and messenger service	3,637,982	2,974,121
Telephone, cable, postage & telegram	7,196,059	6,875,660
Electricity	4,243,928	4,748,084
Rates & taxes	2,217,841	1,955,621
	<u>43,773,756</u>	<u>43,767,614</u>
Marketing & Promotion	<u>3,994,763</u>	<u>6,087,931</u>
Affiliation and Representation		
Stabilization dues	2,037,159	1,931,565
League fees	4,394,870	4,245,342
Seminars and meetings	5,052,040	3,929,687
	<u>11,484,069</u>	<u>10,106,594</u>
Depreciation & Amortisation	<u>1,400,432</u>	<u>1,828,065</u>
Total operating expenses	<u>162,683,328</u>	<u>157,175,708</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2023

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

	2023	2022
	\$	\$
Remuneration of the auditor for:		
auditing or reviewing the financial statements	1,552,000	1,350,000
due diligence services	238,700	543,335
	<u>1,790,700</u>	<u>1,893,335</u>

20 Related Party Balances

On December 31, 2023, 20 (2022: 28) 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:

	2023	2022
	\$	\$
Savings	23,195,422	17,011,789
Loans (inclusive of interest)	29,657,943	23,835,412

21 Staff Compliment

	2023	2022
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	776,770,982	892,868,117	26,745,681	(1,493,143,071)
Sub Ledger	776,770,982	892,868,117	26,745,681	1,493,143,071
Variance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
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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:

	2023 Fair Value \$	2023 Fair Value \$	2022 Fair Value \$	2022 Fair Value \$
Financial Asset				
Loans and advances	1,492,735,147	1,492,735,147	1,445,020,469	1,445,020,469
Liquid assets (including cash and bank balance)	151,356,228	151,356,228	123,452,487	123,452,487
Financial investments	517,750,675	517,750,675	526,406,449	526,406,449
Non-earning assets	20,629,122	20,629,122	27,982,044	27,982,044
Financial liabilities				
Savings deposits	786,575,839	786,575,839	757,724,549	757,724,549
Members' share capital	892,868,117	892,868,117	872,002,413	872,002,413
Other liabilities				
Non-interest liabilities	37,784,962	37,784,962	28,176,319	28,176,319

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2023

23 Fair Values (cont'd)

Fair value hierarchy as at 31/12/23

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Liquid assets		49,550,491		49,550,491
Loans and receivables:				
loans to members			1,492,735,147	1,492,735,147
Other receivables			20,629,122	20,629,122
Fair Value through Profit or loss:				
Repurchase agreements		322,995,432		322,995,432
Unquoted investments			7,977,367	7,977,367
Fair Value through Other Comprehensive Income		105,913,559		105,913,559
	-	478,459,482	1,521,341,636	1,999,801,118
Financial liabilities				
Saving Deposits			786,575,839	786,575,839
Members' share capital			892,868,117	892,868,117
Loans from other entities			73,378,906	73,378,906
Trade and other payables			37,784,962	37,784,962
	-	-	1,790,607,824	1,790,607,824

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.

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INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
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 AS AT DECEMBER 31, 2023

(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:

	2023	2022
	\$	\$
Financial assets		
Cash and Cash Equivalents	151,356,228	123,452,487
Accounts Receivables	20,629,122	27,982,044
Loans and receivables (including trade receivables balance)	1,513,364,269	1,473,002,513
Investments	517,750,675	526,406,449
Financial liabilities		
Payables and Deposits	1,790,607,824	1,731,574,898

(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 1:2.33 (2022:1:0.67). 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.

	2023	2022
	\$	\$
Cash resources:		
Loans (after provision for loan impairment)	1,429,589,439	59,526,735
Financial investments (within 3 months)	322,995,432	313,509,437
Liquid assets	49,550,491	47,161,273
Cash & bank balances	101,805,737	76,291,214
Accounts Receivable	20,629,122	27,982,044
	<u>1,924,570,221</u>	<u>524,470,703</u>
Saving Deposits and other payables:		
Members deposits	786,575,839	757,724,549
Payables & accruals	37,784,962	28,176,319
	<u>824,360,801</u>	<u>785,900,868</u>
Ratio	2.33	0.67

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2023

(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 2023						
Assets						
Cash & cash equivalents	151,356,228					151,356,228
Financial Investments	322,995,432			186,777,876	7,977,367	517,750,675
Loan Portfolio, net	40,211,883	30,365,771	709,252,420	720,744,944	(7,839,871)	1,492,735,147
Property, plant & equipment					45,739,983	45,739,983
Other Assets		20,629,122				20,629,122
Total Assets	514,563,543	50,994,893	709,252,420	907,522,820	45,877,479	2,228,211,155
Liabilities						
Demand Savings Account	400,512,083					400,512,083
Term Deposits	244,287,981	126,775,775	15,000,000			386,063,756
Loans Payable	378,906	-	48,000,000	25,000,000		73,378,906
Other Liabilities					930,653,079	930,653,079
Total Liabilities	645,178,970	126,775,775	63,000,000	25,000,000	930,653,079	1,790,607,824
Total Equity					437,603,331	437,603,331
Total Liabilities and Equity	645,178,970	126,775,775	63,000,000	25,000,000	1,368,256,410	2,228,211,155
Asset Liability Gap	(130,615,427)	(75,780,882)	646,252,420	882,522,820	(1,322,378,931)	-
Cumulative Asset-Liability Gap	(130,615,427)	(206,396,309)	439,856,111	1,322,378,931	-	1,425,223,306

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

(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 12 % (2021: 13 %) which is in compliance with the requirements.

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

	2023	2022
	\$	\$
Institutional Capital	265,842,570	265,841,070
Total Assets	2,228,211,155	2,165,435,816
Ratio	12%	12%

TREASURER REPORT



DIANA FACEY - 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 2023.

OVERVIEW

Total assets grew by 2.9% or \$63 million to close 2023 at \$2.228 billion (2022 - \$2.165 billion).

During the year, finance costs associated with deposit products increased marginally by 6.9% or \$1M from \$12.9M to \$13.8M in line with the increase in deposits over the period. This did not include returns on shares as at Dec 2023, but these will be paid in 2024. Interest charged on some loans were reviewed but in most cases were found to be in line with market rates. Most notable, however, was a significant increase in loan loss provision by \$2.6M. This was associated with a few large loans which are being pursued at this time.

In light of the above, we recognized a deficit of \$2.5M for the year 2023, though unrealized gains resulted in an overall income of \$3.39M

INCOME

Loans after provisions increased by 3%, with interest on loans overall decreasing by \$2M or 1.4%. This reduction, albeit small is associated with the increase

in delinquency. Investment income increased by \$10M or 90% arising from the strategy of identifying longer term investments for placing excess funds. The loan appetite of our members while active, is very sensitive to interest rates and fees. Hence, interest rates on loans remained unchanged and in some cases, we afforded small concessions on some loan processing fees. We recognize members have choices and we appreciate each and every loan taken. Not surprisingly, income from fees and service charges actually fell by 5%.

Our return on property reduced by \$1.3M (\$2.8M to \$1.5) over prior year as we did not replace a departing tenant for expansion needs. Simultaneously, we recovered \$3M in bad debts. Overall the total revenue increased by \$11M or 6%.

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.

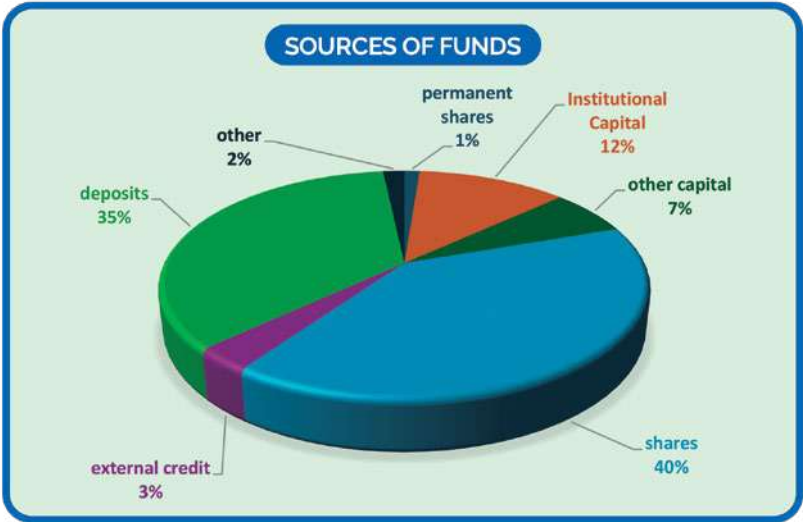
MEMBERS' SAVINGS

Members' savings in share accounts increased by 2.2% or \$20M as at 31 December 2023. Deposits also increased by \$29M or 3.8%. These deposits form the

TREASURER REPORT

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.

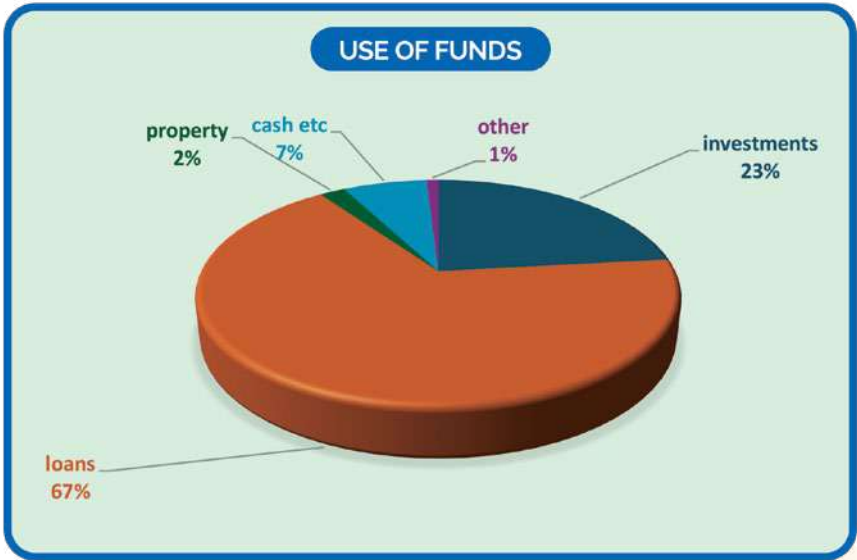
The chart, Sources of Funds shows both the sources and the percentage mix of the Credit Union's funds that are used for lending. Members' savings (Voluntary shares- 40% and savings deposits -35%) comprised 75% of the total.



EQUITY

Institutional Capital and Permanent shares to assets increased by \$4M or 1%. We should note however that while the overall ratio of 12% is above the standard of 8%, it is slowly declining. This is a measure of the Credit Union's ability to withstand shocks and maintain adequate cash flows. The solution lies in generating surpluses to support capital growth.

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



TREASURER REPORT

LOANS

Our Loans to assets of 67% over the last period of 68.6% was in compliance with the PEARLS standard of between 60% and 80%. However we are not satisfied with this level and hope to re-attain about 75% as in the past years. We remain committed to attaining a higher ratio to ensure we maximise our loan interest income returns in a competitive market.

Delinquency was 5.5% at December 31, 2023 compared to the standard of 5% a slight decline over the last period (5.2%). The credit union notes with concern any increase in provisions and delinquency and urge our members to take your obligations seriously. 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, 2023

<u>Protection</u>	STANDARD	2023	2022	2021	2020	2019
Adequacy of A.L.L For Delinquency > 12 Months	100%	100%	100%	100%	100%	100%
Net Capital / Asset	> 8%	13.15%	12%	14%	14.5%	15.33%
<u>Effective Financial Structure</u>						
Net Loans / Total Assets	60-80%	66.79%	67%	68%	68.6%	75.68%
Total Savings / Total Assets	70-80%	75.35%	75%	74%	74.6%	73.03%
<u>Asset Quality</u>						
Delinquent Loans / Gross Loans	≤ 5%	5.54%	5.2%	3.4%	3.8%	2.21%
Total Non-Earning Assets / Total Assets	< 7%	7.89%	8%	4.5%	3.5%	7.57%
<u>Rate of Return & Costs</u>						
Cost of Funds / Average Member Savings	> 8%	1.12%	0.2%	0.57%	0.4%	1.22%
Operating Expenses / Average Assets	< 8%	7.36%	7.2%	6.6%	6.7%	7.90%
Net Income / Average Assets	2.30%	-0.48%	0%	0%	0%	0.32%
<u>Liquidity</u>						
Liquid investments / Members Savings	20-30%	29.68%	31%	39%	35%	21.51%
<u>Signs of Growth</u>						
Total Assets	> 2.4%	2.97%	4.3%	3.8%	6.5%	2.80%
Membership	> 1.6%	1.41%	1%	1%	1.3%	5.68%

TREASURER REPORT

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.
3. Put aside a little for a rainy day.

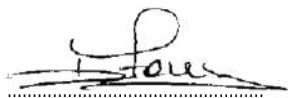
CONCLUSION

The current year 2024 has seen movements in keeping with our expectations. Costs have been adjusting upwards in most areas of operations. The need to leverage technology and update our systems to reduce costs is more profound than ever before. Certification of the new bond has allowed us to see significant increase in new members and particularly in the youth category. We have also been seeing an increase in the demand for loans. These are important for future growth.

New regulations such as the Data Protection Act have forced changed to several areas of operations and more should be anticipated. Our response must therefore be strategic and significant in order to ensure we continuously return the best value to our members. Identifying a suitable merger partner or partners is one such strategy and as we have said in previous meetings, we are open to possibilities.

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.



DIANA FACEY
Treasurer

SUPERVISORY COMMITTEE REPORT



Left-Right: DWIGHT MOORE - Chairman , STEPHEN LEVY - Secretary, DAMION WHITE, EUGENIE COUSINS
Missing from photo: PAULINE GIVANS

REPORT OF THE SUPERVISORY COMMITTEE 2024

MEMBERS OF THE COMMITTEE

The Committee members are as follows:

- Dwight Moore - Chairman
- Eugenie Cousins
- Stephen Levy - Secretary
- Damion White
- Pauline Givans

Overview

2023 was a year of mixed fortunes, Gross Margins was up 4% but there was a compensating increase in Operating Expenses by a similar 4% which resulted in another year of deficit, albeit that this was reduced by 19% over last year from (\$3.1m) to (\$2.5m). Unfortunately the Credit Union had to make cuts in Marketing & Promotion to balance the books which is the area which most needs attention if we are to grow.

The Credit Union has struggled with outdated Policy & Procedural Documents as well as staff turnover issues, all of which has helped to bring the struggles to the door as it seeks to turn around its fortunes. On the positive side the financial ratios with the exception of the growth & profitability ratios have all been kept within acceptable limits.

Third Party Audits

During the Financial year the results of two audits were made available and a synopsis of each is presented below.

Inspection Report - Department of Co-Operatives & Friendly Societies - The report dated December 20, 2023 had seven (7) findings which were communicated to the Board & Management, there were three (3) Highlighted areas of concern on which we need to focus as a Credit Union;

SUPERVISORY COMMITTEE REPORT

- Dated Operational Policies & Document
- The need for urgent attention to Delinquency Policy & Execution
- Concerns about our Growth in Membership

A review of the financial statements will reveal that these are contributing factors to the current numbers reported, and are critical to turning around the fortunes of IECCU.

Loans Audit - The Supervisory Committee had commissioned an audit of the Loans Portfolio which was carried out by the League. The examination covered seven (7) Process Level Objectives and ten (10) recommendations, four (4) of which were given an unsatisfactory score.

Management has given its commitment to review and have these areas addressed as a matter of priority.

Marketing and Membership Growth

This critical aspect of the credit union is in need of special attention. Over the past couple of years the PEARLS Ratios which cover this area has been outside of the recommended benchmarks, this has also been highlighted in the Inspection Report by the regulators. A new plan has been presented and we have seen the implementation of aspects of this plan to date, we would still need more time to see the full implementation of this plan and to measure its effectiveness. Of concern however is the fact that spending on this area was cut by 34% which has weakened the effectiveness of the output required. The benchmark for this category is growth exceeding 5%, as at December 2021 the growth achieved was 0.92%, December 2022 growth was 1.57% and as at December 2023 it was 1.57%. There has been incremental increases, but not enough to achieve the desired output, so more support is needed in this area. The risk to the membership is that if the credit union is not growing then it loses its ability to remain competitive and will not be able to meet the members needs.

Human Resources

Post Covid 19, attracting and retaining staff has been a challenge for most employers, IECCU has been similarly impacted. This translated into slower turnaround times and an office which appeared empty. Management with the support of the Board has had to make some adjustments to make the posts more attractive and from observation there efforts have met with some success

as there are many new faces within the credit union staff compliment.

There is still some work to be done to ensure the new hires are integrated and the work dynamics are brought back into balance but we are happy to see that things might be heading back to normal. In our last report we spoke of the need for a Data Protection Officer, this has now been resolved by contracting a firm to carry out this function to ensure the credit union remains compliant. The issue of the dual role identified on our last report is still pending but management has given its assurance that this is currently being remedied during the current year.

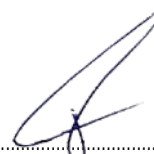
Financial

In light of the forgoing, we are happy to report that based on the financial statements presented the credit union remains a sound organization. The deficit has been reduced by 19% or \$587k over last year, total assets are up by 3% or \$62.8m and equity is up by 1% or \$3.7m despite 303% or \$13.4 reduction in the undistributed surplus which is being driven by the provisions required for doubtful debt. Included in revenue is an increase of 173% or \$3m bad debt recovered which is a positive sign given the size of the provisions made.

There are 12 PEARLS Ratios which apply to IECCU and they are within the benchmark standards in 75% or 8 of the 12 bands. Growth in Total Assets & Growth in Membership are the areas of greatest concern as IECCU has consistently been below the stipulated targets over a protracted period which has been highlighted by the Regulators. The Net Income (Loss)/ Average Asset is the next are out of alignment due to the deficits being recorded with the Delinquent Loans / Gross Loans Category trending on the border which needs to be closely monitored.

Conclusion

We wish to thank the Management & Staff for their continued co-operation over the years. It has been our pleasure serving you.



DWIGHT MOORE
Chairman



IECCU
The Insurance Employees
Co-operative Credit Union Limited



YOU CAN JOIN!

IECCU membership is now opened to **CLIENTS of insurance, building society, financial sector entities and their related entities.**

Visit www.ieccu.com for Membership Requirements and Forms.

- 1. Employees and Clients of Life, Health, General Insurance, Building Societies, Financial Services entities.**
- 2. Employees and Clients of Related Companies.**
- 3. Past members and family members of existing members and their families to include spouses, brothers, sisters, children, parents, in-laws, cousins and grand relations.**

CONTACT US AT:

Kingston: 27 Parkington Plaza, Kingston 10

Tel: 876.920.7447, 876.929.1706, 1466 Fax: 876.968.6208

Montego Bay: Shop 22, Sagicor Shopping Centre, Howard Cooke Blvd., MoBay,

Tel: 876.979.6516, Fax: 876.971.7540

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CREDIT COMMITTEE REPORT



Left-Right: **ODEON CAMPBELL** - Chairman, **AUDREY WILSON** - Secretary, **COURTNEY GOLDING** - Assistant Secretary
NEUTON NELSON, **CHARMAIN MIGHTY-CAMPBELL**

REPORT OF THE CREDIT COMMITTEE 2023

In the year 2023, IECCU continued to be the Union of Possibilities to its members.

Throughout the year the Credit Union financed a variety of loan needs, lending for productive and legal purposes. Existing and prospective members were continually engaged via social media whereby IECCU showcased its diverse array of loans. The Sweet Treat Holiday Loan – a Special Unsecured loan, was made available during the festive Christmas season whilst the Water Tank loan was enhanced to offer greater access to consistent water supply. *Conditions apply.

For 2023 - the year under review, in excess of 1,800 loan applications were reviewed with loans of more than \$910 million being accessed.

The major loan purposes for which members consistently demanded funding were:

- I. vehicle purchases and repairs
- II. home improvement and acquisition
- III. debt consolidation
- IV. education expenses
- V. domestic expenses

The motor vehicle purchases and repairs loan category retained its position of being the largest loan portfolio at \$ 506.73 million. Other loan categories such as Debt consolidation, education and domestic expenses reflected significant increases in borrowings relative to loan performance in Year 2022.

CREDIT COMMITTEE REPORT

Overall, the IECCU loan portfolio ended the year at \$ 1.593 billion – registering a three percent (3%) increase over the previous year's loan performance. See portfolio trend in Figure 1 below.

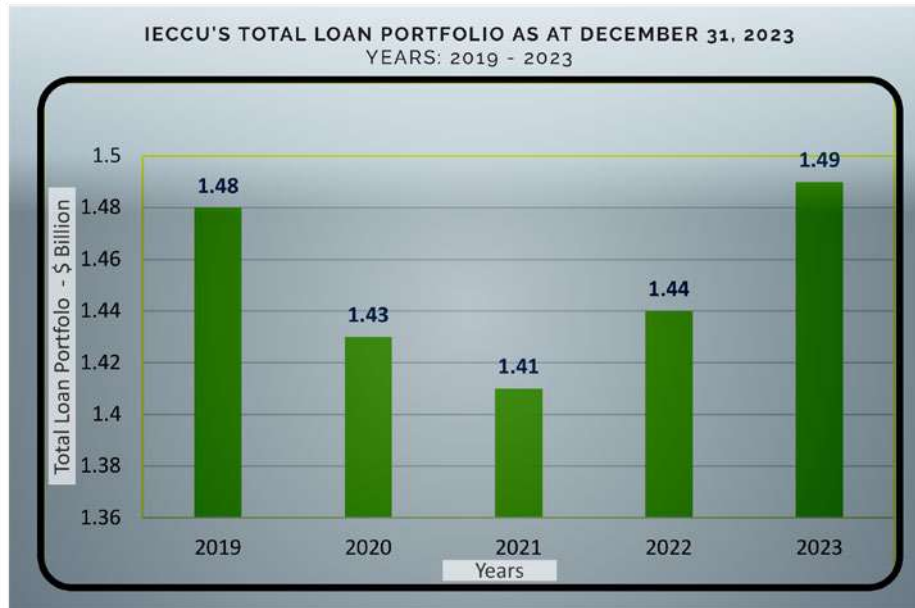


Figure 1

The Credit Team comprised:

1. The IECCU Staff who keenly listened to the members' requests, providing financial guidance whilst effectively liaising between parties to ensure that loans were approved, disbursed and financial needs were met.
2. The Credit Committee that dutifully convened week by week balancing the risk that applications can present along with the possible reward that the Credit Union could earn from the process.

At this point in our performance review, we invite each member to always identify his/her needs early and communicate same promptly so that loan options can be fully discussed and the services of the Credit Union can be of great benefit. Additionally, we encourage each member to ensure that loans are repaid on time to enable increased financing to be consistently available to you and our fellow members.

The Credit Committee in the persons of Audrey Wilson, Charmaine Mighty-Campbell, Courtney Golding, Neuton Nelson and Odeon Campbell, expresses its appreciation to you our membership for choosing IECCU as your financial partner. We encourage you to recommend the IECCU to your family and friends.

It has been our distinct pleasure to have served you in the capacity of the Credit Committee for the year 2023.

ODEON CAMPBELL
Chairman

NOMINATING COMMITTEE REPORT

REPORT OF THE NOMINATIONS COMMITTEE 2023

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)
MACHERIE HAMILTON-CLARKE	Yes	Yes	2
ALDANE MILTON	Yes	Yes	2
PAULETTE SMALL	Yes	Yes	2
SHEREE DAVIS-CUTHBERT	Yes	No	Term Limit
CHARMAIN MIGHTY CAMPBELL	New	Yes	2

CREDIT COMMITTEE NOMINATIONS

NAME	RETIRING	NOMINATED	TERM (YRS)
COURTNEY GOLDING	Yes	Yes	2
NEUTON NELSON	Yes	Yes	2
SHERIKA BAKER BROWN	New	Yes	2

SUPERVISORY COMMITTEE NOMINATIONS

NAME	RETIRING	NOMINATED	TERM (YRS)
DAMION WHITE	Yes	Yes	1
DWIGHT MOORE	Yes	Yes	1
PAULINE GIVANS	Yes	Yes	1
STEPHEN LEVY	Yes	Yes	1
EUGENIE COUSINS	Yes	Yes	1



ANDRE MCFARLANE
Chairman

APPROPRIATION OF SURPLUS

PROPOSAL FOR THE APPROPRIATION OF SURPLUS FOR THE YEAR ENDING DECEMBER 31, 2023

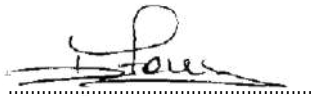
Your Board proposes no allocation for the year 2023.

Deficit (\$ 2,498,121)

PROPOSAL FOR THE SETTING OF MAXIMUM LIABILITY FOR THE YEAR ENDING DECEMBER 31, 2024

The Board of Directors proposes that the maximum liability for 2024 be set at \$2.3 Billion. This will satisfy the maximum projected growth in interest bearing liabilities during 2024 in relation to Article XIX, Rule 69.

For and on behalf of the Board of Directors



DIANA FACEY
Treasurer

Highlights

2023 ANNUAL GENERAL MEETING



Staff Member Photos



MARK BOWEN
General Manager



MICHELLE WALTERS NEMBHARD
Operations Manager

Staff Member Photos

Member Service Department



CHRISTINA HAWTHORNE



INDIANA WRIGHT



LATONYA GIBBS



RAYMOND MCKENLEY



SHANIA LYNCH

Staff Member Photos

Credit Department

Business Admin (MoBay)



DIONNE WINT



ROXANNE BROWN



KAMLA BROWN

Accounts Department



GODFREY STEWART



VINNILLA ALEXANDER



RENEE SMITH

Staff Member Photos

Marketing Department



KAMISHA WINT

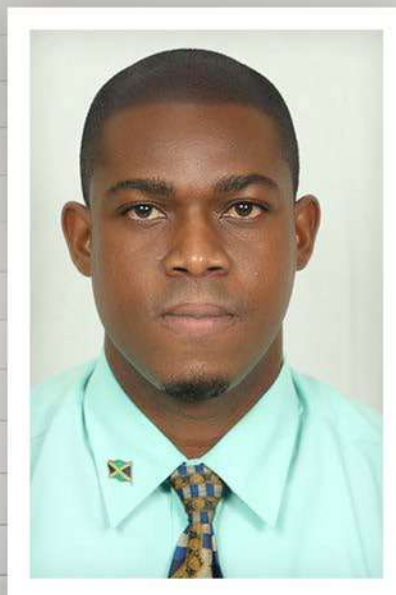


NASTASSIA GRANT

Systems & Processes Department



CORDELLA MCGOWAN



EVERTON CAMPBELL



CHRISTINE BARKER

Staff Member Photos

Delinquency Department



TRICIA ROBINSON



DEVAR RHOOMES

Risks, Compliance & Securities Department



JACQUELINE WILSON



AKILAH HUTTON

Administrative Department



**KARLENE
THOMPSON-WILLIAMS**



**CLAUDETTE
GRAHAM-JOHNSON**



IECCU
The Insurance Employees
Co-operative Credit Union Limited
"A Union of Possibilities"



OPEN AN

EARLY START

TREASURE CHEST

ACCOUNT FOR YOUR CHILD

Benefits:

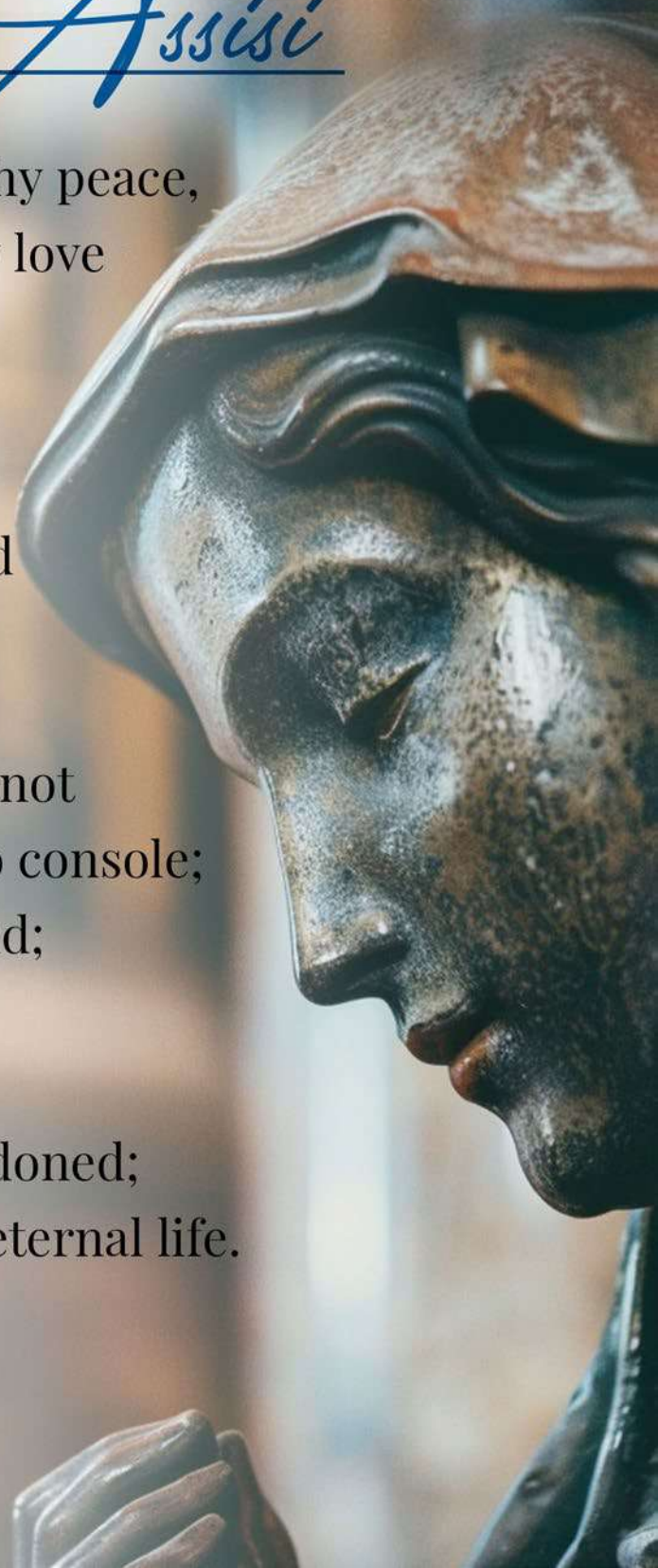
- **Earn Attractive Interest Rates**
- **PEP Scholarship Opportunity**



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.



 **Kingston**

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 876.968.6208

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