



IECCU
THE INSURANCE EMPLOYEES
CO-OPERATIVE CREDIT UNION LIMITED



2024

ANNUAL REPORT



"A Union of Possibilities"



OUR

PHILOSOPHY

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

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

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

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

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

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

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

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

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

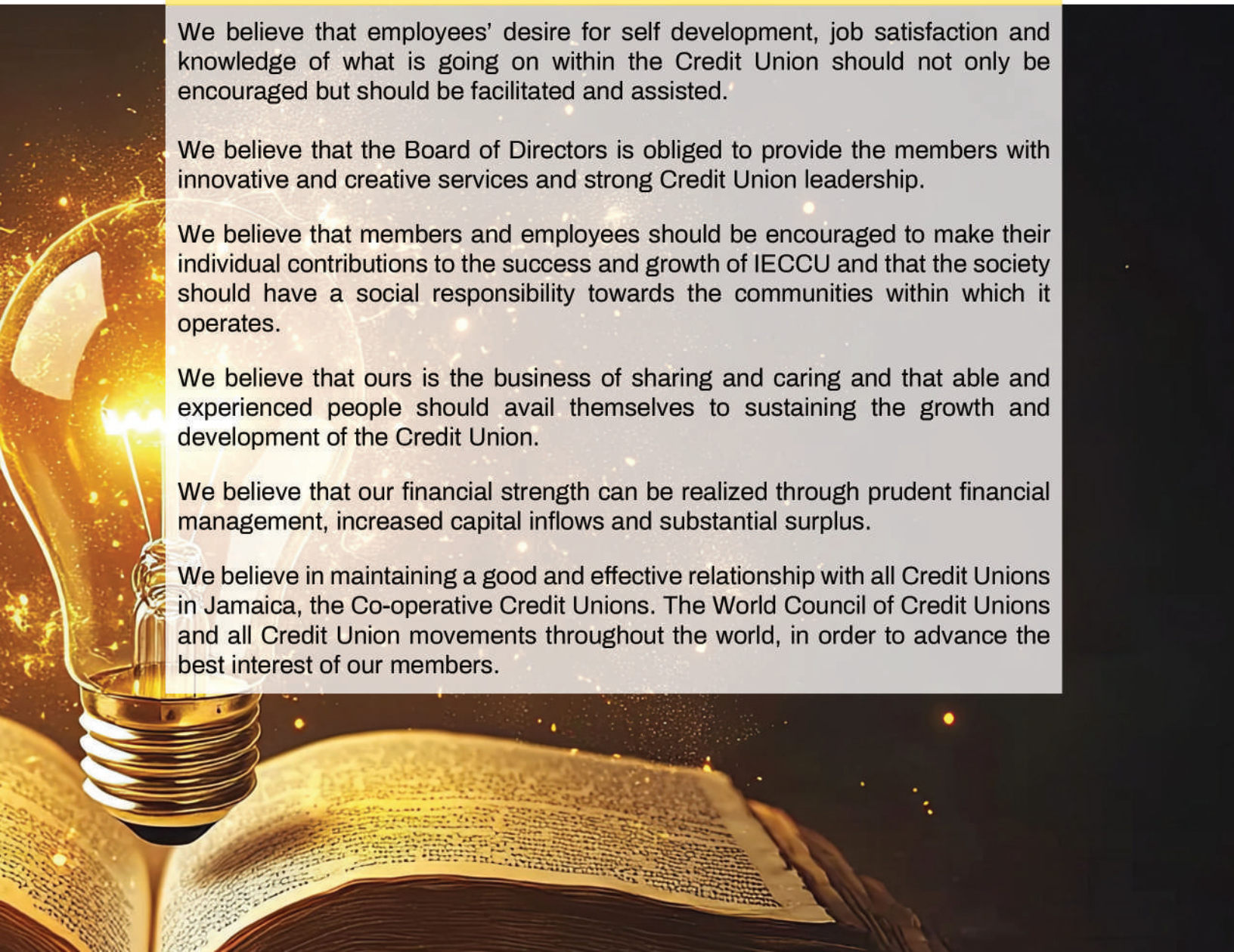




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MISSION STATEMENT



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

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SPECIAL GENERAL MEETING OF THE INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED WILL BE HELD IN HYBRID FORMAT AT THE SUMMIT (FORMERLY KNOWN AS KNUTSFORD COURT HOTEL), 16 CHELSEA AVENUE, KGN 10 AND VIA THE ZOOM PLATFORM ON THURSDAY, AUGUST 14, 2025 COMMENCING AT 5:00 P.M.

THE MEETING IS BEING CONVENED FOR THE FOLLOWING PURPOSE:

1. TO CONFIRM THE MINUTES OF THE 48TH ANNUAL GENERAL MEETING.
2. TO RECEIVE AND CONSIDER THE REPORTS OF THE BOARD OF DIRECTORS, SUPERVISORY COMMITTEE AND THE CREDIT COMMITTEE.
3. TO PRESENT THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2024.
4. TO TABLE A RESOLUTION FOR THE REALLOCATION OF GENERAL RESERVES.
5. TO TABLE A RESOLUTION TO EMPOWER THE BOARD TO ENGAGE IN MERGER DISCUSSIONS.

AGENDA

THE INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LTD. 49TH SPECIAL GENERAL MEETING

- | | |
|----------------------------------------------------------------------|-------------------------------------------------------------|
| 1. ASCERTAIN THAT A QUORUM IS PRESENT | 5. RESOLUTIONS |
| 2. CALL TO ORDER | A. REALLOCATION OF GENERAL RESERVES |
| 3. CONFIRMATION OF MINUTES OF THE 48th ANNUAL GENERAL MEETING | B. EMPOWERMENT OF THE BOARD TO ENGAGE IN MERGER DISCUSSIONS |
| 4. REPORTS | 6. ANY OTHER BUSINESS |
| A. FINANCIAL REPORTS FOR 2024 | 7. ADJOURNMENT |
| i. AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024 | |
| ii. TREASURER'S REPORT | |
| B. BOARD OF DIRECTORS REPORT | |
| C. SUPERVISORY COMMITTEE REPORT | |
| D. CREDIT COMMITTEE REPORT | |

MINUTES

MINUTES OF THE 48th ANNUAL GENERAL MEETING OF THE INSURANCE EMPLOYEES COOPERATIVE CREDIT UNION LIMITED HELD ON WEDNESDAY, AUGUST 28, 2024, AT THE PEGASUS HOTEL, 81 KNUTSFORD BOULEVARD, KINGSTON 5

CALL TO ORDER

A quorum having been ascertained, the meeting was called to order at 5:30 p.m. The Chairman extended a warm welcome to all.

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

Mr. Bowen then invited the members to go on the website, click the link to download the reports so they could follow them.

He pointed out that the Notice indicated that it was the 46th AGM but that it was in fact the 48th and asked members to make note of the correction.

He thereafter invited the Secretary to read the notice convening the meeting, as also to take the meeting through Apologies for Absence.

APOLOGIES FOR ABSENCE:

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

Mrs. Charmaine Mighty Campbell
Mrs. Lesa Robinson
Mrs. Penelope Morgan
Mrs. Bethune Lugg Banton
Mrs. Loris Chin Young
Ms Marcia Young
Mr. Winston Young
Ms Karen Young
Ms Delma Roberts
Ms Olive James
Ms Uelma Nicholson

WELCOME:

Welcome was extended to the following guests:

Ms Melaine Campbell
Ms Katrina D'Aguiar
Ms Tresann Thompson
Jamaica Co-operative Credit Union League
Department of Co-operatives and Friendly Societies

Ms. Kayon Thompson Department of Co-operatives and Friendly Societies
Mr. Warren Bogle Auditor
Ms Georgia Morrison CUNA Mutual
Ms Joyce James Stenographer

Special welcome was extended to the following past Presidents:

Mr. Mark Warren
Ms Pauline Bryan
Mr. Derrick Logan

MINUTES OF THE 47th AGM:

The minutes having been previously circulated were taken as read on a motion moved by Pauline Bryan seconded by Deniese Ebanks Lee.

Corrections

Page 1, Neville Hendrickson' should read 'Neville Hendricks' The Minutes were confirmed on a motion moved by Ms Doreen Allen, seconded by Ms. Racquel Francis.

Matters Arising:

(No matter arose)

REPORTS:

Board of Director's Report

The President, Mr. Andre McFarlane, 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:

- The economy grew by 2.6% compared to 5.2% the previous year.
- The Credit Union implemented the Common Reporting Standard during the year and was successful in meeting the deadline.

MINUTES

- The Board of Directors comprised 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. He invited all to review the Attendance record presented.
- There was a challenge in relation to human capital as a number of employees resigned for varying reasons. At the end of December 2023 almost all the vacancies were filled. This challenge impacted the implementation of the Access Plus Debit Mastercard as they did not meet the anticipated target level.
- The Credit Union participated in workshops and training related to Enterprise Risk Management, Data Protection Act and Anti-Money Laundering/Combating Financing of Terrorism. In addition, 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.
- The Credit Union participated in several outreach activities and events.
- IECCU was compliant in relation to the Data Protection Act.
- The Marketing Department launched its Instagram Page adding to Facebook and Twitter platforms to enhance member engagement.
- The Credit Union continued to carry out its social responsibility to the Richmond Park Nazarene Basic School by its donation of medical supplies.
- The recipients of the PEP Scholarship Award went to Lee-Anthony Gordon and Erin Young who were awarded places at Campion college and Immaculate Conception High Schools respectively.

Nickesia McCleary received the Jamaica Co-operative Credit Union League's bursary scholarship valued at \$25,000 to support her first-year studies at York Castle High.

- Members were encouraged to upgrade to the Access Plus Debit MasterCard as it offered enhanced security, convenient contactless transactions, e-commerce capabilities and international usage. It was noted that since the formal launch in August 2022, there had been

no reports of fraudulent transactions. Members were urged to utilise internet banking for continuous access to balances and transaction information.

- Efforts continued to improve the IT capabilities and the process of strengthening competences had commenced to ensure viability, adherence to regulatory requirements and provide improved deliverables and functionalities for all stakeholders.
- Members were encouraged to use the website to assist in managing their financial affairs.
- The Delinquency Ratio at the end of 2023 stood at 5.54%. Members were urged to honour their commitments and those members experiencing difficulty were encouraged to come in and talk with a representative so as to regularize their accounts.
- The League continued to promote merger discussions.
- Condolences were offered to the families and friends of Sylvester Bissick, Susan Blake Smith, Paul Brown, Katty-Ann Burgess Smith, Maureen Darmand, Logan Dockery, Patrick Foster, Ernest Parague and Patrick Taylor and any other persons whose names were not mentioned.
- In closing, it was noted that focus continued to be placed on members, innovation and efficiency, and that the credit union had begun to see changes resulting for these adaptations in 2024.

Questions/Comments

- Mr. Cosmo Walker stated that the main income of the Credit Union was from loans and recommended that they aggressively promote loans by targeting persons with excellent loan history. The Chairman assured him that this had been discussed at Board meetings and the discussion would continue by the new administration.
- Clinton McLennon endorsed the sentiments echoed by Mr. Walker and suggested that the Credit Union utilise his skills set in the area of marketing. He added that the Credit Union needed to find a way to attract young people so as to boost the loan portfolio in light of the aging population. The Chairman stated that there had been significant growth in the youth plan and assured him that the recommendation would be taken on board.

Mr. Bowen added that this was not unique to IECCU and

MINUTES

whenever the League had meetings with credit unions this was one of the issues that was always discussed. He agreed that the Credit Union Movement had an aging population and pointed out that IECCU had since changed its strategies by expanding their bond in 2022 enabling them to attract younger persons from all over the island, improve on their products and services, as well as being visible on all the social media platforms to include Instagram. He stated that this had been working as they had seen an increase in the number of young people joining the Credit Union. He encouraged all members present to invite their young family members to join the Credit Union.

Mrs. Michelle Nembhard added that JCCUL had an initiative targeting young people called 'Next Gen', managed by their Marketing Officer, Mrs. Kathrina Grant D'Aguilar, where employees from different credit unions participate in.

- Mr. Franklin Johnson commended the effort of the Board and management especially in the area of delinquency. He noted that retirees cannot access loans and stated that the credit union needed to take more risk in this area and urged management and Board to look at it very seriously as this could help to grow the loan portfolio.

In relation to products offering, he pointed out that the Credit Union years ago used to invite members at branch meetings where the various products were introduced and explained to them and suggested that this be reintroduced.

- Ms Grace McLean shared that years ago she was part of a marketing team that the credit union had and she used to recruit members and was given an incentive to do so and asked that this be revisited as the interaction with young people was needed.

In relation to lending to retirees, she noted that it would have to be secured loans and non-secured as these were members who were no longer working and as such the Credit Union had to manage its risk.

- Mr. Lee commended the President for a comprehensive report and added that he was heartened to see a young person as President which augers well for the organization.

He encouraged the Credit Union, going forward, to match the products being developed with the target market as it

cannot depend on social media alone to promote these products.

He added that in relation to the recruitment of younger members, that direct interaction should take place by persons who had the same profiles as the persons being targeted.

- Mrs. Latoya Rattray Ellis commended the Marketing team for their efforts in reaching out to the members via emails. She noted that this was the first meeting she was attending having been a member from 2014 as a result of the e-mail she received advising of the meeting. She also noted that she was constantly updated as to the various products on the different social media platforms and she had seen where efforts had been made to reach different target audience.
- Mr. Mark Wallen stated that he was in agreement with the sentiments expressed and added that they all needed to start talking about the diversification of the income base for the Credit Union in order to be sustainable, given what was happening in the financial space and posited that as members they had a responsibility to ensure the longevity of the credit union.
- Mr. Bowen admitted that they were a bit conservative and stated that dialogue had been taking place in the office as to how to change some of the policies in order to take a little more risk, resulting in them revising their loan policy to extend the debt servicing ratio.

Regarding the retired members, he noted that because their loans were no longer insured because of their age, they had to exercise great care in how they lend to this category of members.

- The Chairman stated that note had been taken of the suggestions and recommendations which he assured the members would be looked at.

He asked the members present how they felt about the Credit Union getting involved in real estate in terms of land development in order to make better returns which was greeted with a thunderous applause from the membership.

- Mr. Michael Green commended the persons who volunteered their time to serve on the Board and different committees and encouraged them to continue to do well.

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He queried whether they were thinking of taking on other credit unions by way of merger. The Chairman stated that they were actively in talks with the League in relation to possible merger opportunities, but they were at the infancy stage of the discussion. He assured the meeting that they were working to ensure that the outcome of the negotiation was in the best interest of the members and for the longevity of the organization.

A merger discussion ensued with one member putting forward that he did not like the idea of mergers as he was of the opinion that the Credit Union had enough people to build a brand.

Mr. Jeremy Bennett put forward the position that the insurance industry was strong and persons in the industry only move from company to company and so the Credit Union should not be in a discussion for a take over as they should be the one looking to take over another credit union.

Mr. Lee argued that mergers and acquisitions were the fastest way to grow business and though it was complicated and had its challenges such as blending cultures together, it did not mean that it should not be explored and pursued. He stated that they had tried it some time ago and it was met with resistance and gave some examples of the insurance companies that had merged successfully and added, that to the extent that it was being resisted was to the extent that they would fall behind and become so small that they would not be able to compete.

The Chairman posited that in the interest of time this was a topic that would have to be discussed further and something that he would appreciate the members' feedback on.

There being no other questions the Report of the Board of Directors was unanimously adopted on a motion moved by Yvonne Lewis seconded by Joel Dixon.

Auditor's and Treasurer's Report

Auditor's Report

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

Mr. Bogle 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, Diana Facey, presented the report for the year ended 2023 and highlighted the following:

- Total assets grew by 2.9% or \$63M to close 2023 at \$2.228 Billion compared to \$2.165 billion in 2022.
- During the year, finance costs associated with deposit products increased marginally by 6.9% or \$1 million moving from \$12.9 Million to \$13.8 million. This was in line with the increase in deposits over the period and did not include the report on shares as at December 2023 which would be paid in 2024.
- Interest charged on some loans were reviewed and in most cases were found to be in line with market rates.
- There was a significant increase in loan loss provision by \$2.6 million, which was associated with a few large loans which were presently being pursued.
- A deficit of \$2.5 million for the year 2023 was realized.
- Unrealized gains resulted in an overall income of \$3.39 million.
- Loans after provision increased by 3% with interest loans overall decreasing by \$2 million or 1.4% percent, which reduction, although small, was associated with the increase in delinquency.
- Investment Income increased by \$10 million or 90% arising from the strategy employed of identifying longer term investments for placing excess funds.
- The loan appetite of members, while active, was very sensitive to interest rates and fees, hence, interest rates on loans remained unchanged.
- In appreciation of the loan take-up, members were afforded a small concession on some of the loan processing fees, as it was recognized that they had choices.
- Income from fees and service charges fell by 5%.

MINUTES

- Return on property reduced by \$1.3 million over prior year as the departing tenant was not replaced due to expansion needs.
- \$3 million in bad debt was recovered overall.
- Total revenue increased by \$11 million or 6%.
- The Treasurer noted that while public utterances suggested that some financial institutions charge rapacious fees, 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.
- Members savings in share account increased by 2.2% or \$20 Million as at December 2023.
- Deposit increased by \$29 Million or 3.8%, which deposits formed the main source of funds supporting the Credit Union.

Other sources include Institutional and Non-institution Capital, Undistributed Surplus and minor borrowing.

Members were directed to the source of fund chart depicted on screen showing that shares consisted of 40%, deposit 35%, permanent shares 1%, other capital 7% and external credit, 3%.

- Institutional Capital and Permanent Shares to Asset Ratio increased by \$4 Million or 1%.

It was noted that while the overall ratio of 12% was above the standard of 8%, it was slowly declining.

- The Chart depicting Use of Funds, indicated that 67% went to loans, Investments 23%, Property 2% and cash 7%.
- Loans to Asset of 67% for the last period compared to 68.6% the prior period was in compliance with the PEARLS Standard of between 60 and 80%. However, the Treasurer expressed dissatisfaction with this and expressed hope to reattain 70% as was achieved in the past.
- As at December 31, 2023, delinquency stood at 5.5% compared to 5.2% the previous year which was attributed to the increase in provision and delinquency. Members

were urged to take their obligations seriously and if they were experiencing a problem they should come to the office and talk to an officer.

The Credit Union continued to work with its members to ensure that financial and expert advice was offered, enabling members maintain a good credit record.

Members whose circumstances had been affected by unfavourable credit ratings were encouraged to make contact with the Credit Union for assistance in restoring their positions.

They were encouraged to save more with the Credit Union as an avenue to build their wealth.

Members were directed to the table showing IECCU's performance over the last five years.

- In concluding, the Treasurer noted that 2024 had seen movement in keeping with their expectations.

She stated that expenses had increased, thus the need to leverage technology and update the system to reduce cost was more profound than ever before.

New regulations such as the Data Protection Act had forced changes to several areas of operations and more should be anticipated, thus the need to develop strategic responses in order to ensure that members continuously get the best return. One such strategy was identifying a suitable merger partner or partners.

She extended thanks to the Auditors, Bogle and Company, the Registrar of Co-operative 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, she thanked the management for their dedication and hard work, and the team members and volunteers who continued to serve the organization.

She assured the members that IECCU remained committed to serving them and working along with them to achieve their dreams and goals for themselves and their families.

Questions/Comments

- Mr. Winston Delahaye made reference to the \$3 Million

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budgeted for the Marketing Department which he stated was inadequate to do what was necessary to enable the Credit Union to grow membership and queried what was being done in this regard as he had not heard, to date, any specific solution.

He added that he had invited the credit union to come into his workplace to meet with the young people and to date that had not been done.

In relation to the ratios referenced on Page 61 which he noted most were good, he expressed concern in relation to the net income to average assets which moved from 32% in 2019 to - 0.48% in 2023.

He expressed concern with the rate of profit that the Credit Union was making as most of the credit unions in their peer group were making multi-million profit and asked what was being done to address this.

Mr. Bowen indicated that these issues had been discussed ab nauseam in Board meetings as well as management meetings and as reported by the Treasurer, dissatisfaction was expressed with the loan to asset ratio of 67% as prior to Covid it was at 70% and in times past it was at 75%. He explained that this was as a result of the Credit Union not lending as anticipated as they had the money to lend, and the credit unions that were making better returns were lending more of their assets than IECCU. Strategies were now being looked, one being, the changing of the bond with the expectation that this would result in more persons borrowing. The excess funds, he noted, were invested in long term instruments, which was one of the reasons for the unrealized gains as returns were made but not yet cashed.

- In relation to mergers, Mr. De la Haye posited that he had no problem with the principle of mergers as the Credit Union could grow its business by merging but cautioned the Board that should they go this route, that they do not get involved with any credit union that would take away from the members that sense of identity of belonging to the credit union. Mr. Bowen noted that mergers in the movement started long ago as there was a time when there were over 100 credit unions and they were now down to 23 and all the categories of credit union were now looking to merger to be cost effective. He stated that the recently passed Data Protection Act now required every institution to employ a Data Protection Officer and institute systems that would be able to manage the kind of work involved in managing reports which was a

costly event. He however undertook to take on board the identity issue when looking for a suitable merger partner.

- Mr. Dixon stated that one of ways to grow the loan portfolio was through consolidation but it had to be at a competitive interest rate as a lot of members had loans at the banks but the rate that the credit union was offering was not competitive, hence a lot of members, to include himself, opted not to come to the Credit Union. Mr. Bowen informed the meeting that the Credit Union scoured the market from time to time as to interest rates and IECCU was offering the best rate in corporate Jamaica and many members had engaged with them from time to time for an even better rate as they had always worked with them to ensure that they get the best rate. He asked the member to have dialogue with him after the meeting.
- The Treasurer reminded the members that the services at IECCU were second to none and that members were free to walk in anytime to discuss any issue they were having to have it resolved.
- Mr. Delahaye asked for clarification in relation to loan impairment where in 2022 it was \$59 Million and in 2023 it was \$1.4 Billion. Mr. Bowen explained that it had to do with the term of the loan as loans were becoming shorter which would have accounted for the difference.

The Auditor's Report thereafter adopted on a motion moved by Michael Green seconded by Lavern Johnson.

The Treasurer's Report was adopted on a motion moved by Julia Stewart, seconded by Orenthia Griffiths.

Supervisory Committee Report:

The Supervisory Committee Report was presented by Dwight Moore, Chairman of the Supervisory Committee. He highlighted the following:

- That the member of the Committee was Stephen Levy, Damion White, Eugenie Cousins, Pauline Givans and himself, Dwight Moore.
- 8 meetings were convened during the period under review to include 1 face to face meeting and 7 online meetings.
- The main areas the Committee focused on were Third Party Operational Audit Review, Financial Management, Marketing, Membership Growth and Human Resource Management.

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The Chairman, Mr. Moore, then gave a synopsis of what these audits entailed.

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.

Questions/Query

- Asked as to why it took so long to fill vacancies, Mr. Moore stated that the competition to attract and retain qualified staff was an issue that was not unique to IECCU as the younger generation was not committed and would be quick to leave their employment for a small difference in salary. He also added that a survey was carried out which showed that IECCU was a little below par in terms of remuneration.

Mr. Bowen noted that because they had one of the lowest compliments of staff for a credit union of their asset type, they had to ensure that they get qualified people, and it takes time to find the right persons.

- Mr. Delahaye queried if it was a matter that the Credit Union was unable to pay to retain qualified persons. Mr. Moore explained that it was due to the fact that there were more lucrative jobs out there and being a financial institution, they had to take time to ensure that they were employing the right persons.

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

CREDIT COMMITTEE REPORT:

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

He highlighted the following:

- That throughout the year the Credit Union financed a variety of loan needs.
- For 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 were:

Vehicle purchases and repairs
Home improvement and acquisition
Debt consolidation
Education expenses
Domestic expenses

- The loan portfolio ended the year at \$1.593 Billion, registering a 3% increase over the previous year's loan performance.

- He invited members to always identify their needs early so that the loan options could be fully discussed. He encouraged all members to ensure that their loans were repaid on time as this would result in a sustainable loan portfolio.

- The Credit Committee for 2023, comprising of Audrey Wilson, Charmaine Mighty-Campbell, Courtney Golding, Neuton Nelson and himself, Odeon Campbell, expressed appreciation to the membership for choosing IECCU as their financial partner and encouraged the membership to recommend the Credit Union to their family and friends.

He thanked the members, 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 Nicky Chance, seconded by Michael Swire.

Delegates to the League:

The Chairman informed the meeting there was no Delegates to the League Report.

This was accepted on a motion moved by Paulette Forbes, seconded by Eugenie Cousins.

APPROPRIATION OF SURPLUS

The Treasurer reported that the Credit Union made a deficit of \$2,498,121M, therefore no appropriation would be allocated, and asked someone to second the motion.

Seconded by Deniese Ebanks Lee

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MAXIMUM LIABILITY

The Board of Directors proposed that the Maximum Liability for 2024 be set at \$2.3 billion which would satisfy the maximum projected growth in interest bearing liabilities in keeping with Article XIX, Rule 69.

This was accepted on a motion moved by the Treasurer, Diana Facey, seconded by Racquel Francis.

NOMINATIONS COMMITTEE REPORT

The Nominating Committee, in accordance with its rule, considered the requisite skills set required and proposed the following persons below.

Board of Directors:

Directors Retiring:	Directors Nominated	Term
Macherie Hamilton-Clarke	Macherie Hamilton Clarke	2
Aldane Milton	Aldane Milton	2
Paulette Small	Paulette Small	2
Sheree Davis Cuthbert	Charmain Mighty Campbell	2

Mrs. Charmain Mighty Campbell joined the Credit Union in 1990 and is presently employed at the Insurance Company of the West Indies, ICWI, as a Business Administrator. She previously held several positions at the Ministry of National Security and Justice, Grace Kennedy and Guardsman Group where she served as the Group Welfare and Engagement Manager for Guardsman. She is a Justice of the Peace for the parish St. Catherine and finds pleasure in serving others.

Credit Committee:

Members Retiring	Members Nominated	Term
Courtney Golding	Courtney Golding	2
Neuton Nelson	Neuton Nelson	2
Charmain Mighty Campbell	Sherika Baker Brown	2

Ms Sherika Baker is a graduate of the University of the Commonwealth where she studied Human Resource Management and is currently employed at the VM Financial Group as a Senior Manager for Group Human Resources. She holds a Masters Degree in Business Administration.

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

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

ELECTIONS

Ms Thompson from the Department of Cooperatives was invited to conduct the elections. She outlined the procedure that the election would follow.

BOARD OF DIRECTORS

She then asked for nominations from the floor three times and hearing none she declared Macherie Hamilton Clarke, Aldane Milton, Paulette Small and Charmain Mighty Campbell duly elected on a motion moved by Lavern Johnson, seconded by Julia Stewart for a term of 2 years.

CREDIT COMMITTEE

Nominations were asked three times from the floor and hearing none, Courtney Golding, Neuton Nelson and Sherika Baker Brown were duly elected on a motion moved by Nigel Dixon, seconded by Joseph Walters for a term of two years.

SUPERVISORY COMMITTEE

Nominations were asked for and Shanna Tyrell nominated Necola Wilson. This was seconded by Jeremy-Paul Bennett. Ms. Wilson was asked to give a brief profile of herself. She stated that she was the Marketing and Communications Supervisor at TIP Friendly Society and possesses a degree in Human Resource Management from the University of the Caribbean and was presently pursuing her master's degree.

In answer to a question as to the maximum number of persons that could be on the Supervisory Committee, Ms. Thompson pointed out that the maximum was five members and directed the meeting to the Department of

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Co-operatives and Friendly Societies' website where this could be found. Members felt that they should be directed to the regulation in their rule book.

Asked by a member if the nominees were in good credit standing, Ms. Thompson stated that the Nominating Committee was entrusted with the responsibility for vetting the persons and would have done so before nominating them and asked that they respect the decision made by the Committee. The member added that if this was so why was Ms. Wilson nominated when she was not vetted before to ascertain if she was in good standing. Ms. Thompson asked that the members read the rules relating to nominations from the floor. She however assured the meeting that she was advised that she was in good standing.

A lengthy discussion ensued as to the nomination process as the members felt that their questions were not properly addressed.

Miss Thompson then gave instructions as to how the voting would take place since there were 6 nominees and 5 vacancies and directed that each member be issued with one ballot. She gave five minutes for the election process. The ballots were thereafter collected.

ANY OTHER BUSINESS:

Ms. Nembhard read Section 26 of the Co-operative Societies Act and noted that nowhere was it stated that the maximum was five and again asked that she be directed to the section that stated that five was the maximum. Mr. Bowen stated that that was a matter for the Department of Co-operatives and Friendly Societies and when the representative returned that question could be directed to her.

Mr. Delahaye stated that he did not like the tone of meeting as it related to the Nomination Committee as disrespect was shown to each other from both sides and asked that this be fixed going forward. The Chairman stated that everyone was allowed to speak but they should avoid getting personal and asked the members to respect the process.

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

Ms Thompson stated that in the interest of time the counting would not be concluded and would be made available to the Board at a later date.

She then sought and got permission on a motion moved by Mr. Derrick Logan, seconded by Miss Lewis that the Board be allowed to select the delegates and alternate delegates to the League and to inform the Department and any other fora that they were a part of the names.

She reminded the Board and committees to meet within ten days of the meeting and select their officers and forward same along with their contact information to the Department of Co-operatives and Friendly Societies and any other fora that they were a member of.

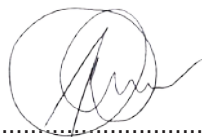
Mr. Bowen undertook to disseminate the information to the members as soon as he was in receipt of it.

A member asked if it would be possible for a representative to be present at the counting and was informed that that could be arranged.

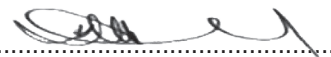
The agenda having been exhausted, the Chairman thanked all for coming.

ADJOURNMENT

The adjournment was taken at 9:03 p.m. on a motion moved by Paulette Small, seconded by Neuton Nelson.



ANDRE MCFARLANE
Chairman



MACHERIE HAMILTON CLARKE
Secretary

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4

HIGHLIGHTS

P.E.P. SCHOLARSHIP AWARDEE

The Insurance Employees Co-operative Credit Union Celebrates Academic Excellence with Scholarships

The Insurance Employees Co-operative Credit Union (IECCU) remains committed to supporting academic excellence by awarding scholarships and gifts to the children of its members who sat the 2024 Primary Exit Profile (PEP) exams.

Each year scholarships valued at J\$150,000 each are awarded to one boy and one girl to support their high school education for five years, with J\$30,000 disbursed annually. For the 2024 PEP cohort, however, only one applicant was eligible.

Rojaun Grant, who was awarded a place at Jamaica College, was recognized for his performance during the annual PEP Awards Ceremony. He was accompanied by his parents, Kareta Thomas and Rohan Grant.

In addition to the IECCU scholarship, **Rojaun** was also granted a bursary from the Jamaica Co-operative Credit Union League valued at J\$25,000 to further support his first-year studies at Jamaica College.

IECCU continues to encourage its members to invest in their children's future by opening youth savings accounts, which offer additional benefits, including the five-year PEP scholarship.



Top Image:

IECCU 2024 PEP Scholarship Recipient Rojaun Grant & Award presenter, Mr. Mark Bowen, IECCU General Manager

Bottom Image:

Rojaun Grant, the 2024 PEP Scholarship winner, is accompanied by his mother, Ms. Kareta Thomas (left), his father, Mr. Rohan Grant (far right), and Mr. Mark Bowen, General Manager of IECCU.

BOARD OF DIRECTORS REPORT



Top (L-R):

ANDRE MCFARLANE - President, LESA ROBINSON - Vice President, DIANA FACEY - Treasurer, MACHERIE HAMILTON-CLARKE - Secretary

Bottom (L-R):

ALDANE MILTON, PAULETTE SMALL, BARRINGTON LAWRENCE, CHARMAINE MIGHTY CAMPBELL; Missing from photo: ANPHIA MORGAN

REPORT OF THE BOARD OF DIRECTORS 2024

Opening Comments

On behalf of the Board of Directors, leadership team, and staff, we are proud to present the 2024 Annual Report of IECCU. This past year was a powerful reminder of the strength and resilience that define our cooperative. As economic and social landscapes continued to evolve, we remained grounded in our mission: to serve our members with honesty, care, and financial solutions that improve lives.

In 2024, IECCU continued to grow—responsibly and purposefully. Our financial foundation remains strong, enabling us to return value directly to our members through competitive rates, low fees, community programs, and reinvestment in digital tools and service enhancements. Our commitment to financial wellness and education also deepened, with new outreach initiatives and member resources launched throughout the year.

As a member-owned financial institution, every decision we make centers on the long-term interests of our members and the communities we serve. We are proud of the trust you've placed in us, and we are equally proud of the role we play in helping individuals, families, and local businesses achieve their goals.

BOARD OF DIRECTORS REPORT

Thank you for your continued membership and support. We invite you to review this report for a full view of our financial performance, community impact, and the steps we are taking to ensure IECCU remains your trusted financial partner for years to come.

Economic Overview

1. Modest Growth & Sectoral Variance

- Real GDP **contracted by 0.9%** in 2024, affected by Hurricane Beryl and Tropical Storm Raphael, which hit agriculture, construction, and manufacturing. However, early 2025 projections show a return to mild positive growth (0.1–1.0%)

2. Robust Debt Reduction

- Public debt fell dramatically—from 146% of GDP a decade ago to ~75% in 2023, targeting ~65% by 2026. Fiscal discipline underpins this, guided by legal frameworks and transparency bodies like EPOC

3. Inflation & Monetary Policy

- Inflation eased to **5.0% in 2024**, the lowest in six years and within the Bank of Jamaica's 4–6% target. The policy rate was cut to **6.00%** in December 2024, easing borrowing costs.

4. Employment & Household Trends

- Unemployment hit historic lows—around **4–4.2%**, with pockets of higher youth and female joblessness. Underemployment and wage stagnation remain issues, with cost-of-living pressures persisting

5. Tourism & Remittances Fuel FX

- Tourism revenues reached approx. **US\$3–4B** from over 4 Million visitors by late 2024. Remittances hit **US\$3.5B**, with FX reserves around **US\$5.2B**, providing buffers

6. Natural Disaster Risks

- Extreme weather impacted agriculture and infrastructure in 2024. Recovery strategies and climate-resilience planning are underway

7. Structural & Institutional Progress

- Reforms in banking (Basel III), fiscal transparency, digital tax systems, and climate finance

have progressed. Challenges include crime, low productivity, educational shortfalls, and infrastructure gaps

Credit Union Sector Asset and Loan Growth

- **Total assets** across credit unions reached approximately **J\$180.3B** by the end of 2023—a **9.2% annual increase** (~J\$15.2 B) compared to the previous year.
- The **loan book** expanded by **12.1%**, adding about **J\$13. B** and making up roughly **67.6%** of overall assets.

Savings and Deposit Trends

- **Member savings surged** by approximately **J\$14B** in 2023, marking **11%** growth, bringing total savings to around **J\$139B**.
- Insured deposits grew over **12%**, from **J\$124.6B** in 2022 to **J\$139B** in 2023. The number of insurable accounts rose by **3%** to **J\$2.63M**, with average balances at **J\$53,150**

Membership and Institutional Consolidation

- The total membership base remains steady at around **1.04M**.
- Ongoing **merger activity** continues to reshape the sector:
 - The merger of **Gateway & EduCom** (forming “Infinity CU”) was approved in 2024 and is expected to go live early 2025.
 - A **mega-merger** between COK Sodality and C&WJCCU (totalling ~400,000 members and combined assets near J\$39 B) went to membership vote in late 2024.
 - The number of credit union entities declined from over 40 to around 25 and is projected to drop further in the coming years.

Key Implications for Growth

1. Scale and Efficiency Gains

Mergers are helping reduce duplication, spread digital infrastructure costs, and enhance competitiveness—especially important as credit unions prepare for stricter oversight by the Bank of Jamaica.

BOARD OF DIRECTORS REPORT

2. Stronger Lending & Member Engagement

Loan portfolio growth indicates escalating demand and opportunities for expanding consumer and SME lending—supported by robust asset growth.

3. Increased Savings as a Liquidity Base

Rising savings build a solid funding foundation, enabling credit unions to finance member loans more sustainably.

4. Room for Digital Innovation

Scale from larger merged institutions makes investments in online banking, mobile apps, and fintech partnerships more achievable.

5. Opportunity to Deepen Member Trust

Despite stable membership numbers, rising savings and borrowing behavior suggest members are engaging more—indicating potential to introduce new financial wellness tools, insurances, and educational programs.

Digital Platforms

Build or join shared platforms to reduce costs and meet evolving member expectations.

Product Innovation

Leverage increased liquidity to develop tailored loan products (e.g., agriculture, climate resilience), savings plans, and insurance.

Member Education

Strengthen financial literacy through workshops, budgeting tools, and personal finance content.

Regulatory Readiness

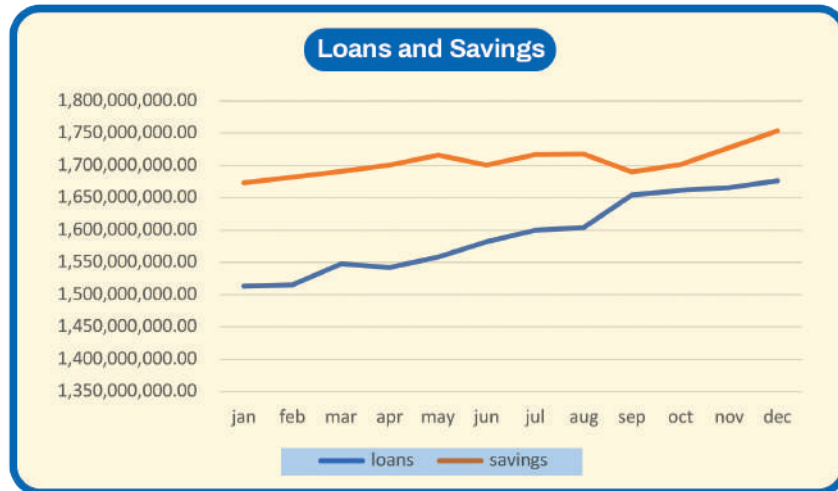
Proactively align with Bank of Jamaica's oversight standards - especially around capital adequacy, risk, and governance.

Growing Through Mergers

Enhance scale and resilience; streamline operations and marketing.

The main business of your Credit Union is inviting savings and offering loans. During 2024 we saw an increase in savings from \$1.67B to \$1.73B as seen in the chart on the following page. At the same time, loans increased in tandem throughout the year. We also highlight the wide disparity between savings and loans traditionally seen has been declining. This indicates a decreasing availability of loanable funds relative to the demand for loans.

BOARD OF DIRECTORS REPORT



Loans and savings chart for the year 2024

We saw an increase in loan loss reserve during the year, increased operational costs and restated fee income to comply with IFRS 15. These were the main factors resulting in a deficit of \$13.7M for 2024.

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, Charmain Mighty Campbell, Anphia Morgan, Barrington Lawrence and Paulette Small. The table below shows attendance at Board meetings for the period.

Members	Possible Meetings	# of Meetings Held	# Attended
Andre McFarlane	12	12	11
Lesa Robinson	12	12	11
Charmain Mighty Campbell	12	12	12
Diana Facey	12	12	12
Barrington Lawrence	12	12	12
Macherie Hamilton-Clarke	12	12	11
Paulette Small	12	12	8
Aldane Milton	12	12	8
Anphia Morgan	12	12	11

Board Members Attendance to August 2025

OPERATIONS

In 2024, IECCU continued to navigate a dynamic economic environment while maintaining a strong commitment to member service, financial prudence, and cooperative values. The year was marked by operational improvements and targeted staff training. Despite global and national challenges, IECCU upheld its mission of empowering members financially.

BOARD OF DIRECTORS REPORT

Although 2024 was a productive year, there were areas for improvement as communicate to us by our regulatory bodies. This will be mentioned in other reports.

Training

IECCU understands that providing high-quality services requires a knowledgeable and driven workforce. Our training initiatives in 2024 were centered on compliance, customer service, and digitization. Through the Jamaica Cooperative Credit Union League and private consultants, staff and volunteers were trained in the following areas:

- Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF)

- Member Experience and Service Excellence
- Credit Risk Assessment and Loan Management
- New Employees – Introduction to Proceeds of Crime Act (POCA) (AML/CFT) was done in-house by the Risk, Compliance and Securities Officer. Individual were required to sign a register confirming their participation in the training.
- CPD Online offered by CUNA through JCCUL
- FATF recommendations and Office of foreign Assets Control (OFAC) course for Staff (New and Existing) and Volunteers

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

	2024	2023	2022
Members	8544	11418	11147
Internet Banking	1807	1574	1223
FIP	602	645	606
Goal Accounts	159	184	181
Debit Cards		3211	3602

Table 2

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	2024		2023	
	Nos.	Amt \$	Nos.	Amt \$
Youth Accounts	663	\$17.6M	795	\$21.5m
Golden Harvest	41	\$21.5M	46	\$18.9m
Partner Plan	66	\$2.6M	71	\$3.1m
Savers Club	18	\$0.64M	21	\$1.1m
Christmas Club	34	\$0.23M	46	\$2.7m
Term/Fixed Deposits	517	\$227.4	538	\$249.5m

Table 3

Marketing

Membership & Outreach Activities

Conducted field visits to:

- Guardian Life (Mandeville, Ocho Rios)
- Sagicor Life (Knutsford, Montego Bay)
- Rainforest Seafoods
- Key Insurance Brokers, Gallagher, and others

BOARD OF DIRECTORS REPORT

These efforts supported the 14.4% growth in membership, surpassing annual targets.

Promotional Campaigns

- MV Loan Promotion
- Study Bride Educational Loan
- GH Premium Plan – 5% Promotional Rate
- Special Holiday Loan Campaign
- Payday / Payroll Loan

Social Media and Member Engagement

- Instagram: over 730 new followers (peak months: October and December)
- Facebook: over 215 new followers

Campaigns included:

- ⊙ “Weekly Product Postings “
- ⊙ Credit Union Week Festivities
- ⊙ Reels featuring office visits, scholarships, and member appreciation

Website & SMS

- Website traffic increased via pop-up promotions and application support
- Over 300,000 messages sent via SMS and email including:
 - ⊙ Campaign promotions
 - ⊙ Reminders for inactive/delinquent accounts
 - ⊙ Birthday and event announcements

Financial Literacy & Corporate Social Responsibility

- Participation in **JCCUL Financial Literacy Month**.
- On-site “Learn About IECCU” presentation with insurance companies.
- In branch campaigns – **FIP / Access Plus Debit Mastercard**. This was done in collaboration with Cuna Caribbean Insurance and the Jamaica Co-operative Credit Union League.
- IECCU was represented by six staff members at the **Credit Unions of Jamaica Nex-Gen Youth Summit**, held under the theme “Be the Change.” The one-day conference took place on Thursday, May 30, 2024, during the League’s AGM and Convention at the Ocean Coral Spring Hotel in Trelawny.

Scholarships & Community Outreach

1. **Promoted PEP Scholarships** – IECCU awarded its 2024 PEP Scholarship to the sole qualified applicant, Rojaun Grant, who was accompanied by his parents for the presentation. In addition to the IECCU scholarship, Rojaun also received a bursary valued at J\$25,000 from the Jamaica Co-operative Credit Union League to support his first year at Jamaica College.
2. **Credit Union Week Social Outreach** – Provided medical and food supplies to Richmond Park Nazarene Basic School as part of our community outreach efforts.
3. **Labor Day Initiative** – Supported Rosseau Primary School through our annual Labor Day project.

Risk & Compliance

IECCU commenced the project in 2023 and ended with a close out meeting in February 2024,

Heads of Departments were appraised of the importance of Risk Management.

Trained on developing risk registers. Subsequently register were developed for each department

All regulatory reports were submitted to the Competent Authorities.

- Financial Investigation Division (FID) – AML/CFT Threshold Reports
- United Nation Security Council Resolution Implementation Act (UNSCRIA)
- JCCUL - Financial Reports to the Stab Unit
- Tax Administration of Jamaica - Common Reporting Standard (CRS)
- Bank of Jamaica - (JamFirm), Fraud Report, confirmation of the submission of Terrorism Prevention Act (TPA) to FID
- All statutory obligation payments were made by stipulated dates (PAYE, GCT, Withholding Tax).

All current Policy and Procedures Manuals require reviewing and updating.

Several Policy and Procedures Documents were reviewed and to be finalized and approved in 2025.

Data Protection

The Data Protection Act (DPA) 2020 came into law effective June 1, 2024.

- IECCU was registered with the Office of Information Commission (OIC) as a Data Processor and awaits confirmation.
- Privacy and Legal Management Consultancy Limited (PLMC) and United Consulting International was contracted as Data Protection Officer (DPO).
- Privacy Notices were posted on the Website and in the lobby of both branches.
- Data Protection Policy was approved.

Risk Assessment

An objective to risk rate all existing members as required by law, however this process was not completed due to issues identified during the implementation process of the transaction monitoring software. We continue to enhance Customer Due Diligence processes to ensure compliance with regulatory requirements and strengthen our ability to detect and prevent financial crimes such as money laundering and fraud

- On a quarterly basis the IECCU Membership database is matched against the UN Sanction Watchlist and OFAC.
 - Deposits over \$500,000. (Members are required to complete a source of funds form and present evidence of source)
- The FATF highlights countries with inadequate

BOARD OF DIRECTORS REPORT

measures to combat money laundering and terrorist financing (AML/CFT) in two public reports issued three times annually. The FATF's approach to publicly naming nations with weak AML/CFT framework.

- Our check against the listings indicated that none of our members were located in jurisdictions that appear on the FATF's black or grey lists.

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, 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 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 inquiries or appointments for loan interviews and to download forms. We continue to encourage members to use this tool to assist in managing their financial affairs.

Delinquency

The Delinquency Ratio at the end of 2024 was 7.34%. 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.

Merger discussions and League oversight

Efforts to identify a merger partner resulted in discussions with other Credit Unions of similar asset size, brokered by the

Department of Co-operatives and the League. The intention was to establish a single stronger Credit Union more resilient to environmental shocks and improved regulatory compliance. Other discussions have taken place with potential partners. We look forward to making a recommendation to the members at the earliest.

Condolence

IECCU expresses heartfelt condolences to the families of members, staff, and board members who passed away in 2024. Their lives contributed meaningfully to the cooperative spirit and values we uphold.

We lost five (6) members, Grantley Green, Hopeton Norman, Joyce Archibald, Susan Blake-Smith and Georgina Mitchell. Special tribute to our Past President Neville Hendricks who has been a great friend of IECCU for several decades. A member for well over 40 years, he served faithfully on the Board of Directors from 1985 to 2007 in several capacities and as President from 1996 to 1999. An extra-ordinary man who took his role as volunteer very seriously, passion for service to others reflected in his actions.

Our prayers remain with their families and loved ones. May their souls rest in eternal peace.

Conclusion

As we close the chapter on 2024, we do so with deep gratitude and renewed purpose. In a year marked by economic shifts, natural disruptions, and ongoing transformation within the financial services landscape, IECCU remains focused on service to members based on co-operative principles. From growing our loan and savings portfolios to investing in digital tools, community outreach, and operational resilience, every decision was made with our members' well-being at heart.

We recognize that 2025 will bring new challenges—and new opportunities. With anticipated regulatory changes, increased competition, and evolving member expectations, we are committed to staying agile, innovative, and focused on building financial health for individuals, families, and communities across Jamaica.

We thank our members for their continued loyalty, our staff for their dedication, and our board and leadership team for their vision and stewardship. Together, we look forward to building a more inclusive, secure, and member-driven financial future.

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

FINANCIALS



Ministry of Industry
Investment & Commerce

Jamaica's **Business** Ministry



International Year
of Cooperatives



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.

R467-588/05/2025

May 21, 2025

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, 2024.

The Annual General Meeting (AGM) must be convened in accordance with **Regulations 19 & 21** of the Co-operative Societies Regulations, 1950 and **Regulations 25A-25F** 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.

Regards,

.....
Lavern Gibson-Eccleston (Mrs.)
(For) REGISTRAR OF CO-OPERATIVE SOCIETIES
AND FRIENDLY SOCIETIES.

HEAD OFFICE
10A Chelsea Avenue
Kingston 5, Jamaica, W. I.
(876) 927-4912 | 927-6572 | 978-1946

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

MONTEGO BAY, ST. JAMES
10 Delisser Drive
(The Office of the Prime Minister)
(876) 952-7913

✉ info@dcfs.gov.jm

🌐 www.dcfs.gov.jm

INSURANCE EMPLOYEES
CO-OPERATIVE CREDIT UNION
LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2024

REVENUE
OPERATIONS

SALES
OPERATIONS



COST REVENUE

FINANCIALS

Independent Auditor's Report

To the Registrar of Co-operative Societies

Insurance Employees Co-operative Credit Union Limited

(A Society Registered Under the Co-operative Societies Act)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Insurance Co-operative Credit Union Limited ("the Credit Union") set out on pages 5 to 42, which comprise the statement of financial position as at December 31, 2024, and the statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Credit Union as at December 31, 2024 and of financial performance and its 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 and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

FINANCIALS

Independent Auditor's Report (cont'd)

To the Registrar of Co-operative Societies

Insurance Employees Co-operative Credit Union Limited

(A Society Registered Under the Co-operative Societies Act)

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

Key Audit Matters (cont'd)

Expected Credit Losses

Key Audit Matters	How the matters were addressed during the audit
<p>Loans, net of allowance for expected credit losses, represent 72% of the Credit Union's Assets. Allowance for expected credit losses on loans is \$6,231,501 and represents less than 1% of the loan portfolio in the current year.</p> <p>The Credit Union applies a three-stage approach to measure the allowance for credit losses, using the Expected Credit Loss (ECL) approach as required by IFRS 9. This requires significant judgments which give rise to a high degree of uncertainty.</p>	<p>Our audit procedures in this area included the following:</p> <p>Evaluating the completeness, accuracy and relevance of disclosures required by IFRS 9.</p> <p>Comparing Expected Credit Loss Allowance with regulatory provision stipulated by the Jamaica Co-operative Credit Union League and confirm that the amount in the loan loss reserve is compliant with the requirement of the league.</p>

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. The annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors

FINANCIALS

Independent Auditor's Report (cont'd)

To the Registrar of Co-operative Societies

Insurance Employees Co-operative Credit Union Limited

(A Society Registered Under the Co-operative Societies Act)

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

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 International Financial Reporting Standards (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 and disclosing, as applicable, matters related to going concern.

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

Auditor's Responsibilities for the Audit of the Financial Statements

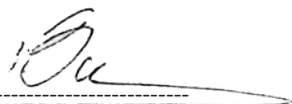
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (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 Legal and Regulatory Requirements

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 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
May 16, 2025

FINANCIALS

Appendix to the Independent Auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

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

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

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2024

<u>Assets</u>	<u>Notes</u>	<u>2024</u> \$	<u>Restated</u> <u>2023</u> \$	<u>Restated</u> <u>2022</u> \$
Non-current assets				
Earning:				
Financial investments	5	356,211,726	194,755,243	212,897,012
Loans originated	6	1,614,187,635	1,437,429,311	1,346,139,948
		<u>1,970,399,361</u>	<u>1,632,184,554</u>	<u>1,559,036,960</u>
Non-earning:				
Property, plant & equipment	7	50,548,690	45,739,983	42,574,367
		<u>50,548,690</u>	<u>45,739,983</u>	<u>42,574,367</u>
Current assets				
Earning:				
Financial investments	5	51,833,952	322,995,432	313,365,460
Loans originated	6	67,267,946	55,305,836	68,606,981
Cash & cash equivalents	8	87,314,857	69,842,709	59,516,642
		<u>206,416,755</u>	<u>448,143,977</u>	<u>441,489,083</u>
Non-earning:				
Other assets	9	9,391,793	13,699,244	21,206,236
Cash & cash equivalents	10	47,404,951	81,513,519	54,845,506
		<u>56,796,744</u>	<u>95,212,763</u>	<u>76,051,742</u>
Total assets		<u><u>2,284,161,550</u></u>	<u><u>2,221,281,277</u></u>	<u><u>2,119,152,152</u></u>

FINANCIALS

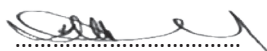
INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2024

Equity and liabilities	<u>Notes</u>	<u>2024</u>	<u>Restated</u> <u>2023</u>	<u>Restated</u> <u>2022</u>
		\$	\$	
Equity:				
Members' permanent shares	11	28,373,906	27,016,009	26,667,043
Institutional capital	12	265,845,992	265,842,570	265,841,070
Non-institutional capital	13	175,878,637	165,224,169	106,435,740
Undistributed surplus	14	<u>(77,477,053)</u>	<u>(48,867,499)</u>	<u>(14,800,552)</u>
		<u>392,621,482</u>	<u>409,215,249</u>	<u>384,143,301</u>
Non-current liabilities				
Interest-bearing liabilities:				
Members' voluntary shares	15	<u>69,364,912</u>	<u>92,780,774</u>	<u>69,760,193</u>
		<u>69,364,912</u>	<u>92,780,774</u>	<u>69,760,193</u>
Current liabilities				
Interest-bearing liabilities:				
Members' voluntary shares	15	856,136,028	800,087,343	802,242,220
Members' deposits	16	837,329,754	786,575,839	757,724,549
External loans	17	<u>73,377,073</u>	<u>73,378,906</u>	<u>73,671,617</u>
		<u>1,766,842,855</u>	<u>1,660,042,088</u>	<u>1,633,638,386</u>
Non-interest-bearing liabilities:				
Deferred income	18	7,390,791	4,599,876	3,433,953
Payables & accruals	19	<u>47,941,510</u>	<u>54,643,290</u>	<u>28,176,319</u>
		<u>55,332,301</u>	<u>59,243,166</u>	<u>31,610,272</u>
Total equity and liabilities		<u><u>2,284,161,550</u></u>	<u><u>2,221,281,277</u></u>	<u><u>2,119,152,152</u></u>

The financial statements were approved for issue by the Board of Directors on April 19 , 2025 and signed on its behalf by:



Andre McFarlane (Mr.)
President



Macherie Hamilton-Clarke (Ms.)
Secretary

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INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 AS AT DECEMBER 31, 2024

	Notes	2024 \$	2023 \$
Interest income			
Interest on members' loans		151,826,596	145,669,149
Interest on investments		33,200,973	21,971,611
		<u>185,027,569</u>	<u>167,640,760</u>
Interest-expense on deposits		(14,965,868)	(13,816,954)
Interest-expense on shares		(4,627,505)	(4,466,031)
Net interest income		<u>165,434,196</u>	<u>149,357,775</u>
Decrease /(Increase) in expected credit loss	6	<u>1,608,370</u>	<u>(2,613,321)</u>
Interest income after allowance for loan loss		<u>167,042,566</u>	<u>146,744,454</u>
Non-interest Income			
Fees		11,693,237	15,213,638
Rental income		2,987,531	3,032,942
		<u>14,680,768</u>	<u>18,246,580</u>
Gross profit		181,723,334	164,991,034
Staff cost	20	(119,577,236)	(102,030,308)
Administrative expenses	21	(52,691,419)	(45,174,188)
Promotion expenses	22	(4,967,296)	(3,994,763)
Representation & affiliation expenses	23	(11,912,126)	(11,484,069)
Finance cost	24	(6,324,325)	(4,805,827)
		<u>(195,472,402)</u>	<u>(167,489,155)</u>
Deficit for the year		(13,749,068)	(2,498,121)
Other comprehensive income			
<u>Item that may not be reclassified to profit or loss</u>			
Unrealized gain on investments		-	5,890,068
Total comprehensive (loss)/income		<u>(13,749,068)</u>	<u>3,391,947</u>

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INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
STATEMENT OF CHANGES IN EQUITY
 AS AT DECEMBER 31, 2024

	Permanent shares	Institutional capital	Non-Institutional capital	Accumulated deficit	Total
	\$	\$	\$	\$	\$
December 31, 2022 Restated	26,667,043	265,841,070	145,789,526	(14,800,552)	423,497,087
Surplus for the year				(2,498,121)	(2,498,121)
Prior year adjustments -accrued expenses				(16,858,328)	(16,858,328)
Loan loss reserve			13,544,575	(13,544,575)	(13,544,575)
Shares subscription	348,966				348,966
Amortized fee				(1,165,923)	(1,165,923)
Entrance fees		1,500			1,500
Decrease in value of equity instruments			5,890,068		5,890,068
December 31, 2023 -Restated	27,016,009	265,842,570	165,224,169	(48,867,499)	395,670,674
Deficit for the year				(13,749,068)	(13,749,068)
Loan loss reserve			14,860,486	(14,860,486)	-
Share transfer fund	115,672		23,969		139,641
Shares subscription	1,242,225				1,242,225
Entrance fees		3,422			3,422
Decrease in value of equity instruments			(4,229,987)		(4,229,987)
December 31, 2024	28,373,906	265,845,992	175,878,637	(77,477,053)	379,076,907

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INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
STATEMENT OF CASH FLOW
 AS AT DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>
	\$	\$
<u>Cash flows from operating activities</u>		
Deficit for the year	(13,749,068)	(2,498,121)
<u>Adjustment to reconcile profit for the year to net cash from operating activities</u>		
Deferred income	2,790,915	-
Depreciation	1,016,271	1,400,432
Non-institutional reserves	(4,229,987)	-
Decrease in other assets	4,331,420	7,352,922
(Decrease)/ in payables & accruals	(6,701,780)	9,608,643
Cash (used)/ provided by operating activities	(16,542,229)	15,863,876
<u>Cash flows from investing activities</u>		
Financial investments	109,704,997	8,655,774
Loans to members	(188,720,434)	(47,724,771)
Acquisition of property, plant and equipment	(5,824,978)	(4,566,048)
Cash used in investing activities	(84,840,415)	(43,635,045)
<u>Cash flows from financing activities</u>		
Members' shares	32,632,823	20,865,704
Members' deposits	50,753,915	28,851,290
External loans	(1,833)	-
Permanent shares	1,357,897	348,966
Entrance fees	3,422	1,500
Cash provided by financing activities	84,746,224	50,067,460
(Decrease)/increase in cash & cash equivalents	(16,636,420)	22,296,291
Cash & cash equivalents at the beginning of the year	151,356,228	129,059,937
Cash & cash equivalents at the end of the year	134,719,808	151,356,228
<u>Represented by:</u>		
Cash in hand	426,373	47,431
Cash at bank	85,863,879	101,758,306
Short term investments	48,429,556	49,550,491
	134,719,808	151,356,228

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

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

2. Material Accounting Policies

a. Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations adopted by the International Accounting Standards Board (IASB).

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

2. Material Accounting Policies (cont'd)

a. Basis of preparation (cont'd)

New, revised and amended standards and interpretations that became effective during the year.

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, will apply retrospectively for annual reporting periods beginning on or after January 1, 2024.

The amendments promote consistency in application and clarify the requirements in determining if a liability is current or non-current. Under existing IAS 1 requirements, entities classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. Covenants with which the entity must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date.

However, when non-current liabilities are subject to future covenants, entities will now need to disclose information to help users understand the risk that those liabilities could become repayable within twelve months after the reporting date.

This amendment has had no significant impact on the financial statements

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

2. Material Accounting Policies

a. Basis of preparation

IFRS S1 General Requirements for Disclosure of Sustainability-related financial Information, is effective for annual reporting periods beginning on or after January 1, 2024

IFRS S1 requires an entity to disclose information about its sustainability-related risks and opportunities that are useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity. The standard also requires entities to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects'). IFRS S1 prescribes how an entity prepares and reports its sustainability-related financial disclosures and sets out general requirements for the content and presentation of those disclosures so that the information disclosed is useful to users in making decisions relating to providing resources to the entity. Under the standard, entities are required to provide disclosures about the governance processes, controls and procedures, strategies and processes the entity uses to monitor, manage and oversee sustainability-related risks and opportunities, as well as, the entities performance and progress towards any targets the entity has set or is required to meet by law or regulation.

IFRS S2 Climate-related Disclosures, is effective for annual reporting periods beginning on or after January 1, 2024.

IFRS S2 requires entities to disclose information about its climate-related risks and opportunities that is useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity. The standard also requires entities to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects'). IFRS S2 applies to climate-related physical risks; climate-related transition risks; and climate-related opportunities available to an entity. IFRS S2 sets out the requirements for disclosing information about an entity's climate-related risks and opportunities. Under the standard, entities are required to provide disclosures about the governance processes, controls and procedures, strategies and processes the entity uses to monitor, manage and oversee climate-related risks and opportunities, as well as, the entities performance and progress towards any targets the entity has set or is required to meet by law or regulation.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

2. Material Accounting Policies(cont'd)

a. Basis of preparation (cont'd)

New, revised and amended standards and interpretations that have been issued and not yet effective.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability (Effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.)

Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction. In some jurisdictions, no spot rate is available because a currency cannot be exchanged into another currency. IAS 21 was amended to clarify: • when a currency is exchangeable into another currency; and • how a company estimates a spot rate when a currency lacks exchangeability.

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments (Effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.)

Settlement of liabilities through electronic payment systems: There has been diversity in practice over the timing of the recognition and derecognition of financial assets and financial liabilities, particularly when they have been settled using electronic payment system. The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognised and derecognised. Under the amendments, a company generally derecognises its financial liability on the settlement date. Normally this is the date, on which payment is completed. The amendments also provide an exception, which allows the company to derecognise its financial liability before the settlement date, i.e. on the date when payment is initiated and cannot be cancelled. The exception is available when the company uses an electronic payment system that meets all of the following criteria: • no practical ability to withdraw, stop or cancel the payment instruction; • no practical ability to access the cash to be used for settlement as a result of the payment instruction; and • the settlement risk associated with the electronic payment system is insignificant.

Entities can choose to apply the exception to electronic payments on a system-by-system basis. Classification of financial assets with contingent features Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with contingent features represented SPPI, which is a condition for measurement at amortised cost. This could have resulted in such assets being measured at fair value through profit or loss. The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract. Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from the cash flows of an identical financial asset without such a feature. The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

2. Material Accounting Policies (cont'd)

a. Basis of preparation (cont'd)

a. New, revised and amended standards and interpretations that have been issued but not yet effective.(cont'd)

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments (Effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.)

Contractually linked instruments (CLIs) and non-recourse features The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test). Disclosures on investments in equity instruments The amendments require additional disclosures for investments in equity instruments that are measured at fair value through other comprehensive income (FVOCI).

This amendment is not expected to have any significant impact on the financial statements of the Credit Union.

IFRS 18 Presentation and Disclosure in Financial Statements (Effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.) IFRS 18 replaces IAS 1 Presentation of Financial Statements.

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The major changes in the requirements are summarised below. A more structured statement of profit or loss IFRS 18 introduces newly defined 'operating profit' and 'profit or loss before financing and income tax' subtotals and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities: operating, investing and financing. Under IFRS 18, companies are no longer permitted to disclose operating expenses only in the notes. A company presents operating expenses in a way that provides the 'most useful structured summary' of its expenses by either: • nature; • function; or • using a mixed presentation. If any operating expenses are presented by function, then new disclosures apply.

IFRS 18 also requires some 'non-GAAP' measures to be reported in the financial statements. It introduces a narrow definition for Management-defined Performance Measures ("MPMs"), requiring them to be: • a subtotal of income and expenses; • used in public communications outside the financial statements; and • reflective of management's view of financial performance. For each MPM presented, companies need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. Greater disaggregation of information

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

2. Material Accounting Policies (cont'd)

a. Basis of preparation (cont'd)

New, revised and amended standards and interpretations that have been issued but not yet effective.(cont'd)

IFRS 18 Presentation and Disclosure in Financial Statements (Effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.) IFRS 18 replaces IAS 1 Presentation of Financial Statements.(cont'd)

To provide investors with better insight into financial performance, the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. Companies are discouraged from labelling items as 'other' and are required to disclose more information if they continue to do so. Other changes applicable to the primary financial statement

IFRS 18 sets operating profit as a starting point for the indirect method of presenting cash flows from operating activities and eliminates the option for classifying interest and dividend cash flows as operating activities in the cash flow statement (this differs for companies with specified main business activities). It also requires goodwill to be presented as a separate line item on the face of the balance sheet. Transition In its annual financial statements prepared for the period in which the new standard is first applied, an entity shall disclose, for the comparative period immediately preceding that period, a reconciliation for each line item in the statement of profit or loss between:

- the restated amounts presented applying IFRS 18; and the amounts previously presented applying IAS 1.

This amendment is not expected to have any significant impact on the financial statements of the Credit Union.

Reporting currency

The amounts stated in the financial statements are in Jamaican Dollars which is the functional currency of the primary economic environment in which the Credit Union operates. All amounts are rounded to the nearest dollar.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value.

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.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

2. Material Accounting Policies (cont'd)

a) Basis of preparation(cont'd)

Basis of measurement

In addition, for financial reporting purposes, fair value measurements 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.

Use of estimates and judgements

The preparation of the financial statements to conform with International Financial Reporting Standards (**IFRS**) requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to assets and liabilities at the reporting date, and the income and expenses for the year ended. Actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimate is revised, and future period if the revision affects both current and future periods

Judgements made by management in the application of International Reporting Financial Standards (**IFRS**) that have significant effect on the financial statements and estimates with a significant risks of material adjustments are discussed below

I. Useful Lives of Property, plant and equipment

The useful life of property, plant and equipment are reviewed at the reporting date, and, if any expectations differ from previous estimates, the charge is accounted for as a change in accounting estimates.

II. Going concern

The preparation of the financial statements in accordance with International Financial Reporting Standards (**IFRS**) assumes that the Credit Union will continue in operational existence for the foreseeable future. This means that the statement of profit or loss and other comprehensive income and the statement of financial position assume no intention or necessity to liquidate the Credit Union or curtail the scale of operation.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

2. Material Accounting Policies (cont'd)

b) Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognised as an asset if, and only if: It is probable that future economic benefits associated with the item will flow to the Credit Union; and the cost of the item can be measured reliably

An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost.

The Credit Union recognises depreciation under the expense heading of “depreciation” in the period.

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Depreciation is calculated using the straight-line method. The annual rates of depreciation are as follows:

Building 2.5 %
Furniture, fixture and fittings 10%
Office equipment 10%
Computer 20 %

Repairs and maintenance expenditure are charged to the profit or loss during the financial period in which they are incurred.

c) Employee benefits

The cost of providing employee benefits is recognised in the period in which the benefit is earned by the employee, rather than when it is paid, and each category of employee benefits are measured, providing detailed guidance in particular about post-employment benefits.

Post-employment benefit plans are informal or formal arrangements where an entity provides post-employment benefits to one or more employees, e.g. retirement benefits (pensions or lump sum payments), life insurance and medical care.

The accounting treatment for a post-employment benefit plan depends on the economic substance of the plan and results in the plan being classified as either a defined contribution plan or a defined benefit plan.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

2. Material Accounting Policies (cont'd)

c) Employee benefits (cont'd)

The Credit Union contributes to a defined contribution plan. Contribution by the Credit Union to this plan is an expense to the Credit Union and the Credit Union bears no further risk nor obligation.

d) Financial Instruments: Classification; Recognition; Derecognition and Measurement

A financial instrument is an instrument that gives rise to a financial asset in one entity and a financial liability or equity instrument of another entity.

Classification

Financial assets comprise financial investments, loans originated, cash and cash equivalents, and other assets. Financial liabilities comprise voluntary shares, external loans, members deposits and payables. Equity consist of permanent shares and other reserves.

Recognition & Initial Measurement

The Credit Union recognises a financial instrument when it becomes a party to the contractual terms of the instrument. The Credit Union initially recognises loans to members and other assets on the date they are generated. At initial recognition the Credit Union measures a financial asset or liability at its fair value. Transaction cost of assets or liabilities carried at fair value through profit or loss are expensed.

Classification and subsequent re-measurement

The Credit Union has classified its financial instruments in the following measurement categories: amortised cost and fair value through profit or loss and fair value through other comprehensive income.

Financial investments

Financial investments consist of equity and debt instruments which are not expected to be realized within three months. These measured at fair value through the profit or loss , amortized cost or fair value through other comprehensive income.

Loans originated

Loans provided by the Credit Union to its members are classified as loans originated. The objectives of the loan portfolio is to hold and collect contractual cash flows; the performance targets of the portfolio are determined by the compliance rate in terms of interest and principal payments and the key performance index for each portfolio is the delinquency ratio. Loans originated are measured at fair value through the profit or loss.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

2. Material Accounting Policies (cont'd)

d) Financial Instruments: Classification; Recognition; Derecognition and Measurement (cont'd)

Cash & cash equivalents

Cash & cash equivalents are assets that can readily be converted into cash is similar to cash itself because these asset can be sold with little impact on their value. These instruments are measured at amortized cost.

Other assets

Other assets are sundry receivables and prepayments. These are recognized at fair value and measured at amortized cost.

Members' voluntary shares

The voluntary shares are classified as interest bearing liabilities. Interest is calculated and paid annually based on the weighted average balance on the members accounts during the year. The rate of interest is determined by the Board of Directors. Voluntary shares are initially recognized at fair value and subsequently measured at amortized cost.

Members' deposits

These are savings accounts held by the members of the Credit Union. These amounts are payable on demand. Interest on these accounts is calculated and paid annually. The rates of interest paid are determined by the Board of Directors. Members' deposits are classified as financial liabilities and are measured at amortized cost.

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. These shares are classified as equity and are measured at their nominal value.

Payables & accruals

These are short term liabilities which are recognized at fair value and measured at amortized cost

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

2. Material Accounting Policies (cont'd)

e) 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 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.

f) Non-institutional capital

Non institutional capital are amounts approved by the members at their annual general meetings and set aside to facilitate outreach and development activities of the Credit Union.

g) Revenue recognition

Interest on loans

Interest on loans is recognized when interest is calculated on the outstanding balance at the beginning of each month, using the reducing balance method. When a loan is classified as impaired, recognition of interest in accordance with the original terms and conditions of the loan ceases and interest is taken into account on the cash basis.

Interest on investments

Interest income from investments is recognized on the accrual basis.

Rental income

Rental income is earned from part of the building located at 27 Parkington Plaza is recognized on the accrual basis.

Commission and Fees

Fees and commission income are recognized at fair value and subsequently measured at amortized cost.

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INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

2. Material Accounting Policies (cont'd)

g) Interest expense

Interest expense is recognized in the statement of profit or loss for interest bearing liabilities on the accrual basis using the weighted average method.

h) Operating expense

Operating expenses are recognized in profit or loss upon utilization of the service or as incurred.

i) Allowance for loan Impairment

The Credit Union recognizes loss allowances for expected credit loss on financial assets that are debt instruments and that are not measured at fair value through other comprehensive income.

An allowance for loan impairment is established based on lifetime expected credit loss (ECL) which is the ECL that results from all possible default events over the expected life of the loan. Loans for which a lifetime ECL is recognized but which are not credit impaired are referred to as 'stage 1'. If significant increase in credit risk since initial recognition is identified, the loan moves to 'stage 2', but is not yet credit impaired. If the loan is credit impaired it moves to 'stage 3'.

The loan loss provision is derived based on a model which takes account of, among other factors, the carrying amount and the recoverable amount, being the present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted at the original effective rate of interest of the loan and the probability of default.

Provision is calculated as follows:

State 1: 12 months loan repayments for loans 30 days past due

Stage 2: Principal & interest for loans 31-90 days past due

Stage 3: Principal only for loans over 90 days past due.

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INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

2. Material Accounting Policies (cont'd)

j) Allowance for loan Impairment.(cont'd)

Regulatory provision

In both current and prior year regulatory provisions are established for loans originated as a result of a review of the carrying value of loans in arrears and are derived based on the requirements stipulated by the Jamaica Co-operative Credit Union League Limited (JCCUL) provisioning policy of making full provision for loans in arrears over twelve months. General provisions ranging from 10 % to 60% are established in respect of loans in arrears for two to twelve months. If the regulatory provision exceeds International Financial Reporting Standards the difference is transferred to the loan loss reserve as an appropriation of undistributed surplus.

k) Write-off

Loans are written off (either partially or in full when there is no reasonable expectation of recovering it in its entirety or a portion thereof. This is generally the case when the Credit Union determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts written off could still be subject to enforcement activities in order to comply with the Credit Union's procedures for recovery of amounts due.

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INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2024

2. Material Accounting Policies (cont'd)

l) Comparative information

Certain prior year figures have been restated to conform to correct year 's presentation as stated below.

<u>Assets</u>	Notes	Previously Stated <u>2023</u> \$	Changes	Restated <u>2023</u> \$
Non-current assets				
Earning:				
Financial investments	5	194,755,243	-	194,755,243
Loans originated	6	63,145,708	1,374,283,603	1,437,429,311
		<u>257,900,951</u>	<u>1,374,283,603</u>	<u>1,632,184,554</u>
Non-earning:				
Property, plant & equipment	7	45,739,983	-	45,739,983
		<u>45,739,983</u>	<u>-</u>	<u>45,739,983</u>
Current assets				
Earning:				
Financial investments	5	322,995,432	-	322,995,432
Loans originated	6	1,429,589,439	(1,374,283,603)	55,305,836
Cash & cash equivalents	8	69,842,709	-	69,842,709
		<u>1,822,427,580</u>	<u>(1,374,283,603)</u>	<u>448,143,977</u>
Non-earning:				
Other assets	9	20,629,122	(6,929,878)	13,699,244
Cash & cash equivalents	10	81,513,519	-	81,513,519
		<u>102,142,641</u>	<u>(6,929,878)</u>	<u>95,212,763</u>
Total assets		<u><u>2,228,211,155</u></u>	<u><u>(6,929,878)</u></u>	<u><u>2,221,281,277</u></u>

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INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

2. Material Accounting Policies (cont'd)

I) Comparative information (cont'd)

<u>Equity and liabilities</u>	<u>Notes</u>	<u>Previously Stated 2023</u> \$	<u>Changes</u>	<u>Restated 2023</u> \$
Equity:				
Members' permanent shares	11	27,016,009	-	27,016,009
Institutional capital	12	265,842,570	-	265,842,570
Non-institutional capital	13	162,610,848	2,613,321	165,224,169
Undistributed surplus	14	(17,866,096)	(31,001,403)	(48,867,499)
		<u>437,603,331</u>	<u>(28,388,082)</u>	<u>409,215,249</u>
Non-current liabilities				
Interest-bearing liabilities:				
Members' voluntary shares	15	856,136,028	(763,355,254)	92,780,774
External loans	17	73,378,906	(73,378,906)	-
		<u>929,514,934</u>	<u>(836,734,160)</u>	<u>92,780,774</u>
Current liabilities				
Interest-bearing liabilities:				
Members' voluntary shares	15	738,257,741	-	800,087,343
Members' deposits	16	786,575,839	-	786,575,839
External loans	17	-	73,671,617	73,671,617
		<u>1,524,833,580</u>	<u>73,671,617</u>	<u>1,660,334,799</u>
Non-interest-bearing liabilities:				
Deferred income	18	-	4,599,876	4,599,876
Payables & accruals	19	37,784,962	16,858,328	54,643,290
		<u>37,784,962</u>	<u>21,458,204</u>	<u>59,243,166</u>
Total equity and liabilities		<u>2,929,736,807</u>	<u>(769,992,421)</u>	<u>2,221,573,988</u>

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INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

2. Material Accounting Policies (cont'd)

l) Comparative information (cont'd)

<u>Assets</u>	<u>Notes</u>	Previously Stated <u>2022</u> \$	Changes	Restated <u>2022</u> \$
Non-current assets				
Earning:				
Financial investments	5	212,897,012	-	212,897,012
Loans originated	6	1,385,493,734	(39,353,786)	1,346,139,948
		<u>1,598,390,746</u>	<u>(39,353,786)</u>	<u>1,559,036,960</u>
Non-earning:				
Property, plant & equipment	7	42,574,367	-	42,574,367
		<u>42,574,367</u>	<u>-</u>	<u>42,574,367</u>
Current assets				
Earning:				
Financial investments	5	313,365,460	-	313,365,460
Loans originated	6	68,606,981	-	68,606,981
Cash & cash equivalents	8	59,516,642	-	59,516,642
		<u>441,489,083</u>	<u>-</u>	<u>441,489,083</u>
Non-earning:				
Other assets	9	28,136,114	(6,929,878)	21,206,236
Cash & cash equivalents	10	54,845,506	-	54,845,506
		<u>82,981,620</u>	<u>-</u>	<u>76,051,742</u>
Total assets		<u>2,165,435,816</u>	<u>(39,353,786)</u>	<u>2,119,152,152</u>

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INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

2. Material Accounting Policies (cont'd)

l) Comparative information (cont'd)

Equity and liabilities	Notes	Previously Stated <u>2022</u> \$	Changes	Restated <u>2022</u> \$
Equity				
Members' permanent shares	11	26,667,043	-	26,667,043
Institutional capital	12	265,841,070	-	265,841,070
Non-institutional capital	13	145,789,526	(39,353,786)	106,435,740
Undistributed surplus	14	(4,436,721)	(10,363,831)	(14,800,552)
		<u>433,860,918</u>	<u>(49,717,617)</u>	<u>384,143,301</u>
Non-current liabilities				
Interest-bearing liabilities				
Members' voluntary shares	15	872,002,413	(802,242,220)	69,760,193
External credit	17	73,671,617	(73,671,617)	-
		<u>945,674,030</u>	<u>(875,913,837)</u>	<u>69,760,193</u>
Current liabilities				
Interest-bearing liabilities				
Members' voluntary shares	15	-	802,242,220	802,242,220
Members' deposits	16	757,724,549	-	757,724,549
External credit	17	-	73,671,617	73,671,617
		<u>757,724,549</u>	<u>875,913,837</u>	<u>1,633,638,386</u>
Non-interest-bearing liabilities				
Deferred income	18	-	3,433,953	3,433,953
Payables & accruals	19	28,176,319	-	28,176,319
		<u>28,176,319</u>	<u>3,433,953</u>	<u>31,610,272</u>
Total equity and liabilities		<u><u>2,165,435,816</u></u>	<u><u>(46,283,664)</u></u>	<u><u>2,119,152,152</u></u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

3. Financial risk management

The Credit Union activities are related to the use of financial instruments which involves analysis, evaluation and management of risks. The Board of Director is responsible for the establishment of the risk management framework.

The Credit Union has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

a) 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 and debt instruments with other institutions.

Loans to members

The management of credit risk in respect of loans to members and guarantees is delegated to the Credit Committee. The Committee is responsible for oversight of the Credit Union's credit risk, including formulating credit policies, establishing the authorisation structure for the approval of credit facilities, reviewing and assessing credit risk, limiting concentration of exposure to counterparties and developing and maintaining the Credit Union's risk grading. There is a documented credit policy in place which guides the Credit Union's credit review process.

Exposure to credit risk

The carrying amount of financial assets represents the maximum exposure to credit risk before recognition of collateral held) at the end of the reporting period was:

	<u>2024</u>	<u>2023</u>
	\$	\$
Loans originated	1,605,089,910	1,713,041,439
Cash & cash equivalents-earning	87,314,857	69,842,709
Financial investments	356,211,726	194,755,243
Other assets	25,795,753	13,699,244
Cash & cash equivalents-non-earning	47,494,986	81,513,519
	<u>2,121,907,232</u>	<u>2,072,852,154</u>

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INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

3. Financial risk management (cont'd)

b) Liquidity risk

Liquidity risk is the risk that the Credit Union will encounter difficulty in meeting obligations for its financial liabilities. The Credit Union's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient funds to meet its obligations 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.

The Credit Union is subject to a liquidity limit imposed by the Credit Union League and compliance is regularly 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; loans which are expected to be repaid within the year, cash 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 reporting period was as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Cash resources:		
Other assets	9,391,793	13,699,244
Loans originated	33,816,069	28,120,683
Cash & cash equivalents- earning	87,314,857	69,842,709
Cash & cash equivalents- non-earning	47,404,951	13,699,244
	<u>177,927,670</u>	<u>125,361,880</u>
Saving deposits and other liabilities:		
Voluntary shares	738,257,741	701,079,382
Members deposits	837,329,754	786,575,839
External credit	1,833	-
Payables & accruals	47,941,510	54,643,290
	<u>1,623,530,838</u>	<u>1,542,298,511</u>
Ratio	11%	8%

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INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

3. Financial risk management (cont'd)

b) Liquidity risk (cont'd)

The following table presents the undiscounted contractual maturities of financial liabilities, on the basis of their earliest possible contractual maturity.

	2024			Carrying value
	Within 3 months	3 to 12 months	Over 12 months	
	\$	\$	\$	
Members' share capital	738,257,741	117,878,287	69,364,912	925,500,940
Members' deposits	837,329,754	-	-	837,329,754
External credit	-	73,377,073	-	73,377,073
Payables and accruals	47,941,510	-	-	47,941,510
	<u>1,623,529,005</u>	<u>191,255,360</u>	<u>69,364,912</u>	<u>1,884,149,277</u>

	2023			Carrying value
	Within 3 months	1 to 3 months	Over 12 months	
	\$	\$	\$	
Members' share capital	701,079,382	99,007,961	92,780,774	892,868,117
Members' deposits	786,575,839	-	-	786,575,839
External credit	-	73,378,906	-	73,378,906
Payables and accruals	54,643,290	-	-	54,643,290
	<u>1,542,298,511</u>	<u>172,386,867</u>	<u>92,780,774</u>	<u>1,807,466,152</u>

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INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2024

3. Financial risk management (cont'd)

c) 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 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.

Currency risk

Currency risk is the risk that the market value of, or the cash flows from, financial instruments will vary because of exchange rate fluctuations. The Credit Union is exposed to currency risks in respect to savings account held in United States Dollars

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. The Credit Union exposure to interest rate risk at the end of reporting period was as follows:

	2024			
	Within 3 months	3 to 12 months	Over 12 months	Carrying value
Assets	\$	\$	\$	\$
Loans originated	36,760,819	36,738,628	1,607,784,591	1,681,284,038
Cash & cash equivalents-earning	87,314,857	-	-	87,314,857
Financial investments	-	51,833,952	356,211,726	408,045,678
	124,075,676	88,572,580	1,963,996,317	2,176,644,573
Liabilities				
Savings deposits	837,329,754	-	-	837,329,754
Members' shares	738,257,741	117,878,287	69,364,912	925,500,940
External credit	-	73,377,073	-	73,377,073
	1,575,587,495	191,255,360	69,364,912	1,836,207,767
Total interest rate gap	(1,451,511,819)	(102,682,780)	1,894,631,405	340,436,806
Cumulative gap	(1,451,511,819)	(1,554,194,599)	340,436,806	-

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INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

3. Financial risk management (cont'd)

c) Market risk (cont'd)

Interest rate risk (cont'd)

	2023			
	Within 3 months	3 to 12 months	Over 12 months	Carrying value
<u>Assets</u>	\$	\$	\$	\$
Loans originated	32,779,936	30,365,771	1,429,997,364	1,493,143,071
Cash & cash equivalents-earning	69,842,709	-	-	69,842,709
Financial investments	-	322,995,432	194,755,243	517,750,675
	102,622,645	353,361,203	1,624,752,607	2,080,736,455
<u>Liabilities</u>				
Savings deposits	786,575,839	-	-	786,575,839
Members' shares	701,079,382	99,007,961	92,780,774	892,868,117
External credit	-	73,378,906	-	73,378,906
	1,487,655,221	172,386,867	92,780,774	1,752,822,862
Total interest rate gap	(1,385,032,576)	180,974,336	1,531,971,833	327,913,593
Cumulative gap	(1,385,032,576)	(1,204,058,240)	327,913,593	-

4. Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Credit Union's processes, personnel, technology and infrastructure and from external factors other than financial risks such as arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. The primary responsibility for the development and implementation of control to identify operational risk is assigned to the Board of Directors. This responsibility is supported by overall co-operative standards for the management of operational risk in following areas:

Requirements for periodic assessment of operational risk faced, and the adequacy of controls and procedure to address the risks identified.

Requirements for the appropriate segregation of duties, including the independent authorisation of transactions;

Compliance with regulatory and other legal requirements;

Documentation of controls and procedures;

Requirements for the reporting of operational losses and proposed remedial action;

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INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024

4. Operational risk (cont'd)

Development of contingency plans;

Ethical and business standards;

Risk, mitigation, including insurance where this is effective;

Compliance with the Credit Union's policies is supported by a programme of periodic reviews;

Capital management

The Credit Union's objective when managing capital is to safeguard the Credit Union's ability to continue as a going concern. The Credit Union defines its capital as permanent shares, institutional capital and special reserve. Its dividend pay-out takes into account the maintenance of an adequate capital base. The Credit Union is required by the Jamaica Co-operative League Limited to maintain its capital ratio at a minimum of 10 % of total assets. At the end of the reporting period, the ratio was 13% (2023:-13%) which is in compliance with the requirements.

Insurance

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

- Fidelity bond
- Life savings & loan protection
- General all risks

Related party balances

At December 31, 2024, members of the Credit Union's Board of Directors, Committee members and staff had savings and loans as stated below:

	<u>2024</u>	<u>2023</u>
	\$	\$
Savings	16,464,655	23,195,422
Loans (inclusive of interest)	26,937,075	29,657,943

During the year, no director nor committee member received any loan which necessitated a waiver of the loan policy.

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2024

4. Operational risk (cont'd)

Collaterals

The Credit Union holds collateral against loans to members in the form of mortgage interest 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.

Staff Complement

	<u>2024</u>	<u>2023</u>
Number of persons employed		
Full time	24	23
	<u>24</u>	<u>23</u>

Comparison of general ledger and members' ledger balances

	Permanent Shares	Voluntary Shares	2024	
			Deposits	Loans
			\$	\$
Balance as per general ledger	28,373,906	925,500,940	828,201,921	1,681,284,038
Balance as per members' ledger	<u>28,373,906</u>	<u>925,500,940</u>	<u>828,201,935</u>	<u>1,681,284,038</u>
Differences	<u>-</u>	<u>-</u>	<u>(14)</u>	<u>-</u>

	Permanent Shares	Voluntary Shares	2023	
			Deposits	Loans
			\$	\$
Balance as per general ledger	27,016,009	892,868,117	780,093,607	1,493,143,071
Balance as per members' ledger	<u>27,016,009</u>	<u>892,868,117</u>	<u>780,093,607</u>	<u>1,493,143,071</u>
Differences	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

5. Financial investments

	<u>2024</u>	<u>2023</u>
Non-current	\$	\$
Equity Instruments-Unquoted-FVTPL	6,104,088	6,183,239
Debt Instruments-FVTOCI	97,621,366	70,864,317
Debt Instruments-FVTPL	212,486,272	42,690,446
Debt Instruments-Amortized cost	40,000,000	75,017,241
	<u>356,211,726</u>	<u>194,755,243</u>
Current		
Debt Instruments-Amortized cost	34,824,836	-
Debt Instruments-FVTPL	15,000,000	322,995,432
Interest receivable	2,009,116	-
	<u>51,833,952</u>	<u>322,995,432</u>

6. Loans originated

	<u>2024</u>			
	Within 3 months	3 to 12 months	Over 12 months	Carrying Value
	\$	\$	\$	\$
Principal	36,760,819	36,738,628	1,607,784,591	1,681,284,038
Interest receivable	-	-	6,403,044	6,403,044
Less expected credit loss	(2,944,750)	(3,286,751)	-	(6,231,501)
Carrying value	<u>33,816,069</u>	<u>33,451,877</u>	<u>1,614,187,635</u>	<u>1,681,455,581</u>

	<u>2023</u>			
	Within 3 months	3 to 12 months	Over 12 months	Carrying Value
	\$	\$	\$	\$
Principal	32,779,936	30,365,771	1,429,997,364	1,493,143,071
Interest receivable	-	-	7,431,947	7,431,947
Less expected credit loss	(4,659,253)	(3,180,618)	-	(7,839,871)
Carrying value	<u>28,120,683</u>	<u>27,185,153</u>	<u>1,437,429,311</u>	<u>1,492,735,147</u>

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INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2024

6. Loans originated (cont'd)
Movement in loan loss provision

	<u>2024</u>	<u>2023</u>
	\$	\$
Allowance for loan loss at the beginning of year	7,839,871	5,226,550
(Decrease) / Increase in provision based on ECL calculations	<u>(1,608,370)</u>	<u>2,613,321</u>
	<u>6,231,501</u>	<u>7,839,871</u>
	<u>6,231,501</u>	<u>7,839,871</u>

Provision for loan loss

The credit union provides for loan loss using the expected credit loss model. At the end of reporting period the provision for loan loss was as follows:

2024

Stages	Aging	Number of Loans	Expected Credit Loss
			\$
Stage 1	1-30 days	1698	2,944,750
Stage 2	31-89 days	19	498,080
Stage 3	Over 90 days	39	2,788,671
Total		1756	6,231,501

2023

Stages	Aging	Number of Loans	Expected Credit Loss
			\$
Stage 1	1-30 days	1602	4,659,253
Stage 2	31-89 days	8	140,083
Stage 3	Over 90 days	46	3,040,535
Total		1656	7,839,871

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2024

6. Loans originated(cont'd)

Provision required by the rules of the Jamaica Co-operative Credit Union League Limited are stated below for comparative purposes.

Months in Arrears	2024			
	Total Number of loans	Total Delinquent loans	Provision	
		\$	\$	%
Less than 2 months				-
2-3 months	11	10,341,770	1,034,177	10%
4-6 months	5	477,420	143,226	30%
7- 12 months	14	19,802,147	11,881,288	60%
Over 12 months	78	60,931,677	60,931,677	100%
Total	108	91,553,014	73,990,368	

Months in Arrears	2023			
	Total Number of loans	Total Delinquent loans	Provision	
		\$	\$	%
Less than 2 months				-
2-3 months	10	15,975,141	1,597,514	10%
4-6 months	8	8,192,671	2,457,801	30%
7- 12 months	14	11,143,853	6,686,312	60%
Over 12 months	74	47,383,304	47,383,304	100%
Total	106	82,694,969	58,124,931	

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2024

7. Property, plant & equipment

	Land & Building	Furniture, Fixtures & Fittings	Office Equipment	Computer	Total
<u>At cost/Revaluation</u>	\$	\$	\$	\$	\$
December 31, 2022	17,047,906	5,492,618	16,168,863	38,542,076	77,251,463
Acquisitions	-	148,212	177,829	4,240,007	4,566,048
December 31, 2023	17,047,906	5,640,830	16,346,692	42,782,083	81,817,511
Acquisitions	507,800	415,278	614,575	4,287,325	5,824,978
December 31, 2024	17,555,706	6,056,108	16,961,267	47,069,408	87,642,489
<u>Accumulated depreciation</u>					
December 31, 2022	5,228,717	3,999,265	12,696,460	12,752,654	34,677,096
Charge for the year	364,582	112,167	653,313	270,370	1,400,432
December 31, 2023	5,593,299	4,111,432	13,349,773	13,023,024	36,077,528
Charge for the year		192,459	341,415	482,397	1,016,271
December 31, 2024	5,593,299	4,303,891	13,691,188	13,505,421	37,093,799
<u>Carrying value</u>					
December 31, 2024	11,962,407	1,752,217	3,270,079	33,563,987	50,548,690
December 31, 2023	11,454,607	1,529,398	2,996,919	29,759,059	45,739,983

8. Cash & cash equivalents -earning

	<u>2024</u>	<u>2023</u>
	\$	\$
Bank accounts	38,885,301	20,292,218
Short term investments	48,429,556	49,550,491
	<u>87,314,857</u>	<u>69,842,709</u>

9. Other Assets

	<u>2024</u>	<u>2023</u>
	\$	\$
Premium receivable	-	1,781,277
Withholding tax	4,115,755	4,115,755
Prepaid expense	2,768,398	2,727,549
Security deposit	-	34,188
other receivables	2,507,640	5,040,475
	<u>9,391,793</u>	<u>13,699,244</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

10. Cash & cash equivalents-non-earning

	<u>2024</u>	<u>2023</u>
	\$	\$
Cash in hand	63,526	47,431
Cash at bank	47,431,460	81,466,088
	<u>47,494,986</u>	<u>81,513,519</u>

11. Permanent Shares

	<u>2024</u>	<u>2023</u>
	\$	\$
Balance January 1,	27,016,009	26,667,043
Add subscription	1,357,897	348,966
	<u>28,373,906</u>	<u>27,016,009</u>

12. Institutional capital

	<u>2024</u>	<u>2023</u>
	\$	\$
Balance January 1,	265,842,570	265,821,284
Entrance fees	3,422	21,286
	<u>265,845,992</u>	<u>265,842,570</u>

13. Non-institutional capital

	<u>2024</u>	<u>2023</u>
	\$	\$
General reserves	3,000,000	3,000,000
Gain on investments	30,907,794	35,137,781
Share transfer fund	601,290	577,321
General reserves	73,610,686	73,610,686
Loan loss reserve	67,758,867	52,898,381
	<u>175,878,637</u>	<u>165,224,169</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

14. Accumulated deficit

	<u>2024</u>	<u>2023</u>
	\$	\$
Balance at January 1,	(48,867,499)	(14,800,552)
Current year surplus	(13,749,068)	(2,498,121)
Prior year adjustment-accrued expenses		(16,858,328)
Amortized loan fees	-	(1,165,923)
Transfer to loan loss reserve	(14,860,486)	(13,544,575)
	<u>(77,477,053)</u>	<u>(48,867,499)</u>

15. Members' Voluntary Shares

<u>2024</u>			
Within 3 months	3 to 12 months	Over 12 months	Carrying value
<u>Current</u>		<u>Non-current</u>	
\$	\$	\$	\$
738,257,741	117,878,287	69,364,912	925,500,940

<u>2023</u>			
Within 3 months	3 to 12 months	Over 12 months	Carrying value
<u>Current</u>		<u>Non-current</u>	
\$	\$	\$	\$
701,079,382	99,007,961	92,780,774	892,868,117

16. Members deposits

	<u>2024</u>			
	Within 3 months	3 to 12 months	Over 12 months	Carrying value
	\$	\$	\$	\$
Regular deposits	708,669,956	-	-	708,669,956
Term deposits	119,531,965	-	-	119,531,965
Accrued interest	9,127,833	-	-	9,127,833
	<u>837,329,754</u>	<u>-</u>	<u>-</u>	<u>837,329,754</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

16. Members deposits (cont'd)

	2023			Carrying value
	Within 3 months	3 to 12 months	Over 12 months	
	\$	\$	\$	\$
Regular deposits	117,846,136	-	-	117,846,136
Term deposits	662,247,471	-	-	662,247,471
Accrued interest	6,482,232	-	-	6,482,232
	<u>786,575,839</u>	<u>-</u>	<u>-</u>	<u>786,575,839</u>

17. External credit

	2024	2023
	\$	\$
Sagicor Life Jamaica Limited	48,101,919	48,101,919
Guardian Life Jamaica Limited	25,275,154	25,276,987
	<u>73,377,073</u>	<u>73,378,906</u>

Loan from Sagicor Life Jamaica Limited matures November 2025 and is secured by Building located at 27, Parkington Plaza, Kingston 10 and bears an interest rate of 2.25% per annum.

Loan from Guardian life Limited matures August 2025 and is secured by deposits held at Credit Union Fund Management Company Limited and bears an interest of 5 % per annum.

18. Deferred income

	2024	2023
	\$	\$
Amortized fees	7,390,791	4,599,876
	<u>7,390,791</u>	<u>4,599,876</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

19. Payables & accruals

	<u>2024</u>	<u>2023</u>
	\$	\$
Accrued expenses	28,669,071	30,479,351
Audit fees	1,368,700	1,785,000
Death claims	2,640,167	2,537,460
General Consumption Tax	1,931,873	2,035,699
Withholding tax	3,159,788	3,376,612
QNET	1,300,863	1,136,701
Honoraria	374,188	374,188
Other payables	7,988,086	3,226,033
Premiums payable	207,357	9,390,829
Security deposit	301,417	301,417
	<u>47,941,510</u>	<u>54,643,290</u>

20. Staff cost

	<u>2024</u>	<u>2023</u>
	\$	\$
Salaries and allowances	110,930,970	93,329,291
Staff training	1,067,895	733,165
Travelling	324,278	1,242,064
Pension	7,254,093	6,725,788
	<u>119,577,236</u>	<u>102,030,308</u>

21. Administrative expenses

	<u>2024</u>	<u>2023</u>
	\$	\$
Audit fee	1,955,000	1,790,700
Depreciation	1,016,271	1,400,432
Donation	388,734	10,000
Electricity	4,364,566	4,243,928
Insurance	7,242,542	6,694,452
FIP expenses	1,945,295	1,920,174
Office expenses	5,834,140	7,610,118
Office rental	2,037,006	1,913,163
Professional fees	11,944,417	4,759,630
Repairs and maintenance	4,088,518	1,779,709
Security	3,499,013	3,637,982
Telephone and postage	7,981,633	7,196,059
Water	394,284	2,217,841
	<u>52,691,419</u>	<u>45,174,188</u>

FINANCIALS

INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024

22. Promotion expenses

	<u>2024</u>	<u>2023</u>
	\$	\$
Advertising and promotion	4,967,296	3,994,763
	<u>4,967,296</u>	<u>3,994,763</u>

23. Representation & Affiliation expenses

	<u>2024</u>	<u>2023</u>
	\$	\$
League fees	4,409,300	4,394,870
Stabilization dues	2,517,751	2,037,159
Seminars & meetings	4,985,075	5,052,040
	<u>11,912,126</u>	<u>11,484,069</u>

24. Finance cost

	<u>2024</u>	<u>2023</u>
	\$	\$
Interest on external credit	1,953,510	2,017,289
Bank charges	4,370,815	2,788,538
	<u>6,324,325</u>	<u>4,805,827</u>

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 2024.

OVERVIEW

In 2024 all Credit Unions adopted IFRS 15 as a requirement by the Department of Co-operatives and Friendly Societies. This also required restating the audited financials from 2022. This standard requires fee income on loans to be amortized over the period of the loan rather than assigned to the year of origination. This measure therefore assigns income received this year to future years. This overview will be based on the restated results.

Total assets grew by 2.8% or \$63 million to close 2024 at \$2.28 billion (2023 - \$2.22 billion).

During the year, finance costs associated with deposit products increased marginally by 6.5% or \$1.2M from \$18.2M to \$19.5M in line with the increase in deposits over the period. Interest income on loans increased by 10.3% as loans increased by \$189M or 12.6%. Simultaneously, operating expenses increased by \$28M or 16.7% driven by staff costs (\$17M), Administrative costs (\$7M) and finance costs (\$1.5M). The expected credit loss actually improved slightly by \$4.2M.

In light of the above, we recognized a deficit of \$13.7M for the year 2024, compared to an overall surplus of \$3.39M in 2023.

INCOME

Loans after provisions increased by 12.7%, with interest on loans overall increasing by \$6M or 4%. Investment income increased by \$11M or 50% 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 assigned to 2024 records a reduction by 23% compared to 2023.

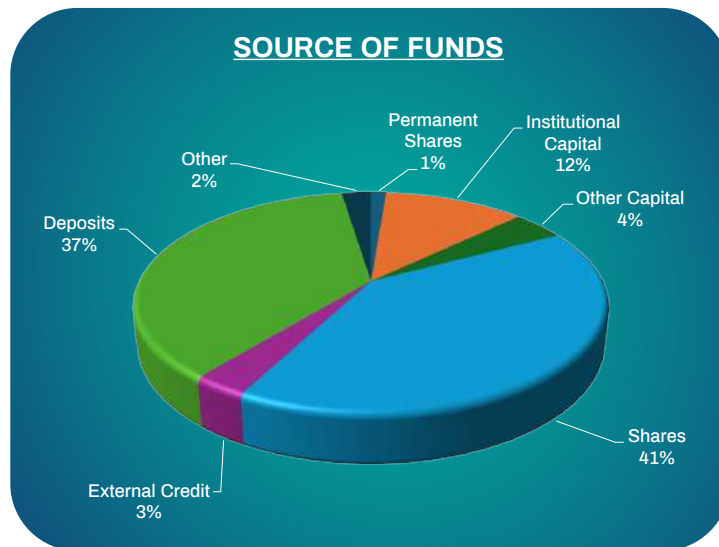
Our return on property was essentially unchanged over prior year. Overall the total revenue increased by \$17M or 10%.

MEMBERS' SAVINGS

Members' savings in share accounts increased by 3.6% or \$32.7M as at 31 December 2024. Deposits also increased by \$51M or 6.4%. These deposits form the pool from which funds are made available for loans 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.

TREASURER REPORT

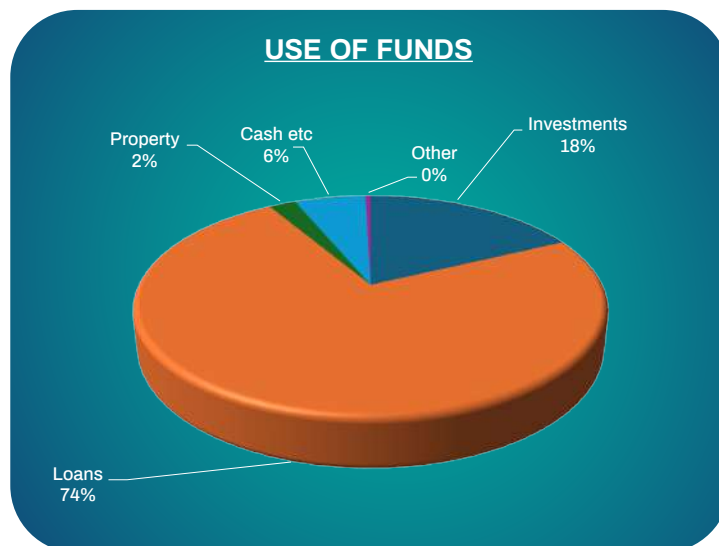
The chart, **Sources of Funds** shows both the sources and the percentage mix of the Credit Union's funds that are used for lending. Members' savings (Voluntary shares- 41% and savings deposits -37%) comprised 78% of the total.



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 73% over the last period is a significant increase over the 66% of the prior year. This improvement has driven an increase in delinquency to 7.34% compared to the prior year of 5.5%. This is a cause of concern and will force measures to counter this effect. 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, 2024

<u>Protection</u>	STANDARD	2024	2023	2022	2021	2020
Adequacy of A.L.L For Delinquency > 12 Months	100%	100%	100%	100%	100%	100%
Net Capital /Asset	> 8%	11.34%	13.15%	12%	14%	14.5%
<u>Effective Financial Structure</u>						
Net Loans / Total Assets	60-80%	73.12%	66.79%	67%	68%	68.6%
Total Savings / Total Assets	70-80%	76.5%	75.35%	75%	74%	74.6%
<u>Asset Quality</u>						
Delinquent Loans / Gross Loans	≤ 5%	7.34%	5.54%	5.2%	3.4%	3.8%
Total Non-Earning Assets / Total Assets	< 7%	6.55%	7.89%	8%	4.5%	3.5%
<u>Rate of Return & Costs</u>						
Cost of Funds / Average Member Savings	> 8%	1.16%	1.12%	0.2%	0.57%	0.4%
Operating Expenses / Average Assets	< 8%	8.39%	7.36%	7.2%	6.6%	6.7%
Net Income / Average Assets	2.30%	-1.02%	-0.48%	0%	0%	0%
<u>Liquidity</u>						
Liquid investments / Members Savings	20-30%	20.22%	29.68%	31%	39%	35%
<u>Signs of Growth</u>						
Total Assets	> 2.4%	2.97%	2.97%	4.3%	3.8%	6.5%
Membership	> 1.6%	14.14%	1.41%	1%	1%	1.3%

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.

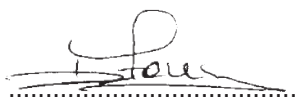
CONCLUSION

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
Stephen Levy – Secretary
Damion White
Pauline Givans
Eugenie Cousins

Overview - 2024 was a challenging year for the credit union. We recorded a \$13.75m deficit for the financial year, we continued to miss some key PEARLS Ratio targets and our battle with signs of growth continued. Our Gross Margin grew by 10%, but expenses grew by 17% to effectively wipe out this gain, the most significant growth was recorded in the category of Personnel Expenses, which was up by 17% over last year due to realignments and the market value of new hires to fill the vacancies previously highlighted.

On a positive note, it must be mentioned that the growth in membership was at 14%, which exceeded the benchmark standard of 5%, up from 2.97% recorded for 2023 which is very encouraging and needs to be highlighted.

Third Party Audits - Jamaica Co-Operative Credit Union League Ltd. Stabilization Unit, performed an examination. This was done in March of 2024 and the report was issued December 5, 2024. The primary objectives of the inspection were as follows:

- To determine the financial state of the credit union.
- To conduct a Governance Audit and establish the safety of members' interest in the credit union.
- To make any relevant recommendations about the continued operation of the credit union in the short term.

The performance was assessed using the PEARLS-M rating system and below were the major concerns highlighted:

- There are deficiencies in the governance and management of the affairs of the credit union.
- Policies and procedures need review and update.

SUPERVISORY COMMITTEE REPORT

- Internal controls relating to the accounting function are weak or in some instances non-existent.
- There is no segregation of functions regarding the IT operating system. The incumbent System & Process Manager has full access to all aspects of the system.
- Bank reconciliations are not up to date
- Several suspense accounts and unreconciled balances exist which could result in members' accounts not being updated in a timely manner and could give rise to fraudulent activities

You will note that two of the points were previously highlighted by the Supervisory Committee in prior reports to the members. The latter two points were discussed with the auditors and highlighted to the Management during the year ended. We make this point as most of the areas that were reported are not new areas of concern but rather know deficiencies which we need to hastily address.

Committee Reports – For the year under review the Committee took a risk-based approach to prioritize the areas of concern coming out of prior AGM meetings and meetings with management, the following four (4) key areas were singled out for attention and a synopsis of work done to date is presented.

Delinquency – We have noted and spoken about the value of the provisions being carried and their impact on the credit union. The Standards provide guidance on the treatment of delinquent loans, and we observed that these were not being followed. On investigation we were informed that there was an error in the system which resulted in the creation of additional suspense accounts when they attempted to pass the entries required which further complicated the accounting process. The Team was in dialog with the software providers to have this matter rectified, we expressed dissatisfaction at the pace at which this was being done and recommended a manual fix. The manual fix was not done either because the software providers had highlighted that the error was due to procedural issues and were actively working on discovery and training to correct our inability to make the relevant entries. We have agreed that based on the discussions and suggestions from the providers the fix and the entries will be completed in financial year 2025.

Membership Growth and Marketing – For this critical area we attempted to aid in providing solutions to get this key function moving so that we can satisfy the cries of the membership. We can report that there were several initiatives undertaken to include an updated Marketing Plan, a committee to guide the process which was supported by and included members from the Board of Directors, to ensure decisions can be implemented quickly and a doubling down on efforts by the marketing team. We have begun to see the rewards being reflected in the numbers. The work continues and the team members assigned continue to have regular dialogue with all involved to ensure we keep up the momentum.

Loans Portfolio – There has been some work done to review and get an understanding of how ideally, we should be functioning in the review, granting and administration of loans. Most of the work done in this area so far has been preparatory to carry out a follow audit to be done in 2025. We must caution that this is a technical area so a proper understanding is required before we can do the physical work if we are to add value and make effective recommendations.

Financial Reports – Under this broad portfolio we have reviewed several areas and made recommendations to have these areas strengthened. We have highlighted the 115% increase in the deficit recorded over last year and have challenged the management to come up with a strategy to mitigate against this slide with measurable objectives so that we can halt the erosion of the members' investment. We have highlighted the state of the reconciliations and made recommendations for a project team to be implemented to have these cleared and we can report that this was ongoing. We have highlighted the impact of the delinquency portfolio on the optics of the Financial Statements, but due to the finding disclosed under the Delinquency review we will hold steady for this to be corrected in 2025.

The PEARLS Ratios are used as a benchmark for how the credit union should be performing, there are standards set over six (6) key areas and twelve (12) specific standards. We can report that the credit union made 8 of the 12 standards but failed to meet 4 of them which we have detailed below.

Standard	Benchmark	Actual
Delinquent Loans/Loans Granted	<5%	5.45%
Operating Expenses/Average Assets	<8%	8.39%
Net Income (Loss)/Average Assets	>2.23%	(1.02%)
Growth in Total Assets	>8%	2.97%

As you can see two (2) of the five were closely missed by less than a percentage point.

Conclusion - We wish to thank the members of the Supervisory Committee who have given their time in service to the membership of the Insurance Employees Co-Operative Credit Union as well as the staff and management who have always stood ready to assist as we carried out our mandate. It has been our pleasure serving you.



Dwight Moore
 Chairman

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EMERGENCY
CASH?**

**GET UP TO
\$50,000
FAST!**

RAPID CASH LOAN



**24-48 hour
approval**



**6 Months
to repay**

Conditions apply*



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Insurance Employees Co-operative Credit Union



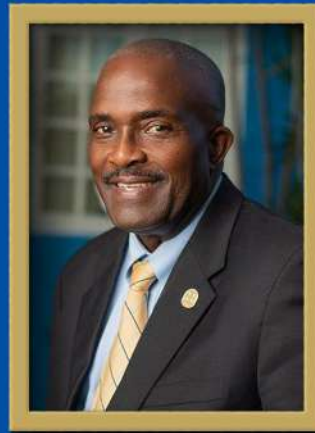
Kingston (876) 906-5362-4 | Mobay (876) 979-6516



IECCU

"A UNION OF POSSIBILITIES"

CREDIT COMMITTEE REPORT



Left-Right: NEUTON NELSON - Chairman, AUDREY WILSON - Secretary, COURTNEY GOLDING, ODEON CAMPBELL
ANN MARIE CARTER JACKSON (Missing from photo)

REPORT OF THE CREDIT COMMITTEE 2024

During the year 2024, The Insurance Employees Co-operative Credit Union (IECCU) continued to make significant strides in empowering its new and existing members to develop and thrive through its diverse lending programmes.

Members acquired their dream cars via the IECCU Value Loan at special rates and conditions.

The Pay Day Loan remained popular providing monthly relief being offered up to 60% of net pay with no interest charged- only accessed with a flat fee, once paid on time.

Financing remained easy for members who consistently funded their domestic and personal needs via loan within savings.

Debt Consolidation was the order of the day as members took advantage of IECCU's Offerings to restructure their debt and streamline their loan payments, effectively easing their financial load.

IECCU partnered with its members as they invested in their personal development. This Credit Union financed the members' and their children's dream for higher education through its Study Bridge Education Loan.

IECCU members' conservation efforts were facilitated, and utility bills reduced in going green via the Solar and Water Tank Loan offerings at reasonable terms.

The Credit Union was also a ready facilitator in the challenging times of financing expenses associated with the loss of a loved one, paying for the medical care of a relative and funding legal costs.

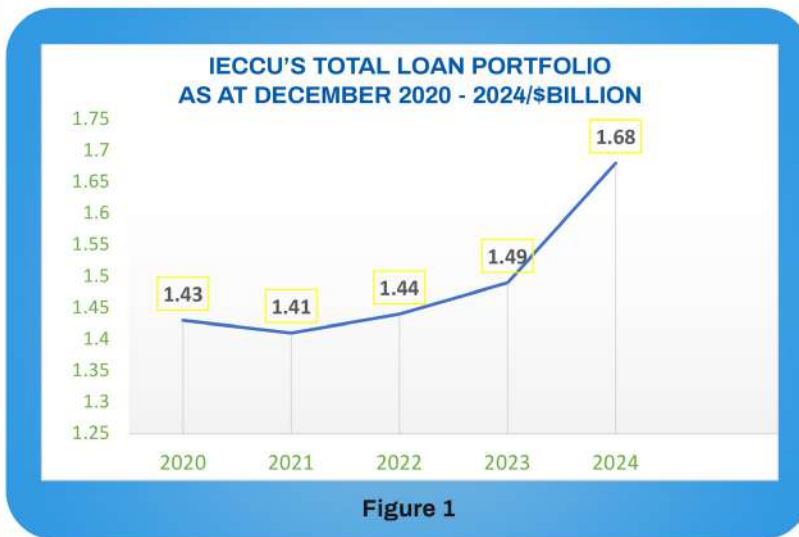
Secured and Unsecured Options were made available throughout the period under review to aid members in attaining their financial or life goals, be it home renovation or taking a vacation or other desires.

Financing the needs, desires and dreams of our members has always been IECCU's focus and in the Year 2024, the Credit Union loaned to its members \$690.74 million in this regard.

CREDIT COMMITTEE REPORT

The major purposes for which members required financing in the year 2024, were as follows:

1. Motor Vehicle Purchase & Repairs
2. Real Estate Acquisition & Home Improvement
3. Domestic Expenses
4. Debt Consolidation
5. Education



With over 1,850 loan applications at year end, the Loan Portfolio grew by 12.7%, arriving at a total portfolio balance of \$1.68 Billion. See Figure 1. This registers a positive and significant increase in lending relative to previous years, indicating that IECCU is increasingly fulfilling the demand of its members. This is a continuation of an upward trend in lending, from the year 2021 when the effect of the pandemic somewhat dampened borrowing efforts.

Members are encouraged to continue to make IECCU their Union of Possibilities, not just for themselves but for their family members, friends and co-workers. Recommend IECCU today, by telling someone of how the Credit Union has financed your goal or your dream.

The IECCU Staff stands ready to ongoingly engage each member regarding his or her requests, providing financial support and guidance. The Credit Committee, for its part, remains committed to thoroughly assessing members' loan applications at its weekly meetings.

The Credit Committee namely: Audrey Wilson, Courtney Golding, Odeon Campbell and Neuton Nelson, thank you, the membership, for being deliberate in your choice of IECCU as your financial partner.

It was a pleasure to have served you as the Credit Committee for the year 2024.


Neuton Nelson
Chairperson

EASE THE BACK-TO-SCHOOL RUSH WITH IECCU

- ✓ Borrow up to **\$300,000** for back to school expenses
- ✓ Repay over 12 months
- ✓ Save while you borrow
- ✓ Low interest rate



#BacktoSchool2025 #IECCUCares

 (876) 920-7447

 www.ieccu.com

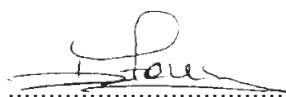
 **IECCU**
"A UNION OF POSSIBILITIES"

PROPOSAL FOR MAXIMUM LIABILITY

PROPOSAL FOR THE SETTING OF MAXIMUM LIABILITY FOR THE YEAR ENDING DECEMBER 31, 2025

The Board of Directors proposes that the maximum liability for 2025 be set at \$2.3 Billion. This will satisfy the maximum projected growth in interest bearing liabilities during 2025 in relation to Article XIX, Rule 69.

For and on behalf of the Board of Directors



DIANA FACEY
Treasurer

2024 ANNUAL GENERAL MEETING

Highlights



Staff Member Photos



MARK BOWEN
General Manager



MICHELLE WALTERS NEMBARD
Operations Manager

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

Delinquency Department



TRICIA ROBINSON



DEVAR RHOOMES

Risks, Compliance & Securities Department



JACQUELINE WILSON



AKILAH HUTTON

Administrative Department



**KARLENE
THOMPSON-WILLIAMS**



**CLAUDETTE
GRAHAM-JOHNSON**

Staff Member Photos

Member Service Department



CHRISTINA HAWTHORNE



INDIANA WRIGHT



LATONYA GIBBS



RAYMOND MCKENLEY



SHANIA LYNCH

Staff Member Photos

Marketing Department



KAMISHA WINT

Systems & Processes Department



CORDELLA MCGOWAN



EVERTON CAMPBELL



CHRISTINE BARKER



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.**



IECCU
THE INSURANCE EMPLOYEES
CO-OPERATIVE CREDIT UNION LIMITED

📍 Kingston

27 Parkington Plaza, Kingston 10

📞 876.906.5362-4, 920.7447, 929.1706,
929.1466 📠 876.968.6208

📍 Montego Bay

Shop 22, Sagicor Shopping Centre
Howard Cooke Boulevard, Montego Bay

📞 876.979.6516
📠 876.971.7540

✉ info@ieccu.com | 🌐 www.ieccu.com

📘 @InsuranceEmployeesCreditUnionJa

🐦 @ieccu1977 📷 @ieccuja