The Case for Merging Insurance Employee Co-operative Credit Union with Manchester Co-operative Credit Union (1977) Limited

Building a Stronger Future Together

Introduction

The Board of Directors is committed to ensuring that the Insurance Employee Co-operative Credit Union (IECCU) remains a strong, competitive, and member-focused financial institution for generations to come. Every decision we make is guided by one fundamental principle—**what is in the best interest of our members**.

After careful consideration, extensive due diligence, and consultation with the Jamaica Co-operative Credit Union League (JCCUL), your Board unanimously recommends that IECCU merge with Manchester Co-operative Credit Union (1977) Limited (MCCU) through a Transfer of Engagement.

This recommendation is not being made because IECCU has failed. Rather, it reflects the Board's belief that now is the right time to strengthen our Credit Union while we have the ability to choose the best partner and negotiate terms that protect our members, employees, and legacy.

The proposed merger represents an opportunity to build a larger, stronger, and more resilient Credit Union that will provide greater value, expanded services, and enhanced financial security for every member.

Why Change is Necessary

The financial services industry has changed dramatically over the past decade. Members now expect secure digital banking, instant electronic payments, online loan applications, enhanced cybersecurity, mobile services, and greater convenience than ever before.

At the same time, Credit Unions across Jamaica are preparing for increased regulatory oversight by the Bank of Jamaica, higher compliance standards, stronger governance requirements, and significant investments in technology and risk management.

Meeting these expectations independently requires substantial financial and human resources.

Across Jamaica and internationally, Credit Unions are responding by joining together—not because they are weak, but because they recognize that collaboration creates greater strength, efficiency, and sustainability.

The question before IECCU is not whether change is coming. The question is whether we choose to embrace change on terms that benefit our members.

Your Board believes this merger provides the best opportunity to do exactly that.

How the Board Reached This Recommendation

At previous General Meetings, members authorized the Board to explore merger opportunities with suitable Credit Union partners.

This authority was exercised carefully and transparently.

Several Credit Unions were invited to submit proposals.

With guidance and technical support from JCCUL, four institutions submitted formal proposals for evaluation.

Each proposal was assessed against key criteria, including:

- Financial strength
- Governance
- Compatibility of cooperative values
- Technology capability
- Range of products and services
- Geographic reach
- Commitment to IECCU members
- Long-term sustainability

Following months of detailed discussions and due diligence, the Board concluded that Manchester Co-operative Credit Union (1977) Limited is the partner best positioned to deliver long-term value to our members.

Why Manchester Co-operative Credit Union?

Manchester Co-operative Credit Union has been serving Jamaicans since 1948 and has grown through prudent management, strong governance, and successful mergers.

Today, MCCU is a financially sound institution with a diverse membership, experienced leadership, modern financial services, and a commitment to cooperative principles.

Most importantly, MCCU shares IECCU's philosophy of putting members first.

Rather than seeking to absorb IECCU, MCCU has demonstrated a genuine commitment to building a stronger institution together.

As part of the merger agreement, MCCU has committed to:

- Expanding its common bond to fully include all IECCU members.
- Changing its name within three years to reflect a truly national Credit Union.
- Maintaining representation for IECCU members on the Board of Directors and Committees.
- Continuing service delivery through the Parkington Plaza office.
- Preserving the cooperative values that both institutions have upheld for decades.

These commitments ensure that IECCU's identity, history, and members remain an integral part of the merged organization.

What This Means for You as a Member

The proposed merger has been designed to improve—not reduce—the value of your membership.

Your Savings Remain Safe

- Your savings, deposits, and investments will continue to be protected.
- Existing agreements will be honoured, and members will continue to receive services without disruption.

Your Existing Loans Will Continue

- Loan contracts will remain unchanged until their normal review or renewal dates.
- There will be no immediate changes to the terms of existing loans.

Access to More Financial Products

Members will gain access to a significantly broader range of financial solutions, including:

- Mortgage financing
- Home Equity Loans
- Motor Vehicle Loans
- Business Financing
- Agricultural Loans
- Partner Plan Loans
- Back-to-School Loans
- Booster Loans
- Other specialized lending programmes

Members will also have access to larger loan limits and longer repayment periods than are currently available.

Stronger institutional capital

We have agreed with our proposed partner on the importance of institutional strengthening by increasing permanent shares, post-merger, to a minimum of $5,000. This will mean most members will be required to introduce only $2,000 to their permanent share account.

Better Technology and More Convenience

Technology continues to transform financial services.

The merged Credit Union will be better positioned to invest in:

- Enhanced online banking
- Mobile banking services
- Faster electronic payments
- Improved cybersecurity
- Fraud prevention systems
- Self-service banking solutions
- Future Bank of Jamaica digital payment initiatives

Members will continue using familiar electronic services while benefiting from future technological improvements that may otherwise be difficult for IECCU to provide independently.

Debit card, ATM, point-of-sale, overseas card usage, and e-commerce services will continue without interruption.

Preserving the Personal Service You Value

One of the greatest concerns members often express during mergers is whether they will lose the personal relationships they have built with staff.

Your Board understands this concern.

For this reason, MCCU has committed to providing opportunities for IECCU employees to continue serving members, subject to normal employment due diligence.

The familiar faces, trusted relationships, and personalized service that members value today are expected to continue while being strengthened through additional resources and support.

Protecting Member Representation

Your voice matters.

To ensure IECCU members continue to participate in governing the merged institution:

- **Four additional Board positions will be allocated to IECCU representatives.**
- Representation will also be provided on the Credit Committee and Supervisory Committee.

These arrangements ensure that IECCU members continue to influence decisions affecting the future of the combined Credit Union.

Strengthening Our National Presence

Although MCCU originated in Manchester, its membership extends well beyond the parish.

The merger creates a truly national Credit Union serving members across Kingston, Montego Bay, Manchester, and other communities throughout Jamaica.

The Parkington Plaza office will remain a major service location for members, while Montego Bay operations will continue, with opportunities to further improve service facilities over time.

Why This Merger Makes Sense

This merger offers benefits that would be increasingly difficult for IECCU to achieve independently.

Together, the merged Credit Union will have:

- Greater financial strength
- Enhanced capital
- Improved operational efficiency
- Enhanced technology
- Stronger regulatory readiness
- Expanded lending capacity
- Better opportunities for growth
- Increased investment in member services
- A broader geographic presence
- Greater long-term sustainability

Most importantly, it positions the Credit Union to continue serving members successfully for decades to come.

The Board's Recommendation

This recommendation follows months of analysis, consultation, financial review, and negotiations.

Your Board carefully examined every available option before concluding that this merger represents the strongest path forward.

This is not a decision driven by necessity alone—it is a strategic decision designed to secure a stronger future for our members while protecting the values upon which IECCU was built.

By approving this merger, members will help create a larger, stronger, and more resilient Credit Union that is better equipped to meet future challenges, embrace new opportunities, and continue delivering exceptional value.

Your Vote Matters

This decision will shape the future of our Credit Union for many years to come.

Your Board of Directors firmly believes that this merger represents the best opportunity to strengthen IECCU, expand opportunities for members, and preserve our cooperative legacy.

We therefore respectfully recommend that members vote **FOR** the Resolution approving the Transfer of Engagement between Insurance Employee Co-operative Credit Union and Manchester Co-operative Credit Union (1977) Limited.

Together, we have built a proud legacy.

Together, we now have the opportunity to build an even stronger future.