



FIRST REGIONAL

CO-OPERATIVE CREDIT UNION LIMITED

WORKING TOGETHER
GROWING STRONGER

ANNUAL REPORT 2024

WORKING TOGETHER 1
GROWING STRONGER



P.E.P Scholarships and Tertiary Bursaries
Awards Ceremony 2024.

VISION STATEMENT

To become the benchmark and financial institution of choice, driven by members’ demands to meet their financial needs worldwide, by offering a diversified range of products and services that are demographically based, available 24 hours, whilst offering competitive returns on shares and deposits, achieving realistic targets and improving profitability upon a foundation of exceptional member service delivered by competent and empowered staff.

MISSION STATEMENT

To efficiently provide world class financial products and services in order to foster a culture of growth and the development of our members and staff.

VALUE STATEMENT

To abide by fair competition practices within the regulatory guidelines and the credit union philosophy.

The Jamaican National Anthem

Eternal Father bless our land,
Guard us with Thy Mighty Hand,
Keep us free from evil powers,
Be our light through countless hours.
To our leaders, Great Defender,
Grant true wisdom from above.
Justice, Truth be ours forever,
Jamaica, land we love.
Jamaica, Jamaica, Jamaica land we love.

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

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Team First Regional at the Pink & Blue Run/Walk 2024

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 47th Annual General Meeting of First Regional Co-operative Credit Union Limited will be held by hybrid means at the **Sandals Ochi Beach Resort, Ocho Rios By-Pass, Ocho Rios, St. Ann on Saturday August 23, 2025 commencing at 9:00 a.m.**

The purpose of the meeting is to:

1. Examine the operations of the Credit Union for the Year 2024
2. To table a resolution to amend rules 6 and 7 to increase the permanent shares required **for membership**. A copy of the full Resolution and the Annual Report will be available by August 15, 2025 at all branches of the Credit Union and on our website: www.firstregionalcreditunion.com
3. Consider any other business that may be properly transacted at the Annual General Meeting in accordance with the Rules of the Credit Union.

To attend the meeting online, members are invited to register on our website: www.firstregionalcreditunion.com. Registration online begins August 15, 2025 @ 8:00 a.m. and closes August 22, 2025 @11:59 p.m.

Members will need to verify their accounts in order to complete the registration online using their TRN and account numbers. For more information on attendance, participation, registration and the voting process, please visit our website: www.firstregionalcreditunion.com or any of our branches or call 876-707-2048.

Marion Case
Secretary
Board of Directors

July 30, 2025



Marcus Garvey Technical High School
receiving a donation of essential
items for students in need.



Labour Day project at the Runaway Bay Primary & Infant School.

Agenda

- Ascertainment of Quorum
- Call to Order and Prayer
- Welcome and Apologies
- Reading of Notice
- Obituary
- Confirmation of the Minutes of the 46th Annual General Meeting
- Matters Arising
- Reports of:
 - Board of Directors
 - Credit and Supervisory Committees
 - Treasurer
 Appropriation of Surplus
Fixing of Maximum Liability
- Resolutions
- Election of Officers
- Any Other Business
- Vote of Thanks
- Termination

Minutes of the 46th Annual General Meeting

of First Regional Co-operative Credit Union Limited
held at the Sandals Ochi Beach Club Resort, Ocho Rios, St. Ann
on Saturday, 31st August 2024

1.1 Call to Order

The President, Mr. Cyril Mason, having ascertained that there was a quorum, called the meeting to order at 10:00 a.m.

1.2 Prayer

Bishop Rankin Clarke prayed for God's guidance, after which the Chairman invited attendees to recite the prayer of St. Francis of Assisi, regarded as the credit unions' prayer.

1.3 Reading of Notice and Registrar's Letter

The Secretary, Ms. Pearline Bailey, read the Notice and the Letter from the Registrar of Co-operatives and Friendly Societies, giving authority to convene the meeting – found on pages 7 and 39 of the 2023 Annual Report, respectively.

1.4 Welcome and Opening Remarks

The Chief Executive Officer, Mr. Ardford Billings, extended welcome to all including volunteers, staff, guests, members and those individuals who had joined virtually.

1.5 Introduction of Guests

The Chief Executive Officer introduced the guests, after which he gave a welcome speech, viz:

- **Hon. Norma Walters**
Custos Rotulorum for St. Ann
- **Hon. Radcliffe Walters**
Custos Emeritus for St. Ann
- **Mr. Alton Stamp**
Department of Co-operatives and Friendly Societies
- **Mr. Sixto Coy**
HLB Mair Russell
- **Mr. Antholon Jones**
CUNA Caribbean Insurance
- **Ms. Kimberly Lindo**
Jamaica Co-operative Credit Union League
- **Mr. Vivian Norman**
Quality Network Limited

- **Ms. Lashane Mead**
Moon Palace Foundation Jamaica
- **Dr. Linton Francis**
Nominated to Serve on the Board of Directors
- **Mrs. Pollyanna Brown-Mullings**
Nominated to Serve on the Board of Directors
- **Rev. Nichola Barrett-Glasgow**
Nominated to Serve on the Board of Directors
- **Mrs. Sandra Mitchell-Small**
Nominated to Serve on the Credit Committee
- **Mr. Jeffrey Gallimore**
Nominated to Serve on the Credit Committee
- **Rev. Lascelles Hamilton**
Nominated to Serve on the Credit Committee

1.6 Acceptance of Apologies

Apologies for absence were tendered on behalf of:

Rev. Dr. Glenroy Lalor

Mrs. Eloise Brown-Panton

Mr. Robert Shippey

Mrs. Lorraine Brown-Wright

An apology for lateness was tendered on behalf of:

Mrs. Suzette Barnes-Wilson

1.7 Introduction of Directors and Chief Executive Officer
The Chairman introduced the Directors and the Chief Executive Officer, Mr. Ardford Billings.

2 Confirmation of Minutes of the 45th Annual General Meeting
The Minutes of the 45th Annual General Meeting (AGM) were taken as read on a motion by Mr. Delroy Rattray (Guy's Hill), seconded by Ms. Dorette Sharpe (Annotto Bay). There being no amendments, the minutes were confirmed on a motion by Mrs. Hillary Johnson-Grant (Claremont), seconded by Mr. Delroy Rattray (Guy's Hill). The motion was carried.

3 Matters Arising from Minutes

3.1 Pension Fund
Mr. Maurice Bryson (Discovery Bay) requested additional information on the pension plan in terms of its funding level and who is in charge of it. The CEO responded that the Pension Fund is maintained at the Jamaica Co-operative Credit Union League; and although we made a loss last year, we were in a better position this year. The President, Mr. Cyril Mason, further explained how the pension investments work – reminding the meeting that investments are risky in nature and profits will fluctuate based on market trends.

3.2 Family Indemnity Plan (FIP): Adding of Beneficiary
Mr. Robert Marrett (Annotto Bay) queried how he could add his spouse as a beneficiary to his FIP if she is already a beneficiary on someone else's. He explained that she was listed as his beneficiary first, and then removed from his to be appointed on someone else's FIP. The Chairman reminded the meeting that the purpose of having insurance is to avoid having to put money upfront in the event of illness or death, not for profit. Mr. Mason encouraged him to appoint someone else as his beneficiary. Mr. Billings invited Mr. Marrett to speak with him or Mr. Antholon Jones at the end of the meeting so they may investigate why his spouse was removed as the beneficiary on his FIP.

3.3 USD Accounts
In responding to Ms. Andrene Powell's (Annotto Bay) query on the opening of USD accounts at First Regional, the CEO explained that such a venture would be undertaken by the Jamaica Co-operative Credit Union League; however, at this present time, the Bank of Jamaica (BOJ) regulations had not made mention of giving Credit Unions the ability to operate foreign currency accounts. It remains a project for which the League will continue to lobby.

4 REPORTS

4.1 The Board Of Directors
The President, Mr. Cyril Mason, presented a condensed PowerPoint version of the report found on pages 16-19 of the 2023 Annual Report. On a motion by Ms. Denise Phillips (Ocho Rios), seconded by Ms. Veronica Samuels (Negril), the report was taken as read. The motion was carried. He then invited members' comments/questions.

Mr. Maurice Bryson (Discovery Bay), in relation to the surplus for the year 2023, asked that of the total amount, is the surplus higher or lower than the inflation for Jamaica. The President responded that he would differ the question to the Treasurer.

The President asked the meeting if they were all in possession of their MasterCard debit cards. Mr. Delroy Rattray (Guy's Hill) stated that he was still without a debit

card as none were being issued at the Guy's Hill branch. The President responded that the debit cards were being rolled out on a phased basis to ensure that the cards are secure.

In response to Ms. Sharon Sharpe's (Annotto Bay) statement on the need for more workers at the Annotto Bay branch, the CEO explained that the main issue with increasing the staff complement is getting qualified workers. Mr. Billings added that we would also have to expand some of the branches to facilitate the increased staff complement; Port Maria and Annotto Bay being two such branches.

Mr. Delroy Rattray (Guy's Hill) requested an update on our online banking. The CEO responded that we were still in the testing phase, ironing out the kinks. He added that it is possible that the online banking platform could be rolled out at the end of the year. Mr. Rattray also queried how well the staff were being treated considering the hard work they put in on a daily basis. The President responded that the staff were well taken care of.

Commendations were issued to the staff at all the branches from the members. Ms. Monica Bryce (Annotto Bay) recommended that the Credit Union could facilitate a Paymaster outlet.

There being no further questions, the Report of the Board of Directors was unanimously adopted on a motion by Ms. Portia Henry (Claremont), seconded by Ms. Pauline Barrett (Brown's Town). The motion was carried.

The Chief Executive Officer encouraged members to submit donation requests for the varied institutions in their communities. Thereafter, Mr. Deslon Brown made a presentation to Mrs. Annie White-Brown, Church Secretary from the Orange Park Baptist Church, for their homework centre.

At this stage, prizes were awarded to members who had correctly answered questions.

4.2 The Credit Committee
Ms. Florette Henry, Committee Secretary, requested that a motion be moved to take the report on page 31 of the 2023 Annual Report as read. As such, on a motion by Mr. Delroy Rattray (Guy's Hill), seconded by Mr. Ralston Isaacs (Port Maria), the report was taken as read. The motion was carried. She then invited members' comments/questions.

There being none, the Report of the Credit Committee was unanimously adopted on a motion by Mrs. Veronica Samuels-Rhoden (Round Hill), seconded by Ms. Claudia Doeman (Round Hill). The motion was carried.

4.3 The Supervisory Committee
Mr. Mikhail McKenzie, Committee Member, requested that a motion be moved to take the report on page 33 of the 2023 Annual Report as read. As such, on a motion by Mr. Neil McDonald (Round Hill), seconded by Ms. Charmaine

Hinds (Annotto Bay) the report was taken as read. The motion was carried. He then invited members' comments/questions.

In response to a question from Mr. Dwayne Lewis (St. Ann's Bay) regarding branch audits, he highlighted that he did not see any mention of the St. Ann's Bay branch. Mr. McKenzie responded that the audits were done branch-by-branch and he recalled reviewing documentation for St. Ann's Bay.

There being no further questions, the Report of the Supervisory Committee was unanimously adopted on a motion by Mrs. Sharon O'Connor (Ocho Rios), seconded by Mrs. Kerry-Ann Logan (Kingston). The motion was carried.

At this stage, prizes were awarded to members who had correctly answered questions.

4.4 Treasurer's Report
For The Year Ended
December 31, 2023

The President invited Mr. Patrick Bryan, Treasurer on the Board of Directors, to present the Treasurer's Report found on pages 21-28 of the 2023 Annual Report. Before presenting, Director Bryan invited Mr. Sixto Coy, representative from HLB Mair Russell, to present a condensed version of the Independent Auditor's Report found on pages 43-48 of the 2023 Annual Report. Director Bryan then presented the Treasurer's Report.

The reports of the Treasurer and Independent Auditor were unanimously adopted en bloc on a motion by Ms. Eileen Allen (Annotto Bay), seconded by Mrs. Kay Windsor-Grant (Round Hill). The motion was carried.

At this stage, prizes were awarded to members who had correctly answered questions.

5 APPROPRIATION OF
SURPLUS for 2023

On a motion by Mrs. Shavonae Johnson-Bent (Claremont), seconded by Mr. Cava White (Ocho Rios), the Appropriation of Surplus for 2023 was unanimously approved by members as follows:

Proposed Distribution of Surplus 2023			
Surplus available for distribution - 2023			552,223,913
Less accrued Interest Income on Loans at 31st December 2023			49,751,906
			502,472,007
Proposed Appropriation for 2023:			
Additional Transfer to Statutory Reserve	75,000,000		
Tertiary Scholarship	1,800,000		
Scholarship and other donations	6,300,000		
Honoraria	5,600,000		
Dividend on permanent shares (15% of principal balance at year end)	26,534,000		
Total Distribution		115,234,000	
Undistributed Surplus			387,238,007

The motion was carried.

Mr. Delroy Rattray (Guy's Hill) recommended that we put an additional Twenty-five Million Dollars (\$25,000,000.00) from the undistributed surplus to our reserve, to which the President responded that management would assess the prudence of the recommendation.

6. FIXING OF MAXIMUM LIABILITY

On a motion by Ms. Elaine Flynnch (Port Maria), seconded by Ms. Andrea Binns (Round Hill) and with the consensus of members present, the Maximum Liability was fixed at six (6) times the Institutional Capital of the Credit Union. The motion was carried.

7. AWARDS

Citations - The Operations Manager, Mrs. Carlene Shirley-Johnson, issued citations to individuals who had contributed to the success of First Regional for the year 2023, as well as those who would be retiring absolutely. Each person, with the exception of Rev. Dr. Glenroy Lalor who was absent, was also presented with a token from the Hon. Norma Walters, Custos Rotulorum for St. Ann, and the Custos Emeritus for St. Ann, Hon. Radcliffe Walters.

Retiring from the Board of Directors:

- Mr. Cyril Mason
- Bishop Rankin Clarke
- Mr. Higilock Mullings
- Rev. Dr. Glenroy Lalor

Director Mason then expressed thanks and issued commendations on behalf of those retiring from the Board.

The CEO, Mr. Ardford Billings, then presented a token to the Hon. Norma Walters, Custos Rotulorum for St. Ann.

Mrs. Shirley-Johnson further issued awards to the following staff members who had served at the Credit Union for ten (10) years:

- Mr. Deslon Brown (Ocho Rios)
- Mrs. Evette Moxie-Daley (Negril)
- Mr. Patrick Cawley (Ocho Rios)

With the exception of Mr. Patrick Cawley who was absent, plaques were presented to the staff by Director Suzette Wilson, 2nd Vice President of the Board of Directors.

8. ELECTION OF OFFICERS

Mr. Alton Stampp, representative from the Department of Co-operatives and Friendly Societies (DCFS), was invited to preside over the elections. He extended greetings from the Registrar.

Mr. Stampp requested that a motion be moved to take the report of the Nominating Committee on page 35 of the 2023 Annual Report as read. On a motion by Ms. Elaine Flynnch (Annotto Bay), seconded by Ms. Suzette Robinson, the report was taken as read. The motion was carried. The report was adopted on a motion by Mr. Delroy Rattray (Guy's Hill), seconded by Ms. Monica Bryce (Guy's Hill). The motion was carried.

Mr. Stampp requested that a motion be moved to accept the recommendations given in the Nominating Committee report for the elected volunteers for the year 2024-2025. On a motion by Mr. Raymond Kirlew (Kingston), seconded by Ms. Petronia Bowen (Annotto Bay), the volunteers were accepted to service. The motion was carried.

Mr. Stampp requested that a motion be moved to empower the Board of Directors to elect delegates and alternate delegates for the Jamaica Co-operative Credit Union League's (JCCUL) Annual General Meeting. On a motion by Mrs. Kerry-Ann Logan (Kingston), seconded by Ms. Dorrette Sharpe (Annotto Bay), the Board of Directors were given authority to elect delegates and alternate delegates to represent First Regional at the JCCUL's Annual General Meeting. The motion was carried.

The President then invited the new volunteers elected to serve on the Board, Supervisory and Credit Committees to introduce themselves.

9. ANY OTHER BUSINESS

There were none.

9.1 Vote of Thanks

Ms. Takiece Brown, Team Leader at the Port Maria branch, stated that as we closed the meeting of the 46th Annual General Meeting of First Regional there was much for which we should be grateful. She extended thanks to:

- Members for their attendance,

participation, unwavering loyalty, trust and support over the years

- Volunteers – who served on the Board, Supervisory, Credit and Nominating Committees for their altruistic service and continued dedication to First Regional
- Specially invited Guests for attending – including representatives from the CUMAX Wealth Management Limited, CUNA Caribbean Assurance, the Department of Co-operatives and Friendly Societies, the Jamaica Co-operative Credit Union League, and external auditors- HLB Mair Russell - whose opinion was highly valued.
- Jamaica Information Service (JIS) for assisting with the audio production
- The CEO, Mr. Ardford Billings, for guiding First Regional toward excellence with his leadership
- The Hon. Norma Walters, Custos Rotulorum, for her support
- The Sandals Ochi Beach Club Resort for accommodation and what was expected to be a delightful meal
- The photographer, Mr. Mark Brown, for capturing the cherished moments; as well as his daughter, Marshanae Brown, for her beautiful musical selection
- Managers and Staff for their dedication, loyalty and selfless service; with special recognition given to the I.T. and Business Development Departments

Termination of Meeting

The President, Mr. Cyril Mason, thanked all for attending the meeting. There being no further business, following grace and the singing of the National Anthem, the meeting was terminated at 1:40 p.m.

BOARD OF DIRECTORS



MS. PEARLINE BAILEY
PRESIDENT



MRS. SUZETTE WILSON
1ST VICE PRESIDENT



PETER MCHUGH
2ND VICE PRESIDENT



MR. SEAN HARRIS
ASSISTANT TREASURER



MR. CECIL FORDON
ASSISTANT SECRETARY



MRS. NICHOLA BARRETT-GLASGOW
DIRECTOR



MR. PATRICK BRYAN
TREASURER



MS. MARION CASE
SECRETARY



DR. LINTON FRANCIS
DIRECTOR



MRS POLLYANNA BROWN-MULLINGS
DIRECTOR



MRS. LORRAINE BROWN-WRIGHT
DIRECTOR

REPORT OF THE BOARD OF DIRECTORS



MS. PEARLINE BAILEY
PRESIDENT

Fellow Co-operators:

It is my pleasure to present your Board of Directors' report on the operations and performance of First Regional for the year 2024. Our Credit Union produced another noteworthy and commendable performance for the year in review. We exceeded \$200 million in Net Surplus for the third consecutive year, surpassed the \$12 billion mark in Total Assets, and earned the highest total income in the history of our operations of \$1.186 billion.

Your Credit Union satisfactorily achieved its strategic objectives and has remained safe, solid, solvent and secure. The Board of Directors, Supervisory and Credit Committees, our Chief Executive Officer, Mr. Ardford Billings, his management team, and the dedicated and hardworking staff of First Regional must be commended for the achievements that were realized in 2024.

Sound Corporate Governance

Your Board of Directors, in executing its fiduciary duties, exercised sound corporate governance as all the necessary measures were taken to ensure that:

- the Credit Union's operations were transparent, fair, disciplined and ethical
- all the regulatory financial practices were observed
- risks were carefully managed
- astute stewardship was displayed in the management of the Credit Union's resources
- employees were adequately recognised for their hard work and dedication

- the Credit Union actively engaged the community through its Corporate Social Responsibility programme.

Operating Environment

According to the Bank of Jamaica's (BOJ) Annual Report for 2024, real economic activity is estimated to have declined by 0.9% in 2024. The unfavourable impact of Hurricane Beryl in July and other adverse weather/hydrological events such as Tropical Storm Raphael, were the main factors behind the reduction in economic output. This estimated decline was a noticeable difference when compared to the growth of 2.6% for 2023 and the increase of 5.2% for 2022. Contractions in industries such as Construction, Agriculture, Forestry & Fishing, Manufacturing, Wholesale & Retail Trade, Real Estate, Renting & Business Activities, and Other Services were the main contributors to the decline.

Despite the contraction in economic activity, Jamaica's financial sector remained stable throughout 2024. Domestic inflation became increasingly anchored within the BOJ's target range of 4.0 to 6.0% during the year. At the end of December 2024, the annual headline inflation was 5.0%, which was 1.9% lower than the 6.9% recorded in 2023. A relatively stable exchange rate, the non-recurrence of increases in some administered prices, falling international commodity prices, and a moderation in inflation expectations were largely responsible for the deceleration in headline inflation. Core inflation, which does not include the changes in food products and fuel prices, also decelerated to 3.9% in December 2024, from the 5.7% recorded for the previous year.

The stability in the macroeconomic environment also resulted in the unemployment rate falling to a record low of 3.5%, erasing the previous all-time low of 4.2% recorded in October 2023.

Financial Performance

In 2024, First Regional produced another solid financial performance. For the year in review we achieved:

- the highest Total Income in the history of our operations of \$1.186 billion, exceeding the previous all-time amount of \$1.026 billion achieved in 2023 by 15.6%

- another significant milestone, in that, our Total Assets surpassed the \$12 billion mark – being \$12.48 billion as at December 2024, exceeding 2023's Total Assets (\$11.075 billion) by 12.69%
- a surplus of \$212 million, marking three (3) consecutive years of achieving a surplus in excess of \$200 million

First Regional's Capital Base to Assets ratio in 2024 was 13.35%, a decrease of less than 1% when compared to 14.17% recorded in 2023, but still considerably higher than the 6% mandated by BOJ and the 8 per cent required by the Jamaica Co-operative Credit Union League (JCCUL).

First Regional's Net Loans to Members was \$10.4 billion at the end of 2024, an increase of \$2.2 billion when compared to \$8.2 billion reported for 2023. Commercial development loans, which totalled \$3.6 billion, was the primary component that effected this 27 per cent increase in the loan portfolio. As at December 2024, our Net Loans to Total Assets ratio stood at 82.2%, marginally surpassing the PEARLS-M standardized ratio of 60 – 80% by 2.2%.

First Regional's success is undoubtedly a direct result of your continued loyalty and trust, and we remain devoted to providing you with products and services that meet your needs and add value to your lives through excellent service delivery.

Corporate Social Responsibility (CSR)

First Regional remains committed to the Credit Union Movement's core philosophy of 'People Helping People to Succeed.' Accordingly, we passionately serve our members and consistently contribute to and participate in initiatives and causes that make a difference; thus facilitating growth and development in the communities we serve.

During 2024, we continued to distil our Corporate Social Responsibility by making charitable donations of over \$10 million to institutions, interest groups, churches, clubs, Associations, and other causes that contribute to the holistic development of our communities, especially in the areas of education, health & wellness and youth & children's welfare.

Our Corporate Social Responsibility initiatives included the following:

Education

- First Regional continued to provide educational opportunities to members by awarding six (6) scholarships with a total value of \$1,200,000.00 to Primary Exit Profile (PEP) scholars to attend high school, Book Grants totalling \$260,000.00 to those

who were shortlisted but did not receive a scholarship and disbursing \$800,000.00 to previous scholarship recipients. Tertiary bursaries amounting to \$800,000.00 were awarded to tertiary level students.

- We donated \$60,000.00 as payment for the Caribbean Secondary Education Certificate (CSEC) fees for two (2) hard-working and in need students at Discovery Bay High School

- We contributed \$1,641,178.98 to the "I Believe" Governor General Programme for Excellence:

✓ Tuition payment for Shaquille Allen to receive school leaving award: \$1,141,178.98

✓ Tuition payment for University of the West Indies scholars - Tenese Lavy - \$250,000.00 and Amanda Perry - \$250,000.00

- \$85,000.00 was donated to the Region 2 Mathematics Team to offset costs to purchase trophies and prizes for the top-performing schools in St. Mary
- \$200,000.00 was donated to the York Castle High School Past Students' Association's 5K Run/Walk in aid of building the school's new and much-needed 6th form block.

Health and Wellness

- First Regional members and staff benefitted from health fairs that were conducted during Credit Union Week in October 2024. Medical examinations and health checks such as blood pressure, sugar, and cholesterol tests were conducted by doctors and nurses at a cost of \$244,000.00
- The Credit Union continued to support the North East Regional Health Authority (NERHA) and the Jamaica Cancer Society (St. Ann and St. Mary Chapter) in their efforts to educate citizens on various health issues through health fairs and to sensitize the populace about the early detection, prevention and treatment of prostate and breast cancers. We donated:

✓ \$85,000.00 towards the hosting of their Men's Health Fair in May 2024.

✓ \$154,680.00 towards sponsoring and participating in their inaugural Pink and Blue Run/ Walk in November 2024.

Community Organisations and Civil Society Groups

We continued to partner with community organisations and civil society groups to enable their effectiveness in having a positive impact on society. In 2024, we donated:

- \$100,000.00 to the Spread the Love Initiative – ‘Bring Back Di Love Community Treat & Intervention’
- \$180,000.00 to the St. Ann Division Police Sports Club and the Area Two Police Sports Club to purchase sports gear and to offset the cost to host their Annual Athletics Meet
- \$615,984.21 to various churches:
 - ✓ to purchase equipment such as fans, a water tank, and a water dispenser
 - ✓ as sponsorship for concerts, back-to-school treats, retreats, and gift baskets
- \$50,000.00 as sponsorship for RADA’s 70th Annual Denbigh Agricultural Show
- \$40,000.00 to the St. Mary Municipal Corporation’s World Homeless Day activities
- \$120,000.00 to the St. Ann’s Bay Improvement Committee 17th Anniversary celebration, which honoured Mr. Karl Fuller – a former Director and President of First Regional
- \$89,034.00 towards purchasing wines for the Social Development Commission New Year’s Eve Firework Festival
- \$25,000.00 to the United District Constable Association’s District Constable Week of activities

Youth and Welfare

- \$703,028.94 to our Primary School Breakfast Programme and Canteen supplies. We provide breakfast items to the Runaway Bay, Parry Town, and New Orange Hill Primary and Infant Schools
- \$50,000.00 to the Steer Town Academy as a welfare grant to 6th form students who were in need of assistance
- \$30,000.00 to the Sigma College of Nursing & Applied Sciences for their Health Fair that was put on by students
- \$229,000.00 towards school events,

school leaving exercises, school pageants, fundraisers, sporting events, among other school/educational activities.

- \$39,965.00 as sponsorship for the Early Childhood Education Commission in support of the rental of portable toilets at the ‘Read Across Jamaica’ event held at the Grey’s Inn Complex in St. Mary
- \$180,965.00 to Child’s Month activities at various schools
- \$12,000.00 to purchase treats for children who participated in the “Read Across Jamaica” initiative

Through these efforts and initiatives, we continue to make steady progress toward achieving our Corporate Social Responsibility goals and remain committed to introducing new initiatives aimed at strengthening the communities we serve.

Human Capital

Motivated, empowered, well-trained, and competent employees translate to excellent service delivery in addition to increased production and sales. Consequently, your Credit Union has continued to invest in its greatest asset, the human capital, by pursuing effective Human Resources Development Policies and Practices.

In 2024, employees were encouraged to build their competencies through the provision of Education Grants to those pursuing higher education. Members of staff also completed the mandatory examinations for the Proceeds of Crime Act (POCA), the Anti-Money Laundering Act, and the Terrorism Prevention Act through the CPD online platform hosted by the Jamaica Co-operative Credit Union League (JCCUL). Training was provided both internally and externally to assist employees in their personal and professional growth and development, and staff morale was boosted throughout the year by Rewards and Incentive Programmes.

The highlights of our employee engagement in 2024 included:

- the annual staff trip – members of staff were treated to a one night stay at the Catalonia Hotel in Montego Bay, St. James
- Team Leaders Retreat – Eleven of our twelve Team Leaders attended the retreat that was held at the Jewels Grande Montego Bay Resort & Spa over the period November 22-24. The attendees participated in wellness workshop sessions that covered topics including Understanding Trauma, Stress and Anxiety;

Stress Management Techniques; Building Resilience; Effective Communication and Conflict Resolution; Mindfulness Meditation and Stress Management Practices.

- Labour Day projects at the Runaway Bay Primary and Infant School, Hopewell Basic School, Elgin Washington Early Childhood Institution, and the Port Maria Gospel Chapel Basic School

In 2024, staff engagement and morale showed mark improvement and were supported through branch funded socials and birthday celebrations that were formulated to build camaraderie.

Physical Facilities

The comfort of staff and members is of great importance to your Credit Union, and so during the year, we effected repair and maintenance work at various branches. The Claremont branch underwent major refurbishing, which included revamping the decor, replacing furniture and fixtures, and enhancing the lighting to create a more welcoming and aesthetically pleasing space for members and staff. Our Kingston Branch also received a welcomed facelift with the painting of its exterior walls.

We will continue to carry out work to improve the aesthetics and comfort of all our branches.

Information Technology (IT)

For the year under review, the Credit Union continued to make technological advancements, which have undoubtedly improved our service delivery and increased our competitiveness in the market.

In 2024, the IT Department achieved significant milestones that enhanced the Credit Union’s technological infrastructure and services. The Highgate, Discovery Bay, and Guy’s Hill Branches were furnished with IT hardware that reduced transaction processing time and improved service delivery to our members. We upgraded our core banking application (Mercury) to enhance its features, security, speed, and reliability.

Online Banking – the department also began the phased rollout and testing of the online banking platform with designated staff members from the Accounts, Securities, and Operations Departments. This new platform will allow members to view their account balances online, transfer funds from their Ordinary Share Account to other savings and loan accounts, and to transfer funds to other First Regional members’ accounts.

We also partnered with Veralink, a leading cybersecurity expert, to develop and implement a robust cybersecurity framework designed to proactively identify vulnerabilities, mitigate data breach risks, and safeguard our network

against increasingly sophisticated cyber threats, thereby protecting our members and First Regional’s sensitive information whilst reinforcing our commitment to security and trust.

Additionally, during 2024, the department introduced a more intuitive user-friendly bulk messaging platform, enabling the Marketing, Securities and Collections Departments to efficiently communicate with members, thus enhancing engagement and streamlining operations. The department also invested in staff training programs, ensuring staff members are well-versed in specific areas of our operations. These accomplishments collectively strengthened the Credit Union’s resilience and has positioned it for sustainable growth in the future.

Looking Forward

Fellow co-operators, despite the heightened uncertainties emerging from trade tensions in the global economy and from the various instabilities around the world, be assured that your Credit Union will continue to position itself to capitalise on the opportunities that will arise to increase revenues, enhance our service delivery and efficiently improve the core functions of our operations.

Given our historical ability to generate revenue and our proactive approach to scanning the economic environment, our main objective will be to maintain a strong financial position, which will help us to respond appropriately to challenges and achieve long-term growth and sustainability. Your Board of Directors will continue to update its corporate strategies and processes to remain competitive whilst holding firm to First Regional’s core values and principles.

We remain committed to creating and maintaining a strong foundation for growth, improved member experience and long term value for our membership through:

- consistently exceeding members’ expectations
- engaging in community building through our Corporate Social Responsibility programme, which is geared towards addressing the social and economic issues of our members and the communities we serve.
- efficiently managing the Credit Union across all delivery channels through improved business processes and a responsive IT system
- managing our operating expenses to ensure valuable returns to you, our members
- investing in our human capital, our best asset, by fostering a culture of continuous

learning, development, and engagement, ensuring that they are adequately equipped to deliver to you exceptional service and support

- continuing to enhance our premises to create a welcoming and modern environment that reflects our commitment to excellence and member satisfaction, with the plans underway to refurbish our facilities to better serve your needs.

Appreciation

On behalf of the Board of Directors, I want to wholeheartedly thank you, our members for your trust, loyalty, love and unwavering support, which have contributed significantly to First Regional's success.

Special recognition must be given to the Supervisory and Credit Committees for faithfully and selflessly discharging their duties and for their commitment to our goals and mission.

Special thanks and appreciation must also be extended to our:

Chief Executive Officer, the Management Team and employees for their professionalism, dedication and commitment in giving members outstanding service and for becoming the embodiment of our tagline that First Regional is "Where you get interest on your money and interest in You" which will propel First Regional forward

umbrella organization and supporting entities: the Jamaica Co-operative Credit Union League, Quality Network Co-operatives (QNET), Jamaica Co-operative Insurance Agency and CUNA Caribbean Insurance Agency for their support and partnerships.

Regulators – the Department of Co-operatives and Friendly Societies and the Bank of Jamaica for their expert guidance.

external auditors – HLB Mair Russell for preparing our Financial Statements

My fellow directors, I should like to extend my sincerest appreciation to my fellow directors for their strong show of commitment, tireless diligence and dedication to discharging their responsibilities with the utmost integrity, and a steadfast commitment to good corporate governance in a collaborative spirit.

Fellow co-operators, I assure you that as we chart the path before us, your Board of Directors will continue to provide sound corporate governance to ensure that First Regional remains a trustworthy financial institution committed to providing long-term value to you our members, staff and by extension, the communities we serve.

Pearline Bailey

Pearline Bailey

President

TREASURER'S REPORT

FOR YEAR ENDED DECEMBER 31, 2024



MR. PATRICK BRYAN
TREASURER

Fellow Co-operators,

It is my pleasure to present the Treasurer's Report of First Regional Co-operative Credit Union Limited for the financial year ended December 31, 2024. The financial results for 2024 reflect our steadfast commitment to our members and stakeholders as we navigated an evolving economic landscape marked by both challenges and opportunities.

The global economy continued to demonstrate resilience in 2024, as evidenced by the most recent edition of the World Economic Outlook published by the International Monetary Fund in April 2025. This report posited that the global economy sustained a growth rate of approximately 3.4% in 2024, driven by robust consumer spending and investment across major economies. Continued easing of inflation was also noted, with global inflation estimated to have dropped further to around 5.8% in 2024, allowing for more stable pricing and improved purchasing power for consumers. The April 2025 Report is also projecting that going forward, there should be less

economic scarring from the crises of the past four years; however, the report also indicated that there are still numerous challenges including a ratcheting trade war involving the United States of America.

In the local context, the Jamaican economy maintained its positive trajectory, building on the gains achieved in 2023. The World Bank's Jamaica Overview, released in April 2025, reported that the economy expanded by 3.1% year-over-year for the first three quarters of 2024. This growth was primarily fueled by a further increase in tourism activity, alongside improvements in agriculture and mining. However, the report issued a reminder regarding Jamaica's exposure to external shocks, particularly through its reliance on imports and tourism, which remain critical components of our economic structure and job market, with these sectors employing a significant portion of the workforce.

Despite the overall positive economic indicators, we remain vigilant of potential external risks that could impact our progress. Our focus continues to be on providing prudent financial management and enhancing services for our members, ensuring that First Regional Co-operative Credit Union Limited is well-positioned to navigate any challenges that may arise.

As reported in prior years, the Board of Directors and Management of First Regional employed strategies to reduce our concentration of loans in the Tourism and Transportation Sectors whilst increasing our loans in the Development and Construction Sectors, which offered more stability and better collaterals. These strategies yielded success, resulting

in significant growth in our total loan portfolio and earnings from interest on loans exceeding \$1 Billion for the year, for the first time in our history. We are extremely happy with our post COVID-19 performances, however going forward, we must implement strategies to slow the growth rate in our total loan portfolio and to return our liquidity position to our usual high levels. Below is a summary of our other important financial results for 2024.

FINANCIAL PERFORMANCE FOR 2024

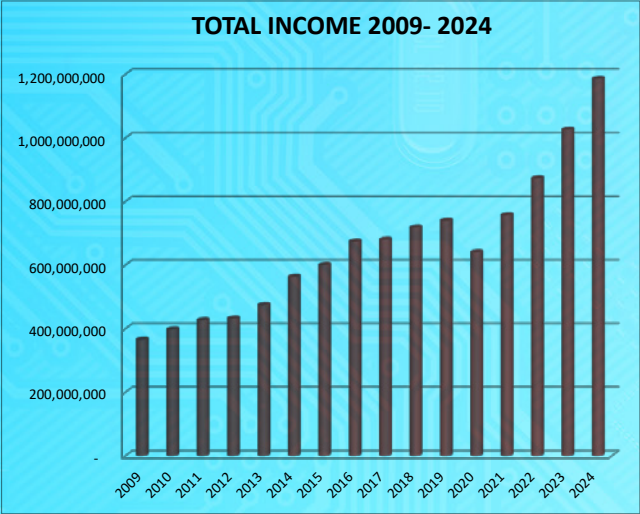
At First Regional, our financial results are best judged with the use of the PEARLS-M Ratios that are stipulated by our regulators. The acronym PEARLS-M stands for:

- **Protection**
- **Effective financial structure**
- **Asset quality**
- **Rates of return and costs**
- **Liquidity**
- **Signs of growth**
- **Management**

Under the PEARLS-M standard, which ranks performance on a scale from Code 1 (highest) to Code 5, First Regional achieved Code 1 ratings in several key operational areas for 2024. However, there were a few exceptions: our Net Loans to Total Assets attained a Code 2 ratio of 82.19% because it exceeded the Code 1 upper limit of 80%; Growth in Membership attained a Code 3 rating; Liquidity Reserve less Payables to Total Members' Savings was rated at Code 2; and our Total Delinquent Loans to Total Loan Portfolio also attained a Code 4 rating.

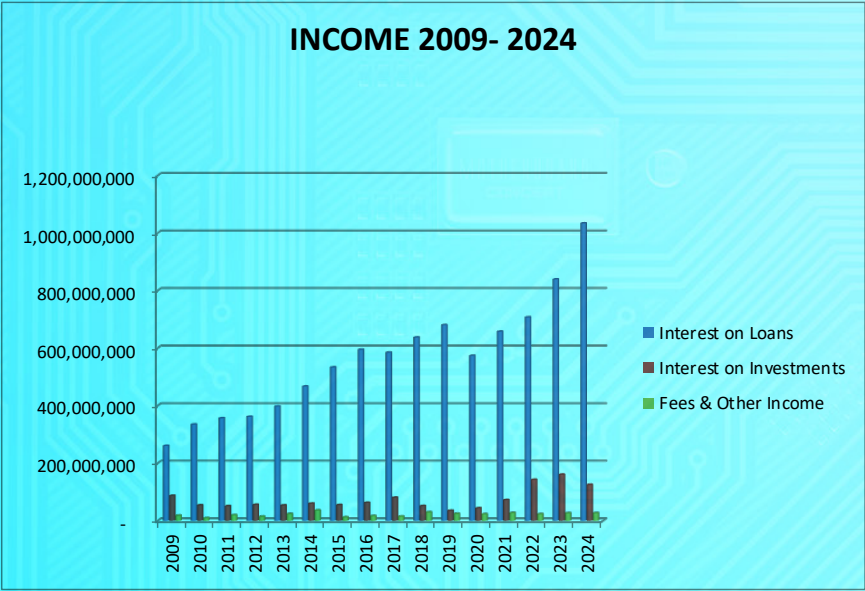
Statement of Comprehensive Income

INCOME
Figure 1



In 2024, our total income of \$1.186 Billion represented another successful year, eclipsing the previous all-time amount of \$1.026 Billion that was achieved in 2023. The steep upward trajectory in our total income since 2020 is mainly attributed to the growth in our loan portfolio. Going forward, the growth in income is expected to slow down because we are now at the upper limits for our loan portfolio.

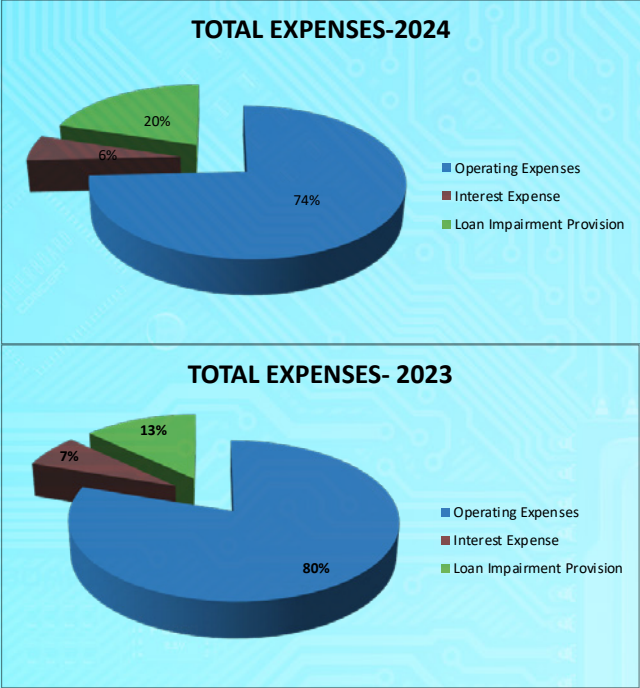
Figure 2



In 2024, we earned over \$1 Billion in interest from our loan portfolio. Specifically, loan interest income totaled \$1.034 Billion, representing 87% of our total income, an increase of 5 percentage points over the 82% recorded in 2023. To meet heightened loan demand during the year, we redeemed a significant portion of our investment portfolio.

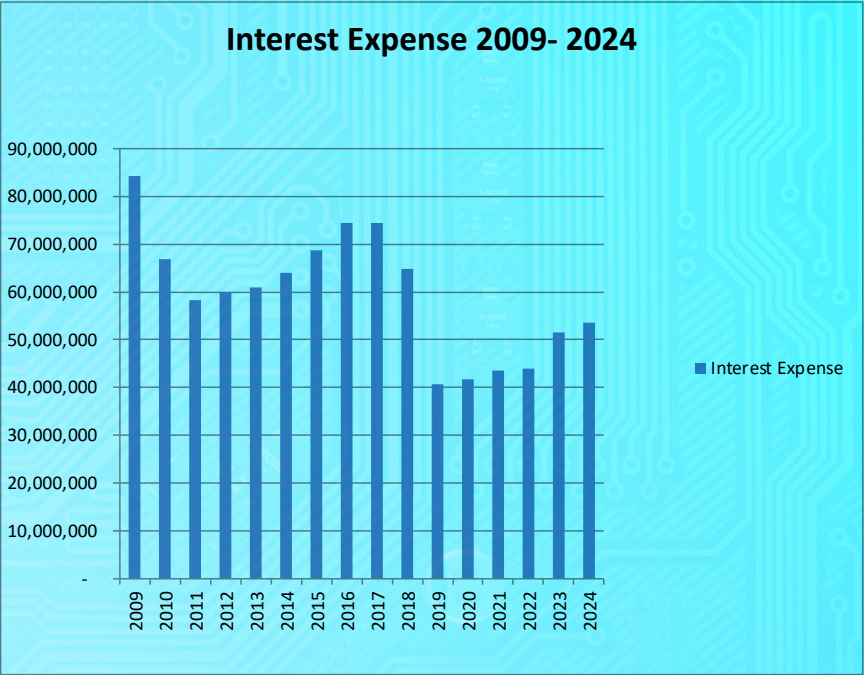
As a result, interest income from investments declined by \$35 Million, falling from \$160 Million in 2023 to \$125 Million in 2024. Meanwhile, fees and other income totaled \$27 Million which was consistent with 2023 levels, as we maintained our existing service fee structure.

EXPENSES
Figure 3



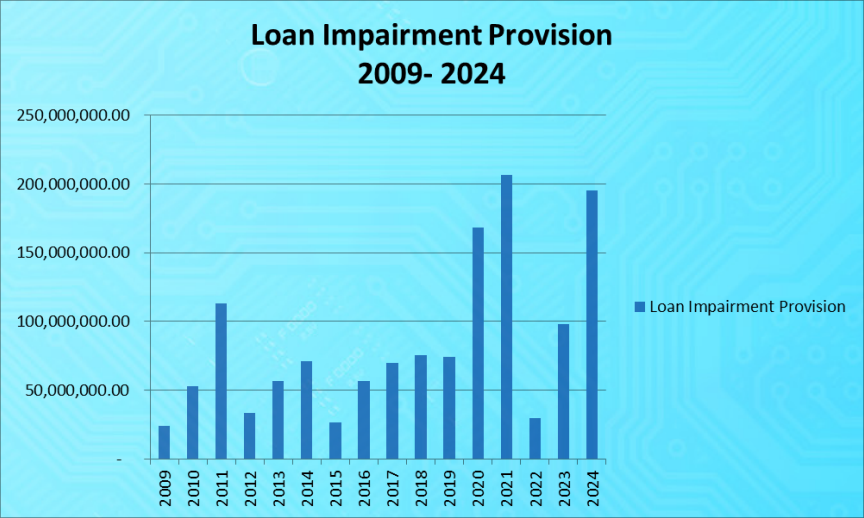
First Regional's total expenses for 2024 amounted to \$967 Million, reflecting an increase of \$214 Million or 28% over the \$753 Million recorded in 2023. Operating expenses also grew during the year; however, they accounted for 74% of total expenses in 2024, down from 80% in the prior year. This shift was primarily driven by a significant increase in loan impairment provisions which represented 20% of total expenses for 2024. Loan impairment provisions rose by \$97 Million, from \$98 Million in 2023 to \$195 Million in 2024.

Figure 4



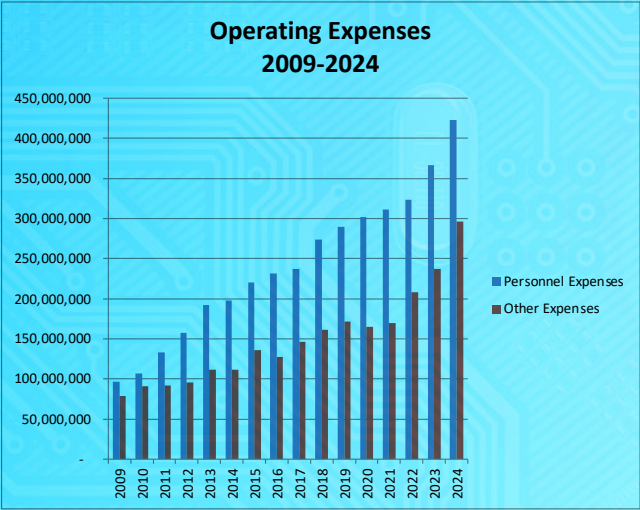
The growth in interest expense reported for 2024 was as a result of growth in the savings held by our members, as there were no increases in the deposit rates paid to members' Interest Bearing Liabilities. Despite the uptick in market interest rate, our current interest rates remained competitive during the year. We will continue to review these interest rates and we will make the necessary rate adjustments when they are no longer competitive.

Figure 5



Loan Impairment Provision totalled \$195 Million at the end of 2024, nearly double the \$98 Million reported at the end of 2023. This significant rise in our loan impairment provision reflects a post-COVID-19 lending strategy in which larger loans have been issued to members. Consequently, when these higher-value loans become delinquent, they have a more deleterious impact on our impairment provisions. In light of this, we recognize the need to revise our Delinquency Management strategies to strengthen collections and reduce our Delinquent Loans to Total Loans Ratio, which stood at a Code 5 rating at the end of 2024.

Figure 6



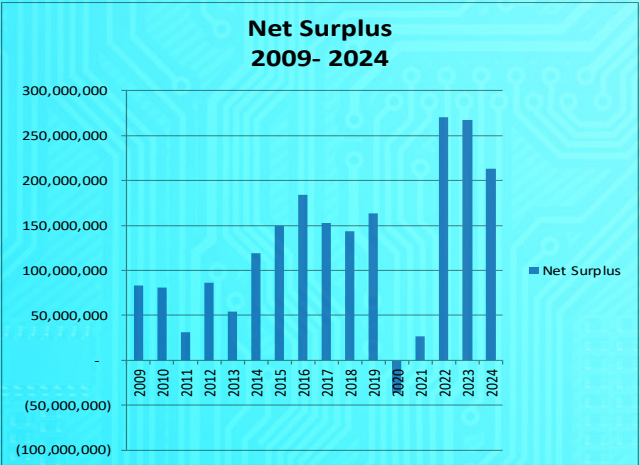
Personnel expenses increased by \$57 Million, or 15%, rising from \$366 Million at the end of 2023 to \$423 Million at the end of 2024. Despite this increase, personnel expenses accounted for only 59% of total operating expenses in 2024, down from 61% in 2023. This marks the lowest personnel expense ratio since 2011 and reflects First Regional's effective management of staffing costs, even as we continue working to fill vacant positions across the organization.

Other operating expenses rose by 25%, or \$59 Million, increasing from \$237 Million in 2023 to \$296 Million in 2024. This growth was primarily due to inflationary changes and changes in the security personnel arrangements at some of our major branches.

Our Operating Expense to Average Asset Ratio for 2024 was a strong Code 1 rating of 5.67%, well below the 8% maximum threshold required for this classification. This demonstrates First Regional's ongoing commitment to effectively manage overall operating expenses.

NET SURPLUS

Figure 7



The Net Surplus of \$212 Million recorded in 2024, while lower than the \$268 Million reported in 2023, was a significant milestone. This marks only the third time in our history that we have achieved a net surplus in excess of \$200 Million. Our ability to consistently generate a net surplus each year, means that we are able to pay dividends to members and reinvest in strategic areas that support long-term growth and sustainability.

From the 2024 Net Surplus, an actuarial loss of \$41 Million was recognized on our Retirement Benefit Asset (Pension Fund), while a Fair Value Gain of \$351 Thousand was added from investments. These adjustments resulted in a Total Comprehensive Income of \$172 Million for the year.

Statement of Financial Position

At First Regional, our goal is to grow our financial position year-over-year while consistently maintaining Code 1 PEARLS-M ratios across the key components of our Statement of Financial Position. While we have participated in two mergers over the past two decades, the majority of our growth has been achieved organically. In 2024, we continued this trajectory with an impressive \$1.4 Billion increase in assets, resulting in us being a \$12 Billion by the end of 2024.

The growth in our financial position supported record-breaking income from our loan portfolio. However, it also led to a reduction in our liquidity levels compared to our historical norms, and although Institutional Capital remained well above regulatory requirements, it was somewhat weakened during the year. Moving forward, our strategies will focus on rebuilding our liquidity position and further strengthening our Institutional Capital Base to ensure continued resilience and sustainable growth.

The key areas of the Statement of Financial Position are discussed in the sections below.

ASSETS

Figure 8



First Regional has consistently achieved steady year-over-year growth in Total Assets since 2009. At the end of 2024, Total Assets reached \$12.482 Billion, reflecting a 13% or \$1.408 Billion increase, compared to the \$11.074 Billion

reported at the end of 2023. This growth was primarily driven by an expansion in our loan portfolio. However, as we implement revised strategies to safeguard the integrity of our Statement of Financial Position, we may see a slower growth rate going forward.

Figure 9



As shown in Figure 9, since 2022, we have experienced a sharp increase in the growth of loans to our members. By the end of 2024, loans to members reached \$10.418 Billion, marking a 27% or \$2.191 Billion increase, compared to the \$8.227 Billion reported at the end of 2023. This growth was primarily driven by a significant increase in our commercial development loans, which totaled \$3.595 Billion, representing 34% of our total loans to members at the end of 2024.

To meet the demand for loans in 2024, we redeemed a net amount of \$751 Million from our investment portfolio. As a result, our investments decreased by 31%, falling from \$2.389 Billion at the end of 2023 to \$1.638 Billion at the end of 2024. Moving forward, we have implemented strategies to slow the growth rate of loans while focusing on increasing the growth rate of our investments, particularly in liquid assets.

Figure 10



In 2024, Voluntary Shares increased by \$892 Million, or 15%, rising from \$6.044 Billion at the end of 2023 to \$6.936 Billion at the end of 2024. Deposits also saw strong growth

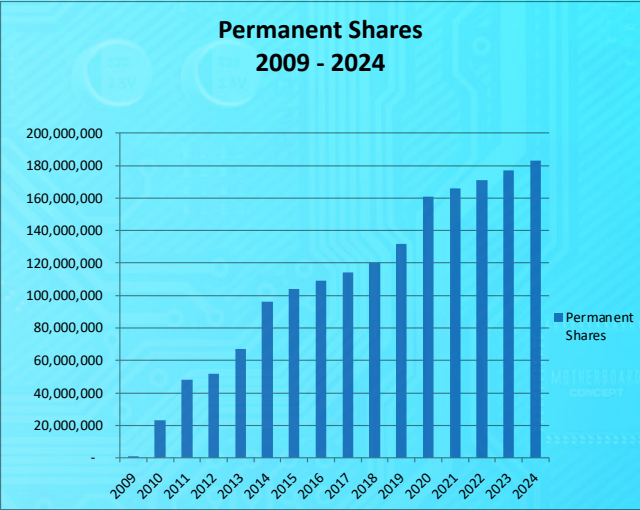
over the same period, increasing by \$353 Million, or 13%, from \$2.629 Billion to \$2.982 Billion.

The consistent growth in our Interest-Bearing Liabilities remains one of the clearest indicators of the confidence our members place in First Regional. The fact that we experienced growth not only in 2024 but year-over-year since 2009, underscores our continued position as the preferred financial institution for many of our members' savings.

Looking ahead, we expect the growth rate of our Interest-Bearing Liabilities to accelerate in 2025 and beyond. This expectation is based on our revised strategies that focus on slowing the rate of loan growth while intensifying efforts to grow savings.

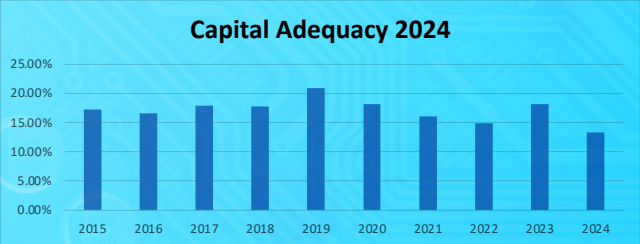
At the end of 2024, First Regional had no external borrowings. This positions us well, as it preserves our capacity to access external funding if needed to provide short-term liquidity support.

Figure 11



In 2024, our Permanent Shares increased by \$6 Million, representing a 3% growth. While we are pleased that Permanent Shares have maintained a steady upward trajectory since 2010, we are disappointed that we were unable to return our Growth in Membership Ratio to a Code 1 classification in 2024. Moving forward, we remain committed to implementing targeted marketing initiatives and other strategic efforts to improve membership growth and achieve a Code 1 rating as soon as possible.

Figure 12



Income, Expenditure & Appropriation Account for year ended 31st December 2024

	\$'000	\$'000
Income as obtained from interest on:		
Members' loans	1,033,737	
Liquid assets	18,032	
Investments	107,333	
Making a total of		1,159,102
From this we paid interest expenses totaling		53,604
Leaving Net Interest Income of		1,105,498
From this was taken:		
Provision for loan loss		195,203
Net interest income after provision		910,295
We also earned income from:		
Dividends	1,358	
Fees and other income	25,583	26,941
Therefore our Net Interest and other Income was		937,236
From this we paid:		
Administrative expenses	652,317	
Other operating expenses	66,597	
Honorary	5,600	724,514
Leaving a Net Surplus of		212,722
This was adjusted for:		
Actuarial gain/(loss) on defined benefit plan	(41,429)	
Fair value gain/(loss) on investments	351	(41,078)
Leaving Total Comprehensive Income for the Year of		171,644
From this was taken:		
Statutory Reserve (20% of net income)		42,544
Leaving a Net Surplus of		129,100
From this was taken:		
Net transfer to Non-Institutional Capital		(513)
		128,587
Add undistributed Net Income at the beginning of the year		552,224
		680,811
Less transfers approved at AGM for 2023:		
Dividend on Permanent Shares	26,534	
Statutory Reserve	75,000	101,534
Surplus available for distribution		579,277

Balance Sheet as at 31st December 2024

	\$'000	\$'000
Assets (The value of all we own)		
Earning Assets		
Loans to Members (after provision)		10,417,865
To this is added:		
Our Liquid Assets		
Saving and Call Deposits		588,380
Short Term Investment		8,378
Reverse Repurchase Agreements		168,091
Financial Investments		872,574
		12,055,288
Non-Earning Assets		
Cash	100,234	
Income Receivable & Prepayments	25,028	
Intangible Assets	8,918	
Property, Plant and Equipment	242,630	
Retirement Benefit Asset	50,394	427,204
Total Assets		12,482,492
Liabilities and Equity		
Interest Bearing Liabilities		
Members' Deposits were	2,981,903	
Members' Voluntary Shares were	6,936,390	
Borrowings	-	9,918,293
Non-Interest Bearing Liabilities		
Accounts Payable		107,638
Total Liabilities		10,025,931
Members' Permanent Share Capital	183,305	
Institutional Capital	1,511,781	
Non-Institutional Capital	182,198	
Accumulated Surplus	579,277	
Total Equity		2,456,561
TOTAL LIABILITIES AND EQUITY		12,482,492

Therefore, at December 31, 2024 the value of all we owned (Total Assets) stood at \$12,482,492,000 compared to \$11,074,824,000 for the previous year.

At the end of 2024, First Regional remained well-capitalized, with a Capital Base Ratio of 13.35%. While this is a position nearly double the minimum required by our regulators, it represents the lowest level we've seen since 2015. As a result, we will be implementing targeted strategies to further strengthen our Capital Base going forward.

Conclusion

Fellow co-operators, 2024 was another successful year for First Regional. We achieved a significant milestone by becoming a \$12 Billion Credit Union and, for the first time in our history, earned over \$1 Billion in interest on loans within a single year. We also realized a strong surplus and maintained Code 1 PEARL-M ratings in several key areas of our operations.

These achievements reflect the effectiveness of the strategies we have implemented to grow our loan portfolio since 2019. However, the same strategies contributed to lower-than-usual liquidity levels and a reduced Capital Base Ratio by the end of 2024. As we move forward, our focus will shift to moderating the pace of loan growth while prioritizing the increase of members' savings, liquidity, and our capital base.

We remain committed to prudent decision-making as we continue to safeguard our members' investments in First Regional.

I should like to take this opportunity to sincerely thank our Board of Directors, Volunteers, Management, and Staff for their unwavering dedication and contribution to our success in 2024. Most importantly, I extend heartfelt appreciation to our members and external stakeholders for your continued trust and investment in First Regional. Your support is the foundation of our success, and I look forward to working together with all our stakeholders to ensure a strong and sustainable future.

Patrick Bryan

PATRICK BRYAN

TREASURER

First Regional Co-operative Credit Union Ltd.
"Where you get interest on your money and interest in You"

PAADNA PLAN



Reap Sweet Bonu\$\$\$



AccessPlus
Debit Mastercard



First Regional Co-operative Credit Union Ltd.
"Where you get interest on your money and interest in You!"

Accessing your cash

Just got easier!



Conditions Apply: Become a First Regional Member.

CREDIT COMMITTEE



MS. FLORETTE HENRY
CHAIRMAN



MR. LANTHONY WILLIAMS
SECRETARY



JEFFREY GALLIMORE
CREDIT COMMITTEE

CREDIT COMMITTEE REPORT

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2024.

The Credit Committee of First Regional Co-operative Credit Union Limited comprises five (5) volunteers who were duly nominated and elected to serve. They are:

- Ms. Florette Henry – Chairman
- Mr. Lanthony Williams – Secretary
- Mr. Lascelles Hamilton
- Mrs. Sandra Mitchell-Small
- Mr. Jeffrey Gallimore

The Volunteers, during the year 2024, served the Credit Union by completing core functions as they worked closely with the Manager and persons tasked to give oversight to the Committee. Meetings were held twice monthly on a Thursday.

The Committee is mandated to:

- examine and approve loan applications in the following categories: Purchase of Land, Building and Repairs, Motor Vehicle Purchase and Repairs, Appliance and Furniture, Consolidation of Debts, Personal and Domestic Expenses, Business Investments, Agriculture and Education.
- ensure the supporting documents for loan applications are compliant and in accordance with the Credit Unions' Policies and Procedures.
- review and sign off on the loan applications submitted each month.

The Committee reviewed loan files and disbursed 3,561 loans totaling \$4,241,969,532.00. The loans processed contained all the relevant supporting documents. Discrepancies were actioned and dealt with by the respective branches.

The Credit Committee takes this opportunity to commend First Regional Co-operative Credit Union Limited for its awareness of changing market trends and their quick response and support to the needs of all their members.

The Credit Union continues to evolve with the changing times, making adjustments to its services and offerings with its members and prospective members at the forefront.

This has shown interest not only in the members finances but more so in their welfare and development. The Credit Committee believes the Credit Union will continue to be a vital guiding force for its members, working to make their lives easier as it partners with them financially.

Thanks must be extended to the members of the Credit Committee for honouring their commitment to the task, for their loyalty and unwavering support and displaying a high level of professionalism. This Committee can only grow stronger and improve as we comply with policies and procedures both from the Credit Union and all governing bodies, demonstrating our tagline **“where you get interest on your money and interest in You”**.

We appreciate your support!

Florette Henry

FLORETTE HENRY
CHAIRMAN

SUPERVISORY COMMITTEE



MRS. SUZETTE BARNES-WILSON
CHAIRMAN



MRS. ELOISE BROWN-PANTON
SECRETARY



MS. ALTHEA LANDELL
ASSISTANT SECRETARY



MR. ANDRE YEE-SHUI



MR. MIKHAIL MCKENZIE

REPORT OF THE SUPERVISORY COMMITTEE

FOR THE YEAR ENDED DECEMBER 31, 2023

Members of the Committee were:

- Mrs. Suzette Barnes-Wilson, Chairman
- Mrs. Eloise Panton, Secretary
- Mrs. Althea Landell - Nelson
- Mr. Andre Yee Shui
- Mr. Mikhail McKenzie

The Internal Audit Department functions independently within the Credit Union and is responsible for conducting risk-based audits of its operations. Oversight is provided by the Supervisory Committee, which offers strategic guidance in evaluating the Credit Union's risk management framework, internal control systems, and governance processes.

The Committee is mandated to convene on a monthly basis to review and deliberate on Audit Reports. In 2024, the Committee successfully held six meetings during which the following audits were presented, their findings examined, and corresponding recommendations duly noted:

1. Branch Operations - Highgate Branch
2. Anti-Money Laundering and Countering Financing of Terrorism Act (AML/CFT) – 2022
3. Information Technology Hardware
4. Dormant Account - 2023

The Committee acknowledges the continued progress in adherence to the Credit Union's policies and procedures, reflecting a commitment to sound governance and operational integrity.

Throughout the year, the Committee has diligently executed its responsibilities and provided support to the Credit Union in navigating various challenges. We extend our sincere appreciation to the Internal Audit team for their professionalism and dedication, as well as to the Management and staff for their ongoing cooperation and support. We remain committed to fostering strong oversight and promoting continuous improvement across all areas of the Credit Union's operations.

Mrs. Suzette Barnes Wilson

MRS. SUZETTE BARNES – WILSON
Chairman

First Regional Co-operative Credit Union Ltd.

LIST OF PRODUCTS

Savings Plans:

Paadna Plan

- Minimum throw of \$500.00 weekly
- Throw your hand weekly, fortnightly or monthly
- Reap sweet bonus

Solid Saver

- Start with a minimum of \$5,000.00
- Interest paid monthly

Fixed Deposits

- 30 days, 60 days, 90 days, 180 days, 365 days
- Attractive interest rates



Wealth Master Gold

- Start with a minimum of \$10,000.00
- Interest paid quarterly

Goal Enabler/Golden Harvest

- Insured Savings at no direct cost to you
- No minimum Savings Goal
- No minimum Monthly Deposit

Loan Products

Unsecured Loans:

Easi Loan

- (Regular, Hospitality, Educator's & N.E.R.H.A)

Auto & Home Insurance

Secured Loans:

Mortgage

- (Buy, Equity, Build, Improvement)

Motor Vehicle

Share and Deposit

Within Shares



Insurance Products:

Family Indemnity Plan

(covers funeral expenses for you and up to five (5) other eligible family members)

Life Savings Insurance

Group Creditor Life Insurance

Loan Protection Insurance



REPORT OF THE NOMINATING COMMITTEE 2025

The Nominating Committee was appointed by the Board of Directors on April 26, 2025 and the following members were appointed to serve: Mr. Cecil Gordon- Chairperson, Mr. Orande Pink, Ms. Jodi-Ann Pryce

The Nominating Committee met on May 27, 2025, June 3, 2025 and and July 17, 2025 to consider the vacancies that will arise on the Board of Directors, Credit and Supervisory Committees and to make recommendations for persons to fill the vacancies.

Members of the Committee present were: Mr. Cecil Gordon Chairperson, Mr. Orande Pink, Ms. Jodi-Ann Pryce

OFFICERS RETIRING AND RECOMMENDATIONS OF THE NOMINATING COMMITTEE 2025

BOARD OF DIRECTORS		
Retiring	Recommended	Term in Office
Ms. Suzette Wilson (eligible for re-election)	Ms. Suzette Wilson	2 years
Mr. Cecil Gordon (retiring)	Mr. Cyril Mason	2 years
Ms. Marion Case (eligible for re-election)	Ms. Marion Case	2years
Ms. Pearline Bailey (eligible for re-election)	Ms. Pearline Bailey	2 years
Mr. Patrick Bryan (eligible for re-election)	Mr. Patrick Bryan	2years
SUPERVISORY COMMITTEE		
Retiring	Recommended	Term in Office
Mr. Andre Yee-Shui	Mr. Andre Yee-Shui	1 year
Ms. Althea Landell	Ms. Althea Landell	1 year
Mrs. Suzette Barnes-Wilson (eligible for re-election)	Dr. Rushauy Watson	1 year
Ms. Eloise Brown-Panton (eligible for-re-election)	Eloise Brown-Panton	1 year
Mr. Mikhail McKenzie (eligible for re-election)	Mikhail McKenzie	1 year
CREDIT COMMITTEE		
Retiring	Recommended	Term in Office
Sandra Mitchell-Small	Sandra Mitchell-Small	2 Year
Mr. Jeffrey Gallimore (eligible for re-election)	Mr. Jeffery Gallimore	2 Years
Ms. Florette Henry (eligible for re-election)	Ms Florette Henry	1 Year
Mr., Lanthony Williams (eligible for re-election)	Mr. Lanthony Williams	2 years

Impacting Community Organizations and Civil Society Groups



First Regional making a donation of toys to the Children's Ward at the St. Ann's Bay Hospital.



Ms. Cynthia Graham from the St. Ann Improvement Committee receiving a cheque towards sponsorship for Good Friday concert.



First Regional making a contribution to the Salvation Army Bluefield Corps.



Donation to RADA's 70th Annual Denbigh Agricultural Show.

Standing Orders

1. The meeting is open to all members of the First Regional Co-operative Credit Union Limited with the right to participate in the proceedings.
2. A member shall only address the meeting when called upon by the Chairman to do so. Member shall stand when addressing the Chair, after which he or she shall immediately take his or her seat.
3. Speeches must be clear and relevant to the subject before the meeting.
4. No member shall address the meeting except through the Chairman.
5. All persons desiring the floor shall rise and address themselves to the Chair.
6. All speakers are to identify themselves and make use of the desk and floor microphones when addressing the Meeting in order that their comments or questions may make a permanent record in the meeting's proceedings.
7. Should two or more persons rise at the same time, the Chair shall decide without debate, who is entitled to the floor.
8. If a speaker is called to order while speaking, the speaker should take his or her seat until the question of order is determined.
9. Any member desirous of introducing business for the consideration of the meeting may do so after the business on the Agenda has been completed.
10. A member shall not speak twice on the same subject, except;
 - a. He or she is the mover of the motion and has the right to reply.
 - b. He or she rises to object or explain (with permission of the Chair).
11. No speeches to be made after the 'Question' has been put and carried or negated.
12. A member rising on a 'Point of Order' is to state the point clearly and precisely. (A 'Point of Order' must have relevance to the "Standing Orders").
13. A member should not 'call' another member 'to order; but may draw the attention of the Chair to a 'Breach of Order.'
14. In no event shall a member call the Chair to order.
15. A 'Question' should not be put to the vote if a member desires to speak on it or move an amendment to it- except that a Procedural Motion, the 'Previous Question' proceed to the next 'Business' or the closure that the question be now 'put' may be moved at any time.
16. Only one amendment should be before the meeting at one, and the same time.
17. When a motion is withdrawn any amendment to it fails.
18. The Chairman has the right to a casting vote.
19. If there is equality of voting on an amendment and if the Chairman does not exercise his casting vote, the amendment fails.
20. The Chair should not be subject to any personal abuse or verbal attack from any speaker.
21. No member shall impute improper motives to another.



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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:

R402-213/04/2025

April 2, 2025

The Secretary
First Regional Co-operative Credit Union Limited
14 Bravo Street
St. Ann's Bay
St. Ann

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.

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Kingston 5, Jamaica, W. I.
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**First Regional Co-operative
Credit Union Limited**

Financial Statements

December 31, 2024

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Independent auditor’s report

To the Registrar of Co-operative Societies
Re: First Regional 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 First Regional Co-operative Credit Union Limited (“the Credit Union”), which comprise the statements of financial position as at December 31, 2024, statement of income and expenditure, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Credit Union as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirement of the Co-operative Societies Act.

Basis for Opinion

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

Key audit matters

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

hlbjm.com

Partners: Sixto P. Coy, Karen A. Lewis

3 Haughton Avenue, Kingston 10, Jamaica W.I. 56 Market Street, Montego Bay, Jamaica W.I.

TEL: (876) 926-2020/2 TEL: (876) 926-9400 TEL: (876) 952-2891 EMAIL: info@hlbjm.com

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Independent auditor's report (cont'd)

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

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

Key audit matters (cont'd)

Loan and allowances for credit losses on loans

As at December 31, 2024 loans after allowances for credit losses of \$371.3 Million amounted to \$8.2 Billion or 74% of the total assets of the Credit Union. We consider the measurement of expected credit losses a key audit matter as there is a number of significant judgement by management, including:

- Determining the criteria for a significant increase in credit risk, which impacts the staging of the asset and the related calculation, ie one year or lifetime expected loss calculations.
- Determining the relevant inputs and techniques included in the expected credit loss model utilised in probability of default (PD), loss given default (LGD) and exposures at default (EAD) parameters.
- For loans and advances, a significant amount of historical data is built into the PD, LGD and EAD risk parameters.
- Use of multiple economic scenarios that are forward looking.
- Valuation of real estate property pledged as collateral for term loans: this is the most significant repayment source for credit-impaired assets.
- We evaluated the appropriateness of the Credit Union's staging and where applicable, determined whether the significant increase in credit risk and default definitions were appropriately applied.
- We obtained an understanding of management's ECL model including source data, evaluated the theoretical soundness and tested the mathematical integrity of the model. We tested reliability of source data used in the models on a sample basis by corroborating to historical data or external public information where available.
- We evaluated the appropriateness of management's judgement pertaining to forward looking information, the basis of the multiple economic scenarios used and the weighting applied to capture nonlinear losses.
- We tested the opening equity adjustments in relation to the adoption of the new standard's classification and measurement requirements.
- We performed the calculation of days past due, a key data input into the PD parameter, in the Credit Union's banking system on a sample basis.

Independent auditor's report (cont'd)

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

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

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

- We tested the completeness and accuracy of the historical data used by agreeing details on default rates and recovery rates. The data used for these assessments were based on the Credit Union's internal default experience segmented by loan type. For a sample of credit exposures, we agreed the critical data fields, such as origination date, maturity date, default date, principal, collateral value and cash recoveries and exposure limits, used in developing default, recovery and utilisation rates to source documents.
- For a sample of stage 3 loans we obtained an understanding of the latest developments at the borrowers and the basis of measuring the impairment provisions and considered whether key judgements were appropriate given the borrower's circumstances. We re-performed management's impairment calculation including the expected future cash flows and valuation of collateral held, and determined reasonableness of the valuation of real estate collateral with the assistance of auditors' expert.
- Based on the procedures described above, no material exceptions were noted in our assessment of the Credit Union's implementation of IFRS 9, including its provisioning in accordance with its newly adopted expected credit loss model.

How our audit addressed the key audit matter

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

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

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

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

Independent auditor's report (cont'd)

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

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

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

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

Other information

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

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

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

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

Responsibilities of Management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Credit Union's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

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

Independent auditor's report (cont'd)

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

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

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

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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Credit Union to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

Independent auditor’s report (cont’d)

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

Report on the Audit of the Financial Statements (cont’d)
Auditor’s Responsibilities for the Audit of the financial statements (cont’d)

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

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

Kingston, Jamaica

March 31, 2025

HLB Mair Russell
Chartered Accountants

First Regional Co-operative Credit Union Limited
Statement of financial position

December 31, 2024

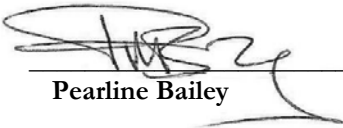
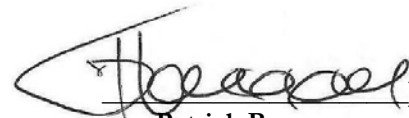
	Note	2024 \$'000	2023 \$'000
Assets			
Non-current assets			
Earning			
Reverse repurchase agreements	(4)	168,091	1,090,378
Financial investments	(5)	400,533	363,893
Loans, after provision for expected credit losses	(6)	10,259,250	8,088,736
		10,827,874	9,543,007
Non-Earning			
Property, plant and equipment	(7)	242,630	243,904
Intangible asset	(8)	8,918	6,968
Retirement benefit asset	(9)	50,394	85,257
		301,942	336,129
Total non-current assets		11,129,816	9,879,136
Current assets			
Earning			
Financial investments	(5)	472,041	401,587
Loans, after provision for loan impairment	(6)	158,615	138,134
Liquid assets	(10)	596,758	532,928
		1,227,414	1,072,649
Non-earning			
Bank and cash balances	(11)	100,234	89,567
Receivables and prepayments	(12)	25,028	33,472
		125,262	123,039
Total current assets		1,352,676	1,195,688
Total assets		12,482,492	11,074,824

First Regional Co-operative Credit Union Limited
Statement of financial position

December 31, 2024

	Note	2024 \$'000	2023 \$'000
Capital and liabilities			
Capital			
Members' permanent share capital	(13)	183,305	176,890
Institutional capital	(14)	1,511,781	1,392,814
Non-institutional capital	(15)	182,198	181,688
Undistributed surplus		579,277	552,223
Total capital		2,456,561	2,303,615
Liabilities			
Non-current			
Interest bearing			
Members' deposits	(16)	2,981,903	2,628,527
Members' voluntary shares	(17)	6,936,390	6,043,786
Total non-current liabilities		9,918,293	8,672,313
Current			
Non-interest bearing			
Accounts payable and accruals	(18)	107,638	98,896
Total current liabilities		107,638	98,896
Total liabilities		10,025,931	8,771,209
Total capital and liabilities		12,482,492	11,074,824

Approved for issue by the Board of Directors on March 31, 2025 and signed on its behalf by:

) President	) Treasurer
Pearline Bailey		Patrick Bryan	

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

First Regional Co-operative Credit Union Limited
Statement of income and expenditure

Year ended December 31, 2024

	Note	2024 \$'000	2023 \$'000
Interest income			
Members' loans		1,033,737	839,141
Liquid assets		18,032	14,891
Investments		107,333	145,819
		1,159,102	999,851
Interest expense			
Interest on members' fixed deposits		7,154	6,247
Interest on members' other deposits		14,558	14,707
Interest on voluntary shares		31,892	30,656
		53,604	51,610
Net interest income		1,105,498	948,241
Net movement on loan impairment provision	(6c)	(195,203)	(98,053)
Net interest income after loan impairment provision		910,295	850,188
Non-interest income			
Fees and other income		26,941	26,575
		26,941	26,575
Net interest and other income		937,236	876,763
Less: Operating expenses	(23)	718,914	603,574
(Loss)/gain on disposal of property, plant and equipment		-	(297)
Surplus for the year before honorarium		218,322	272,892
Less: Honorarium		(5,600)	(5,300)
Surplus for the year		212,722	267,592

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

First Regional Co-operative Credit Union Limited
Statement of other comprehensive income

Year ended December 31, 2024

	2024 \$'000	2023 \$'000
Surplus/(deficit) for the year (page 9)	212,722	267,592
Other comprehensive income:		
Actuarial gain/(loss) on defined benefit plan (9)	(41,429)	40,611
Fair value gain investment	351	-
Other comprehensive income for the year	(41,078)	40,611
Total comprehensive income for the year	171,644	308,203

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

First Regional Co-operative Credit Union Limited
Statement of changes in equity

Year ended December 31, 2024

	Permanent Share Capital \$'000	Institutional Capital \$'000	Institutional Capital \$'000	Non- Capital \$'000	Undistributed Surplus \$'000	Total \$'000
Balance at January 1, 2024	176,890	1,392,814		181,688	552,223	2,303,615
Surplus for the year	-	-	-	-	212,722	212,722
	-	-	-	-	212,722	212,722
Other comprehensive income	-	-	-	-	(41,429)	(41,429)
Actuarial gain on defined benefit plan	-	-	-	-	351	351
Fair value gain on investment	-	-	-	-	(41,078)	(41,078)
Total other comprehensive income for the year	-	-	-	-	(41,078)	(41,078)
Transaction with owners:						
20% statutory reserve	-	42,544		-	(42,544)	-
Retirement benefit asset reserve	-	-		(34,863)	34,863	-
Dividend to members	-	-		-	(26,536)	26,536
Share capital issued	6,415	-		-	-	6,415
Additional transfer to statutory reserve	-	75,000		-	(75,000)	-
Transfer capital expenditure projects	-	-		(4,416)	4,416	-
Scholarship and other donations	-	-		6,300	(6,300)	-
Teritary scholarships	-	-		1,800	(1,800)	-
Educational and other outreach expenditure for the year	-	-		(8,922)	8,922	-
Entrance fees	-	1,423		-	-	1,423
Prior year remeasurement loss on retirement benefit asset	-	-		40,611	(40,611)	-
Balance at December 31, 2024	6,415	118,967		510	(144,590)	18,698
	183,305	1,511,781		182,198	579,277	2,456,561

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

First Regional Co-operative Credit Union Limited

Statement of changes in equity

Year ended December 31, 2024

	Permanent Share Capital \$'000	Institutional Capital \$'000	Non- Institutional Capital \$'000	Undistributed Surplus \$'000	Total \$'000
Balance at January 1, 2023	171,200	1,237,981	151,004	453,898	2,014,083
Surplus for the year	-	-	-	267,592	267,592
	-	-	-	267,592	267,592
Other comprehensive income	-	-	-	40,611	40,611
Actuarial gain on defined benefit plan	-	-	-	40,611	40,611
Total other comprehensive income for the year	-	-	-	40,611	40,611
Transaction with owners:					
20% statutory reserve	-	53,519	-	(53,519)	-
Retirement benefit asset reserve	-	-	48,945	(48,945)	-
Dividend to members	-	-	-	(25,675)	(25,675)
Share capital issued	5,690	-	-	-	5,690
Transfer to members share capital	-	100,000	-	(100,000)	-
Scholarship and other donations	-	-	6,000	(6,000)	-
Tertiary scholarship	-	-	1,700	(1,700)	-
Educational and other outreach expenditure for the year	-	-	(6,312)	6,312	-
Entrance fees	-	1,314	-	-	1,314
Prior year remeasurement loss on retirement benefit asset	-	-	(31,697)	31,697	-
Prior year remeasurement gains on investments	-	-	12,048	(12,048)	-
	5,690	154,833	30,684	(209,878)	(18,671)
Balance at December 31, 2023	176,890	1,392,814	181,688	552,223	2,303,615

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

First Regional Co-operative Credit Union Limited

Statement of changes in equity

Year ended December 31, 2024

	Institutional Capital			
	Statutory Reserve	Permanent Share Capital Reserve	Business Combinations Reserve	Total
	\$'000	\$'000	\$'000	\$'000
Balance at January 1, 2023	1,217,808	5,539	14,634	1,237,981
Appropriations from 2023 surplus	100,000	-	-	100,000
Transfer from accumulated surplus	53,519	-	-	53,519
Entrance fees	1,314	-	-	1,314
Balance at December 31, 2023	1,372,641	5,539	14,634	1,392,814
Appropriations from 2024 surplus	42,544	-	-	42,544
20% statutory reserve	75,000	-	-	75,000
Additional transfers to statutory reserve	1,423	-	-	1,423
Entrance fees				
Balance at December 31, 2024	1,491,608	5,539	14,634	1,511,781

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

First Regional Co-operative Credit Union Limited

Statement of changes in equity

Year ended December 31, 2024

	Non-Institutional Capital				Corporate Social Responsibility Reserve		Total \$'000
	Retirement Benefit Asset Reserve \$'000	Capital Expenditure Reserve \$'000	Non-distributable Reserve \$'000	Share Transfer Fund \$'000			
Balance at January 1, 2024	85,257	75,000	15,855	87	5,489		181,688
Outreach expenditure for the year	-	(4,415)	-	-	-	(4,415)	
Transfer of gain on pension plan	-	-	40,611	(2)	(821)		39,788
Transfer of decrease in retirement benefit assets	(34,863)	-	-	-	-	(34,863)	
Balance at December 31, 2024	50,394	70,585	56,486	85	4,668		182,198

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

First Regional Co-operative Credit Union Limited

Statement of cash flows

Year ended December 31, 2024

	2024 \$'000	2023 \$'000
Cash flows from operating activities:		
Surplus for the year	212,722	267,592
Adjustments for:		
Depreciation	20,295	18,190
Actuarial gain/(loss) on defined benefit plan	(41,429)	40,611
Loss/gain on disposal of property, plant and equipment	351	297
Cash generated from operations	(191,939)	326,690
Changes in operating activities:		
Loans after provision for loan impairment	(2,190,995)	(1,520,098)
Accounts receivables	8,444	1,466
Accounts payable	8,742	15,409
Retirement benefit asset	34,863	(48,945)
Net cash used in operating activities	(1,947,007)	(1,225,478)
Cash flows from investing activities:		
Liquid assets	(63,830)	(69,565)
Financial investments	815,193	72,343
Purchase of property, plant and equipment	(4,269)	(13,377)
Proceeds from sale of property, plant and equipment	(16,702)	-
Net cash (used in)/provided by investing activities	730,392	(10,599)
Cash flows from financing activities:		
Members' voluntary shares	892,604	904,937
Members deposits	353,376	375,438
Entrance fees	1,423	1,314
Permanent shares	6,415	5,690
Dividends paid	(26,536)	(25,675)
Net cash provided by financing activities	1,227,282	1,261,704
Net increase in bank and cash balances	10,667	25,627
Bank and cash balances at beginning of year	89,567	63,940
Bank and cash balances at end of year	100,234	89,567

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

1. General information and nature of operations

First Regional Co-operative Credit Union Limited (the Credit Union) is incorporated under the laws of Jamaica and is registered under The Co-operative Societies Act. The Credit Union’s registered office is located at 14 Bravo Street, St. Ann’s Bay, St. Ann, and its operations are concentrated in the parishes of St. Ann, St. Mary and Hanover.

Pursuant to the provisions of Section 53 of the Co-operative Societies Act, and by resolutions passed at the Annual General meetings of the Hospitality Industries Co-operative Credit Union Limited (HICUL) held on March 27, 2020 and the Round Hill Hotel Staff Co-operative Credit Union Limited (RHCUL) held on March 7, 2023, the members of HICUL and RHCUL authorised the transfer of all their assets and liabilities to the Credit Union. This was followed by a resolution passed at the Annual General Meeting of the Credit Union on June 8, 2020 accepting all assets, liabilities and other engagements of HICUL and RHCUL. The effective date of transfer was July 1, 2013.

Membership in the Credit Union is obtained by holding a minimum of \$2,000 in permanent shares and a minimum of \$500 in voluntary shares. Individual membership may not exceed 20% of the total share capital of the Credit Union. Membership is primarily available to individuals who live or work and or were born in the parishes of St. Ann and St. Mary, employees and related parties of Round Hill Hotel, all current and past employees of the hospitality industries throughout Jamaica, and staff of the Credit Union.

At our last AGM a resolution was passed to increase permanent share from \$2,000 to \$2,500 for each member; the effective month of the increase was November 2020.

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

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

2. Regulation

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

3. Material accounting policies

The Credit Union’s financial statements have been prepared on an accrual basis and under the historical cost convention except for the revaluation of properties and equity investments.

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

a Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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

Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial year.

The Credit Union has assessed the relevance of all such new standards, amendments and interpretations and has put into effect the following, which are immediately relevant to its operations.

At the date of authorisation of these financial statements a number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2024 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Credit Union, except the following set out below:

- Amendments to IAS 1, ‘Presentation of financial statements’ (effective for annual periods starting not earlier than 1 January 2024). These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability.
- Amendment to IAS 7 and IFRS 7 – ‘Supplier finance’, (effective for annual periods beginning on or after 1 January 2024 (with transitional reliefs in the first year)), require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity’s liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB’s response to investors’ concerns that some companies’ supplier finance arrangements are not sufficiently visible, hindering investors’ analysis.

Amendment to IFRS 16, (effective for annual periods starting not earlier than 1 January 2024). Leases on sale and leaseback, include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

The amendments listed above did not have a material impact on the Credit Union’s financial statements.

3. Material accounting policies (cont'd)

a Basis of preparation (cont'd)

Standards, amendments, and interpretations to existing standards that are not yet effective and have not been early adopted by the Credit Union.

Amendments to IAS 21 ‘Lack of Exchangeability’ (effective for annual periods beginning on or after 1 January 2025). An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Amendments to IFRS 9, ‘Financial Instruments’ and IFRS 7, ‘Financial Instruments: Disclosures’, ‘the Classification and Measurement of Financial Instruments’, (effective for annual periods beginning on or after 1 January 2026) These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets)
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

It is not anticipated that the amendments will have a significant impact on the Company’s financial statements.

Amendments to IFRS 18 ‘Presentation and Disclosure of Financial Statements’ (effective for annual periods beginning on or after 1 January 2027):

- required specified categories and defined subtotals in the statements od profit or loss
- new requirements to provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improved principles on aggregation and disaggregation

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a material impact on the operations of the Credit Union.

3. Material accounting policies (cont'd)

b Property, plant and equipment

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

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Credit Union and the cost can be measured reliably.

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

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

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

Buildings	2½%
Computers	33⅓%
Furniture fixtures and equipment	10%
Motor vehicle	12½%
Reducing balance basis-Roadways	2½%

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

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

- (iii) Repairs and renewals

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

Year ended December 31, 2024

c Intangible assets

Computer software are capitalised on the basis of the costs incurred to acquire and install the specific software.

Subsequent expenditures on the maintenance of computer software are expensed as incurred.

Customer relationships are shown at historical cost less impairment and are deemed to have a finite useful life. Customer relationships are the estimated economic benefits derived from the incremental revenues and related cash flows as a direct result of relationships in place versus having to try and replicate them. Amortisation is calculated using the straight-line method to allocate the cost of the intangible asset over its estimated useful lives of ten years.

The co-operative society bond is shown at historical cost less impairment and is deemed to have an indefinite useful life. The co-operative society bond is the estimated economic benefits derived from the incremental revenues and related cash flows as a direct result of the acquisition of a co-operative society bond versus having to apply for one. No amortisation is considered in respect of the co-operative society bond.

Year ended December 31, 2024

d Foreign currency translation:

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

3. Material accounting policies (cont'd)

g Operating expenses

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

h Financial instruments

Recognition and derecognition

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

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

Classification and initial measurement of financial assets

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

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

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

The classification is determined by both:

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

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

Subsequent measurement of financial assets

Financial assets at amortised cost

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

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

3. Material accounting policies (cont'd)

h Financial instruments (cont'd)

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

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

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

The category also contains equity investments that are held for trading purposes.

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

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

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

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

Equity instruments are measured at FVTPL (see above) unless they are not held for trading purposes, in which case, an irrecoverable election can be made on initial recognition to measure them at FVOCI with no subsequent reclassification on to profit or loss.

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

Impairment of financial assets

IFRS 9’s impairment requirements use more forward-looking information to recognise expected credit losses – the ‘expected credit loss (ECL) model’. This replaces IAS 39’s ‘incurred loss model’. Instruments within the scope of the new requirements financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the company first identifying a credit loss event. Instead the company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Year ended December 31, 2024

Year ended December 31, 2024

Year ended December 31, 2024

n Employee benefits

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

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

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

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

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

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

Accounts payable are initially recorded at fair value and subsequently stated at amortised cost using the effective interest method.

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

Year ended December 31, 2024

q Members' voluntary shares

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

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

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

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

Property that is held for capital appreciation and that is not occupied by the Credit Union, is classified as investment property. Investment property comprises land, for which no depreciation is provided, and is carried at cost, including transactions costs.

Recognition of investment property takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

3. Material accounting policies (cont'd)

w Leases

Leases where significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. Receipts under operating leases are credited to the statement of comprehensive income on a straight-line basis over the period of the lease.

x Business combinations

The Credit Union uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Credit Union. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Credit Union recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets.

In business combinations involving mutual parties, one of the previously existing entities is normally deemed to be the acquirer for accounting purposes. In these situations, the deemed acquirer uses principles in IFRS 3 – Business Combinations, to account for the net assets of the deemed acquiree. Goodwill or negative goodwill is determined by using the acquisition-date fair value of the acquiree’s equity interest instead of the acquisition-date fair value of the acquirer’s equity interests transferred as a consideration. In addition, the acquiree’s net assets are recognised as an addition to capital or equity in the acquirer’s statement of financial position.

y Critical accounting estimates and judgements in accounting policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

3. Material accounting policies (cont'd)

y Critical accounting estimates and judgements in accounting policies (cont'd)

Pension and post-retirement benefits

The cost of these benefits and the net present value of the pension and the other post-retirement liabilities depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net periodic cost (income) for pension and post-retirement benefits include the expected long-term rate of return on the relevant plan assets and discount rate. Any changes in these assumptions will impact the net periodic cost (income) recorded for pension and post-retirement benefits and may affect Planned funding of the pension plans.

The expected return on plan assets assumption is determined on a uniform basis, considering long term historical returns, asset allocation and future estimates of long term investment returns. The actuaries determine the appropriate discount rate at the end of each year, which represents the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension and post-retirement benefit obligations. Other key assumptions for the pension and post-retirement benefits cost and credits are based in part on data supplied by the Jamaica Co-operative Credit Union League as well as on current market conditions.

4. Reverse repurchase agreements

The Credit Union enters into reverse repurchase agreements collateralised by Government of Jamaica securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfil its collateral obligations. At December 31, 2024, the Credit Union held securities representing Government of Jamaica debt securities, as collateral for reverse repurchase agreements as follows:

	2024 \$'000	2023 \$'000
Credit Union Fund Management Company	17,273	16,579
CUMAX Wealth Management	48,982	110,529
Jamaica Money Market Brokers Limited	51,708	559,683
NCB Capital Markets Limited	50,128	403,587
Total	168,091	1,090,378

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

5. Financial investments

	2024 \$'000	2023 \$'000
Non-current		
At amortised cost		
Credit Union Fund Management Company		
Special Mortgage fund	234	225
First Global Bank Limited		
Fixed deposit (d)	3,285	3,223
	3,519	3,448
Cumax Bond	25,000	25,000
	25,000	25,000
National Commercial Bank Financial Group	230,800	193,800
	230,800	193,800
Credit Union Fund Management Company		
Mortgage funds (e)	7,415	7,232
	7,415	7,232
Fair value through profit or loss		
Jamaica Money Market Brokers Limited	268	311
	268	311
Fair value through other comprehensive income		
Shares – Jamaica Co-operative Credit Union Limited (a)	73,750	70,934
Shares – Quality Networks Co-operative Limited (b)	925	1,125
Shares – Credit Union Fund Management Company	7,733	10,000
Shares – Credit Union Fund Management Company (c)	500	500
Shares – Jamaica Money Market Brokers equity fund	625	1,545
Shares – Jamaica Money Market Brokers	49,998	49,998
	133,531	134,102
	400,533	363,893
Current		
At amortised cost		
FCIB investment notes	472,041	401,587

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

5. Financial investments (cont'd)

- (a) The unquoted equity investment in the League is the aggregate of the minimum shares previously held by member societies which were merged and is a requirement for the Credit Union to retain membership status.
- (b) The unquoted equity investment in Quality Network Co-operative Limited is to help facilitate the development of the QNET software by that company.
- (c) This represents unquoted equity investment in Credit Union Fund Management Company (formerly held in Jamaica Co-operative Insurance Agency Limited).
- (d) The fixed deposit held with First Global Bank Limited (FGB) is used to secure credit cards issued to members at the Round Hill branch by FGB.
- (e) The rules of the League stipulate that the Credit Union must invest 5% of the net increase in the members' share accounts in CUFMC's mortgage fund instruments.

6. Loans, after provision for loan impairment

(a) Movement in loans during the year	2024 \$'000	2023 \$'000
Balance at the beginning of the year	8,598,210	7,101,310
Add: Disbursement during the year	4,241,970	3,605,522
Interest receivable	158,983	49,752
	12,999,163	10,756,584
Less: Repayment	2,111,919	2,158,374
	10,887,244	8,598,210
Less: Expected credit losses	469,379	371,340
	10,417,865	8,226,870
Less: Current portion	158,615	138,134
Total	10,259,250	8,088,736
(b) Expected credit losses	2024 \$'000	2023 \$'000
Provision for impairment at beginning of year	371,340	394,538
Increase amounts provided for during the year	250,822	162,512
Bad debt written-off	(152,783)	(185,710)
Provision for impairment at end of year	469,379	371,340

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

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

(c) Net movement on loan impairment provision:		
	2024	2023
	\$'000	\$'000
Increase on loan loss provision during the year	250,822	162,512
Loans recovered that were previously provided for	(55,619)	(64,459)
Charged to income and expenditure and appropriations account during the year	195,203	98,053

(d) Delinquent loans

At December 31, 2024, there were three hundred and forty two (342) (2023 – (360)) three hundred and sixty delinquent loans aged as disclosed below. At minimum, the total loan provision derived below is consistent with the loan loss provisioning rules of the League. The total provision for 2024 was not in excess (2023 - was not in excess) of the provision required under IFRS provisioning rules as indicated in Note 6 (e) below. These loans are summarised as follows:

2024						
Number of Months in Arrears	Total number of loans	Delinquent loans \$'000	Savings held against loans \$'000	Exposure \$'000	Rates %	PEARLS Provision Required \$'000
Less than 2	66	174,334	720	173,614	-	-
2 to 3	48	395,062	1,188	393,873	10	39,506
3 to 6	101	221,292	2,621	218,671	30	66,388
6 to 12	127	158,900	1,848	157,053	60	95,340
Total	342	949,588	6,377	943,211		201,234

2023						
Number of Months in Arrears	Total number of loans	Delinquent loans \$'000	Savings held against loans \$'000	Exposure \$'000	Rates %	PEARLS Provision Required \$'000
Less than 2	70	93,732	1,149	92,584	-	-
2 to 3	45	36,686	455	36,231	10	3,669
3 to 6	90	88,665	1,262	87,404	30	26,600
6 to 12	155	153,302	1,824	151,476	60	91,981
Total	360	372,385	4,690	367,695		122,250

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

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

(c) Provision for loan impairment		
	2024	2023
	\$'000	\$'000
Provision at beginning of year IFRS	371,340	394,538
Additional amounts provided for during the year	250,822	162,512
Bad debt written off	(152,783)	(185,710)
Provision for impairment at end of year	469,379	371,340
Provision for impairment in accordance with League provisioning rules	201,234	122,250

First Regional Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2024

7. Property, plant and equipment

The carrying amounts for property, plant and equipment for the years included in these financial statements as at December 31, 2024 can be analysed as follows:

	Work-In-Progress \$'000	Land & Buildings \$'000	Furniture & Fixtures \$'000	Roadway \$'000	Computer \$'000	Motor Vehicles \$'000	Total \$'000
Gross carrying amount							
Balance at January 1, 2024	1,000	263,292	66,801	509	59,456	5,350	396,408
Additions	6,759	-	3,932	-	6,011	-	16,702
Transfer	(6,967)	4,415	552	-	-	2,000	-
Balance at December 31, 2024	792	267,707	71,285	509	65,467	7,350	413,110
Depreciation							
Balance at January 1, 2024	-	(53,301)	(46,170)	(225)	(51,470)	(1,338)	(152,504)
Charge for the year	-	(4,675)	(3,200)	(7)	(9,425)	(669)	(17,976)
Balance at December 31, 2024	-	(57,976)	(49,370)	(232)	(60,895)	(2,007)	(170,480)
Carrying amount at December 31, 2024	792	209,731	21,915	277	4,572	5,343	242,630

First Regional Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2024

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

	Work-In-Progress \$'000	Land & Buildings \$'000	Furniture & Fixtures \$'000	Roadway \$'000	Computer \$'000	Motor Vehicles \$'000	Total \$'000
Gross carrying amount							
Balance at January 1, 2023	770	263,292	64,934	509	56,351	5,350	391,206
Additions	4,529	-	3,305	-	5,543	-	13,377
Transfer	(4,299)	-	2,759	-	1,540	-	-
Disposal	-	-	(4,197)	-	(3,978)	-	(8,175)
Balance at December 31, 2023	1,000	263,292	66,801	509	59,456	5,350	396,408
Depreciation							
Balance at January 1, 2023	-	(48,736)	(45,960)	(218)	(48,240)	(669)	(143,823)
Charge for the year	-	(4,565)	(4,134)	(7)	(7,184)	(669)	(16,559)
Eliminated on disposal	-	-	3,924	-	3,954	-	7,878
Balance at December 31, 2023	-	(53,301)	(46,116)	(225)	(51,524)	(1,338)	(152,504)
Carrying amount at December 31, 2023	1,000	209,991	20,685	284	7,932	4,012	243,904

First Regional Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2024

8. Intangible assets

Details of the intangible assets and their carrying amounts are as follows:

	Computer Software \$'000	Customer Relationship \$'000	Co-operative Social Bond \$'000	Total \$'000
Gross carrying amount				
Balance at January 1, 2024	15,580	4,400	6,000	25,980
Addition	4,269	-	-	4,269
Balance at December 31, 2024	19,849	4,400	6,000	30,249
Amortisation and impairment				
Balance at January 1, 2024	(14,612)	(4,400)	-	(19,012)
Charge for the year	(2,319)	-	-	(2,319)
Balance at December 31, 2024	16,931	(4,400)	-	(21,331)
Carrying amount at December 31, 2024	2,918	-	6,000	8,918

	Computer Software \$'000	Customer Relationship \$'000	Co-operative Social Bond \$'000	Total \$'000
Gross carrying amount				
Balance at January 1, 2023	15,580	4,400	6,000	25,980
Balance at December 31, 2023	15,580	4,400	6,000	25,980
Amortisation and impairment				
Balance at January 1, 2024	(12,981)	(4,400)	-	(17,381)
Charge for the year	(1,631)	-	-	(1,631)
Balance at December 31, 2023	14,612	4,400	-	19,012
Carrying amount at December 31, 2023	968	-	6,000	6,968

First Regional Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2024

9. Retirement benefit

The Credit Union participates in a joint contributory pension scheme, which is open to all permanent employees of the Credit Union and operated by the Jamaica Co-operative Credit Union League Limited. The plan provides benefits to members based on average earnings for their final 3 years of service with the Credit Union and employees each contributing 5% - 10 % of pensionable salaries. The plan is valued annually by independent actuaries.

The disclosures below are based on the actuarial valuation which was carried out as at December 31, 2024.

Asset recognised in the statement of financial position

	2024 \$'000	2023 \$'000
Present value of funded obligation	501,911	422,701
Fair value of plan assets	(552,305)	(507,958)
Asset recognised in the statement of financial position	(50,394)	(85,257)

The movement in the defined benefit obligation over the year is as follows:

	2024 \$'000	2023 \$'000
Balance at beginning of year	422,701	274,600
Current service cost	10,920	5,226
Interest cost	45,291	35,107
	478,912	314,933
Re-measurements		
Gain from changes in demographic assumptions	36,258	105,022
Experience gains	(4,670)	(1,188)
	31,588	103,834
Members' contributions	13,343	13,020
Benefits paid	(21,932)	(9,086)
	(8,589)	3,934
Balance at end of year	501,911	422,701

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

9. Retirement benefit (cont'd)

The movement in the defined benefit asset during the year is as follows:

	2024 \$'000	2023 \$'000
Balance at beginning of year	507,958	460,423
Interest income	55,951	60,760
Re-measurements		
Return on plan assets, excluding amounts included in interest income	(9,841)	(24,502)
Members' contributions	13,343	13,019
Employer's contributions	9,964	9,983
Benefits paid	(21,931)	(9,086)
Administrative expenses	(3,139)	(2,639)
Balance at end of year	552,305	507,958

The amounts recognised in the net surplus are as follows:

	2024 \$'000	2023 \$'000
Current service cost	10,920	5,226
Administrative expenses	3,140	2,638
Interest income (net)	(10,660)	(6,217)
Total, included in staff costs (Note 26)	3,400	1,647

As at the last valuation date, the present value of the defined benefit obligation was \$501,911,000 (2023 - \$422,701,000).

Plan assets are comprised as follows:

	2024 \$'000	2024 %	2023 \$'000	2023 %
Quoted equities	124,747	23	103,988	20
Real estate	127,883	23	116,157	23
Government bonds	177,491	32	184,336	36
Repurchase Agreements	37,680	7	25,763	5
US\$ Bonds	24,093	4	28,291	6
Other	60,411	11	49,423	10
	552,305	100	507,958	100

Expected contributions to the post-employment plan for the year ending December 31, 2024 are \$9.41 million.

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

	2024 \$'000	2023 \$'000
Asset at beginning of year	(85,257)	(36,312)
Amounts recognised in the net surplus	3,400	1,649
Contributions paid	(9,966)	(9,983)
Total re-measurements included in other comprehensive income	41,429	(40,611)
Asset at end of year	(50,394)	(85,257)

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

9. Retirement benefit (cont'd)

The significant actuarial assumptions used were as follows:

	2024 %	2023 %
Discount rate	9.5	11
Future salary increases	7	8
Expected pension increase	5	6
Long-term inflation rate	5	6

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

Impact on Post-employment obligations			
	Change in assumption %	Increase in assumption \$'000	Decrease in assumption \$'000
Discount rate	1	(62,988)	81,203
Future salary increases	1	27,543	(23,510)
Expected pension increase	1	46,062	(39,155)

	Increase in assumption by on year \$'000	Decrease in assumption by one year \$'000
Life expectancy	14,600	-

Risk associated with pension plans and post-employment plans

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

Asset volatility

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

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

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

Changes in bond yields

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

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

9. Retirement benefit (cont'd)

Inflation risk

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

Life expectancy

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

The Credit Union ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension plan. Within this framework, the Credit Union’s ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due. The Credit Union actively monitors how duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The Credit Union does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2024 consist of Government bonds and Repurchase Agreements.

Funding levels are monitored on an annual basis and the current agreed contribution rate is 5% - 10% of pensionable salaries. The next triennial valuation is due to be completed as at December 31, 2024. The Credit Union considers that the contribution rates set at the last valuation date to be sufficient to prevent a deficit and that regular contributions, which are based on service costs, will not increase significantly.

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

Category of Participant	Liability duration (years)	
	2024	2023
	\$'000	\$'000
Active Members	16.9	16.5
Deferred Pensioners	21.6	19.1
Retirees	8.8	8.4
All Participants	15.6	15.3

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

10. Liquid assets

	2024	2023
	\$'000	\$'000
Call deposits		
CUMFC – CU cash	1,700	138
Credit Union Fund Management Company	8,378	6,247
CUFMC – Liquidity Reserve	586,680	526,543
Total	596,758	532,928

Savings deposits comprises an Equity Money Market Fund Account (EMMA) maintained with Jamaica Money Market Brokers Limited. Interest is earned on the account until the Credit Union decides which stock or equity to invest the funds in.

A minimum of 8% is required to be invested with the Credit Union Fund Management Company (CUFMC) and a maximum of 2% with any other approved financial institution. Of the 8% requirement, a minimum of 2% must be invested in call deposits and the balance to be invested in reverse repurchase agreements or call deposits or a mixture of the both. As at December 31, 2024, the Credit Union was in compliance with these requirements.

Call deposits are cash management call accounts which are required to be maintained with CUFMC and should represent a minimum of 3.5% of the monthly average of members’ savings deposits and voluntary shares. CUFMC is the investment arm of the League and was established to provide a wide array of investment and wealth management products to satisfy the needs of the League’s members.

All savings and call deposits are expected to mature within 12 months of the end of the financial year.

11. Bank and cash balances

	2024	2023
	\$'000	\$'000
Cash in hand	57,726	49,899
Current accounts	42,508	39,668
Total	100,234	89,567

12. Receivables and prepayments

	2024	2023
	\$'000	\$'000
Deposit	106	106
Prepaid expenses	6,701	6,983
Other	18,221	26,283
Total	25,028	33,372

All amounts are short-term and the carrying value is considered as reasonable approximation of fair value.

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

13. Members’ permanent share capital

Members’ permanent share capital represents shares invested by members of the Credit Union. These shares are not available for withdrawal. During the year 2013, equity with net fair value of \$2,704,000 was created as a result of the acquisition of Round Hill Hotel Staff Co-operative Credit Union Limited and Hospitality Industries Co-operative Credit Union Limited. The attribution of the permanent shares at December 31 is as follows:

	2024	2023
	\$’000	\$’000
Balance at beginning of year	176,890	171,200
Share capital issued	6,415	5,690
Balance at end of year	183,305	176,890

The Credit Union may purchase shares from a member out of its Share Transfer Fund Reserve (Note 15 (c)) for transfer to the Credit Union.

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

14. Institutional capital

	2024	2023
	\$’000	\$’000
Statutory reserve	1,491,608	1,372,641
Permanent capital reserve	5,539	5,539
Business combinations reserve	14,634	14,634
Total	1,511,781	1,392,814

(a) Statutory reserve

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

(b) Permanent capital reserve

This reserve transfers from accumulated surplus on the recommendation of the Directors, for the purpose of strengthening institutional capital.

(c) Business combinations reserve

This reserve represents equity acquired arising from the business combinations with Round Hill Hotel Staff Co-operative Credit Union Limited and Hospitality Industries Co-operative Credit Union Limited.

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

15. Non-institutional capital

	2024	2023
	\$’000	\$’000
(a) Retirement benefit asset reserve	50,394	85,257
(b) Capital expenditure reserve	70,585	75,000
(c) Share transfer fund	85	87
(d) Corporate social responsibility reserve	4,669	5,489
(e) Remeasurement (loss)/gain on retirement benefit asset	(41,429)	(86,002)
(f) Fair value gains on investment	97,894	101,857
Total	182,198	181,688

(a) Retirement benefit asset reserve

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

(b) Capital expenditure reserve

The capital expenditure reserve was initially established by transfers from the contingency reserve. Subsequently transfers to the reserve are approved by the members at the Annual General Meeting. It is available for future projects undertaken by the Credit Union.

(c) Share transfer fund reserve

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

(d) Corporate social responsibility reserve

This reserve was set up to facilitate donations, scholarships and grants. It is available for future activities that the Credit Union decides to undertake to promote its corporate social responsibilities. The amounts are transferred to the reserve from accumulated surplus and are approved at the Annual General Meeting. Costs incurred are recognised in the statement of comprehensive income.

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

16. Members' deposits

	2024	2023
	\$'000	\$'000
(a) Members' Fixed deposits-		
Opening balance	738,698	660,489
Deposits during the year	241,549	264,317
Interest credited during the year	6,882	5,407
	987,129	930,213
Less: Withdrawals during the year	(177,498)	(191,515)
	809,631	738,698
(b) Members' Ordinary deposits		
Opening balance	264,991	238,081
Deposits during the year	289,341	306,698
Interest credited during the year	1,651	1,561
	555,983	546,340
Less: Withdrawals during the year	(273,072)	(281,349)
	282,911	264,991
(c) Members' Golden Harvest deposits		
Opening balance	2,557	1,350
Deposits during the year	5,501	3,732
Interest credited during the year	41	21
	8,099	5,103
Less: Withdrawals during the year	(5,004)	(2,546)
	3,095	2,557
(d) Members' Solid Saver deposits		
Opening balance	668,085	560,565
Deposits during the year	568,166	456,872
Interest credited during the year	5,474	4,617
	1,241,725	1,022,054
Less: Withdrawals during the year	(476,326)	(353,969)
	765,399	668,085
(e) Members' Fixed deposits-		
Opening balance	870,972	720,410
Deposits during the year	1,382,786	1,236,525
Interest credited during the year	5,158	4,804
	2,258,916	1,961,739
Less: Withdrawals during the year	(1,237,568)	(1,090,767)
	1,021,348	870,972
(f) Members' Ordinary deposits		
Opening balance	81,329	71,131
Deposits during the year	36,659	30,988
Interest credited during the year	352	362
	118,340	102,481
Less: Withdrawals during the year	(20,997)	(21,151)
	97,373	81,330
(g) Interest payable on members' deposits	2,146	1,894
Total	2,981,903	2,628,527

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

17. Members' voluntary shares

	2024	2023
	\$'000	\$'000
Balance at the beginning of the year	6,043,786	5,138,848
Shares issued	6,190,977	5,674,245
Interest paid during the year	30,314	30,294
Shares withdrawn or transferred	(5,360,562)	(4,830,251)
	6,904,515	6,013,136
Add: Interest payable	31,875	30,650
Total	6,936,390	6,043,786

18. Accounts payables

	2024	2023
	\$'000	\$'000
Other payables	63,080	61,075
Accruals	44,558	37,821
Total	107,638	98,896

19. Commitments

- (a) At December 2024, there were commitments of approximately \$1,782,990,900 (2023 - \$401,966,558) in respect of loans approved, but not disbursed.
- (b) At December 2024, there were no commitments in respect of payments not yet disbursed as part of the Credit Union's capital expenditure projects.
- (c) The Credit Union leases commercial space to its tenants under non-cancellable operating lease agreements. The future minimum lease payments receivable are as follows:

	2024	2023
	\$'000	\$'000
Not later than 1 year	5,907	5,780
Later than 1 year but not later than 5 years	582	477
Balance at end of year	6,489	6,257

- (d) The Credit Union entered into non-cancellable operating lease agreements with its lessors for commercial space. The future minimum lease payments are as follows:

	2024	2023
	\$'000	\$'000
Not later than 1 year	2,384	2,384
Balance at end of year	2,384	2,384

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

20. Comparison of ledger balances

	Voluntary Shares \$'000	Deposits \$'000	Loans \$'000
Balance per members' ledgers	6,904,514	2,979,757	10,926,589
Add: Accrued interest	31,876	2,146	158,983
Less: Amortisation of commitment fees	-	-	(198,128)
	6,936,390	2,981,903	10,887,244
Less: Expected credit loss	-	-	(469,379)
Balance per general ledger	6,936,390	2,981,903	10,417,865

21. Insurance

(a) Fidelity insurance coverage

Fidelity insurance coverage was maintained during the year.

(b) Life savings and loan protection insurance

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

22. Related party transactions and balances

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

(a) Key management compensation

	2024 \$'000	2023 \$'000
Salaries and other short-term employee benefits	86,647	104,007
Statutory contributions	9,258	8,059
Pension benefits	5,167	4,784
Other	18,945	11,304
Total	120,017	128,154

(b) Loans, shares and savings

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

	2024 \$'000	2023 \$'000
Directors, committee members, key management (and their families) -		
Shares and savings	37,679	32,928
Loans, including interest	160,061	133,566
Staff members -		
Shares and savings	46,895	41,943
Loans, including interest	167,093	143,989

No provision for impairment is required for these loans.

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

23. Operating expenses

	2024 \$'000	2023 \$'000
Staff costs		
Salaries and allowances	353,570	300,865
Travelling and subsistence	1,619	1,475
Statutory deductions	37,964	32,743
Pension cost	8,287	6,032
Other	21,460	25,327
	422,900	366,442
Administrative		
Audit fees and related costs	5,529	5,028
Insurance	28,750	25,517
Software maintenance	4,096	3,819
Office expense	14,558	17,417
Security services	62,512	42,509
Printing, stationery and postage	115	43
Repairs and maintenance	16,175	10,101
Property taxes and rates	492	492
Utilities	34,998	33,391
Rental – branch offices	2,384	2,384
Scholarship and grants	2,898	3,359
Bank charges	922	697
Depreciation	17,976	16,559
Amortisation of intangible assets	2,319	1,631
Professional fees	8,766	2,190
GCT expenses	23,314	18,897
Miscellaneous	3	7
ATM expense	3,610	2,205
Total administrative expenses	229,417	186,246
Representation and affiliation		
League fees	21,979	18,906
Stabilisation dues	13,008	9,240
Board and committee meetings	4,798	5,125
International Credit Union month	3,111	2,327
Annual general meeting	7,091	3,822
Credit union meetings	7,509	5,052
Total representation and affiliation expenses	57,496	44,472
Marketing and promotion		
Advertising and promotion	2,625	2,815
Donations	6,476	3,599
Total marketing and promotion expenses	9,101	6,414
Total operating expenses	718,914	603,574

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

24. Risk management policies

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

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

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

(i) Risk Compliance Unit

This unit ensures conformity with regulatory requirements. A Risk and Compliance Manager ensures that all regulatory requirements of the Bank of Jamaica, the League and the Financial Investigating Unit of the Ministry of Finance and Planning are met.

(ii) The Treasury and Investment Committees

The Treasury Committee is responsible for managing the Credit Union’s assets and liabilities and the overall financial structure. It is also primarily responsible for managing the funding and liquidity risks of the Credit Union. The Investment Committee is responsible for monitoring and formulating investment portfolios and investment strategies for the Credit Union.

(iii) Asset and Liability Committee

The Asset and Liability Committee is responsible for establishing appropriate trading limits and reviewing reports on compliance controls to ensure that its mandate is properly followed.

(iv) Credit Committee

The Credit Committee oversees the approval and disbursement of credit facilities to members. It is also primarily responsible for monitoring the quality of the loan portfolio.

(v) Supervisory Committee

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

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

24. Risk management policies (cont’d)

(v) Supervisory Committee (cont’d)

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

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

a Market risk

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

i Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk occurs when the Credit Union takes on open positions in a currency. To control this exchange risk, the Investment Committee has approval limits for net open positions and has also adhered to the mandate of the Bank of Jamaica to discontinue additional foreign currency investments.

The Credit Union also has transactional currency exposure. Such exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to settle. The Credit Union’s net exposure is kept to an acceptable level as it has not been purchasing new investments in foreign currencies. Foreign currencies purchased/(received) are sold immediately to the commercial banks.

Concentrations of currency risk-on-and off-statement of financial position financial instruments

The Credit Union is exposed to foreign currency movement through investments held in reverse repurchase agreements and financial investments as follows:

	2024		
	Jamaican \$’000	US\$ \$’000	Total \$’000
Reverse repurchase agreements	150,818	17,273	168,091
Financial investments	872,574	-	872,574
Total	1,023,392	17,273	1,040,665

First Regional Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2024

24. Risk management policies (cont'd)

- a Market risk (cont'd)
- i Currency risk (cont'd)

	2023		
	Jamaican \$'000	US\$ \$'000	Total \$'000
Reverse repurchase agreements	1,073,799	16,579	1,090,378
Financial investments	765,480	-	765,480
Total	1,839,279	16,579	1,855,858

Foreign currency sensitivity

The following table indicates the currencies to which the Credit Union had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rate below represents management’s assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at year end for the percentage changes in foreign currency rates as indicated below. The sensitivity of the net surplus was as a result of reverse repurchase agreements and financial investments. There would be no impact on equity other than through net surplus.

	Change in currency rate 2024 %	Effect on net surplus 2024 \$'000	Change in currency rate 2023 %	Effect on net surplus 2023 \$'000
Currency: Devaluation USD	4	691	4	663
Revaluation USD	1	(173)	1	(166)

ii Interest rate risk

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

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

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

First Regional Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2024

24. Risk management policies (cont'd)

- a Market risk (cont'd)
- ii Interest rate risk (cont'd)

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

	2024					
	Within One Month \$'000	Within Three Months \$'000	Three to Twelve Months \$'000	One to Five Years \$'000	Over Five Years \$'000	Non-Interest Bearing \$'000
	Total \$'000	Total \$'000	Total \$'000	Total \$'000	Total \$'000	Total \$'000
Financial assets						
Earning assets						
Liquid assets	586,680	231,065	249,354	-	-	6,712
Reverse repurchase agreements	-	154,727	17,273	-	-	573
Financial investments	-	26,449	237,000	-	-	143,661
Loans, net of impairment provision	-	184,482	133,116	2,314,173	7,587,966	-
Non-earning assets	-	-	-	-	-	109,192
Total financial assets	586,680	596,723	636,743	2,314,173	7,587,966	260,138
Interest bearing liabilities						
Members' deposits	-	1,575,030	1,095,764	20,949	-	2,146
Members' voluntary shares	-	49,376	91,355	1,588,175	5,207,484	-
Non-interest bearing liabilities	-	-	-	-	-	18,965
Total financial liabilities	-	1,624,406	1,187,119	1,609,124	5,207,484	21,111
Total interest rate Sensitivity Gap	586,680	(1,027,683)	(550,376)	705,049	2,380,482	239,027
Cumulative Gap	586,680	(441,003)	(991,379)	(286,330)	2,094,152	2,333,179

First Regional Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2024

24. Risk management policies (cont'd)

a Market risk (cont'd)

ii Interest rate risk (cont'd)

	2023					
	Within One Month \$'000	Within Three Months \$'000	Three to Twelve Months \$'000	One to Five Years \$'000	Over Five Years \$'000	Non-Interest Bearing \$'000
Financial assets						
Earning assets						
Liquid assets	526,543	196,003	211,832	-	-	3,976
Reverse repurchase agreements	-	1,078,567	16,579	-	-	14,907
Financial investments	-	26,256	200,000	-	-	138,629
Loans, net of impairment provision	-	56,903	118,446	1,984,914	5,895,355	-
Non-earning assets	-	-	-	-	-	98,533
Total financial assets	526,543	1,357,729	546,857	1,984,914	5,895,355	256,045
Interest bearing liabilities						
Members' deposits	-	1,406,783	959,826	16,232	-	1,067
Members' voluntary shares	-	36,021	88,964	1,490,852	4,427,949	-
Non-interest bearing liabilities	-	-	-	-	-	8,749
Total financial liabilities	-	1,442,804	1,048,790	1,507,084	4,427,949	9,816
Total interest rate Sensitivity Gap	526,543	(85,075)	(501,933)	477,830	1,467,406	246,229
Cumulative Gap	526,543	441,468	(60,465)	417,365	1,884,771	2,131,000

First Regional Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2024

24. Risk management policies (cont'd)

a Market risk (cont'd)

ii Interest rate risk (cont'd)

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

	2024					
	Within Three Months %	Three to Twelve Months %	One to Five Years %	Over Five Years %	Weighted Average %	
Financial assets						
Earning assets						
Liquid assets	3	-	-	-	-	3
Short-term investments (Local)	1	8	-	-	-	5
Reverse repurchase agreements						
Local	6	-	-	-	-	6
Foreign currencies	3	-	-	-	-	3
Financial investments						
Local	4	11	-	-	-	8
Foreign currencies						
Loans	10	10	10	10	10	10
Interest bearing liabilities						
Members' deposits	1	1	1	-	-	1
Members' voluntary shares	1	1	1	1	1	1

First Regional Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2024

24. Risk management policies (cont'd)

a Market risk (cont'd)

ii Interest rate risk (cont'd)

	2023				
	Within Three Months %	Three to Twelve Months %	One to Five Years %	Over Five Years %	Weighted Average %
Financial assets					
Earning assets					
Liquid assets	3	-	-	-	3
Short-term investments (Local)	1	8	-	-	4
Reverse repurchase agreements					
Local	8	-	-	-	8
Foreign currencies	3	8	-	-	3
Financial investments					
Local	3	8	-	-	6
Foreign currencies					
Loans	10	10	10	10	10
Interest bearing liabilities					
Members' deposits	1	1	1	-	1
Members' voluntary shares	1	1	1	1	1

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

(2) Yields are based on contractual interest rates.

First Regional Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2024

24. Risk management policies (cont'd)

a Market risk (cont'd)

ii Interest rate risk (cont'd)

Interest rate sensitivity

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

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

Change in Basis points 2024	Effect on Net Surplus 2024 \$'000	Change in basis points 2023	Effect on Net Surplus 2023 \$'000
J\$ instruments		J\$ instruments	
-50	(25,570)	-25	(1,211)
+25	12,785	+25	1,211
US\$ instruments		J\$ instruments	
-50	(86)	-25	(41)
+25	43	+25	41

iii Other price risk

The Credit Union is exposed to equity securities price risk because of investments classified at fair value through profit or loss. The investments in quoted equity securities are of other entities that are publicly traded on the Jamaica Stock Exchange.

Sensitivity to changes in price of equity securities

The following table indicates the sensitivity to a reasonable possible change in prices of equity securities, with all other variables held constant, on the income statement and equity.

The sensitivity of the profit or loss is the effect of the assumed fair value changes of investment securities classified at fair value through profit or loss. The sensitivity of other comprehensive income is the effect of the assumed fair value changes of investment securities classified as available-for-sale.

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

24. Risk management policies (cont'd)

a Market risk (cont'd)

iii Other price risk

The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	Rate	Effect on Net Surplus for the year	Equity
		\$ 000	\$ 000
December 31, 2024	6%	3,016	3,019
December 31, 2024	(2%)	(1,005)	(1,005)
December 31, 2023	6%	3,019	3,019
December 31, 2023	(3%)	(1,509)	(1,509)

b Credit risk analysis

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

Credit review process

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

(i) Loans

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

(ii) Investments

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

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

24. Risk management policies (cont'd)

b Credit risk analysis (cont'd)

Collateral and other credit enhancements

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

The main types of collateral obtained are as follows:

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

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

Loans to members and expected credit loss

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

- Probability of Default – This represents the likelihood of a borrower defaulting on its financial obligation either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- Exposure at Default – This represents the expected balance at default, taking into account the repayment of principal and interest from the statement of financial position date to the default event together with any expected drawdowns of committed facilities.
- Loss Given Default – The LGD represents the expected losses on the EAD given the event of default, taking into account the mitigating effect of collateral value at the time it is expected to be realised and also the time value of money.

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

- Stage 1 – financial assets that are not credit impaired on initial recognition or are deemed to have low credit risk. These assets generally abide by the contractual credit terms. The ECL is measured using a 12 month PD, which represents the probability that the financial asset will default within the next 12 months.
- Stage 2 – financial assets with a significant increase in credit risk (SICR) since initial recognition, but are not credit impaired. The ECL is measured using a lifetime PD.
- Stage 3 – credit impaired financial assets. The ECL is measured using a lifetime PD.

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

24. Risk management policies (cont'd)

b Credit risk analysis (cont'd)

Transfer between stages

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

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

The expected loss rates are based on the payment profile for customers over the past three years before December 31, 2024 and January 1, respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer’s ability to settle the amount outstanding. The Bank has identified interest rate, exchange rate gross domestic product (GDP) and unemployment rates of Jamaica to be the most relevant factors and according adjusts historical loss rates for expected changes in these factors.

On the above basis the expected credit loss for loan members receivables as at December 31, 2024 and January 1, 2024 was determined as follows:

Expected credit loss summarise by stage

Loan stage	December 31, 2024		Expected credit loss rate %
	Total loan balance \$'000	Expected credit loss \$'000	
Stage 1	3,034,662	282,262	9.3
Stage 2	664,196	21,291	3.2
Stage 3	7,188,386	165,826	2.3
Total	10,887,244	469,379	

Expected credit loss summarise by stage

Loan stage	December 31, 2023		Expected credit loss rate %
	Total loan balance \$'000	Expected credit loss \$'000	
Stage 1	8,226,439	219,892	2.7
Stage 2	130,139	21,178	16.3
Stage 3	241,632	130,270	53.9
Total	8,598,210	371,340	

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

24. Risk management policies (cont'd)

b Credit risk analysis (cont'd)

Maximum exposure to credit risk

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

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

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

(i) Expected credit losses on loans

	2024 \$'000	2023 \$'000
Provision for impairment at beginning of year	371,340	394,538
Increase in amounts provided for during the year	250,821	162,512
Bad debt written-off	(152,783)	(185,710)
Provision for impairment at end of year	469,379	371,340

(ii) Renegotiated loans

Restructuring activities include extended payment arrangements, approved external management plans, modification and deferral of payments. Following restructuring, a previously overdue customer account is reset to a normal status and managed together with other similar accounts. Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans. As at December 2023 and 2024, there were no renegotiated loans.

(iii) Repossessed collateral

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

	2024 \$'000	2023 \$'000
Real estate	570,940	171,100
Motor vehicles	21,337	25,492
Total	592,277	196,592

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

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

24. Risk management policies (cont'd)

b Credit risk analysis (cont'd)

(iv) Debt securities

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

	2024 \$'000	2023 \$'000
Banks and securities dealers	1,040,667	1,855,858
Total	1,040,667	1,855,858

The disclosures provided in this note are based on the Credit Union’s investment portfolio as at December 31, 2024 and 2023.

(v) Loans

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

	2024 \$'000	2023 \$'000
Construction and real estate	7,520,249	5,498,309
Education	97,989	92,295
Business investment	487,831	533,920
Agriculture	57,914	49,729
Motor vehicle	1,662,956	1,534,969
Personal and other	901,322	839,236
	10,728,261	8,548,458
Less: Provision for impairment	(469,379)	(371,340)
	10,258,882	8,177,118
Interest receivable	158,983	49,752
Total	10,417,865	8,226,870

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

24. Risk management policies (cont'd)

c Liquidity risk

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

Liquidity risk management process

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

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

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

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

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Credit Union and its exposure to changes in interest rates and exchange rates.

First Regional Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2024

24. Risk management policies (cont'd)

c Liquidity risk (cont'd)

Financial liabilities and assets held for managing liquidity risk

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

2024						
	Within Three Months \$'000	Three to Twelve Months \$'000	One to Five Years \$'000	Over Five Years \$'000	No Specific Maturity \$'000	Total \$'000
Financial assets						
Earning assets						
Liquid assets	837,121	276,987	-	-	-	1,114,108
Reverse repurchase agreements	164,378	17,856	-	-	-	182,234
Financial investments	28,662	272,874	-	-	134,876	436,412
Loans, net of impairment provision	754,712	1,687,751	6,176,073	11,448,734	-	20,067,270
Non-earning assets	42,509	6,312	-	-	60,372	109,192
Total financial assets	1,827,382	2,261,780	6,176,073	11,448,734	195,248	21,909,217
Financial liabilities						
Interest bearing liabilities						
Members' deposits	1,589,782	1,104,763	21,091	-	-	2,715,636
Members' voluntary shares	49,376	91,355	1,588,175	5,207,484	-	6,936,390
Non-interest bearing liabilities	18,965	-	-	-	-	18,965
Total financial liabilities	1,658,123	1,196,118	1,609,266	5,207,484	-	9,670,991
Net position	169,259	1,065,662	4,566,807	6,241,250	195,248	12,238,226

First Regional Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2024

24. Risk management policies (cont'd)

c Liquidity risk (cont'd)

2023						
	Within Three Months \$'000	Three to Twelve Months \$'000	One to Five Years \$'000	Over Five Years \$'000	No Specific Maturity \$'000	Total \$'000
Financial assets						
Earning assets						
Liquid assets	739,885	233,076	-	-	-	972,961
Reverse repurchase agreements	1,182,191	17,179	-	-	-	1,199,370
Financial investments	28,446	222,293	-	-	133,006	383,745
Loans, net of impairment provision	552,256	1,408,633	4,954,677	8,479,841	-	15,395,407
Non-earning assets	39,668	6,153	-	-	52,712	98,533
Total financial assets	2,542,446	1,887,334	4,954,677	8,479,841	185,718	18,050,016
Financial liabilities						
Interest bearing liabilities						
Members' deposits	1,419,294	967,681	16,356	-	-	2,403,331
Members' voluntary shares	36,021	88,964	1,490,852	4,427,949	-	6,043,786
Non-interest bearing liabilities	8,749	-	-	-	-	8,749
Total financial liabilities	1,464,064	1,056,645	1,507,208	4,427,949	-	8,455,866
Net position	1,078,382	830,689	3,447,469	4,051,892	185,718	9,594,150

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash and bank balances, investment securities and loans. In the normal course of business, a proportion of members' loans contractually repayable within one year will be extended. The Credit Union is also able to meet unexpected net cash outflows by selling securities and accessing overdraft facilities from its main financing institutions.

The members' voluntary shares are contractually on call except in cases where these balances are held as security for loan facilities.

Off-statement of financial position items

All loan commitments existing at year end (Note 23 (a)) expire within 12 months.

Year ended December 31, 2024

24. Risk management policies (cont'd)

d Operational risk

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

The Credit Union's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to identify operational risk is assigned to the Board and management. This responsibility is supported by overall Credit Union standards for the management of operational risk in the following areas:

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

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

25. Fair value estimation

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

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

Year ended December 31, 2024

25. Fair value estimation (cont'd)

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

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

- (i) The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amounts. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities.
- (ii) The fair value of members' deposits is assumed to be the amount payable on demand at the statement of financial position date.
- (iii) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts.
- (iv) The fair value of fixed rate loans is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. For match-funded loans, the fair value is assumed to be equal to their carrying value, as gains and losses offset each other. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the provisions for credit losses from both book and fair values.
- (v) Financial investments classified as available-for-sale are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or other recognised valuation techniques. Unquoted equities classified as available-for-sale are measured at historical cost less impairment, as their fair values cannot be reliably determined.
- (vi) Financial investments classified as held-to-maturity are measured at amortised cost with a carrying value of \$25,000,000 (2023 - \$25,000,000) for which the fair value has been estimated at \$25,000,000 (2023 - \$25,000,000).
- (vii) The estimated fair values of the off-statement of financial position financial instruments is assumed to approximate the amount committed at year end.
- (viii) The carrying value of borrowings approximates fair value as the borrowings are carried at amortised cost reflecting its contractual obligations, and the interest rates are reflective of current rates for similar transactions.

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

25. Fair value estimation (cont'd)

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis. The quoted market price used for financial assets is the current bid price. These instruments are grouped in Level 1;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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

December 31, 2024				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Available for-sale financial assets				
Quoted equities	51,966	-	-	51,966
Fixed and other deposits	-	1,601,528	-	1,601,528
Total	51,966	1,601,528	-	1,653,494
December 31, 2023				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Available for-sale financial assets				
Quoted equities	50,309	-	-	50,309
Fixed and other deposits	137	2,581,646	-	2,581,783
Total	50,446	2,581,646	-	2,632,092

There has been no transfer between levels 1 and 2 in the reporting period.

First Regional Co-operative Credit Union Limited
Notes to the Financial Statements

Year ended December 31, 2024

26. Capital management, policies and procedures

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

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

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

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

- (i) Hold a minimum level of the regulatory capital of 6% of total assets; and
- (ii) Maintain a ratio of total regulatory capital to risk-weighted assets at or above 10%.

In determining the Credit Union’s capital base, the institutional capital of Hospitality Industries Employees Co-operative Credit Union Limited (HICUL) and Round Hill Hotel Staff Co-operative Credit Union Limited (RHCUL) which merged with First Regional Co-operative Credit Union Limited on July 1, 2013 were included. As at the date of the merger, HICUL and RHCUL had institutional capital of \$5,287,000 that comprised the following balances;

	HICUL	RHCUL	Total
	\$'000s	\$'000s	\$'000s
Statutory reserve	498	2,871	3,369
Institutional capital reserve	250	1,668	1,918
Total	748	4,539	5,287

All League and Bank of Jamaica regulatory capital requirements were met during the years ended December 31, 2024 and 2023.

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

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

Resolution to Increase Permanent Shares and Grounds for the Cessation of Membership

Resolution No. 1

WHEREAS based on the Co-operative Societies Act, membership in a Credit Union is determined by share ownership;

WHEREAS members of First Regional Co-operative Credit Union Limited need to purchase and retain Permanent Shares to ensure ownership of the Credit Union; and

WHEREAS an adequate Institutional Capital Base is desirable, as it enhances the financial soundness of the Credit Union while enabling the Credit Union to meet the relevant regulatory standards; and

WHEREAS First Regional Co-operative Credit Union Limited wishes to maintain a strong Capital Base and to preserve that base in order to enable it to maintain a safe level of risk based assets; and

WHEREAS increasing the Permanent Shares will further improve the Institutional Capital Base of the Credit Union;

BE IT RESOLVED that members of First Regional Co-operative Credit Union Limited should have no less than **Three Thousand Dollars (J\$3,000.00)** in Permanent Shares; and

BE IT FURTHER RESOLVED that Rule 6 which now reads:

Every applicant for membership shall pay an entrance fee to be determined by the Directors from time to time and subscribe to Two Thousand Five Hundred Dollars (J\$2,500.00) in Permanent Shares and a minimum of Five Hundred Dollars (J\$500 .00) in Voluntary Shares. If the application is rejected, the entrance fee shall not be refunded.

BE IT AMENDED TO READ:

Every applicant for membership shall pay an entrance fee to be determined by the Directors from time to time and subscribe to Three Thousand Dollars (J\$3,000.00) in Permanent Shares and a minimum of Five Hundred Dollars (J\$500.00) in Voluntary Shares. If the application is rejected, the entrance fee shall not be refunded.

Resolution No. 2

WHEREAS RULE 7 READS:

A person ceases to be a member on: -

- (a) Death of the member;
- (b) Ceasing to hold Two Thousand Five Hundred Dollars (J\$2,500.00) in Permanent Shares and Five Hundred Dollars (J\$500.00) in Voluntary Shares
- (c) Being found to be of unsound mind;
- (d) Expulsion from the Society

RULE 7 IS NOW AMENDED AS FOLLOWS:

A person ceases to be a member on: -

- (a) Death of the member;
- (b) Ceasing to hold Three Thousand Dollars (J\$3,000.00) in Permanent Shares and Five Hundred Dollars (J\$500.00) in Voluntary Shares
- (c) Being found to be of unsound mind;
- (d) Expulsion from the Society

SENIOR MANAGERS



ARDFORD BILLINGS
CEO



SEFTON CUMMINGS
SENIOR MANAGER, FINANCE



CAVA WHITE
MANAGER, RISK & COMPLIANCE



PATRICK CAWLEY
CREDIT MANAGER



DANIEL ELVEY
IT MANAGER



SEVEENE THAME
HR & ADMIN MANAGER

SENIOR MANAGERS



DESLON BROWN
BUSINESS DEVELOPMENT
MANAGER



JODI-ANN PRYCE
LEGAL OFFICER



CARLENE SHIRLEY-JOHNSON
OPERATIONS MANAGER



ROMAYNE RILEY
INTERNAL AUDITOR

ANNOTTO BAY



ALECIA KENNEDY-LAIDLEY



ANNITIA SEYMOUR-STRACHAN



EUGENIE THOMAS-GRAY



SYSSIREE CALDER

BROWN'S TOWN



DEANNA SMITH



KERRY-ANN CARTER



NICOLE MCKIGHT-SMITH



ROSEMARIE LYONS



SAMMIEJOE LAMEY



PHILLIPA GREEN

CLAREMONT

GUY'S HILL



JADIAN ROSE



JENNIFER CAMPBELL



KAREEN BORELAND



COLETTE MURRAY



EUGENIE POWELL



SHASHA HAMILTON

DISCOVERY BAY

HIGHGATE



CANDICE CALLUM



DIANA FAIRWEATHER



LORILEE WALTERS



BRIDGET ANDERSON



JAHVINE GILLETTE



MELISSA HENRY



SHEKA STRACHAN



VERONA WALKER

KINGSTON



ANNETTE BRYAN



KARL MCGRATH



KERRY-ANN JULIUS-LOGAN



RAYMOND KIRLEW



SABRINA BLACK

NEGRIL



EUPHEMIA EARLE



EVETTE MOXIE-DALEY



KHALIA MALCOLM



ROXANNE HAUGHTON



SHADAE WOOLOCK-MORRIS

OCHO RIOS



BRITANIA SPENCR



DANEILLE BROWN



DYLAN JONES



MARSHA SIMPSON



NARVELIN CAMMOCK



PSALMONIE SMITH



GENESHA BROWN



JAMEIKA MCKENZIE



JAVIA FRANCIS



SHALIAH BISHOP



SHANE RILEY



SHAVEL COLE



JUDALE JUMP



JULIET TAYLOR



KAYLA DACOSTA



TASHEIKA MARTIN



TAVAR RICHARDS



TISHAUNA WHITE

PORT MARIA



DEON ROPER-LANGRIN



JANIELE JONES



OBRIAN DENNIS



SANDRA REECE



TAKIECE BROWN



WAYNE WILLIAMS

ROUND HILL



DEANDRA FOSTER



MANSEL DUNKLEY



PAULETTE GARDENER



ROSHELLE DAVIS



TRACY-ANN THOMPSON

ST. ANN'S BAY



ALTON FOWLER



CERETA GREGG



DORECHA BROWN



MARIA GORDON-OLDFIELD



RANIEL RILEY



ROHAN STEPHENSON



GEORGIANA PINNOCK



JAHANE BROWN



JERIMENE BLACK



RONALDO DIXON



SADE MCLEOD



SANIQUE JOHNSON



KAMAINE WILLIAMSON



KIRK BROWN



LURLINE JOHNSON-CHANG



SASHOYE DANIELS



SHA-SHANA MCFARLANE



SHANELLE MORRIS



SHEVONISE ANDERSON



TIFFANY DRUMMONDS



TREVON CAMPBELL



YANIQUE TULLOCH



Deceased Members

ALBERT ADAMS
JOSEPH ALEXANDER
AFIA ARCHER
ROSE MARIE BARRIFFE
ZETY BEADLE
FRANKLIN BECKFORD
BARRINGTON
BLACKWOOD
DUWAYNE BORELAND
KAREN BROOKS
EVAN BROWN
FLORENCE BROWN
CLEVELAND BROWN
ROY BROWN
DONALD BROWN
AUDREY BROWN
DOUGLAS BROWN
ANDREA CAIN
CAMEEL CAMERON
DELROY CAMPBELL
ESTHER CAMPBELL

CONROY CAMPBELL
JOHN RUPERT CLARKE
ATEALIA CLARKE
GLADYS CLARKE-
MCPHERSON
PRINCE COLLINS
LEROY CONNELL
KENYOUTH DAWKINS
CYRIL ROY DUNCAN
DAWNETT ELLIOTT
RICARDO FAIRCLOUGH
CURTIS FARQUHARSON
FRANCELLA FINDLEY
KARL GOODWILL
ALMA GORDON
GEORGE GOULBOURNE
SANDRA GRANT
ERROL HALL
TREVOR HALL
JACQUELINE
HALL- PALMER
ROBIN HARDING

LEVY HENRY
ASHANI HENRY
FRANK HENRY
CLAUDINE HEPBURN
SYLVIA HONNIGAN
ENID HUNTER
LORETTA ISAACS-
THOMPSON
ENIZE JOHNSON
VINDEL JOHNSON
MAXINE JOHNSON
MERLIN JOSEPHS
AUSTIN KELLY
ROSETTA LAWRENCE
SOPHIA LINDSAY
STEPHANO LODGE
ROY LYNCH
BERYL MARSH
LORETTA MAXWELL
EMMA MCDONALD
JOAN MCGREGOR

DERMUTT MCKENZIE
MAVIS MCKENZIE
MILLICENT MCKOY-
CAMPBELL
KAREN MCLEAN
ROBERT MCPHERSON
VALERIA MILLS
NORMAN MILLS
PEGGIE MITCHELL
ANGELIA MOHAMMED
JOAN MONTAGUE
NAOMI MORRIS-RILEY
ERIC MOSES
TREVOR MURRAY
LURLINE MYRIE
REMA NELSON
WILDA NELSON
VICTOR NEWLAND
HOPETON NORMAN
DALTON OATES
ROY ORMSBY

HERBERT OSBOURNE
BEVERLEY PIPER
ELISHA POLOCK
ERROL POWELL
DONALD RICKETTS
HERMAN ROBB
LARCHIN ROBB
JACQUELINE ROWE-
SINCLAIR
COLLETTE RUSSELL
CECIL SCOTT
WINSOME SCOTT
GLORIA SILVERA
STANFORD SIMMS
HYACINTH SIMPSON
BASIL G. SMITH
KERRY ANNE SMITH
ADONIJAH SPENCER
EVELYN SPENCER
GEORGIA SPENCER-HALL
KAREEN STEWART

RIGLEY STRACHAN
AVIS THAXTER
BASIL TUCKER
RUPERT TULLOCH
CARL LLOYD VASSELL
BEVERLEY VASSELL-HILL
DELPHENA WALFORD
CARMETA WALLACE
LAURET WATSON
NICOLE WHILBY
LAFERN WHITE
JENNETTA WHITE
KENLOY WHITEHORN
LINSDAY WILLIAMS
GIFFORD WILLIAMS
MORTON WILLIS
MELBOURNE WRIGHT



Prayer of St. Francis of Assisi

Lord, make me an instrument
of your 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;
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 it is in dying that we are
born to eternal life.