



TIP Friendly
Society

ANNUAL REPORT /////2024

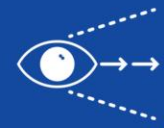
TIP 23rd ANNUAL GENERAL MEETING





MISSION

To improve the well-being of members and staff while contributing to the development of the wider community, by providing thrift, investment opportunities and credit facilities, sickness, accident and death benefits in the most reliable, efficient, professional and accountable manner.



VISION

TIP Friendly Society aims to become the leading Friendly Society that provides world class products and services for members in the educational fraternity

CORE VALUES



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TIP Friendly Society

NOTICE OF ANNUAL GENERAL MEETING

The Committee of Management of TIP Friendly Society hereby gives notice of its 23rd Annual General Meeting to be held on Saturday, June 7, 2025 starting at 10:00 am.

The meeting will be held at:

The Jamaica Conference Centre,
14 - 20 Port Royal Street,
Kingston.

The meeting is to present the 2024 Audited Financial Statements and to consider and approve Resolutions submitted by the Committee of Management. These Resolutions are in respect of amendments to the Rules of TIP Friendly Society, for:

- ARTICLE 8: MEMBERSHIP
- ARTICLE 17: NOMINATIONS FOR BENEFICIARY, Section V
- ARTICLE 18: MEETINGS, Section IV & Section VII
- ARTICLE 20: ELECTIONS
- ARTICLE 21: OFFICERS AND COMMITTEES, Section VI
- ARTICLE 23: POWER AND DUTIES OF THE COMMITTEE OF MANAGEMENT, Section III
- ARTICLE 40: DISSOLUTION, Section I
- ARTICLE 46: INTERPRETATION

The meeting will be held in a physical format. No children are allowed. In keeping with our Rule Book, only financial members will be able to participate in the voting process. Financial members only must register at www.tipfriendly.com.

To physically attend:

1. Registration will be through our website www.tipfriendly.com
2. Registration for physical attendance will open on Tuesday, May 27, 2025 at 8:30 am and close on Sunday, June 1, 2025 at 5:00 p.m.
3. Members selected to attend the physical meeting will be notified by email on Wednesday, June 4, 2025.

Please visit our website at www.tipfriendly.com to view the 2024 Annual Report.

Dr. LOLA BENNETT

SECRETARY

MAY 20, 2025

Serving You Is Our Pleasure!

HEAD OFFICE
80 Half-Way-Tree Road
Kingston 10
876-618-1914

OCHO RIOS
Shop 8, Ocho Rios Comm. Ctr.
Main Street, Ocho Rios, St. Ann
876-877-5267

MONTEGO BAY
The Annex, Shop 27A
Fairview, MoBay, St. James
876-382-7289

MANDEVILLE
24C Lot#3, Caledonia Road
Mandeville, Manchester
876-877-5268



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@tipfriendlysociety

AGENDA

- 01 **Ascertainment of Quorum**
- 02 **Call to Order**
- 03 **Opening Prayer**
- 04 **Obituaries**
- 05 **Apologies for Absence**
- 06 **Welcome & Introduction**
 President, TIP Friendly Society, Dr Garth Anderson
- 07 **Reading, Amendments & Correction of Minutes**
- 08 **Confirmation of Minutes**
- 09 **Matters Arising from the Minutes**
- 10 **Rule Change:**
 - ARTICLE 8: MEMBERSHIP**
 - ARTICLE 17: NOMINATIONS FOR BENEFICIARY, Section V**
 - ARTICLE 18: MEETINGS, Section IV & Section VII**
 - ARTICLE 20: ELECTIONS**
 - ARTICLE 21: OFFICERS AND COMMITTEES, Section VI**
 - ARTICLE 23: POWER AND DUTIES OF THE COMMITTEE OF MANAGEMENT, SECTION III**
 - ARTICLE 40: DISSOLUTION, SECTION I**
 - ARTICLE 46: INTERPRETATION**

AGENDA

11 Reports

- Committee of Management
- Treasurer/Auditors
- Credit Committee
- Supervisory Committee
- Chief Executive Officer

12 Fixing of Maximum Liability

13 Appropriation of Surplus

14 Report of the Nominating Committee

15 Elections

- Committee of Management
- Credit Committee
- Supervisory Committee

16 Branch of the Year

17 Adjournment



MINUTES



MINUTES OF THE 22nd ANNUAL GENERAL MEETING OF
TIP FRIENDLY SOCIETY
Held In A Hybrid Format
On Monday, August 5, 2024
At The Pegasus Hotel, Knutsford Boulevard, Kingston

CALL TO ORDER & NOTICE OF THE MEETING

The Chairman Garth Anderson called the meeting to order at 9:55 a.m. and invited Rev. Mario Samms and Mr. Welsh to lead the devotional exercise.

OBITUARY

The Chairman directed the meeting's attention to the Obituary section at the back of the booklet, which listed the names of 60 members who passed during the period under review. A minute of silence was observed in their honour.

WELCOME ADDRESS

The Chairman extended a warm welcome to all attendees, both in-person and online. He reminded the meeting that, in keeping with the decision to rotate the AGM format, the 2025 meeting would be held face-to-face, with the subsequent year returning to a hybrid format.

He emphasized that this session was intended to reflect on the Society's progress over the past year, address members' questions, assess developments, and plan for the future. He encouraged full participation in discussions and decision-making processes.

MINUTES - *Continued*

The Chairman expressed deep gratitude to the members, management team, and Board of Directors for their unwavering commitment, support, and sacrifices. He credited their dedication to making TIP Friendly Society the largest and strongest friendly society in the Western Hemisphere for over two decades.

He assured members that the Society had grown stronger since the last AGM and that later in the meeting, updates on future plans for sustained growth and market expansion would be shared.

INTRODUCTION OF GUESTS

The Chairman extended a special welcome to the following guests:

- Mr. Mark Smith – President-Elect
- Mr. Royal Thorpe – Auditor Representative
- Mr. Tavares Duncan
- Ms. Tanesha Facey
- Ms. Joyce James – Stenographer (*Mr. Duncan and Ms. Facey represented the Department of Co-operatives and Friendly Societies.*)

INTRODUCTION OF MANAGEMENT & COMMITTEE MEMBERS

The Chairman acknowledged and recognized the management team, the Credit and Supervisory Committees, and requested that they stand for recognition.

NOTICE OF MEETING & APOLOGIES FOR ABSENCE

In the absence of the Secretary, the Vice President was invited to read the Notice convening the meeting. Apologies were tendered on behalf of:

- Director Moureen Cunningham Johnson (St. Mary)
- Director Nadienne Crossman (for *lateness*)

INTRODUCTION OF BOARD MEMBERS

The Chairman introduced the Board Members seated at the head table, along with Secretary Lola Bennett, Assistant Secretary Sheron Matheson, Directors Mona Ennis and Tamashella Smith, who attended virtually.

MINUTES - *Continued*

READING, CORRECTION, AND CONFIRMATION OF MINUTES

Ms. Jacqueline Hendricks White was invited to lead this exercise.

The minutes were previously circulated and were taken as read on a motion moved by Director Audrey Williams, seconded by Ms. Celia Grant Francis, *(Retired teacher)*

Corrections to the Minutes:

- Page 9 (1.8): '*Devony*' should be spelled '**Devoney**'.
- Page 9 (1.9): '*Porus Primary*' should be corrected to '**Porus High**'.
- Page 10: '*18 Balmoral Avenue*' should be '**18 Palmoral Avenue**'.
- Page 11: Add '**Vilma Laws Munroe Scholarship** and the **Sherlock Allen Scholarship**' to the fourth bullet.
- Page 12 (1.1)(b): Insert '**Wayne**' before 'Strachan'.
- Page 16: Correct '*2029*' to '**2019**'.
- Page 21: '*Joycelyn*' should be corrected to '**Joycelin**' throughout the document.
- Page 22: '*Reps*' should be spelled out as '**representatives**'.

There being no further corrections, the minutes were confirmed on a motion moved by Ms. Lavern Johnson (Davis Primary & Infant School) and seconded by Ms. Nickeisha Griffiths (Woodford Primary & Infant).

MATTERS ARISING

There were no matters arising from the minutes.

MINUTES – *Continued*

GREETING FROM JTA PRESIDENT-ELECT

Dr. Smith extended a warm welcome and conveyed greetings on behalf of the JTA President, Mr. Leighton Johnson, who was on official duties.

He expressed pride in being a TIP member and commended the Society's commitment to empowering its members. He highlighted JTA's continued partnership with TIP in programs designed to uplift members and promote educational development.

Dr. Smith applauded the leadership team for their vision and execution of strategies that have strengthened the Society over its 26-year history.

RULE CHANGE – ARTICLE 8

Mr. Gregory King was invited to present the proposed rule change. He directed members to Section 1.9 of Article 8 in the AGM booklet and introduced the proposed new Section 1, which includes revised membership eligibility criteria.

Key Proposed Amendments:

Membership shall be open to:

- All members of the Society
- All employed persons in the field of education in Jamaica
- Student teachers registered in teacher training institutions in Jamaica
- Retired members, with specific conditions regarding eligibility for loans and the requirement of proper documentation

A lengthy discussion ensued, particularly regarding membership rules for retirees. The Chairman clarified that all amendments were aligned with the Friendly Societies Act and must be sanctioned by the Registrar of Co-operatives and Friendly Societies.

After deliberation, a vote was taken, with the results as follows:

- 119 members voted in favor
- 7 opposed
- 18 abstentions

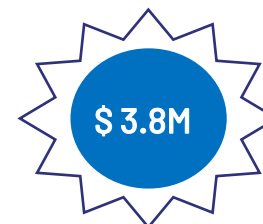
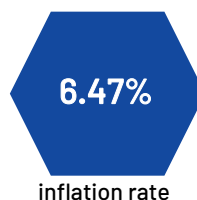
The rule change was declared carried.

REPORTS

COMMITTEE OF MANAGEMENT REPORT FOR THE YEAR ENDED DECEMBER 31, 2023

President Anderson highlighted the following points:

- He provided a brief overview of the Jamaican economy, noting that it had fully recovered from the COVID-19 pandemic. Jamaica's inflation rate for 2023 ended at 6.47%, slightly outside the Bank of Jamaica's (BOJ) projected range of 4-6%. As a result, the BOJ employed monetary policy strategies to combat inflation. The Jamaican stock market continued its downward trend during the period under review, and the Jamaican dollar ended the year at J\$154 to US\$1.
- He noted that these economic conditions had an impact on TIP Friendly Society, as they were required to purchase technology in US dollars and invest in variable securities. However, through prudent management of the fund, they adjusted financial assets to maintain the organization on a viable path.
- TIP celebrated its 26th Anniversary during the week of September 26, 2023, beginning with a church service at the Portmore New Testament Church of God. To commemorate TIP's birthday, 26 balloons were released at each branch location, and social activities were held at all locations. The week's celebrations also included TIP's Scholarship Awards and Prize-Giving Ceremony, where over \$3.8 million was disbursed to students from the PEP level to the postgraduate level.



COMMITTEE OF MANAGEMENT REPORT - *Continued*

\$6.6 B

As of December 31, 2023, assets stood at over \$6.6 billion, covering insurance, savings, loans, and real estate.

6.5%

With savings rates increased to up to 6.5%, TIP was one of the most competitive entities among its peers. He encouraged all members to take advantage of these offers when considering savings options.

69%

Net surplus increased from \$128 million in 2022 to \$216 million in 2023, representing a 69% growth.

115%

An analysis of the loan portfolio over the past five years showed significant growth, with the portfolio doubling from \$2.1 billion in 2019 to \$4.6 billion in 2023, an increase of approximately 115%. He directed members' attention to the graph in the booklet illustrating this growth in loans.

- Liquid investments at the end of the year included preference shares, deferred shares, and bonds with fixed interest rates ran. Members were reassured that their funds were placed in secure financial instruments, in line with the requirements of the Department of Co-operatives and Friendly Societies.
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- All major insurance products were reinsured for enhanced protection.
- TIP Friendly Society, as an active member of the International Co-operatives Alliance, ensured compliance with international standards, including the PEARLS ratios.
- Strict adherence to corporate governance and risk management protocols was maintained.
- During the period under review, training courses were conducted for volunteers and staff in areas such as Enterprise Risk Management, Anti-Money Laundering, and the Proceeds of Crime Act (POCA).

COMMITTEE OF MANAGEMENT REPORT - *Continued*

- Management staff and all volunteers are now required to submit annual fit and proper documentation to the Department of Co-operatives and Friendly Societies.
- In addition to its strategically located branches in Montego Bay, Mandeville, Ocho Rios, and Kingston, TIP also provided services through pop-up offices at schools and workplaces, as well as roving Development Officers in various parishes. Members were reminded that they could also conduct their business online.
- TIP's core business involves providing insurance to protect members' income during times of disability and trauma, alongside offering financial services such as savings and loans. He encouraged members to upgrade their current plans by selecting insurance options that better align with their needs and the cost of living. He also urged principals present who had not yet signed up for the School Insurance Plan to do so, highlighting benefits such as receiving 7% of the premium for discretionary use, in addition to scholarships.
- TIP donated over \$5 million to members and various institutions, including churches, clubs, societies, and educational institutions.
- TIP continued to support top-performing students through the PEP Scholarship Programme, offering scholarships to the highest-achieving boys and girls in each parish. Support extended to top-performing PEP scholars for two years of high school education. Scholarships were also provided to teachers pursuing undergraduate and postgraduate studies at local universities. He congratulated all 2023 scholarship recipients.
- TIP was the primary sponsor of the Secondary School Girls' Football Competition and the ISSA Boys and Girls Champs.
- Members were reminded of the various savings products available, including Lock and Key, Platinum Eagle, TIP Accumulator, and TIP Money Multiplier.
- The Chairman expressed gratitude to all committee members, including those of ad hoc committees, for their contributions in supporting the Board's fiduciary responsibilities.
- Members were invited to review the Report of the World Co-operative Assembly held in Brussels, which TIP attended.

COMMITTEE OF MANAGEMENT REPORT- *Continued*

In conclusion, Chairman Anderson stated that 2023 was a successful year for TIP Friendly Society, marked by growth in most areas, with the organization boasting an asset base exceeding \$7 billion. He thanked the volunteers, management, staff, and valued members for their unwavering commitment and support throughout the year. He urged all members to continue building and investing in their financial future with TIP, and to encourage their families, friends, and neighbors to join TIP.

Questions/Comments

- Ms. Petal Thompson (*Regional Officer, JTA*) noted that there was no reference in any of the reports to the Vilma Lawes Run/Walk sponsored by TIP and organized by the Jamaica Teachers Association. The Chairman clarified that the event occurred in 2024 and would be included in the 2024 report. Ms. Thompson also mentioned that she had sought assistance for a member who expressed gratitude for the support received.
- Ms. Carol Brown (*Spanish Town Primary School*) congratulated the Board members for their consistent attendance at Board meetings and encouraged them to continue their good work.
- Quita Riley (*Richmond Primary and Infant School*) expressed disappointment that, despite her efforts over the past five years to enroll schools in the Insurance Plan, she had not yet received the promised incentive for teachers. The Chairman thanked her for her dedication and assured her that management was taking steps to reward contact teachers and that she would be duly recognized.

There being no further questions or comments, the Committee of Management Report was accepted on a motion moved by **Ms. Jacqueline Hendricks White** (*Lyssons Centre of Excellence, St. Thomas*) and seconded by **Mrs. Sandra Maxwell Williams** (*Norman Manley High School*).

TREASURER'S AND AUDITOR'S REPORTS

The Chairman invited the Treasurer, Mr. Norman Allen, to present the Treasurer's Report. Mr. Allen then introduced Mr. Royal Thorpe from the audit firm Baker Tilly to present the Auditor's Report.

The Auditor, Mr. Thorpe, guided the meeting through the Auditor's Report.

The Treasurer then highlighted the following:

- He drew the members' attention to the table displayed on the screen, outlining key economic data, including exchange rates, inflation rates, Treasury Bill rates (90/180 days), and the employment rate.
- Surplus increased from \$141 million to \$231 million.
- Net income rose from \$704.3 million to \$859.3 million, marking an 18% increase
- Expenses grew from \$563.1 million to \$627.8 million, a 10% increase. It was noted that 43% (\$269 million) of total expenditure was attributed to staff costs.



TREASURER'S AND AUDITOR'S REPORTS - *Continued*

- Financial expenditure decreased from \$86.1 million in 2022 to \$84.7 million in 2023. The reduction was attributed to decreased financing of loans used for property purchases and developments in Portmore and Mona.
- A graph depicting the downward trend in undistributed surplus was shown on the screen. The Treasurer explained that this was due to the ongoing developments in Portmore and Mona.
- Despite a decline in investments over the last two years due to property development, the ratio at the year-end remained within the stipulated requirements. The Treasurer reassured members that investments in capital products such as buildings and properties would ultimately benefit them.
- The loan portfolio increased from \$3.9 billion to \$4.6 billion.
- The delinquency rate as of December 31, 2023, stood at 5.84%, largely attributed to the migration of members. The Treasurer expressed hope that as members settle in their new locations, they would address their outstanding debts. Measures have been implemented to collect overdue payments, and the Treasurer was optimistic that the delinquency rate would fall below 5% in the coming year. He encouraged members to reach out to those who may be delinquent, as non-payment could affect their borrowing capabilities.
- In reference to a graph describing the downward trend between members' loans and savings over the last five years, the Treasurer assured members that the Society would continue to secure funds to provide loans at the best market rates available.
- Members were encouraged to invest their funds with TIP, as the Society continued to offer a range of long-term and short-term savings products at competitive rates.
- Interest earned by members in 2023 amounted to \$92.78 million, reflecting a 25% increase over the previous year. It was noted that interest rates paid were in alignment with the prevailing Treasury Bill rates.
- Members were directed to a table displaying the dividends paid over the past five years.
- In addition to the 5% compulsory statutory reserve set aside from surplus, a special reserve of 47.5% of net contributions was established to secure the members' funds.
- Members were reminded that they could save up to \$100,000 in Permanent Shares, which offer an attractive interest rate.

TREASURER'S AND AUDITOR'S REPORTS - *Continued*

- TIP met and exceeded most of the PEARLS M ratios, except for "Net Loans to Total Assets," which stood at 69.2%, with the standard being 70-80%, and "Delinquency," which was at 5.8%, with the standard being 5%.
- Regarding unallocated lodgements, which now stood at \$38.77 million, an impassioned plea was made to members who use banks and other means to deposit funds to email TIP with their names and receipts so that the funds could be directly credited to their accounts.

The Treasurer extended thanks to the General Manager and his staff, the external auditors, the Department of Co-operatives and Friendly Societies, the investment houses, financial partners, and the Supervisory and Credit committees. Special thanks were given to the Finance Department for its continued efforts to simplify and improve accounting processes while maintaining strong internal controls, perfecting the segregation of duties, and producing efficient and timely management reports.

Questions/Comments

- Ms. Petal Thompson inquired about the efforts being made to distribute the unidentified lodgements to their rightful owners and expressed concern that some members believed their funds were deposited and earning interest, not realizing that this was not the case. The Treasurer confirmed that this was a concern for the Board, and efforts were ongoing to contact members who deposit at other places outside of TIP, asking them to send an email with their names and receipts.

- Ms. Carol Brown (Spanish Town Primary) asked if the unallocated funds were related to the delinquency percentage. The Treasurer explained that while there might be some correlation, identifying the individuals involved would require further investigation.

Ms. Brown expressed hope that at the next meeting, at least 70% of these funds would be located. The Treasurer encouraged members to assist in identifying these individuals.

TREASURER'S AND AUDITOR'S REPORTS - *Continued*

Questions/Comments

- Mrs. Joycelin Gordon Brown inquired if it would be possible to receive quarterly statements showing the balances as of that date. The Treasurer encouraged all members to sign up for online banking, where they could check their balances at any time.

- Ms. Thompson asked if there had been an increase in delinquency due to the heavy migration of teachers. The Treasurer confirmed that this had been an ongoing trend, though they were able to track the more recent cases.

- Ms. Francine Thompson asked if TIP had begun earning on its investment properties, to which the Chairman confirmed positively.

- Mrs. Simone Winter Walsh (GC Foster College) noted that as a member of the Teachers Credit Union, she annually received a statement outlining the interest in her different accounts, whereas TIP did not provide a similar breakdown. The Treasurer assured her that this could be arranged.

The Treasurer's and Auditor's Reports were accepted on a motion moved by Mrs. Camille Davis Williams (St. Paul's Primary) and seconded by Ms. Kadian Scott (Belair High School).

At this point, the Chairman announced a luncheon break and invited Mr. Eaton McNamee to bless the lunch.

CREDIT COMMITTEE REPORT

The report for the period May 2023 to 2024 was presented by Mr. Eaton McNamee. Committee members were asked to stand and be recognized. Mr. McNamee then highlighted the following:

- On behalf of the Committee, he expressed gratitude to Ms. Judith Wilson, Manager of Branch Operations, for her support during the year, ensuring that quality service was provided to all members of TIP Friendly Society. He acknowledged the members who continued to choose TIP for their business and praised the Credit Department staff, including the client service representatives and marketing team. Special thanks were given to Mr. John Moses Emery for his dedication in supporting the Committee.
- He outlined the functions of the Committee, including the monthly review of loan files and attendance at meetings.
- Graphs showing the movement of different loan categories from September 2023 to May 2024 were projected on screen.

- All members of the Committee participated in POCA training, which was conducted virtually and covered topics such as money laundering, terrorism prevention, and fraud. A session on Good Customer Service and the Importance of Executing Due Diligence was also held.
- Mr. McNamee emphasized that the Credit Committee, aware of the many loan opportunities available to members from various lending agencies, took its responsibility seriously in ensuring that quality service was maintained when assessing loan applications.

In closing, he urged all to make TIP their institution of choice, continuing to live by the motto, *"Serving you is a pleasure."*

Questions/Comments (No questions or comments followed)

The Credit Committee Report was unanimously accepted on a motion moved by Ms. Mikeisha Griffiths (Woodford Primary) and seconded by Cawana Lindsay (Browns Town Community College).

SUPERVISORY COMMITTEE REPORT

Mr. Philmore McCarthy, Chair of the Supervisory Committee, was invited to present the report. He introduced and acknowledged the members of the Committee. He highlighted the following:

- The Committee ensured the protection of members' income and adhered to the rules governing its functions.
- Activities carried out during the review period included:
 - ✓ Investigating matters relating to governance
 - ✓ Auditing the head office and branches
 - ✓ Reviewing audited financial statements
 - ✓ Reviewing related party transactions
 - ✓ Examining policies and the authority's schedule
 - ✓ Reviewing the overall investment portfolio and associated risks
 - ✓ Conducting monthly meetings and visits to the head and branch offices
- The Committee received training from the Department of Co-operatives and Friendly Societies, which enabled it to discharge its responsibilities professionally and in compliance with regulations
- During branch visits, Committee members were assigned specific responsibilities related to customer service, allowing for more thorough inspections during site visits.
- Recommendations made by the Committee were adopted by management, and the Committee commended the Board of Directors and Executive Management for responding to these recommendations promptly, fostering a cooperative environment.
- In relation to the Mandeville Branch, while the Committee praised the efforts to ensure compliance and promote the branch, concerns were raised about security. The Committee continued working with management to address these issues.
- Improvements in privacy and confidentiality at the Ocho Rios Branch were observed, particularly regarding data management and the filing system. Management was working on digitizing files to improve security.

SUPERVISORY COMMITTEE REPORT - *Continued*

- The Committee commended management for improvements in the occupancy and rental of investment properties, and it was noted that management was exploring the possibility of engaging a property management company for these tasks.
- The Committee continued to emphasize the importance of a Rapid Response System, as well as the benefits of cross-training staff to improve customer service in line with TIP's mission and vision.
- The delinquency ratio was reduced to less than 5% due to ongoing efforts to implement strategies to lower the delinquency rate.

In closing, Mr. McCarthy thanked the Department of Co-operatives and Friendly Societies for their guidance, management and staff for their support, and the Board of Management for their leadership. He also thanked the Committee members for their professionalism and the loyal

Questions/Comments

- Ms. Carol Brown (Spanish Town Primary) commended the Committee members for their excellent attendance and for undergoing training in the necessary courses to carry out their duties. She also praised the management and Board for investing in properties, which would benefit the Society in the long run.

The Supervisory Committee Report was accepted on a motion moved by Mrs. Jacqueline Hendricks White (St. Thomas) and seconded by Mrs. Carlene Miller Thompson (Wanstead Primary, Clarendon).

MANAGEMENT REPORT

The report was presented by the CEO, Mr. Wilton South. He expressed gratitude to TIP Friendly Society's members for their continued support despite the challenging socioeconomic environment. He also thanked the Board for its leadership and the dedicated staff for their hard work.

The Society ended the year with an asset base of \$6.689 billion, compared to \$3.29 billion in 2023. By May 2024, the asset base stood at \$7 billion and continued to grow.

- Services were accessed by members through four locations: Kingston, Mandeville, Montego Bay, and Ocho Rios, along with a team of business development officers, mobile pop-up shops, and online banking.
- The Society continued to provide a wide range of services to meet members' needs and aspirations.
- During the review period, employees participated in over 20 seminars, webinars, and workshops, successfully completing the required modules on the Proceeds of Crime Act and Anti-money Laundering Act.
- Ten team members resigned in 2023, and new staff members were welcomed. A chart showing the current complement of staff was displayed on the screen.
- Members were directed to graphs showing the movement in the asset base, loan portfolio, and surplus.
- Efforts to ensure the security and efficiency of the Society's electronic infrastructure were ongoing, with a focus on stability and future-readiness.
- Disaster Risk Management and Business Continuity Policies were reviewed to ensure minimal disruption to operations in the event of a disaster.
- The Society worked to reach younger audiences by enhancing its brand visibility on major social media platforms, which not only attracted new members but also reinforced connections with existing ones.
- A list of Business Development Officers representing various regions was displayed.
- The Society continued its corporate social responsibilities by making donations and sponsoring fundraising activities for educational institutions, charities, and churches. A \$7 million donation was approved at the last meeting.

MANAGEMENT REPORT – *Continued*

- At the Strategic Planning Retreat held at Couples San Souci Hotel from December 18–23, 2023, the strategic goals listed in the booklet were adopted by the Committee of Management.

Looking to the Future, the GM outlined the following initiatives:

- Forming a new company to handle investments, which would allow TIP to grow its investment property segment.
- Exploring cutting-edge technology to drive future growth.
- Increasing the use of social media and traditional media for better communication.
- Improving turnaround time and customer response.

- Condolences were extended to the families and friends of the members who passed away in 2023.
- Disaster Risk Management and Business Continuity Policies were reviewed to ensure minimal disruption to operations in the event of a disaster.
- The Society worked to reach younger audiences by enhancing its brand visibility on major social media platforms, which not only attracted new members but also reinforced connections with existing ones.
- A list of Business Development Officers representing various regions was displayed.

In conclusion, the CEO thanked the members, volunteers, and staff for their continued support and tireless service, which helped elevate TIP Friendly Society's status.

He also recognized all staff members for their invaluable contributions.

Questions/Comments

Ms. Francine Thompson inquired whether the newly established investment company would be independent of TIP in terms of expenses. She was informed that it would be, with its own Board and separate expenses.

The Management Report was unanimously approved on a motion moved by Ms. Claudette Barrett (*Free Hill Primary School, St. Mary*) and seconded by Tanya Richards (*Davis Primary and Infant School, St. Catherine*).

MANAGEMENT REPORT - Continued

FIXING OF MAXIMUM LIABILITY

The Treasurer, Mr. Allen, proposed that the maximum liability be set at 10 times the asset base.

Questions/Comments

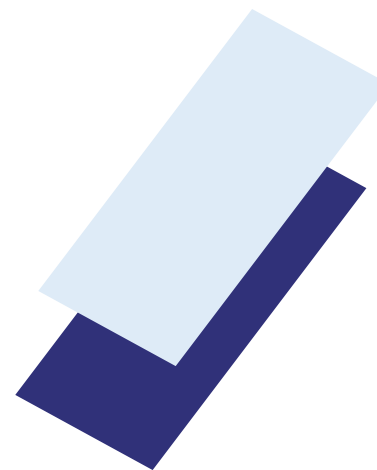
Ms. Francine Thompson asked what the previous setting for maximum liability had been. The Treasurer clarified that it had always been set at 10 times the asset base.

This was approved on a motion moved by Mrs. Eva Coleman Stamp (*Wycliffe Martin High, St. Mary*) and seconded by Mrs. Suzette Baker Tulloch (*Foga Road Infant School*).

APPROPRIATION OF SURPLUS

The Board of Management proposed a dividend of 4% on total savings amounting to \$125,212,811, and 10% on permanent shares amounting to \$60.4 million. Members were reminded that the dividend was based on their balance as of June of the previous year.

This was approved on a motion moved by Ms. Lavern Johnson (*Davis Primary*) and seconded by Mrs. Joyceline Gordon Brown (*Old Harbour Early Childhood Institution*).



NOMINATING COMMITTEE REPORT AND ELECTIONS

Ms. Crossman, a member of the Nominating Committee, was invited to present the Nominating Committee Report. He explained that the committee, which included Ms. Tamashella Smith (*Chairman*), Mrs. Andrea Bryan Hughs, and Mr. Wilton South, was appointed by the Committee of Management as per Article 20 (i) of the Rules of Society.

He noted that a transformational approach was taken when selecting nominees, focusing on the requisite skills, financial knowledge, fit and proper requirements, and willingness to serve. The Committee ensured a diverse representation from different sectors of education, including tertiary, secondary, primary, and early childhood levels.

He then outlined the retiring members of the Committee of Management, Credit, and Supervisory Committees, as well as those recommended to fill the vacancies.

Committee of Management

RETIRING	RECOMMENDED	TERMS
Mrs. Mona Ennis (Trelawny) <i>Principal, Mount Fletcher Primary</i>	Mrs. Mona Ennis	3 years
Mrs. Maureen Cunningham Johnson <i>Retired Education Officer</i>	Dr. Casia Archer Howell <i>Education Officer</i>	3 years
Mrs. Jacqueline Hendricks White (St. Thomas) <i>Principal, Lyssons Centre of Excellence</i>	Mrs. Jacqueline Hendricks White	3 years
Dr. Garth Anderson (At-Large) <i>Principal, Church Teachers College</i>	Dr. Garth Anderson	3 years
Mr. Ray Howell <i>Retired Pricipal, Edith Dalton James High School</i>	Mr. Clayton Hall <i>Deputy Secretary General, JTA</i>	3 years
Miss Audrey Williams (Kingston) <i>(Retired Principal, Denhan Town High)</i>	Miss Audrey Williams	3 years
	Mr. Robert Anderson <i>Bursar, Tacious Golding High School</i>	1 year

RETIRING	RECOMMENDED	TERMS
Ms. Erica Ewbanks <i>Principal, Garvey Maceo High School</i>	Ms. Erica Ewbanks	2 years
Ms Sandra Hunter <i>Lecturer, G.C. Foster College</i>	Ms. Camille Davis Williams <i>Principal, St. Paul's Primary</i>	2 years
Mr. Rohan Johnson <i>Senior Teacher, Denham Town High</i>	Mr. Colin Spence, Principal <i>Mount Moreland Primary & Junior High</i>	2 years

NOMINATING COMMITTEE REPORT AND ELECTIONS - *Continued*

Supervisory Committee

The meeting was informed that the term of office for the Supervisory Committee was one year.

RETIRING	RECOMMENDED
Mrs. Camille Davis-Williams <i>Principal, St. Paul's Primary School</i>	Mr. Sandra Hunter <i>Lecturer, GC Foster College</i>
Mr. Philmore McCarthy <i>Principal, Excelsior Community College</i>	Mr. Philmore McCarthy
Mr. Colin Spence, Principal <i>Mount Moreland Primary & Junior High</i>	Mr. Rohan Johnson <i>Senior Teacher, Denham Town High</i>
Mrs. Lou-Ann Bramwell-Shakes <i>Teacher, Hayes Primary and Junior High School</i>	Mrs. Lou-Ann Bramwell-Shakes
Mr. Leاون Nash <i>Administrative Officer, Communication and Public Relations, JTA</i>	Mr. Leاون Nash

ELECTION

The Registrar's representative, Ms. Taneisha Facey, was invited to oversee the election process.

She called for a motion to adopt the Nomination Report, which was moved by Patricia Allen (Moneague Primary School) and seconded by Ms. Devoney Chambers (Greater Portmore High School). The motion was unanimously carried.

Ms. Facey outlined the existing vacancies on the Committee of Management for the parishes of Trelawny, St. Mary, St. Thomas, St. Andrew, St. Catherine, the At-Large category, and the Youth Representative.

- Trelawny, nominations were requested three times from the floor. Hearing none, she declared Mona Ennis duly elected to serve a three-year term.
- St. Mary, Ms. Ida Clarke (Port Maria Infant School) nominated Ms. Eva Coleman Stamp (Wycliffe High School), seconded by Ms. Monique Gilmore (Wycliffe Martin High School). As two candidates were nominated, voting was conducted by secret ballot.
- St. Thomas, no nominations were received from the floor, and Jacqueline Hendricks White was declared duly elected for a three-year term.
- Kingston, no nominations were received, and Miss Audrey Williams was declared duly elected to represent Kingston for three years.

NOMINATING COMMITTEE REPORT AND ELECTIONS - Continued

- St. Catherine, no nominations were received from the floor, and Mr. Robert Anderson was declared duly elected for a one-year term. His profile was referenced on Page 150 of the meeting booklet.
- The At-Large category, no additional nominations were received, and Dr. Garth Anderson and Mr. Clayton Hall were duly elected for three-year terms.
- The Youth Representative, no nominations were received from the floor, and Miss Shanice Dennis was duly elected to serve for one year.

Regarding the St. Mary election, ballots were distributed to members present physically and online. Members requested a brief profile from Ms. Eva Coleman Stamp, which she provided

CREDIT COMMITTEE

Ms. Facey noted that at the 2021 AGM, Mr. Winston Smith had been elected for two years. However, due to an administrative oversight, he did not retire as scheduled in the previous year.

She sought the meeting's approval to ratify his additional year in service and fill the vacancy either from the floor or by re-electing Mr. Smith for the remaining year.

A motion to ratify Mr. Smith's additional year was moved by Dr. Garth Anderson and seconded by Mrs. Cecelia Grant Francis.

She then called for nominations for Mrs. Camille Davis Williams and Mr. Colin Spence. Hearing no further nominations, she declared them duly elected to the Credit Committee for two-year terms.

For **the vacant position left by Mr. Smith**, Ms. Jacqueline Hendricks nominated Mr. Winston Smith, who accepted the nomination. The motion was seconded by Ms. Nickeisha Griffiths. With no further nominations, Mr. Smith was declared duly elected to serve for one year.

Ms. Facey reminded the Credit Committee that the term limit was two consecutive terms, each lasting two years, except in exceptional circumstances such as Mr. Smith's case.

SUPERVISORY COMMITTEE

Nominations were requested from the floor. Hearing none, the following individuals were declared duly elected to serve one-year terms:

- Miss Sandra Hunter
- Mr. Philmore McCarthy
- Mr. Rohan Johnson
- Mrs. Lou-Ann Bramwell-Shakes
- Mr. Leanon Nash

She reminded members that the Supervisory Committee serves for one-year terms, with a maximum of three consecutive terms, as per the Society's regulations.

Additionally, she instructed the Committee of Management, Credit Committee, and Supervisory Committee to convene within ten days of the AGM to elect executive officers and submit the relevant information to the Department of Co-operatives and Friendly Societies and other business partners.

ANY OTHER BUSINESS

- *Acknowledgment of Service:* On behalf of the Board, management, and members, the Chairman expressed gratitude to Miss Maureen Cunningham Johnson for her distinguished service spanning nearly two decades. He acknowledged her dedication to the core principles of TIP Friendly Society, including integrity and commitment, and wished her success in her future endeavors.

- *Tributes to Retirees:* The Chairman paid homage to Mr. Ray Howell, who retired after 26 years, along with the late Sylvia Spence and Sherlock Allen, (Secretary and Treasurer respectively) who provided outstanding service. He highlighted that Mr. Howell had been honored at the 25th Anniversary event, and that the head office was named in his honour.

Mr. Howell was invited to stand and be recognized, and attendees joined in singing *For He's a Jolly Good Fellow* in his honour.

- *Tribute to the Late Beverley Green Miller:* The Chairman acknowledged the late Beverley Green Miller, former representative for Clarendon, who served with distinction. He announced that a scholarship had been named in her honour.

- *Branch of the Year Award:* The General Manager, Mr. South, was invited to announce the winner. He explained that the award was initiated by Dr. Anderson to motivate employees, based on ten performance criteria. The competition was intense, with branch scores ranging from 41 to 59 points. He announced that Ocho Rios had won and invited the Branch Supervisor to collect the prize.
- *Appointment of Auditors:* The Chairman invited the Treasurer to address the appointment of auditors. The Treasurer recommended retaining Baker Tilly as auditors for the next year, which was approved on a motion moved by Mr. King and seconded by Mrs. Cecelia Grant Francis.
- *Election Results Announcement:* Ms. Facey presented the results of the election for St. Mary, stating:
 - ✓ Dr. Casia Archer Howell received 40 votes.
 - ✓ Mrs. Eva Coleman Stamp received 94 votes and was declared duly elected for a three-year term.
 - ✓ There were 15 spoiled ballots and 5 rejected ballots.

The Chairman thanked Ms. Facey and her team for conducting the elections and formally welcomed Mrs. Coleman Stamp to the Committee of Management.

CLOSING REMARKS

The Chairman expressed appreciation to all who contributed to the success of the AGM, including management, volunteers, members, the Registrar's Department, and auditors. He reaffirmed the Committee of Management's commitment to serving members and urged continued engagement with TIP Friendly Society. He wished all attendees a safe journey home.

TERMINATION

With the agenda exhausted, the meeting was formally adjourned at 4:45 p.m.

TIP FRIENDLY SOCIETY RESOLUTIONS AMENDMENT TO TIP FRIENDLY SOCIETY RULES

WHEREAS Section 11 of the Friendly Societies Act provides for the amendment of Rules;

WHEREAS Article 42 of the TIP Friendly Society Rules Book allows for amendments to the Rules of TIP Friendly Society;

WHEREAS Article 8, Section III; Article 17 Sections V; Article 18 Sections IV and VII; Article 20, Section III; Article 21 Section VI; Article 23 Section III; Article 40 Section I; Article 46 are being proposed for amendment in the Rules of TIP Friendly Society;

ARTICLE 8: MEMBERSHIP

Existing:

Section III

Every member of the Society shall be subject to the following Rules and have an equal voice in all the affairs of the Society and in the administration of all the properties thereof.

- a) Every applicant for membership shall submit his application in the manner on the form prescribed by the Society, accompanied by an entrance fee of one hundred dollars.

New:

Section III

Every member of the Society shall be subject to the following Rules and have an equal voice in all the affairs of the Society and in the administration of all the properties thereof.

- a) Every applicant for membership shall submit his application in the manner on the form prescribed by the Society, accompanied by an entrance fee of one thousand dollars (\$1000)

Article 17: NOMINATIONS FOR BENEFICIARY

Existing:

Section V

"The nominating member shall pay not less than Fifty Dollars (\$50.00) to the Management Fund for the recording of every such nomination, revocation or variation."

New:

The nominating member shall pay not less than Five hundred Dollars (\$500.00) to the Management Fund for the recording of every such nomination, revocation or variation.

ARTICLE 18: MEETINGS

Existing:

Section IV

At least fourteen (14) days before the date of any Annual or Special General Meeting, the Secretary shall post a notice of the meeting in a conspicuous place in the office and cause written notice thereof to be handed to each person or mailed to each member at his address as the same appears on the records of the Society.

New:

At least fourteen (14) days before the date of any Annual or Special General Meeting, the Secretary shall post a notice of the meeting in a conspicuous place in the office and cause written notice thereof to be communicated to each person:(handed, emailed or mailed to each member) at his address as the same appears on the records of the Society.

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TIP FRIENDLY SOCIETY RESOLUTIONS

AMENDMENT TO TIP FRIENDLY SOCIETY RULES – Continued

ARTICLE 18: MEETINGS

Existing:

Section VII

At all General Meetings the President or Vice President shall preside. One hundred (100) financial members or thirty percent (30%) of members, whichever is less, shall form a quorum; provided that seventy-five (75%) support of financial members present and voting is needed for amendments of the Rules or the removal of an officer or expulsion of a member.

New:

At all General Meetings the President or Vice President shall preside. One hundred (100) financial members or thirty percent (30%) of members, whichever is less, shall form a quorum; provided that seventy-five percent (75%) support of financial members present and voting is needed for amendments of the Rules or the removal of an officer or expulsion of a member.

ARTICLE 20: ELECTIONS

Existing :

Section III

After the nominations of the Nominating Committee have been placed before the members, the Returning Officer shall call for nominations from the floor-when the nominations are closed, Tellers shall be appointed by the Returning Officer, ballots shall be distributed, the votes shall be taken and tallied by the Tellers, and the results announced.

New :

After the nominations of the Nominating Committee have been placed before the members, the Returning Officer shall call for nominations from the floor-When the nominations are closed, Tellers shall be appointed by the Returning Officer, ballots shall be distributed, the votes shall be taken and tallied by the Tellers, and the results announced.

Article 21: OFFICERS AND COMMITTEES

Existing:

Section VI

Officers absenting themselves without reasonable excuse shall be liable to a fine not less than Two Hundred Dollars (\$200.00).

New:

Officers absenting themselves without reasonable excuse shall be liable to a fine not less than two thousand Dollars (\$2000.00).

TIP FRIENDLY SOCIETY RESOLUTIONS AMENDMENT TO TIP FRIENDLY SOCIETY RULES - Continued

ARTICLE 23: POWER AND DUTIES OF THE COMMITTEE OF MANAGEMENT

Existing:

Section III

In the event of any epidemic, excessive sickness, emergency or other unforeseen contingency impairing the funds of the Society, the Committee of Management may by a resolution of a majority of its members reduce the benefits payable or afforded under these Rules or impose a special levy upon the members of the Society. Such reduction of benefits or special levy shall be binding on the members of the Society, notwithstanding anything to the contrary contained in the provisions of these Rules.

New:

Section III

In the event of any epidemic, excessive sickness, emergency or other unforeseen contingency impairing the funds of the Society, the Committee of Management may by a resolution of a majority of its members reduce the benefits payable or afforded under these Rules or impose a special levy upon the members of the Society. The reduction in benefits or imposition of the special levy should be applied not later than 30 days of the occurrence of the event. Such reduction of benefits or special levy shall be binding on the members of the Society, notwithstanding anything to the contrary contained in the provisions of these Rules.

ARTICLE 24: DUTIES OF OFFICERS

Existing:

Section IV – Assistant Secretary

The duties of the Assistant Secretary shall be to assist the Secretary with such duties as may be decided upon by the Committee of Management, and he shall act for the Secretary in his absence, disability or upon his refusal to act and carry out his duties in accordance with the Rules.

ARTICLE 40: DISSOLUTION

Existing:

Section I

If the Registrar, after holding an inquiry or making an inspection under Section 55 of the Act or on receipt of an application made by three-fourths (3/4) of the members of the Society is of opinion that the Society ought to be dissolved, he may decide to cancel the registration of the Society and shall publish in the Gazette and at least one (1) daily newspaper printed and circulating in Jamaica notice of such decision.

New:

If the Registrar, after holding an inquiry or making an inspection under Section 55 of the Act or on receipt of an application made by three-fourths (3/4) of the members of the Society from a current listing, is of opinion that the Society ought to be dissolved, he may decide to cancel the registration of the Society and shall publish in the Gazette and at least one (1) daily newspaper printed and circulating in Jamaica notice of such decision.

ARTICLE 46: INTERPRETATION

Existing:

“Receipt of the Society” means a Receipt signed by the duly authorized Officers/staff of the Society, and are stamped with the Seal of the Society and payment by cheques signed by any two duly authorized Officers.

New:

“Receipt of the Society” means a Receipt signed by the duly authorized Officers/staff of the Society, and are stamped with the Seal of the Society and payment by cheques and/or electronic funds transfer by any two duly authorized Officer.

No proposal was seen.

Replace with “as at the date of the application”



TIP FRIENDLY
SOCIETY

Early • OPEN • • HOURS •

KINGSTON

MONDAY - WEDNESDAY

7:30 AM - 3:30 PM



THURSDAY

9:00 AM - 3:30 PM



FRIDAY

7:30 AM - 3:30PM

OCHO RIOS MANDEVILLE MONTEGO BAY

MONDAY - WEDNESDAY

8:30 AM - 4:30 PM



THURSDAY

9:30 AM - 4:30 PM



FRIDAY

8:30 AM - 4:30PM

MANAGEMENT REPORT



COMMITTEE OF MANAGEMENT REPORT

For the year ended December 31, 2024

Navigating Change, Building Tomorrow

As we bring another financial year to a close, I am pleased to share this report not only as an account of our performance, but as a reaffirmation of our purpose: to serve you with integrity, innovation, and unwavering commitment, no matter the challenges we face. It is impossible to ignore the economic forces shaping our environment. From fluctuating inflation rates and shifting monetary policy to global exchange rate dynamics and evolving fiscal priorities, the landscape we operate in is one of complexity and constant change. Yet amid this uncertainty, one constant has emerged: the resilience of our company and the trust of those we serve.

While the Bank of Jamaica (BoJ) maintained a cautious monetary stance to stabilise inflation and support macroeconomic stability, we saw pressure on household budgets, increased cost of living, and a higher demand for accessible, affordable financial solutions. According to the Planning Institute of Jamaica the point to point inflation rate as at December 2024 was 5%. Earlier this year, the Governor of the Bank of Jamaica, Richard Byles, was at pains to point out the slow pace at which commercial banks and other lending institutions were increasing interest rates relative to the BoJ's expectations. At December 31, 2024 the exchange rate of the US\$ to the J\$ was US\$1.00: J\$154.7885.

I must point out that TIP responded with discipline and foresight, offering competitive loan packages, secure savings products, and insurance coverage tailored for a cautious but hopeful membership. Our ability to remain agile, while upholding sound financial principles, is what sets us apart.

PEARLS Performance and Financial Resilience

I am proud to report that our **PEARLS ratios**, the benchmark standards for financial cooperatives, continue to reflect a healthy, well-managed institution. Our **Protection ratio** remains robust, with adequate provisions for delinquent loans. We have maintained high levels of **Effective financial structure**, with assets and savings growth in line with expectations. **Asset quality** continues to improve, and our **Liquidity** remains strong, giving us the flexibility to meet our members' needs without hesitation.

These results are not by chance; they are the outcome of prudent decision-making, rigorous oversight, and a team that understands the importance of balancing risk with opportunity.

Advocating for Growth

We pause to say that our business does not operate in a vacuum and so we cannot speak honestly about TIP Friendly Society without addressing the ongoing impact of crime. Crime erodes business confidence, diverts resources, and undermines community well-being. It discourages investment, strains our social fabric, and limits the potential of too many of our young people. We are however very happy with the downward trend in major crimes.

As a financial institution, we are committed to being part of the solution. Through community investment, youth education, and job creation initiatives, we aim to be a force for peace, progress, and empowerment. But we call upon all stakeholders, government, civil society, private enterprise, and citizens, to work in unison for a safer, more secure Jamaica.

COMMITTEE OF MANAGEMENT REPORT - *Continued*

TIP Friendly Society is exploring the possibility of introducing a bus that will serve as a mobile travelling service, with focus on areas that do not have a physical office. We are working feverishly to have this service in place by the end of quarter four, 2025.

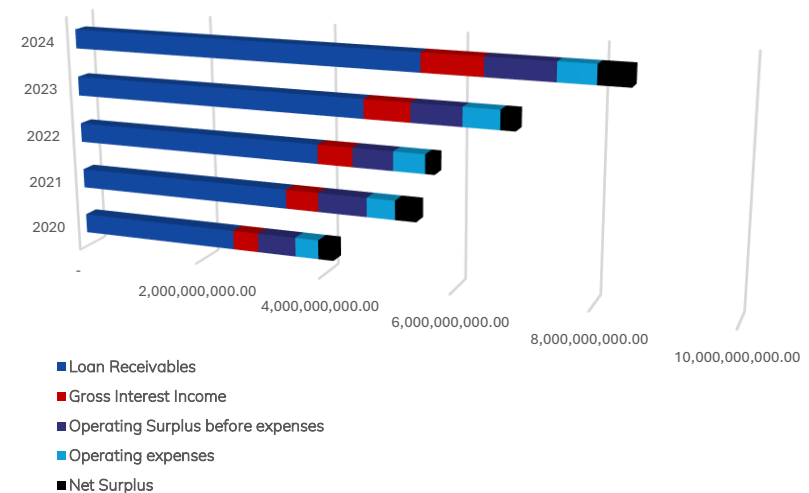
OPERATING RESULTS

During 2024 TIP did not increase its lending rates, however, we have increased our savings rates to be one of the most competitive entities among our peers. TIP is offering up to 7.0% per annum on some savings products. We encourage you to take up these offerings when seeking savings options. In looking at our financial performance Year over year, net surplus grew from \$239.432M to \$471.777M or 97.04%. This, ladies and gentlemen, is a phenomenal performance in a year when we were again negatively impacted by the mass migration of teachers, albeit to a lesser extent.

LOANS

We carefully manage our liquidity by ensuring that our risk remains within tolerable and viable bands as is dictated by our regulators via the PEARLS Ratio. We ensured that you were able to access loans and withdrawals when needed. Our customer service is amongst the best in the industry, and we are very proud of this. An analysis for the last 5-years shows that the loan portfolio has more than doubled, moving from \$2.523B in 2020 to approximately \$5.841B in 2024, a growth of 117.24%.

The diagram below offers a pictorial view of our progress over the period



We are forever grateful for the confidence you, our members, have placed in the Directors, other volunteers, management and staff. Your loyalty counts. We do not take it for granted.

INVESTMENTS

TIP Friendly Society has liquid investments in the form of preference shares, unit trust, deferred shares and bonds. The deferred shares, preference shares and bonds earn attractive fixed interest rates ranging from 8.75% to as high as 11.10%. On the other hand, our unit trust portfolio moves in tandem with market trends. The combined portfolio has performed well with average returns of approximately 13% for the year under review.

COMMITTEE OF MANAGEMENT REPORT - *Continued*

Upholding Probity and Fiscal Responsibility

In a time when public trust is more valuable than ever, we have recommitted ourselves to the core values of **probity, transparency, and fiscal responsibility**. These are not mere buzzwords, they are guiding principles that define how we manage our members' money, how we report our performance, and how we shape policy at every level of our organization.

Our audits, compliance structures, and governance mechanisms ensure that your funds are handled with the highest standards of stewardship. We believe that integrity is not only ethical, it is profitable in the long term.

TIP places a high value on the training of all our volunteers and staff. It is through training that up-to-date skills are acquired, and reminders are provided for routine activities. We continue to expose our volunteers and staff to the tenets of good corporate governance via training in Anti-Money Laundering (AML) and the Proceeds of Crime Act (POCA).

All volunteers and management staff are required to submit annual Fit and Proper documentation to our regulators, the Department of Cooperatives and Friendly Societies within one month after our annual general meeting.

We continuously ask our volunteers, management and staff to use their collective brain power to think outside the box to keep TIP ahead of its competitors. Towards this end a select group of volunteers, management and staff met for three consecutive days and produced a five-year Strategic Business Plan that will drive our business for the medium term. Your AGM magazine has a copy inserted therein.

REGIONAL SERVICES

Our branches are in strategic and easily accessible locations. You can visit us at the following locations:

- The Annex at Fairview, Montego Bay
- 24C, Lot #3 Caledonia Road, Mandeville
- Shop 8, Ocho Rios Commercial Centre, Ocean Village Shopping Centre, Main Street, Ocho Rios, St. Ann
- **Our Head Office** located at 80 Half Way Tree Road, Kingston 10

The block and steel offices are complemented by our roving Business Development Officers and mobile and pop-up services in several parishes. To ensure that we can be reached at any time, and from anywhere, we have introduced limited online banking services over the past three years. We also encourage you to utilise our website and social media platforms.

TIP Investment and Real Estate Company

During last year TIP registered its 100% subsidiary company called TIP Investment and Real Estate Company. It is lead by seven directors with experiences spanning law, real estate, business management, and education. The company, when fully operational, will manage TIP commercial real estate properties.

COMMITTEE OF MANAGEMENT REPORT - *Continued*

Looking Ahead: Confidence in a Changing World

As we move through 2025, our focus is clear. We will further invest in innovation, deepen financial education for all stakeholders, and continue building a company that is agile, inclusive, and sustainable. We will help you, our members, to budget wisely, save purposefully, and protect what matters most, you and your families.

MEMBERS' CONTRIBUTION/INSURANCE PREMIUM

TIP's core business remains providing annuity/insurance to protect the income of our members in times of disability and trauma, but we also offer other financial services such as savings and loans. We are cognizant of the tight fiscal space in which we operate, however, we cannot overemphasize that it is in these times that you, our valued members, find it most difficult to manage unexpected medical bills and other financial expenses. You are therefore, urged to upgrade your current plans by selecting insurance types that are more meaningful and in keeping with the financial costs associated with today's morbidity and mortality situations.

TIP has been fulfilling its mandate in providing members with tangible benefits. The table below provides you with an understanding of how the money you spend on TIP insurance products has benefitted your families over the last three (3) years. In fact, over \$162.108 million in claims were settled when compared to the prior three years of \$164.716 million. This includes money paid to reinsurers.

TIP FRIENDLY SOCIETY SUMMARY CLAIMS REPORT JANUARY TO DECEMBER 2024			
TYPE OF CLAIMS	2024 \$	2023 \$	2022 \$
ACCIDENT	1,863,556.21	1,749,313.72	2,203,139.11
SICKNESS	11,231,304.29	9,361,171.17	10,406,620.16
MATERNITY	421,000.00	439,000.00	830,000.00
DEATH CLAIMS SELF-INSURANCE	12,564,333.57	11,791,176.04	22,045,517.60
STUDENT PLAN SELF INSURANCE	2,700,321.44	2,671,873.53	6,274,978.22
TOTAL PAID	28,780,515.51	26,012,534.46	41,762,277.09
EXGRATIA	250,000.00	10,000.00	0.00
GRAND TOTAL	29,030,515.51	26,022,534.46	41,762,277.09
TOTAL COUNT	490	440	459

REINSURERS EXPENSES

	2024 \$	2023 \$	2022 \$
PERSONAL ACCIDENT	4,865,954.62	5,041,138.58	5,123,870.04
GROUP LIFE	17,387,552.21	19,583,535.00	13,291,263.92
TOTAL PAYOUT TO REINSURERS	22,253,506.83	24,624,673.58	18,415,133.96

COMMITTEE OF MANAGEMENT REPORT - Continued

OBITUARIES

(see inside back cover of the AGM magazine)

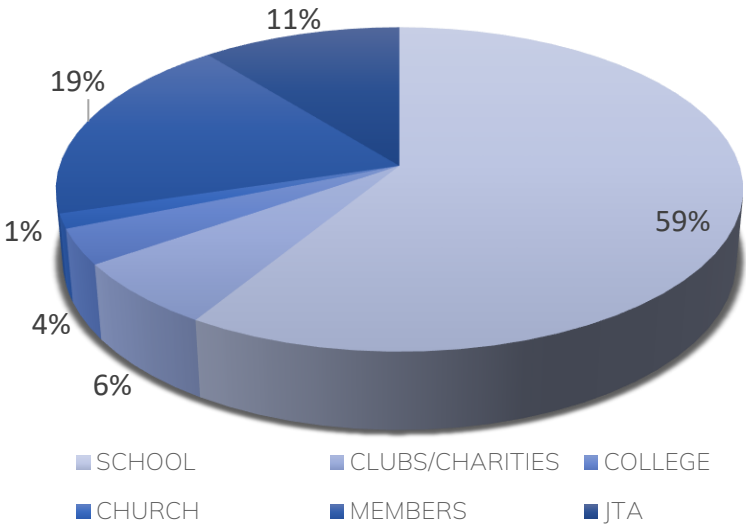
It is with deep sadness that we report the deaths of sixty (60) of our members during the year 2024. May their souls rest in peace. Kindly find a listing at the back of the magazine.

CORPORATE SOCIAL RESPONSIBILITY

Donations

TIP continues to expand our social community outreach throughout Jamaica, for the benefit of our stakeholders, by giving back to the community over the years. Please review the figures below to get a better understanding of our corporate giving for 2024.

DONATION CHART 2024	
	\$
SCHOOLS	3,974,900.00
CLUBS/CHARITIES	442,000.00
COLLEGE	240,000.00
CHURCH	99,000.00
MEMBERS	1,274,690.00
JTA	730,000.00
TOTAL	\$6,760,590.00



Scholarships

TIP Scholarship Programme

TIP Friendly Society caters to the financial needs of persons employed in Jamaica’s education sector. We deem it our responsibility to give back to the sector we serve and beyond. Our benevolence is demonstrated through the giving back to PEP Scholars from each parish where at least one parent is a member. TIP provided scholarships to the top boy and girl in each parish. Financial support is also provided to the top performing awardees among our PEP scholars for an additional four years of their high school education.

TIP is also proud to provide scholarships to teachers pursuing undergraduate and postgraduate studies at local universities.

We extend heartfelt congratulations to all the scholarship recipients for 2024 listed in the table below. We wish them every success in their studies.

❏ ISSA School Girls Football

The organisation was the leading sponsor for the ISSA School Girls Football competition. We invested over \$7M via cash & kind) in this competition.

In summary, TIP Friendly Society spent in excess of \$17.955M on Corporate giving during 2024.

2024 P.E.P. SCHOLARSHIP AWARDEES

NAME OF STUDENT	TIP MEMBER (PARENT)	PARISH	GRADE	GENDER	AWARDED AMOUNT
Rodriano Ferguson	Elaine Mclean	Kingston	390.3	M	\$40,000.00
Karilee Brown	Nerisa Davis-Brown	Kingston	375.8	F	\$40,000.00
Charlon-Dre Walters	Charlene Scott	Portland	311.1	M	\$40,000.00
Liana Richards	Orville Richards	Portland	353.1	M	\$40,000.00
Juninho Barrett	Shelly-ann Francis	St. Mary	296.75	M	\$40,000.00
Othniel Miller	Marion Hutchinson-Miller	St. Elizabeth	313.7	M	\$40,000.00
Teaja Wright	Andrea Bennett-Wright	St. Elizabeth	347.4	F	\$40,000.00
Vincent Cunningham	Raphaleta Campbell-Cunningham	Hanover	295.7	M	\$40,000.00
Tyrell Roosevelt	Yvette Lawrence	Hanover	361	M	\$40,000.00
Kajean Morris	Kamayla Smith	St. Ann	376.2	M	\$40,000.00
Denay Gaskin	Nayekia Haughton	St. Ann	368.6	F	\$40,000.00
Jayden Williams	Jodi-Ann Gordon-Williams	Trelawny	330.3	M	\$40,000.00
Nikiela Scott	Nicoline Morgan	Trelawny	361.9	F	\$40,000.00
Khaleel Bent	Stephany Griffiths-Bent	Clarendon	368.5	M	\$40,000.00
Tiana Reid	Clive Reid	Clarendon	388.2	F	\$40,000.00
Nadijah Morrison	Nadine Floyd	St. James	377.5	F	\$40,000.00
Zamar Forde	Tiffany Bowen	St. James	367.5	M	\$40,000.00
2024 P.E.P. Awardees (Non-Insured Grants)					
Arielle Smith	Stacey-Bnn Burrell	Clarendon	388.8	F	\$40,000.00
Kyle-Tristan Leslie	Lushawn Troupe-Leslie	St. James	382	M	\$40,000.00
Mia-Sophia White	Msichana Lewis	St. Ann	379.9	F	\$40,000.00
2024 JUDITH THOMPSON P.E.P. AWARDEES (Manchester Recipients)					
Dejaun Forbes	Renneice Pryce	Manchester	352.2	M	\$45,000.00
Athaliah Walters	Kereda Bryan	Manchester	353.7	F	\$45,000.00
2024 LIVINGSTON ALLEN P.E.P. AWARDEES (St. Catherine Recipients)					
Richelle Doyle	Keasha Thomas-Doyle	St. Catherine	370.1	F	\$45,000.00
Justyn Chance	Danielle Byrd-Chance	St. Catherine	381.6	M	\$45,000.00
2024 WAYNE MULLINGS P.E.P. AWARDEES (St. Andrew Recipients)					
Lasandre Bygrave	Carleen Delpratt	St. Andrew	339.3	M	\$45,000.00
Arianna Dillon	Shay Dillon	St. Andrew	376	F	\$45,000.00
Aniela Riley	Valcia Ellington-Riley	St. Andrew	383.1	F	\$45,000.00
2024 STAFFORD BLAKE P.E.P. AWARDEES (Westmoreland Recipients)					
Kadre James	Coreen Clarke-Chin	Westmoreland	375.5	M	\$45,000.00
Charizma Brown-Simpson	Eleanor Brown-Simpson	Westmoreland	379.9	F	\$45,000.00

2024 P.E.P. Scholarship Awardees

Name Of Student	Tip Staff (Parent)	PARISH	GRADE	GENDER	AWARDED AMOUNT
Leona Barnaby	Leon Barnaby	Manchester		F	\$40,000.00
Jermaine Mills	Donnalee Drummond-Mills	Kingston		M	\$40,000.00
Fellicia Collins	Paulette Cooper	St. Ann		F	\$40,000.00
Repeat P.E.P. AWARDEES FROM 2023 (Past Awardees Who Excelled In 1st Form)					
Cordel Williams	Gillian Brown	St. James	86.1	M	\$40,000.00
Mickel Graham	Shelly-Ann Stewart-Graham	St. James	85.75	M	\$40,000.00
Eliana McGregor	Suzette Gayle-Mcgregor	Kingston	88.41	F	\$40,000.00
Keandra King	Maxine Camille Dobson-King	Kingston	87	F	\$40,000.00
Repeat P.E.P AWARDEES FROM 2022 (Past Awardees Who Excelled In 2nd Form) – Final Award					
La'tavier Burton	Courtney Burton	Kingston	92.46	F	\$40,000.00
Zoey Davis	Caveen Khan	Manchester	86.3	F	\$40,000.00
Kaylie Gordon	Kaydian Scott	St. Elizabeth	87.25	F	\$40,000.00
Janoi Thompson	Marshalae Brown	Kingston	87.5	M	\$40,000.00

2024 SYLVIA SPENCE SCHOLARSHIP AWARDEES (Undergraduates)

Name Of Tip Member	Place Of Employment	School Attending			
Michelle Dixon	Central High	Church Teachers' College		F	\$150,000.00
Onesha Mitchell	Siloah Primary	Church Teachers' College		F	\$150,000.00
Nadeen Thomas-isaacs	Marcus Garvey High	Church Teachers' College		F	\$150,000.00
Kadeen Bailey	Stewart Town Primary	Church Teachers' College		F	\$150,000.00
Kamayla Smith	Bohemia All Age	Church Teachers' College		F	\$150,000.00
Fellicia Collins	Dupont Primary	Shortwood Teachers' College		F	\$150,000.00

2024 VILMA LAWES-MUNROE SCHOLARSHIP AWARDEES (Post-graduates)

Name Of Tip Member	Place Of Employment	School Attending			
Sheldon Howell	Yallahs High	Caribbean Graduate School Of Theology	3.8	M	\$200,000.00
Kadean Flemmings Gordon	St. Thomas Technical High	Mico Univeristy College	3.63	F	\$200,000.00
Tracy-ann Donaldson Pinnock	Sam Sharpe Teachers' College	American College Of Education	3.9	F	\$200,000.00
Marcelle Jackson	May Pen Primary	University Of The West Indies	3.68	F	\$200,000.00

2024 SHERLOCK ALLEN SCHOLARSHIP AWARDEES (Principal And Vice Principal Post-graduates)

Name Of Tip Member	School Attending	School Attending			
Melicia Mathison	Constitution Hill Primary & Infant	University Of The West Indies		F	\$200,000.00

2024 NON-TEACHING STAFF SCHOLARSHIP AWARDEES (Under graduates)

Name Of Tip Member	School Attending	School Attending			
Natasha Williamson	Herbert Morrison Technical High	Sam Sharpe Teachers' College		F	\$100,000.00
Shannon Harris-green	Herbert Morrison Technical High	Sam Sharpe Teachers' College		F	\$100,000.00
Shantell Powell	Granville Primary & Infant	Sam Sharpe Teachers' College		F	\$100,000.00
Tanisha Walsh	Montego Bay Community College	Vocational Training Development Institute		F	\$100,000.00
Treshana Taylor	Ministry Of Education Youth & Information	St. Joseph's Teachers' College		F	\$100,000.00

GRANTS

Ackema Ferguson	Grove Primary & Infant	St. Joseph's Teachers' College	3.75	F	\$50,000.00
Shanice Harrison	St. Mary High	University Of The West Indies	3.8	F	\$100,000.00
Total					\$4,195,000.00

COMMITTEE OF MANAGEMENT REPORT - *Continued*

FINANCIAL AND INSURANCE OFFERINGS

We are pleased to remind you of the products offered.

#	Categories	Options
1	<ul style="list-style-type: none"> Insurance Products (Personal Accident & Group Life). Creditor Life 	<ul style="list-style-type: none"> TIP for Life (6 options) TIP Kids Benefit (3 options) Insures loan balances on motor vehicle loans
2	Saving Products	<ul style="list-style-type: none"> TIP Accumulator Club TIP Pool Fund TIP for Wealth TIP Lock & Key Platinum Eagle
3	Loans	<ul style="list-style-type: none"> TIP Regular Loan TIP Education Loan TIP Express Loan Debt Consolidation Loan Vacation Loan Motor Vehicle loan Seasonal Loans Quick Cash Loan TIP Mortgage Loan TIP Home Equity Loan
5	School Plans	<ul style="list-style-type: none"> TIP Student Plan TIP College Plan

We continuously scan the business environment and will introduce new products and services* based on the prevailing market conditions.

BOARD MEETINGS/FIDUCIARY RESPONSIBILITY/SUSTAINABILITY

For the administrative year 2024, the Committee of Management held its normal slate of meetings.

Each month the Committee of Management received detailed reports of financial and operational activities from the management of the Society. Reports of the Credit and Supervisory Committees, as well as ad-hoc committees were also taken and apologies received for all absences.

The table below details Directors' attendance at the monthly Committee of Management meetings during the period.

Directors' Attendance:

Board Register 2024												
NAMES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Audrey Williams	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lola Bennett	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sheron Matheson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Norman Allen	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tamashella Smith	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Howard Isaacs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mona Ennis	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Kaydian Scott	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Gregory King	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shanice Dennis	0	0	0	0	0	0	0	✓	✓	✓	✓	✓
Garth Anderson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nadienne Crossman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Claudia McLean	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Clayton Hall	0	0	0	0	0	0	0	✓	✓	✓	✓	✓
Jacqueline Hendricks	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Robert Anderson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Eva Coleman-Stamp	0	0	0	0	0	0	0	✓	✓	✓	✓	✓

International Cooperative Alliance (ICA) Biennial Global Cooperative Conference

The International Cooperative Alliance (ICA) convened its Biennial Global Cooperative Conference in New Delhi, India, from November 25 to 30, 2024, at the prestigious Bharat Mandapam. This major global event, held under the theme 'Cooperatives for a Sustainable Future: Building Resilience through Cooperation,' brought together policymakers, cooperative leaders, development partners, and other stakeholders to deliberate on the present and future of the global cooperative movement. A four-member delegation led by Dr. Anderson, President of TIP Friendly Society, participated in this landmark conference, representing the interests and vision of Jamaican cooperatives on the global stage.

The principal aim of the conference was to foster a robust exchange of knowledge and innovative practices among cooperatives globally. It sought to facilitate dialogue on policy frameworks, identify strategies to overcome current challenges within the sector, and strengthen the cooperative model's role in advancing sustainable development. The conference also aimed at reinforcing partnerships and networks among cooperatives operating across diverse regions and sectors, with a special emphasis on economic resilience, social equity, and environmental sustainability.

The official opening ceremony was marked by the presence of distinguished dignitaries, including the President of the ICA, the Minister of Cooperation for India, and representatives from international cooperative institutions. The keynote addresses underscored the

historical legacy and growing relevance of the cooperative model, particularly in the context of global economic recovery and social transformation.

A series of plenary sessions were held to examine a broad spectrum of critical themes. These included the role of cooperatives in addressing climate change, advancing digital transformation within governance frameworks, promoting gender equality and youth engagement, and strengthening cooperative responses to the ongoing global economic challenges.

In-depth discussions took place within region-specific and sector-based forums. These sessions focused on sharing innovations, policies, and best practices from Africa, Asia-Pacific, Europe, and the Americas. Sectoral discussions covered key areas such as agriculture, finance, housing, health services, and worker cooperatives, offering a platform for tailored strategies and regional insights.

Special sessions were dedicated to enhancing the participation of women and youth in the cooperative movement. Presentations highlighted strategies for fostering leadership, inclusivity, and the development of institutional mechanisms to ensure meaningful representation and capacity-building across all levels of cooperative governance.

International Cooperative Alliance (ICA) Biennial Global Cooperative Conference - Continued

A cooperative exposition was organized alongside the main sessions, featuring showcases of successful cooperative enterprises, services, and innovations. Delegates participated in several networking opportunities that facilitated meaningful exchanges and collaborations among regional and international partners.

The conference culminated in the adoption of the New Delhi Declaration, a document reaffirming the global cooperative community's commitment to supporting the United Nations Sustainable Development Goals. Other major outcomes included a renewed push for integrating cooperative education into mainstream education systems worldwide, the launch of digital platforms aimed at improving knowledge sharing, and the formalization of new strategic alliances between the ICA and global development partners.

Throughout the conference, participants identified several pressing challenges confronting the global cooperative movement. These included restricted access to financing, regulatory impediments, and technological disparities that hinder cooperative digitalization. Additionally, participants emphasized the need for more comprehensive data collection systems to measure the social and economic impact of cooperatives effectively.

At the conference, the International Cooperative Alliance officially launched 2025 as the Year of Cooperatives, emphasizing the critical importance of cooperative enterprises in promoting inclusive and sustainable global development. This global initiative seeks to elevate the profile of cooperatives, showcasing their capacity to respond effectively to economic, environmental, and social challenges in communities worldwide.

The conference concluded with a set of strategic recommendations. Governments worldwide were encouraged to enact policies **that promote an enabling environment for cooperatives**. The ICA and its members were advised to intensify efforts to advocate for the cooperative identity and to invest in education, digital transformation, and leadership development. Focus was placed on increasing the involvement of youth and women in cooperative leadership and decision-making structures.

The ICA Biennial Global Cooperative Conference held in New Delhi was an outstanding success. It reaffirmed the cooperative model as a powerful instrument for inclusive and sustainable development. The participation of the TIP Friendly Society delegation, underscored Jamaica's commitment to cooperative advancement. The event provided an invaluable platform for learning, collaboration, and renewed inspiration for building resilient, member-focused institutions across the globe.



Attendees from Left:

Dr. Lola Bennett- *Secretary*

Mr. Norman Allen- *Assistant Treasurer*

Mr. Clayton Hall- *Treasurer*

Dr. Garth Anderson - *President*

Mr. Wilton South- *Chief Executive Officer*



Conclusion

Despite the challenges, we recorded solid growth in customer engagement, product uptake, and digital service adoption. These successes are a testament to our team's professionalism and our customers' belief in the value we provide. To our employees: thank you for your passion, resilience, and commitment. To our customers: thank you for your continued trust. Together, you are the reason we do what we do, and the reason we will keep doing it better.

Let us face the future not with fear, but with purpose. With every loan we approve, every policy we underwrite, and every savings account we grow, we are helping individuals and communities build a stronger, more secure tomorrow.

We are ready for what's next. And with your continued support, we will meet the future with strength, unity, and ambition.



**President
Garth Anderson**

Cooperative Impact Conference 2024

On October 2, more than 450 co-operators gathered in Washington, DC, for the 2024 Cooperative Impact Conference. Seven members representing TIP Friendly Society were in attendance. Participating in the conference were Garth Anderson, Clayton Hall, Sheron Matheson, Howard Isaacs, Kadian Scott, Leona Nash and Judy Miller-Smith.

The conference, under the theme “The Future is Cooperative”, offered significant benefits including networking with cooperative developers, policymakers and international leaders to explore innovative strategies for financial and insurance services.

The three-day conference provided rich presentations covering such topics as leveraging AI, strengthening co-op democracy, the role local elections play in advancing co-op development, all aimed at shaping a co-operative future that is inclusive, resilient and sustainable.

A new addition to this year’s conference was Impact’s Lightning Talks, which gave speakers an opportunity to share their game-changing ideas and innovative strategies, with the aim of propelling the co-operative movement into the future.

Attending sessions on topics which focused on AI, diversity, equity and inclusion, Gen Z and millennial empowerment, volunteer leadership and measuring, provided actionable insights to enhance several of TIP’s youth focused products such as TIP’s Student Plan. Additionally, these sessions provided pointers and strategies that can be used to influence policies, supporting cooperative financial models aligning with TIP’s mission of community centric services.

Attendees were exposed to global best practices that will undoubtedly help TIP Friendly Society expand its reach in Jamaica and beyond, particularly in education and insurance services. The conference focused on the future of cooperative, which also aligned with TIP’s long-term goals, offering tools to support members’ engagement and sustainability.





TIP FRIENDLY
SOCIETY

SCHOLARSHIPS 2025

**APPLICATIONS ARE
OPENING IN JUNE**

For All
New and Repeated Applicants



www.tipfriendly.com



PEP Scholars

Parents!

Is your child a 2024
scholarship recipient?

An 85% average qualifies them
for another **opportunity!**

Members!

Are you currently enrolled
at a tertiary institution
and in your final year of study?

You are eligible!

Conditions apply



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80 Half-Way-Tree Road
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MANDEVILLE

24C, Lot #3
Caledonia Road
Mandeville
876-877-5268

MONTEGO BAY

The Annex
Shop 27A Fairview
Montego Bay
876-382-7289

OCHO RIOS

Shop 8,
Ocean Vill. Comm. Ctr
Main Street, Ocho Rios
876-877-5267

TREASURER'S REPORT



TREASURER'S REPORT

For The Year Ended 31 December 2024

MACRO ECONOMIC ENVIRONMENT

The Bank of Jamaica (BOJ) continues to employ a strategy to keep the USD to JMD rate at relative stability. A stable exchange rate minimizes the fluctuations in prices of goods and services purchased in USD and allows for better planning. As such the BOJ makes necessary interventions in the foreign exchange market to achieve this goal. The year over year change in the USD to JMD exchange rate was an average of 1.4% depreciation from 2023 to 2024.

Target inflation rate for 2024 was 4% – 6%. However, the actual rate for the calendar year was 5.0%, reflecting a reduction in the prices for goods and services. The BOJ is using various measures to maintain the rate within targeted levels.

Treasury Bills rates of 6.3% and 6.17% for 90-day and 180-day respectively in 2024 is above average rate of 3.54% for the last five (5) years. These rates are used to benchmark short term investments and used as a tool to manage inflation by making credit more expensive.

The unemployment rate of 3.5% is the lowest it has been for the past 5 years. This shows that with a relatively stable inflation rate and more competitive Treasury Bill rates the economy is showing signs of stability and improvement.

TABLE 1: ECONOMIC DATA

Measure	2024	2023	2022	2021	2020
USD to JMD	\$157.22	\$154.99	\$ 152.60	\$ 150.63	\$ 143.27
Inflation rate	5.0%	6.90%	9.36%	7.30%	5.21%
Treasury Bill- 90/180 Day Rate	6.3%/6.17%	8.10% /8.46%	8.04% /8.18%	4.09% /4.33%	0.77% /0.86%
Unemployment Rate	3.50%	4.50%	6.60%	7.10%	8.40%

TREASURER'S REPORT - Continued

OPERATIONAL PERFORMANCE

Surplus for 2024 was the highest for the last five years at \$471.78 million. This represents a 104% increase over the prior year. This performance was boosted by a massive 30.7% increase in gross interest on loans, and with a strategic contraction in operating expenditure that only increased by 1.33% between 2023 and 2024 financial periods.

TABLE 2: OPERATIONAL PERFORMANCE

Description	2024	2023	2022	2021	2020
		\$m	\$m	\$m	\$m
Net Income	1,112.65	849.15	704.34	780.15	604.53
Expenses	640.87	626.64	563.11	458.05	365.10
Surplus	471.78	222.50	141.23	322.10	239.43

INCOME

There was an approximately 31% overall increase on net income for the period moving from \$849.15 million in 2023 to \$1,112.65 million for 2024.

TREASURER'S REPORT - Continued

EXPENDITURE

Total expenditure increased by 2.22% over the prior year largely due to increases in employee cost, establishment and finance costs, while there were contraction in advertising & promotional and general expenses.

TABLE 3: EXPENDITURE BY EXPENSE GROUP

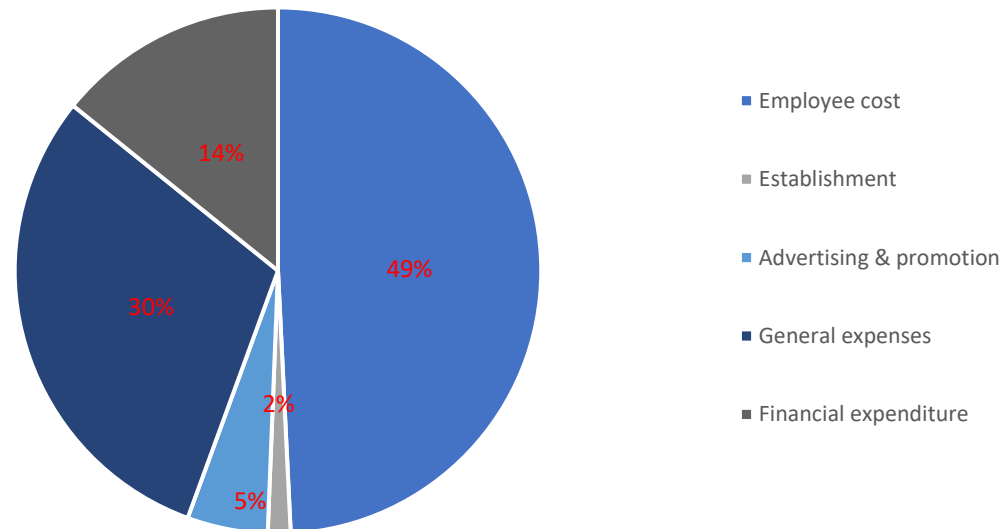
Operating expenses	2024	2023	2022	2021	2020
		\$m	\$m	\$m	\$m
Employee cost	315.48	269.33	258.96	246.32	214.15
Establishment	8.95	5.20	2.77	2.83	12.07
Advertising & promotion	31.74	36.85	33.26	13.00	16.02
General expenses	193.65	231.76	182.03	166.04	119.84
Finance costs	91.05	83.51	86.08	29.85	3.03
TOTAL EXPENDITURE	640.87	626.64	563.11	458.05	365.10

TREASURER'S REPORT - Continued

- Of the total expenditure, 49% or \$315.48 million relates to staff costs which include salaries, commissions, employer taxes, training and other welfare benefits.
- Finance costs moved from \$83.51 million in 2023 to \$91.05 million in 2024. This increase was due to an increase in the financing of loans used for purchase and development of property during the period.
- Advertising & promotion – in 2024 the Society celebrated its 27th anniversary, however, the activities were minimized when compared with celebration of the 2023 milestone. As a result, there was a \$5.12 million or 14% decrease below the previous year.
- General expenses were largely contracted over the previous year.

See pie chart showing a pictorial breakdown of the expenses:

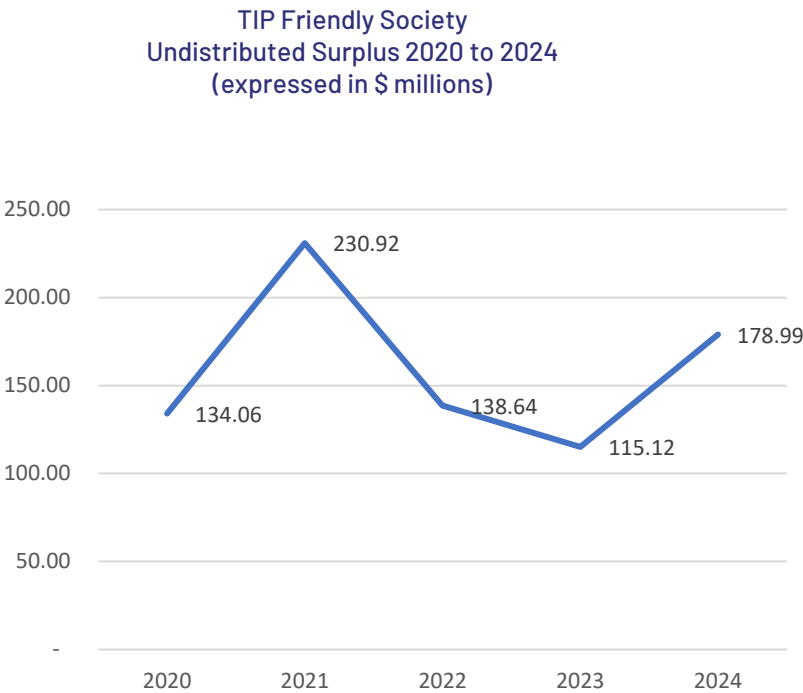
TIP FRIENDLY SOCIETY
% EXPENDITURE CATEGORIES FOR 2024



TREASURER’S REPORT - Continued

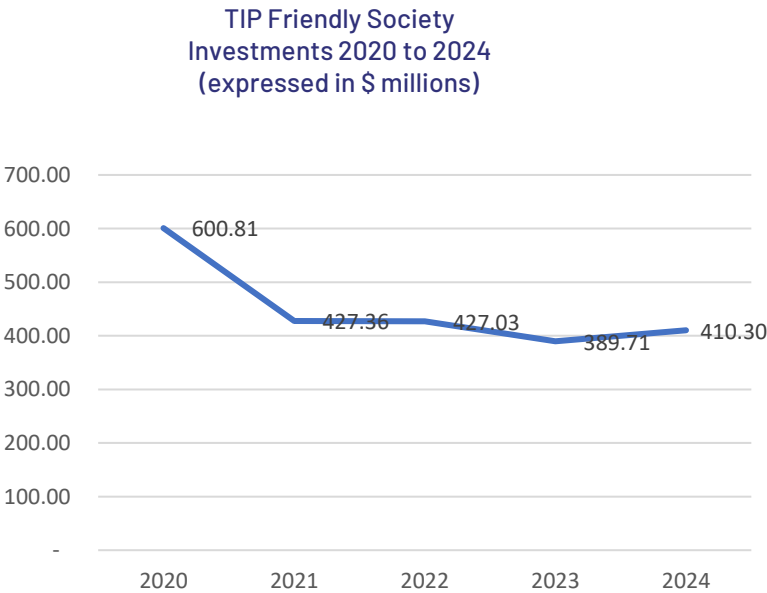
UNDISTRIBUTED SURPLUS

Undistributed surplus has trended upward as shown in the graph below



INVESTMENTS

There has been a steep decline in investments since 2020, however, it has remained relatively stable over the past 4 years. This has been largely due to the financing of property development projects over the past five years. Investments must be maintained at a certain level however, as stipulated by statutes for financial institutions, the Society has been compliant with that requirement.

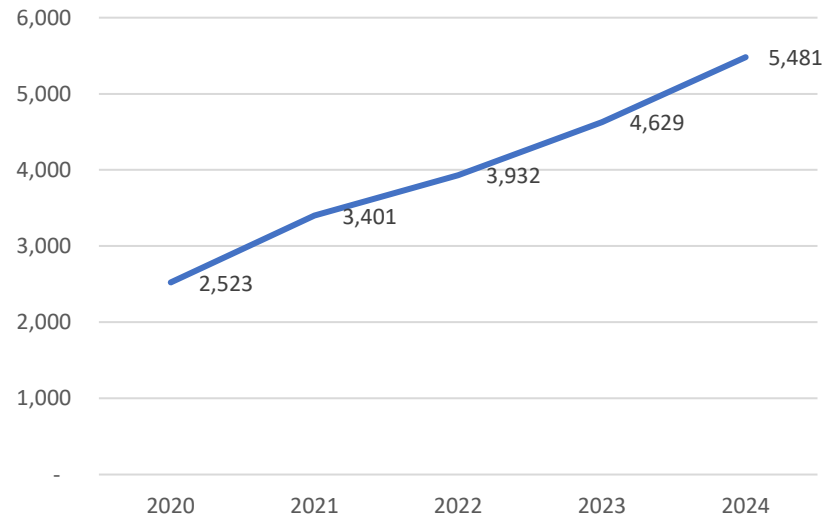


TREASURER’S REPORT - Continued

MEMBERS LOANS

Members loans are the largest income contributor for the Society and all efforts must be maintained in strengthening this position. There was an approximately 18% increase over prior year in this income category.

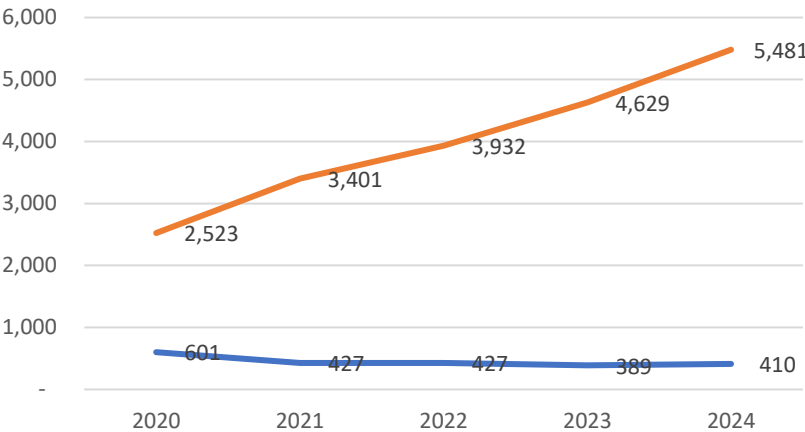
TIP Friendly Society
Members' Loans 2020 to 2024
(expressed in \$ millions)



RELATIONSHIP BETWEEN INVESTMENTS AND MEMBERS' LOANS

Our total financial resources are used to either provide loans to our members are invested with reputable financials to provide returns. The graph below shows the trend of this relationship over the past 5 years.

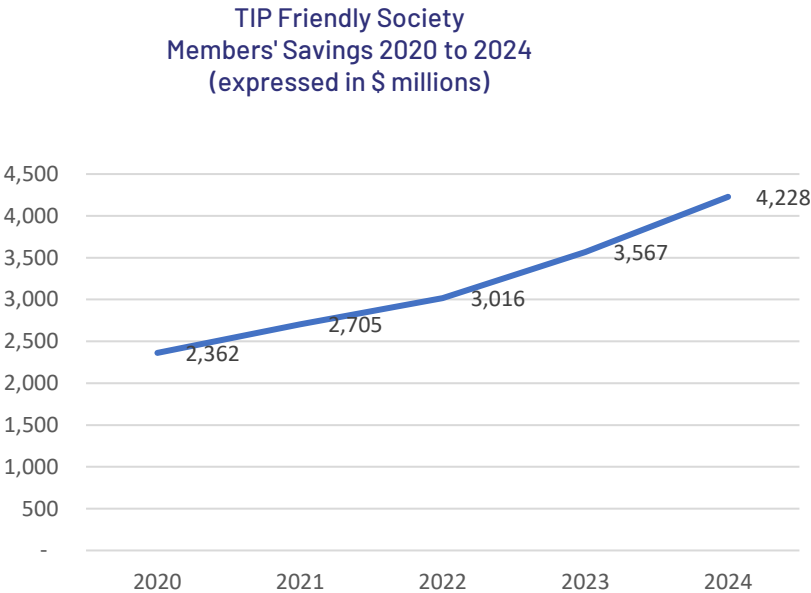
TIP Friendly Society
Investments vs Loans 2020 to 2024
(expressed in \$ millions)



TREASURER’S REPORT - Continued

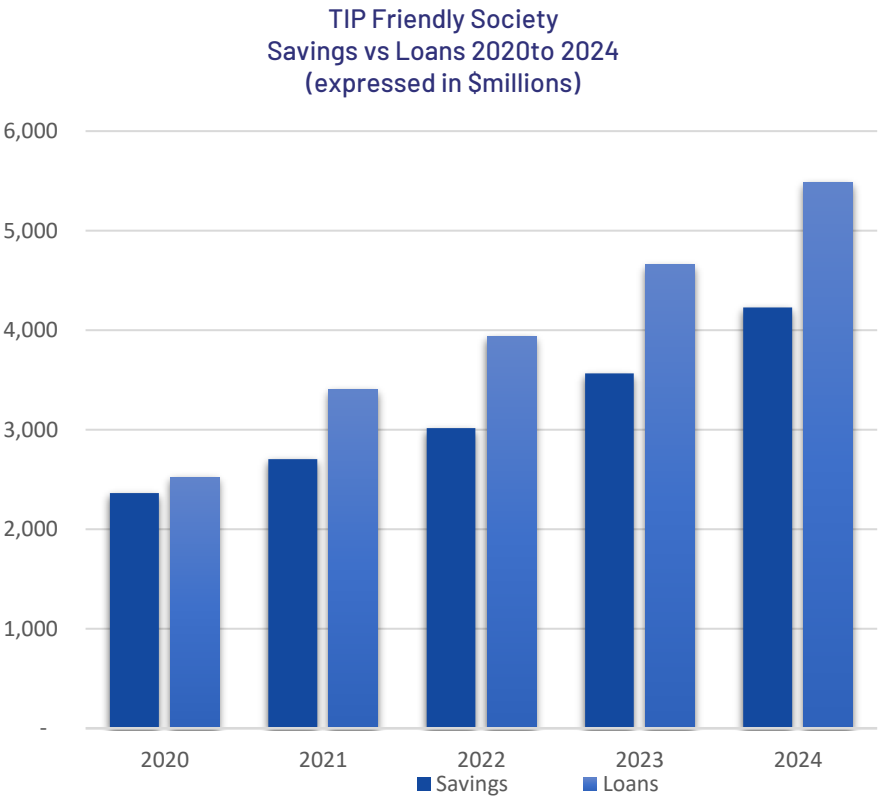
MEMBERS SAVINGS

The society provides a facility for our members to save and provides a competitive return. There is also a requirement for members to have a certain level of funds saved to access loans. There is an increase of 19% between 2023 and 2024. The table below shows the total amount of funds we hold for our members over the past five years.



MEMBERS LOANS AND MEMBERS SAVINGS

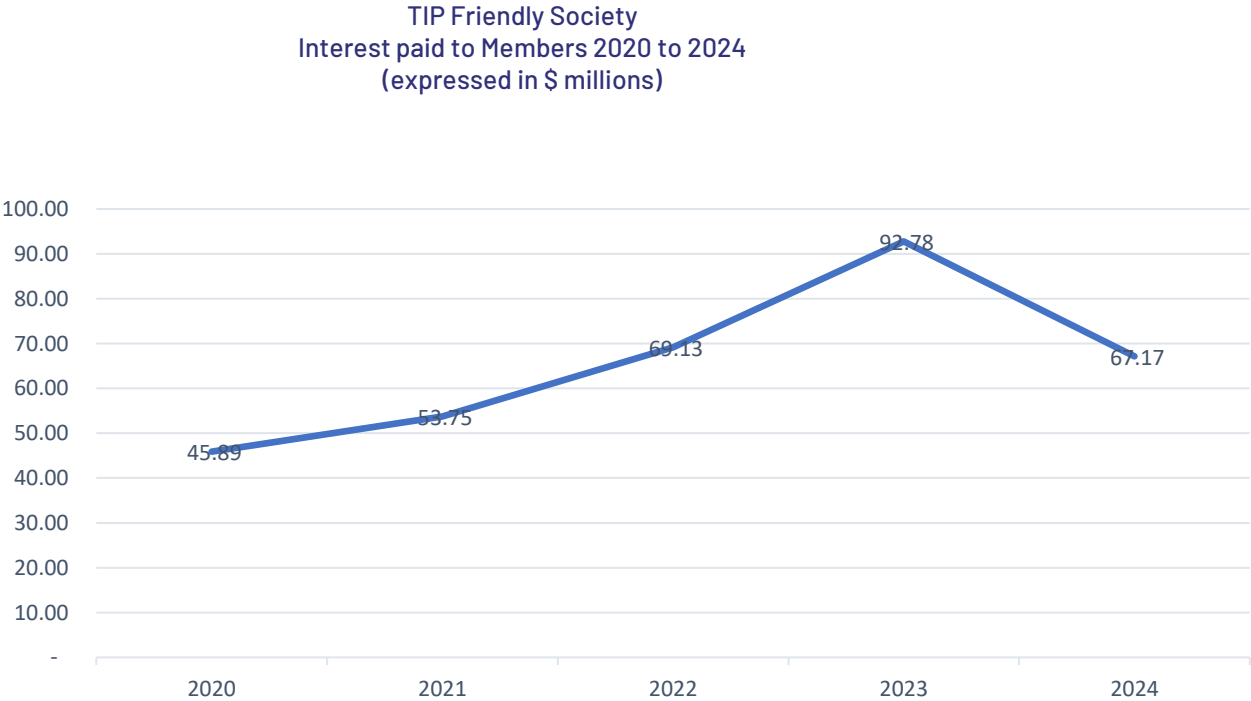
The table below shows the relationship between loans and savings.



TREASURER’S REPORT - Continued

INTEREST PAID TO MEMBERS

Interest earned by members was \$67.17 million in 2024, which amounts to an approximate 28% increase below the prior year interest cost. The interest rates paid are guided by the prevailing Treasury Bill rates as well as the level of savings by the members. Dividends are also declared and paid annually based on members’ savings. The table below shows the trend for the past 5 years.

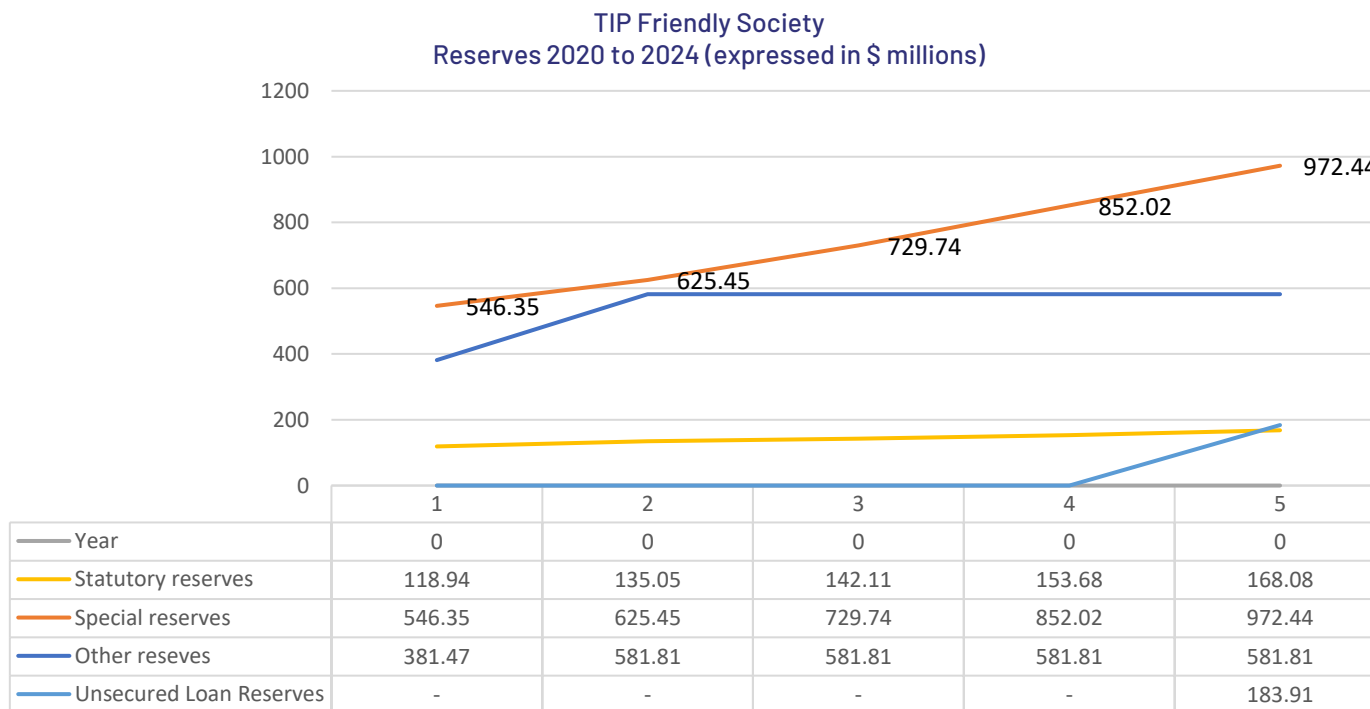


TREASURER'S REPORT - Continued

RESERVES

Section 68 of the Friendly Societies Act requires that every registered society "shall establish and maintain a reserve fund". Our Reserves are:

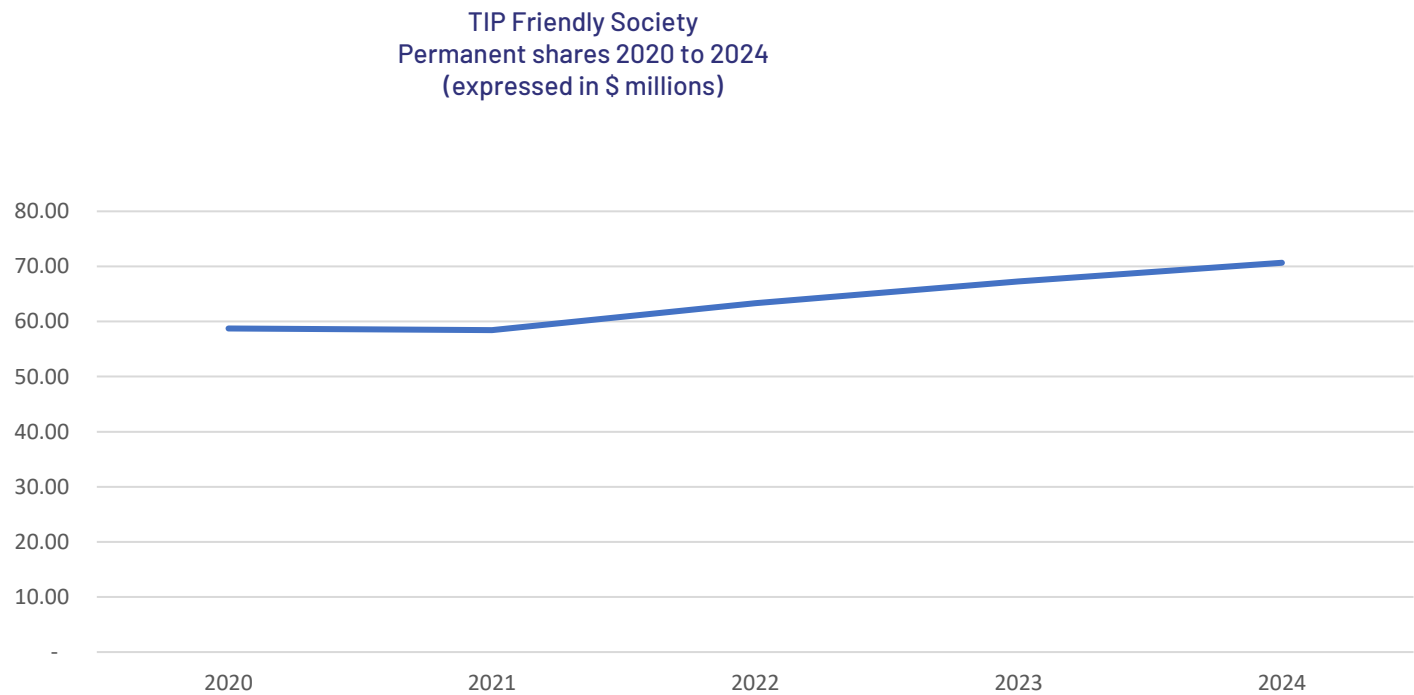
- Statutory reserve – 5% of surplus
- Special reserve – 27.5% of net contributions
- TIP Unsecured Loans Reserve – 0.1% of surplus. As stipulated by our regulators, Department of Cooperatives and Friendly Societies, the Society was mandated to implement measures to protect unsecured loans, and this measure will see all unsecured loans fully protect by December 31, 2026.
- Other reserve – 20% of net contributions. This is not required by regulations but TIP sets aside this amount for added security.



TREASURER’S REPORT - Continued

PERMANENT SHARES

Our rule book states that “every member shall subscribe to a minimum of two thousand dollars (\$2,000) Permanent Shares” and then states the rights and restrictions that are attached to these permanent shares. Permanent shares are not withdrawable, dividends may be distributed and paid on these shares based on the profitability of the Society. See trend of permanent shares below:



TREASURER'S REPORT - Continued

PEARLS RATIO

The Prudential Financial Standard – Protection, Effective Management Structure, Asset Quality and Rate of Return and Cost, Liquidity and Signs of Growth Standard – PEARLS – which is acceptable by the Jamaica Co-Operative Credit Union League (JCCU), the World Confederation of Co-Operative Credit Unions (WCCU) and the International Co-Operative Alliance (ICA), is used below to report on the performance of TIP Friendly Society for 2020 to 2024. See table 4 below:

INDICATOR	STANDARD	2023	2022	2021	2020	2019
Net Loans/Total Assets	70-80%	69.21%	64.76%	65.96%	65.68%	64.51%
Total Savings/Total Assets	70-80%	53.97%	49.67%	52.68%	63.56%	62.61%
Liquidity Reserve/Savings & Deposits	>10%	19.94%	24.20%	20.94%	20.45%	23.49%
Delinquency Rate	<5%	5.84%	4.12%	4.23%	4.48%	5.95%
Non-Earning Assets/Total Assets	<7%	12.10%	15.40%	15.77%	12.10%	9.21%
Operating Expense/Average Assets	<8%	1.29%	8.36%	1.73%	16.06%	25.22%
Net Income/Average Assets	>5%	2.76%	2.51%	0.80%	4.63%	(4.28%)
Growth in Total Assets	>7.1%	11.67%	17.22%	28%	22.67%	7.03%
Growth in Members Savings	>10.2%	21.35%	11.50%	14.98%	8.32%	-2.74%

TREASURER'S REPORT - Continued

ACKNOWLEDGEMENTS

On behalf of the Finance Committee, we would like to thank all stakeholders who played a part for a successful 2024, we look forward to serving you even more in 2025 and beyond.

We would like to thank the External Auditors for their observations and recommendations as they diligently give a third eye to our controls and efficiencies.

Thanks also to the Department of Co-operatives & Friendly Societies (DCFS) for their guidance and strong regulatory oversight.

We also enjoyed a good working relationship with the Investment Houses and are grateful for the negotiations and ensuring rates that results in greater benefits for members.

Thanks to the Financial Controller, Financial Accountant and their team for their efficient handling of the strategic and operational aspects of the business.

Finally, thanks to the TIP Finance Department who continues to make every effort to simplify and improve the accounting processes while maintaining strong internal controls, perfecting segregation of duties and producing efficient and timely management reporting. Our commitment to our members is to safeguard the integrity of the systems and support the other departments by always providing you with exceptional service.

Clayton Hall
Treasurer



TIP Friendly
Society
Serving You & Our Neighbors



It's time to upgrade your policy for more
PROTECTION & BENEFITS

What are we **offering?**

- Natural Death Coverage
- Maternity & Paternity Benefits
- Accidental Coverage
- Sickness/Accident Disability Monthly Income
- Medical Expense Reimbursement
- Surgeon's Fee Reimbursement
- And More!!!

**PREMIUMS RANGE
\$2,050 TO \$7,050**



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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:

S1
F547-611/05/2025

May 26, 2025

The Secretary
TIP Friendly Society
80 Half-Way-Tree Road
Kingston 10

Dear Sir/Madam,

I forward herewith the Financial Statements of your Society for the year ended December 31, 2024.

The Annual General Meeting (AGM) must be convened under **Regulation 8A-8F** of the Friendly Societies (Amendment) Regulations, 2021.

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

Regards,

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

HEAD OFFICE
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TIP Friendly
Society

(A Society Registered Under
the Friendly Societies Act)

FINANCIAL

REPORT

Financial Statements

31 December 2024

TIP FRIENDLY SOCIETY
(A Society Registered Under the Friendly Societies Act)

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31 December 2024

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INDEPENDENT AUDITORS' REPORT

To the Registrar of Co-operatives and Friendly Societies

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of TIP Friendly Society ("the Society") set out on pages 1 to 76, which comprise the statement of financial position at 31 December 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Society as at 31 December 2024, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Friendly 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Society in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants' (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

.../2

ADVISORY • ASSURANCE • TAX

PARTNERS: Wayne Strachan; FCA;FCCA;MBA Emile Lafayette; FCA;FCCA;MBA Roxiana Malcolm-Tyrell; FCA;FCCA;MBA
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INDEPENDENT AUDITORS' REPORT

To the Registrar of Co-operatives and Friendly Societies
TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

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Report on the audit of the Financial Statements(continued)

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 Friendly 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 Society'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 Society to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 AUDITORS' REPORT

To the Registrar of Co-operatives and Friendly Societies

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

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Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Society 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.



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INDEPENDENT AUDITORS' REPORT

To the Registrar of Co-operatives and Friendly Societies
TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Page 4

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Society to express an opinion on the financial statements. We are responsible for the director, supervision and performance of the Society audit. We remain solely responsible for our audit opinion.
- We communicate with the Committee of Management 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.

Report on other legal and regulatory requirements

As required by the Friendly 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 Friendly Societies Act, in the manner required.



Chartered Accountants
Kingston, Jamaica
14 May 2025

TIP FRIENDLY SOCIETY

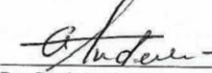
(A Society Registered Under the Friendly Societies Act)

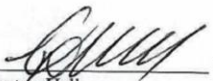
Statement of Financial Position

As at 31 December 2024

	Note	2024 \$'000	Restated 2023 \$'000	Restated 2022 \$'000
ASSETS				
Earning Assets				
Investment properties	7	1,052,613	1,026,728	777,732
Investment securities	8	410,302	389,707	427,027
Loan receivables	9	5,481,029	4,629,524	3,912,831
Total Earning Assets		6,943,944	6,045,959	5,117,590
Non-Earning Assets				
Cash and cash equivalents	10	210,658	164,227	168,450
Other assets	11	121,361	141,802	166,215
Property, plant and equipment	12	301,745	307,236	599,426
Right-of-use-asset	13	1,731	2,530	1,080
Intangible assets	14	2,665	-	-
Total Non-Earning Assets		638,160	615,795	935,171
TOTAL ASSETS		7,582,104	6,661,754	6,052,761
EQUITY AND LIABILITIES				
Capital and Reserves				
Permanent shares	15	70,666	67,295	63,306
Institutional capital	16	1,324,424	1,005,705	871,851
Non-institutional capital	17	760,791	696,928	701,520
Total Capital and Reserves		2,155,881	1,769,928	1,636,677
LIABILITIES				
Interest Bearing Liabilities				
Members' savings	18	4,228,258	3,567,817	
External credits	19	1,010,097	1,107,324	1,221,207
Lease liability	13	3,004	3,749	1,155
Total Interest Bearing Liabilities		5,241,359	4,678,890	4,237,943
Non-Interest Bearing Liabilities				
Payables	20	184,864	212,936	178,141
Total Non-Interest Bearing Liabilities		184,864	212,936	178,141
TOTAL EQUITY AND LIABILITIES		7,582,104	6,661,754	6,052,761

Approved for issue by the Committee of Management on 14 May 2025 and signed on its behalf by:


Dr. Garth Anderson President


Clayton Hall Treasurer

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Statement of Comprehensive Income

Year ended 31 December 2024

	Note	2024 \$'000	Restated 2023 \$'000
Interest and similar income			
Loans	21	868,480	664,340
Investment securities	22	44,285	36,340
		912,765	700,680
Interest expense			
Interest on members' savings		(67,170)	(92,789)
Finance costs	23	(91,055)	(83,511)
		(158,225)	(176,300)
Net interest income		754,540	524,380
Increase in impairment losses on loans	5(b)(iii)	(108,102)	(101,055)
Net interest income after provision for loan losses Non-interest income/(expenses)		646,438	423,325
Insurance premiums contributed by members	24	350,434	334,602
Reinsurance premiums	24	(25,796)	(23,825)
Return on premium expense	24	(1,320)	(1,215)
		323,318	309,562
Other income	25	51,836	32,750
Net non-interest income		375,154	342,312
Gross income		1,021,592	765,637
Operating expenses	26	(549,815)	(543,133)
Surplus before honoraria and other payment		471,777	222,504
Honoraria		(7,000)	(7,000)
Write back of honoraria underutilized in prior year Errol Henry Fund	27	4,209	3,869
		(14,394)	(11,574)
Surplus for the year		454,592	207,799
Other comprehensive income:			
Items that will never be reclassified to profit or loss:			
Claims payments		(33,787)	(25,339)
Total comprehensive income		420,805	182,460

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Statement of Changes in Equity

Year ended 31 December 2024

	Permanent Shares \$'000	Institutional Capital			Non-Institutional Capital			Grand Total \$'000
		Statutory Reserve \$'000	Special Reserve \$'000	Total \$'000	Other Reserve \$'000	Undistributed Surplus \$'000	Total \$'000	
Balance at 31 December 2022, as previously stated	63,306	142,108	729,743	871,851	581,806	138,635	720,441	1,655,598
Correction of errors (Noted 32)	-	-	-	-	-	(18,921)	(18,921)	(18,921)
Balance at 31 December 2022, as restated	63,306	142,108	729,743	871,851	581,806	119,714	701,520	1,636,677
Transactions with members:								
Increase in permanent shares	3,989	-	-	-	-	-	-	3,989
Dividends, as restated	-	-	-	-	-	(53,198)	(53,198)	(53,198)
	3,989	-	-	-		(53,198)	(53,198)	(49,209)
Transfers between reserves:								
5% transfer to statutory reserve	-	11,574	-	11,574	-	(11,574)	(11,574)	-
20% transfer to special reserve	-	-	62,155	62,155	-	(62,155)	(62,155)	-
27.5% transfer to special reserve	-	-	85,464	85,464	-	(85,464)	(85,464)	-
	-	11,574	147,619	159,193		(159,193)	(159,193)	-
Total comprehensive income:								
Surplus for the year, as restated	-	-	-	-	-	207,799	207,799	207,799
Other comprehensive income	-	-	(25,339)	(25,339)	-	-	-	(25,339)
	-	-	(25,339)	(25,339)	-	207,799	207,799	182,460
Balance at 31 December 2023, as restated	67,295	153,682	852,023	1,005,705	581,806	115,122	696,928	1,769,928

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Statement of Changes in Equity

Year ended 31 December 2024

		Institutional Capital			Non-institutional Capital			
	Permanent Shares	Statutory Reserve	Special Reserve	Total	Other Reserve	Undistributed Surplus	Total	Grand Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 31 December 2023, as restated	67,295	153,682	852,023	1,005,705	581,806	115,122	696,928	1,769,928
Transactions with members:								
Increase in permanent shares	3,371	-	-	-	-	-	-	3,371
Dividends	-	-	-	-	-	(38,223)	(38,223)	(38,223)
	3,371	-	-	-		(38,223)	(38,223)	(34,852)
Transfers between reserves:								
5% transfer to statutory reserve	-	14,394	-	14,394	-	(14,394)	(14,394)	-
Unsecured loan reserve	-	-	183,908	183,908	-	(183,908)	(183,908)	-
20% transfer to special reserve	-	-	64,928	64,928	-	(64,928)	(64,928)	-
27.5% transfer to special reserve	-	-	89,276	89,276	-	(89,276)	(89,276)	-
	-	14,394	338,112	352,506		(352,506)	(352,506)	-
Total comprehensive income:								
Surplus for the year	-	-	-	-	-	454,592	454,592	454,592
Other comprehensive income	-	-	(33,787)	(33,787)	-	-	-	(33,787)
	-	-	(33,787)	(33,787)	-	454,592	454,592	420,805
Balance at 31 December 2024	70,666	168,076	1,156,348	1,324,424	581,806	178,985	760,791	2,155,881

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Statement of Cash Flows

As at 31 December 2024

		Restated			Restated
	2024	2023		2024	2023
CASH RESOURCES WERE (USED IN)/PROVIDED BY	\$'000	\$'000		\$'000	\$'000
Cash Flows from Operating Activities			Cash Flows from Investing Activities		
Net surplus for year	454,592	207,799	Purchase of property, plant and equipment	(7,169)	(7,893)
Adjustments for:			Purchase of investment property	(48,770)	-
Amortization of right-of-use asset	799	1,238	Purchase of intangible assets	(2,665)	-
Bad debt written off	10,933	28,735	Proceed on sale of property, plant and equipment	-	56
Depreciation	35,545	49,817	Investment securities, net	-	60,865
Impairment losses on loans	108,102	101,055	Net cash (used in)/provided by investing activities	(58,604)	53,028
Fair value gains on investment securities	(20,594)	(23,545)	Cash flows from Financing Activities		
Interest income	(912,765)	(700,680)	External credits, net	(97,227)	(113,883)
Deferred income recognized	(36,201)	(27,887)	Permanent shares	3,371	3,989
Interest expense	157,964	175,783	Claims payments	(33,787)	(25,339)
Lease interest expense	261	517	Lease principal payments	(745)	(94)
Gain on disposal of property, plant and equipment	-	(56)	Dividends paid	(38,223)	(113,267)
Foreign exchange gains	(23)	(31)	Net cash used in financing activities	(166,611)	(248,594)
	(201,387)	(187,255)	Net decrease in cash and cash equivalents	(46,408)	(4,254)
Changes in operating assets and liabilities:			Effects of foreign exchange on cash and cash equivalents	23	31
Increase loan receivables	(911,889)	(819,378)	Cash and cash equivalents at the beginning of the year	164,227	168,450
Decrease in other assets	20,441	24,413	CASH AND CASH EQUIVALENT AT END OF YEAR	210,658	164,227
Increase in members' savings	660,441	552,236	Represented by:		
(Decrease)/increase in payables	(28,540)	83,936	Cash and cash equivalents	210,658	164,227
Cash used in operating activities	(460,934)	(346,048)			
Interest received	890,315	701,462			
Interest paid	(157,497)	(163,585)			
Lease interest paid	(261)	(517)			
Net cash provided by operating activities	271,623	191,312			

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements

As at 31 December 2024

1. Identification and Principal Activities

TIP Friendly Society ("the Society") is incorporated under the laws of Jamaica and is registered under the Friendly Societies Act. The Society's operations cover all parishes with offices in Kingston and St. Andrew, Manchester, St. James and St. Ann.

The Society's registered office is located at 80 Half Way Tree Road, Kingston 10, Jamaica.

The Capital of the Society is unlimited. The liability of each member, in case of liquidation, shall be limited to the nominal value of permanent shares held by the member.

Its principal activities are to provide specific benefits for members by voluntary subscription of members with or without aid or donation and to solicit savings from its members for the provision of sickness, accident and death benefits to members and their dependents.

Membership of the Society is opened to all employed persons in the field of education in Jamaica with certain provisions.

Being a co-operative society, the Society is regulated by the Department of Co-operatives and Friendly Societies.

Section 68 of the Friendly Societies Act requires, among other provisions, that at least 5% of net surplus and 20% of net contribution be transferred annually from undistributed surplus to a reserve fund and a special reserve fund, respectively.

The Society is exempt from income tax and stamp duty under sections 27(1) and 27(2) of the Friendly Societies Act.

These financial statements are presented in Jamaican dollars, which is the functional currency and are expressed in thousands of dollars unless otherwise stated.

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements

As at 31 December 2024

2. Basis of preparation

Basis of measurement and statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, except for certain properties and financial assets that are measured at fair value or revalued amounts. They are also prepared in accordance with the provisions of the Friendly Societies Act.

The financial statements comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes.

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the total comprehensive income during the reporting period. The Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgment in complexity or areas where assumptions or estimates are significant to the financial statements are discussed in Note 6.

Basis of measurement and statement of compliance (continued)

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

The following amendments to standards have been adopted by the Society for the first time which have been issued and are effective for mandatory adoption for the financial year beginning on or after 1 January 2024:

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements

As at 31 December 2024

2. Basis of preparation (continued)

The amendments in Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (effective for annual periods beginning on or after 1 January 2024) affect only the presentation of liabilities in the statement of financial position – not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Leases on sale and leaseback (Amendments to IFRS 16) (effective for annual periods beginning on or after 1 January 2024). These amendments 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 did not result in any material effect on the Society's financial statements.

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements

As at 31 December 2024

2. Basis of preparation (continued)

Basis of measurement and statement of compliance (continued)

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

At the date of authorisation of these financial statements, certain new accounting standards, amendments and interpretation to existing standards have been issued which are not yet effective, and which the Society has not early adopted. The Society has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations. Unless stated otherwise, the impact of the changes is still being assessed by management.

Lack of Exchangeability Amendments to IAS 21 (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 the Classification and Measurement of Financial Instruments (Amendments to IFRS 9, and IFRS 7) effective for annual periods beginning on or after 1 January 2026 clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.

IFRS 18 Summary for Financial Statements replaces IAS 1 effective for annual periods beginning on or after 1 January 2027 enhances transparency and comparability in financial reporting by introducing new requirements include: new categories and subtotals in the statement of profit or loss, disclosure of management-defined performance measures (MPMs) and enhanced requirements for grouping information.

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 Society.

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements

As at 31 December 2024

3. Material accounting policies

(a) Property, plant and equipment

(i) Owned assets:

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and related costs to put the asset into service.

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the Society and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as incurred.

Freehold land and buildings are subsequently carried at fair value, based on periodic valuations by a professional qualified valuer. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in the property revaluation reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognised in surplus or deficit.

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements

As at 31 December 2024

3. Material accounting policies (continued)

(a) Property, plant and equipment (continued)

(ii) Depreciation

Depreciation is calculated on a straight-line basis at rates to write off the carrying value of the assets over their period of expected useful lives. Land and work-in-progress are not depreciated. The annual depreciation rates are as follows:

Buildings	2 ½ %
Computer equipment	25%
Furniture and fixtures	10%
Leasehold improvement	10%
Office equipment	20%
Motor bike	12 ½%

Depreciation methods and useful lives residual values are reviewed at each reporting date and adjusted if applicable. 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 disposals of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income.

Repairs and maintenances are charged to the statement of comprehensive income during the financial period in which they are incurred

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements

As at 31 December 2024

3. Material accounting policies (continued)

(b) Investment properties (continued)

Investment properties comprise of land and buildings held to earn rental and/or for capital appreciation, rather than for the Society's own use or for sale in the ordinary course of business.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties, which are not occupied by Society and related parties, are treated as long-term investments, and carried at cost. Under the cost model, investment is measured at cost less accumulated depreciation, and any accumulated impairment losses. Cost is the amount of cash or cash equivalent paid, or the the fair value of other consideration given to acquire an asset at the time of its acquisition.

(c) Intangible assets

This represents the costs of computer software, which includes costs incurred to acquire and bring to use the specific software, as well as certain acquired computer software licences. These intangible assets are acquired separately and reported at cost less accumulated amortization and accumulated impairment losses. The costs of these intangible assets are amortized over their estimated useful life of three years. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Computer software

33 1/3 %

An intangible asset is authorization on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are authorization in profit or loss when the asset is authorization.

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements

As at 31 December 2024

3. Material accounting policies (continued)

(d) Financial instruments

Classification

The Society classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Society's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Society has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The society reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are authorization on trade-date, the date on which the Society commits to purchase or sell the asset. Financial assets are authorization when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all the risks and rewards of ownership.

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As at 31 December 2024

3. Material accounting policies (continued)

(d) Financial instruments(continued)

Measurement

At initial recognition, the Society measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Society's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Society classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is authorization directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

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3. Material accounting policies (continued)

(d) Financial instruments (continued)

- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are authorization in profit or loss. When the financial asset is authorization, the cumulative gain or loss previously authorization in OCI is reclassified from equity to profit or loss and authorization in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is authorization in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Impairment

The Society assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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3. Material accounting policies (continued)

(e) Fair value of financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. Financial assets carried on the statement of financial position include investments, loans receivables and cash and cash equivalents. Financial liabilities consist of members' savings, external credits and payables.

Generally financial instruments are recognized on the statement of financial position when the Society becomes a party to the contractual provisions of the instruments. The particular recognition methods adopted are disclosed in the respective accounting policies associated with each item.

The fair values of the financial instruments are discussed in Note 5(a)(iii).

(f) Cash and cash equivalents

Cash comprises cash in hand and demand and call deposits with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitment rather than for investment or other purposes.

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand and short-term deposits.

(g) Other assets

Other receivables are carried at anticipated realized value. An estimate is made for doubtful receivables based on all outstanding amounts at year-end. Bad debts are written off in the year in which they are identified.

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3. Material accounting policies (continued)

(h) Institutional capital

Institutional capital includes the statutory and special reserve, established as set out in Section 68 (7)(ii) of the Friendly Societies Act and Regulations. These are set aside in order to strengthen the capital base of the Society and thereby protect the interest of members. These reserves are not available for distribution.

(i) Members' shares

(i) Permanent shares

Permanent shares are equity shares and form part of the capital of the Society. All new applicants for membership and existing members of the Society are required to subscribe to a minimum of 2,000 permanent shares. These shares are issued at a par value of \$1 each or at a selling price per unit which prevails at the time of subscription.

Permanent shares are not withdrawable but may be redeemable subject to the sale, transfer, or repurchase of such shares. Dividends may be paid on permanent shares subject to the profitability of the Society.

(ii) Members savings

Members savings represents voluntary shares. Every member shall subscribe to a minimum of 1 voluntary share at a par value of \$1 each or at a selling price per unit which prevails at the time of subscription.

Members' voluntary shares are immediately available for withdrawal, are to satisfy membership requirements and to facilitate eligibility for loans and other benefits. These shares are treated as liabilities of the Society. Dividends may be paid on voluntary shares subject to the discretion and profitability of the Society.

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3. Material accounting policies (continued)

(j) Impairment of non-financial assets

At each statement of financial position date, the Society reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

(l) Borrowings

Borrowings are authorization initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is authorization in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are authorization as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are 16a in the income statement as interest expense.

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3. Material accounting policies (continued)

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are authorization in profit or loss in the period in which they are incurred.

(l) Payables

Payables, including provisions, are stated at their nominal value. A provision is recognised in the statement of financial position when the Society has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

(m) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rate prevailing at the dates of the transactions. Asset and liabilities denominated in foreign currencies are translated into Jamaican dollars at the exchange rate prevailing at the date of the statement of financial position, that is, in the case of each currency, the Bank of Jamaica weighted average buying and selling rates at that date. Gains and losses arising from fluctuations in exchange rates are reflected in the statement of comprehensive income.

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As at 31 December 2024

3. Material accounting policies (continued)

(n) Comparative information

Where necessary comparative figures have been reclassified to conform with changes in presentation.

(o) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the services provided in the ordinary course of the Society's activities.

Interest income

Interest income and expense are authorization in the statement of comprehensive income using the effective yield method.

Interest income is authorization when it is probable that the economic benefits will flow to the Society and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis by reference to principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipt through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Rental income

Rental income is generated from the subletting of properties in Mandeville, Manchester and Montego Bay, St. James, which are rented properties. Revenue from providing services is recognised in the accounting period in which the services are rendered.

The customer pays the fixed amount based on a payment schedule. If the services rendered by the Society exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

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As at 31 December 2024

3. Material accounting policies (continued)

(o) Revenue recognition (continued)

Fees and commissions

Fee and commission income from contracts with members is measured based on the consideration specified in a contract with a member. The Society recognises revenue when it transfers control over a service to a member.

Fee and commission income and expense that are integral to the effective interest rate on financial asset or financial liability are included in effective interest rate.

If a loan commitment is not expected to result in the draw down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

Fee and commission income including account service fees are recognised as the related services are performed.

A contract with a member that results in a recognised financial instrument in the Society's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Society first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

The nature and timing of the satisfaction of performance obligations in contracts with members, including significant payment terms, and the related revenue recognition policies are as follows:

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Notes to the Financial Statements

As at 31 December 2024

3. Material accounting policies (continued)

(o) Revenue recognition (continued)

Type of service

Nature and timing of satisfaction of performance obligations, including significant payment terms

Revenue recognition under IFRS 15

Service fees

Transaction-based fees such as credit bureau fees are charged to the members' account when the transaction takes place.

Revenue from account services and servicing fees are recognised over time as the services are provided.

Servicing fees are charged on a monthly basis and are based on fixed rates determined by the Society.

Revenue related to transactions is recognised at the point in time when the takes place.

(p) Related party transactions

A party is related to the Society, if:

- (i) directly, or indirectly through one or more intermediaries, the party, is controlled by, or is under common control with, the Society (this includes parents, subsidiaries and fellow subsidiaries); has an interest in the Society that gives it significant influence over the Society; or has joint control over the Society;
- (ii) the party is an associate of the Society;
- (iii) the party is a joint venture in which the Society is a venturer;
- (iv) the party is a member of the key management personnel of the Society or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);

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As at 31 December 2024

3. Material accounting policies (continued)

(p) Related party transactions (continued)

- (vi) the party is the Society that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Society, or of any Society that is a related party of the Society.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. The Society has a related party relationship with its directors and key management personnel, representing certain senior officers of the Society.

(q) Employee benefits

Post employment benefit costs

The Society participates in a defined contribution pension scheme with Sagicor Life Jamaica for employees who have satisfied certain minimum service requirements. The scheme is funded by equal contributions of employer and employees of 5% of pensionable salaries with an option for employees to contribute up to an additional 10% of pensionable salaries.

The assets are held independently of the Society's assets in a separate trustee administered fund.

(r) Employee benefits (continued)

Leave accruals

The Society's vacation leave policy allows for unused vacation to be carried forward to a maximum of one (1) year. All outstanding leave is recognised in the statement of comprehensive income. All obligations in respect of outstanding leave are recognised in the statement of financial position in the year to which it relates.

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Notes to the Financial Statements

As at 31 December 2024

3. Material accounting policies (continued)

(s) Repurchase agreements

The purchase and sales of securities under resale and repurchase agreements are treated as collateral lending and borrowing transactions. The related interest income and expense are recorded on the accrual basis.

(t) Members' saving

Saving deposits are recognized initially at the normal amount when funds are received. Deposits are subsequently stated at amortized cost.

(u) Right-of-use asset and lease liability

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- (i) Leases of low value assets; and
- (ii) Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Society's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- (i) amounts expected to be payable under any residual value guarantee;
- (ii) the exercise price of any purchase option granted in favour of the Society if it is reasonable certain to assess that option;
- (iii) any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

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Notes to the Financial Statements

As at 31 December 2024

3. Material accounting policies (continued)

(u) Right-of-use asset and lease liability (continued)

To determine the incremental borrowing rate, the Society:

- (i) since it does not have recent third-party financing, uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, and
- (ii) makes adjustments specific to the lease, e.g. term, currency and security.

Right of use asset are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- (i) lease payments made at or before commencement of the lease;
- (ii) initial direct costs incurred; and
- (iii) the amount of any provision recognised where the Society is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use asset are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets valued as US\$5,000 or less when new. The Society has no short-term leases or leases for low valued assets at this time.)

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Society. These are used to maximise operational flexibility in terms of managing the assets used in the Society's operations. The majority of extension and termination options held are exercisable only by the Society and not by the respective lessor.

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3. Material accounting policies (continued)

(u) Right-of-use asset and lease liability (continued)

When the Society renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the stand-alone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term.

For contracts that both convey a right to the Society to use an identified asset and require services to be provided to the Society by the lessor, the Society has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

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4. Effect of changes in accounting policies

The Society has changed its accounting policy for the recognition of loan fee income, to conform with IFRS 9, "Financial Instruments", effective 1 January 2024.

Previously, loan fee income was recognized upfront. However, under the new policy, loan fee income will be deferred and recognized over the life of the loan using the effective interest rate method.

The change in accounting policy is to align with the requirements of IFRS 9, which mandates that loan fee income be recognized over the life of the loan as part of the effective interest rate.

The change in accounting policy has been applied retrospectively, with the cumulative effect of the change recognized in retained earnings as at 1 January 2023. The impact on retained earnings as at 1 January 2023, is \$18,921,000. Comparative figures for the year ended 31 December 2023, have been restated to reflect the new accounting policy.

The adoption of this new accounting policy resulted in a decrease in revenue and loans to customers in the financial statements for the year ended 31 December 2024.

See Note 32 for a summary of the effect of the change in accounting policy.

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5. Financial Risk Management

The Society's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, currency risk and price risk), credit risk and liquidity risk. The Society manages risk through a framework of risk principles, organizational structures and risk management and monitoring processes that are closely aligned with the activities of the Society. Risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Society's overall risk management programme focuses on the unpredictability of financial markets and seeks to achieve an appropriate balance between risks and return and minimize potential adverse effects on the Society's financial performance.

The Society 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 Society's risk management framework. The Board has established committees for managing and monitoring risks.

Three key committees for managing and maintaining risks are as follows:

(1) Supervisory Committee

The Supervisory Committee oversees the internal audit function of the Society and ensures that internal procedures and controls are adhered to. The Supervisory Committee undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

(2) Credit Committee

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

(3) Finance Committee

The Finance Committee is responsible for overseeing the management of the Society's assets and liabilities and the overall financial structure.

These committees comprise persons independent of management and reports to the Board on a monthly basis.

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As at 31 December 2024

5. Financial Risk Management (continued)

(a) Financial instruments

In common with all other businesses, the Society's activities expose it to a variety of risks that arise from its use of financial instruments. This note describes the Society's objectives, policies and processes for managing those risks to minimize potential adverse effects on the financial performance of the Society and the methods used to measure them.

(i) Principal financial instruments

The principal financial instruments used by the Society from which financial instrument risk arises, are as follows:

- Financial investments
- Loan receivables
- Cash and cash equivalents
- Members' savings
- External credits
- Payables

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As at 31 December 2024

5. Financial Risk Management (continued)**(ii) Financial instruments by category**Financial assets

	Assets at amortized cost	Assets at fair value through profit or loss	Total
	\$'000	\$'000	\$'000
As at 31 December 2024:			
Cash and cash equivalents	210,658	-	210,658
Financial investments	225,000	185,302	410,302
Loan receivables	5,481,029	-	5,481,029
Other assets	121,361	-	121,361
	6,038,048	185,302	6,223,350
	Assets at amortized cost	Assets at fair value through profit or loss	Total
	\$'000	\$'000	\$'000
As at 31 December 2023:			
Cash and cash equivalents	164,227	-	164,227
Financial investments	225,000	164,707	389,707
Loan receivables	4,629,524	-	4,629,524
Other assets	141,802	-	141,802
	5,160,553	164,707	5,325,260

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As at 31 December 2024

5. Financial Risk Management (continued)

(a) Financial instruments (continued)

(ii) Financial instruments by category (continued)

Financial liabilities at amortized cost

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Payables	184,864	212,936
Members' savings	4,228,258	3,567,817
External credits	1,010,097	1,107,324
Lease liability	3,004	3,749
	<u>5,426,223</u>	<u>4,891,826</u>

(iii) Fair value estimates

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as authorization stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

Financial instruments that are measured in the statement of financial position at fair value are classified by level in one of the following fair value measurement hierarchy:

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5. Financial Risk Management (continued)

(a) Financial instruments (continued)

(iii) Fair value estimates (continued)

- Level 1 - Quoted prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. This includes financial assets with fair values based on broker quotes.
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available.

The amount included in the financial statements for cash and cash equivalents, loans receivables and payables reflect their approximate fair values because of the short-term maturity of these instruments. The fair value for borrowings is assumed to approximate carrying value as the contractual cash flows are at current market interest rates that are available to the Society for similar financial instruments.

The fair value of property, plant and equipment and investment properties are stated at revalued amounts for buildings.

The fair values of investment securities in unit trusts were estimated based on prevailing market prices at period end. They are initially recognized at fair value and subsequently measured at year-end realization prices as quoted by the respective investment houses, with changes in fair value being including in profit or loss.

Financial instruments classified as fair value through other comprehensive income and fair value through profit and loss investments are disclosed in Note 7. Unquoted investments are classified as level 2 and 3 and quoted instruments are classified as level 1.

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As at 31 December 2024

5. Financial Risk Management (continued)**(a) Financial instruments (continued)****(iii) Fair value estimates (continued)**

The following table presents the assets that are measured at fair value.

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
	2024			
Investment securities measured at:				
Fair value through profit and loss	-	185,302	-	185,302
Amortized cost	-	225,000	-	225,000
	-	410,302	-	410,302

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
	2023			
Investment securities measured at:				
Fair value through profit and loss	-	164,707	-	164,707
Amortized cost	-	225,000	-	225,000
	-	389,707	-	389,707

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5. Financial Risk Management (continued)

The Society's overall risk management programme seeks to minimize potential adverse effects on the Society's financial performance. There have been no significant changes to the Society's exposure to financial risks or the manner in which it manages and measures its risks.

(b) Credit Risk.

Credit risk is the risk of financial loss to the Society if a member or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from loans to members, deposits with banks and other financial institutions and investment securities.

(i) Loans to members

Management of risk

The Society assesses the probability of default of individual borrowers using internal ratings. The Society assesses each borrower on four critical factors. These factors are the member's credit history, ability to pay linked to the industry benchmarked debt service ratio, character profile and the member's economic stability, based on employment and place of abode.

Borrowers are segmented into two rating classes performing and non-performing.

Credit review process

The management of credit risk in respect of loans to members is delegated to the Credit Committee. The Committee is responsible for oversight of the Society's credit risk, including formulating credit policies, establishing the authorization structure for the approval of credit facilities, reviewing and assessing credit risk, and limiting concentration of exposure to counterparties.

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

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5. Financial Risk Management (continued)

(b) Credit Risk (continued)

(i) Loans to members (continued)

Collateral

The Society holds collateral against loans to members in the form of mortgage interest over property, lien over motor vehicles, hypothecation of shares held in the Society and guarantees. Estimates of fair value are based on the values of collateral assessed at the time of borrowing and are generally not updated until a loan is individually assessed as impaired.

Collateral is not generally held against deposits and investment securities, except when securities are held as part of reverse repurchase agreements. An estimate of the fair value of collateral held against financial assets is not readily available.

Write-off policy

The Society writes off loans and any related allowances for impairment losses when it is determined that the loans are uncollectible. This determination is usually made after considering information such as changes in borrower's financial position, or that proceeds from collateral will not be sufficient to pay back the entire exposure. Additionally, loans are written off once they are delinquent for over 365 days based on regulatory requirements and are subject to approval by the Board and the Registrar.

(ii) Liquid assets and investment securities

The Society limits its exposure to credit risk by investing only in liquid assets and only with counterparties that have a high credit quality and Government of Jamaica securities. Therefore, management does not expect any counterparty to fail to meet its obligations.

The Society has documented policies which facilitate the management of credit risk on investment securities and resale agreements. The Society's exposure and credit ratings of its counterparties are continually monitored.

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As at 31 December 2024

5. Financial Risk Management (continued)

(b) Credit Risk (continued)

(i) Maximum exposure to credit risk and credit quality analysis

Maximum exposure to credit risk

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

The maximum credit exposure, that is, the total amount of loss that the Society would suffer if every counterparty to the Society's financial assets were to default at once, is represented by the carrying amount of the financial assets shown on the statement of financial position as at the reporting date.

Credit quality

The Society identifies changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Society supplements this by reviewing changes in bond yields together with available press and regulatory information on issuers.

The following table sets out information about the credit quality of loans.

31 December 2024	Stage 1	Stage 2	Stage 3	Total
	\$'000	\$'000	\$'000	\$'000
Performing	5,468,905	199,697	-	5,668,602
Non-performing	-	-	278,785	278,785
	5,468,905	199,697	278,785	5,947,387
Loss allowance	(130,538)	(20,834)	(278,785)	(430,157)
	5,338,368	178,863	-	5,517,230

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5. Financial Risk Management (continued)**(b) Credit Risk (continued)****(i) Maximum exposure to credit risk and credit quality analysis (continued)**

31 December 2024	Stage 1 \$'000	Stage 2 \$'000	Stage 3 \$'000	Total \$'000
Performing	4,639,417	143,005	-	4,782,422
Non-performing	-	-	197,044	197,044
	4,639,417	143,005	197,044	4,979,466
Loss allowance	(110,144)	(14,867)	(197,044)	(322,055)
	4,529,273	128,138	-	4,657,411

Concentration of risk

The following table summarises the Society's credit exposure for consumer loans at their carrying amounts:

	2024 \$'000	2023 \$'000
Real estate	110,382	73,628
Unsecured	4,137,507	2,359,734
Cash secured	1,112,916	1,930,755
Motor vehicle	586,582	615,349
	5,947,387	4,979,466
Less: Allowance for impairment losses	(430,157)	(322,055)
	5,517,230	4,657,411

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5. Financial Risk Management (continued)

(b) Credit Risk (continued)

(i) Maximum exposure to credit risk and credit quality analysis (continued)

The closing loss allowances for loans receivables as at 31 December 2024 and 31 December 2023 reconcile to the opening loss allowances is as follows:

	2024	2023
	\$'000	\$'000
Balance at beginning of the year	322,055	221,000
Increase in loss allowance recognised in profit or loss during the year	108,102	101,055
Balance at year end	<u>430,157</u>	<u>322,055</u>

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5. Financial Risk Management (continued)

(b) Credit Risk (continued)

(iv) Impairment

Inputs, assumptions and techniques used for estimating impairment

(a) Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Society considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Society's historical experience and third-party policies including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Society uses three criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in PD;
- qualitative indicators; and
- the 30 days past due backstop indicator.

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5. Financial Risk Management (continued)

(b) Credit Risk (continued)

(iv) Impairment (continued)

(a) Significant increase in credit risk (continued)

Credit risk grades:

The Society allocates each exposure a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgment. The Society uses these grades in identifying significant increases in credit risk. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. These factors may vary depending on the nature of the exposure and the type of borrower.

Each exposure is allocated a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data:

- Information obtained during periodic review of customer files.
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower.
- Payment record, which includes overdue status as well as a range of variables about payment ratios.
- Existing and forecast changes in business, financial and economic conditions.

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5. Financial Risk Management (continued)

(b) Credit Risk (continued)

(iv) Impairment (continued)

(a) Significant increase in credit risk (continued)

Determining whether credit risk has been increased significantly:

The Society assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower.

Credit risk is deemed to increase significantly where the credit rating of a security decreased from grade 1 to grade 3 and the risk grade of loans has moved from grade 1 (standard) to grade 3 (sub-standard).

As a backstop, the Society considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument return to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Society determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for authorization lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

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As at 31 December 2024

5. Financial Risk Management (continued)

(b) Credit Risk (continued)

(iv) Impairment (continued)

(a) Significant increase in credit risk (continued)

Determining whether credit risk has been increased significantly (continued)

The Society monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

The Society monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that (continued):

- the borrower is unlikely to pay its credit obligations to the Society in full, without recourse by the Society to actions such as authorization security (if any is held);
- the borrower is more than 90 days past due on any material credit obligation to the Society; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

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5. Financial Risk Management (continued)

(b) Credit Risk (continued)

(iv) Impairment (continued)

(a) Significant increase in credit risk (continued)

Definition of default:

In assessing whether a borrower is in default, the Society considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Society; and based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

(b) Incorporation of forward-looking information

The Society incorporates forward-looking information into both the assessment of whether the credit risk of an Instrument has increased significantly since its initial recognition and the measurement of ECL.

The Society uses a forward-looking scorecard model to estimate the potential impact of future economic conditions. It formulates three economic scenarios: a base case, which is the median scenario assigned a 50% probability of occurring, and two less likely scenarios, one upside and one downside, assigned a 20% and 30% probability of occurring respectively. Each scenario considers the expected impact of inflation, interest rates, unemployment rates and gross domestic product (GDP).

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As at 31 December 2024

5. Financial Risk Management (continued)

(b) Credit Risk (continued)

(iv) Impairment (continued)

(b) Incorporation of forward-looking information (continued)

The base case is aligned with information used by the Society for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecasts published by governmental bodies and monetary authorities in Jamaica, supranational organisations and selected private-sector and academic forecasters.

The economic scenarios used as at 31 December 2023 assumed no significant changes in key indicators for Jamaica within the next year.

(c) Measurement of ECLs

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of Default (PD);
- Loss Given Default (LGD); and
- Exposure at Default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

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5. Financial Risk Management (continued)

(b) Credit Risk(continued)

(iv) Impairment(continued)

(c) Measurement of ECLs(continued)

LGD is the magnitude of the likely loss if there is a default. The Society estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by property, loan-to-value (LTV) ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Society derives the EAD from current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortization.

The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Society measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Society considers a longer period. The maximum contractual period extends to the date at which the Society has the right to require repayment of an advance or terminate a loan commitment or guarantee.

Whereby the regulatory and general computations exceed the accounting standards the additional allowance is treated as an appropriation and taken to reserves.

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As at 31 December 2024

5. Financial Risk Management (continued)

(b) Credit Risk (continued)

(iv) Impairment (continued)

(c) Liquidity risk:

Liquidity risk is the risk that the Society is unable to meet its payment obligations associated with its financial liabilities when they fall due and to raise funds to meet commitments associated with financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due, under normal and also under stressed conditions, without incurring unacceptable losses or risking damages to the Society's reputation.

The key measure used by the Society for managing liquidity risk is the ratio of liquid assets to members' savings. For this purpose, liquid assets include cash and bank balances and highly liquid investments which are readily converted into cash within three months. The liquid asset ratio at the end of the year was approximately 15% (2023: 16%). The minimum standard is 15%.

There has been no change to the Society's exposure to liquidity risk or the manner in which it manages and measures the risk.

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5. Financial Risk Management (continued)

(c) Liquidity risk (continued)

Liquidity risk management process

The Society's liquidity management process includes:

- (i) Monitoring future cash flows and liquidity on a daily basis;
- (ii) Maintaining marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) Maintaining a committed line of credit;
- (iv) Optimizing cash returns on investment.

Monitoring and reporting take the form of an analysis of the cash balances and expected investment maturity profiles 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 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 Society and its exposure to changes in interest rates and exchange rates.

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5. Financial Risk Management (continued)**(c) Liquidity risk (continued)****Undiscounted cash flows of financial liabilities**

The maturity profile of the Society's financial liabilities at year end on contractual undiscounted payments was as follows:

	Within 1 month \$'000	1 to 3 months \$'000	3 to 12 months \$'000	1 – 8 years \$'000	Total \$'000	Carrying amount \$'000
2024						
Payables	133,101	27,441	24,322	-	184,864	184,864
Members' savings	-	4,228,258	-	-	4,228,258	4,228,258
External credits	10,226	37,996	144,466	1,214,337	1,407,025	1,010,097
Lease Liability	100	201	1,099	1,863	3,263	3,004
	143,427	4,293,896	169,887	1,216,200	5,823,410	5,462,223
2023						
Payables	144,482	68,454	-	-	212,936	212,936
Members' savings	-	3,567,817	-	-	3,567,817	3,567,817
External credits	13,914	36,906	316,393	1,076,634	1,443,847	1,107,324
Lease Liability	67	939	1400	1,864	4,270	3,749
	158,463	3,674,116	317,793	1,078,498	5,228,870	4,891,826

Assets available to meet all of the liabilities and to cover financial liabilities include cash and cash equivalents, investment securities and loans to members.

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5. Financial Risk Management (continued)

(d) Market risk

The Society takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates (see 5 (d)(i)), interest rates (see 5 (d)(ii)) and equity price risk (see 5 (d)(iii)). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while authorization the return. Market risk exposures are measured using sensitivity analysis.

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

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Society is exposed to foreign exchange risk arising from currency exposure primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and authorization assets and liabilities.

The Society is primarily exposed to such risks arising from foreign currency translation in relation to cash and cash equivalents.

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5. Financial Risk Management (continued)**(d) Market risk(continued)****(i) Currency risk(continued)**

Financial assets quoted in denominated foreign currency are as such:-

	2024	2023
	US\$	US\$
Cash at bank	18,370	13,207
	<u>18,370</u>	<u>13,207</u>

	2024	2024
	\$'000	\$'000
Rate of exchange	154.79	153.59
Jamaican equivalent	<u>2,843</u>	<u>2,028</u>

The following table demonstrates the sensitivity to fluctuations in the exchange rates of the currencies held by the Society before tax, with all other variables held constant.

	2024	2024	2023	2023
	Effect on Profit and loss and equity			
	Devaluation	Revaluation	Devaluation	Revaluation
	-4%	1%	-4%	1%
Currency:				
USD	(114)	28	(81)	20

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5. Financial Risk Management (continued)

(d) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Society to cash flow interest risk, whereas fixed interest rate instruments expose the Society to fair value interest risk.

The Society's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments and managing maturities of interest-bearing financial assets and interest-bearing financial liabilities.

At the reporting date, financial liabilities subject to interest rates aggregated \$5,238,355,000 (2023: \$4,675,141,000). The Society contracts financial liability at a fixed interest rate, hence, changes in the market interest rate will not affect the cash flow nor the carrying amount of the instruments.

The following table summarizes the Society's exposure to interest rate risk. It includes the Society's financial instruments at carrying amounts, categorized by the contractual re-pricing or maturity dates.

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5. Financial Risk Management (continued)**(d) Market risk(continued)****(ii) Interest rate risk(continued)**

	Within 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2024					
Assets						
Investment Securities	45,302	75,000	155,000	135,000	-	410,302
Loans receivables	31,882	83,192	2,614,837	2,751,101	17	5,481,029
Other assets	-	-	-	-	121,361	121,361
Cash and cash equivalents	204,719	-	-	-	5,939	210,658
Total financial assets	281,903	158,192	2,769,837	2,886,101	127,317	6,223,350
Liabilities						
Members' savings	4,228,258	-	-	-	-	4,228,258
External credits	27,416	84,637	565,461	332,583	-	1,010,097
Payables	-	-	-	-	184,864	184,864
Lease liability	246	970	1,788	-	-	3,004
Total financial liabilities	4,255,920	85,607	567,249	332,583	184,864	5,462,233
Total interest re-pricing gap	(3,974,017)	72,585	2,202,588	2,553,518	(57,547)	797,127

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5. Financial Risk Management (continued)**(d) Market risk(continued)****(ii) Interest rate risk(continued)**

	Within 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2023					
Assets						
Investment Securities	24,707	75,000	155,000	135,000	-	389,707
Loans receivables	23,880	70,410	2,129,273	2,405,944	17	4,629,524
Other assets	-	-	-	-	141,802	141,802
Cash and cash equivalents	161,031	-	-	-	3,196	164,227
Total financial assets	209,618	145,410	2,284,273	2,540,944	145,015	5,325,260
Liabilities						
Members' savings	3,567,817	-	-	-	-	3,567,817
External credits	24,960	263,099	391,323	427,942	-	1,107,324
Payables	-	-	-	-	212,936	212,936
Lease liability	132	613	1,216	1,788	-	3,749
Total financial liabilities	3,592,909	263,712	392,539	429,730	212,936	4,891,826
Total interest re-pricing gap	(3,383,291)	(118,302)	1,891,734	2,111,214	(67,921)	443,434

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5. Financial Risk Management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

The Society has no significant sensitivity to interest rate risk as all borrowings are at fixed rates.

The sensitivity of the net surplus is the effect of the assumed changes in interest rates on net income based on the floating rate financial assets and financial liabilities. The sensitivity of equity is calculated by revaluing fixed rate available-for-sale financial assets for the effect of the assumed changes in interest rates. 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.

(iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The Society is exposed to equity price risk because of equity investments held and classified on the statement of financial position as available for sale. The Society manages its price risk by trading these instruments when appropriate to reduce the impact of any adverse price fluctuations. The price of these commodities is reviewed regularly in considering the need for active financial risk management.

The impact of a change in the quoted prices for these equities would be:

2024	2024	2023	2023
Effect on Profit and loss and equity			
Increase	Decrease	Increase	Decrease
6%	2%	6%	3%
9,000	(3,000)	9,000	(4,500)

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5. Financial Risk Management (continued)

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Society's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Society's operations.

The Society's objective is to manage operational risks so as to balance the avoidance of financial losses and damage to the Society's 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 address operational risk is assigned to senior management. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- Requirement for appropriate segregation of duties, including the independent authorization of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of control and procedures;
- Requirement for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Requirements for the reporting of operational losses and proposed remedial action;
- Development of a contingency plan;
- Risk mitigation, including insurance where this is effective.

Compliance with the Society's standards is supported by a programme of periodic reviews which are discussed with management and submitted to the Board

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5. Financial Risk Management (continued)

(f) Capital management

The Society is subject to capital requirements. The Society's objectives when managing capital are:

- (1) To comply with the capital requirements set by the Department of Co-operatives and Friendly Societies;
- (2) To safeguard the Society's ability to continue as a going concern so that it can continue to provide returns to its members and benefits for other stakeholders;
- (3) To maintain a strong capital base to support the development of its business through the allocation of at least 25% of surplus to institutional capital and;
- (4) To maintain an above 8% ratio of institutional capital to total assets.

The Society defines its capital as permanent shares and reserves. Its dividend payout is made taking into account the maintenance of an adequate capital base.

The composition of regulatory capital and the ratios of the Society as at 31 December 2024 and 31 December 2023 are as follows:

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Permanent shares	70,666	67,295
Institutional capital	<u>1,324,424</u>	<u>1,005,705</u>
Total equity capital	<u>1,395,090</u>	<u>1,073,000</u>
Total assets	<u>7,582,104</u>	<u>6,661,754</u>
Total capital ratio	<u>18%</u>	<u>16%</u>
Required capital ratio	<u>8%</u>	<u>8%</u>

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6. Critical accounting estimates and judgements in applying accounting policies

The Society makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. 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.

(i) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Society uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Society's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Credit risk note.

(ii) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Society applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

(iii) Fair value of financial assets

The management uses its judgment in selecting appropriate valuation techniques to determine fair values of financial assets adopting valuation techniques commonly used by market practitioners supported by appropriate assumptions as set out in Note 5(a).

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7. Investment properties

	Land Drax Hall	Palmoral Avenue Mona	Bogue Estate Montego Bay	Caledonia Mandeville	Kent Avenue Portmore	Cookson Pen Portmore	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At cost -							
1 January 2023	-	20,500	121,550	49,902	22,000	573,991	787,943
Transfer from property, plant, and equipment	191,156	89,977	-	-	-	(10,450)	270,683
31 December 2023	191,156	110,477	121,550	49,902	22,000	563,541	1,058,626
Additions	-	9,016	-	-	-	39,754	48,770
31 December 2024	191,156	119,493	121,550	49,902	22,000	603,295	1,107,396
Depreciation -							
1 January 2023	-	512	3,038	1,248	550	4,863	10,211
Charge for year	-	2,762	3,038	1,248	550	14,089	21,687
31 December 2023	-	3,274	6,076	2,496	1,100	18,952	31,898
Charge for the year	-	2,987	3,038	1,248	550	15,062	22,885
31 December 2024	-	6,261	9,114	3,744	1,650	34,014	54,783
Net book value -							
31 December 2024	191,156	113,232	112,436	46,158	20,350	569,281	1,052,613
31 December 2023	191,156	107,203	115,474	47,406	20,900	544,589	1,026,728

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As at 31 December 2024

7. Investment properties(continued)

- (i) The Drax Hall property, which is a vacant commercial lot located at Lot 17B, Part of Drax Hall Estate, St. Ann's Bay, St. Ann, and is a subdivision of a parent title registered at Volume 1490 Folio 932. It was purchased during 2022, is stated at cost and is pledged as security for a loan from Victoria Mutual Building Society. (See Note 19).
- (ii) The Palmoral Avenue property, which is a residential property located at No. 18 Palmoral Avenue, Mona Heights, Kingston 6, and is registered at Volume 937 Folio 315, was valued at between 19 million to \$22 million on 2 April 2017, by independent valuers, Thomas, Forbes & Associates Limited. The valuation was done on the basis of open market value. Subsequent additions are at cost.
- (iii) The Montego Bay property, which is a commercial office space located at Block A, "The Annex". Fairview, Bogue Estate, Montego Bay, St. James, is registered at Strata Lot No. 27, Volume 1522 Folio 915, and has been physically divided into three shops labelled as Shops 27A, 27B and 27C. Shop C, though occupied by the Society. IFRS 40-Investment Properties, requires that where a portion of a property cannot be sold separately (i.e., a Strata), the entire property should be recognised as an investment property only if an insignificant portion is owner-occupied. However, to meet the regulatory reporting requirement of the Society to separate "earning assets" from "non-earning assets", the Society has departed from IFRS 40 by allocating the Montego Bay property as follows:

<u>Category</u>	<u>Allocation</u>	<u>Amount</u>
		\$
Investment properties	Shops A and B	121,550,300
Property, plant and equipment (Note 11)	Shop C	60,000,000
		<u>181,550,300</u>

The Montego Bay property was valued at US\$1.2 million 9 August 2021, by independent valuers, Thomas, Forbes & Associates Limited. The valuation was done on the basis of open market value.

The Montego Bay property is pledged as security for a loan from JMMB Bank (Jamaica) Limited. (See Note 19).

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7. Investment properties(continued)

- (iv) The Mandeville property, which is a commercial building, is located at Lot 3, Caledonia, Mandeville, Manchester, and is registered at Volume 1417 Folio 252. The building, which comprised three (3) floors, was acquired during 2020 to 2021 at a total cost of \$73,375,949. The first floor is occupied by the Society, while the second and third floor are rented to third parties. Similar to the Montego Bay property discussed above, the Mandeville property has been allocated as follows:

<u>Category</u>	<u>Allocation</u>	<u>Amount</u>
		\$
Investment properties	2 nd and 3 rd floors	49,901,819
Property, plant and equipment (Note 12)	1 st Floor	23,474,130
		<u>73,375,949</u>

- (v) The Kent Avenue property, which is a residential property located at No. 24 (Lot No. 682) Kent Avenue, Bridgeport, Portmore, St. Catherine, and is registered at Volume 1099 Folio 1, was valued at \$22,000,000 on 19 January 2022, by independent valuers, Thomas, Forbes & Associates Limited. The valuation was done on the basis of open market value.

- (vi) The Cookson Pen-Portmore property, which is a commercial office space located at Lot 6E Cookson Pen and Bushy Park pen, Braeton, Portmore, St. Catherine, is registered at Volume 1333 Folio 914. The property is carried at historical cost.

- (vii) Rental income and direct operating expenditure in relation to investment properties are as follows:

	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Rental income (Note 25)	36,983	13,178
Direct operating expenses (Note 26)	(8,945)	(5,198)
	<u>28,038</u>	<u>7,980</u>

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8. Investment securities

	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Investment securities at amortized cost Preference shares:		
VM Financial Group Limited – Cumulative Redeemable Preference shares (Class B) due March 31, 2025	<u>150,000</u>	<u>150,000</u>
Corporate Bond:		
8.75% (2023: 9.5%) Victoria Mutual Wealth Management Unit Trust – Property Fund, maturing December 2025	<u>75,000</u>	<u>75,000</u>
Investment securities at fair value through profit or loss:		
Unit in unit trust funds:		
Victoria Mutual Wealth Management Fund	180,192	159,860
CUMAX Investment Fund	<u>5,110</u>	<u>4,847</u>
	<u>185,302</u>	<u>164,707</u>
	<u>410,302</u>	<u>389,707</u>

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8. Investment securities

The movement in investment securities is as follows:

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year	389,707	427,027
Fair value gains	20,595	12,680
Additions to investment securities	-	150,000
Disposal of investment securities	-	(200,000)
Balance at end of year	<u>410,302</u>	<u>389,707</u>

Dividend on the preference shares is paid quarterly and is calculated at rate of 300 basis point above the weighted average yield rate applicable to the Government of Jamaica Treasury Bill Tender.

The Society invested in shares and bond as shown above. These investments may result in a credit exposure in the event that the counter party to the transactions is unable to fulfill its obligations. The Society did not recognize impairment losses on these agreements because the amount was immaterial.

The Society's investments in preference shares and corporate bonds have been pledged as collateral for certain borrowings (Note 19).

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9. Loan receivables

	2024	2023			
	\$'000	\$'000	Movement of deferred loan fees is as follows:	2024	2023
				\$'000	\$'000
Gross loans to members	5,881,738	4,936,267			
Less: impairment allowance	(430,157)	(322,055)	Balance at beginning of year	27,887	18,921
	5,451,581	4,614,212	Addition during the year	41,023	37,675
Add: loan interest receivable	65,649	43,199		68,910	56,596
Net loans to members	5,517,230	4,657,411	Fees amortized during the year	(32,709)	(28,709)
Less: unamortized loan fees	(36,201)	(27,887)	Balance at end of year	36,201	27,887
	5,481,029	4,629,524			
Loans to members, before impairment loss allowance, comprise:			Movement of the expected credit loss provision is as follows:		
	2,024	2,023		2,024	2,023
	\$'000	\$'000		\$'000	\$'000
Motor vehicle loans	586,582	615,349	Balance at beginning of year	322,055	221,000
Mortgage loans	110,382	73,629	Increase in expected credit loss provision	119,035	129,790
Regular loans	4,060,914	3,278,331	Bad debt written off	(10,933)	(28,735)
Other loans	1,123,860	968,958	Balance at end of year	430,157	322,055
	5,881,738	4,936,267			
Movement of loan principal is as follows:					
	2,024	2,023			
	\$'000	\$'000			
Balance at beginning of year	4,936,267	4,100,576	Full provision of principal is made for loans in arrears over one year. General provision of 10% - 60% are established in respect of principal in arrears for 2 - 12 months. Provision is made for all interest in arrears in excess of 2 months.		
Loans granted	2,198,070	2,028,843			
	7,134,337	6,129,419			
Less: Repayments	(1,252,599)	(1,193,152)			
Balance at end of year	5,881,738	4,936,267			

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9. Loan receivables(continued)

The ageing of the loans at the reporting date was as follows:

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Current	5,435,044	4,640,283
30 days	35,226	103,084
60 days	143,927	41,580
60 - 90 days	56,461	25,064
91 - 180 days	59,083	61,258
181 - 365 days	106,980	80,327
Over 365 days	<u>110,666</u>	<u>27,870</u>
	5,947,387	4,979,466
Less: Impairment loss allowance	<u>(430,157)</u>	<u>(322,055)</u>
Balance at end of year	<u><u>5,517,230</u></u>	<u><u>4,657,411</u></u>

The individually impaired loans mainly relate to members who are in unexpected difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. The ageing of these loans are as follows:

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As at 31 December 2024

9. Loan receivables(continued)

Delinquent loans are summarized as follows:

Months in arrears	Number of accounts in arrears	Total loan balances \$'000	Security held against loans \$'000	Portion of principal not covered by savings \$'000	Interest outstanding on delinquent loans \$'000
			2024		
Less than 2	9	9,682	1,844	7,838	377
2 – 3	67	56,461	4,678	51,783	2,718
4 – 6	102	59,083	435	58,648	3,633
7 – 12	151	106,980	9,627	97,353	10,532
Over 12	122	110,666	555	110,111	23,224
	451	342,872	17,139	325,733	40,484
		\$'000	\$'000	\$'000	\$'000
			2023		
Less than 2	12	8,168	-	8,168	341
2 – 3	52	25,064	7,735	30,030	1,868
4 – 6	67	61,258	14,182	30,222	1,943
7 – 12	147	80,327	432	118,270	11,529
Over 12	60	27,870	2,525	28,454	6,975
	338	202,687	24,874	215,144	22,656

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10. Cash and cash equivalents

	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Cash at bank and other deposit-taking institutions:		
National Commercial Bank Jamaica Limited	193,621	151,801
CIBC Caribbean Bank (Jamaica) Limited	5,814	3,123
JMMB Bank (Jamaica) Limited	876	1,761
Victoria Mutual Building Society	<u>10,222</u>	<u>7,470</u>
	210,533	164,155
Cash on hand	<u>125</u>	<u>72</u>
	<u>210,658</u>	<u>164,227</u>

Cash at bank substantially comprise savings and operating accounts at licensed deposit-taking institutions in Jamaica.

The rate of interest earned on the Society's savings accounts range from 0.001% to 1.75% (2023: 0.01% to 1.75%) for those that are denominated in Jamaican Dollars.

Included in cash at bank is an amount of \$22.0 million (2023: \$10.4 million) in a debt service reserve account (DSRA) being maintained under the terms of a borrowing agreement. (See note 19)

Cash at bank includes amounts that are denominated in foreign currency, as follows:

	<u>2024</u>	<u>2023</u>
	US\$	US\$
United States Dollars	<u>18,370</u>	<u>13,207</u>

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11. Other assets

	2024	2023
	\$'000	\$'000
General consumption tax	13,793	7,437
Interest receivable	2,773	7,039
Prepayments	4,308	4,087
Rent receivable	7,311	3,196
Staff loans	88,748	119,392
Other receivables	4,428	651
	121,361	141,802

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12. Property, plant, and equipment

	Land & Building	Motor Bike	Furniture & Fixtures	Computer & Equipment	Leasehold Improvement	Work-in-Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost/Valuation -							
1 January 2023	303,474	270	25,197	107,703	7,770	284,577	728,991
Additions	-	-	1,654	5,363	-	876	7,893
Disposal	-	(270)	-	-	-	-	(270)
Transfer from work in progress	13,500	-	-	-	-	(13,500)	-
Adjustment	-	-	-	-	-	(1,270)	(1,270)
Transfer to investment property	-	-	-	-	-	(270,683)	(270,683)
31 December 2023	316,974	-	26,851	113,066	7,770	-	464,661
Additions	-	-	486	5,058	-	1,625	7,169
31 December 2024	316,974	-	27,337	118,124	7,770	1,625	471,830
Depreciation -							
1 January 2023	11,700	270	22,458	87,367	7,770	-	129,565
Charge for the year	7,924	-	1,124	19,082	-	-	28,130
Relieved on disposal	-	(270)	-	-	-	-	(270)
31 December 2023	19,624	-	23,582	106,449	7,770	-	157,425
Charge for the year	7,924	-	87	4,649	-	-	12,660
31 December 2024	27,548	-	23,669	111,098	7,770	-	170,085
Net book value -							
31 December 2024	289,426	-	3,669	7,026	-	1,625	301,745
31 December 2023	297,350	-	3,269	6,617	-	-	307,236

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12. Property, plant, and equipment (continued)

(i) The cost of land and building comprise the following:

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
80 Half-Way-Tree Road	233,500	233,500
The Annex, Fairview, Montego Bay (Note 7)	60,000	60,000
Caledonia Avenue, Mandeville (Note 7)	23,474	23,474
	<u>316,974</u>	<u>316,974</u>

(ii) The Society's land and buildings (except for its Caledonia Avenue property) are stated at their revalued amounts, being their fair value at date of revaluation less subsequent accumulated depreciation.

(iii) The Society's building located at 80 Half Way Tree Road, Kingston 5, being Strata Lots 1 – 3 registered at volume 1201 folios 712-714, was revalued on 4 June 2021, by independent valuers, Thomas, Forbes & Associates Limited. The valuation was done on the basis of open market value.

Thomas, Forbes and Associates Limited are members of the Real Estate Board of Jamaica and are licensed to practice appraisals.

(iv) Work-in-progress includes installation of awning not yet completed.

(v) All of the Society's properties have been pledged as security for the borrowings from Victoria Mutual Building Society and JMMB Bank (Jamaica) Limited. See Note 19.

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13. Right-of use asset and related lease liability**(i) Amounts recognised in the balance sheet**

The statement of financial position shows the following amounts relating to leases: -

<u>Right-of-use asset</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance as at beginning of the year	2,530	1,080
Amortization	(799)	(1,238)
Remeasurement	-	2,688
Balance as at end of year	<u>1,731</u>	<u>2,530</u>
 <u>Lease liability</u>		
	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance as at beginning of the year	3,749	1,155
Lease payments	(1,006)	(611)
Interest expense	261	517
Remeasurement	-	2,688
Balance as at end of year	<u>3,004</u>	<u>3,749</u>
	 <u>2,024</u>	 <u>2,023</u>
	<u>\$'000</u>	<u>\$'000</u>
Current	1,216	745
Non-current	1,788	3,004
Balance as at end of year	<u>3,004</u>	<u>3,749</u>

(ii) The statement of profit or loss shows the following amounts relating to leases:

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Amortization of right-of-use asset (included in administrative expenses, note 26)	799	1,238
Interest expense (included in finance costs, note 23)	<u>261</u>	<u>517</u>

(iii) Amounts recognised in the statement of cash flows

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Total cash outflows for leases	<u>1,006</u>	<u>611</u>

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14. Intangible assets**Software**

	<u>2024</u>	<u>2023</u>
Cost	\$'000	\$'000
Balance at beginning	45,793	45,793
Additions	2,665	-
Balance at end of year	<u>48,458</u>	<u>45,793</u>
Amortization		
Balance at beginning of year	45,793	45,793
Balance at end of year	<u>45,793</u>	<u>45,793</u>
Net book value	<u><u>2,655</u></u>	<u><u>-</u></u>

Intangible assets comprise computer software acquired by the Society. Amortization of the computer software is calculated based on an estimated useful life of three years.

The amortization of intangible assets is charged to the administration expenses in the statement of comprehensive income.

15. Permanent shares

	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Balance at beginning of year	67,295	63,306
Increase in shares	3,371	3,989
Balance at end of year	<u><u>70,666</u></u>	<u><u>67,295</u></u>

Each member is required to subscribe to a minimum of two thousand (2,000) shares, but up to a maximum of one hundred thousand (100,000) shares, at par value of one dollar (\$1) each, or at a selling price per share which prevails at the time of subscription. These shares cannot be withdrawn but may be subject to sale, transfer or repurchase by the Society.

Dividends may be distributed and paid on permanent shares subject to the profitability of the Society.

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16. Institutional capital

		<u>2024</u>	<u>2023</u>
		<u>\$'000</u>	<u>\$'000</u>
Statutory reserve	(a)	168,076	153,682
Special reserve	(b)	972,440	852,023
Unsecured loan reserve	(c)	<u>183,908</u>	<u>-</u>
		1,324,424	1,005,705

(a) Statutory reserve

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year	153,682	142,108
Transfer to statutory reserve	<u>14,394</u>	<u>11,574</u>
Balance at end of year	<u>168,076</u>	<u>153,682</u>

This reserve is established out of the excess of revenue over expenditure each year and represents 5% of such excess. During the year, transfers from surplus amounted to \$14,394,000 (2023: \$11,574,000). This is used to assist with the strengthening of the capital base of the Society.

(b) Special reserve

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year	852,023	729,743
Mandatory transfer to special reserve at 20% (2023: 20%)	64,928	62,155
Additional transfer to special reserve at 27.5%; (2023: 27.5%)	89,276	85,464
Claim payments	<u>(33,787)</u>	<u>(25,339)</u>
Balance at end of year	<u>972,440</u>	<u>852,023</u>

This reserve is set aside in order to meet insurance claim payments and to strengthen the capital base of the Society as required by Section 68(7)(ii) of the Friendly Societies Act and Regulations. The annual amount that is transferred to the special reserve represents 20% of the net non-interest income.

In addition to the mandatory 20% transfer to special reserve, the Society has decided to make an additional transfer to reserve. On May 18, 2023, the Committee of Management passed an ordinary resolution to increase the additional transfer to special reserve from 20% to 27.5%.

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16. Institutional capital (continued)

	2024	2023
	\$'000	\$'000
Balance at beginning of year	-	-
Transfer to special reserve	183,908	-
Balance at end of year	<u>183,908</u>	<u>-</u>

The unsecured loan reserve was established in compliance with a request from the Department of Cooperatives and Friendly Society. In a meeting of the Committee of Management held on December 16, 2024, a motion was approved to allocate up to a maximum of \$200 million from undistributed surplus and establish same as unsecured loan protection fund. The Society's objectives when managing the unsecured loan protection fund are:

- (a) To comply with the unsecured loan requirements set by the Department of Co-operatives and Friendly Societies.
- (b) To use it as institutional protection against bad debts written off arising from delinquent loans.

17. Non-institutional capital

		2024	Restated 2023
		\$'000	\$'000
General reserve	(a)	314,857	314,857
Property revaluation reserve	(b)	266,949	266,949
Undistributed surplus		<u>178,985</u>	<u>115,122</u>
		<u>760,791</u>	<u>696,928</u>

(a) General reserve

General reserve represents appropriations from undistributed surplus for the purpose of strengthening the capital base of the Society. The amount transferred is determined at the Annual General Meeting based on the availability of appropriate surplus.

(b) Property revaluation reserve

This represents unrealized surplus on revaluation of property, plant and equipment.

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18. Members' savings

	2024	2023
	\$'000	\$'000
Balance at beginning of year	3,567,817	3,015,581
Savings and interest	1,863,621	1,521,758
	5,431,438	4,537,339
Withdrawals and transfers	(1,203,180)	(969,522)
Balance at end of year	<u>4,228,258</u>	<u>3,567,817</u>

Members' savings represents voluntary shares which are issued at a par value of \$1 per share, or at a selling price per share which prevails at the time of subscription.

Interest is paid at a rate ranging between 3.5% and 5% per annum, and, subject to the profitability of the Society, the Committee of Management may recommend the declaration and payment of dividend on voluntary shares in amounts and at times as it may determine.

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19. External credits

		2024	2023
		\$'000	\$'000
Victoria Mutual Building Society	(a)	139,644	157,380
Victoria Mutual Building Society	(b)	114,996	120,553
Victoria Mutual Building Society	(c)	128,377	133,727
JMMB Bank (Jamaica) Limited	(d)	138,454	138,171
JMMB Bank (Jamaica) Limited	(e)	49,971	52,957
JMMB Bank (Jamaica) Limited	(f)	62,655	81,536
National Commercial Bank Jamaica Limited	(g)	376,000	423,000
		<u>1,010,097</u>	<u>1,107,324</u>

(a) This loan of \$200 million, which was received in April 2021, attracts interest at 5.75% per annum and is repayable over 120 equal monthly instalments. The loan is secured by Hypothecation of securities held at Victoria Mutual Wealth Management Limited in the name of TIP Friendly Society in the amount of \$210 million (Note 8).

(b) This loan of \$132 million, which was received in September 2021, attracts interest rate of 8.15% per annum and is repayable over 180 equal monthly instalments. The loan is secured by First Legal Mortgage to be stamped to cover \$132 million over commercial property located at Strata 1-3, 80 Half Way Tree Road, Kingston 10. Registered at Volume 1201 Folio 712-714 (Note 12).

(c) This loan of \$144 million, which was received in February 2022, attracts interest rate of 8.25% per annum and is repayable over 180 equal monthly instalments. The loan is secured against first legal mortgage Lot 17B, Drax Hall Estate, Drax Hall, St. Ann. Registered at Volume 1490 Folio 932 (Note 7).

(d) This loan is a Revolving Line of Credit, which was received in October 2021, attracts interest rate of 13.00% (2023: 10.20%) and is repayable over 12 equal monthly instalments.

(e) This loan is a Revolving Line of Credit, which was received in October 2021, attracts interest rate of 13.25% (2023: 10.75%) and is repayable over 12 equal monthly instalments.

(f) This loan of \$100 million, was received in September 2022, attracts interest at a rate of 15.00% and is repayable over 60 equal monthly instalments.

(g) This loan of \$470 million, was received in March 2022, attracts interest at a rate of 6.25% during the moratorium period of 12 months and 5.75% thereafter.

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements

As at 31 December 2024

19. External credits

The loan is repayable over 32 equal quarterly instalments of \$11,750,000 commencing after the moratorium period and one final payment of \$94,000,000 at maturity.

Loans (d) to (f) are secured by a First Legal Mortgage to be stamped to cover \$144 million over commercial property located at Lot No. 27, Bogue Estate, St. James registered at Volume 1522 Folio 915.

Loan (g) is secured by the following:

- (i) First legal mortgage over property located at Lot 1, 6E Cookson Pen, Greater Portmore, registered at volume 1333 Folio 914, stamped to cover \$470 million. Valuation dated 1 July 2021 by Thomas Forbes & Associates Limited reflecting current market value of \$755.5 million and forced sale value \$680 million.
- (ii) Debt service reserve account (DSRA) established with an amount of J\$2.45 million initially and thereafter built up at a rate of J\$592,000 monthly over twenty-four (24) months until the sum of J\$16.66 million is achieved (Note 10).

20. Payables

	2024	Restated 2023
	\$'000	\$'000
Accruals	35,252	49,656
Audit fee	4,345	4,450
Due to Errol Henry Fund (Note 27)	16,210	13,393
Members interest account	45,328	90,000
Rental deposits	19,589	2,094
Statutory contributions	12,460	5,581
Unallocated lodgments	39,316	38,778
Withholding tax	11,135	59
Other payables	1,229	8,925
	<u>184,864</u>	<u>212,936</u>

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements

As at 31 December 2024

21. Interest and similar income - loans

	<u>2024</u>	<u>Restated 2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Motor vehicle loans	49,231	53,590
Regular loans	775,779	569,015
Loan application fees	32,963	28,521
Other loans	10,507	13,214
	<u>868,480</u>	<u>664,340</u>

22. Interest income - investment securities

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Deferred shares	-	5,945
Preference shares	16,431	10,512
Bonds and unit trust funds	27,854	19,883
	<u>44,285</u>	<u>36,340</u>

23. Finance costs

	<u>2024</u>	<u>Restated 2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Interest on external credits	90,794	82,994
Lease interest expense [Note 13(ii)]	261	517
	<u>91,055</u>	<u>83,511</u>

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements

As at 31 December 2024

24. Insurance premium

Members' contribution represents sixty percent (60%) of the monthly insurance premium payment made by each member. This amount is used to provide for the following:

- (i) Re-insurance cost
- (ii) Administrative expenses
- (iii) Savings

The premium covers mortality, interest and administrative expenses.

The other forty percent (40%) of the members' monthly insurance premium is deposited in the members' savings accounts. Each member has access to this amount which he/she may withdraw, allow to accumulate, or used as security for loans.

25. Other income

	<u>2024</u>	<u>Restated 2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Gain on sale of property, plant, and equipment	-	56
Agency commission	3,464	3,558
Rental income	36,983	13,178
Foreign exchange gains	23	31
Other income	11,366	15,927
	<u>51,836</u>	<u>32,750</u>

26. Operating expenses

	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>		<u>\$'000</u>	<u>\$'000</u>
Advertising and promotion			Balance brought forward	172,277	218,515
Scholarships	5,953	4,932	Establishment		
Promotional	25,788	31,914	Building and ground maintenance	7,117	3,484
	<u>31,741</u>	<u>36,846</u>	Rental of premises	480	480
Administrative expenses			Property tax	572	405
Amortization of right-of-use asset [note 13(ii)]	799	1,238	Utilities	776	829
Audit fee	4,350	4,450		<u>8,945</u>	<u>5,198</u>
Bad debts	12,463	42,525	Representation and affiliation		
Bank charges	3,699	4,506	Affiliation expenses	13,788	9,979
Depreciation	35,545	49,817	Annual general meeting	7,150	7,727
Insurance	10,301	9,040	Board and committee expenses	32,180	32,385
Interest and penalty	-	12		<u>53,118</u>	<u>50,091</u>
Irrecoverable GCT	2,362	8,347	Personnel expenses		
Legal and professional fees	7,660	3,912	Salaries and wages	225,124	164,705
Office and general expenses	4,674	4,104	Statutory contributions	25,102	23,902
Postage and courier	1,173	853	Staff welfare	32,040	52,649
Printing and stationery expenses	4,494	3,504	Pension (note 29)	4,475	4,613
Repairs and maintenance	5,567	6,543	Health insurance	4,742	5,015
Security	12,871	10,527	Casual labour	6,297	4,275
Software maintenance	13,301	10,662	Other staff related costs	17,695	14,170
Student plan insurance expenses	1,313	1,041		<u>315,475</u>	<u>269,329</u>
Telecommunications	10,096	9,773	Total operating expenses	<u>549,815</u>	<u>543,133</u>
Utilities	9,191	9,188			
Other administrative expenses	677	1,627		<u>2024</u>	<u>2023</u>
	<u>140,536</u>	<u>181,669</u>	Number of staff:		
Balance carried forward	<u>172,277</u>	<u>218,515</u>	Permanent	67	66
			Temporary	15	15
				<u>82</u>	<u>81</u>

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements

As at 31 December 2024

27. Errol Henry Fund

This fund was established by virtue of an agreement dated 1 February 2004 between the Society and Errol Henry, founding member of TIP Friendly Society, whereby a payment equivalent to 5% of the annual net surplus be paid to him over a period of Twenty (25) years ending 1 February 2029. The amount of \$14,394,000 (2023: \$11,574,000) was charged to the Statement of Comprehensive Income. At the end of the year amounts owed to the fund amounted to \$16,210,000 (2023: \$13,393,000) (Note 20).

28. Dividends

In a meeting of the Committee of Management held on April 29, 2025 (May 27, 2023) a dividend of \$38,223,000 (2023: \$53,198,000) representing approximately 5% (2023: 4%) of voluntary shares and 10% (2023: 10%) of permanent shares was declared, as follows:

	2024	Restated 2023
	\$'000	\$'000
Permanent shares	6,634	5,614
Voluntary shares	31,589	47,584
	<u>38,223</u>	<u>53,198</u>

29. Pension Scheme

The Society is a participant in a contributory pension scheme operated and managed by Sagicor Life Jamaica Limited. The Society's liability to the contributory pension scheme is limited to the contributions. During the year, the Society's contributions amounted to \$4,474,540 (2023: \$4,612,838).

30. Comparison of ledger balances

The detailed records of balances relating to loans to members, savings and shares differed from their respective control accounts as follows:

	Loans to members	Members' savings	Members' shares
	\$'000	\$'000	\$'000
31 December 2024			
General ledger	5,881,738	3,244,592	70,666
Personal ledger	5,882,975	3,246,244	70,668
Difference	<u>(1,237)</u>	<u>(1,652)</u>	<u>(2)</u>
31 December 2023			
General ledger	4,936,267	2,708,999	67,295
Personal ledger	4,938,062	2,708,810	67,295
Difference	<u>(1,795)</u>	<u>189</u>	<u>-</u>

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements

As at 31 December 2024

31. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related party transactions and balances are recognised and disclosed below for the following:

- (a) Enterprises over which a substantial interest in the voting power is owned by key management personnel, including directors and officers and close members of families; or
- (b) Enterprises over which such a person, in (a) above, is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the Society.

As at the statement of financial position date the following balances was outstanding: -

	2024 \$'000	2023 \$'000
(i) Loan balances (including interest)		
Board and committee members	108,851	98,898
Staff members	<u>124,910</u>	<u>146,994</u>
(ii) Deposits (including interest)		
Board and committee members	28,703	23,357
Staff members	<u>5,583</u>	<u>4,021</u>
(h) Share balances		
Board and committee members	639	533
Staff members	<u>425</u>	<u>419</u>

No waivers were granted in respect of these loans. At 31 December 2024, all loans owing by directors, committee members and staff were being repaid in accordance with their loan agreements.

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements

As at 31 December 2024

31. Related party transactions (continued)

Amounts charged to the statement of comprehensive income: -

	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Key management compensation:		
Salaries and other short-term benefits (included in staff costs)	49,544	50,023
Post employment benefits	9,046	389
	<u>58,590</u>	<u>50,412</u>

32. Restatement of prior year balances

Certain items in the Society's statement of financial position as at 31 December 2023 and 31 December 2022 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the years then ended were restated to reflect the following:

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
(a) Recording deferred income in relation to amortization of loan fees resulting from change in accounting policy	27,887	18,921
(b) Correcting errors in recording dividend payable	(60,212)	-
(c) Recording adjustment to retained earnings due to (a) and (b) above	<u>32,325</u>	<u>(18,921)</u>
	<u>-</u>	<u>-</u>

Below are the reconciliations of the statement of financial position and the statement of comprehensive income as at 31 December 2023 and 31 December 2022.

32. Restatement of prior year balances(continued)

(a) Statement of financial position as at 31 December 2023: -

	As Previously Stated	Effect of Restatement	As Restated
	\$'000	\$'000	\$'000
ASSETS			
Earning Assets			
Investment properties	1,026,728	-	1,026,728
Investment securities	389,707	-	389,707
Loan receivables	(a) 4,657,411	(27,887)	4,629,524
Total Earning Assets	6,073,846	(27,887)	6,045,959
Non-Earning Assets			
Cash and cash equivalents	164,227	-	164,227
Other assets	141,802	-	141,802
Property, plant and equipment	307,236	-	307,236
Right-of-use-asset	2,530	-	2,530
Total Non-Earning Assets	615,795	-	615,795
TOTAL ASSETS	6,689,641	(27,887)	6,661,754
EQUITY AND LIABILITIES			
Capital and Reserves			
Permanent shares	67,295	-	67,295
Institutional capital	1,005,705	-	1,005,705
Non-institutional capital	(c) 664,603	32,325	696,928
Total Capital and Reserves	1,737,603	32,325	1,769,928
LIABILITIES			
Interest Bearing Liabilities			
Members' savings	3,567,817	-	3,567,817
External credits	1,107,324	-	1,107,324
Lease liability	3,749	-	3,749
Total Interest Bearing Liabilities	4,678,890	-	4,678,890
Non-Interest Bearing Liabilities			
Payables	(b) 273,148	(60,212)	212,936
Total Non-Interest Bearing Liabilities	273,148	(60,212)	212,936
TOTAL EQUITY AND LIABILITIES	6,689,641	(27,887)	6,661,754

32. Restatement of prior year balances(continued)

(b) Statement of comprehensive income for the year ended 31 December 2023: -

	As Previously Stated \$'000	Effect of Restatement \$'000	As Restated \$'000
Interest and similar income			
Loans	656,145	8,195	664,340
Investment securities	36,340	-	36,340
	<u>692,485</u>	<u>8,195</u>	<u>700,680</u>
Interest expense			
Interest on members' savings	(92,789)	-	(92,789)
Finance costs	(84,695)	1,184	(83,511)
	<u>(177,484)</u>	<u>1,184</u>	<u>(176,300)</u>
Net interest income	515,001	9,379	524,380
Increase in impairment losses on loans	(101,055)	-	(101,055)
Net interest income after provision for loan losses	<u>413,946</u>	<u>9,379</u>	<u>423,325</u>
Non-interest income/(expenses)			
Insurance premiums contributed by members	334,602	-	334,602
Reinsurance premiums	(23,825)	-	(23,825)
Return on premium insurance	-	(1,215)	(1,215)
	<u>310,777</u>	<u>(1,215)</u>	<u>309,562</u>
Other income	49,880	(17,130)	32,750
Net non-interest income	<u>360,657</u>	<u>(18,345)</u>	<u>342,312</u>
Gross income	774,603	(8,966)	765,637
Operating expenses	-	-	(543,133)
Surplus before honoraria and other payment	<u>231,470</u>	<u>(8,966)</u>	<u>222,504</u>
Honoraria	(7,000)	-	(7,000)
Write back of honoraria underutilized in prior year	3,726	143	3,869
Errol Henry Fund	(11,574)	-	(11,574)
Surplus for the year	<u>216,622</u>	<u>(8,823)</u>	<u>207,799</u>
Other comprehensive income:			
Items that will never be reclassified to profit or loss:			
Claims payments	(25,339)	-	(25,339)
Total comprehensive income	<u>191,283</u>	<u>(8,823)</u>	<u>182,460</u>

32. Restatement of prior year balances(continued)

(a) Statement of financial position as at 31 December 2022: -

		As Previously Stated	Effect of Restatement	As Restated
		\$'000	\$'000	\$'000
ASSETS				
Earning Assets				
Investment properties		777,732	-	777,732
Investment securities		427,027	-	427,027
Loan receivables	(a)	3,931,752	(18,921)	3,912,831
Total Earning Assets		<u>5,136,511</u>	<u>(18,921)</u>	<u>5,117,590</u>
Non-Earning Assets				
Cash and cash equivalents		168,450	-	168,450
Other assets		166,215	-	166,215
Property, plant and equipment		599,426	-	599,426
Right-of-use-asset		1,080	-	1,080
Total Non-Earning Assets		<u>935,171</u>	<u>-</u>	<u>935,171</u>
TOTAL ASSETS		<u>6,071,682</u>	<u>(18,921)</u>	<u>6,052,761</u>
EQUITY AND LIABILITIES				
Capital and Reserves				
Permanent shares		63,306	-	63,306
Institutional capital		871,851	-	871,851
Non-institutional capital	(c)	720,441	(18,921)	720,441
Total Capital and Reserves		<u>1,655,598</u>	<u>(18,921)</u>	<u>1,636,677</u>
LIABILITIES				
Interest Bearing Liabilities				
Members' savings		3,015,581	-	3,015,581
External credits		1,221,207	-	1,221,207
Lease liability		1,155	-	1,155
Total Interest Bearing Liabilities		<u>4,237,943</u>	<u>-</u>	<u>4,237,943</u>
Non-Interest Bearing Liabilities				
Payables	(b)	178,141	-	178,141
Total Non-Interest Bearing Liabilities		<u>178,141</u>	<u>-</u>	<u>178,141</u>
TOTAL EQUITY AND LIABILITIES		<u>6,071,682</u>	<u>(18,921)</u>	<u>6,052,761</u>

32. Restatement of prior year balances(continued)

(b) Statement of comprehensive income for the year ended 31 December 2022: -

	As Previously	Effect of	As Restated
	\$'000	Restatement	\$'000
		\$'000	\$'000
Interest and similar income			
Loans	521,100	11,381	532,481
Investment securities	18,270	-	18,270
	<u>539,370</u>	<u>11,381</u>	<u>550,751</u>
Interest expense			
Interest on members' savings	(69,125)	-	(69,125)
Finance costs	(83,698)	1,465	(82,233)
	<u>(152,823)</u>	<u>1,465</u>	<u>(151,358)</u>
Net interest income	<u>386,547</u>	<u>12,846</u>	<u>399,393</u>
Increase in impairment losses on loans	(121,274)	-	(121,274)
Net interest income after provision for loan	<u>265,273</u>	<u>12,846</u>	<u>278,119</u>
Non-interest income/(expenses)			
Insurance premiums contributed by members	311,692	-	311,692
Reinsurance premiums	(17,420)	-	(17,420)
Return on premium insurance	-	(1,465)	(1,465)
	<u>294,272</u>	<u>-</u>	<u>292,807</u>
Other income	61,098	(30,302)	30,796
Net non-interest income	<u>355,370</u>	<u>(30,302)</u>	<u>323,603</u>
Gross income	<u>620,643</u>	<u>(18,921)</u>	<u>601,722</u>
Operating expenses	(479,412)	-	(479,412)
Surplus before honoraria and other payment	<u>141,231</u>	<u>(18,921)</u>	<u>122,310</u>
Honoraria	(6,000)	-	(6,000)
Errol Henry Fund	(7,062)	-	(7,062)
Surplus for the year	<u>128,169</u>	<u>(18,921)</u>	<u>109,248</u>
Other comprehensive income:			
Items that will never be reclassified to profit or			
Claims payments	(35,486)	-	(35,486)
Total comprehensive income	<u>92,683</u>	<u>(18,921)</u>	<u>73,762</u>

REPORT OF THE CREDIT COMMITTEE


AUGUST 2024 – APRIL 2025



REPORT OF THE CREDIT COMMITTEE

August 2024 – April 2025

The Credit Committee of TIP Friendly Society consist of five dedicated, fit and proper volunteers who were nominated and elected at the 2024 Annual General Meeting (AGM) of the Friendly Society. These committed volunteers are:



Chairman
Mr. Winston R. Smith, JP
Secretary
Mrs. Erica Ewbanks
Members
Mr. Eaton McNamee
Mrs. Camille Davis-Williams
Mr. Colin Spence

The committee started the year under the watchful eye of Miss Judith Wilson, Manager - Branch Operations, of TIP Friendly Society, who continued to give much needed support to the Committee. It is with a heart of gratitude that the committee says "Thanks" to Miss Wilson for her invaluable contribution to the Committee during the year as we worked to ensure that quality services is provided to every member of TIP Friendly Society.

ACKNOWLEDGEMENT

The Committee takes great pride in acknowledging our members who continues to see TIP as the place of choice to conduct business and as such, continue to take loans, service their loans as well as responding to our calls whenever such calls become necessary. Furthermore, we acknowledge the work of the Credit Department of the Society to include all the Client Services Representatives on the floor as well as the team of the Marketing Department. Additionally, the committee extends a special thank you to Mr. John 'Moses' Emery, who was always willing and ready to go beyond the call of duty to ensure that we the members of the committee were well taken care of on days when we meet to execute our duties.

Committee Functions as per the Regulations

The Credit Committee of the Friendly Society executes the following core functions, by members who have volunteered to serve and represent the Society:

Examine and approve loans within a 10:1 ratio or other loan applications that seek the approval of the committee based on the nature of the loan.

Review and sign off on loan applications on a monthly basis.

Review all loans to ensure that all supporting documents are properly aligned to the stipulated guidelines of the Society

Make contact with delinquent customers and their references

Assist with the reduction of delinquency by making contact with members whose loan are in arrears for sixty days.

Prepare and submit monthly reports to the Board of Management of TIP Friendly Society.

The quorum is three (3) and as such at least three members are required to sign on documents representing the decision of the Committee

Meeting Attendance of the Committee

Meetings of the committee are held once per month for the entire period under review, that is from August 2024– April 2025. In addition, the committee was exposed to training sessions which has contributed significantly to the members being able to execute the mandate assigned to the committee. The chart below outlines the attendance of members of the committee to meetings as well as the aforementioned training sessions.

The chart below gives an outline of all the meetings attended by the committee members and the level of participation by each member.

Members	POCA Training	Board Retreat	Governance Training	Possible Meetings	Present	Absent	Percentage Attendance
Winston Smith (Chairman)	✓	✓	✓	8	6	2	75%
Erica Ewbanks (Secretary)	✓	✓	✓	8	8	0	100%
Colin Spence	✓	✓	✓	8	7	1	87%
Camille Davis-Williams	✓	✓	✓	8	8	0	100%
Eaton McNamee	✓	✓	✓	8	8	0	100%

The scheduled meetings of the committee were held under the watchful eyes of Miss Judith Wilson (Branch Operations Manager) from the rise of the Committee supported by Miss. Charmaine Campbell–Branch Supervisor.

Loans

The core function of the committee is to treat with loans. This takes the form of;

Evaluating and approving loans outside of the specified ration.

Assessing with the view to approve loans that require special interventions.

Assessing loan request where members last accessed a loan under 90 days.

Review and sign off on all loans granted during the periods between meetings.

Make contact with delinquent members with the view to help them out of delinquency, by providing much needed advice and support

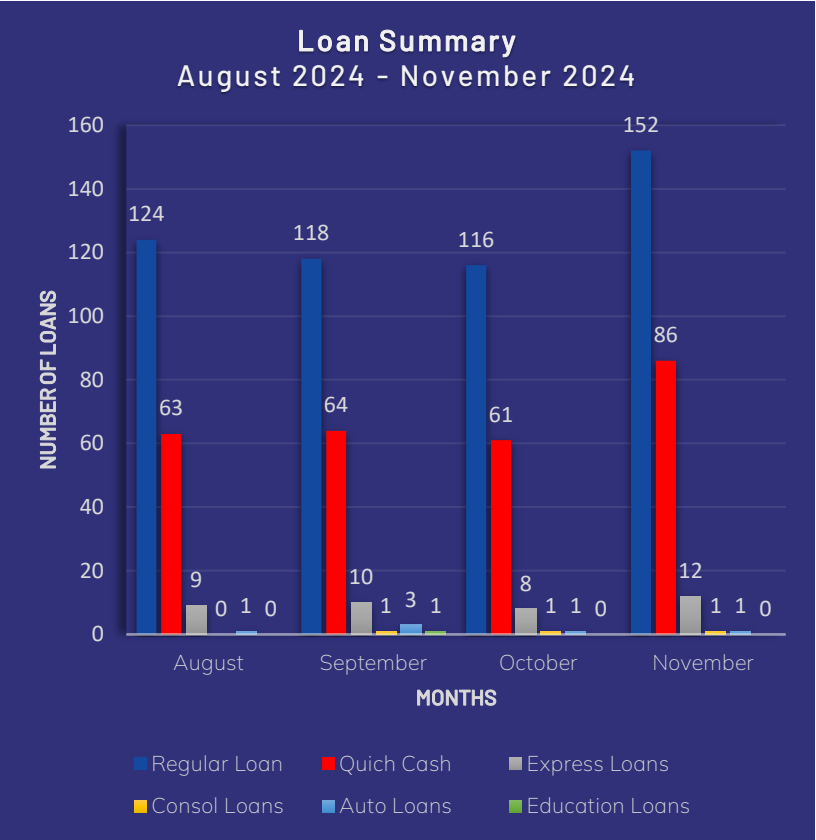
Loan Files reviewed for the period August 2024 to May 2025

The Credit Committee in fulfilling its mandate met monthly from the assembling of the committee following our Annual General Meeting (AGM), with the multipurpose function as prescribed in its mandate. In so doing, the committee examine all loan files to ensure that the requisite documentations are in place for the granting of the specified loan. Furthermore, the committee assess the loan process and make recommendations where necessary to the Board of Management. In addition, where documentations are missing and or not visible, such information is passed on to the Management by way of the Managerial Staff who provides support to the committee. In so doing, the committee ensures that all processes are followed thus safeguarding the funds of all members of TIP Friendly Society. The graphs below indicate the number of files viewed, the types of loans as well as delinquency loans reviewed during the reporting period.

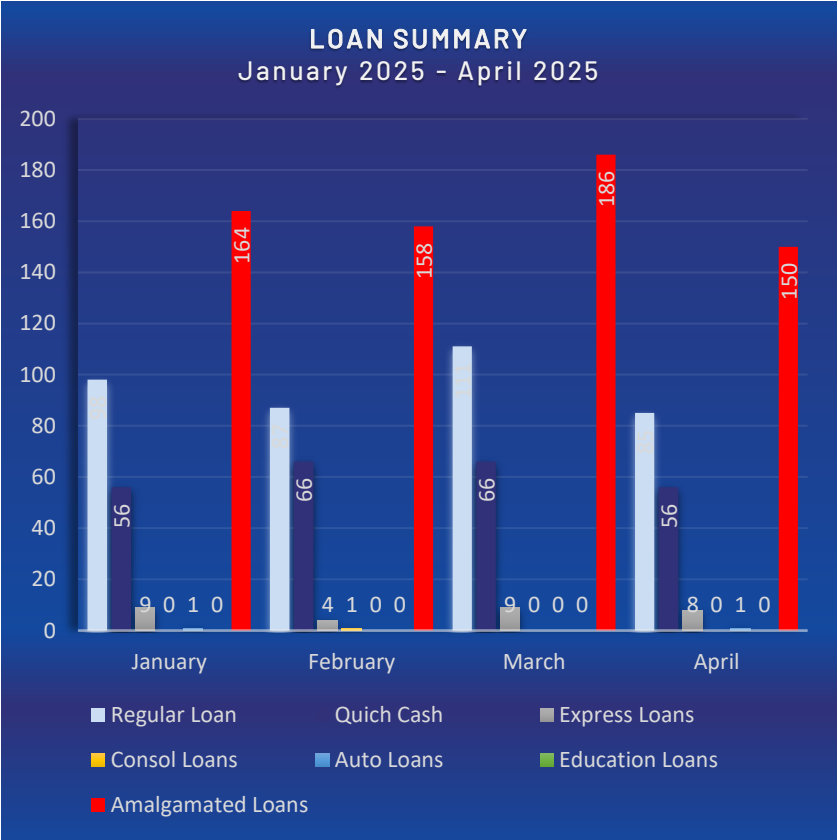
LOAN SUMMARY August 2024 – April 2025

Amalgamated Loans - 1491			Delinquency Loans - 32				Regular Loans -154	
Month	Regular Loan	Quick Cash	Express Loans	Consol Loans	Auto Loans	Education Loans	Amalgamated Loans	Monthly Percentage of each loan
August	124	63	9	0	1	0	197	13.21
September	118	64	10	1	3	1	197	13.21
October	116	61	8	1	1	0	187	12.54
November	152	86	12	1	1	0	252	16.90
January	98	56	9	0	1	0	164	10.99
February	87	66	4	1	0	0	158	10.59
March	111	66	9	0	0	0	186	12.47
April	85	56	8	0	1	0	150	10.06

Bar Graph representing the summary of loans for the period August 2024 to November 2024

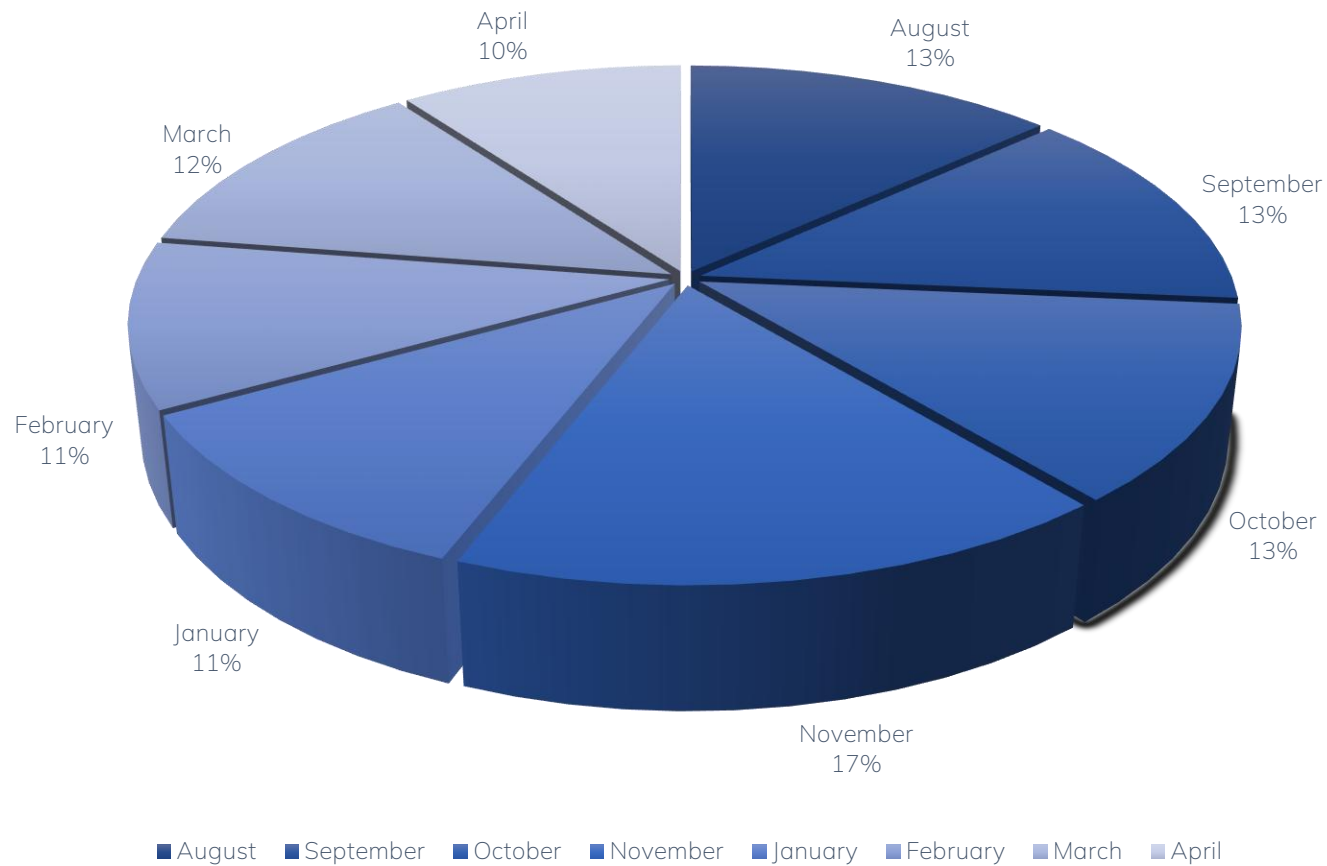


Bar Graph representing the summary of loans for the period January 2025 to April 2025



Amalgamated Loans

August 2024 - April 2025



Proceeds of Crime Act (POCA) Training

All members of the committee participated in the POCA training virtually. This training is of fundamental importance to the committee members as it brings to our consciousness the varied ways that individuals can take advantage of the Society, thereby arming us with the knowledge to detect and eliminate any such threat with ease. Some areas covered were money laundering, terrorism prevention as well as fraud. There were also sessions on good customer service and the importance of executing due diligence.

Threats to the Society's sustainability

It must be noted that during this period of teacher migration, the Society continues to face a serious challenge with members who are leaving without taking steps to liquidate their loans. This kind of behaviour continues to significantly impact the ability of the Society and if left unchecked, will ultimately negatively impact all of us who are members of this Friendly Society. Consequently, we appeal to all of us that we encourage our friends, families and or colleagues to ensure that they liquidate their loans before leaving for overseas employment or make proper arrangements to continue payments thereby ensuring that the loan is serviced until full payment has been achieved.


General Remarks

The Credit Committee is conscious of the fact that members are constantly being bombarded with opportunities to access loans from multiplicity of lending agencies and institutions. Consequently, we took our task seriously and as such ensure that quality service was always the hallmark of our deliberations when assessing applications from our members. We say to all members of TIP Friendly Society, a heartfelt thank you for choosing TIP Friendly Society as your institution of choice.

As we embark on another year, we implore you to make TIP your continued institution of choice as we continue to live by our motto "*serving you is our pleasure*".

Sincerely,
TIP Friendly Society Credit Committee

Erica Ewbanks
Secretary


Winston. R. Smith, JP
Chairman



TIP Friendly
Society

TIP SCHOOL & COLLEGE PLAN

Affordable. Care. Coverage.



**PREMIUM AS
LOW AS \$325
PER STUDENT.**

PER ACADEMIC YEAR

SCAN ME!



OUR COVERAGE OFFERS:

- Death Benefit
- Accidental Expenses Reimbursement
- Accidental Dismemberment
- Transportation Cost Reimbursement
- Dental & Optical Accident Reimbursement



SUPERVISOR COMMITTEE

ANNUAL REPORT



Supervisor Committee Annual Report

August 2024 to March 2025

The following persons were elected to the Supervisory Committee of the TIP Friendly Society at its Annual General Meeting to serve for a term of one year.

Chairman

Mr Philmore McCarthy

Secretary

Miss Sandra Hunter

Members

Mrs Lou-Ann Bramwell -Shakes

Mr Leاون Nash

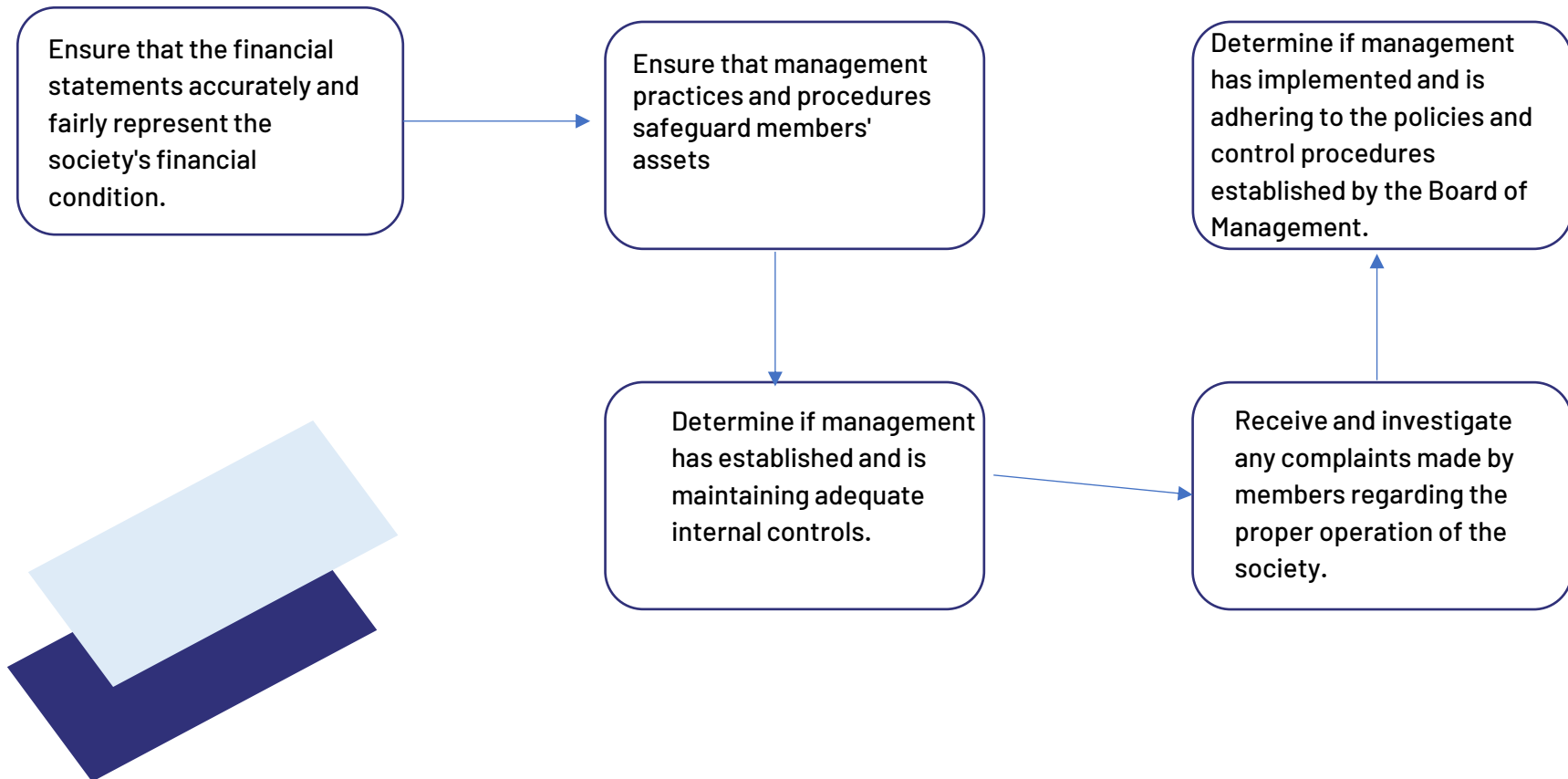
Mr Rohan Johnson

The table below displays the attendance records of the Committee members at meetings and visits.

NAMES	9 Regular Meetings	4 Special Meetings	3 Visits	2 Training Sessions
Philmore Mc Carthy	9	4	2	POCA & Registrar
Sandra Hunter	9	4	3	POCA & Registrar
Lou-Ann Bramwell Shakes	9	4	3	POCA & Registrar
Leاون Nash	7	4	3	POCA & Registrar
Rohan Johnson	9	4	2	POCA & Registrar

Supervisor Committee Annual Report -Continued

The TIP Friendly Society's Rule Book details the roles and functions of the Supervisory Committee



Activities

The activities for the period have been summarized below.

- Committee members underwent comprehensive training to deepen their understanding of their respective roles and responsibilities. Such training is essential for effective governance, as it equips members with the necessary skills and knowledge to fulfill their duties proficiently. By investing in ongoing education and development, the Society ensures that their committees operate efficiently and in alignment with their strategic objectives.
- The committee reviewed the audit charter and audit plan. After reviewing these documents, the committee expressed general satisfaction, noting that each document provided a comprehensive outline of critical areas. The drafts were recognized for their thoroughness, as they ensured that all relevant areas were identified and addressed appropriately.
- The committee reviewed the Society's Strategic Plan objectives to assess their alignment with the internal audit function and ensure that any significant objectives were adequately incorporated into the audit framework for 2024.
- Examine CANVAS to confirm and document completion dates for various initiatives.
- The committee undertook a review of the internal audit function, focusing on ensuring alignment with the strategic and operational goals set. It was noted that the auditor's review highlights areas of risk assessment, which the committee will use to guide further analysis of organizational risks.
- Reviewed Operational Reporting and Monthly Analysis. Current Practices: Management presently conducts operational reviews; however, there is a need for monthly analysis of both positive and negative trends within the user base to support timely strategy adjustments.



Activities(continued)

- Committee members conducted site visits to various properties and branches to assess operations, verify the accuracy of information, and gain a comprehensive understanding of each location's context. These visits facilitated the identification of potential challenges and informed strategic decision-making to enhance organizational effectiveness.
- Conducted investigation in response to a complaint about the Marketing Department.
- The Committee made several recommendations, and we are satisfied that the Society has given them much thought, as evidenced by a response document shared with us.

Recommendations

- The committee requested the establishment of an intranet, and the ICT team was tasked with initiating this process.
- All existing policies and procedures should be reviewed. This review will involve evaluating current practices, identifying gaps or areas for improvement, and subsequently making recommendations to align policies with best practices and legal obligations.
- Standardize event preparation protocols and engage reliable service providers. Consider reviewing the process for contracting external designers to ensure quality and dependability.
- Implement internal financial triggers (e.g., for delinquency rates and liquidity ratios).

We want to applaud the management team for their strategy in adopting an appreciative inquiry approach to strategic planning, which focuses on a strengths-based approach to change. This approach focuses on identifying and building on what is working well, rather than focusing on problems, while aiming to foster positive change and collaboration.

Training Regulatory/POCA

The TIP-Friendly Society operates under the regulatory oversight of the Department of Cooperatives and Friendly Societies. To enhance the effectiveness of our oversight functions, the society mandated and facilitated a special training session for the five members on October 26, 2024. This initiative aimed to bolster our independent role as an observer within the TIP Friendly Society and to strengthen our capacity to fulfill our responsibilities effectively.

The training provided a comprehensive overview of regulatory functions and controls, emphasizing the importance of effective internal control systems in achieving the society's objectives.

Moreover, a separate training session focusing on the Proceeds of Crime Act (POCA) was conducted on 9 October 2024 via the Microsoft Teams platform, with all committee members in attendance. This session was designed to ensure that participants were well-acquainted with cooperative governance principles and other essential regulatory controls.

Both training sessions proved highly beneficial, empowering the team with the knowledge and skills necessary for the effective execution of their duties.

Investigation

The committee was tasked with investigating a matter of concern within the marketing department. A comprehensive investigation was undertaken, with overlapping areas being identified and suggestions made. It was noted that specific allegations require careful examination to ensure alignment with institutional policies.

There is a need for structured communication, modernized strategies, and improved accountability to drive organizational success. There is also the need to address institutional challenges while reaffirming the commitment to operational excellence. It was emphasized that there is a need for structured planning, proactive oversight, and a commitment to alignment with best practices.

Following the investigation, strategic adjustments were made to align and optimize marketing efforts, thereby enhancing overall efficiency. These modifications were designed to ensure a more rationalized approach, maximizing the effectiveness of marketing initiatives while improving resource utilization.

Meetings and Branch Visits

Committee meetings were primarily conducted in person, with hybrid or virtual formats utilized in select instances to accommodate members. To effectively implement the planned activities, a total of 13 meetings were held, along with two branch visits and one site visit.

Montego Bay Branch

The audit of the Montego Bay Branch was conducted to assess operational efficiency, staffing, customer service, security, infrastructure, and overall compliance with company policies and procedures. The committee noted improvements in staff engagement, customer service efficiency, and internal workflow management. However, several operational and infrastructural issues require immediate attention.

Staffing & Operations

The branch has a full complement of staff, with a customer service representative currently in training to replace a recent resignation. The committee recommends ongoing staff cross-training to enhance flexibility and efficiency.

Clientele & Business Development

The branch supervisor could not ascertain the total potential clientele within the geographical area, but the Business Development Officer (BDO) has jurisdiction knowledge. BDO submits reports but is primarily field based. A formal work plan submission is recommended to keep the branch supervisor updated on BDO activities. Schools with untapped potential should be targeted to strengthen the TIP brand.

Infrastructure & Office Environment

The automated client sign-in system has improved internal workflow and efficiency. The company's Mission, Vision, and Core Values are still not displayed in the office. Storage of members' files has improved with digitization efforts at the Head Office. However, backlog timelines should be provided, and file cabinet security must be improved to comply with the Data Protection Act.

The branch adheres to the Human Resource policies established by the Head Office. Management and staff receive adequate training. The staff is knowledgeable and takes pride in their work. Communication between management and staff is seamless. A formal pay structure and performance appraisal system are in place. Customer feedback and recommendations are centralized at the Head Office, reducing the branch's autonomy in addressing local concerns. A review of this process is suggested.

The Montego Bay Branch has engaged the staff and streamlined internal workflow management and customer service. However, pressing concerns regarding relief staffing, security, infrastructure, and IT system reliability must be addressed promptly to ensure optimal branch performance and risk mitigation.

Mandeville Branch

The purpose of the visit was to assess operational efficiency, customer service delivery, and internal consistency in processes within the institution.

Product Familiarization and Training:

The branch has recently adopted a more structured approach to product training, ensuring all team members are familiar with the offerings. This includes attending product demonstrations, participating in video training sessions, and taking tours. Branch management collaborates with senior leadership to establish directives for improving staff engagement with training materials.

Digital Banking Integration:

The branch is actively addressing challenges related to online banking services, particularly with the initial setup process. A significant number of customer complaints pertain to difficulties with password creation and activation. These issues require intervention from the IT department, causing occasional delays in resolution.

Despite these challenges, feedback indicates that once customers complete the setup process, the online banking system performs reliably. There is an ongoing effort to improve communication between front-line staff and the IT department. This is crucial for reducing customer frustration and ensuring a smoother onboarding experience.

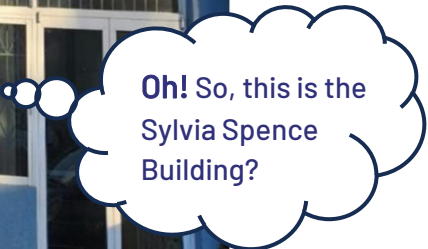
Conversing with the manager

The Mandeville Branch demonstrates a strong commitment to marketing and client engagement but could enhance its effectiveness by addressing gaps in personalization, resource allocation, and technology use. Implementing the recommendations will help improve client relationships, align branch efforts with organizational objectives, and create a more impactful presence in the community.





Collaborating as we discuss our findings.



Customer Support Initiatives:

The branch is making strides in improving the customer experience by introducing more interactive training tools and encouraging staff to engage directly with clients through educational sessions and Business Development Officers (BDOs). These efforts aim to enhance customer satisfaction and foster trust in the services provided by the Friendly Society.

It is a highly effective revenue-generating concept and features an excellent open-concept office layout. Marketing materials were strategically and professionally displayed, ensuring maximum visibility. Additionally, enhanced file storage capacity has been provided to support customer service representatives. The branch also maintains compliance with the promotion of the TIP brand. There is a security concern regarding outstanding security matters that require prompt attention.

Recommendations

- To enhance privacy for members interacting with representatives, the glass on customer service desks will be lightly tinted.
- The committee emphasizes the importance of keeping the server room door closed to maintain optimal functionality.

RETREAT

The Supervisory Committee held a retreat on December 14, 2024, to review and refine the operational framework for its activities. This initiative aims to establish a structured approach that ensures accountability, transparency, and efficiency in the committee's supervisory functions.


The retreat offered a valuable opportunity to refine the committee's operations and reaffirm its commitment to upholding high standards of governance.

Moving forward, the adoption of a well-structured supervisory framework and adherence to best practices will strengthen the effectiveness of the committee's work.

The review process has appropriate critical insights into improving the internal audit and supervisory framework. Strengthening risk management, aligning with international standards, and ensuring documentation consistency will enhance governance effectiveness. The supervisory committee remains committed to refining these processes and establishing a robust audit and oversight system to ensure the organization's continued success.

General Recommendations

- A recommendation was made for the Society to pursue International Organization for Standardization (ISO) certification to enhance governance standards. Achieving ISO certification would ensure that the society adheres to internationally recognized best practices in supervision and auditing.
- Ensure that product training and video demonstrations are uniformly implemented across all branches. A monitoring system could help track participation and identify areas for improvement.
- Streamline the collaboration between the IT department and front-line staff to expedite the resolution of technical issues, particularly during the customer onboarding process.
- The Society requires internal controls with established triggers for key financial metrics, such as delinquency and liquidity. For instance, with delinquency rates already above the industry standard



The Mona property is occupied and provides revenue for the Society.

General Recommendations

- of 5%, an internal trigger at, for example, 2.5% would provide an early warning, allowing for corrective actions before industry benchmarks are exceeded.
- Having considered “internal controls,” implement internal financial triggers (e.g., for delinquency rates and liquidity ratios). The established early warning systems will trigger assessments and corrective measures at pre-determined thresholds.

Expressions of Gratitude

We are deeply grateful for the opportunity to serve and contribute to this organization. It has been a privilege to work alongside such dedicated individuals, and we sincerely appreciate the trust and confidence that have been placed in us. This experience has been both rewarding and enriching, and we remain committed to supporting the continued growth and success of the Society. Thank you for allowing us to be a part of this journey.

Conclusion

Delivering high-quality service is paramount in the contemporary financial landscape. Efforts to enhance service quality not only boost customer satisfaction but also foster loyalty and positive word of mouth, which are critical for the Society’s reputation and growth. By continuously striving to exceed expectations, TIP Friendly Society can cultivate enduring relationships and secure long-term profitability. It is, therefore, strategic to model established standards as we strive to realize our mission, vision, and core values.

Prepared by



Sandra Hunter (Secretary)

Approved by



Philmore McCarthy (Chairman)

Your economic security does not lie in your job; it lies in your ability to produce—to think, learn, create, and adapt. That’s true financial independence. It’s not having wealth; it’s having the power to produce wealth.” —**Stephen Covey, educator.**

“There are three kinds of people: those who make things happen, those who watch things happen, and those who say, ‘What happened?’” ~ **Casey Stengel.**

Volunteering is the ultimate expression of democracy. You vote in elections once a year, but when you volunteer, you vote every day about the kind of community you want to live in.” ~ **Author Unknown**



TIP Friendly
Society

ARE YOU A BURSAR PAID SCHOOL?

FASTER, EASIER &
SAFER SUBMISSION
WITH US

Sign Up Now!



MANAGEMENT PROGRESS REPORT

2024



MANAGEMENT PROGRESS REPORT

We are profoundly grateful to the following groups that went beyond the call of duty to ensure that the organization prospered during challenging times:

- our Membership who saw the value of TIP and supported us despite the socio-economic environment.
- The Board for its policy direction and steady leadership
- Our valuable and hardworking staff that showed us their resourcefulness and their dedication to the tasks at hand, especially during crunch times.

The growth of our organization during last year has been phenomenal. At the end of fiscal 2024 we had an asset base of \$7.618 billion and three months later (March 31, 2025) our asset base stood at \$8.038 billion. We have continued to entice our membership with our market driven product offerings and the best service offerings among our peers. Our strategic direction is to ensure a bright future that is full of continuous growth and potential for our members and ultimately TIP Friendly Society.

The operations of TIP are undertaken from our four (4) locations:

- Head Office, 80 Half Way Tree Road, Kingston 10 and
- Three (3) other locations, namely:

- Montego Bay: The Annex, Unit 27A in Fairview Park, Montego Bay, St. James on the first floor. This branch serves the teachers of St. James, Hanover, Westmoreland and Trelawny.
- Mandeville: Lot #3, 24C Caledonia Road, Mandeville, Manchester. We are now serving members in the parishes of St. Elizabeth, Manchester, Clarendon and Southern Trelawny.
- Ocho Rios: Ocean Village Shopping Centre, Shop 8, Ocho Rios, St. Ann. This branch serves the members in the parishes of St. Ann, St. Mary and Northern Trelawny.
- Members are also able to access our product offerings through our team of Business Development officers, our mobile and pop-up stops and via our online banking services.

Property

The newly built commercial property in Cookson Pen, Portmore has been rented to a reputable government organization.

TIP Investment and Real Estate Company

The TIP Investment and Real Estate Company is now registered, and the Board of Directors has been formed. The next step for this subsidiary is to have the liabilities offloaded onto the new company which TIP will give a guarantee for.

MANAGEMENT PROGRESS REPORT - Continued

The staff complement is as detailed below:

Locations	Staff Complement		
	Permanent	Contract	Total
Head Office	55	14	69
Mandeville	7	1	8
Montego Bay	6	1	7
Ocho Rios	7	0	7
Total	75	16	91

RESIGNATIONS/TERMINATIONS(since our last AGM)

Names	Positions Held	Years Of Service	Reason For Departure	Year Resigned/ Terminated
Kashena Allen	Member Services Officer	6 months	Resigned	2024
Khadeem Nelson	Infrastructure Technician Information Technology	8 years	Resigned	2024
Hadeel Brown	Claims and Underwriting Officer	1 year	Resigned	2025
Dwight Sommers	Internal Auditor	9 months	Resigned	2025
Corey Dennis	Member Accounts Officer	3 years	Resigned	2025
Jasiann Reid	Member Accounts Officer	2 years	Resigned	2025
Sharon Carey	Human Resources and Operations Manager	16 years	Redundant	2025
Judy Miller-Smith	Marketing, Communications and Insurance Manager	6 years	Redundant	2025
Sanique Richards	Member Experience Officer	5 months	Resigned	2025
Edward Welsh	Training, Welfare and Property Officer	29 Years	Redundant	2025

We wish these former employees well in their future endeavors.

MANAGEMENT PROGRESS REPORT - Continued

STRATEGIC PLANNING RETREAT

The Strategic Planning Retreat was held at the Princess Grande Resort Hanover from March 14-16, 2025. The strategic planning process included a team of staff members and directors. Members were placed in teams focusing on strategic focus areas. The plan will guide the Society for the next 5 years and will commence in 2025. Below are a few strategic goals that were drafted at the retreat.

Human Resources (Delinquency and records management)	Insurance	Marketing and Communications
Promote a healthy workplace culture to attract and retain qualified, efficient and motivated employees	Develop a system to efficiently process claims.	Provide greater budgetary support to improve brand awareness. (Improve digital footprint etc.)
Develop a mentorship program to prepare employees for promotional opportunities.	Identify opportunities for Market Expansion and product review	Tailor strategies to market TIP as an insurance cooperative
Develop policies and adhere to regulatory requirements in securing, storing, accessing and disposing data	Enhance staffing competencies in insurance sales/marketing, by providing specialized training opportunities.	Optimize technology and other communication strategies to improve member engagement

MANAGEMENT PROGRESS REPORT - Continued

Finance (Accounts and Processing)	Information Technology	Branch Operations and Customer service
Processing: 1. Engage the use of technology to significantly reduce the processing time of salary deductions. 2. Collaborate with key stakeholders (bursars, MOEY) to improve the timeliness of salary deductions.	Increase automation for greater efficiency and sustainability.	Provide responsive, engaging customer-centric services to our members
Finance: 1. Increases in surplus by a minimum of 10% year over year 2. Significantly increasing TIP's capital base by a minimum of 10% annually.	Ongoing training and certification for staff in relevant technological applications.	Optimize the performance of internal processes and systems through digital innovations in collaboration with the IT department.
Data Protection: 1. Safeguard members Data in accordance with the Data Protection Act. 2. Develop and implement policies and protocols for the collection, storage and use of members personal data. 3. Comply with the Data Protection regulations.	Implement innovative technologies to safeguard cyber-security and enhance risk management strategies.	Devise strategies to enable branches to achieve set revenue targets

MANAGEMENT PROGRESS REPORT - Continued

PERFORMANCE

Year over year the Society experienced significant growth in its:

- 1) Asset Base
- 2) Loan Portfolio
- 3) Surplus

Our asset base as at December 31, 2024, was \$7.618 billion, while our loan portfolio surpassed \$5.5 billion, and we recorded a surplus of \$450M.

We ended the year 2024 with a delinquency rate of 8.51% (see delinquency table). We have put strategies in place to monitor the ratio to keep it below the international standard of 5%.

5-year Delinquency Table

	Delinquency Trend Analysis				
	2024	2023	2022	2021	2020
JANUARY	7.24%	6.00%	3.99%	3.78%	6.61%
FEBRUARY	7.16%	6.40%	3.95%	3.51%	6.03%
MARCH	5.4%	6.49%	4.55%	3.76%	6.48%
APRIL	6.78%	5.37%	3.62%	3.77%	6.26%
MAY	6.78%	6.74%	3.82%	3.51%	5.85%
JUNE	5.82%	6.28%	4.08%	4.18%	5.69%
JULY	7.58%	6.13%	3.40%	3.04%	5.49%
AUGUST	5.69%	5.62%	4.17%	3.27%	5.21%
SEPTEMBER	6.80%	5.10%	4.41%	3.08%	5.07%
OCTOBER	6.63%	7.64%	4.41%	2.65%	4.20%
NOVEMBER	5.96%	6.58%	5.06%	3.89%	4.34%
DECEMBER	8.51%	5.84%	4.12%	4.23%	4.48%

MANAGEMENT PROGRESS REPORT - Continued

BRAND MARKETING AND COMMUNICATION

This department, formally known as Marketing, Insurance and Communication, has been renamed Brand Marketing. The department continues to promote and bring greater awareness to the TIP brand within the Education Sector. The team is equipped with a knowledgeable and experienced team of Marketing and Communication specialists who work diligently to exceed your expectations. The department is currently led by the marketing supervisor, Ms. Necola Wilson. Additionally, in the field are our Business Development Officers (listed below):

NAMES	PARISHES	BRANCHES
Kajha Cunningham	Westmoreland, Hanover, and St. James	Montego Bay
Richard Mollison	St. Ann, Portland and St. Mary	Ocho Rios
Marquez Cole	St. Elizabeth, Manchester and Trelawny	Mandeville
Cadiann Calvert-Jackson	Kingston and St. Andrew	Head Office
Leon Barnaby	Clarendon, Manchester and Trelawny	Mandeville
Sheldon Samuels	St. Thomas, and St. Catherine	Head Office

INSURANCE

The insurance department now stands on its own and is no longer under the management of Marketing, Communications and Insurance. Greater emphasis is being placed on our insurance products. This team is led by Insurance Senior-Supervisor, Mrs. Jackson-Cousins.

OUR CORPORATE SOCIAL RESPONSIBILITY

According to a well-known economist, Milton Friedman, "There is one and only one social responsibility of business - to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud".

With the annual allocation of \$7.0 million approved by you, our membership, TIP continued its engagement with stakeholders via sponsorship of fundraising efforts of educational institutions, churches, and other non-profit organizations in fulfilling our corporate and social responsibilities. We have been the major sponsor of the ISSA School girl's football competition. We sponsor with a combination of cash and personal accident insurance. TIP has been able to assist our various stakeholders despite the challenging financial climate in which we operate.

MANAGEMENT PROGRESS REPORT - Continued

THE FUTURE

We are certain that there will be challenges in the future, however, we have demonstrated our capacity to manage through the bad times as well as the good times. We are well prepared for the future. Exceeding the needs of our members and growing the value of TIP Friendly Society are our primary goals.

The skillful use of cutting-edge technology will be the driving force behind our forward thrust. We will be increasing the use of social media as well as traditional media to enhance communication with you. TIP has built an enviable record of good customer service, fast turnaround time and quick response to customer concerns. Going forward we intend to move the bar even further, to be ahead of our members' needs.

TIP is still in the process of establishing a new company to manage our real estate and investment businesses. With this entity we are planning to leverage our insurance knowledge and experience by entering the general insurance market, offering brokerage services to members who have purchased motor vehicles with loans from us.

CONDOLENCES

We must express our condolences to those members who suffered losses during 2024. Although the passing of our family members saddens us, we feel a deep sense of satisfaction that TIP continues to help in your time of need.

CONCLUSION

We thank you for your continued patronage of TIP Friendly Society. Many thanks too, to our dedicated and hardworking volunteers and staff for always putting TIP Friendly Society first. Your tireless and invaluable service have helped us to increase the status of the Society.

We are forever grateful for your commitment, loyalty and confidence in this great organization. There would be no TIP without you. Always be reminded "serving you is our pleasure!".

WE ARE **OPEN** ON SATURDAYS!

TIP Friendly Society is now open on Saturdays to better serve you. Each branch opens on a specific Saturday each month:

1st
SATURDAY **Kingston**

2nd
SATURDAY **Montego Bay**

3rd
SATURDAY **Mandeville**

4th
SATURDAY **Ocho Rios**



TIP FRIENDLY
SOCIETY



**10:00AM
to
2:00PM**

Take advantage of this added
convenience and
VISIT YOUR BRANCH!



HALF WAY TREE MANDEVILLE OCHO RIOS MONTEGO BAY
876-618-1914 876-877-5268 876-877-5267 876-382-7289

NOMINATING COMMITTEE REPORT



NOMINATING COMMITTEE REPORT

In accordance with the provisions of article 20 in section 20.0 of the Rules of the Society, the Committee of Management appointed a Nominating Committee which comprised of the following persons.

Mr. Norman Allen Chairman
Ms. Rhamona Bromfield Members
Mr. Wilton South Chief Executive Officer

The Committee met on April 17, 2025

A transformational approach was taken in choosing the nominees. We looked at a set of criteria for the selection of the Board and Committees. These include individuals having the relevant skills and knowledge of financial matters as well as their willingness to serve. We ensure that persons nominated are from different sectors in Education, namely, tertiary, secondary, primary, and early childhood. The nominees include former Presidents of JTA, Education Officers, Principals, Principal Lecturers and Classroom Teachers. All the nominees are fit and proper to serve. Below is the slate of members currently serving and those nominated to serve.

Members of the Committee of Management

As per Article 22, Section 1, the following are persons retiring and recommended for nominations to the Committee of Management.

Parish Represented	Retiring	Recommended	Term in Office
Trelawny		Mrs. Mona Ennis Principal, Falmouth Infant	2
St. Mary		Mrs. Eva Coleman-Stamp Teacher, Wycliffe Martin High School	2
St. Thomas		Mrs. Jacqueline Hendricks-White Principal, Lyssons Centre of Excellence	2
At Large		Dr. Garth Anderson Principal, Church Teachers' College	2
At Large		Mr. Clayton Hall Deputy Secretary General, Jamaica Teachers' Association	2

Parish Represented	Retiring	Recommended	Term in Office
Kingston	Ms. Audrey Williams, Retired Principal, Denham Town High	Ms. Audrey Williams, Retired Principal, Denham Town High	2
St. Andrew		Ms. Tamashella Smith Principal, Rosseau Primary	1
Clarendon		Mr. Gregory King Education Officer, St. Elizabeth	1
Hanover		Ms. Nadienne Crossman, Principal, Mt. Peto Primary	1
Westmoreland		Mr. Norman Allen Regional Officer, Western Region, Jamaica Teachers Association	1
Manchester		Ms. Kaydian Scott Senior Teacher, Belair High	1
St. Catherine	Mr. Robert Anderson Bursar, Tacius Golding High School	Mr. Robert Anderson Bursar, Tacius Golding High	3
St. Elizabeth	Dr. Lola Bennett Senior Lecturer, Church Teachers' College	Camelia Lalor Welsh Teacher, Lacovia High	3
St. James	Mrs. Sheron Matheson Principal Lecturer, Sam Sharpe Teachers' College	Ms. Kayon Whyne Principal, Mt. Alvernia High	3
St. Ann	Mr. Howard Isaacs Principal, Moneague College	Mr. Howard Isaacs Principal, Moneague College	3
Portland	Ms. Claudia McLean Retired Principal, Norwich Primary, Portland	Mr. Mario Samms Principal, Rural Hill Primary	3
Youth Representative	Ms. Shanice Dennis Teacher, Rousseau Primary School	Ms. Shanice Dennis Teacher, Rousseau Primary	1

Members of the Credit Committee

As per article 28, Section 1(i), the following are persons retiring and recommended for nomination to the Credit Committee.

Retiring	Recommended	Term
Ms. Erica Ewbanks, Principal, Garvey Maceo High	Mr. Philmore McCarthy, Principal, Exed Community College	2
Mr. Eaton McNamee, Principal, Broadleaf Primary and Infant	Mr. Eaton McNamee, Principal, Broadleaf Primary and Infant	2
	Mrs. Camille Davis-Williams, Principal, St. Paul's Primary	1
Mr. Winston Smith, Principal, Golden Spring Primary	Mrs. Lou-Ann Bramwell-Shakes, Teacher, Hayes Primary and Junior High	2
	Mr. Colin Spence, Principal, Mount Moreland Primary and Junior High	1

Members of the Supervisory Committee

As per article 29, Section 1(i), the following are persons who served the Supervisory Committee and those recommended to the Committee.

Retiring	Recommended	Term
Ms. Sandra Hunter, Lecturer, GC Foster College for Physical Education and Sport	Ms. Sandra Hunter, Lecturer, GC Foster College for Physical Education and Sport	1
Mr. Philmore McCarthy, Principal, Exed Community College	Ms. Erica Ewbanks, Principal, Garvey Maceo High	1
Mr. Rohan Johnson, Senior Teacher, Denham Town High	Mr. Rohan Johnson, Senior Teacher, Denham Town High	1
Mrs. Lou-Ann Bramwell-Shakes, Teacher, Hayes Primary and Junior High	Ms. Kara Polson, Norwich Primary	1
Mr. Leao Nash, Administrative Officer, Communication and Public Relations, JTA	Dr. Kasia Archer- Howell, Education Officer, Early Childhood Commission	1

Norman Allen
Chairperson
Nomination Committee

NOMINEE PROFILE 2025

Reverend Mario E. Samms is a dedicated and passionate educator, counsellor, Anglican minister, and community leader who has served with distinction in the field of education and public service for over a decade.

Currently serving as Principal of Rural Hill Primary and Infant School in the parish of Portland, Rev. Samms is known for his commitment to transformational leadership, holistic child development, and meaningful community engagement. His leadership is grounded in compassion, structure, and a deep sense of vocation.

Commissioned as a Justice of the Peace in 2016, Rev. Samms is respected for his integrity, mediation skills, and strong advocacy for justice and civic responsibility. He holds a Bachelor of Science Degree in Guidance and Counselling from The Mico University College, where he also completed training in Mentoring and Teacher Induction.

His professional journey includes impactful leadership as Interim Principal at Juan De Bolas Primary School, Senior Guidance Counsellor and Contact Teacher at Lyssons Primary School, and contributions to several other educational institutions across Jamaica.

Ordained to the Diaconate in the Supplementary Ministry of the Anglican Church on June 29, 2024, Rev. Samms currently serves across multiple

He has been honoured with awards such as the Governor General's Youth Award for Leadership (2018) and The Mico University College 185th Commemorative Award (2020).

With additional training in mediation and public service through the Ministry of Justice, Reverend Samms continues to lead a life dedicated to service, empowerment, and faith- uplifting lives through education, ministry, and civic engagement.

congregations: *Morant Bay Parish Church, St. David's Anglican Church, Yallahs Kingston Parish Church (Downtown Kingston), and The Church of the Good Shepherd (Constant Spring)*. His ministry emphasizes pastoral care, worship leadership, social outreach, and spiritual formation.

Rev. Samms has also served in numerous voluntary and leadership capacities, including

- ❖ *Former Three-Time President of the Lions Club of St. Thomas,*
- ❖ *current Chairman of the Woburn Lawn Primary and Infant School Board, and*
- ❖ *current board member of both the St. Thomas Parish Library and the St. Thomas Poor Relief Committee.*
- ❖ *He is also a former National Executive Member of the Jamaica Association of Guidance Counsellors in Education.*



Reverend Mario E. Samms, JP, BSc

*Principal – Rural Hill Primary and Infant School
Justice of the Peace – Island of Jamaica
Anglican Deacon – Supplementary Ministry*

NOMINEE PROFILE 2025

Camelia Lalor-Welsh is a dedicated educator with 17 years of experience teaching English Language and Literature. She is currently employed at Lacovia High School, where she actively contributes to school life through her service on several committees.

Camelia holds a Bachelor's degree in English and is guided by the philosophy that in education lies the power to transform lives and empower individuals to reach their full potential. Residing in Balaclava, St. Elizabeth, Camelia is married and the proud mother of two grown children.



Camelia Lalor-Welsh
Teacher of English Language and Literature

NOMINEE PROFILE 2025

Kayon Whyne is a dedicated Jamaican educator and social worker with over 20 years of experience in Jamaica and the UK. Born in Kingston and raised in Portmore, she graduated from St. Catherine High School and Mico Teachers College, later earning degrees from London Metropolitan University and St. Mary's University in Minnesota. Driven by her faith and a commitment to youth, Kayon has worked in education, social work, and care services, returning to Jamaica over a decade ago to teach and serve as a guidance counsellor. A devout Roman Catholic, wife, and mother, she is also a mentor to many and has been the Principal of Mt Alvernia High School since 2021, known for her compassion and dedication.

Kayon Whyne
Principal - Mt Alvernia High School



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Shamora Adman, Shauna McLead,
Kerrion Jackson-Cousins (Supervisor),
Sasha-Gay Dean.



CEO's Office

Jade Cespedes, Wilton South



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Shania Vickers, Shanna Tyrell,
Edward Welsh, Renae Morrison



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Brittany Knot, Annette Adair,
Povell Coubrrie, Keana Samuels,
Brian Murray



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H.R.:

Edward Welsh, Chamalie Bahadur

Operations:

John Emery, Shantel Henry,
Kebra Gayle, Edward Welsh



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Roger Watson (Chief Information
Technology Officer) &
Rashida Nelson



Managers

Hibbert Anderson,
Roger Watson, Judith Wilson,
Wilton South



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Divontte Dennis, Necola Wilson
(Marketing and Communications
Supervisor), Tabrina Creary, Derron
Brown



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Kerry Ann Gayle-Bird,
Brianna Adamson, Marquez Cole, Gregrian
Sutherland, Leon Barnaby, Britnie
Tulloch, Felica Dawkins,
Curtis Grindley (*Branch Supervisor*)



Member Service (Montego Bay)

Annmarie Hastings, Ariel Simon,
Olive Garell, Kareen Robinson-Linton,
Kajha Cunningham, Nelly Gooden,
Mark Bowen (Branch Supervisor)



Member Service (Ocho Rios)

Micheal Greyson,
Moya-Lee Dickenson-Harvey,
Allison White, Paulette Cooper,
Orville Bailey, Judith Cooper (Branch
Supervisor), Richard Mollison missing



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Novelette Campbell-Myton,
Shannon Brown, Dahlia Reid-Johnson,
Kimberly Bryce, Donnaley Drummonds-
Mills, Tashema Drummond,
Hibbert Anderson



Member Service

Jordon Bell, Necola Wilson,
Abigal Symister, Ingrid Murdock,
Sanique Richards, Yanique Mclean



Records Management

Edward Welsh,
Derisa Robinson, Jamar Williams,
Loy Grant

OBITUARIES 2024

ST. ANDREW

Clifton All-age Marjorie Wallen

ST. MARY

Retreat Primary Junior High Sonia Robinson-Benjamin
St. Mary Technical High Donald Howell
Jennifer Howell

KINGSTON

Georges Plain Primary Paul Samuels
Haile Selassie Comprehensive High Glenford Maye
Jacks Hill Primary Donnette Witter
Merl Grove High Ackman Taylor
St. Francis Primary & Infant Pearl Black
Norman Gardon All-age Ismay Henry
Draw Avenue Primary Paul Samuels
Duhaney Park Lloyd Walters

MANCHESTER

Old Harbour Primary Donna Boxx
Woodlawn School Of Special Ed Tyrone Wilburn
Church Teachers College Colinate Archibald-Iemon
Beersheba All-age Kenesha Boreland
Woodlawn School Of Special Ed Yoland Reid
Belair Preparatory Tashina-gay Matthews

ST. THOMAS

Duckenfield Primary Christopher Sinclair

PORTLAND

Buff Bay Comprehensive High Margaret Allen-Edwards
Case Dawnette Johnson

ST. CATHERINE

Old Harbour Primary Morine Allison
Gc Foster College Of Physical Ed Gibbs Williams
Charlemont High Jennifer Gidden
Friendship Primary Rose Brown
Waterford High Kerry-ann Doyle
Naggo Head Infant Michelle Williams-Gordon
Breaton All-age Dawnette Parke
Ascot Comprehensive High Aldith Smith
Ormsby Primary Haidie Salmon-Swaby
Early Childhood Commission Shenalee Cunningham



OBITUARIES 2024 - Continued

ST. ANN

Fort George Primary	Abbigayle Cole
Discovery Bay All-age	Deloris Bramwell-Mcfarlane
St. Anns Bay Primary	Chelsea Thompson-Simpson
Breadnut Hill Primary	Fayrona Freemantle
Pear Tree River Primary And Infant	Remia Gordon
Moneaque Teachers College	Andre Grant
	Keisha Edwards

WESTMORLAND

Little London Secondary	Carol Woolery
Llandilo School Of Education	Carl Honeyghan
Georges Plain Primary	Nakeshia Murdock
Unity Primary	Sherieka Richardson-Golaub

CLARENDON

Scotts Pass Primary & Infant	Audrey Lennard Johnson
Clarendon Parish Library	Glanston Allen
Spalding Primary	Choice Powell
Milk River Primary	Karen Rose
Bustamante High	Lorine Spence-hall
	Nicele Gayle-jones

ST. JAMES

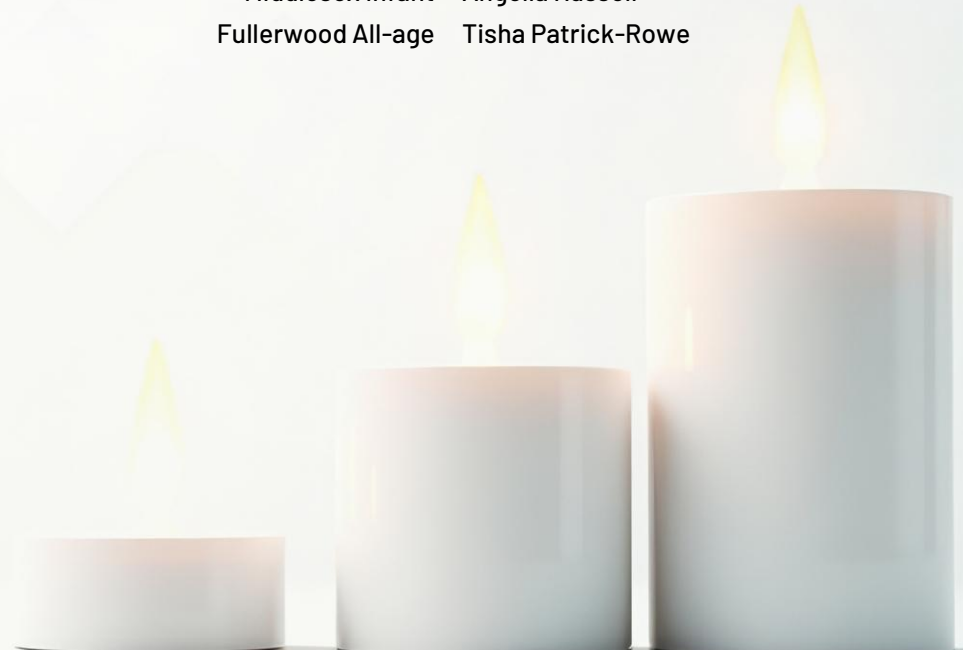
Chatsworth All-age	Vanessa Johnson
St. James High	Angela Findlater
Triumphant Bais	Lois Haughton
Anchovy Comprehensive High	Berrisford Morrison

TRELAWNY

Duncans All-age	Mergiana Kerr
Wakefield Primary	Vinette Walters, Vinette
Lowe River All-age	Sonia Brooks

ST. ELIZABETH

Siloah Primary	Margaret Clarke-Laing
Middlesex Infant	Angella Russell
Fullerwood All-age	Tisha Patrick-Rowe



**Head Office**

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876-877-5268

Montego Bay Branch

The Annex, Shop 27A, Fairview
Montego Bay, St. James
876-382-7289

Ocho Rios Branch

Shop 8, Ocho Rios Commercial Center
Ocean Village Shopping Center
Main Street, Ocho Rios, St. Ann
876-877-5267



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