



GATEWAY CO-OPERATIVE
CREDIT UNION (2017) LTD.



6TH ANNUAL GENERAL MEETING

ANNUAL
REPORT
2022

Our Members...
Our Family

Member Empowerment...
Concern For Community

VISION

To be the premier financial institution, by empowering our members for success through innovative products and services.



MISSION

To empower our members by providing excellent service and sound financial guidance to create partnerships that will result in prudent, progressive and competitive business decisions, yielding mutual success.





We are open, honest,
and accountable to our
stakeholders



We are
committed to
service excellence



We can be relied on for
our financial stability
and security



GO VAL



Team members are
committed to the
organization's success
and sustainability



We actively engage
in community
development





We foster a friendly and professional environment in which to conduct business

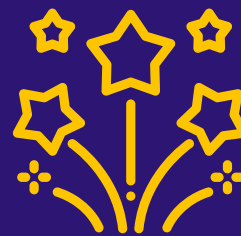


We see our members as family

RE VES



We reward performance



We celebrate success

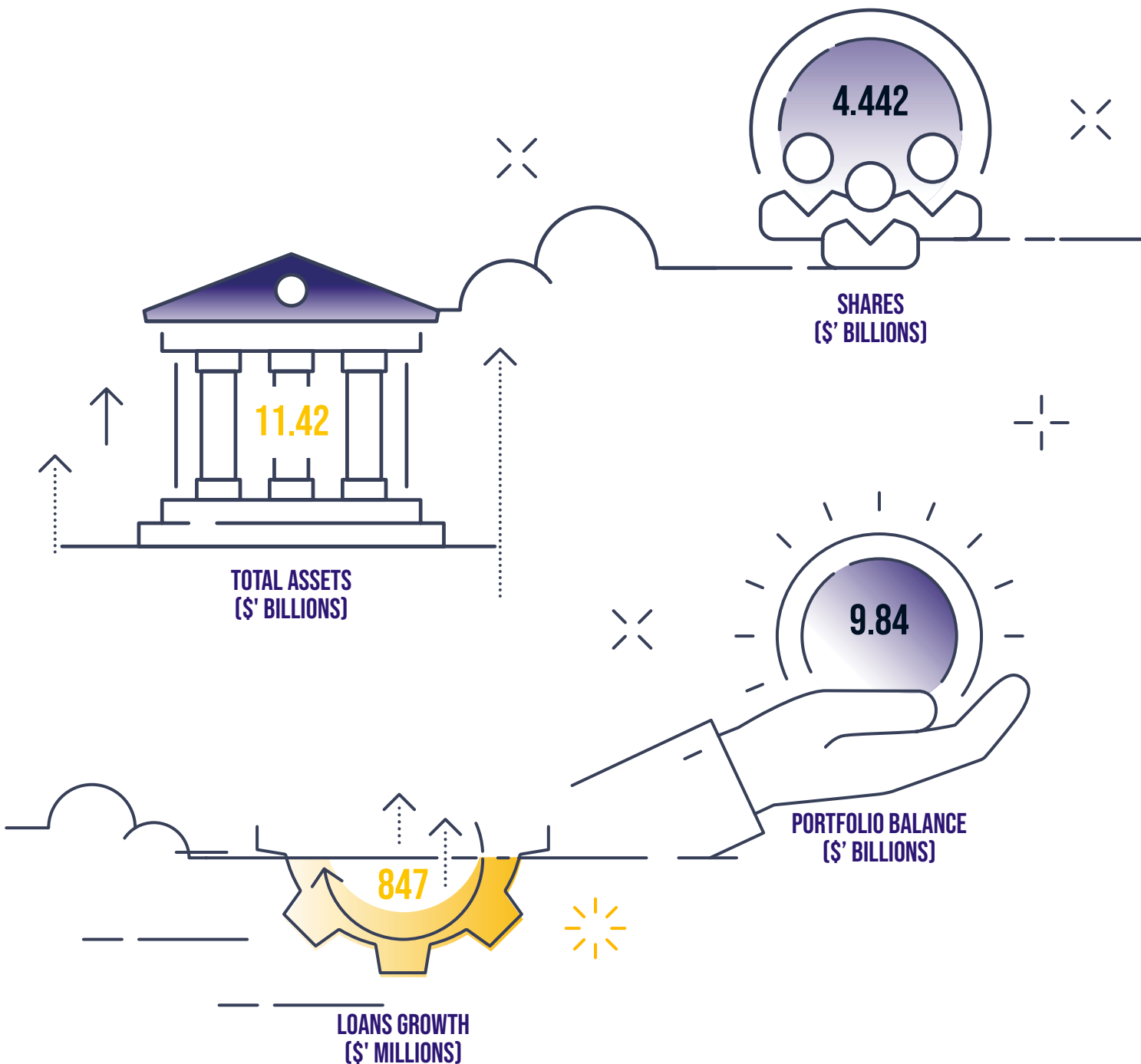


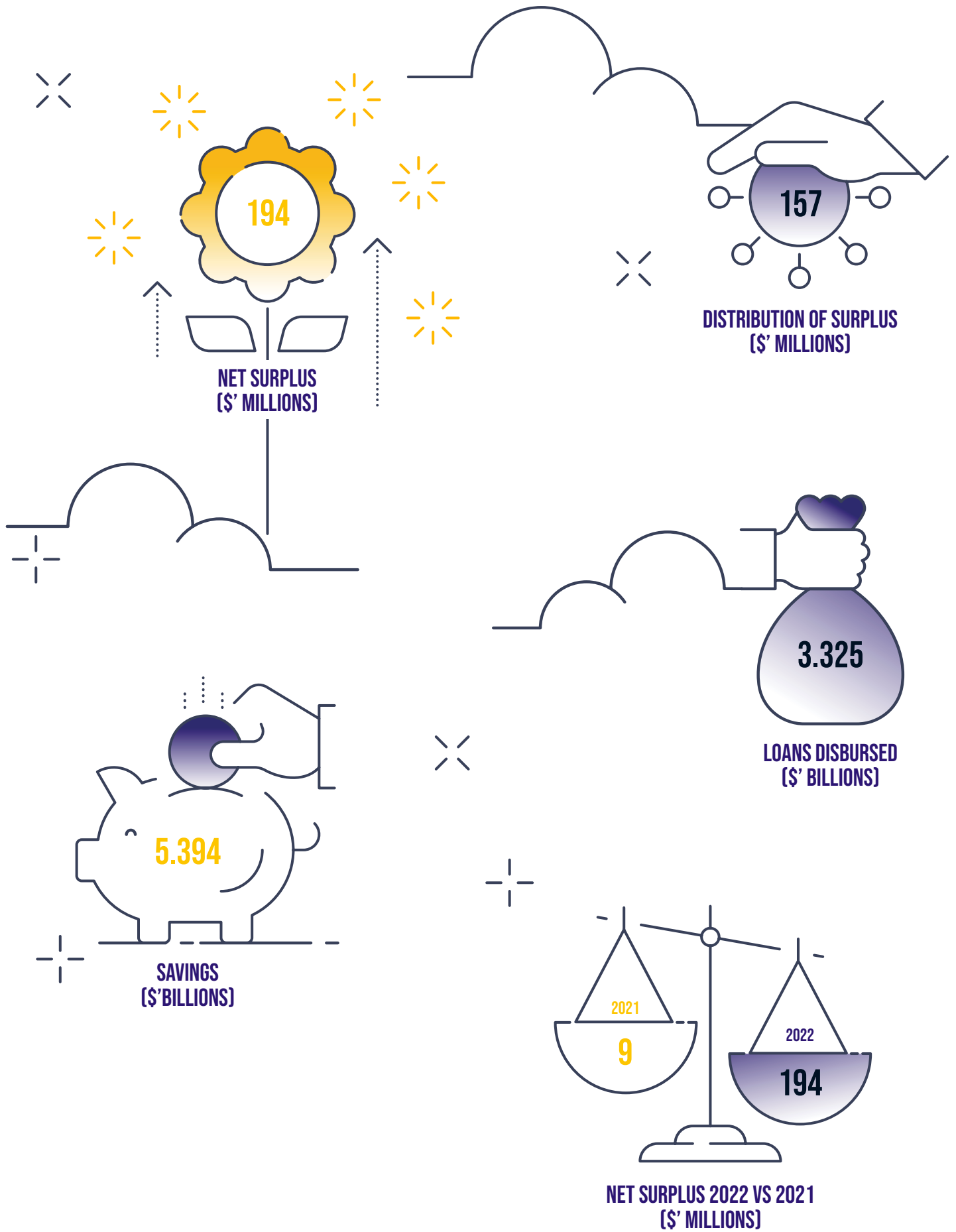
We are committed to the social and economic development of our members.



Team members' well-being is highly valued.

PERFORMANCE HIGHLIGHTS







Everything Gateway does is to strengthen and empower the people and the communities in which we serve.

**-Rev. Glenroy Clarke JP
(President)**





Gateway demonstrated unwavering stability during 2022. It was a successful year for Gateway despite global economic challenges and continuing effects from the pandemic.

- Mr. Ornell Bedasse (CEO)



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6TH ANNUAL GENERAL MEETING



GATEWAY CO-OPERATIVE
CREDIT UNION (2017) LTD.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the SIXTH (6TH) Annual General Meeting of the Gateway Co-operative Credit Union (2017) Limited will be held at the *Montego Bay Cultural Center, Sam Sharpe Square, Montego Bay, St. James* on *Thursday, July 6, 2023*, commencing at *5:00 p.m.*

Purpose of General Meeting:

1. To adopt the Credit Union's Financial Statements for the year ended December 31, 2022, together with the reports of the Board of Directors, Treasurer, Credit Committee, and Supervisory Committee.
2. To elect Volunteers to the Board of Directors, Credit, and Supervisory Committees.
3. To consider any other business which may properly be transacted at an Annual General Meeting.

This Annual General Meeting will be held strictly **face-to-face**.

The Annual Report is available on our website (www.gatewayja.com).

For more information on attendance and transportation to the event, you may email us at info@gatewayja.com or call our AGM line at 876-833-0639

Rodcliffe Robertson
Board Secretary

Dated: May 16th 2023

PLEASE NOTE:

- Registration begins at 3:30 pm.
- Limited AGM booklets will be printed and issued at the meeting.
- Refreshment will be served.
- Shuttle service will be available at the Lucea branch parking lot at 2:30 pm
- All branches will be closed at 12p.m. on Thursday, July 6, 2023.
- Parking will be provided at the St. James Parish Church (across from our Head Office at 20 Church Street, Montego Bay St. James) between the hours of 4:00 p.m. and 9:00 p.m.

ANNUAL GENERAL MEETING

JULY 6, 2023



GATEWAY CO-OPERATIVE
CREDIT UNION (2017) LTD.

AGENDA

1. Procession of Volunteers
2. Ascertainment of a Quorum
 - DCFS Representative
3. Call to Order
 - President/Chairman
4. Prayer & Prayer of St. Francis of Assisi
 - Rev. Cleveland Parker, Asst. Sec.
5. Obituaries
 - Rev. Cleveland Parker, Asst. Sec.
6. Notice of the Annual General Meeting
 - Rodcliffe Robertson, Secretary
7. Welcome, Acknowledgements & Apologies
 - Rodcliffe Robertson, Secretary
8. Chairman's Opening Remarks
 - Rev. Glenroy Clarke, President
9. Minutes of the 5th Annual General meeting held August 15, 2022
 - 9.1. Motion to take as read
 - Rodcliffe Robertson, Secretary
 - 9.2. Corrections & Confirmation
 - 9.3. Matters Arising
10. Annual Reports:
 - 10.1. Board of Directors'
 - Rev. Glenroy Clarke, President
 - 10.2. Treasurer's /Financial Reports
 - Dir. Vincent Rose, Treasurer
 - 10.3. Credit Committee's
 - Mr. Peter Reid, Chairman
 - 10.4. Supervisory Committee's
 - Mrs. S. Campbell Brown, Chairman
11. Treasurer's Resolutions:
 - 11.1. Distribution of Surplus
 - Dir. Vincent Rose, Treasurer
 - 11.2. Fixing of Maximum Liability
 - 11.3. Changing of Auditors
12. Nomination and Election of Volunteers
 - 12.1. Nomination Committee Report
 - Rev. Cleveland Parker, Chairman
 - 12.2. Elections
 - DCFS Representative(s)
 - 12.3. Presentation of Elected Volunteers

DCFS Representative
13. Any Other Business
 - Chairman
14. Termination of meeting
 - Chairman

MEETING MINUTES

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED.

5TH ANNUAL GENERAL MEETING

HELD ON THURSDAY, AUGUST 11, 2022
AT THE WEST JAMAICA CONFERENCE CENTRE,
MT. SALEM, MONTEGO BAY, ST. JAMES

1

ASCERTAINMENT OF QUORUM

The President informed the meeting that the required quorum for the Annual General Meeting was One Hundred (100) registered members. The representative from the Department of Co-operatives & Friendly Societies was thanked for confirming that a quorum had been attained.

2

READING OF NOTICE OF MEETING

The Secretary, Mr. Rodcliffe Robertson, read the notice of the meeting, which was called for the following purposes:

- i. To adopt the Credit Union's Financial Statements for the year ended December 31, 2021, together with the Board of Directors, Treasurer, Credit Committee, and Supervisory Committee reports.
- ii. To elect volunteers to the Board of Directors, Credit, and Supervisory Committees.
- iii. To consider any other business which may properly be transacted at an Annual General Meeting.

The National Anthem was sung.

3

CALL TO ORDER

The President, Rev. Glenroy Clarke called the fifth (5th) Annual General Meeting of the Gateway Co-operative Credit Union (2017) Limited to order at 4:00 p.m.

4

PRAYER (St. Francis of Assisi)

Mr. Cleveland Parker invited the members to join him in repeating the Prayer of Saint Francis of Assisi.

Members were asked to stand as a minute of silence was observed for all members who departed during 2021 as outlined in the AGM Booklet.

5

PRAYER (St. Francis of Assisi)

The Secretary extended a warm welcome to:

- All members of Gateway in-house and online.
- Mr. Courtney Shaw and Miss Celloney Bailey, representatives from the Registrar of Co-operative and Friendly Societies.
- Mrs. Phueona Reynolds, representative from the Jamaica Co-operative Credit Union League (JCCUL).
- Mr. Lambert Johnson, President of JCCUL
- Mr. Ian McNaughton, President, Cumax Wealth Management Ltd.
- Representatives from Quality Network Co-operative Ltd. (QNET) and Jamaica Co-operatives Insurance Agency (JCIA).
- Mrs. Georgia Morrison from CUNA Caribbean.
- Representatives from other credit unions.
- Hardworking Gateway members of staff (Falmouth, Fairview, Lucea, and Church Street).

The Secretary indicated that Dr. the Hon. Norman

Dunn, Minister of State in the Ministry of Industry, Investment and Commerce and Dr. Dawkins Brown from Crowe Horwath would be joining the meeting.

Mr. Bryce Grant, Vice President introduced the volunteers who served in 2021.

- **Credit Committee:** Errol Chattoo, Vivienne Frankson, Earl Green (Absent), Andrenne Williams (Secretary), Peter Reid (Chairman).
- **Supervisory Committee:** Shamar Campbell Brown, Donovan Goodley (Absent), Angella Morris, Ronald Vernon, Ann Moseley (Secretary), Autherine Duhaney-Archer (Vice Chairman), and Charlene Soares (absent).
- **Board of Directors:** Tova Malka Trench-Anderson, Synandre Montaque-Dwyer (late), Cleveland Parker, Assistant Secretary, Vincent Rose (Assistant Treasurer), Lambert Johnson (Immediate Past President and President of the League), Rodcliffe Robertson (Secretary), Alfred Graham (Treasurer), Bryce Grant (Vice President), and Rev. Glenroy Clarke (President).

Apologies

Apologies for absence were tendered on behalf of: Leonard Allen, Chief Executive Officer of Technosoft Ltd., and volunteers: Earl Green, Donovan Goodley and Charlene Soares.

Apologies for lateness were tendered on behalf of the following volunteers: Mr. Ronald Vernon, Ms. Ann Marie Moseley, and Mrs. Synandre Montaque-Dwyer.

Acceptance of the Booklet

There being no corrections identified in the booklet a motion to accept it as the official document for the Annual General Meeting was moved by Mr. Clifton Freeburn, seconded by Mrs. Autherine Duhaney-Archer. All were in favour.

6

CHAIRMAN'S OPENING REMARKS

The President stated that as he reflected on the Year 2021 he thought of a Greek mythology who spoke about King Sisyphus which served as a reminder that hard work alone does not guarantee success; like Sisyphus the work of a credit union was never done. He said the year under review seemingly had a big boulder called COVID-19 (challenges

of unemployment, interest rate, and all the other issues that the credit union faced). The President stated that the credit union navigated the path and overcame, as such the AGM would be used to give an account of our stewardship to the members; to celebrate; to reflect; and to recharge.

The President highlighted one of the credit union's core values: "we celebrate success". The acknowledgement of some outstanding long-serving members (some of whom had served as volunteers) who allowed the credit union to be their preferred financial choice is in order. Among those members were: Mr. Desmond Chai (49 years), Mr. Rupert Senior (48 years), Ms. Stephanie Reid (45 years), Mr. Basil McFarlane (44 years), Mr. Linford Myers (38 years).

Mrs. Elizabeth Crooks-Brissett, a long-serving member (30 years), was specially recognized as she celebrated her birthday. The members joined in singing the birthday song.

The credit union's current position, the President asserted, had been made possible by people, like Sisyphus, who made the uphill work not just a physical or intellectual reality but also achievable through the use of various techniques. The President bestows honour on Gateway's diligent, strategic and hardworking CEO, Mr. Ornell Bedasse, as well as his team.

The President stated that the credit union was happy that the members made Gateway their financial institution of choice. He once again welcomed the members to the AGM.

7

MINUTES OF THE 4TH ANNUAL GENERAL MEETING

The Secretary, Mr. Rodcliffe Robertson presented the Minutes of the AGM held on July 15, 2021, as outlined on Pages 3 – 15 of the AGM Booklet.

a. Taken as Read

The Minutes of the 4th Annual General Meeting was taken as read on a motion moved by Mrs. Tasheeka Watson, seconded by Mr. Clifton Freeburn. All were in favour.

b. Corrections

Page 3 Miss Jenii Dunn's name was spelt incorrectly.

Page 7 Approval of Changed Resolution Adjustment to the second sentence should reflect “There were 104 members available to vote and 78 voted in favour of the motion.”

Page 13 The name Lorraine Scringer should be deleted from the list of Supervisory Committee nominees.

“Mrs. Montaque-Dwyer” presented the Nominees to the AGM and should be replaced with “Mr. Bryce Grant”.

c. Confirmation

The minutes were confirmed on a motion moved by Ms. Novia Parkinson, seconded by Ms. Andreene Williams. All were in favour.

d. Matters Arising

The Secretary informed the meeting that matters arising from the minutes would be addressed in the reports to be presented.

Change to Agenda

A motion to incorporate the Minutes of the Special General Meeting held Thursday, August 15, 2021, to the Agenda was moved by Mr. Gerard Shaw, seconded by Ms. Simone Mills.

MINUTES OF THE SPECIAL GENERAL MEETING

Taken as read

The minutes of the Special General Meeting was taken as read on a motion moved by Mr. Gerard Shaw, seconded by Mrs. Vivienne Frankson.

Corrections

Page 2 Line 8: The word “members’ should be changed to “officers”

The name Lorraine Scringer should be deleted from the list of Supervisory Committee nominees.

Confirmation

The minutes were confirmed on a motion moved by Mrs. Nicole Haughton-Johnson, seconded by Mr. Gerard Shaw. All were in favour.

8

REPORTS

a. Board of Directors

The President, Rev. Glenroy Clarke, presented the Board of Directors’ Report.

The President began his report by thanking God, the volunteers and all stakeholders who allowed the member-owned cooperative to be what it was. He indicated that his report would be tabled under the following headings: We are Growing, We are Governing, and We are Glowing.

The President noted that Gateway Co-operative Credit Union (2017) Ltd. has been a merged entity for five (5) years as of 2022.

We are Growing

- In 2021, the credit union accepted 3,841 new members. The mantra “members serving members with excellence” was established. To date, the credit union has a total membership of 72,221.
- Despite the COVID-19 reality (write-off and provisioning), the credit union generated the best-ever surplus of \$223M.
- During COVID-19, while everyone was holding back, Gateway opened a branch in Falmouth in February 2021. The President informed the meeting that the credit union would be moving to Champion Plaza on Market Street, Falmouth in February 2023.
- All the Branches were new and improved.
- The credit union has \$10B in assets. The President emphasized that the credit union has a large amount of money to lend.
- Gateway was the 6th largest credit union in Jamaica. Based on Gateway’s expansion, the President predicted that it would take the top spot soon.

We are Governing

- The President informed the meeting that all Directors attended all the scheduled meetings in 2021. He expressed that the Directors gave of themselves to the movement.

- The President commended the Risk and Legal Manager and ERM teams for their efforts in getting Gateway ready to apply to the BOJ for a license to operate when those regulations come into force.
- Over the course of the year under consideration, the Board approved five key policies. The President indicated that the credit union continued to maintain a Board of Directors with the requisite skill sets to keep the credit union relevant.

We are Glowing

Gateway continued to engage in community activities.

- Notwithstanding the effects of COVID-19, Gateway awarded approximately \$2M in scholarships to members' children.
- During Credit Union Week, the credit union undertook a Bus Stop project valued at \$900,000.00 in Martha Brae, Trelawny.
- Gateway was big on education and as such funded 100% of the requests for sponsorship made by schools.
- Approximately 90% of all other requests made were honoured.
- The credit union had ongoing training and development for its members of staff. The President advised the meeting that the credit union maintained a full staff complement during the COVID-19 pandemic. The members applauded.
- Numerous employee wellness initiatives (capacity building, education grants) were undertaken.

Five (5) Year Achievement

The President indicated that Gateway continued to grow; he drew the attention of the members to the screen where he shared the growth path.

Growth comparison 2017 vs. 2021

	2017	2021	Percentage Growth
Assets	\$6.1B	\$10B	64%
Loans	\$3.2B	\$6.7B	109%
Savings	\$4.9B	\$8.6B	76%

In five (5) years, Gateway:

- established two (2) new branches (Fairview and Falmouth). He stated that efforts were being made to establish a branch in Santa Cruz in 2023.
- purchased and commissioned new software to meet the members' needs.
- refurbished the existing branches and head office.
- purchased the adjoining property at 20 Church Street to provide the members with parking and other amenities.

The President informed the meeting that Gateway had a bright future because it has a brilliant and committed team; and its volunteers were visionaries, hardworking and equally committed to the task.

Conclusion

The President stated that he started with a vote of thanks and he would end with a note of thanks: to God the Father who led the credit union through the tumultuous waters; to the Board of Directors, Credit and Supervisory Committees, the Management and Staff at all levels, the unwavering support of the members who made Gateway their preferred financial service provider.

As we move forward as a team, may the credit union's 10th anniversary accomplishments quadruple its 5th. The President proclaimed that Gateway was soaring, reaching new heights, and identifying more opportunities. He added that the journey ahead would be filled with detours and challenges, and like Sisyphus pushing the boulder over the hill, the credit union would be challenged by the realities of its time. Nevertheless, it ought not be discouraged by them as it navigated the path ahead to become the top credit union in the League to be admired and emulated.

The President indicated that for further information the Board of Directors' Report can be read in the AGM Booklet on Pages 17 – 22.

Questions/Comments

Mr. Clifton Freeburn commended the Board of Directors, Supervisory and Credit Committees and the Management and Staff on their management of the credit union's affairs and the successes achieved. He invited the members to give a round of applause to the teams.

Mr. Freeburn questioned the justification for opening an office in Falmouth and the idea of opening a branch in St. Elizabeth. The President outlined how the merger expanded Gateway's bond enabling it to have branches throughout the County of Cornwall. The President stated that the credit union had to take the services to its members no matter where they were. The expansion of Falmouth and St. Elizabeth during the last 30 years was emphasised. Falmouth especially has a number of new housing developments and hotels coming on stream and members of Gateway and prospective members were relocating there.

The President informed the meeting that the Falmouth Office has been performing well.

Adoption of the Board of Directors' Report

The Board of Directors' Report was adopted on a motion moved by Mr. Peter Reid, seconded by Mrs. Rhamona Samuels. All were in favour.

SUSPENSION OF THE STANDING ORDERS

A motion for the suspension of the standing orders to facilitate the presentation of the reports from the Nomination, Credit, and Supervisory Committee respectively was moved by Ms. Simone Mills, seconded by Ms. Novia Parkinson. All were in favour.

NOMINATION COMMITTEE

The Nomination Committee's Report was presented by the Chairperson, Mr. Lambert Johnson. Mr. Johnson pointed out that the Nominating Committee was appointed by the Board of Directors of Gateway Co-operative Credit Union (2017) Ltd.

Mr. Johnson extended thanks to the other members of the committee: Mrs. Lorna Rampasard, Miss Novia Parkinson and Mrs. Jaqueline Taylor (who provided administrative support). Mr. Johnson highlighted the function of the committee.

The committee had several meetings to discuss and peruse the fifteen (15) petitions received to fill the following vacancies: three (3) for the Board and Credit Committee respectively, and seven (7) for the Supervisory Committee. The criteria used for the selections included experience, service at the corporate level, skill sets, other civic or community involvement and the availability of the member to serve.

The below table outlines the committee's recommended nominees and the distribution of term limits:

Names	Recommended Terms (Years)
Board of Directors	
Vincent Rose	3
Keitha Mendez	3
Synandre Montaque-Dwyer	3
Supervisory Committee	
Clover Heron	1
Davatte Smith	1
Atherine Duhaney-Archer	1
Ronald Vernon	1
Ann Marie Moseley	1
Shamar Campbell-Brown	1
Credit Committee	
Peter Reid	2
Angella Morris	2
Vivienne Frankson	2

Mr. Johnson turned over the election process to Miss Celloney Bailey and Mr. Courtney Shaw representatives from the Department of Co-operatives and Friendly Societies.

Miss Bailey asked that a motion be moved to accept the Nominating Committee Report. The motion was moved by Miss Tamar Nelson, seconded by Mr. Basil McFarlane. All were in favour.

Ms. Bailey invited the nominees to stand. She pointed out that in keeping with Rule #60 of the credit union it was the members' duty to accept the nominees by general consent. The nominees were accepted as follows:

- **Board Nominees** were accepted on a motion moved by Ms. Cordelia Brown, seconded by Mr. Gerard Shaw. All were in favour.
- **Credit Committee** nominees were accepted on a motion moved by Mr. Paul Mullings, seconded by Mr. Leroy Taylor. All were in favour.
- **Supervisory Committee**

A motion for the acceptance of the Nominating Committee's recommendation that a seventh member be co-opted by the members of the Supervisory Committee at their first meeting was moved by Ms. Cordelia Brown, seconded by Mr. Clifton Freeburn. There were 102 members present – 71 of whom voted for the motion. None of the remaining members indicated that they were against or abstaining from the motion.

The six (6) nominees were accepted on a motion moved by Mr. Peter Reid, seconded by Mrs. Nicole Haughton Johnson. All were in favour.

Ms. Bailey advised the volunteers that a meeting should be held within 10 days to appoint their respective officers. After which, the names, addresses and other contact information should be submitted to the Department of Co-operatives and Friendly Societies and the Jamaica Co-operative Credit Union League Ltd. as well as all the other relevant stakeholders.

Mr. Johnson asked the members to join him in acknowledging the volunteers, who worked during 2021, with a round of applause.

CREDIT COMMITTEE

The Credit Committee's Report was presented by the Chairman, Mr. Peter Reid. Mr. Reid informed the meeting of the role of the Credit Committee. He highlighted the following:

- Loan disbursement was at its lowest in February 2021 and highest in July.
- Motor vehicle loans continued to dominate the loan portfolio. Mortgage loans accounted for the largest overall increase in 2021.

Mr. Reid thanked the Credit Manager, Mr. Donovan Reid; Credit Supervisors and the entire credit team for doing an excellent job. He also thanked the committee's members for their hard work during the year being reviewed. Mr. Greene, a volunteer, was commended for his dedication and contribution to the Credit Committee and by extension the credit union.

Mr. Reid pointed out that the Credit Committee's detailed report was on Page 37 – 41 of the AGM Booklet.

Taken as read

The Credit Committee's Report was taken as read on a motion moved by Mrs. Shamar Campbell-Brown, seconded by Mr. Ruel Chambers. All were in favour.

There were no questions or comments.

Acceptance of the Credit Committee's Report

The Credit Committee's Report was adopted on a motion moved by Ms. Angella Mowatt, seconded by Mr. Ronald Vernon. All were in favour.

SUPERVISORY COMMITTEE

The Supervisory Committee's Report was presented by the Vice Chairman, Mrs. Atherine Duhaney-Archer.

Mrs. Duhaney-Archer apologized for the unavoidable absence of the Chairman, Ms Charlene Soares. She deemed it an extreme privilege to present the report on her behalf.

2021 was characterized by the continuous challenges posed by the COVID-19 pandemic. Despite the challenges, the Supervisory Committee was able to fulfil its mandate. The Supervisory Committee provided support to the Board of Directors and Management Staff by ensuring that the internal operations, control and policies were in place to ensure the efficient and effective operation of Gateway. Activities carried out during the period included: Audits (Bank Reconciliation, Payroll, Cash Counts, Loans), Training of Members of the Committee, and Compliance with POCA Requirements. The findings from the audits were mostly satisfactory.

Mrs. Duhaney-Archer thanked the members for the confidence reposed in the Supervisory Committee. She also thanked the hard-working members of the Supervisory Committee and acknowledged the hardworking, dedicated and committed Audit Team. The team at the Centralized Strategic Services, especially Mr. Owen Lawrence.

Mrs. Duhaney-Archer indicated that the Supervisory Committee's detailed report was on Pages 42 – 43 of the AGM Booklet.

There were no questions and/or comments.

Acceptance of the Supervisory Committee's Report

The Supervisory Committee's Report was adopted on a motion moved by Mr. Gerard Shaw, seconded by Mr. Aubry Thomas. All were in favour.

The President acknowledged the presence of Dr. Dawkins Brown of Crowe Horwath.

RESUMPTION OF STANDING ORDER

A motion for the resumption of the standing order was moved by Ms. Simone Mills, seconded by Mr. Basil McFarlane.

b. Treasurer's/Financial Reports

The Treasurer, Mr. Alfred Graham presented the Treasurer's/Financial Reports. The Treasurer greeted the members and said he deemed it a pleasure to present the 2021 Financial Report.

Mr. Graham invited Dr. Dawkins Brown of Crowe Horwath to present the Auditor's Report.

Dr. Dawkins Brown informed the meeting that he would be presenting the report as at December 31, 2021. In giving the Auditor's opinion he stated that the financial statements for 2021 and of its financial performance and cash flow for the year in review were in accordance with the International Financial Reporting Standards (IFRSs).

Dr. Brown also indicated that the auditing firm had obtained all the information and explanations, which to the best of their knowledge and belief, were necessary for the purposes of the audit. It was their belief that proper accounting records were maintained and the financial statements captured the information required by the Co-operatives Societies Act.

The Treasurer thanked Dr. Brown for his presentation.

- The Treasurer indicated that in the interest of time, he would be presenting information on the performance of the key financial indicators:
- All the key financial goals for 2021 were surpassed.
- The Loans Portfolio increased by \$574M or 9.4%.
- Total Assets reached the milestone of \$10B, an increase of \$1.06B or 12%. Gateway was the 6th largest credit union in the movement and was working towards becoming number one.
- Shares and Savings increased by \$1.16B to end with a portfolio balance of \$8.647B
- The credit union has a strong liquidity and capital base.
- Despite all the challenges, a net surplus of \$9M was realized after provisioning of approximately \$294M was made.
- A single-digit delinquency ratio of 9.28%. The Treasurer informed the meeting that the ratio's standard was 5%, but was negatively impacted by COVID-19. Efforts were being made to bring the ratio within the required standard.

The Treasurer indicated that the detailed Treasurer's Report, Auditor's Statement and Financial Statements were included in the AGM Booklet.

There were no questions or comments.

The Treasurer acknowledged and commended the hardworking Finance Manager and her team. He thanked the stakeholders, faithful members, hardworking Management and Staff, Auditors, Registrar – Department of Co-operative and Friendly Societies, JCIA, CMFG Insurance Company, and the League for their support.

Acceptance of the Treasurer's/Financial Report and the Auditor's Report

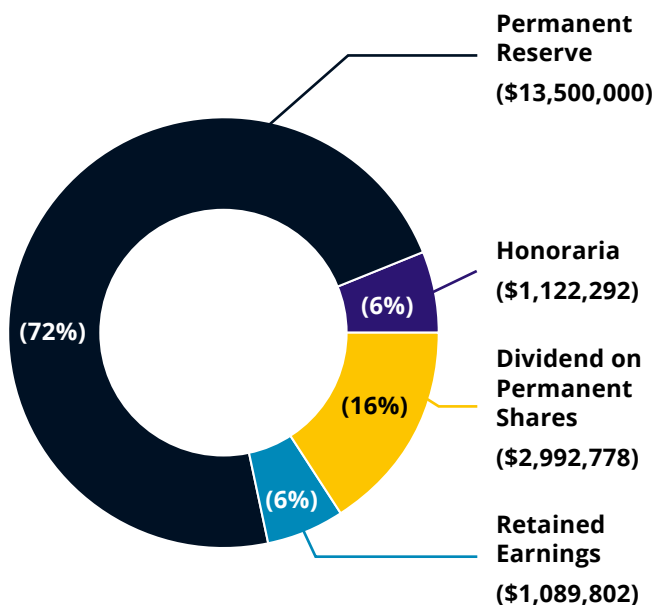
The Treasurer/Financial Report was adopted on a motion moved by Ms. Novia Parkinson, seconded by Ms. Andreene Williams. All were in favour.

The Treasurer sought approval from the Chair to continue with the other financial-related matters on the Agenda.

PROPOSAL FOR THE DISTRIBUTION OF SURPLUS

Mr. Graham presented the proposal for the distribution of surplus as follows:

Available for Distribution	\$18,704,872.00
Dividend on Permanent Shares (16%)	(\$2,992,778.00)
Honoraria (6%)	(\$1,122,292.00)
Permanent Reserve	(\$13,500,000.00)
Retained Earnings	(\$1,089,802.00)
Total Distribution	\$18,704,872.00



Acceptance of the Proposal for the Distribution of Surplus

The Treasurer moved the resolution on behalf of the Board; it was seconded by Mr. Gerard Shaw. All were in favour.

PROPOSAL FOR THE FIXING OF MAXIMUM LIABILITY

In keeping with Rule 70, it was proposed that the maximum liability shall not exceed sixteen (16) times the Society's Permanent Capital.

Acceptance for the Proposal for the Fixing of Maximum Liability

The proposal was moved by the Treasurer on behalf of the Board, seconded by Ms. Cordelia Brown. All were in favour.

The President acknowledged the presence of Dr. the Hon. Norman Dunn, Minister of State in the Ministry of Industry, Investment and Commerce.

9

ANY OTHER BUSINESS

Greetings

Mr. Ian McNaughton, President of Cumax brought greetings to the meeting. He advised the meeting that Cumax was responsible for providing investment services in Jamaica to the credit union movement. He implored members, with an appetite for investments internationally, to open an account with Cumax as it was the only broker in Jamaica that offered that service.

Ms. Georgia Morrison brought greetings from CUNA. She congratulated Gateway on its performance during COVID-19. She advised the meeting that CUNA's flagship product was the Family Indemnity Plan (FIP). She stated that, after listening to the members, CUNA had made an application to the Financial Services Commission for plans with larger pay-outs. A response was being awaited from the Regulator. The members were encouraged to keep in contact with their credit union for further information.

10

VOTE OF THANKS

The President thanked the members for attending the 5th Annual General Meeting of the Gateway Co-operative Credit Union (2017) Ltd.

11

ADJOURNMENT

There being no other matter for discussion on the agenda, the meeting was adjourned by the President at 6:08 p.m. The President opened the celebratory segment of the AGM which featured a presentation from Dr. the Hon. Norman Dunn and the acknowledgement of long-serving members of Gateway as well as the social aspect of the AGM.

Glenroy Clarke (Rev.)
PRESIDENT

Rodcliffe Robertson (Mr.)
SECRETARY



**WE ARE INVOLVED IN
THE COMMUNITY...**

REPORTS AND PROPOSALS

BOARD OF DIRECTORS



Rev Glenroy Clarke, JP
President



Bryce Grant
Vice-President



Vincent Rose
Treasurer



Synandre Montaque-Dwyer
Assistant Treasurer



Rodcliffe Robertson
Secretary



Rev. Cleveland Parker, JP
Assistant Secretary



Tova-Malka Trench-Anderson
Director



Lambert Johnson
Director



Keita Mendes
Director

BOARD OF DIRECTORS' REPORT

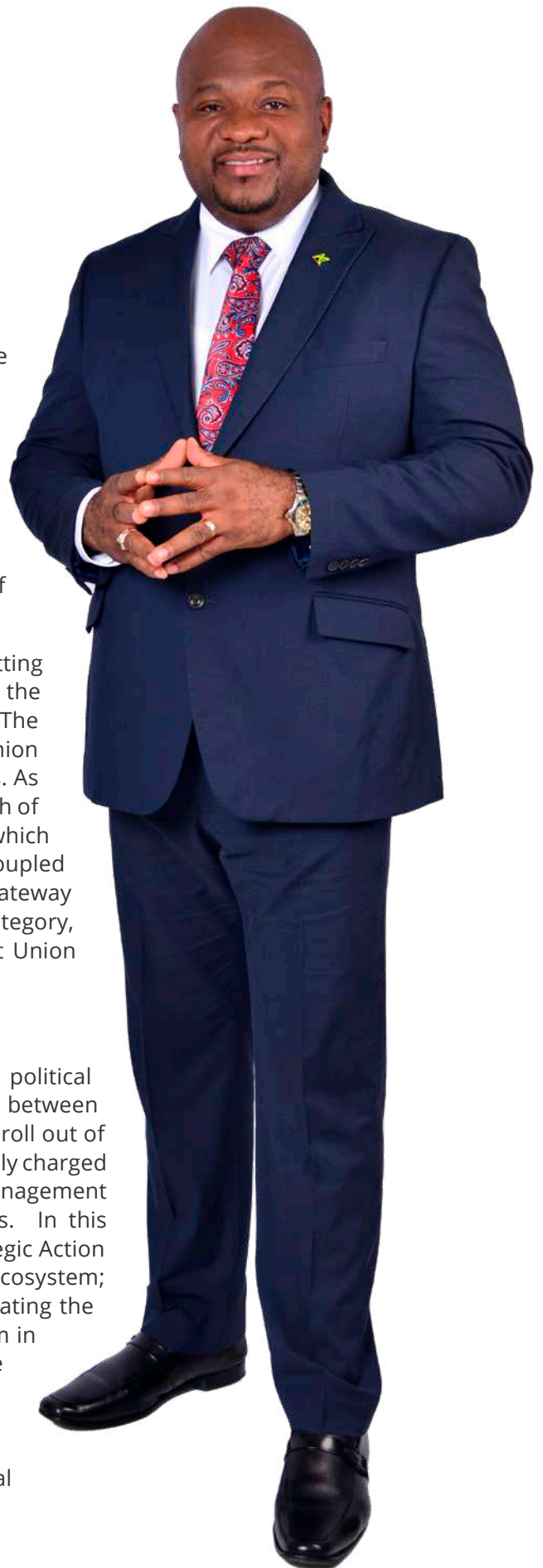
Resilience

Having entered our 6th anniversary as a merged entity, we paused and reflected on how well your Credit Union performed! The Board of Directors is pleased to report another year of growth and success for Gateway. We sustained the ethos and ideals of the Credit Union Movement with our members at the center. Our promise and commitment of providing a safe financial haven from the claws and clutches of the banks and other financial institutions- promoting a member-first philosophy and the credit union's principle of people helping people succeed.

2022 was not void of its challenges, it was the year of getting back to "normal." Commercial activities regained traction and the economy began to show signs of post-pandemic growth. The prevailing mist of normalcy remained steady over the Credit Union throughout the financial year, giving birth to record surpluses. As at Dec 2022, Gateway was very well capitalized with a net worth of \$1.5Bn. Total consolidated assets at year-end were \$11.42Bn which represented a 13.5 % increase over 2021. These statistics coupled with other key performance indicators (k.p.i) positioned Gateway among one of the most efficient credit unions within its category, with one of the strongest capital positions within the Credit Union movement.

Responsive

Through the lens of the international landscape, global political administrations continued to strike the delicate balance between managing the health & safety concerns and demands for the roll out of economic resuscitation plans. Financial institutions were equally charged to effectively assess strategic objectives within a Risk Management Framework to ensure realization of the strategic objectives. In this regard, Gateway was informed by a re-alignment of the Strategic Action Plan against the backdrop of the geo-political and financial ecosystem; this was undertaken in the Fourth Quarter of 2021, incorporating the collective energies of the Governance and Management Team in a Strategic Retreat. Accordingly, the thematic review of the core objectives of Member Satisfaction, Financial Success, Operational Excellence and Human Capital Development underpinned the Action Plan for 2022, remaining mindful of the co-existing risk exposures within our jurisdictional landscape as well as globally.



During the year under review, Gateway remained steadfast in demonstrating member service excellence grounded in its acclaimed mantra “Members serving Members with Excellence” through its product and service offerings and distinguishing the Gateway brand through philanthropy within the bond area. This approach was boosted by staff training initiatives on the Credit Union Movement, Member Service and Sales, capacity building sessions in Performance Management and Operational Risks, continued engagements with the Ministry of Health & Wellness, prudent and agile leadership, employment of risk management strategies and the implementation of recommended internal controls to strengthen our business processes consequent to internal audits.

In keeping with the Strategic Objective of Financial Success, specific to the development of a comprehensive ERM Programme inclusive of Fraud & Cybercrime Training, the Risk & Compliance Function, in tandem with the Human Resource & Administration Function, were tasked to develop a unique Training Plan for stakeholders.

Gateway operates in a highly regulated environment and as a result our risk management strategies had to be effectively aligned with business processes to ensure the realization of strategic objectives and continued viability of the Credit Union. The ERM Training for Volunteers & General Staff was not achieved in 2022; however, Operational Risk Training relative to Document Authentication Training and Cyber-Security Training were undertaken in respect of Staff in May, 2022.

As regards the Credit Unions (Special Provisions) Act and the corresponding amendments to the Co-operative Societies Act and the Co-operative Societies Regulations, any legislative advances made did not materialize into enactments. Notwithstanding, the gaps identified by the Management Team in the JCCUL Credit Unions Self-Assessment Questionnaire for Licensing & Operational Readiness, were escalated as High Risks to the ERM Sub-Committee; Management continued to narrow or close the gaps identified by:

- engaging a consultant to develop/review certain Policies;
- developing/reviewing remaining Policies and Procedures to inform business processes;
- submitting Policies for approval by the Board of Directors;
- conducting Annual Vulnerability Assessments of the core banking system and other IT Infrastructure;
- conducting Risk Assessments of New Products & Services;
- liaising with AMI (core banking solution provider) to complete the Programme to enable transfer of transaction data to TechnoSoft, Transaction Monitoring Software Provider;
- re-engaging Adtelligent in respect of the Identification Verification Software;
- increasing the use of technology, inclusive of Relativity Reports, to manage and monitor business processes.

Responsibility

Being the governing body of your Credit Union, we ensured that policies were approved and revised in a timely manner. For the year under review, we approved five (5) policies, namely:

- Delinquency Policy
- Communication Policy
- Marketing and Sales Policy
- Electronic Transaction Policy
- Non-members and dormant account Policy

As a Board, we also know how important it is for us to undergo training to ensure that we are equipped to make the best decisions on your behalf. A number of Board members were allowed to attend local and international Credit Union Conferences to learn best practices across the movement as well as to widen their knowledge base on matters such as: Governance, Strategic Management and Risk Management. Proceeds of Crime Act (POCA) training is ongoing and each Director (and volunteer) must attend at least annually.

Rising (and growing)

It is with great pride that I wish to inform you that plans are afoot to further infiltrate our bond. We have forged a footpath in the Falmouth area and will be moving to a larger facility at Shop 7 Champions Plaza, Falmouth by August 2023. We have also identified a location in Santa Cruz, commenced preliminaries and have taken possession. We hope to be open and ready by 2024 in that locale. We still continue to conduct work on our Head Office building, we have acquired 18 Church Street which will house drive-thru and parking facilities in the future.

Relationships

Community relationships

"Everything Gateway does is to strengthen and empower the people and the communities in which we serve." While we operate as a Co-operative that provides financial products and services and collects revenue in the process, it is what we do with that revenue that makes the difference. We return it to you!

We continue to be dominant in the west at being excellent corporate citizens. We undertook a number of projects during the year under review to the tune of \$3.4 mil- details of which are highlighted in our CEO's report. Our largest community project being the renovation of the Coral Gardens Police Station to the tune of \$1.7 million dollars.

We continue to invest heavily in education (both for our youths and our members). We maintained our scholarship programmes at the Primary, High School and University levels. A total of \$580,000 was paid out in total scholarships. We hosted our inaugural Member Financial Empowerment session during Credit Union week whereby our members benefited from learning about the Credit Union difference, financial planning and maintaining good physical health.

Guided by our core values - we are actively involved in community and social development of our members.

Employee relationships

Your Board recognized the importance of our human capital and through healthy negotiation agreed on a fair and competitive revised compensation package for all employees. Our beloved employees were able to benefit from bonuses and incentives throughout the year. Adequate financial allotments were made to ensure that resources were available to provide training for our staff members. Job enrichment and enlargements as well as promotions were done. We welcomed the newest member of the management team, Mr. Conroy Ward as General Manager -Retail Operations. We are confident that this addition to the leadership team will yield great results as he supports the C.E.O in moving the organization forward.

Our Exciting future

We are a Credit Union rooted in relationships and traditional values of service; we hold our staff and volunteers accountable to you, our members. You are why we are serving and your satisfaction is our only aim. We are aware that we must be doing something right as our membership keeps growing and more and more persons are coming to us for their financial needs. We do not take that for granted. Whilst we oftentimes cannot compete on rates we aim to compete on service and your Board ensures that the leaders we appoint carry out that mandate to the highest quality. Our steadfast commitment to improving the financial well-being of each member will be our guide, and the Board will continue to direct Gateway so we can strengthen your ability to make sound choices during 2023's financial journey — whatever it may bring.

It is an absolute delight to see the resilience of your Credit Union through the many economic cycles and market upheavals and how much we have been able to pivot and bounce back better than ever! Operating with the co-operative model, our members have remained central to all our decisions. The greatest testament to our legacy is that we have remained true to founding principles of serving our members. As we move forward into 2023, our focus will be to ensure that the Credit Union continues to operate in a safe and sound manner. We will continue to take all the necessary steps to remain relevant to our members.

An attitude of gratitude

On behalf of the 9-member Board of Directors, I want to register our gratitude to our C.E.O and his leadership team along with all the members of staff and committees for their support throughout the year. We have collectively formulated a great plan and you have all done your part in making Gateway awesome. You rock! We rock! Our Credit Union rocks!

Your steward in service



Rev. Glenroy Clarke JP

President- Board of Directors

VOLUNTEERS' MEETING ATTENDANCE

2022

NAME OF DIRECTORS	POSSIBLE MEETINGS ATTENDED	NUMBER OF MEETINGS ATTENDED	ABSENT WITH EXCUSE
Glenroy Clarke	11	11	0
Bryce Grant	11	11	0
Tova Malka Trench-Anderson	11	11	0
Keita Mendes (joined Aug 11, 2022)	4	4	0
Cleveland Parker	11	11	0
Synandre Montaque-Dwyer	11	10	1
Rodcliffe Robertson	11	11	0
Lambert Johnson	11	11	0
Vincent Rose	11	10	1
SUPERVISORY COMMITTEE MEMBERS	POSSIBLE MEETINGS ATTENDED	NUMBER OF MEETINGS ATTENDED	ABSENT WITH EXCUSE
Shamar Campbell- Brown	24	22	2
Autherine Dehaney-Archer	24	22	2
Ann Moseley	24	23	1
Donovan Goodley	24	20	4
Clover Heron (joined in Aug 2022)	8	8	0
Davette Smith (joined in Aug 2022)	8	8	0
Ronald Vernon	24	20	4
CREDIT COMMITTEE MEMBERS	POSSIBLE MEETINGS ATTENDED	NUMBER OF MEETINGS ATTENDED	ABSENT WITH EXCUSE
Peter Reid	20	19	1
Vivienne Frankson	20	20	0
Angella Morris (joined in Aug. 2022)	8	8	0
Errol Chattoo	20	19	1
Andreene Williams	20	20	0

MANAGEMENT TEAM



Ornell Bedasse
Chief Executive Officer



Conroy Ward
General Manager, Retail Operations



Tashica Evans Watson
Finance Manager



Danovan Reid
Credit Manager



Sandina Williams
Human Resources and Admin Manager



Nicole Haughton-Johnson
Marketing and Communications Manager



Janice Neathly
Risk, Compliance and Legal Services Manager



Altamont King
I.T. Manager



Ricardo Malcolm
Branch Manager-Fairview



Rhamona Samuels
Branch Manager-Church Street



Kadian Kerr-Shaw
Branch Manager-Lucea



Felecia Spence
Delinquency Manager



Cindy Brown
Internal Auditor



Herman Needham
Branch Supervisor-Falmouth

MANAGEMENT'S REPORT / CEO'S MESSAGE

Overview

Gateway demonstrated unwavering stability during 2022. It was a successful year for Gateway despite global economic challenges and continuing effects from the pandemic. Significantly, it was a successful year because of what we did for our members – not just because of the numbers we generated. We continue to measure our success by how we benefited you as a member.

With an experienced and knowledgeable cadre of leaders we kept our vision of becoming the premier financial institution through the empowerment of our members at the core. The combination of family atmosphere, devotion, dedication, and pride has enabled Gateway to remain a strong, reliable, and trustworthy financial institution.

As we usher into the genesis of 2023 we are both encouraged and revved-up about the many future opportunities for growth. We are strategically and systematically transitioning to digitize a number of our processes for efficiency. Whilst we have a long way to go digitally, we continue to fixate on the current opportunities to hobnob with our members in our banking halls while providing the excellent personalized service that they have come to know and love.

Our People

Member Satisfaction & Human Capital Development

During the year under review, Gateway remained steadfast in demonstrating member service excellence grounded in its acclaimed mantra "Members serving Members with Excellence" through its product and service offerings and distinguishing the Gateway brand through philanthropy within the bond area. This approach was boosted by staff training initiatives on the Credit Union Movement, Customer Service and Sales, capacity building sessions in Performance Management and Operational



Risks, continued engagements with the Ministry of Health & Wellness, prudent and agile leadership, employment of Risk Management Strategies and the implementation of recommended internal controls to strengthen our business processes consequent to internal audits. In ensuring the safety of our members, we continued to observe the health protocols to contain the spread of Covid-19 and Monkeypox. Through the sustained collaboration efforts of our Operations and Marketing & Sales Teams, new members totaled 3110 for 2022; a slight decrease compared to that of 2021 which reflected 3264 new members.

The Human Resource Management Strategic Objectives for 2022 were focused on elevating our Human Resource Planning Strategies, this includes aligning best fits to the most suited roles at the appropriate levels avoiding any manpower shortages or surplus. This strategy is a continuous process from the prior year and aims to always ensure excellence in our quality of service. Additionally, we also focused on the development of a comprehensive training plan by conducting training needs analysis geared at uncovering competency gaps and structuring training accordingly. A vital part of this process included the complete restructuring of our Performance Management System. With the assistance and guidance of an experienced consultant we moved steadily in adopting a balanced scorecard methodology of structuring organizational objectives and filtering to the varying units. We expect to see the impact of these changes in the year 2023 leading to 2024.

We commenced the year with a staff complement of 88 full-time employees and 21 contract workers. Staff developmental activities undertaken during the year of review included:

Staff Promotions:

STAFF	PREVIOUS ROLE	PROMOTED TO
Devroy Green	Teller	Credit Officer
Saneisha Campbell	Risk Officer	Audit Officer
Garvin Lawrence	Teller	Chief Teller
Shanique Noble	MCR	Operations Support Officer
Ronique Paisley	Teller	Branch Ambassador
Tyreke Smith	Teller	Systems Administrator
Jermie Steele	Branch Ambassador	MCR
Selina Vassell	Registry Clerk	Teller

Transfers:

Tyreke Smith – Fairview to Head Office

Cross-Training and Acting

A total of 11 employees were cross trained/empowered in other positions in the organization while 24 acting opportunities were approved during the year.

Education Grants

A total of 2 employees benefitted from the pool of funds to pursue their tertiary level education while 4 employees benefitted from the GSAT/PEP Grant.

Employee Engagement Initiatives

- » Performance Based Incentive Plan
- » Customer Service Champion of the Quarter
- » Quarterly Department Awards
- » GSAT/PEP Grant Programme
- » Employee Education Grant Programme
- » End Of Year Award Ceremony & Staff Function
- » Last Friday Theme Days
- » Family Fun Day

As the organization spirals to the top of being the employer of choice within the Credit Union Movement, we continued our employment initiatives in 2022, taking deliberate steps to attract the best candidates to the organization. We welcomed on-board 8 talented superstars with potential of elevating our member centric philosophy.

At year end, a total of 9 employees separated from the organization. We ended the year with a staff complement of 101 full-time employees and 13 contract workers, inclusive of 4 temporary project workers.

Gateway prides itself on fostering a culture of growth and development for its employees at all levels in the Credit Union. Additionally, we are passionate about showcasing a family centric environment. We remain committed to investing in our human capital who is ultimately responsible for helping Gateway to remain viable in such unprecedented times. We are proud to say that our employees are at the heart of our success, and we will continue to make it our priority to employ measures geared at making them know and feel that they are highly valued.

Our Processes

Operational Excellence – Credit Risk & Operational Risk

One of our Strategic Focus was that of building out a ‘Sales Culture’ under the Operational Excellence Theme and consequent to the Strategic Retreat on Loan Growth, the canvassed strategies included: the development of an Incentives Programme as well as a Loyalty Programme; Small Business & Consortium Lending; introduction of the ‘Parent/Child Benefit’; amendments to the Credit Risk Management Policy and Authorities Schedule; roll-out of the Loan Centre at the Fairview Branch; Branch expansion in Falmouth; Bond expansion in St. Elizabeth and the engagement of a General Manager, Retail Operations with corresponding changes to Branch Operations. With this orientation and against the backdrop of the prevailing global pandemic, the Credit Team was charged to deliver on a Loan Disbursement Target of \$3.1B for 2022, complemented with Board approved ‘Loan Specials’ for Motor Vehicle, Unsecured and Mortgage Loans. Accordingly, this improved Gateway’s competitive advantage in the market and consequently, at the close of 2022, we were able to generate positive returns as the Credit Department exceeded its Loan Target by approximately 7.3%, disbursing \$3.325.87B in Loans.

As regards Concentration Risk, ongoing monitoring was undertaken monthly to ensure compliance with the Policy Framework. In this regard, no Loan Purpose exceeded 50% of Total Loan Portfolio and Unsecured Loans were contained within the 25% Risk Tolerance. Additionally, greater diversification of the Portfolio was achieved with an uptick in Mortgage Loans for the year ending 2022 compared to 2021. A comparative outlook of the Loan Portfolio Mix as at December 31, 2022 and December 31, 2021 is reflected as under:

Collateral Types	Percentage (%) Dec. 22	Percentage (%) Dec. 21
Motor Vehicle	37.40	39.06
Unsecured	20.15	21.06
Mortgage	29.73	27.23
Cash covered	12.55	12.41
Other	0.17	0.24
Totals	100%	100%

Indubitably, we were equally challenged to develop and aggressively implement suitable mitigating strategies to treat with Default Risk. The Credit Team was consistently engaged in improving on Loan Quality and applying the agreed Mitigating Strategies at Loan Origination; this process was complemented by sample Loan Reviews and Feedback by the Risk & Compliance Function and Audit Recommendations by the Internal Audit Function and implementation of Management Responses. The High Risks, inclusive of, the potential inability of our Bailiff to secure a Bailiff’s License, Know Your Customer data deficits, threatened Expected Credit Loss exposures, Resource Constraints along with the Mitigating Strategies, were escalated to the ERM Sub-Committee. Notably, the Delinquency Rate exceeded Risk Tolerance levels to peak at 11.16% in April, 2022; however, due to the employment of effective mitigating strategies and the collective efforts of the Delinquency and Credit Teams, the Delinquency Rate fluctuated and steadily declined to close at 4.99%.

Gateway continued to build out its Information Technology System Management and Security Infrastructure. Consequent to the submission of the Vulnerability Assessment Report, the IT Function continued the engagement of our software provider to resolve the identified IT risk exposures as well as the resolution of a number of issues. The implementation of the ATM Deposit Limit by Q-Net, the Transaction Monitoring & Risk Profiling Software by TechnoSoft. The Identification Verification System by Adtelligent also engaged the IT Function.

Our Passion for community

Everything we do is deeply rooted in our people-before-profits philosophy and our concern for community. We are happy to report that during 2022 we spent Five Million, One Hundred and Six Thousand, Three Hundred and Forty-Nine Dollars and Twenty-Nine Cents (\$5,106,349.29) on community related activities. The allocation was as follows:

Education
\$919,806.49



Health
\$459,477.40



Community & Social events
\$3,079,215.40



Other corporate events & initiatives
\$459,477.40



We know that 2023 will be another challenging year as we are not immune to the economic realities of our members coupled with the legal, political and environmental changes before us. Notwithstanding, we are confident that with the support of our Board of Directors, Committee Members and Employees we will not only survive but strive and successfully navigate through the ever-changing environment; building on the work of those that were before us. Our major commitment has been, and will continue to be "member satisfaction." We promise to build sustainability and resilience into everything that we do to ensure that we continue to be the place where members serve members with excellence

Your Chief servant

Ornell Bedasse

Gateway Credit Union Week Community Project-Coral Gardens Police Station Renovation



Financial Empowerment Session



with Senator Dr. Andre Haughton



International Credit Union Day 2022





GATEWAY Co-OPERATIVE
CREDIT UNION (2017) LTD.



Treasurer's Report

For the Year ended December 31, 2022

Overview

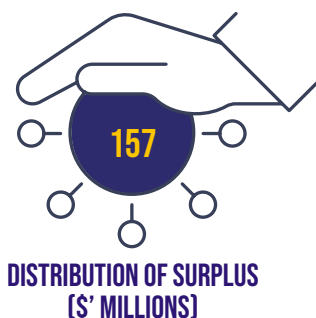
It is with pleasure that I present the Treasurer's Report to the Annual General Meeting of the Gateway Co-operative Credit Union (2017) Limited for the year ended December 31, 2022.

The Financial success of the Credit Union is evidence of our members' loyalty and commitment. We are grateful to you for the confidence you have placed in us to be your financial partner, and we are committed to managing the finances in an efficient and prudential manner.

The economic environment in 2022 was one of extreme uncertainty due to the below factors:

- High inflation rates
- BOJ Increased Interest rate policy
- The threat of global recession
- The Ukraine / Russia war which affected the price of oil and food commodities

Regardless, Gateway was able to achieve all its major Key Performance Indicators (K.P.Is).



Achievements

Loans Portfolio increased by \$847M or 12.2% over FY 2021 to surpass \$7Bn ending the year at \$7.497B

Total Assets reached the milestone of \$11.42Bn, an increase of a whopping \$1.36Bn or 13.5% greater than FY 2021.

Shares and Savings increased by \$1.19Bn to end with a portfolio balance of \$9.84Bn

Record breaking **Net Surplus** of \$194M representing an increase of \$185M over 2021

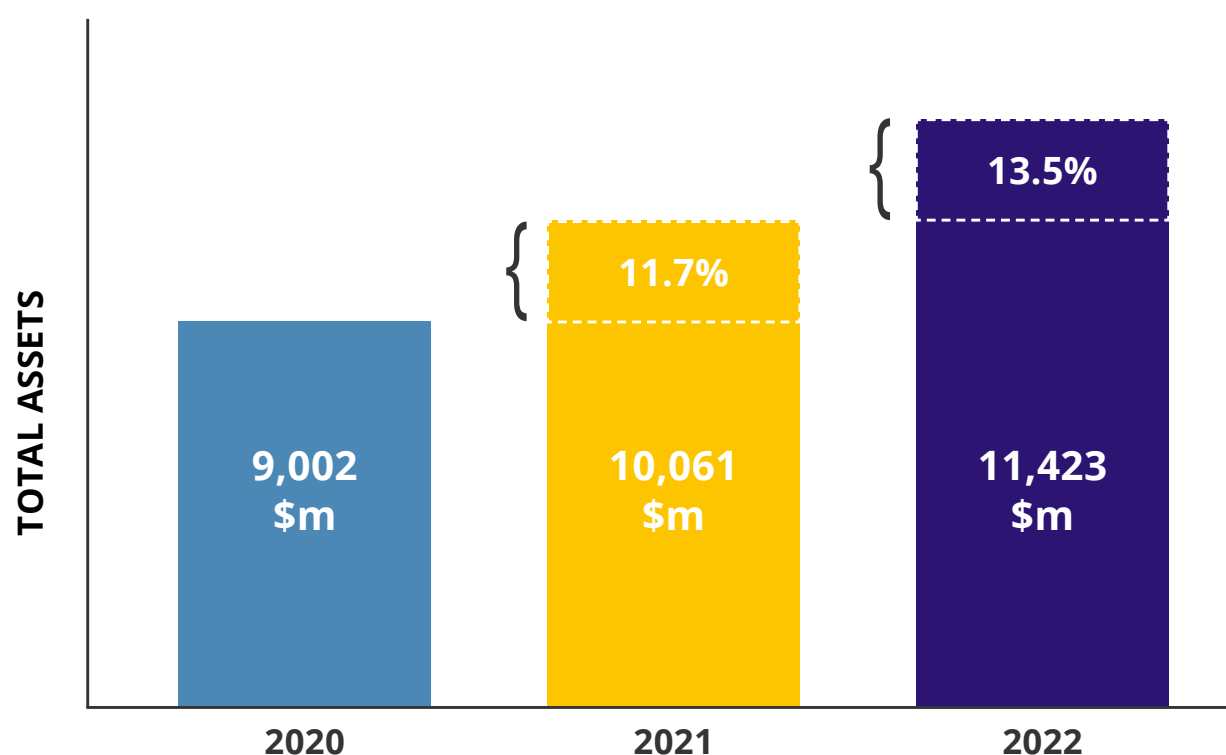
Single digit Delinquency Ratio of **4.99%**

Strong Liquidity

Firm Capital Base

Key Performance Indicators (KPIs) for the years 2020 to 2022

KPIs	2020 (\$M)	2021 (\$M)	2022 (\$M)	% change (2022/2021)
Total Assets	9,002	10,061	11,423	13.5%
Savings	4,016	4,699	5,394	14.8%
Shares	3,471	3,948	4,442	12.5%
Net Loans	6,076	6,650	7,497	12.7%
Loan Interest Income	646	715	820	14.7%
Investment Interest Income	73	98	155	55.2%
Net Interest Income	582	762	881	15.6%
Gross Income	683	671	996	48.4%
Operating Expenses	581	661	802	21.3%
Net Income	103	9	194	2055.6%
Members' Equity	1,267	1,268	1,420	12.0%
Institutional Capital	898	951	1,005	5.7%



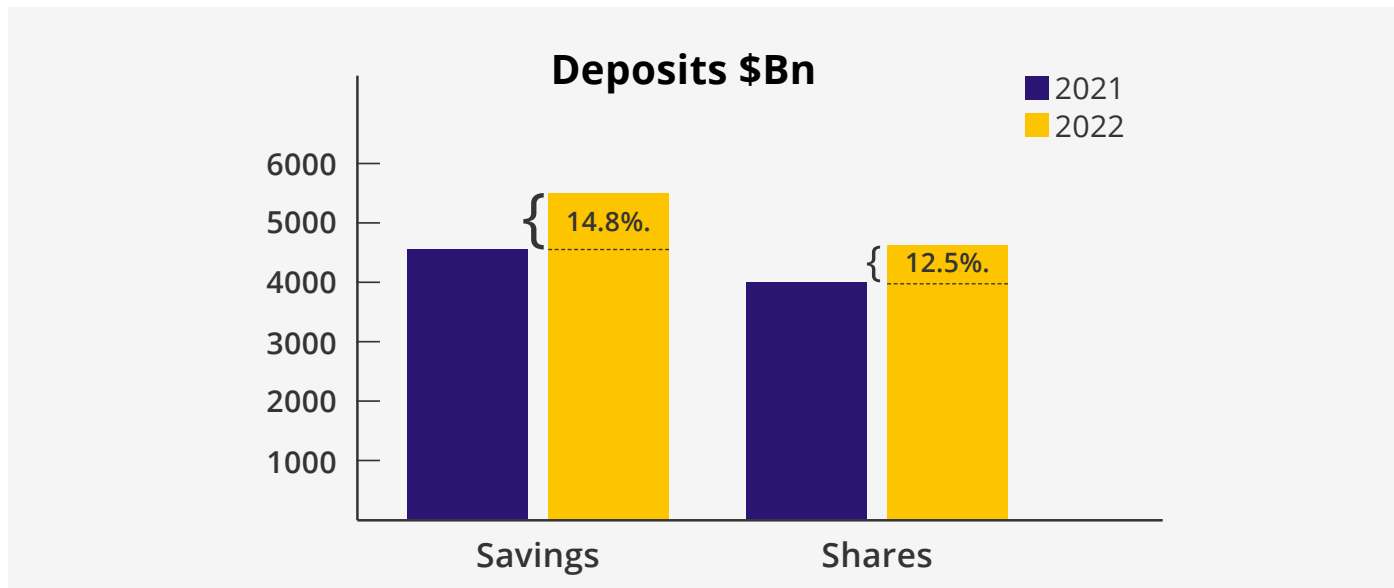
Total Assets at December 31, 2022 valued \$11.4Bn. This represents a growth rate of 13.5% above 2021's value of 10.1Bn. This increase is 4.1% above Jamaica's Inflation rate of 9.4% at the same period, a representation of real growth, reflecting our members' satisfaction, the appropriateness of our product offerings and our financial strength.

Shares & Savings Deposits

Shares and savings continue to show steady growth; a true indicator of our members' support and confidence in their Credit Union. Members, we appreciate your loyalty!

Shares increased from \$3.948Bn (2021) to **\$4.442Bn** (2022) a YoY growth of **\$494M** or **12.5%**.

Savings increased from \$4.699Bn (2021) to **\$5.394Bn** a YoY growth of **\$695M** or **14.8%**.



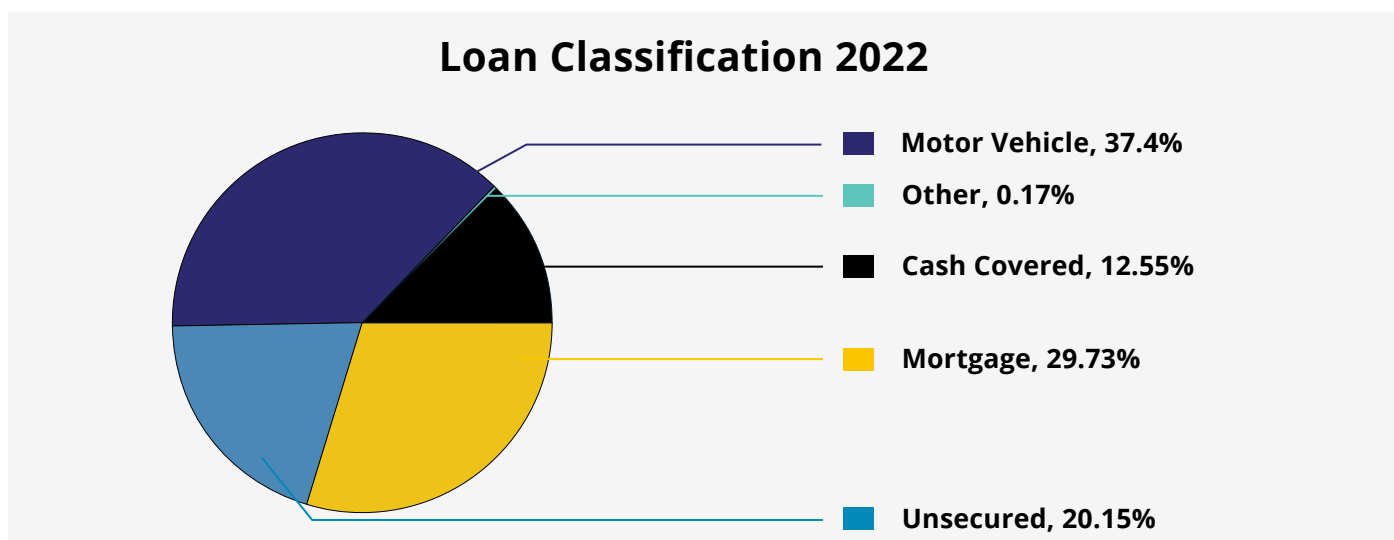
Loans Portfolio

Gateway disbursed a record **\$3.325Bn** in loans in 2022! It was our delight to be able to meet our members' needs in this regard. Such achievement was not a coincidence but a mandate aligning with our strategic focus of providing loans to our members. Underpinning Gateway's core function of being a **CREDIT** union!

The movement in the Provision for Loan Impairment was **only \$24.7M** compared to \$233.7M in 2021. This is an obvious sign that our members are recovering from the adverse effect of the COVID 19 pandemic.

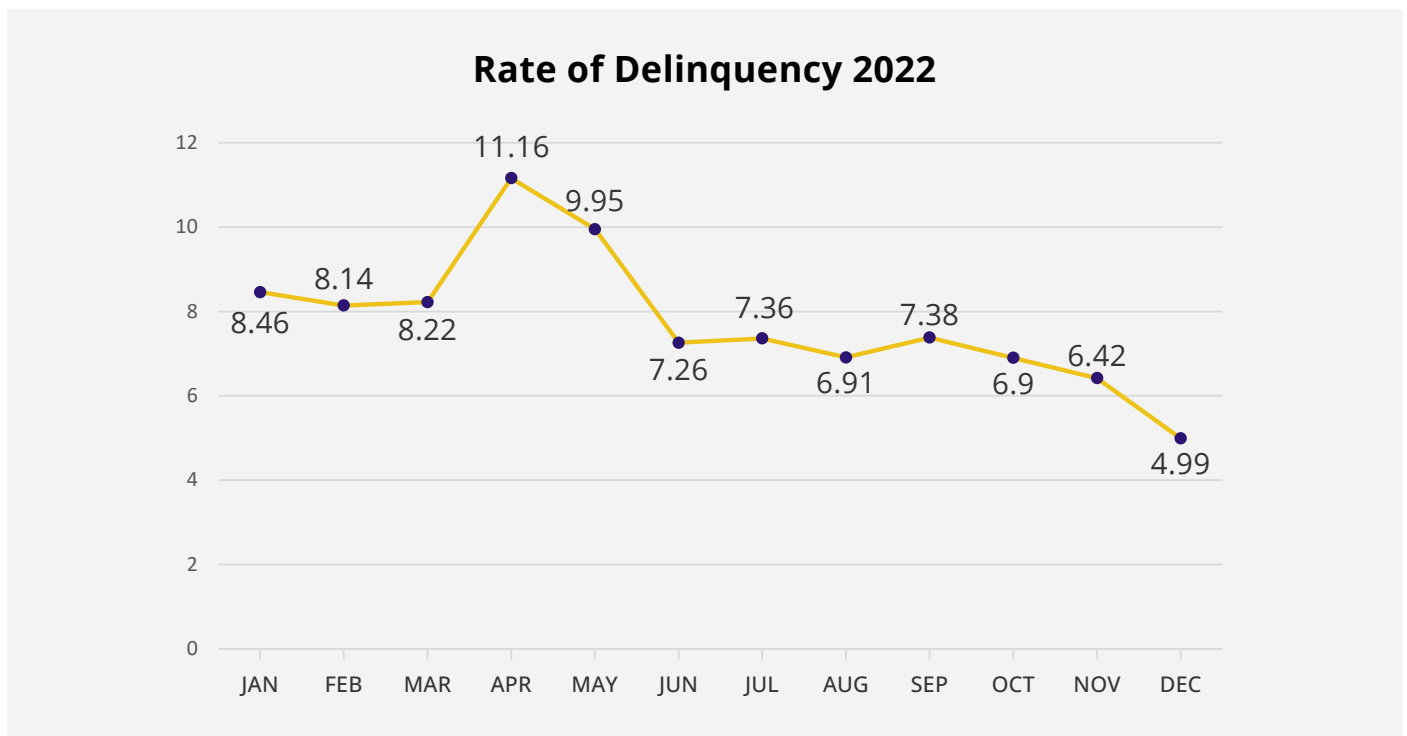
The portfolio balance at December 31, 2022 was **\$7.497Bn**, a growth of **\$847M** or **12.7%** over the 2021 value of \$6.943Bn. We are thankful for having surpassed the **\$7Bn** milestone and anticipate greater success in the coming year by exceeding \$8Bn.

We ended the year with a balanced portfolio mix as shown in the graph below;



Delinquency Ratio

We ended 2022 with a delinquency rate of 4.99% compared to the PEARLS Standard of 5%. This rate represents a recovery from the previous year's rate of 9.28% which was influenced by the Covid 19 pandemic. This reduction is essential in our fight against the high-risk exposure of our members losing their money due to unpaid loans. We provide a safe place for our members to save their money.



Operating Income

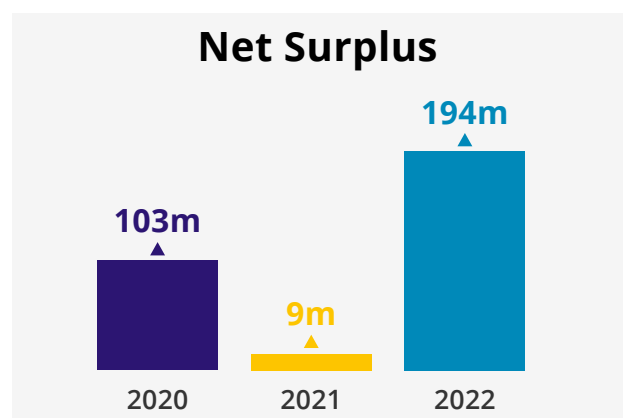
Operating income for 2022 is **\$1,115M** (2021 \$943M) representing Interest Income of **\$975M** (2021 \$814M), Fees **\$139M** (2021 \$124M) and Other Income **\$1M** (2021 \$5M), an increase of 18.2% over 2021 operating income.

Operating Expenses

Operating expenses incurred for the year amounted to **\$802M** (2021 \$661M) in support of a number of Operational and Public Relations initiatives undertaken throughout the year, a 21% increase over 2021 operating expenses.

Net Surplus

The Credit union made a record-breaking Net Surplus of \$194M for the Financial Year 2022. A contributing factor for us reaching this milestone includes the growth of the Loans portfolio. \$820M was recorded for Loan interest income, \$10M for Recoveries and a mere \$25M of loan impairment expenditure. We were also able to invest our member's deposits at more lucrative rates than previous years which allowed us to record interest income on our investments of \$155M, this is \$57M greater than the 98M recognized in 2021.



In the Financial Year 2021, we had a super operating performance; albeit the net surplus did not reflect such due to the \$222M Loan Loss Provision that had to be made. In 2022, we outperformed the results of 2021 and recorded a milestone Net Surplus of \$194M. This is reflecting that we have recovered from the effects of the COVID 19 pandemic.

We aim to continue on this trajectory as we maintain our strategic focus of income growth and cost containment.

We aim to continue on this trajectory as we maintain our strategic focus of income growth and cost containment.

Gateway's performance against the international PEARLS Standard is set out below:

INDICATOR	STANDARD	2022	2021	2020
PROTECTION-Provision for loan losses				
1. Provision Loan Losses/Delinquency >12 Mths	100%	100%	100%	100%
2. Provision Loan Losses/Delinquency 6<12	60%	60%	60%	60%
3. Provision Loan Losses/Delinquency 3<6 Mths	30%	30%	30%	30%
4. Provision Loan Losses/Delinquency 2<3 Mths	10%	10%	10%	10%
EFFECTIVE FINANCIAL STRUCTURE				
Net Loans/Av. Total Assets	60-80%	69.8	66.0	67.6
Savings Deposit/Total Assets	70-80%	86.1	85.6	83.3
Net Inst. Capital/Total Assets	>/=8%	8.8	9.5	9.9
ASSET QUALITY				
Delinquency Loans/Gross Loan Portfolio	</=5%	4.9	9.3	3.2
Non-Earning Assets/Total Assets	</=7%	6.7	8.5	8.5
RATES OF RETURN & COSTS				
Total Operating Expense/Average Total Assets	</=8%	7.5	6.6	6.5
Net Income/Average Total Assets	>/=2.3%	1.8	0.1	1.0
LIQUIDITY				
Liquid Assets- Payables/ Total deposit savings	20-30%	17.3	21.7	22.4
SIGNS OF GROWTH				
Membership	>/=5.0%	3.7	3.3	4.3
Asset	>Inflation	9.4	11.4	12.7

Acknowledgements and Conclusion

I am honored to have served as your Treasurer for the year and wish to thank my fellow Volunteers for their support. I must also extend immense gratitude to the Finance Manager and her team for managing the finances prudently. Their commitment and dedication are greatly appreciated.

Thanks to:

- Our faithful Members
- Hardworking Management, Staff and Volunteers
- Auditors - Crowe Horwath
- Registrar of Co-operative & Friendly Societies
- Jamaica Co-operative Credit Union League
- CMFG Insurance Company

for the assistance provided throughout the year. The financial statements provide further details on our financial performance. We remain committed to meeting the needs of our membership and to long-term strategies as we strive to be the best financial partner we can be.



Vincent Rose (Mr.)
TREASURER

PROPOSAL FOR THE DISTRIBUTION OF SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2022.

Available for Distribution	\$157,157,450.00
Dividend on Permanent Shares (32%)	-\$50,290,384.00
Honoraria (6%)	-\$9,429,447.00
Permanent Reserve	-\$75,000,000.00
Retained Earnings	-\$22,437,619.00
Total Distribution	\$157,157,450.00

For and on behalf of the Board of Directors.



Vincent Rose
Treasurer

PROPOSAL FOR THE FIXING OF MAXIMUM LIABILITY TO DECEMBER 31, 2022.

In keeping with Rule 70 it is proposed that the maximum liability shall not exceed sixteen (16) times the Society's capital.

For and on behalf of the Board of Directors.



Vincent Rose
Treasurer

FINANCIAL STATEMENTS



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

Ministry of Industry, Investment and Commerce

2 Musgrave Avenue, Kingston 10

Jamaica, W. I.

Tel: (876) 927-4912 | 927-6572 | 978-1946

E-mail: info@dcfs.gov.jm

Website: www.dcfs.gov.jm

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

S1

R608/394/04/23

April 5, 2023

The Secretary
Gateway Co-operative Credit Union Limited
6 Sam Sharpe Square
P.O. Box 885
Montego Bay
ST. JAMES

Dear Sir/Madam:

I forward herewith the Financial Statements of your Society for the financial year ended December 31, 2022.

The Annual General Meeting (AGM) must be convened under **Regulation 19, 21 and 25 a-f** of the Co-operative Societies (Amendment) Regulations, 2021. At least seven (7) days' notice shall be given before the meeting is held.

A copy of your report, which you intend to present to the Annual General Meeting on the year's working of the Society as set forth in **Regulation 35 (b)** of the Co-operative Societies Regulations should be forwarded to this office.

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

Yours truly,

.....
Lavern Gibson-Eccleston (Mrs.)
(For) Registrar of Co-operative Societies
And Friendly Societies

HOPE GARDENS

Hope Gardens
Kingston 6
(876) 977-2508 / 927-1948

MANDEVILLE, MANCHESTER

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

MONTEGO BAY, ST. JAMES

10 Delisser Drive
(The Office of the Prime Minister)
(876) 952-7913



*Smart decisions.
Lasting value.*

*Gateway Co-operative
Credit Union (2017) Limited
Financial Statements
For Year Ended
31st December 2022*

**GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

(Expressed in Jamaican Dollars unless otherwise stated)

**GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

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REPORT OF THE INDEPENDENT AUDITORS
TO THE REGISTRAR OF CO-OPERATIVES AND FRIENDLY SOCIETIES
RE: GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
(A SOCIETY REGISTERED UNDER THE CO-OPERATIVE SOCIETIES ACT)

Opinion

We have audited the financial statements of Gateway Co-operative Credit Union (2017) Limited ("the Credit Union") which comprise the statement of financial position as at 31st December 2022, the statement of comprehensive income, statements of changes in equity, cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Credit Union as at 31st December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Co-operative Societies Act.

Basis for Opinion

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

Key Audit Matter	How the matter was addressed during the audit
<p>Expected Credit Loss ('ECL') on Financial Assets</p> <p>IFRS 9 was implemented by the Credit Union on January 1, 2018. The adopted standard is new and complex and requires the Credit Union to recognize expected credit losses ('ECL') on financial assets, the determination of which is highly subjective and requires management to make significant judgment and estimates.</p> <p>The key areas requiring greater management judgment include the identification of significant increase in credit risk ('SICR'), the determination of probabilities of default, loss given default, exposure at default and the implication of forward-looking information.</p>	<p>Our procedures in this area includes the following:</p> <ul style="list-style-type: none"> ▪ Obtaining an understanding of the models used by the Credit Union for the calculation of expected credit losses including governance over the determination of key judgments. ▪ Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key data inputs into IFRS 9 impairment models for investments. ▪ Testing the completeness and accuracy of the data used in the models of the underlying accounting records based on a sample basis.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE REGISTRAR OF CO-OPERATIVES AND FRIENDLY SOCIETIES
RE: GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
(A SOCIETY REGISTERED UNDER THE CO-OPERATIVE SOCIETIES ACT)**

Key Audit Matter	How the matter was addressed during the audit
<p>Expected Credit Loss ('ECL') on Financial Assets</p>	<p>Our procedures in this area includes the following:</p>
<p>Significant management judgement is used in determining the appropriate variables and assumptions used in the ECL computations, which increase the risk of material misstatement.</p> <p>We therefore determined that impairment on loans receivable and investment securities has a high degree of estimated uncertainty.</p> <p>In addition, disclosure regarding the Credit Union's application of IFRS 9 are key to understanding the change from IAS 39 as well as explaining the key judgments and material inputs to the IFRS 9 ECL results.</p>	<ul style="list-style-type: none"> ▪ Evaluation of the appropriateness of the Credit Union's impairment methodology including (SICR) criteria presented. ▪ Assessment of the assumptions for probability of default, loss given default and exposure at default. ▪ Assessment of the adequacy of the disclosure of the key assumption and judgments as well as the details of transition adjustment for compliance with IFRS 9.

Other Information

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that matter to those charged with governance.

REPORT OF THE INDEPENDENT AUDITORS
TO THE REGISTRAR OF CO-OPERATIVES AND FRIENDLY SOCIETIES
RE: GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
(A SOCIETY REGISTERED UNDER THE CO-OPERATIVE SOCIETIES ACT)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for maintenance of adequate accounting records in accordance with International Financial Reporting Standards (IFRS) and the Co-operative Societies Act, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.

REPORT OF THE INDEPENDENT AUDITORS
TO THE REGISTRAR OF CO-OPERATIVES AND FRIENDLY SOCIETIES
RE: GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
(A SOCIETY REGISTERED UNDER THE CO-OPERATIVE SOCIETIES ACT)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Credit Union to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of the Credit Union of which we are the independent auditors.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

REPORT OF THE INDEPENDENT AUDITORS
TO THE REGISTRAR OF CO-OPERATIVES AND FRIENDLY SOCIETIES
RE: GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
(A SOCIETY REGISTERED UNDER THE CO-OPERATIVE SOCIETIES ACT)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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

Report on Additional Matters as Required by the Co-operative Societies Act

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



Crowe Horwath Jamaica

47-49 Trinidad Terrace
Kingston 5
Jamaica

March 23, 2023

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise stated)

	<u>Notes</u>	2022 \$	2021 \$
ASSETS:			
EARNING ASSETS:			
Liquid Assets	5	1,738,872,946	1,666,559,271
Loans to Members after Provision for Impairment	6	7,548,242,786	6,697,819,054
Financial Investments	8	<u>1,370,365,931</u>	<u>840,985,470</u>
Total Earning Assets		<u>10,657,481,663</u>	<u>9,205,363,795</u>
NON-EARNING ASSETS:			
Cash and Cash Equivalents	9	129,296,237	187,755,967
Inventories		7,193,059	3,444,753
Other Receivables & Prepayments	10	102,183,129	104,388,446
Intangible Assets	11	15,347,165	35,010,273
Right-of-Use-Assets	12	2,172,975	5,361,625
Property, Plant and Equipment	13	485,907,208	454,487,103
Retirement Benefit Asset	14	<u>23,087,000</u>	<u>65,198,000</u>
Total Non-Earning Assets		<u>765,186,772</u>	<u>855,646,167</u>
TOTAL ASSETS		<u>11,422,668,435</u>	<u>10,061,009,962</u>

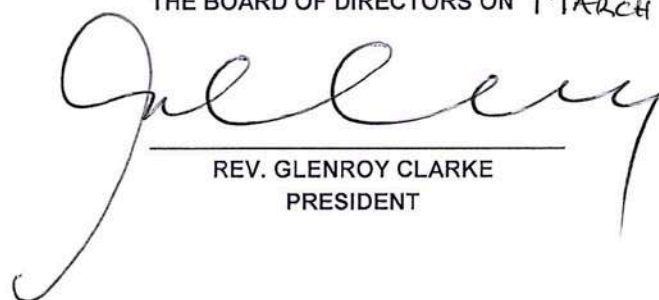
GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
 STATEMENT OF FINANCIAL POSITION
 AS AT 31ST DECEMBER 2022
 (Expressed in Jamaican Dollars unless otherwise stated)

	<u>Notes</u>	2022 \$	2021 \$
<u>LIABILITIES :</u>			
INTEREST BEARING LIABILITIES:			
Members' Voluntary Shares	15	4,441,569,404	3,947,936,826
Members' Saving Deposits	16	5,393,510,875	4,699,182,331
Lease Liabilities	17	<u>1,515,373</u>	<u>3,594,523</u>
Total Interest Bearing Liabilities		<u>9,836,595,653</u>	<u>8,650,713,680</u>
NON-INTEREST BEARING LIABILITIES:			
Accounts & Other payables & Accruals	18	<u>165,976,569</u>	<u>142,375,002</u>
Total Non Interest Bearing Liabilities		<u>165,976,569</u>	<u>142,375,002</u>
TOTAL LIABILITIES		<u>10,002,572,222</u>	<u>8,793,088,682</u>
<u>EQUITY:</u>			
Members' Permanent Share Capital	19	149,846,000	144,442,000
Non-Institutional Capital	20	265,543,485	172,622,671
Institutional Capital	21	<u>1,004,706,728</u>	<u>950,856,609</u>
Total Capital		<u>1,420,096,213</u>	<u>1,267,921,280</u>
TOTAL LIABILITIES AND EQUITY		<u>11,422,668,435</u>	<u>10,061,009,962</u>

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

APPROVED FOR ISSUE ON BEHALF OF
 THE BOARD OF DIRECTORS ON *MARCH 23, 2023*

AND SIGNED ON ITS BEHALF BY:



 REV. GLENROY CLARKE
 PRESIDENT



 MR. VINCENT ROSE
 TREASURER

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise stated)

	<u>Notes</u>	2022	2021
		\$	\$
INTEREST INCOME:			
Loans to Members	22	819,739,590	715,058,769
Liquid Assets & Financial Investments		<u>155,465,530</u>	<u>98,458,066</u>
		<u>975,205,120</u>	<u>813,516,835</u>
INTEREST EXPENSE:			
Interest Expense on Members' Voluntary Shares		31,371,039	12,613,852
Savings Deposits		<u>56,872,144</u>	<u>33,649,608</u>
	23	88,243,183	46,263,460
Other Financial Costs	25	<u>5,792,965</u>	<u>5,169,921</u>
		<u>94,036,148</u>	<u>51,433,381</u>
NET INTEREST INCOME		881,168,972	762,083,454
Movement in Provision for Loan Impairment		24,749,935	223,691,206
Increase/(Decrease) in Provision for Investment Impairment		<u>662,441</u>	<u>(1,777,714)</u>
NET INTEREST INCOME AFTER PROVISION		855,756,596	540,169,962
NON - INTEREST INCOME			
Fee & Other Income	26	<u>140,151,625</u>	<u>130,408,866</u>
GROSS INCOME		995,908,222	670,578,828
Less Operating Expenses		<u>801,798,625</u>	<u>661,127,432</u>
NET INCOME		<u>194,109,597</u>	<u>9,451,396</u>
<u>OTHER COMPREHENSIVE INCOME</u>			
Items that will never be classified to Profit or Loss:			
Unrealised Fair Value Gain -Available for sale investments		-	3,502,004
Re-measurement of Defined Benefit Pension Plan		<u>(43,783,000)</u>	<u>(1,056,000)</u>
		<u>(43,783,000)</u>	<u>2,446,004</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>150,326,597</u>	<u>11,897,400</u>

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

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
STATEMENT OF CHANGES IN EQUITY- SUMMARY
FOR THE YEAR ENDED 31ST DECEMBER 2022
 (Expressed in Jamaican Dollars unless otherwise stated)

	Members' Permanent Share Capital ₤	Non- Institutional Capital ₤	Institutional Capital ₤	Total ₤
Balance at 31st December 2020	138,786,501	230,620,578	897,505,970	1,266,913,049
Total Comprehensive Income for the year after Honoraria	-	11,897,400	-	11,897,400
Transactions with owners				
Transfer - 20% of net Income	-	(1,890,279)	1,890,279	-
Amount subscribed-Shares	6,528,000	-	-	6,528,000
Transfers/deduction from Permanent Shares	(872,501)	-	-	(872,501)
Transfer from Retained Earnings	-	11,897,400	-	11,897,400
Appropriations from 2021 surplus:				
Dividend on members' shares	-	(13,085,282)	-	(13,085,282)
Transfer from Loan Loss Reserve	-	(50,000,000)	-	(50,000,000)
Transfer/Distribution of 2021 Surplus	-	(50,000,000)	50,000,000	-
Transfer for Honoraria payment	-	(4,919,746)	-	(4,919,746)
Entrance Fees	-	-	1,460,360	1,460,360
Total transactions with owners	5,655,499	(69,895,307)	53,350,639	(10,889,169)
Balance at 31st December 2021	144,442,000	172,622,671	950,856,609	1,267,921,280
Total Comprehensive Income for the year after Honoraria	-	150,326,597	-	150,326,597
Transactions with owners				
Transfer - 20% of net Income	-	(38,821,919)	38,821,919	-
Amount subscribed-Shares	6,136,000	-	-	6,136,000
Transfers/deduction from Permanent Shares	(732,000)	-	-	(732,000)
Transfer from Retained Earnings	-	-	13,500,000	13,500,000
Appropriations from 2021 surplus:				
Dividend on members' shares	-	(2,992,778)	-	(2,992,778)
Transfer to IFRS 9 Reserve	-	334,893	-	334,893
Net Surplus from prior year	-	3,206,879	-	3,206,879
Transfer from Fair Value Reserves	-	(3,420,764)	-	(3,420,764)
Transfer to Permanent Reserve	-	(13,500,000)	-	(13,500,000)
Transfer for Honoraria payment	-	(1,122,292)	-	(1,122,292)
Net Transfer to Retained Earnings	-	(1,089,802)	-	(1,089,802)
Entrance Fees	-	-	1,528,200	1,528,200
Total transactions with owners	5,404,000	(57,405,783)	53,850,119	1,848,336
Balance at 31st December 2022	149,846,000	265,543,485	1,004,706,728	1,420,096,213

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

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
STATEMENT OF CHANGES IN EQUITY - NON-INSTITUTIONAL CAPITAL
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise stated)

	Revaluation Reserve	Retirement Benefit Asset Reserve	General Reserve	Share Transfer Fund	Fair Value Reserve	Accumulated Surplus	Total
	\$	\$	\$	\$	\$	\$	\$
Balance as at 31st December 2020	75,056,663	63,447,000	576,428	2,000,000	7,584,704	81,955,783	230,620,578
Net Income	-	-	-	-	-	9,451,396	9,451,396
Other Comprehensive Income							
Unrealised fair value gains on available-for-sale financial assets	-	-	-	-	3,502,004	-	3,502,004
Re-Measurement of Pension Asset	-	-	-	-	-	(1,056,000)	(1,056,000)
Total comprehensive income for the year	-	-	-	-	3,502,004	8,395,396	11,897,400
Transaction with owners							
Transfer -20% of Net Income for the year 2021	-	-	-	-	-	(1,890,279)	(1,890,279)
Appropriations from 2020 surplus:							
Dividend on members' shares	-	-	-	-	-	(13,085,282)	(13,085,282)
Transfer to Permanent Reserve	-	-	-	-	-	(50,000,000)	(50,000,000)
Transfer for Honoraria payment	-	-	-	-	-	(4,919,746)	(4,919,746)
Increase in Retirement Benefit Reserve	-	1,751,000	-	-	-	(1,751,000)	-
Total transactions with owners	-	1,751,000	-	-	-	(71,646,307)	(69,895,307)
Balance as at 31st December 2021	75,056,663	65,198,000	576,428	2,000,000	11,086,708	18,704,872	172,622,671

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
STATEMENT OF CHANGES IN EQUITY - NON-INSTITUTIONAL CAPITAL
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise stated)

	Revaluation Reserve	Retirement Benefit Asset Reserve	General Reserve	Share Transfer Fund	Fair Value Reserve	Accumulated Surplus	Total
	\$	\$	\$	\$	\$	\$	\$
Balance as at 31st December 2021	75,056,663	65,198,000	576,428	2,000,000	11,086,708	18,704,872	172,622,671
Net Income	-	-	-	-	-	194,109,597	194,109,597
Other Comprehensive Income							
Re-Measurement of Pension Asset	-	-	-	-	-	(43,783,000)	(43,783,000)
Total comprehensive income for the year	-	-	-	-	-	150,326,597	150,326,597
Transaction with owners							
Adjustments							
Transfer -20% of Net Income for the year 2022	-	-	-	-	-	(38,821,919)	(38,821,919)
Appropriations from 2021 surplus:							
Dividend on members' shares	-	-	-	-	-	(2,992,778)	(2,992,778)
Transfer to Permanent Reserve	-	-	-	-	-	(13,500,000)	(13,500,000)
Transfer from Fair Value Reserves	-	-	-	-	(3,420,764)	-	(3,420,764)
Transfer for Honoraria payment	-	-	-	-	-	(1,122,292)	(1,122,292)
Net Surplus from prior year	-	-	-	-	-	3,206,879	3,206,879
Transfer to IFRS 9 Reserve	-	-	-	-	-	334,893	334,893
Net Transfer to Retained Earnings	-	-	-	-	-	(1,089,802)	(1,089,802)
Decrease in Retirement Benefit Reserve	-	(42,111,000)	-	-	-	42,111,000	-
Total transactions with owners	-	(42,111,000)	-	-	(3,420,764)	(11,874,019)	(57,405,783)
Balance as at 31st December 2022	75,056,663	23,087,000	576,428	2,000,000	7,665,944	157,157,450	265,543,485

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
STATEMENT OF CHANGES IN EQUITY - INSTITUTIONAL CAPITAL
FOR THE YEAR ENDED 31ST DECEMBER 2022
 (Expressed in Jamaican Dollars unless otherwise stated)

	Statutory & Legal Reserves ₡	Permanent Reserves ₡	Business Combination Reserve ₡	Total ₡
Balance at 31st December 2020	239,111,865	402,573,864	255,820,241	897,505,970
Transfer of 20 % of Net Income for the Year	1,890,279	-	-	1,890,279
Transfer/Distribution from 2020 Surplus	-	50,000,000	-	50,000,000
Entrance Fees	<u>1,460,360</u>	<u>-</u>	<u>-</u>	<u>1,460,360</u>
Balance at 31st December 2021	242,462,504	452,573,864	255,820,241	950,856,609
Transfer of 20 % of Net Income for the Year	38,821,919	-	-	38,821,919
Transfer/Distribution from 2021 Surplus	-	13,500,000	-	13,500,000
Entrance Fees	<u>1,528,200</u>	<u>-</u>	<u>-</u>	<u>1,528,200</u>
Balance at 31st December 2022	<u>282,812,623</u>	<u>466,073,864</u>	<u>255,820,241</u>	<u>1,004,706,728</u>

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

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise stated)

	2022	2021
	\$	\$
Cash flows from Operating Activities		
TOTAL COMPREHENSIVE INCOME	150,326,597	11,897,400
Non- cash items included in income		
Depreciation expense	29,588,786	21,963,823
Amortisation Expense	19,663,108	19,663,106
Gain on disposal of Fixed Assets	(41,500)	(1,401,216)
Unrealised Fair Value (Gain)/Loss	-	(3,502,004)
Pension expense/income	42,111,000	(1,751,000)
Provision for loan impairment	24,749,935	223,691,206
	<u>266,397,926</u>	<u>270,561,315</u>
Changes in Operating Assets and Liabilities		
Inventories	(3,748,306)	(20,247)
Other Receivables & Prepayments	2,205,317	(39,701,688)
Accounts & Other Payables & Accrual	23,601,567	(26,420,988)
Accrued Interest on members' voluntary shares	-	(51,967,130)
Net Cash Provided by Operating Activities	<u>288,456,505</u>	<u>152,451,262</u>
Cash Flows from Investing Activities:		
Additions to property, plant and equipment	(56,349,626)	(64,187,948)
Additions to Operating Lease Right of use Assets	(1,470,615)	-
Proceeds disposal of property, plant and equipment	41,500	1,401,216
Financial investments	(529,380,461)	196,544,041
Loans to members	(875,173,667)	(733,322,523)
Net Cash Used in Investing Activities	<u>(1,462,332,869)</u>	<u>(599,565,214)</u>
Cash Flows from Financing Activities:		
Voluntary share capital	493,632,578	460,462,522
Permanent shares subscription	6,136,000	6,528,000
Transfers/deduction from Permanent Share Account	(732,000)	(872,501)
Savings Deposits	694,328,544	682,716,912
Entrance Fee	1,528,200	1,460,360
Transfer from Fair Value Reserve	(3,420,764)	-
Net Transfer to Retained Earnings	(1,089,802)	-
Net Surplus from prior year	3,206,879	-
Transfer to IFRS 9 Reserve	334,893	-
Dividend on permanent shares	(2,992,778)	(13,085,282)
Transfer for Honorarium Payments	(1,122,292)	(4,919,746)
Operating Lease Liabilities	(2,079,150)	(6,774,379)
Net Cash Provided by Financing Activities	<u>1,187,730,309</u>	<u>1,125,515,886</u>
Increase in Liquid Assets	13,853,945	678,401,934
Liquid Assets at Beginning of Year	1,854,315,238	1,175,913,304
Liquid Assets at End of Year	<u>1,868,169,183</u>	<u>1,854,315,238</u>
Liquid Assets - Earning	1,738,872,946	1,666,559,271
Liquid Assets - Non - Earning	129,296,237	187,755,967
	<u>1,868,169,183</u>	<u>1,854,315,238</u>

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

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise stated)

1. Identification:

Gateway Co-operative Credit Union (2017) Limited (the Credit Union) is incorporated under the laws of Jamaica and is registered under the Co-operative Societies Act. The Credit Union, which is domiciled in Jamaica, has its registered office at 20 Church Street, Montego Bay, and its operations are concentrated in the parishes of St. James, Hanover and Trelawny.

The principal activities of the Credit Union include but are not limited to:-

- (a) the promotion of thrift amongst its members;
- (b) the provision of loans to members exclusively for provident and productive purposes; and
- (c) to receive the savings of its members, either as payment on shares, or as deposits.

The Credit Union is a member of the Jamaica Co-operative Credit Union League Limited ("the League") which provides financial services, technical support and sets prudential standards for the credit union movement. The Credit Union is exempt from Income Tax under Section 59 (1) of the Co-operative Societies Act and Section 12 of the Income Tax Act.

Membership in the Credit Union is obtained by holding a minimum of \$2,000 in permanent shares. Individual membership may not exceed 20% of the Credit Union's capital. Membership is limited to individuals and their relatives who reside, work, conduct business, study or who were born in the County of Cornwall.

Monies paid for Permanent Shares may not be withdrawn in whole or in part and may not be pledged to secure credit facilities with the Credit Union.

An individual ceasing to be a member of the Credit Union, shall be entitled to a redemption of any amount held as Permanent Shares. Permanent Shares are redeemable upon sale, transfer or repurchase. To facilitate this, the Credit Union has established a Share Transfer Fund Account.

2. Adoption of Standards, Interpretation and Amendments:

The International Accounting Standards Boards (IASB) issued certain new standards and interpretations as well as amendments to existing standards, which became effective during the year under review. The Credit Union's management has assessed the relevance of these new standards, interpretations and amendments and has adopted and applied in these financial statements, those standards which are considered relevant to its operations.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST DECEMBER 2022
 (Expressed in Jamaican Dollars unless otherwise stated)

2. Adoption of Standards, Interpretation and Amendments (Cont'd):

a) Standards and Interpretations in respect of published standards that are in effect:

Classification of Liabilities as Current or Non-current (Amendments to IAS 1) (Effect January 2022)

The amendments in *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)* 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.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and are to be applied retrospectively. Earlier application is permitted.

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) (Effect January 2022)

The changes in *Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)* specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

Entities should apply the amendments to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated.

Reference to the Conceptual Framework (Amendments to IFRS 3)(Effect January 2022):

The changes in *Reference to the Conceptual Framework (Amendments to IFRS 3)*:

- updates IFRS 3, so that it refers to the 2018 *Conceptual Framework* instead of the 1989 *Framework*;
- adds to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the *Conceptual Framework*) to identify the liabilities it has assumed in a business combination; and
- adds to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated *Conceptual Framework*) at the same time or earlier.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise stated)

2. Adoption of Standards, Interpretation and Amendments (Cont'd):

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) (Effect January 2022):

The amendments in Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted. An entity applies the amendments retrospectively only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

IFRS 9 Financial Instruments (Effect January 2022)

Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

These affect financial statements for accounting periods beginning on or after the first day of the month stated. The company is assessing the impact these amendments will have on its financial statements.

2. Adoption of Standards, Interpretation and Amendments (Cont'd):

b) Standards and interpretations which are considered relevant to the Credit Union were issued but not yet effective:

Certain new, revised and amended standards and interpretations have been issued which are not yet effective for the current year and which the company has not early-adopted. The company has assessed the relevance of all the new standards, amendments and interpretations with respect to the company's operations and has determined that the following are likely to have an effect on the company's financial statements:

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) (Effective January 1, 2023)

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (Effective January 1, 2023)

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST DECEMBER 2022
 (Expressed in Jamaican Dollars unless otherwise stated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies:

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

a) Statement of Compliance and Basis of Preparation -

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), and comply with the requirements of the Co-operative Societies Act. They have been prepared under the historical cost convention, as modified by the revaluation of investment property, certain available-for-sale financial investments and other financial investments at fair value. These financial statements are expressed in Jamaican Dollars which is the functional currency of the Credit Union.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Credit Union's policies. Although these estimates are based on management's best knowledge of historical experience, factors including expectations of future events and actions, actual results could differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

b) Use of Estimates and Judgements -

The preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) requires directors and management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates are based on historical experience and directors and management's best knowledge of current events and actions and are reviewed on an on-going basis. Actual results could differ from those estimates.

Critical Accounting Estimate and judgement applied

i) Classification of Financial Asset

The assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal payment amount outstanding requires management to make certain judgments on its business operations.

ii) Impairment of Financial Assets

Establishing the criteria of determining whether credit risk of the financial assets has increase significantly since initial recognition , determining the methodology for incorporating forward-looking information into the measurement of expected credit losses (ECL) and selection and approval of models used to measure ECL requires significant judgement.

Risk of Estimation uncertainty

iii) Measurement of Expected Credit allowance/provision under IFRS 9

The measurement of expected credit allowance for financial assets measured at amortized cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. That is the likelihood of members defaulting and the resulting loss).

A number of significant judgements are also required in applying the accounting requirement for measuring expected credit losses, as follow;

- Determining criteria for significant increase in credit risk;
- Selecting appropriate models and assumptions for the measurement of expected credit losses;

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST DECEMBER 2022
 (Expressed in Jamaican Dollars unless otherwise stated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

iii) Measurement of Expected Credit allowance/provision under IFRS 9 (Cont'd)

- Establishing of the number and relative weightings of forward-looking scenarios for each type of product or market and associated expected credit loss;
- Establishing groups of similar financial assets for the purpose of measuring expected credit losses.

c) Loans to Members and provisions for Loan Impairment -

Loans are recognized when cash is advanced to borrowers. They are initially recorded at cost, which is the cash given to originate the loan including any transaction costs and subsequently measured at amortized cost using the effective interest rate method.

The Credit Union, under the IFRS 9 Expected Credit Loss (ECL) impairment framework, recognises ECLs on loans, taking into account past events, current conditions and forecast information. In this regard, the Credit Union determines the economic variables that are likely to influence the borrowers' ability to meet their loan obligations in the future and incorporate such forward looking economic information in the overall estimation of the expected credit loss.

Additionally, the credit union is required to update the amount of ECLs recognised at each reporting date to reflect changes in credit risk of the loan portfolio.

Loans to members are held solely for the collection of principal and interest in accordance with the contractual arrangement between the credit union and the borrower. Therefore, loans are classified under the hold to collect business model and are measured at amortized cost.

The credit union assigns an initial risk rating to each loan at the date of disbursement. The risk rating is determined by the credit score assigned and categorised in the recognised credit score bands.

Loan Staging

By way of disclosure, the credit union estimates and reports the ECL on a stage by stage basis.

Stage 1

Loans are placed in Stage 1 at origination and remains in this stage provided;

- a. The loans have not experience a significant increase in credit risk.
- b. The loans are due to mature in 12 months of the reporting date and are not in a state of default.

Stage 2

Loans are transitioned to Stage 2 when there is evidence that such loans have experienced a significant increase in credit risk.

Stage 3

Loans are transitioned into Stage 3 if there is evidence that these loans are impaired or are at a default stage. Loans that are past due for a period of 90 days or more are deemed to have defaulted.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST DECEMBER 2022
 (Expressed in Jamaican Dollars unless otherwise stated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

(d) Liquid Assets

For the purposes of the statement of cash flows, liquid assets include cash and cash equivalents which consist of cash on hand and current accounts held at banks and deposits held under 6 months with banks and other financial institutions.

(e) Financial Investments-

At initial recognition, the Credit Union measures a financial asset at its fair value, plus or minus (in the case of a financial asset not at fair value through profit or loss transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset; such as fees and commissions. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Immediately after recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

From 1st January 2018, the Credit Union has applied IFRS 9 and classified its financial assets as either Fair value through profit or loss (FVPL); Fair value through other comprehensive income (FVOCI) or Amortised cost.

Classification and subsequent measurement of debt instruments depend on the credit union's business model for managing the asset; and the cash flow characteristics of the asset.

Based on these factors, the credit union classifies its debt instruments into one of the following three measurement categories:

- *Amortised cost:* Assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI') and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described at (vi). Interest income from these financial assets is included in 'Interest and similar income' using the effective interest method.
- *Fair value through other comprehensive income (FVOCI):* Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL are measured at fair value through other comprehensive income (FVOCI).
- *Fair value through profit or loss:* Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within. 'Net trading income' in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in 'Net investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest method.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST DECEMBER 2022
 (Expressed in Jamaican Dollars unless otherwise stated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

f) Impairment of Financial Assets

Business Model: the business model reflects how the Credit Union manages the assets in order to generate cash flows. That is, whether the credit union's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

Loss allowances are measured at an amount equal to lifetime ECL except for the following are measured as a 12-month ECL:

- debt investment securities that are low in risk
- other financial instruments (other than lease receivables) on which credit risk not increased significantly.

12-month ECL are the portion of ECL that result from default events of a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised is referred to as Stage 1 financial instrument.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial Instruments for which lifetime ECL is recognised and is not credit-impaired is referred to Stage 2 financial instruments.

At each reporting date, the credit union assesses whether the financial assets carried at amortised cost are credit-impaired (referred to a Stage 3 financial assets).

(g) Provisions

General

Provisions are recognized when the Credit Union has a present legal or constructive obligation as a result of past events, if 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 of the obligation can be made.

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the date of the statement of financial position.

IFRS 9- Expected Credit Loss (ECL)

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 "Financial Instruments: Recognition and measurement". IFRS 9 bring fundamental changes to the accounting of financial assets and to certain aspects of the accounting for financial liabilities.

The Expected Credit Loss (ECL) represents the amount the Credit Union is likely to lose in the event of a default.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise stated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

(g) Provisions -(Cont'd)

In recognizing Expected Credit Loss (ECL) as prescribed by IFRS 9, the Credit Union took into account past events, current conditions and forecast information. The Credit Union determined the economic variables that are likely to influence the borrowers ability to meet their loan obligation in the future and incorporate such forward looking economic information in the overall estimation of the expected credit loss.

At each reporting date, the Credit Union is required to update the amount of ECLs recognised to reflect changes in credit risk of the loan portfolio.

At least once annually, the credit union re-assesses the risk ratings bands and carries out the necessary adjustments in order to ensure that the ratings bands are consistent with prevailing trends and conditions.

As permitted by transitional provisions of IFRS 9, any adjustments to the carrying amount of financial assets and liabilities at the date of transition were recognized in the opening retained earning and other reserves of the current period.

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

h) Cash and Cash Equivalents -

Cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents comprise balances with less than three (3) months maturity from the date of acquisition, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three (3) months or less, not held to satisfy League requirements, net of bank overdraft.

i) Inventories -

Inventories are stated at the lower of cost and net realisable value, cost being determined on the first-in first-out (FIFO) basis. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

j) Accounts Receivable -

Accounts receivable are carried at anticipated realisable 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.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST DECEMBER 2022
 (Expressed in Jamaican Dollars unless otherwise stated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

k) Property, Plant and Equipment -

Property, plant and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. No property, plant and equipment were impaired as at 31st December 2020 and 2019.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Credit Union and the cost can be reliably measured. Repairs and renewals are charged to net surplus in the statement of comprehensive income during the financial period in which they are incurred.

Land is stated at historical costs. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment if any. The Credit Union has elected to apply depreciation on other assets on the straight-line basis at annual rates estimated to write off the assets over their expected useful lives as follows:

Buildings	2.5%
Leasehold Improvements	50%
Machinery and Office Equipment	10%
Computer Equipment	20% - 33.33%
Furniture & Fixtures	10%

Land is not depreciated.

Gains or losses on disposal of Property, Plant and Equipment are determined by their carrying amount and are taken into account in determining operating surplus.

l) Intangible Assets -

Intangible Assets comprise separately identifiable intangible items arising from computer software licenses and programmes. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Credit Union and that qualify for recognition are recognised as intangible assets. Intangible assets are recognised at cost. Intangible assets with a definite useful life are amortised using the straight-line method over their estimated useful economic life, which does not exceed three years.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST DECEMBER 2022
 (Expressed in Jamaican Dollars unless otherwise stated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

m) Retirement Benefits -

i) Pension Obligations

The Credit Union participates in a multi-employer defined benefit pension plan. The pension plan is generally funded by payments from employees and the Credit Union, taking into account the recommendation of independent qualified actuaries. A defined benefit plan is a pension plan that defines the amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service and compensation.

The amount recognised in the statement of financial position as asset or liability in respect of defined benefit pension plans is the difference between the present value of the defined benefit obligation at the reporting date and the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates on Government of Jamaica securities which have terms to maturity approximating the terms of the related pension obligation.

Service costs are recognised in the profit or loss as a part of staff costs, and include current and past service costs as well as gains or losses on curtailments, benefit changes and settlements.

Net interest expense/(income) is recognised in the statement of comprehensive income as part of staff costs, and is calculated by applying the discount rate used to measure the defined benefit obligation (asset), at the beginning of the annual reporting period, to the balance of the net defined benefit obligation (asset) and the fair value of plan assets.

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

ii) Leave accrual

The Credit Union's vacation leave policy allows unused vacation leave to be carried forward yearly. All outstanding leave is recognised in the statement of comprehensive income in the period to which it relates.

iii) Profit Sharing and Bonus Plans

The Credit Union recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the net surplus attributable to the Credit Union's members after certain adjustments. The Credit Union recognises a provision where contractually obliged or where there is past practice that has created a constructive obligation.

n) Expenses -

Expenses are recognized in the Statement of Comprehensive Income on the accrual basis.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST DECEMBER 2022
 (Expressed in Jamaican Dollars unless otherwise stated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

o) Other Assets-

Receivables are carried at original amounts less provisions for bad debt and impairment losses. A provision for bad debt is established when there is objective evidence that the Credit Union will not be able to collect all amounts due according to the original terms of the receivables. The amount of any provision is the difference between the carrying amount and the expected recoverable amount.

p) Financial Liabilities -

The Credit Union's financial liabilities primarily comprise members' deposits, member's voluntary shares, payables and bank overdraft. These are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method.

q) Members' Voluntary Shares -

Under the International Financial Reporting Standards, Voluntary shares in the Credit Union can no longer be regarded as share capital but should be treated as a liability. Members' voluntary shares represent withdrawable deposit holdings of the Credit Union's members to facilitate eligibility for loans and other benefits. Interest paid on these shares is classified as an expense in net surplus and is paid at a rate that is determined from time to time by the Board of Directors, subject to the profitability of the Credit Union.

r) Accounts Payables -

Accounts payable are initially recorded at fair value and subsequently stated at amortised cost.

s) Provisions -

Provisions are recognized when the Credit Union has a present legal or constructive obligation as a result of past events, if 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 of the obligation can be made.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the date of the statement of financial position.

t) Members' Permanent Share Capital -

Member's permanent share capital represents shares paid up in cash and form part of the risk capital of the Credit Union. Members' share capital may be redeemable subject to the sale, transfer or repurchase of such shares.

Dividends on members' permanent share capital are transferred to members' voluntary share accounts (net of withholding tax), in accordance with the Credit Union's rules, in the period in which they are approved by the Credit Union's members.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST DECEMBER 2022
 (Expressed in Jamaican Dollars unless otherwise stated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

u) Institutional Capital -

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

v) Statutory Reserves -

The Co-operative Societies Act provides that at least twenty percent (20%) of the annual net income of the Credit Union should be carried to a Statutory Reserve Fund which is not available for distribution to its members..

w) Revenue Recognition -

Fees and other Income

Fees and other income are generally recognised on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loans.

x) Foreign Currency Translation -

Functional and presentation currency

Items included in the financial statements of the Credit Union are measured using the currency of the primary economic environment in which the Credit Union operates ('the functional currency'). The Credit Union's primary economic environment is Jamaica, and as such, its functional and presentation currency is Jamaican dollars.

Transactions and balances

Foreign currency transactions are converted into the functional currency at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange ruling at the date of the statement of financial position. Exchange gains and losses resulting from the settlement of transactions at rates different from those at the dates of the transactions and unrealised foreign exchange gains and losses on unsettled foreign currency monetary assets and liabilities are recognised in the statement of comprehensive income.

y) Interest Income and Expense

Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' and 'interest expense' in the statement of comprehensive income using the effective interest method.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
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3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

y) Interest Income and Expense (cont'd)

The effective interest rate is the method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Credit Union estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation include all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transactions costs and all other premiums or discounts.

Once a financial asset or group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

z) League fees and stabilisation dues -

JCCUL has fixed the rate of league fees at 0.20% (2020 - 0.20%) of total assets less adjustment for certain fair value and reserve items. Stabilisation dues are fixed at a rate of 0.075% (2020 - 0.15%) of total savings.

aa) Related Party Balances and Transactions -

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24, *Related Party Disclosures* as the "reporting entity").

- (a) A person or a close member of that person's family is related to the reporting entity if that person:
- (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to the reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

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NOTES TO THE FINANCIAL STATEMENTS - CONT'D
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(Expressed in Jamaican Dollars unless otherwise stated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

aa) Related Party Balances and Transactions Cont'd:

- (vi) The entity is controlled, or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

ab) Business Combinations

The Credit Union uses the acquisition method of accounting to account for business combinations. The consideration transferred on the merger of entities is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the credit union. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets and liabilities acquired; and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

In business combinations involving more than two parties, one of the previously existing entities is normally deemed to be the acquirer uses the principles outlined in IFRS 3 - *Business Combinations*, to account for the net assets of the deemed acquired.

ac) Leases

Right of use Asset

The entity has recognised all leases, except for short-term leases (tenure of less than 12 months) and leases of low value;

- i. A right-of-use asset that represents the right of the entity to use the asset during the lease term. The right-of-use asset is initially measured at an amount equal to the lease liability, plus any lease payments made to the lessor before the lease commencement date, plus any indirect cost incurred, minus any lease incentives received.
- ii. A lease liability that recognises the obligation of the entity to the Lessor. The lease liability is initially measured at the present value of the lease payments, discounted at the rate implicit in the lease. Where there is not discount rate implicit in the lease, the entity will utilise the incremental borrowing rate.

Subsequent Measurement

Following the commencement or initial recognition of the lease, the entity measures the right-of-use asset at cost, minus accumulated depreciation, accumulated impairment and adjustment for any remeasurement of the lease liability.

Right of use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The amortisation periods for operating leases recognised as right-of-use assets is as follow;

- Right-of-use for Office Building 2 - 3 years

Payments associated with short term leases and all leases at a low-value are recognised on a straight line basis as an expense in the profit or loss. The Credit Union applies the exemption for low-value assets on a lease by lease basis.

Lease Liability denominated in United States Dollars are revalued at the end of each reporting period.

4. Financial Instruments and Financial Instruments Risk Management:

The Credit Union's activities expose it to a variety of financial risks. The Credit Union's risk management activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Credit Union's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Credit Union's financial performance.

The Credit Union's risk management policies are designed to identify and analyze 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 Credit Union regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Credit Union's risk, management framework. The Board has established committees, departments and positions for managing and monitoring risks, as follows:

i) Risk, Compliance and Legal Services Manager

The Risk and Compliance Officer is responsible for developing and implementing risk management policies, programs and standards to mitigate all risks affecting the Credit Union and ensuring the Credit Union's compliance with relevant laws and regulators.

ii) Finance Committee

The role of the Finance Committee includes monitoring and assessing risk and compliance within the organization. This involves reviewing current and prospective capital levels, liquidity positions and interest rate risk measurements. The Finance Committee also monitors alternative funding sources for the Credit Union, and monitors capital and asset/liability management strategies and tactics.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
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4. Financial Instruments and Financial Instruments Risk Management (Cont'd):

iii) Accounting Department

This department is responsible for the day-to-day management of the Credit Union's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Credit Union.

iv) Supervisory Committee

The Supervisory Committee oversees how management monitors compliance with the Credit Union's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Credit Union. The Supervisory Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Supervisory Committee.

v) Credit Committee

The Credit Committee monitors the overall credit administration and granting of loans. The Credit Union's policy is that risk management processes throughout the Credit Union are audited periodically by the Internal Audit function, which examines both the adequacy of the procedures and the Credit Union's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Supervisory Committee.

Monitoring and controlling risk is primarily performed based on limits established by the Credit Union. These limits reflect the business strategy and market environment of the Credit Union as well as the level of risk that the Credit Union is willing to accept, with additional emphasis on selected industries. In addition, the Credit Union's policy is to measure and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

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

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

(a) Credit risk

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

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
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(Expressed in Jamaican Dollars unless otherwise stated)

4. Financial Instruments and Financial Instruments Risk Management (Cont'd):

(a) **Credit risk (cont'd)**

Credit Review Process

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

i) **Loans**

The Credit Union assesses the probability of default of borrowers. Exposure to credit risk is managed in part by obtaining collateral, and corporate and personal guarantees. Counterparty limits are established by the Board and are detailed in the Credit Union's loan policy document. These limits are subject to regular revision. The credit quality review process allows the Credit Union to assess the potential loss as a result of the risk to which it is exposed and take corrective action.

ii) **Investments**

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

iii) **Collateral and other credit enhancement**

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

The main types of collateral obtained are as follows:

- Bills of sale on motor vehicles, furniture and appliances
- Mortgages over real estate
- Life insurance policies
- Liens on members' shares and deposits maintained with the Credit Union
- Hypothecated funds invested at other financial institutions
- Co-maker account

Management monitors the market value of collateral held, and requests additional collateral in accordance with the underlying agreement, during its review of the adequacy of the provision for credit losses.

Impairment

Impaired loans are loans for which the Credit Union determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan.

Impaired Loans

Impaired loans are loans for which the Credit Union determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan.

Past Due but not Impaired Loans

These are loans where contractual interest or principal payments are past due but the Credit Union believes that impairment is not appropriate on the basis of the level of security available or the stage of collection of amounts owed to the Credit Union.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
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4. Financial Instruments and Financial Instruments Risk Management (Cont'd):

(a) **Credit risk-Cont'd:**

Credit Review Process (Cont'd)

Impairment (cont'd)

Allowances for Impairment

Prior to January 1, 2018, the Credit Union inline with IAS 39 established an allowance for impairment losses that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established on a Credit Union basis in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment. Additional regulatory allowance is made based on the aging of the delinquency portfolio. This additional allowance is treated as an appropriation and taken to reserves.

Effective January 1, 2018, the Credit Union under IFRS 9 established an impairment framework that estimates expected credit losses in its loan portfolio. The Credit Union have a documented IFRS 9 policy in place to guide the recognition and derecognition process. Management is responsible for the reassessment of credit risk of all loans to members annually or earlier if the needs arises and determine whether there is a significant increase in the credit risk from the loan origination date to the date reporting date.

The League's loan loss provisioning rules in (Note 7) focus more on credit-quality mapping of the respective delinquency periods to corresponding pre-determined percentages. In contrast, impairment provisions described above are recognised for financial reporting purposes only for losses that have been incurred at the date of the statement of financial position based on objective evidence of impairment. Due to the different methodologies applied, the amount of incurred credit losses provided for in the financial statements may differ from the amount determined from the League's loan loss provisioning rules that are used for internal operational management and the Credit Union's internal provisioning method.

The difference between the two amounts is dealt with as an additional provision through transfer from accumulated surplus to the loan loss reserve in non-institutional capital.

Credit Risk Exposure

Maximum Exposure under IFRS 9

Loans:

As per Expected Credit Loss (ECL) Report	Gross Carrying Amount		Expected Credit Loss	
	2022	2021	2022	2021
	\$	\$	\$	\$
Stage 1 (12- month ECL)	7,300,045,840	6,299,040,691	48,757,020	37,750,832
Stage 2 (Lifetime ECL)	156,667,860	220,125,340	5,485,911	6,197,505
Stage 3 (Lifetime ECL)	272,688,465	424,164,891	178,262,007	249,710,338
Total	7,729,402,165	6,943,330,922	232,504,938	293,658,675
As per General ledger	7,729,402,165	6,943,330,922	232,504,938	293,658,675

The gross carrying amount of financial assets above represents the maximum exposure to credit risk on these assets.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
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4. Financial Instruments and Financial Instruments Risk Management (Cont'd):

(a) **Credit risk-Cont'd:**

Credit risk exposure-Cont'd:

Maximum Exposure under IFRS 9-Cont'd

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

For items not on the statement of financial position, see below representing a worst case scenario of credit risk exposure to the Credit Union at 31st December 2022 and 2021, without accounting for any collateral held or other credit enhancements.

	2022	2021		
	\$	\$		
Loan Commitments	<u>128,595,507</u>	<u>193,327,000</u>		
 (i) Changes in Credit quality since initial recognition:				
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	12-month ECL	Lifetime ECL	Lifetime ECL	
Gross carrying amount on Loans as at January 1, 2022	6,299,040,692	220,125,340	424,164,890	6,943,330,922
Financial Assets derecognized during the period other than write offs	-	(17,367,739)	(146,290,060)	(163,657,799)
<u>Transfers between Stages</u>				
Transfer from Stage 1 to 2	(77,404,837)	77,404,837	-	-
Transfer from Stage 1 to 3	(121,174,264)	-	121,174,264	-
Transfer from Stage 2 to 1	116,691,943	(116,691,943)	-	-
Transfer from Stage 2 to 3	-	(43,125,060)	43,125,060	-
Transfer from Stage 3 to 1	133,163,264	-	(133,163,264)	-
Transfer from Stage 3 to 2	-	36,322,425	(36,322,425)	-
New Financial Assets originated	<u>949,729,042</u>	-	-	<u>949,729,042</u>
Gross Carrying Amount on Loans as at December 31, 2022	<u>7,300,045,840</u>	<u>156,667,860</u>	<u>272,688,465</u>	<u>7,729,402,165</u>
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	12-month ECL	Lifetime ECL	Lifetime ECL	
Expected Credit Loss as at January 1, 2022	37,750,832	6,197,505	249,710,338	293,658,675
<u>Transfers between Stages</u>				
Transfer from Stage 1 to 2	(575,936)	575,936	-	-
Transfer from Stage 1 to 3	(813,479)	-	813,479	-
Transfer from Stage 2 to 1	315,195	(315,195)	-	-
Transfer from Stage 2 to 3	-	(488,377)	488,377	-
Transfer from Stage 3 to 1	217,120	-	(217,120)	-
Transfer from Stage 3 to 2	-	119,916	(119,916)	-
ECL on New Financial Asset originated	<u>11,863,288</u>	<u>(603,874)</u>	<u>(72,413,151)</u>	<u>(61,153,737)</u>
Expected Credit Loss as at December 31, 2022	<u>48,757,020</u>	<u>5,485,911</u>	<u>178,262,007</u>	<u>232,504,938</u>

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
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4. Financial Instruments and Financial Instruments Risk Management (Cont'd):

(a) **Credit risk-Cont'd:**

Credit risk exposure-Cont'd:

(i) Credit quality of loans is summarised as follows:

	2022	2021
	\$	\$
Neither past due nor impaired	6,227,558,374	5,815,830,576
Past due but not impaired	1,335,933,185	964,464,224
Impaired	165,910,606	163,036,122
Gross Loan amounts	<u>7,729,402,165</u>	<u>6,943,330,922</u>
Less: Provision for credit losses	<u>(232,504,938)</u>	<u>(293,658,675)</u>
Net Loans Receivable	<u>7,496,897,227</u>	<u>6,649,672,247</u>

The majority of past due loans are not considered to be impaired. Further information on the impairment allowance for loans is provided in (Note 7).

(i) Ageing analysis of loans:

	2022	2021
	\$	\$
Less than 30 days	1,115,631,963	483,210,115
31 to 60 days	100,969,727	144,309,196
61 to 90 days	43,551,707	77,530,556
More than 90 days	241,690,394	422,450,479
	<u>1,501,843,791</u>	<u>1,127,500,346</u>

There are no financial assets other than loans that are past due.

iii) Financial assets - individually impaired

Financial assets that are individually impaired before taking into consideration the cash flows from collateral held are as follows:

	2022	2021
	\$	\$
Loans to members	<u>165,910,606</u>	<u>163,036,122</u>

The fair value of collateral that the Credit Union held as security for individually impaired loans was \$77,900,000 (2021- \$247,250,000).

There are no financial assets other than those listed above that were individually impaired.

iv) Loans

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

	2022	2021
	\$	\$
Agriculture	7,926,712	8,942,834
Construction and real estate	2,555,719,857	2,193,331,380
Debt refinancing and consolidation	460,480,781	452,433,907
Transportation	539,630,176	404,164,716
Personal	1,398,273,073	1,245,678,856
Motor Vehicles	2,351,602,236	2,223,302,277
Education	96,984,503	100,467,049
Small Business	313,524,856	304,225,137
Professional and other services	5,259,971	10,784,767
	<u>7,729,402,165</u>	<u>6,943,330,922</u>
Less: Provision for credit losses	<u>(232,504,938)</u>	<u>(293,658,675)</u>
	<u>7,496,897,227</u>	<u>6,649,672,247</u>
Interest receivable	<u>46,839,253</u>	<u>48,146,807</u>
	<u>7,543,736,480</u>	<u>6,697,819,054</u>

v) Renegotiated loans

Restructuring activities include extended payment arrangements, approved external management plans, modification and deferral of payments. Following restructuring, a previously overdue customer account is reset to a normal status and managed together with other similar accounts. Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continuous review (restructuring is most commonly applied to term loans). As at 31st December 2022, there were four renegotiated loans totaling \$17,805,163 (2021 - \$68,516,294).

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NOTES TO THE FINANCIAL STATEMENTS - CONT'D
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4. Financial Instruments and Financial Instruments Risk Management (Cont'd):

(a) **Credit risk-Cont'd:**

Credit risk exposure-Cont'd:

vi) **Repossessed Collateral**

The Credit Union obtained assets by taking possession of collateral held as security, as follows:

	Carrying Amount 2022	Carrying Amount 2021
	\$	\$
Motor vehicles	<u>79,623,385</u>	<u>21,332,504</u>
	<u>79,623,385</u>	<u>21,332,504</u>

Repossessed property and motor vehicles are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness. The Credit Union does not occupy repossessed property for business use.

vii) **Debt securities**

This disclosure provided in this note are based on the Credit Union's investment portfolio. The following table summaries the categories of Credit Union's credit exposure for debt securities and their carrying amounts at year end:

	2022	2021
	\$	\$
Government of Jamaica	170,083,898	322,182,133
Financial Institutions	2,109,299,739	1,427,729,695
Credit Union Fund Management Company Limited	616,615,292	563,057,227
Jamaica Co-operative Credit Union League Limited	9,074,411	9,074,411
	<u>2,905,073,340</u>	<u>2,322,043,466</u>

(b) **Liquidity risk**

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

Liquidity risk management process

The Credit Union's liquidity management process, as carried out within the Credit Union and monitored by the Finance Committee, includes:

- (i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral, which could be used to secure funding if required;
- (ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flows;
- (iii) Maintaining committed lines of credit;
- (iv) Optimising cash returns on investments;
- (v) Monitoring statement of financial position liquidity ratios against internal and regulatory requirements. The most important of these is to maintain code one rating liquidity ratio according to the PEARLS-M standard; and
- (vi) Managing the concentration and profile of debt maturities.

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

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Credit Union. It is unusual for entities ever to be completely matched since business transacted is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of loss.

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

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
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4. Financial Instruments and Financial Instruments Risk Management (Cont'd):

(b) Liquidity risk - Cont'd:

Financial liabilities and assets held for managing liquidity risk

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

	As at 31st December 2022					Total	
	Within 3 Months \$	3 to 12 Months \$	1 to 5 Years \$	Over 5 Years \$	No Specific Maturity \$		Non Interest Bearing \$
Members' saving deposits	1,190,628,363	507,849,176	448,088,119	402,068,928	2,844,876,289	-	5,393,510,875
Members' voluntary shares	937,442,598	137,045,804	587,281,215	114,890,804	2,664,908,983	-	4,441,569,404
Operating Lease Liabilities	378,843	1,136,530	-	-	-	-	1,515,373
Non-interest bearing liabilities	54,542,383	99,847,914	-	-	-	-	154,390,297
Total financial liabilities (contractual maturity dates)	2,182,992,187	745,879,424	1,035,369,334	516,959,732	5,509,785,272	-	9,990,985,949
Assets held for managing liquidity risk (contractual maturity dates)	248,274,972	1,266,477,995	4,912,053,905	3,367,925,019	1,598,612,862	-	11,393,344,753
	As at 31st December 2021						
	Within 3 Months \$	3 to 12 Months \$	1 to 5 Years \$	Over 5 Years \$	No Specific Maturity \$	Non Interest Bearing \$	Total
Members' saving deposits	487,364,924	218,589,837	662,958,624	174,536,637	-	3,155,732,310	4,699,182,332
Members' voluntary shares	40,684,268	91,702,546	542,915,237	202,712,917	3,069,921,858	-	3,947,936,826
Operating Lease Liabilities	777,960	2,816,563	-	-	-	-	3,594,523
Non-interest bearing liabilities	44,799,467	97,575,534	-	-	-	-	142,375,001
Total financial liabilities (contractual maturity dates)	573,626,619	410,684,480	1,205,873,861	377,249,554	3,069,921,858	3,155,732,310	8,793,068,682
Assets held for managing liquidity risk (contractual maturity dates)	432,817,369	914,639,287	4,804,106,244	2,282,543,821	734,536,328	-	9,168,643,049

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
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4. Financial Instruments and Financial Instruments Risk Management (Cont'd):

(b) Liquidity risk - Cont'd:

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash and bank balances, items in the course of collection, investment securities and other eligible bills, and loans and advances to members. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, debt securities and treasury and other bills have been pledged to secure liabilities. The Credit Union is also able to meet unexpected net cash outflows by selling securities and accessing additional funding sources from other financing institutions.

Off-statement of financial position items

Undrawn loan commitments, as discussed in Note 4(a), will expire in less than one year.

(c) Market risk

The Credit Union is exposed to market risk, 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 risk mainly arises from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Accounting Department which carries out research and monitor the price movement of financial assets.

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

Foreign Currency risk

Currency risk is the risk that the fair value or financial instruments will fluctuate due to changes in foreign exchange rates. The Credit Union is exposed to foreign exchange risk primarily with respect to the US dollar. The statement of financial position at 31st December 2022 includes aggregate foreign assets the equivalent of \$36,336,102 (2021 - \$8,900,318).

The Credit Union manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Credit Union further manages this risk by holding foreign currency balances.

Foreign currency sensitivity

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

	Change in Currency Rate 2022 %	Effect on Net Surplus 2022 \$	Change in Currency Rate 2021 %	Effect on Net Surplus 2021 \$
Devaluation	<u>7</u>	<u>2,543,527</u>	<u>6</u>	<u>534,019</u>
Revaluation	<u>2</u>	<u>(726,722)</u>	<u>2</u>	<u>(178,006)</u>

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FOR THE YEAR ENDED 31ST DECEMBER 2022
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4. Financial Instruments and Financial Instruments Risk Management (Cont'd):

(c) **Market risk -Cont'd**

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

Interest rate risk is managed through monitoring interest rate gaps and having pre-approved limits for re-pricing bands. The Credit Union's policy is to monitor positions on a daily basis and strategies are used to ensure positions are maintained within the established limits. This is monitored by the Accounting Department.

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

Financial Assets

	2022						Total
	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	No Specific Maturity Date	Non-Interest Bearing	
	\$	\$	\$	\$	\$	\$	\$
Earning Assets							
Liquid assets							
Deposits	-	-	-	-	596,021,529	-	596,021,529
Short Term Investments	222,723,236	920,128,181	-	-	-	-	1,142,851,417
Financial Investments	-	132,542,292	871,213,092	151,227,863	215,382,683	-	1,370,365,930
Loans to members after provision for impairment	25,551,736	213,807,522	4,040,840,813	3,216,697,156	-	-	7,496,897,227
Non-earning assets	-	-	-	-	787,208,650	-	787,208,650
Total financial assets	248,274,972	1,266,477,995	4,912,053,905	3,367,925,019	1,598,612,862	-	11,393,344,753
Financial liabilities							
Interest bearing liabilities							
Members' saving deposits	1,190,628,363	507,849,176	448,088,119	402,068,928	2,844,876,289	-	5,393,510,875
Members' voluntary shares	937,442,598.00	137,045,804	587,281,215	114,890,804	2,664,908,983	-	4,441,569,404
Operating Lease Liabilities	378,843	1,136,530	-	-	-	-	1,515,373
Non-interest bearing liabilities							
Equity	54,542,383	99,847,914	-	-	-	-	154,390,297
Total financial liabilities	2,182,992,187	745,879,424	1,035,369,334	516,959,732	5,509,785,272	1,453,704,363	1,453,704,363
Total Interest Rate Sensitivity Gap	(1,934,717,215)	520,598,571	3,876,684,571	2,850,965,287	(3,911,172,410)	(1,453,704,363)	(51,345,559)

**GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST DECEMBER 2022**

(Expressed in Jamaican Dollars unless otherwise stated)

4. Financial Instruments and Financial Instruments Risk Management (Cont'd):

(c) **Market risk -Cont'd**

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

Interest rate risk is managed through monitoring interest rate gaps and having pre-approved limits for re-pricing bands. The Credit Union's policy is to monitor positions on a daily basis and strategies are used to ensure positions are maintained within the established limits. This is monitored by the Accounting Department.

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

Financial Assets

	Within 3 Months \$	3 to 12 Months \$	1 to 5 Years \$	2021 Over 5 Years \$	No Specific Maturity Date \$	Non-Interest Bearing \$	Total \$
Earning Assets							
Liquid assets							
Deposits	-	-	-	-	542,861,852	-	542,861,852
Reversed Repurchase agreements	229,096,044	22,061,494	-	-	-	-	251,157,538
Financial investments	81,645,381	597,355,573	673,048,119	181,227,863	191,674,476	-	1,724,951,412
Loans to members after provision for impairment	122,075,944	295,222,220	4,131,058,125	2,101,315,958	-	-	6,649,672,247
Non-earning assets	-	-	-	-	855,646,167	-	855,646,167
Total financial assets	432,817,369	914,639,287	4,804,106,244	2,282,543,821	1,590,182,495	-	10,024,289,216
Financial liabilities							
Interest bearing liabilities							
Members' saving deposits	487,364,924	218,589,837	662,958,623	174,536,637	-	3,155,732,310	4,699,182,331
Members' voluntary shares	40,684,268.00	91,702,546	542,915,237	202,712,917	3,069,921,858	-	3,947,936,826
Operating Lease Liabilities	777,960	2,816,563	-	-	-	-	3,594,523
Non-interest bearing liabilities	44,799,468	97,575,534	-	-	-	-	142,375,002
Equity	-	-	-	-	-	1,267,921,280	1,267,921,280
Total financial liabilities	573,626,620	410,684,480	1,205,873,860	377,249,554	3,069,921,858	4,423,653,590	10,061,009,962
Total Interest Rate Sensitivity Gap	(140,809,251)	503,954,807	3,598,232,384	1,905,294,267	(1,479,739,363)	(4,423,653,590)	(36,720,746)

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NOTES TO THE FINANCIAL STATEMENTS - CONT'D
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4. Financial Instruments and Financial Instruments Risk Management (Cont'd):

(c) **Market risk -Cont'd**

Interest rate risk- Cont'd:

Interest rate sensitivity

Change in Basis Points 2022	Effect on Net Surplus 2022	Change in Basis Points 2021	Effect on Net Surplus 2021
\$	\$	\$	\$
-100	-	-100	-
+100	-	+100	-

Average effective yields by the earlier of the contractual re-pricing or maturity dates:

	2022				
	Within 3 Months %	3 to 12 Months %	1 to 5 Years %	Over 5 Years %	Weighted Average %
Earning Assets					
Liquid assets-					
Deposits	1.90	-	-	-	1.90
Short Term Investments	2.40	4.15	-	-	4.00
Financial Investments	7.00	4.58	6.06	11.75	7.35
Loans (1)	8.50	10.50	11.75	11.10	11.00
Interest bearing liabilities					
Members' Deposits (2)	1.50	1.50	1.50	1.75	1.50
Members' Voluntary Shares	1.50	1.50	1.50	1.75	1.50
2021					
	Within 3 Months %	3 to 12 Months %	1 to 5 Years %	Over 5 Years %	Weighted Average %
Earning Assets					
Liquid assets-					
Deposits	1.68	-	-	-	1.68
Reversed Repurchase Agreements	1.70	2.15	-	-	2.00
Financial Investments	7.25	4.75	4.95	6.50	6.50
Loans (1)	8.50	10.50	11.75	11.10	10.95
Interest bearing liabilities					
Members' Deposits (2)	1.15	1.50	1.50	1.75	1.50
Members' Voluntary Shares	0.15	1.50	1.50	1.75	1.50

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

(2) Yields are based on contractual interest rates.

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4. Financial Instruments and Financial Instruments Risk Management (Cont'd):

d) **Operational risk:**

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

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

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

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

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

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4. Financial Instruments and Financial Instruments Risk Management (Cont'd):

e) **Capital Management**

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

- (i) To comply with the capital requirements set by the League and the proposed Bank of Jamaica (BOJ) Credit Union Regulations, under which entities within the credit union movement operate;
- (ii) To safeguard the Credit Union's ability to continue as a going concern so that it can continue to provide returns for members and benefits for other stakeholders;
- (iii) To maintain a strong capital base to support the development of its business; and
- (iv) To maintain the members' confidence in the safety and viability of the Credit Union.

Capital adequacy and the use of regulatory capital are monitored by the Credit Union's management, based on the guidelines in its Capital Management Policy.

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

- (i) Hold a minimum level of the regulatory capital of 6% of total assets; and
- (ii) Maintain a ratio of total regulatory capital to risk-weighted assets at or above 10%.
- (iii) At least twenty percent (20%) of net income must be transferred to Institutional Capital at the end of each financial year before any appropriation of surplus.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of, and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-statement of financial position exposure, with some adjustments to reflect the more contingent nature of the potential losses.

In determining the Credit Union's capital base (Institutional Capital), the Institutional Capital of the acquired Credit Union, (see below) was included. As at the date of transfer of engagements/amalgamations, the relevant Credit Union had Institutional Capital as stated below which comprised the following balance:

	<u>Merger Date</u>	<u>Statutory Reserve</u>
Hanover Co-Operative Credit Union Limited	2017	<u>100,689,871</u>

All League and Bank of Jamaica regulatory capital requirements were met during the year ended 31st December 2022.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
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4. Financial Instruments and Financial Instruments Risk Management (Cont'd):

f) Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a 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 a recognised stock exchange) exists, as it is the best evidence of the fair value of a financial instrument. However, market prices are not available for a number of financial assets and liabilities held and issued by the Credit Union. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the statement of financial position date.

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

The following methods and assumptions have been used:

- (a) Financial investments classified as fair value through profit or loss are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or other recognised valuation techniques. Unquoted equities are measured at historical cost less impairment, as their fair values cannot be reliably determined;
- (b) Financial investments classified that are held-to-maturity are measured at amortised cost with a carrying value of \$684,325,283 (2021 - \$585,683,105).
- (c) The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets, with the exception of unquoted equities and the short-term elements of all other financial assets and financial liabilities;
- (d) The fair value of members' deposits with no specific maturity is assumed to be the amount payable on demand at the statement of financial position date;
- (e) The estimated fair values of the off-statement of financial position financial instruments are based on market prices for similar facilities. When this information is not available, fair value is estimated using discounted cash flow analysis;
- (f) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts;
- (g) The fair value of fixed rate loans is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. For match-funded loans, the fair value is assumed to be equal to their carrying value, as gains and losses offset each other. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the provisions for credit losses from both book and fair values.

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

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4. Financial Instruments and Financial Instruments Risk Management (Cont'd):

f) **Fair Value of Financial Instruments Cont'd:**

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

The following table presents the Credit Union's financial assets that are measured at fair value at 31 December:

	2022			Total
	Level 1	Level 2	Level 3	
	\$	\$	\$	\$
Available for sale-				
Unquoted equities	-	-	245,922,218	245,922,218
Quoted equities	37,878,545	-	-	37,878,545
Fixed and other deposits	-	1,098,653,675	-	1,098,653,675
	<u>37,878,545</u>	<u>1,098,653,675</u>	<u>245,922,218</u>	<u>1,382,454,437</u>
	2021			Total
	Level 1	Level 2	Level 3	
	\$	\$	\$	\$
Available for sale-				
Unquoted equities	-	-	226,197,127	226,197,127
Quoted equities	40,531,304	-	-	40,531,304
Fixed and other deposits	-	585,683,105	-	585,683,105
	<u>40,531,304</u>	<u>585,683,105</u>	<u>226,197,127</u>	<u>852,411,536</u>

There were no transfers between levels 1 and 2 during the year. There are no revalued financial assets grouped in level 3.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
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5. Earning Assets-Liquid Assets:	2022	2021
	\$	\$
Demand Deposits	596,021,529	542,861,852
<u>Short Term Investments</u>		
Other Financial Institutions	<u>1,142,851,416</u>	<u>1,123,697,419</u>
	<u>1,738,872,946</u>	<u>1,666,559,271</u>
6. Loan to Members:	2022	2021
	\$	\$
Balance at Beginning of Year	6,943,330,922	6,196,567,404
Loans Granted	<u>3,325,370,000</u>	<u>2,745,200,000</u>
	10,268,700,922	8,941,767,404
Less Repayments and Transfers	<u>(2,539,298,758)</u>	<u>(1,998,436,482)</u>
	7,729,402,165	6,943,330,922
Less Provision for Loan Impairment	<u>(232,504,938)</u>	<u>(293,658,675)</u>
	7,496,897,227	6,649,672,247
Add Interest Receivable	<u>51,345,559</u>	<u>48,146,807</u>
Balance at End of Year	<u>7,548,242,786</u>	<u>6,697,819,054</u>
7. Provision for Loan Impairment:		
(a) The movement in the provision for loan impairment determined under the requirements of IFRS is as follows:		
	2022	2021
	\$	\$
Balance, January 1	293,658,675	121,014,287
Increase in ECL Provision for the year	24,749,935	223,691,206
Charged off Loans	<u>(85,903,673)</u>	<u>(51,046,818)</u>
Allowance for Expected Credit Loss (IFRS 9)	232,504,938	293,658,675
JCCUL regulatory requirement (Note b)	<u>-</u>	<u>(201,145,379)</u>
	<u>232,504,938</u>	<u>92,513,296</u>

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
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7. Provision for Loan Impairment Cont'd:

(b) Net Movement on Loan Impairment Provision

	2022	2021
	\$	\$
Additional amounts provided for during the year (IFRS)		
Charged to Statement of Comprehensive Income	<u>24,749,935</u>	<u>223,691,206</u>

Provision for loan losses determined under JCCUL Regulatory requirements is as follows:

Number of Months in Arrears	Number of Loans	Delinquent Loans	2022			
			Provision Rate	Savings Held Against Loans	Exposure	Loan Loss Provision
Less than 2	96	100,969,727	-	1,989,293	98,980,434	-
2 to 3	64	43,551,707	10	120,379	43,431,328	4,355,171
3 to 6	123	91,967,037	30	451,653	91,515,384	27,590,111
6 to 12	165	106,287,615	60	1,705,147	104,582,468	63,772,569
More than 12	<u>63</u>	<u>43,435,742</u>	<u>100</u>	<u>1,635,770</u>	<u>41,799,972</u>	<u>43,435,742</u>
	<u>511</u>	<u>386,211,828</u>		<u>5,902,242</u>	<u>380,309,586</u>	<u>139,153,593</u>

Number of Months in Arrears	Number of Loans	Delinquent Loans	2021			
			Provision Rate	Savings Held Against Loans	Exposure	Loan Loss Provision
Less than 2	121	144,309,196	-	2,587,114	141,722,082	-
2 to 3	87	77,530,556	10	4,817,519	72,713,037	7,753,056
3 to 6	197	200,259,880	30	19,510,060	180,749,820	60,077,964
6 to 12	283	222,190,599	60	14,890,051	207,300,548	133,314,359
	<u>688</u>	<u>644,290,231</u>		<u>41,804,744</u>	<u>602,485,487</u>	<u>201,145,379</u>

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8. Financial Investments:

	2022	2021
	\$	\$
<u>Fair value through other comprehensive income</u>		
Unquoted Equities		
(a) Jamaica Co-operative Credit Union League Ltd	9,074,411	9,074,411
(b) Quality Network Co-operative Limited (QNET)	2,701,589	2,701,589
(c) Credit Union Fund Management Company Limited	17,892,174	17,493,786
(d) First Heritage Co-operative Credit Union Limited	-	70,927,341
(e) CUMAX WEALTH LTD	110,254,043	20,000,000
(f) Jamaica Police Coop Credit Union	20,000,000	20,000,000
(g) Money Masters	40,000,000	40,000,000
(h) EduCom Deferred Shares	20,000,000	20,000,000
(i) Communities & Workers of Jamaica Credit Union Ltd	20,000,000	20,000,000
(j) Central Strategic Service	5,000,000	5,000,000
(k) Jamaica Co-operative Insurance Agency	1,000,000	1,000,000
Quoted Equities		
Other - Sagicor Real Estates	37,564,957	40,217,716
	<u>283,487,175</u>	<u>266,414,843</u>
<u>Fair value through profit or loss</u>		
Quoted Equities		
Jamaica Money Market Brokers Limited	203,847	203,847
Mayberry Investments Limited	109,741	109,741
	<u>313,588</u>	<u>313,588</u>
<u>Amortised cost</u>		
Placement with Other Financial Institutions	966,134,734	303,718,688
Government of Jamaica Securities	132,518,941	281,964,417
	<u>1,098,653,675</u>	<u>585,683,105</u>
Less: Allowance for expected credit losses under IFRS 9	<u>(12,088,507)</u>	<u>(11,426,066)</u>
	<u>1,370,365,931</u>	<u>840,985,470</u>

- (a) Unquoted equities represents shares held in the League. A minimum of 1,000,000 shares with a par value of \$1.00 each must be held with the league for the Credit Union to retain membership status.
- (b) The unquoted equity investment in Quality Network Co-operative Limited represents 2.7% of the issued ordinary share capital of the company.
- (c) The rules of the League stipulate that the Credit Union must invest 5% of the net increase in the members' share accounts in the League's mortgage fund instruments. These investments are used to secure joint mortgage facilities, which are extended to the members of the Credit Union.
- (d) The unquoted equity investment in First Heritage Co-operative Credit Union Limited represents permanent shares, allowing Gateway CCU Limited to invest funds with the Credit Union.

9. Cash and Cash Equivalents

	2022	2021
	\$	\$
Current Accounts	36,704,850	84,399,707
Cash in hand	92,591,388	103,356,260
	<u>129,296,237</u>	<u>187,755,967</u>

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10. Other Receivables & Prepayments

	2022	2021
	\$	\$
Other Receivables	87,564,703	51,710,739
Prepayments	<u>14,618,426</u>	<u>52,677,707</u>
	<u>102,183,129</u>	<u>104,388,446</u>

11. Intangible Assets

	2022	2021
	\$	\$
At Cost:		
1st January	<u>58,989,324</u>	<u>58,989,324</u>
31st December	<u>58,989,324</u>	<u>58,989,324</u>
<u>Accumulated Amortisation:</u>		
1st January	23,979,051	4,315,945
Charge for the year	<u>19,663,108</u>	<u>19,663,106</u>
31st December	<u>43,642,159</u>	<u>23,979,051</u>
Net Book Value	<u>15,347,165</u>	<u>35,010,273</u>

Intangible assets comprise computer accounting software acquired by the Credit Union and implementation costs of this software. The cost is amortised over the expected useful life of these assets which is estimated by management to be three years.

12. Lease Right-of-Use-Assets

	Building	
	2022	2021
	\$	\$
<u>Cost</u>		
1st January	13,246,266	13,246,266
Additions of new lease contracts	1,470,615	-
31st December	<u>14,716,881</u>	<u>13,246,266</u>
<u>Accumulated Depreciation</u>		
1st January	7,884,641	3,257,676
Charge for the year	<u>4,659,265</u>	<u>4,626,965</u>
31st December	<u>12,543,906</u>	<u>7,884,641</u>
Net Book Value	<u>2,172,975</u>	<u>5,361,625</u>

Right of use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
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13. Property, Plant & Equipment:

	Land \$	Buildings & Infrastructure \$	Machinery & Office Equipment \$	Computer Equipment \$	Furniture & Fixtures \$	Total \$
At Cost or Valuation:						
31st December 2020	76,601,910	296,255,794	55,757,496	59,299,694	9,643,741	497,558,634
Additions	-	33,175,218	7,761,791	18,847,146	4,403,793	64,187,948
31st December 2021	76,601,910	329,431,012	63,519,287	78,146,840	14,047,534	561,746,582
Additions	37,051,249	7,188,718	4,886,300	5,641,015	1,582,343	56,349,626
31st December 2022	113,653,159	336,619,730	68,405,587	83,787,855	15,629,877	618,096,208
Depreciation:						
31st December 2020	-	25,268,782	24,660,653	37,257,341	2,735,845	89,922,621
Charge for year	-	7,605,364	3,299,370	5,196,693	1,235,431	17,336,858
31st December 2021	-	32,874,146	27,960,023	42,454,034	3,971,276	107,259,479
Charge for year	-	8,280,705	4,889,461	10,134,408	1,624,948	24,929,521
31st December 2022	-	41,154,851	32,849,484	52,588,442	5,596,224	132,189,000
Net Book Value:						
31st December 2022	113,653,159	295,464,879	35,556,104	31,199,413	10,033,653	485,907,208
31st December 2021	76,601,910	296,556,866	35,559,264	35,692,806	10,076,258	454,487,103
31st December 2020	76,601,910	270,987,012	31,096,843	22,042,353	6,907,896	407,636,013

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14. Retirement Benefit Assets:

The Credit Union participates in a multi-employer defined pension plan. The pension plan is generally funded by payments from employees and the Credit Union, taking into account the recommendation of independent qualified actuaries. A defined benefit plan is a pension plan that defines the amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service and compensation.

The following represents the Credit Union's share of amounts allocated to participating credit unions:

	2022	2021
	\$	\$
Fair value of plan assets	398,267,000	386,384,000
Present value of funded obligations	(226,379,000)	(321,186,000)
Effect of Asset Ceiling	<u>(148,802,000)</u>	<u>-</u>
Asset in the statement of financial position	<u>23,087,000</u>	<u>65,198,000</u>

The movement in the fair value of plan assets during the year was as follows:

	2022	2021
	\$	\$
At beginning of year	386,384,000	363,737,000
Re-measurements on plan assets	(30,755,000)	(14,253,000)
Employer contributions	7,492,000	7,815,000
Employee contributions	9,176,000	9,299,000
Interest income	31,451,000	32,997,000
Administrative expenses	(2,311,000)	(1,885,000)
Benefits paid	<u>(3,169,000)</u>	<u>(11,326,000)</u>
At end of year	<u>398,267,000</u>	<u>386,384,000</u>

The movement in the present value of the defined benefit obligation during the year was as follows:

	2022	2021
	\$	\$
At beginning of year	<u>321,186,000</u>	<u>300,290,000</u>
Current service cost	9,392,000	9,603,000
Interest cost	<u>25,568,000</u>	<u>26,516,000</u>
	34,960,000	36,119,000
Re-measurements-		
Actuarial(gain)/loss from change in financial assumptions	(142,766,000)	10,036,000
Actuarial loss/(gain) -experience adjustments	<u>6,992,000</u>	<u>(23,233,000)</u>
Experience loss	(135,774,000)	(13,197,000)
Employee's Contribution	9,176,000	9,299,000
Benefits paid	<u>(3,169,000)</u>	<u>(11,326,000)</u>
At end of year	<u>226,379,000</u>	<u>321,186,000</u>

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14. Retirement Benefit Assets Cont'd:

The amounts recognised in the statement of comprehensive income are as follows:

	2022	2021
	\$	\$
Included in administrative expenses-		
Current service cost	9,392,000	9,603,000
Interest cost	25,568,000	26,516,000
Interest income on plan	(31,451,000)	(32,997,000)
Administrative expense	<u>2,311,000</u>	<u>1,885,000</u>
Staff costs	<u>5,821,000</u>	<u>5,008,000</u>
Included in other comprehensive income (OCI)-		
Actuarial loss on obligation	(135,774,000)	(13,197,000)
Actuarial loss (gain) on plan assets	30,755,000	14,253,000
Change in Effect of Asset Ceiling	<u>148,802,000</u>	<u>-</u>
Total components of defined benefit cost recorded in OCI	<u>43,783,000</u>	<u>1,056,000</u>
Defined benefit cost	<u>49,604,000</u>	<u>6,064,000</u>

Expected employer's contributions to the plan for the year ending 31st December 2023 amount to \$7.7 million which is based on a contribution rate of 8% Pensionable Salaries.

Movement in the pension asset recognised in the statement of financial position:

	2022	2021
	\$	\$
At beginning of year	65,199,000	63,447,000
Amounts recognised in the statement of comprehensive income	(5,821,000)	(5,008,000)
Total re-measurements included in other comprehensive income	(43,783,000)	(1,056,000)
Employers' contribution paid	<u>7,492,000</u>	<u>7,815,000</u>
At end of year	<u>23,087,000</u>	<u>65,199,000</u>

The principal actuarial assumptions used in valuing post-employment benefits were as follows:

	2022	2021
	\$	\$
Discount rate	13.00	8.00
Price inflation (CPI)	5.50	5.00
Pension increases	5.50	3.75
Future salary increases	<u>7.50</u>	<u>5.00</u>

Post-employment mortality for active members and mortality for pensioners and deferred pensioners is based on the 1983 Credit Union Annuity Mortality (sex differentiated rates).

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14. Retirement Benefit Assets Cont'd:

The distribution of plan assets was as follows:

	2022		2021	
	%	\$'000	%	\$'000
Quoted equities	22.19	88,376	23.13	89,373
Unit Trusts	5.45	21,694	5.32	20,564
Real Estate investment trust	1.24	4,922	1.13	4,351
Government of Jamaica bonds	32.90	131,037	26.00	100,454
Repurchase agreements	9.43	37,570	8.94	34,526
US\$ bonds	7.17	28,557	13.18	50,924
Investment properties	22.21	88,467	22.81	88,152
US Certificate of deposit	-	-	0.83	3,218
Other	(0.59)	(2,355)	(1.34)	(5,178)
		<u>398,267</u>		<u>386,384</u>

The five year trend for the fair value of plan assets, the defined benefit obligations, the surplus in the pension plan, and experience adjustments for plan assets and liabilities were as follows:

	2018	2019	2020	2021	2022
	\$'000	\$'000	\$'000	\$'000	\$'000
Fair Value of Plan Assets	286,031	329,616	363,737	386,384	398,267
Change Effect of Asset Ceiling	-	-	-	-	148,802
Defined Benefit Obligation	239,774	270,909	300,290	321,186	226,379
Surplus	<u>46,257</u>	<u>58,707</u>	<u>63,447</u>	<u>65,198</u>	<u>23,086</u>
Experience adjustments-					
Fair Value of Plan Assets	(3,418)	8,640	(4,024)	(14,253)	(30,755)
Defined Benefit Obligation	<u>(5,916)</u>	<u>10,886</u>	<u>(4,597)</u>	<u>(23,233)</u>	<u>6,992</u>

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14. Retirement Benefit Assets Cont'd:

Risk associated with pension plans and post-employment plans

Through its defined benefit pension plans and post-employment medical plans, the Credit Union is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility

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

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

Changes in bond yields

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

Inflation risk

Higher inflation will lead to higher liabilities in the event that discretionary pension increases are granted. The majority of the plan's assets are either unaffected by fixed interest bonds, meaning that an increase in inflation will reduce the surplus or create a deficit.

Life expectancy

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

The League ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension plan. Within this framework, the League's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due. The League actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The League has not changed the processes used to manage its risks from previous periods. The League does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2017 consists of Government of Jamaica bonds and Investment Properties.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
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15. Members' Voluntary Shares:

	2022	2021
	\$	\$
Balance at Beginning of Year	3,947,936,826	3,470,845,071
Add: Deposits during the year	5,583,395,451	4,136,590,029
Interest paid during the year (relating to prior year)	31,371,142	25,987,570
	<u>9,562,703,419</u>	<u>7,633,422,670</u>
Less: Withdrawal and transfers	(5,121,134,015)	(3,685,485,844)
Balance at End of Year	<u>4,441,569,404</u>	<u>3,947,936,826</u>

16. Savings Deposits

	2022	2021
	\$	\$
Movements on deposit balances during the year:		
(a) Members' Special and Fixed Deposits		
Balance at beginning of year	2,405,584,858	1,997,443,777
Add: Deposits during the year	2,202,733,943	2,131,027,119
Interest during the year	35,370,273	38,902,635
	<u>4,643,689,074</u>	<u>4,167,373,531</u>
Less: Withdrawals and transfers	(1,998,042,749)	(1,761,788,673)
	<u>2,645,646,325</u>	<u>2,405,584,858</u>
(b) Members' Ordinary Deposits		
Balance at beginning of year	2,293,597,473	2,019,021,642
Add: Deposits during the year	5,061,527,850	4,902,677,628
Interest during the year	21,501,872	23,131,604
	<u>7,376,627,195</u>	<u>6,944,830,874</u>
Less: Withdrawals and transfers	(4,628,762,645)	(4,651,233,401)
	<u>2,747,864,550</u>	<u>2,293,597,473</u>
Total Savings deposits	<u>5,393,510,875</u>	<u>4,699,182,331</u>

All accrued interest for the year was paid out by December 31, 2022.

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16. Savings Deposits Cont'd:

	2022	2021
	\$	\$
i Ordinary Members' Deposits	2,747,864,550	2,293,597,473
ii Special Savings	1,394,977,029	1,258,460,714
iii Golden Harvest Saving Plan	720,502,341	707,546,781
iv Certificate of Deposit/Fixed Deposit	515,296,421	415,898,002
v GCCU Partner Plan	14,870,534	23,679,361
	<u>5,393,510,875</u>	<u>4,699,182,331</u>

i Ordinary Members' Deposit

A regular savings account which allows members to save and withdraw as necessary. The amount in this account can be used as security for loans.

ii Special Savings

A range of savings account that offers a variety of terms inclusive of a minimum amount at \$500.00. Interest rates may exceed the ordinary deposit account by 5%. A member may save and withdraw as necessary and the funds maybe used as security for loans.

iii Golden Harvest Deposits

A savings instrument with a free decreasing term life insurance. It is designed for financial success and protection and your monthly deposit guarantee the achievement of your goal. Its insured against total and permanent disability and death. Once the contract is signed and the first deposit made, the total goal is assured.

iv Certificate of Deposits/Fixed Deposit

This instrument requires a minimum of \$20,000 to start and is matured/rolled over every 30-day. It has an interest tier of 1%-4% based on the amount fixed.

v GCCU Partner Plan

GCCU Partner Plan is similar to that of the traditional Partner Plan. A fixed amount, minimum \$500 per week, is deposited to the account on a particular day each week. A Member may select from the following options; 16, 24, 36 of 48 weeks to save. A bonus is paid at maturity.

17. Lease Liabilities

	2022	2021
	\$	\$
Lease Liabilities	<u>1,515,373</u>	<u>3,594,523</u>

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18. Accounts & Other payables & Accruals

	2022	2021
	\$	\$
Statutory Deductions	18,215,246	13,665,874
Family Indemnity Plan	53,974,476	52,698,235
Other Payables	<u>57,459,710</u>	<u>41,968,154</u>
	129,649,432	108,332,263
Accrued Charges	<u>36,327,137</u>	<u>34,042,739</u>
	<u>165,976,569</u>	<u>142,375,002</u>

19. Members' Permanent Share Capital:

	2022	2021
	\$	\$
Balance at Beginning of Year	144,442,000	138,786,501
Add Permanent Share Capital Subscribed	6,136,000	6,528,000
Less Transfers/deductions	<u>(732,000)</u>	<u>(872,501)</u>
Balance at End of Year	<u>149,846,000</u>	<u>144,442,000</u>

The Credit Union has issued share capital which is not withdrawable by members but is invested as risk capital. Share Capital in the Credit Union is unlimited and represents shares of \$1.00 each invested by members. To satisfy membership, each member must maintain a minimum share capital value of \$2,000. This amount is only redeemable upon termination of membership with the credit union.

Dividend may be paid on members' share capital which is subject to the profitability of the Credit Union.

20. Non-Institutional Capital:

	2022	2021
	\$	\$
b) Revaluation Reserve	75,056,663	75,056,663
c) Retirement Benefit Reserves	23,087,000	65,198,000
d) General Reserves	576,428	576,428
e) Share Transfer Fund	2,000,000	2,000,000
f) Fair Value Reserves	7,665,944	11,086,708
g) Accumulated Surplus	<u>157,157,450</u>	<u>18,704,872</u>
	<u>265,543,485</u>	<u>172,622,671</u>

(a) Investment Property Reserve

This reserve comprises the unrealised surplus on the periodic revaluation of the investment properties.

The Credit Union no longer has Investment Properties. All Investment Properties were reclassified to Property, Plant & Equipment as such any unrealise surplus resulting from the revaluation of Investment Properties was reclassified from Investment Property Reserve to Revaluation Reserve.

(b) Revaluation Reserve

This represents unrealise surplus resulting from the revaluation of Investment Properties later reclassified/transferred to Property, Plant & Equipment.

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20. Non-Institutional Capital (cont'd):

(c) Retirement Benefit Asset Reserve

This reserve was created to match the value of the retirement benefit asset of the Credit Union. Movement on reserve is dealt with as an appropriation to or from the accumulated surplus.

(d) General Reserve

The general reserve was established for the purpose of providing funding for the possible merger opportunities with other credit unions, or any other stipulated project as determined by the Board of Directors.

(e) Share Fund Transfer

The share fund transfer was established in accordance with Rule 15 of the Credit Union's rules, for the purpose of redeeming permanent shares from a member of the Credit Union.

(f) Fair Value Reserve

This reserve comprises the unrealised fair value gain on available-for-sale financial assets.

21. Institutional Capital:

	2022	2021
	\$	\$
Permanent Reserve	466,073,864	452,573,864
Business Combination Reserve	255,820,241	255,820,241
Statutory & Legal Reserves (Note 29)	<u>282,812,623</u>	<u>242,462,504</u>
	<u>1,004,706,728</u>	<u>950,856,609</u>

Permanent Reserve

Permanent reserve comprises amounts transferred from accumulated surplus, from time to time on the recommendation of the directors to assist in maintaining the capital base of the Credit Union.

Statutory & Legal Reserves

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

Business Combination Reserve

The business combination reserve is a reserve arising on the merger of two or more co-operatives and is not available for distribution. It is being retained to maintain the capital base of the Credit Union.

22. Interest Income

	2022	2021
	\$	\$
Loan and advances	<u>819,739,590</u>	<u>715,058,769</u>
	<u>819,739,590</u>	<u>715,058,769</u>
Financial Investments		
Fair value through other comprehensive income	28,604,467	43,968,165
Amortised cost	90,613,157	41,046,743
Reverse repurchase agreement	27,757,759	6,611,722
Fixed Deposits and Other	8,490,147	6,831,437
	<u>155,465,530</u>	<u>98,458,066</u>
	<u>975,205,120</u>	<u>813,516,835</u>

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23. Interest Expense

	2022	2021
	\$	\$
Members' fixed deposits	6,965,495	6,208,273
Members' ordinary deposits	21,501,872	11,111,601
Members' voluntary shares	31,371,039	12,613,852
Members' other deposits	<u>28,404,778</u>	<u>16,329,734</u>
	<u>88,243,183</u>	<u>46,263,460</u>

24. Insurance Protection

	2022	2021
	\$	\$
Life Savings and Loan Protection Insurance	35,767,523	33,830,803
Golden Harvest Insurance	4,534,984	3,926,313
Security Processing	2,139,000	2,189,261
General Insurance	<u>11,000,528</u>	<u>8,097,290</u>
	<u>53,442,035</u>	<u>48,043,667</u>

25. Other Financial Costs

	2022	2021
	\$	\$
Bank Charges and Interest	<u>5,792,965</u>	<u>5,169,921</u>
	<u>5,792,965</u>	<u>5,169,921</u>

26. Fees and Other Income:

	2022	2021
	\$	\$
Statement and other credit information	46,586,040	42,810,102
Gain on Foreign Exchange	729,133	4,593,673
(Loss)/Gain on Disposal of Property, Plant and Equipment	41,500	1,401,216
Other Fees	<u>92,794,953</u>	<u>81,603,875</u>
	<u>140,151,625</u>	<u>130,408,866</u>

27. Operating Expenses:

Personnel Expenses:

	2022	2021
	\$	\$
Employee Salaries and Wages	244,693,378	237,283,979
Other Employee Benefits	141,193,062	64,173,523
Statutory contributions	38,500,377	30,576,903
Pension Cost	<u>5,821,000</u>	<u>5,008,000</u>
	<u>430,207,817</u>	<u>337,042,405</u>

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27. Operating Expenses (cont'd):

Administrative Expenses:

	2022	2021
	\$	\$
Utilities	49,915,808	45,538,731
Depreciation and Amortisation	49,251,895	48,629,029
Property Expenses	23,543,482	20,025,809
Rental Expense	8,359,316	6,614,754
Auditors' remuneration	4,340,200	4,000,000
Audit Confirmation Fees	9,500	-
Security	21,399,228	15,521,860
Printing, Stationery and Postage	5,579,387	5,441,884
Insurance Protection (Note 24)	53,442,035	48,043,667
Legal and Other professional fees	13,383,278	14,817,879
Transportation and Communication	6,824,461	5,686,638
Awards and Donations	1,112,890	267,283
Miscellaneous & Other Expense (Net)	750,827	381,965
Unrecoverable General Consumption Tax	<u>25,147,225</u>	<u>19,974,403</u>
	<u>263,059,531</u>	<u>234,943,902</u>

Marketing and Promotion:

	2022	2021
	\$	\$
Publicity and Promotion	<u>40,952,794</u>	<u>31,967,370</u>
	<u>40,952,794</u>	<u>31,967,370</u>

Representation and Affiliation:

	2022	2021
	\$	\$
League and Other Dues	49,460,030	42,386,817
Board of Directors & Committees	4,324,753	8,834,078
Annual General Meetings	5,519,387	4,832,629
Meetings/ Special Functions	<u>8,274,313</u>	<u>1,120,231</u>
	<u>67,578,482</u>	<u>57,173,755</u>

TOTAL OPERATING EXPENSES

<u>801,798,625</u>	<u>661,127,432</u>
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28. Appropriations:

	2022	2021
	\$	\$
Dividend on Permanent Shares	2,992,778	13,085,282
Honoraria 6%/(6%)	1,122,292	4,919,746
Permanent Reserve	13,500,000	50,000,000
Retained Earnings	1,089,802	13,956,712
	<u>18,704,872</u>	<u>81,961,740</u>

29. Statutory and Legal Reserves:

	2022	2021
	\$	\$
Balance at beginning of year	242,462,504	239,111,865
20% Statutory Reserves	38,821,919	1,890,279
Entrance Fees	1,528,200	1,460,360
Balance at End of Year	<u>282,812,623</u>	<u>242,462,504</u>

Statutory and Legal Reserves are maintained in accordance with the provisions of the Co-operative Societies Act which requires that a minimum of 20% of Net Income be carried to a reserve fund. Upon application by a Registered Society, the Registrar may allow the required percentage to be reduced but not below 10%.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise stated)

30. Commitments

To meet the financial needs of members, the Credit Union enters into various irrevocable commitments.

- (a) At 31st December 2022, there were commitments of approximately \$128,595,507 (2021: \$193,327,000) in respect of loans approved, but not disbursed.
- (b) At 31st December 2022, there were no commitments in respect of educational grants approved for employees but not disbursed (2021 - \$0)

31. Insurance

(a) **Fidelity Insurance Coverage**

Fidelity insurance coverage was maintained during the year.

(b) **Life Savings and Loan Protection Insurance**

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

32. Related Party Transactions and Balances

Related parties of the Credit Union include staff members, committee members and the Board of Directors.

- (a) At year end, staff members and key management of the Credit Union (and their families) maintained the following balances with the Credit Union:

	2022	2021
	₹	₹
<u>Directors and Committee Members-</u>		
Shares and savings	23,875,176	36,118,104
Loans, including interest	<u>99,140,759</u>	<u>115,709,545</u>
<u>Staff Members-</u>		
Shares and savings	76,710,797	55,774,279
Loans, including interest	<u>257,225,827</u>	<u>209,418,920</u>
<u>Family members of key management-</u>		
Shares and savings	19,433,492	23,912,681
Loans, including interest	<u>51,147,093</u>	<u>44,052,788</u>

During the year, one related party received a loan which necessitated a 1.09% reduction in interest rate and 100% equity. Loans owing by directors, committee members and staff members were repaid in accordance with their loan agreements.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise stated)

32. Related Party Transactions and Balances-Cont'd

(b) Purchase of goods

The supplier who supply the on-site staff canteen with goods is no longer a committee member of the credit union.

(c) Key management compensation

	2022	2021
	\$	\$
Salaries and other short-term employee benefits	83,238,269	74,882,391
Post-employment benefits	4,047,431	4,046,682
	<u>87,285,700</u>	<u>78,929,073</u>

33. Comparison of Ledger Balances

	Share Capital	Voluntary Shares	Deposits
	\$	\$	\$
Balance as per General Ledger	149,846,000	4,441,569,404	5,393,510,875
Balance as per Members Ledger	149,846,000	4,441,569,404	5,393,510,875

These balances do not include interest accrued and impairment provisions.

34. Comparative Information:

Where necessary, comparative figures have been re-classified to conform with changes in presentation in the current year.

35. Contingent Liabilities:

As at 31st December 2022 there is an industrial dispute between the Credit Union and an aggrieved worker over the termination of his employment. The matter commenced before the Industrial Disputes Tribunal (IDT) and was heard on January 18, 2023 for the closing submissions. The Credit Union now awaits the written award of the IDT. A reserve is not recommended at this time.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise stated)

36. Business Combination:

Effective January 1, 2017, Montego Co-operative Credit Union Limited (MCCU) and Hanover Co-operative Credit Union Limited (HCCU) merged to form Gateway Co-operative Credit Union (2017) Limited (GCCU). In accordance with IFRS 3- *Business Combinations*, the transaction was deemed to be a reverse acquisition. In reverse acquisitions, the legal acquirer, GCCU is not deemed to be the acquirer for accounting purposes, and one of the previously existing entities being deemed the acquirer. MCCU was identified as the acquirer as prescribed by IFRS 3 qualifying factors. The then members of both MCCU and HCCU became members of GCCU, through the issue of shares by GCCU. As MCCU was deemed to be the acquirer, the value ascribed to the shares issued to the legacy HCCU members was determined by reference to the fair value of the equity in HCCU at acquisition date that was given up by the legacy HCCU members, to obtain the equity received in MCCU. The value so determined was \$38,034,192. There was no goodwill or negative goodwill arising on the acquisition, and any difference between the fair value of the net assets acquired and deemed value for the shares issued, was credited to the retained earnings reserve in equity.

Details of net assets acquired and net cash outlay on acquisition are as follows:

	<u>HCCU</u>
	\$
Liquid Assets	361,121,238
Loans to Members after Provision for Impairment	1,130,488,197
Financial Investments	59,617,752
Cash and Cash Equivalents	23,048,976
Other Receivables & Prepayments	911,161
Property, Plant and Equipment	442,606,332
Retirement Benefit Asset	18,602,000
Members' Voluntary Shares	(833,765,622)
Members' Saving Deposits	(784,019,167)
Borrowing	(89,936,939)
Accounts Payable	<u>(32,335,364)</u>
	296,338,564
Members' Permanent Share Capital	<u>38,034,192</u>
Merger Expenses	<u>255,820,241</u>
Business Combination Reserve	
<u>Cash Acquired</u>	
Liquid Assets - Non-Earning	361,121,238
Liquid Assets - Earning	<u>23,048,976</u>
	<u>384,170,214</u>

REPORTS OF COMMITTEES



GATEWAY CO-OPERATIVE
CREDIT UNION (2017) LTD.

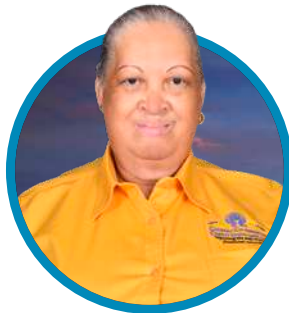
REPORT OF THE CREDIT COMMITTEE For the year ended December 31, 2022



Peter Reid
Chairman



Andreene Williams
Secretary



Vivienne Frankson
Member



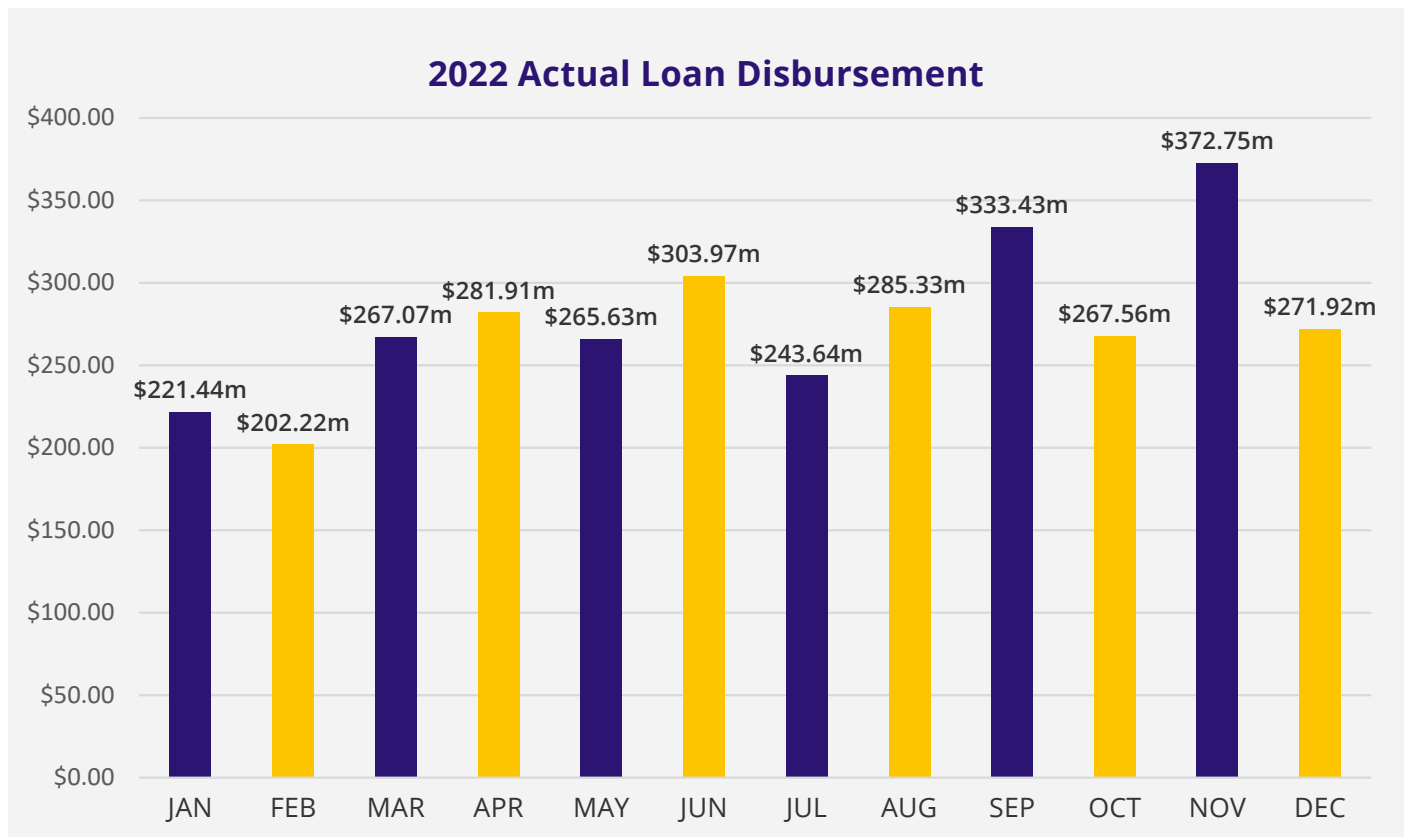
Errol Chattoo
Member



Angella Morris
Member

Gateway boasts yet another successful year in 2022. This success was evident in the growth of one of our key areas – credit; with record breaking performance in disbursements. A number of factors contributed to our strong performance. Firstly, loan promotional activities implemented throughout the entire year ensured our loan products and services were more appealing. Our members benefitted from reduced rate of interest, extended repayment periods and lowered share equity. Furthermore, the decision by the Bank of Jamaica to increase the Policy rate on overnight deposit by financial institutions caused some Commercial Banks to increase their lending rates, resulting in a further narrowing of the gap between our interest rates and those of our competitors; thus, allowing Gateway to compete on price. Of equal or higher import, speedy turn-around time and excellent service delivery enabled Gateway to be seriously considered for filling our members' credit related needs. Finally, a rebound of the Jamaican economy and more specifically, a full recovery of the Tourism sector, on which the majority of our membership relies heavily for revenue, contributed to the high uptake of our credit facilities.

For the financial year Jan-Dec 2022, Gateway disbursed a total of \$3.326 billion; which represented an increase of approximately 21.16% when compared to the previous year. An info-graphic summary of the loan disbursed for the period is stated below:



A breakdown of loans disbursed during the year under review is set out hereunder:

Loan Purpose	Number	VALUE
Cash Secured (internal)	5036	918,552,933.49
Cash secured (external)	14	5,278,600.00
Mortgage	37	605,675,231.70
Motor Vehicle	515	1,192,029,034.05
Unsecured	1180	604,550,235.91
Totals	6782	3,326,086,035.15

Staff loans taken throughout the year amounted to \$82,196,005.71; a significant increase when compared to the previous year. These figures indicate our continued effort to contribute to the growth and development of all Members of Staff.

Portfolio Mix as at December 31, 2022

Collateral Types	Amount	%
Motor Vehicle	\$2,890,796,409.54	37.40%
Unsecured	\$1,557,474,536.15	20.15%
Mortgage	\$2,297,951,263.52	29.73%
Cash covered	\$970,039,971.65	12.55%
Other	\$13,139,983.68	0.17%
Totals	\$7,729,402,164.54	100%

The table above illustrates the diversification of our loan portfolio and is indicative of the economic demands of our wider membership. The portfolio comprises the ideal blend of short-medium and long-term debts guaranteeing sustainability and financial viability of the organization. Loans secured by Motor Vehicles accounted for the lion's share or 37.40% of the portfolio. Mortgages were responsible for 27.73 % while unsecured loans occupied 20.15% of the loan portfolio. Loans secured by internal cash accounted for 12.55% of the loan portfolio.

Loan Portfolio Growth

At the end of December 2022, the loan portfolio stood at approximately \$7.729 billion, in comparison to \$6.943 billion December 2021; an overall portfolio growth of 11.32% during the year. Loan loss provision of approximately \$232.75 million has to be accounted for.

Credit Risk Management

The Credit Union's overall Risk Management Programme seeks to minimize potential adverse effects on the Credit Union's financial performance. Gateway takes on exposure to credit risk, which is the risk that a counterparty will cause due to a financial loss resulting in our members inability to pay amounts in full when due. At Gateway, strategic decisions relating to lending are primarily made by the Board of Directors, with some delegation of credit approval authority to The External Credit Committee, The Internal Credit Committee or authorized Members of Staff as per Board of Directors approved Authorities Schedule.

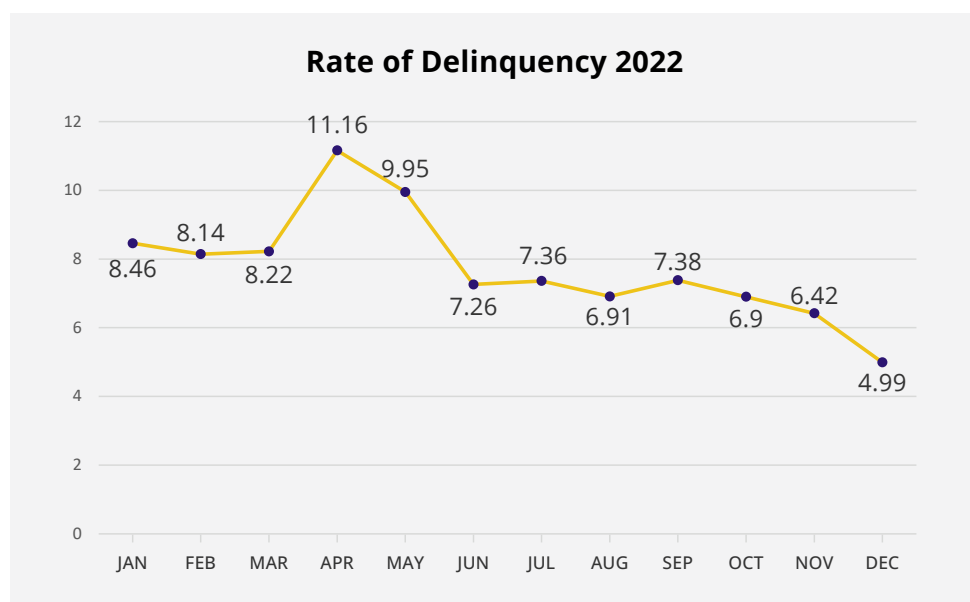
The Credit Union's Credit Risk Management Policy forms the basis for all its lending operations. The policy aims at maintaining a diversified and high-quality loan portfolio, as well as enhancing the Credit Union's mission and strategy. The policy sets the basic criteria for acceptable risk and identifies risk areas that require special attention. The Credit Union has established a credit quality review process involving regular analysis of the ability of borrowers and other counterparties to meet interest and loan repayment obligations. The assessment process seeks to ascertain the probability of default of individual borrowers using internal ratings. The Credit Union assesses each borrower on five critical factors. These factors are the Member's credit history; ability to repay linked to the policy benchmarked debt service ratio of 60%; character profile; the Member's economic stability based on employment and place of abode and the quality of collateral being offered.

Management continued to exercise authority by granting sweeteners and other concessionary privileges to members as deemed necessary in line with our internal procedures. The Credit Committee continues to exercise oversight responsibility for all approved loans, and as such, randomly selected and reviewed loan applications for our members, to ensure adherence to our Policies and procedure.

Delinquency/Loss Control

Some Members were slow to recover from the impact the Pandemic had on their income stream. Consequently, challenges were experienced in honoring monthly loan repayments. Gateway, being the understanding and co-operative institution we are, worked with our members until improvement in their financial positions were realized. A few of our Members opted to restructure and reschedule their loan arrangement, in order to better manage their loan obligations.

However, the efforts to recover funds were not always successful as some Members' contact information, addresses etc. changed and the Credit Union was not informed. These Members were pursued diligently to come to a resolution. In some cases, legal actions were initiated after all other avenues to recover the Credit Union's money were exhausted.



Despite our best efforts to prevent our delinquency from spiraling out of control, we were unable to maintain the industry standard of <5% for most of the year. For the most part, our delinquency rate fluctuated between 6% and 11% of our loan portfolio; ending the year at 4.99%. This is a significant achievement and speaks volume to the collections efforts of the Delinquency Management Team by reminding Members of the importance of honoring their debt obligations.

The External Credit Committee and by extension the Credit Department fully understand the importance of growing our loan portfolio with high quality loans through vigilant, rigorous and in-depth assessment of all loan applications. From all indications, our delinquency position will be further strengthened in the foreseeable future.

ATTENDANCE

A total of twenty-five (25) meetings were convened by the Credit Committee; generally, the meetings were well attended with a few absences as a result of extenuating circumstances. A record is shown hereunder:

Members	Possible	Actual	Absent
Peter Reid	25	24	1
Vivienne Frankson	25	25	0
Errol Chattoo	25	24	1
Andreene Williams	25	24	1
Earl Green	15	14	1
Angella Morris	10	10	0

REFLECTION & FORWARD THINKING

In retrospect, 2022 presented economic challenges on a global scale, against the backdrop of high inflation driven by soaring energy and food prices, supply chain disruption and the adverse effects of the on-going Russia-Ukraine war. The imminent threat of a global recession further complicates an already gloomy situation by further casting doubts on our members' revenue stream.

As a committee, we place great emphasis on satisfying our members' needs by ensuring fairness and objectivity in our decision making. We worked assiduously to review, discuss and approve loans in a timely manner, as well as randomly select and review loan accounts from the total portfolio and ratify loan applications that did not require our review before disbursement. We were constantly appalled by the increased request by our Members especially in the areas of motor vehicle and unsecured loan applications.

There was no review of the Credit Policy in 2022; however, we will be making significant strides in 2023 as we wish to venture into Branch Operations with a view to improve efficiency in the loan process. Our goal, as our internal tagline boasts is, 'Members serving Members with Excellence'. The Credit Committee, in keeping with that goal, will continue to search for improvements and ways to provide innovative and attractive loan products, primarily through risk-based lending, online application platform and service delivery of the highest quality, to meet the changing and diverse needs of our members.

ACKNOWLEDGEMENT

We wish to recognize the tremendous efforts of the hardworking Management Team, Members of Staff and Volunteers of Gateway Co-operative Credit Union (2017) Limited. Their commitment, patience, passion and dedication to service continued to display the true meaning of our Credit Union's universal motto 'People helping People'. All departments played their part by demonstrating aggression, teamwork and understanding as we continue to open ways to our member's financial success. Of equal or higher import, our valued Members, who demonstrated their commitment to the realization of Gateway's goals; indeed, our success would be far fetched if our members did not believe in us. Thank you and we look forward to serving you in 2023 and beyond!



Peter Reid
Chairman



GATEWAY CO-OPERATIVE
CREDIT UNION (2017) LTD.

REPORT OF THE SUPERVISORY COMMITTEE For the year ended December 31, 2022



Shamar Campbell-Brown
Chairperson



Autherine Dehaney-Archer
Vice Chairperson



Clover Heron
Secretary



Ann Moseley
Asst. Secretary



Ronald Vernon
Member



Donavan Goodley
Member



Davette Smith
Member

Composition of the Supervisory Committee

At the last AGM held on August 11, 2022, Gateway Credit Union selected seven (7) members to serve on the Supervisory Committee. This is in keeping with the Co-operative Societies Regulation.

1. Shamar Campbell-Brown - Chairperson
2. Autherine Dehaney-Archer - Vice Chair
3. Clover Heron -Secretary
4. Ann Moseley- Asst. Secretary
5. Ronald Vernon - Member
6. Donovan Goodley - Member
7. Davette Smith- Member

The 2022 fiscal year was undoubtedly a special one in which the Credit Union recovered from Covid19 Pandemic.

Audits carried –out:

- » Surprise Teller & ATM Cash counts
- » Review of loans approval to ensure compliance with the Loan Policy
- » Review minutes of Board meetings to ensure that the Board of Directors are providing clear guidance to Management
- » Review Branch operations
- » Review of Fixed Assets
- » Review of Mortgage Loans
- » Review delinquency portfolio

Main activities of the Supervisory Board

During the 2022 fiscal year, the Supervisory Committee again performed its duties with the greatest of diligence in accordance with laws, the Credit Union's statutes and its own terms of reference. The Supervisory Committee presented detailed written reports to the Credit union Board, which covers matters of special audits carried-out and audits that are performed by the Committee and the Internal Auditors. The Chair attends a monthly ERM meeting which outlines the risk factor and how the Credit Union is taking steps to minimize the risks. The Supervisory Committee meets monthly to discuss matters of great importance.

Responsibility of the Committee

The Supervisory Committee is the oversight committee that ensures that the internal operating controls and policies are in place to ensure the efficient and effective operations of the Credit union. The committee ensures that there are systems in place to detect and prevent fraud, safeguard our resources and to ensure that there is full compliance with all Laws and Regulations. The Committee also safeguards the interest of all its members. The Committee also supports the Board of directors, Management, members of staff and other Committees by providing but not limited to recommendations where required and is necessary.

Conclusion

The Committee pledges to remain focused to ensure that Gateway Credit union remains a viable financial institution, while maintaining delinquency at a minimum.

The Supervisory Committee is satisfied that the affairs of the Credit Union were conducted in accordance with the required policy standards and guidelines.



Shamar Campbell

Chairman, Supervisory Committee



GATEWAY CO-OPERATIVE
CREDIT UNION (2017) LTD.

GATEWAY CO-OPERATIVE CREDIT UNION (2017) LIMITED

Report of the Nominating Committee to the 6th Annual General Meeting.

Dated May 5, 2023

The Members of the Nominating Committee as appointed by the Board of Directors at its meeting held on August 25, 2022 in keeping with Rule 61 were:

- Cleveland Parker- Chairman
- Rev. Glendon Powell- Nominating Committee Member
- Lorna Rampasard- Nominating Committee Member

The Committee invited Nomination by Petition in keeping with the Rule 61 (a-h) of the Credit Union and presented its nominations below to fill vacancies for the Board of Directors (3), the Credit Committee (2), the Supervisory Committee (7).

BOARD OF DIRECTORS

Retiring
Rev. Glenroy Clarke
Lambert Johnson
Bryce Grant

Nominated to fill 3 vacancies on the Board.

Nominated	Recommended	Years
Rev. Glenroy Clarke	Rev. Glenroy Clarke	3 years
Lambert Johnson	Lambert Johnson	3 years
Paul Mullings	Paul Mullings	3 years

The Remaining Directors are as follows:

Name	Status
Synandre Montaque-Dwyer	2 Years remaining
Keita Mendes	2 Years remaining
Vincent Rose	2 Years remaining
Rodcliffe Robertson	1 Year remaining
Cleveland Parker	1 Year remaining
Tova Trench-Anderson	1 Year remaining

CREDIT COMMITTEE

Retiring
Errol Chattoo
Andreene Williams

2 Nominated to fill 2 vacancies on the Credit Committee.

Nominated	Recommended	Years
Errol Chattoo	Errol Chattoo	2
Andreene Williams	Andreene Williams	2

The Remaining Members of the Credit Committee are:

Name	Status
Peter Reid	1 Year remaining
Angella Morris	1 Year remaining
Vivienne Frankson	1 Year remaining

SUPERVISORY COMMITTEE.

Retiring
Shamar Campbell-Brown
Ronald Vernon
Ann Moseley
Autherine Dehaney-Archer
Clover Heron
Davatte Smith
Danovan Goodley

7 Nominated to fill 7 vacancies on the Supervisory Committee.

Nominated	Recommended	Years
Marcia James-Housen	Marcia James-Housen	1
Ronald Vernon	Ronald Vernon	1
Ann Moseley	Ann Moseley	1
Charlene Soares	Charlene Soares	1
Clover Heron	Clover Heron	1
Davatte Smith	Davatte Smith	1
Tamoy Sinclair	Tamoy Sinclair	1

The Committee wishes to thank all the volunteers who served in the past and welcome all new volunteers and hope that they will serve with distinction.



Cleveland Parker
Chairman



Rev. Glendon Powell
Member



Lorna Rampasard
Member

PROFILE OF NEW VOLUNTEERS



Marcia D. James Housen, B.Sc.

Marcia Doreen James Housen, was born in the parish of St. James with a story starting at Montego Bay Infant School which was the foundation of her educational journey. She proceeded to university years later where she obtained a Bachelor of Science degree in Accounting at the University of the West Indies, Mona in 1987.

Marcia, over the years has served in the field of Accounting and at present provides Accounting services on a consultancy basis.

She is an active Credit Union member. Her involvement in the Credit Union Movement began in 1994 when she joined the Board of Directors for the Montego Co-op Credit Union Ltd. Marcia held the substantive role of Treasurer for ten (10) years, retiring in 2006. She continued to serve as a member of the Finance Committee up to 2012. She also served on the Board of Directors for the Jamaica Cooperative Credit Union League during 2003 -2004 as well as various committees.



Paul Mullings

Paul Mullings, a long-standing member for over twenty years since the days of Montego Co-operative Credit Union Ltd. to the now Gateway Co-operative Credit Union (2017) Ltd. Mr. Mullings has been an active volunteer who has served on the Credit Committee; inclusive of a short tenure as the chairman.

Paul is a trained Economist, with a specialist degree from the University of the West Indies and advanced training in Balance of Payments Methodology at the IMF in Washington D.C.

Mr. Mullings started his career as a Senior Economist with the Bank of Jamaica.

In recent years he has been a trained Networking Professional with passes in the CCNA program offered by The Caribbean Institute of Technology, an arm of the Heart Trust.



Tamoy Sinclair

Tamoy Sinclair, resident of Brandon Hill, Montego Bay, St. James is a trained Urban and Regional Planner, with a Bachelor of Science Degree in Urban and Regional Planning from University of Technology, Jamaica. She has worked as an Urban Planner on special projects out of the Office of the Prime Minister for a short period of over a year, acquired a passion for educating others and became a trained teacher, having a Post Graduate Diploma. Combining her training in urban planning and her studies in education, she currently serves in the capacity of Parish Coordinator; Disaster Preparedness at the St. James Municipal Corporation-January 2009 to present.

Tamoy Sinclair is actively involved in her community and has been a Credit Union member for over eight (8) years. She is a Justice of the Peace and also serves as the Public Relations Officer at Jamaica Red Cross in St. James.



Marketing & Communications Manager, Nicole Haughton Johnson, shared lens with newly converted youth member Jomo Edwards and his mom Miss Burth. Jomo has been with the Credit Union since attending primary school; he was among the first set of members to upgrade his account and continues his financial journey at Gateway.

Our youths believe in us – we are FAMILY!

MEET THE GATEWAY FAMILY

GATEWAY FAMILY



CHURCH STREET BRANCH



FAIRVIEW BRANCH



LUCEA BRANCH



FALMOUTH BRANCH



EXECUTIVE ASSISTANT



MARKETING AND COMMUNICATIONS TEAM

SEPARATED IN 2022

Brissett Othniel	System Network Administrator	Head Office
Essor Syheedi	Chief Teller	Lucea
Ricketts, Admarie	Marketing & Sales Officer	Fairview
Gerrow Shasa-Gay	Teller	Lucea
Witter Dean	Teller	Fairview
Wolliston Syreka	Chief Member Care Representative	Church Street
Dawkins Kevin	Teller	Church Street

STAFF LISTINGS

NAMES	POSITION	BRANCH
Adamson Kenyah	Credit Supervisor	Church Street
Anglin Jodi-Ann Rushene	Teller	Church Street
Anglin Toray	Teller	Fairview
Bailey Shavorn Neferterio	Teller	Lucea
Beckford Kristoff	Teller	Church Street
Beckford-Bacchas Peta-Gaye	Operations Support Officer	Head Office
Bedasse Ornell	Chief Executive Officer	Head Office
Blake Alwin Alden	Member Care Representative	Falmouth
Blake Antoinette	Marketing Officer	Head Office
Blake-Wollaston Ceceila	Branch Ambassador	Church Street
Bowen-Ricketts Melisa Tanesha	Teller	Church Street
Brackett-Solomon Caroline	Securities Officer	Lucea
Brissett Nadine	Credit Supervisor	Lucea
Brown Cindy Latcharee	Internal Auditor	Head Office
Brown O'Shane	General Clerk	Church St / Fairview
Brown Shaquille O'Niel Curtley	Credit Clerk	Lucea
Calvert, Courtney Hugh	Assistant Accountant 1	Head Office
Campbell Adean Alicia	Teller	Lucea
Campbell Saneisha Shawna-Kay	Audit Officer	Head Office
Campbell Shedene Kemoy	Member Care Representative	Church Street
Campbell Venetia Catriona	Executive Assistant	Head Office
Clarke , Carla Ann-Marie	Chief Teller	Fairview
Clarke Adrian	Teller	Church Street
Clarke Sophia	Delinquency Officer	Church Street
Clarke Tashian	Teller	Church Street
Crooks-Dickson Beverley	Cleaner - Lucea	Lucea
Cunningham, Khadine	Member Care Representative	Church Street
Daye Mikhail	Teller	Church Street
Dennis-Robinson Keren	Registry Supervisor	Church Street
Devroy Green	Teller	Church Street
Dixon Demar Romaine	Acting Credit Officer	Lucea
Duncan-Campbell Roxan	Teller Supervisor	Lucea
Facey Conrad	Janitor	Lucea
Gordon Nisheda Nielo	Receptionist	Lucea
Gordon, Natasha Sashaye	Teller	Church Street
Grant Keyonna	Receptionist	Church Street
Grant-Barrett Carol	Marketing & Sales Officer	Lucea
Griffiths Jordan	Teller	Lucea
Griffiths Radcliffe	Teller Supervisor	Church Street
Haughton-Johnson Nicole	Marketing & Sales Manager	Head Office
Haughton-Oconnor Keshia Alicia	Member Care Representative	Church Street
Heavens Shantelle	Operations Support Officer	Head Office
Hemmings-Wilson Sandrolyn Pauline	General Attendant	Church Street
Henry Carlene	Credit Officer	Falmouth
James Jannell Vannessa	Member Care Representative	Lucea
James Monique	Registry Clerk	Church Street
Johnson Christopher	Credit Officer	Church Street
Johnson Sabrena	Risk Officer	Head Office
Kerr-Shaw Kadian	Branch Manager	Lucea
King Altamont	IT Manager	Head Office
Kistner-Fraser Ann Marie	Operations Support Supervisor	Lucea
Laing Manuel Antonio	Facilities Officer	Head Office
Lawrence Garvin	Chief Teller	Lucea
Lawrence Melissa	Chief Teller	Church Street
Lewis Ishamoya	Senior Audit Officer	Head Office
Lyle Tashna	Accounting Clerk 1	Head Office
Mairs, Amelia M.	Human Resource Officer	Head Office
Malcolm Ricardo	Branch Manager	Fairview

NAMES	POSITION	BRANCH
Maxam-Golaub Rosaye	Member Care Representative	Fairview
McLaren Francena	Cleaner	Lucea
McMahon-Dias Tasha-Kay Shadae	Registry Clerk	Lucea
Miles-Hibbert Nadia	Credit Officer	Fairview
Miller, Sherene Augustene	Member Care Representative	Fairview
Mohan-Samuels Rhamona	Branch Manager	Church Street
Murray-Wilkins Tasmin	Operations Support Officer	Lucea
Neathly Janice	Risk, Compliance & Legal Services Manager	Head Office
Needham Herman	Office Supervisor	Falmouth
Nelson Taimar	Marketing & Sales Supervisor	Head Office
Noble Shanique Shannakaye Shannon	Operations Support Officer	Lucea
Owens Angillique	Chief Accountant	Head Office
Paisley Ronique Renae	Branch Ambassador	Lucea
Palmer Shellyann	Delinquency Officer	Lucea
Parkes Shakele	Credit Officer	Church Street
Park-Sylvester Careen	Assistant Accountant 2	Head Office
Phillips Marvin Anthony	Bearer	Church Street
Powell Samantha Simone	Teller Supervisor	Fairview
Pryce Sherell K'Sean	Registry Clerk	Church Street
Reid Danovan	Credit Manager	Head Office
Reid-Lawrence Stephanie	General Attendant	Fairview
Roberta Whyte	Receptionist	Church Street
Robinson, Chavell Shanieka	Member Care Representative	Church Street
Scott Stacy-Ann	Securities Officer	Church Street
Scott-Taylor Jacqueline	Operations Support Supervisor	Head Office
Shearer Denae Shanice	Credit Clerk	Church Street
Smart-Birch Althea Alicia	Delinquency Clerk	Lucea
Smith, Tyreke Andrew	Teller	Fairview
Spence Felecia	Delinquency Manager	Head Office
Spence-Clarke Elaine	General Attendant	Lucea
Steele Jermie Romario	Member Care Representative	Lucea
Stewart-Brissett Camala Anthonette	Accounting Clerk 2	Head Office
Stewart-Thorpe Kimoya Alecia	Small Business Credit Officer	Fairview
Taylor-Brackett Sherrian	Credit Receptionist	Church Street
Thomas Shaniya	Teller	Church Street
Thompson Christene	Operations Support Officer	Head Office
Vassell Selina	Teller	Lucea
Ward Conroy	GMRO	Head Office
Watson Tashica	Finance Manager	Head Office
Whyte-Sinclair Christine	Credit Officer	Lucea
Wiles Daneille	Credit Officer	Church Street
Williams Dewaine	Data Application Specialist	Head Office
Williams Sandina	Human Resource & Administration Manager	Head Office
CONTRACT STAFF		
Reid-Williams Sybil	Cleaner	Lucea
Christine Powell	Registry Clerk	Lucea
Rashida Ramlaal	General Clerk	Lucea
Diana Buchanan	Teller	Fairview
Pamela Walker	Janitor	Falmouth
Nekisha Walker	Janitor	Fairview
Ferguson Stacia Ann Marie	Janitor	Church Street
Houghton Denise Natasha	Cleaner	Church Street
Hay Enid Adassa	Janitor	Church Street
SPECIAL PROJECT HIRES		
Morris Judene	Member Care	Church Street
Williams Sabrina	Member Care	Lucea
Dawson Natasha	Member Care	Fairview
Francis Daniel	Registry	Lucea

Credit Union Week Church Service





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LUCEA BRANCH

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(Relocating to **Champion Plaza** Soon)

SAVINGS PRODUCTS

- Shares
- Solid Saver
- Ordinary Deposit
- Fixed Deposit
- Golden Harvest
- Treasure Chest
- Smart Partner Plan
- Christmas Partner Plan



LOAN PRODUCTS

- Business Loan
- Christmas Loan
- Unsecured Loan
- Education Loan
- Invest Secure Loan
- Mortgage Loan (*Residential and Commercial*)
- Motor Vehicle Loan (*Private and Commercial*)

INSURANCE PRODUCTS

- Family Indemnity Plan (F.I.P)
- Family Indemnity Plan - Critical Illness Rider
- Family Critical Illness Plan
- Gold Series Health Plan

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OBITUARIES

We wish to register our sympathy to all the relatives of the following deceased members who left us in 2022. The list is set out below.

ADAM HAUGHTON
ADLYN MCKENZIE-CAMPBELL
ALBERT THOMPSON
ALDEN MAY THOMPSON
ALECIA ALLEN-ANDERSON
ALTON FERGUSON
ALTON MORRIS
ALVES ELLIS
ALVICIA MORRIS
ANDRE YOUNG
ANDRE YOUNG
ANDREA SOMMERVILLE
ANDREA SPENCE
ANDREW BROWN
ANDREW WILSON
ANN CHAMBERS-DAVIS
AUDREA CROOKS-CAMPBELL
AUDREY ALLEN
AVIS REID
BERTELLA APPLETON
BEVERLLY MCFARLANE
BEVERLY GASKIN
BEVERLY GREY-ROBINSON
BYRON JONES
CARLTON DALEY
CARLTON GORDON
CAROL JAMES
CASSELL DAWKINS
CAVIELOR CLARKE
CEBERT CLARKE
CHARMAINE GILLETTE
CHARMAINE GORDON
CLYDE PINNOCK
CODIE YAPP
CONSTANCE LAIRD
CONSTANCE MALCOLM
CONSTANCE MALCOLM
CORNELIUS BLAKE
CORNET STEWART
CRESSY BUNSIE
DAHLIA CROOKS
DANIEL DEANS
DAPHNE THOMAS
DARCEY LESLIE
DEANNA LEWIS
DEBBIE-ANN SMART-REID
DELORES WILLIAMS
DELROY FLOWERS
DIANA LOTHIAN
DONALD BROWN
DONNA MILLER
DONNARENA GRANT
DOROTHY CLARKE
DOROTHY WILLIAMS

DORRETT BLACK
EDWIN SERVICE
ELAINE PHILLIPS
ENID BRADY
ENID MCKENZIE
ERROL ANDERSON
EULALEE DALEY- WHITTER
EVADNEY CHRISTIAN
EVADNEY CHRISTIAN
FERRON CLARKE
GARCIA REID-DONALDSON
GAVIN COWARD
GEORGE HAYE
GLORIA MCDONALD
GLUDIANNA DUNKLEY
GWENDOLYN CANNING
HARRISON MASON
HEADLEY VASSELL
HENRIETTA HARRISON
HENRIKE STERLING
HERMON JACKSON
HILDA GORDON
HILDA WHYTE-MILLER
HOPETON FOSTER
HORACE MORGAN
HYACINTH DENNIS
HYACINTH GRANT
ICY ROSE-LOBBAN
IVA GRANT
JOAN WATSON
JOHN JOHNSON
JOYCE JOHNSON
JUDITH CAMPBELL
JUDITH KERR
JULIA KERR-HURLOCK
KEVIN ENNIS
LACESS SEALIE-RICHARDS
LANGLEY MARTIN
LASSOMIE WALKER
LATOYA MCLEAN
LATOYA MCLEAN
LAURA BROWN-HOLNESS
LEANORA HENRY
LELIETH GAYNOR-AUSTIN
LEONIE JAMES-ENNIS
LEONORA SOMMERVILLE
LEVI DIAS
LINFORD WHITE
LIPTON HERON
LLOYD SPENCE
LLURLINE KERR-SALMON
LORNA KERR
LORRAINE ANGLIN
LORRAINE CHANNER

MABEL LETTMAN
MARILYN CAMPBELL
MARJORIE THELWELL-MITCHELL
MARLAN BORWN
MAVIS DEHANEY
MELROSE DRUMMOND
MELVA JAMES
MERNEL SPENCER
MICHAEL COPELAND
MICHAEL REID EDWINS
MILLICENT GRANT
MILTON COUSINS
MITZIE DUNBAR
MONICA ELLIS
MOREE GAYLE
MYRETTA FRAME
NADINE MCLAREN
NEHEMIAH HENRY
NESTA ALLEN
NEVILLE GILCHRIST
NOLA LAWRENCE
NOVELETTE JONES
ORRETTE DOWNER
PATRICIA BOX
PATRICIA ROBINSON
PATRICIA WHYTE
PAULETTE WELCH-HAMILTON
PERCELL PUSEY
PHILLIP PRYCE
PHILOMEL RICHARDS
RALBERT FOWLES
RHODA HARVEY
RODERICK LAWRENCE
ROY PERKINS
SAINT HAYE
SHARON SHIRLEY
SHERMAINE CAMPBELL
SIMEON GRANT
SIMOME CORNALDIE
SISCIL KENT
STELFORD WILLIAMS
SYLVIA CUNNINGHAM -MCLEOD
TAMIESIE ATKINSON-WILLIAMS
TANEKA GARDNER
TANESHA ASHBOURNE
TANIKA FRASER
TASCIAN COPELAND
THELMA PAUL
THEODOSIA RICHARDS
TREVOR THOMPSON
VALROSE THOMPSON
WESLEY MCDERMOTT

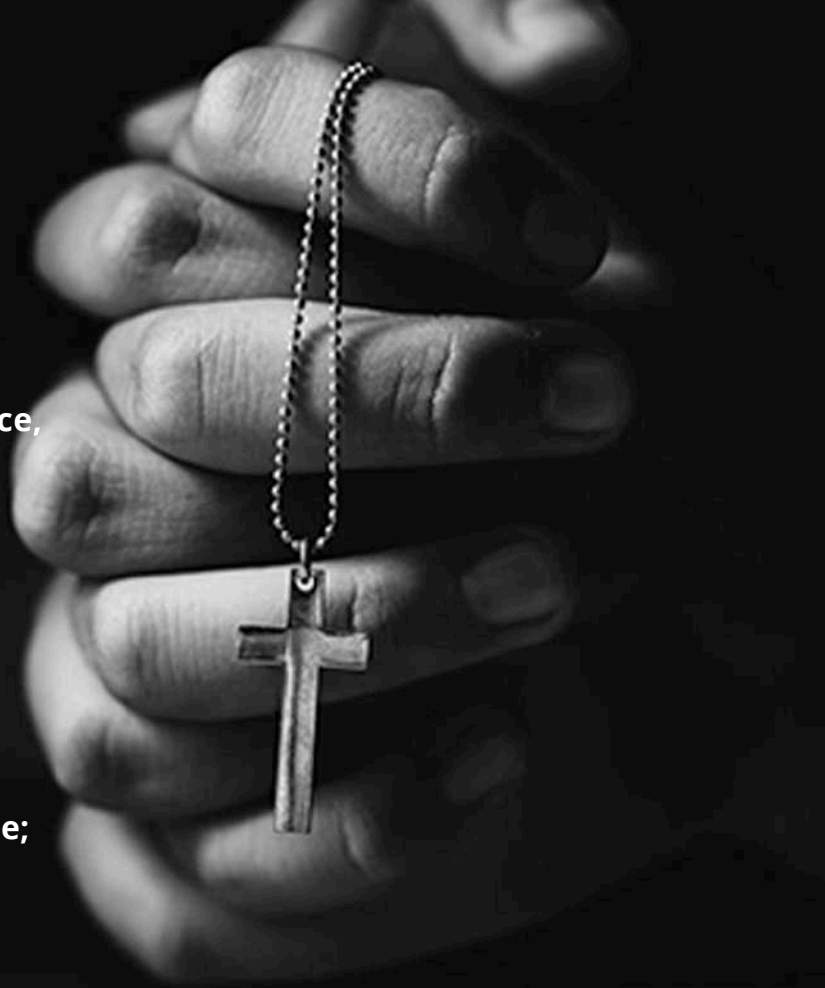
NATIONAL ANTHEM

Eternal Father bless our land,
Guard us with Thy Mighty Hand,
Keep us free from evil powers,
Be our light through countless hours.
To our Leaders, Great Defender,
Grant true wisdom from above.
Justice, Truth be ours forever,
Jamaica, Land we love.
Jamaica, Jamaica, Jamaica land we love.
Teach us true respect for all,
Stir response to duty's call, strengthen us the weak to cherish,
Give us vision lest we perish.
Knowledge send us Heavenly Father,
Grant true wisdom from above.
Justice, Truth be ours forever,
Jamaica, land we love.
Jamaica, Jamaica, Jamaica land we love.

PRAYER OF ST. FRANCIS OF ASSISI

Lord, make me an instrument of Thy peace,
Where there is hatred, let me sow love
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light;
Where there is sadness, joy.

O Divine Master, grant that I may not
So much seek to be consoled as to console;
To be understood as to understand;
To be loved as to love;
For it is in giving that we receive;
It is in pardoning that we are pardoned,
And it is in dying that we are born to eternal life.





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CONTACT US



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