

VOLUME 7

SECTION 8

National People's Cooperative Bank

**National People's Cooperative Bank
of Jamaica
47 Manchester Road
Mandeville P.O.
Manchester**

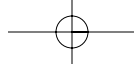
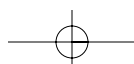
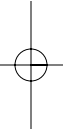
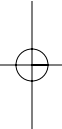


TABLE OF CONTENT

CHAPTER 1	1
HISTORY OF THE PC BANK	
CHAPTER 2	3
PROCEDURES FOR ACCESSING LOANS	
CONTACT INFORMATION	6



CHAPTER I

HISTORY OF THE PC BANK

1.0 BACKGROUND

The first People's Cooperative Bank dates back to April 19, 1905 in Christiana, Manchester. Initially, the Bank was established to act as a banker, bill discounter and a dealer in stocks, shares, bonds, debentures, mortgages and other securities and to make advances for cooperative and agricultural programmes.

The PC Bank movement grew rapidly in the early years but thereafter membership fell and the savings portfolio remained dormant.

In 1982, the Government decided to reorganise the agricultural loan process with the establishment of the Agricultural Credit Bank. As a result, efforts were made to ensure the viability and efficiency of the PC Banks. Even though the pool of funds was expanded, some 12 years later in 1994, the Bank's membership stood at 84,000, savings at \$2 million and the loan portfolio to \$200M.

1.0.1 People's Coop Bank Network Programme (IPCBN)

A major programme to transform the PC Banks into a viable, autonomous, network of community banks within the rural areas was launched one year later in 1995. The programme, called the Integrated People's Cooperative Bank Network (IPCBN) Programme, received joint funding from the Government of Jamaica, International Fund for Agricultural Development (IFAD) and the Canadian International Development Agency (CIDA).

1.0.2 Implementation of IPCBM

The Agricultural Credit Bank (now the Development Bank of Jamaica) had the major task of implementing the IPCBN Programme which saw the merger of the 116 PC Banks in operation into 18 individual banks. The programme resulted in the renovation and construction of buildings; rationalisation of branches; implementation of new accounting systems; computerisation of the banking operations; improved reporting procedures; the upgrading of professional staff and the introduction of new services.

1.0.3 Membership of PC Banks

Despite many challenges and changes in the wider economic environment, especially within the farming sector, the newly constituted PC Banks have made significant progress. By 2003, membership rose to 170,000, the savings portfolio stood at \$519 million and the loan portfolio at \$814 million. Growth in the PC Bank's loan portfolio is due primarily to the loan support of \$609 million from the Development Bank of Jamaica that has enabled the PC Banks to increase their loan limits.

1.0.4 Alliance with Grace Kennedy

The Banks also formed an alliance with Grace Kennedy Remittance Service and are now a major facilitator of the increasingly important money transfer business.

1.0.5 Merger

Recognising the dynamic environment of their operations, the PC Banks, in 2003, merged into one entity, the **National People's Cooperative Bank of Jamaica**, headquartered at 47 Manchester Road, Mandeville, Manchester. There are 38 branches of the National PC Bank.

CHAPTER 2

PROCEDURES FOR ACCESSING LOANS FROM THE PEOPLE'S COOPERATIVE BANK

2.0 LOAN TYPES & LIMITS

The PC Bank's mission is to promote and assist the social and economic development of its members and the rural communities by providing the financial guidance and services they need.

To this end the PC Bank provides the following loans to its members through thirty-eight (38) branches in every parish, except Kingston:

2.0.1 Limits For Agricultural Loan:

- i Sugar Cane Farming and Purchasing of Equipment up to \$2,000,000.00
- ii Contract Poultry Farming up to \$10,000,000.00
- ii Contract Inland Fish Farming up to \$10,000,000.00

2.0.2 Limits For Other Agricultural Loans:

Vegetables, Pineapples, Peanuts, Water Melon, Escallion, Mini Irrigation System, Goat Rearing, Water Tanks, Marketing of farm produce and other enterprises up to \$500,000.00

2.0.3 Limits for Non-Agricultural Loans:

Non-agricultural loans have a loan limit of \$500,000.00

2.0.4 Loans Against Shares And Deposits:

From its own resources:

- i the PC Bank is able to grant loans up to 50% of its aggregate deposit holdings.
- ii the PC Bank is able to grant loans up to 30% of its share capital.

2.1 INTEREST RATES

Apart from the special loans, interest rates on agricultural loans are 13% for DBJ funded loans. For loans funded by PC Bank funds, the rate is negotiated. For loans which are cash collateralized, the rate applicable is 5% above the current passbook rate.

2.2 EQUITY

For loans under \$200,000 the PC Bank will finance up to 80% and the customer is required to inject 20% in the project. For loans over \$200,000.00 the PC Bank will finance up to 70% of the project cost and the customer is required to inject 30% in the project.

Equity can be in kind (Labour etc.).

2.3 COLLATERAL

Acceptable forms of collateral are:

- i Registered Certificate of Title
- ii Insurance Policy (Cash Surrender Value)
- iii Certificate of Deposit (Cash)
- iv Bill of Sale over motor vehicles and Equipment.
- v **In exceptional circumstances a crop lien may be taken based on a well structured programme.**

2.4 REPAYMENT

The repayment period is based on cash flow generated from the particular crop to be established or the enterprise to be undertaken.

2.4.1 Agricultural Loans

- i Repayment period 1-10 years
- ii Grace period up to 6-36 months on principal repayment, depending on the cash flow projections.

2.4.2 Non-Agricultural Loans

- i Repayment period 1-3 years
- ii Grace period up to 1-3 months on principal repayment, depending on the cash flow projections.

Longer moratorium periods may be accommodated depending on the particular circumstances.

2.5 LOAN APPLICATION PROCESS

Generally speaking, all loan applications must be accompanied by a business plan encompassing a financial and marketing plan as well as the management structure of the enterprise. Recognising the constraints of the agricultural sector, the PC Bank will provide assistance in the preparation of business plans for agricultural loans. The cadre of Business Development Officers is well equipped to provide such assistance.

2.5.1 Arrangements with Jamaica Business Development Centre

In the case of non-agricultural loans, the PC Bank has developed a relationship with the Jamaica Business Development Centre (JBDC), and may refer customers for assistance in the preparation of non-agricultural business plans, where a special financial package especially for young entrepreneurs, makes the cost affordable.

Once the application and business plan are submitted and branch management is satisfied that the project is viable, and the plans are feasible, the application, with an executive summary is submitted to the Parish Board via the National PC Bank for review and vetting.

2.6 OTHER PRODUCTS AND SERVICES

In addition to its core function of lending, the PC Banks are also involved in:

- i Remittance services through Grace Kennedy Remittance Services
- ii Bill payment services (through Paymaster and Bill Express)
- iii Savings and Deposit accounts

CONTACT INFORMATION

	LOCATION	PHONE NO.	FAX NO.
HEAD OFFICE	47 Manchester Road, Mandeville	962-5360 962-8901	961-0547
BRANCH			
May Pen	1 B Gordon Street, May Pen, Clarendon	986-2543 902-7475	902-7476
Chapelton/ James Hill	Summerfield Chapelton P.O., Clarendon	987-2230	785-0158
Kellits	Kellits P.O., Clarendon	966-8021	966-8545
Christiana	Main Street, Christiana Manchester	964-2261 964-3981	694-3782
Albert Town	Albert Town Trelawny	610-1907 610-1841	6101907
Spalding	Spalding P.O., Clarendon	987-8033 964-7067	987-8033
Guy's Hill	Guy's Hill, St. Catherine	994-3205 994-3611	944-3205
Highgate	Highgate P.O. St. Mary	992-2374	
Gayle/Retreat	Gayle P.O., St. Mary	975-8102	
Maldon	Summer Hill District Point P.A., St. James	995-2051 912-5724	

BRANCH	LOCATION	PHONE NO.	FAX NO.
Anchovy/ Cambridge	Anchovy P.O., St. James	956-4279	912-3467
Clark's Town	Clark's Town, Trelawny	954-1194	954-1787
Port Antonio	19 West Palm Avenue Port Antonio, Portland	993-2606 993-3788	993-4379
Buff Bay	4 Thompson Avenue Portland	996-1494	913-6070
Manchioneal	Main Street, Manchioneal, Portland	993-6357	993-6530
Old Harbour	East Street, Old Harbour St. Catherine	983-9666-7 983-2242	983-0872
Bog Walk	Bog Walk, St. Catherine	985-1662 708-2148	985-1659
Point Hill	Point Hill, St. Catherine	705-5151-2	705-5691
Newell	Newell, Watchwell P.A. St. Elizabeth	965-0422 965-0806	965-0422
Balaclava	Balaclava P.O. St. Elizabeth	963-2671	963-2671
Bethel Town	Bethel Town P.O. Westmoreland	957-2441	957-2650
Newmarket	Newmarket P.O. St. Elizabeth	990-5330	
Santa Cruz	Santa Cruz P.O. St. Elizabeth	966-2240 966-4898	966-4897
White House	White House P.O. Westmoreland	963-5695 963-5894	963-5695
Glengoffe	Glengoffe P.O. St. Catherine	708-1134-5	708-1135
Mavis Bank	Mavis Bank P.O. St. Andrew	977-8010	977-8416
Red Hills	Red Hills P.O. St. Andrew	945-8388	945-8388
Brown's Town	Main Street Brown's Town St. Ann	975-2319 975-9013	975-9298
Alexandria	Alexandria P.O. St. Ann	975-1023	975-1023
Moneague	Moneague P.O. St. Ann	973-0638	973-0638
Morant Bay	45 Queen Street Morant Bay St. Thomas	982-2241 982-9669	982-1401

BRANCH	LOCATION	PHONE NO.	FAX NO.
Llandewey	Llandewey P.O. St. Thomas	733-0297 733-0299	733-0300
Golden Grove	Main Street, Golden Grove St. Thomas	982-3104-5	982-3108
Mandeville	47 Manchester Road Mandeville	962-2017 962-8342	961-5191
Mile Gully	Mile Gully P.O. Manchester	965-4938	965-4169
Alligator Pond	Alligator Pond P.O. Manchester	965-4627	965-4627
Grange Hill	Grange Hill Westmoreland	955-1444 955-1488	918-8651
Mt. Peto	Mount Peto P.O. Hanover	995-2131	
SUB-BRANCHES			
Parks Road	Salisbury Plain St. Andrew	944-6273-4	
Cambridge	Main Street, Cambridge, St. James	605-3244	
Retreat	Retreat P.O., St. Mary	996-3346 996-3200	
James Hill	James Hill, Clarendon	650-3266	
Stony Hill	Seaview Road, Stony Hill St. Andrew	942-3769 756-0832	942-3358