



2021

ANNUAL REPORT

DIFFERENTIATE
AND
GROW↑

**BUILDING RESILIENCE
IN TIMES OF UNCERTAINTY**





PRODUCTS AND SERVICES

SERVICES

- Loan Protection Insurance
- Life Savings Insurance
- Goal Protection Insurance
- Financial Counselling
- Will Making & Estate Plans
- Internet / Mobile Banking
- Telephone Banking
- Multi-Link Access Debit Card
- JCCUL Health Insurance Plan
- Family Indemnity Plan
- Remittance
- Insurance Services (JCIA)
- Bill Payment
- Safety Box Deposit

SAVINGS PRODUCTS

- SAYE / Golden Harvest
- Express Salary Deposit
- Golden Anchor
- Long Term Savings (LSA)
- Term Deposit
- Ordinary Shares
- Ordinary Deposits

LOAN PRODUCTS

UNSECURED LOANS - MAXIMUM \$1.5M

- Education Loan / Back to School Loan
- Debt Consolidation Loan
- Motor Vehicle Loan
- Insurance Premium Financing Loan
- Hire Purchase Loan
- Partner Plan Loan

SECURED LOANS

REAL ESTATE: Home Purchase

Loan, Home Equity Loans

MOTOR VEHICLE: MV Purchase

Loan, MV Equity Loan

CASH: Shares, Fixed Deposit,
Golden Harvest (**SAYE**), Stocks,
Cash Surrender Value (**CSV**) of
Life Insurance Policies

*Conditions apply

C&WJ CO-OPERATIVE CREDIT UNION LIMITED PROGRESS REPORT (1961 – 2021)

YEARS	MEMBERS	SHARES	DEPOSITS	LOANS	EARNINGS			ASSETS
		BALANCE (\$)	BALANCE (\$)	BALANCE (\$)	GROSS INCOME (\$)	EXPENSES (\$)	NET INCOME (\$)	
1961	352	15,072	-	10,296	486	292	194	15,436
1962	560	53,676	-	48,750	3,406	1,662	1,744	55,924
1963	624	92,842	-	91,992	8,362	3,880	4,482	98,928
1964	669	130,930	-	133,132	12,940	5,000	7,940	141,614
1965	671	152,458	-	153,268	16,656	6,874	9,782	168,680
1966	759	173,326	5,048	180,796	19,548	9,156	10,392	199,384
1967	749	201,578	7,538	210,546	22,474	11,606	10,868	239,408
1968	797	230,316	11,034	266,002	27,378	12,274	15,104	287,723
1969	823	267,117	10,687	292,085	33,611	16,619	16,992	325,520
1970	874	312,894	17,060	298,267	37,543	18,831	18,712	349,349
1971	1,032	426,573	31,023	439,182	46,370	22,541	23,829	475,864
1972	1,103	519,505	22,830	557,931	65,683	31,420	34,263	586,443
1973	1,227	695,372	30,841	730,520	78,895	38,815	40,080	778,490
1974	1,460	964,655	42,734	1,046,787	114,910	65,069	49,841	1,069,355
1975	1,842	1,490,253	80,281	1,572,413	159,650	80,350	79,300	1,635,308
1976	1,958	2,210,263	109,433	2,303,040	253,541	113,818	139,723	2,429,859
1977	2,058	2,905,546	159,358	2,947,760	335,928	137,142	198,786	3,208,371
1978	2,170	3,787,922	243,590	3,909,794	438,857	200,426	238,431	4,171,484
1979	2,338	4,510,551	302,070	4,571,290	560,521	271,080	289,441	5,277,561
1980	2,626	5,381,057	350,345	5,417,589	634,062	387,256	246,806	7,075,388
1981	2,882	6,396,442	458,487	7,219,503	947,375	866,275	81,100	8,700,101
1982	3,122	8,004,118	493,452	9,077,273	1,174,018	950,126	223,892	10,178,586
1983	3,408	9,294,551	536,234	10,758,612	1,434,794	1,129,494	305,300	12,525,126
1984	3,576	10,448,520	688,552	11,946,723	1,714,503	1,262,538	451,965	13,584,800
1985	3,770	11,807,290	711,545	13,658,735	1,950,644	1,458,201	492,443	16,972,948
1986	3,990	13,353,513	1,207,157	14,986,330	2,057,463	1,593,152	464,311	18,935,880
1987	4,272	15,638,232	1,360,521	17,210,260	2,431,981	1,804,107	627,874	21,672,717
1988	4,454	18,456,135	1,679,441	20,610,694	2,819,781	1,992,889	826,892	24,969,128
1989	4,743	24,155,002	2,430,520	27,439,908	3,533,268	2,403,747	1,129,521	32,857,160
1990	4,375	28,052,737	3,029,945	32,159,594	4,412,005	3,269,415	1,142,590	37,724,358
1991	4,992	37,709,435	6,398,964	50,583,057	5,864,268	5,053,114	811,154	56,652,626
1992	5,373	47,704,220	10,560,580	68,115,818	9,283,658	7,104,145	2,179,513	74,681,510
1993	5,815	72,317,795	16,061,594	104,892,795	12,417,803	10,612,947	1,804,856	113,223,841
1994	6,103	91,745,100	28,883,640	126,844,601	17,657,227	18,969,924	-1,312,697	152,215,726
1995	6,572	114,362,497	41,709,428	188,194,616	30,494,854	30,839,597	-344,743	287,333,560
1996	6,683	135,913,000	67,958,000	202,797,000	52,053,000	47,365,000	4,688,000	351,307,040
1997	7,599	144,873,978	136,550,954	262,157,873	59,747,752	54,492,455	5,255,297	448,438,194
1998	7,806	168,997,778	172,074,562	301,230,716	96,205,643	79,555,310	16,650,333	528,767,540
1999	8,041	186,799,019	510,301,492	305,229,594	156,233,052	125,098,027	31,135,025	883,995,526
2000	8,479	195,278,259	503,332,891	365,652,107	176,543,216	156,785,275	19,757,941	907,335,107
2001	9,059	206,008,839	800,120,139	409,946,113	205,949,974	179,671,851	26,278,123	1,252,767,604
2002	8,796	244,257,012	842,244,508	638,118,964	237,543,756	201,352,499	36,191,257	1,389,234,343
2003	9,277	271,644,807	1,019,063,752	732,228,312	314,185,653	272,394,290	41,791,363	1,654,800,981
2004	10,104	301,501,443	1,275,991,983	886,362,191	381,220,581	313,358,284	67,862,297	1,942,878,468
2005	12,955	380,151,742	1,280,153,570	1,342,107,408	343,148,484	318,331,900	24,816,584	2,057,805,692
2006	14,562	480,612,204	1,428,747,904	1,676,645,886	387,500,847	352,284,457	35,216,390	2,346,509,009
2007	15,886	574,811,503	1,376,889,389	1,886,513,958	418,538,453	385,524,893	33,013,560	2,477,237,971
2008	17,190	597,633,698	1,580,094,892	2,132,566,493	479,156,263	444,767,649	34,388,614	2,882,668,533
2009	17,889	564,606,661	1,838,866,107	1,795,735,150	622,019,899	553,961,830	68,058,069	3,156,318,711
2010	16,172	641,966,338	1,967,143,491	1,819,988,963	514,268,401	483,933,012	30,335,389	3,198,504,129
2011	32,851	819,995,882	2,926,691,429	2,449,309,650	581,224,043	531,430,208	49,793,835	4,509,893,696
2012	34,387	867,304,479	2,964,775,825	2,905,802,729	612,943,514	592,683,652	20,259,862	4,605,970,890
2013	64,003	1,668,432,409	4,507,105,368	4,268,270,308	726,881,477	657,709,907	69,171,570	7,459,980,854
2014	67,128	1,690,669,481	4,721,160,480	4,211,605,033	915,375,211	887,433,471	27,941,740	7,711,324,307
2015	73,962	1,883,580,175	5,149,704,206	5,196,892,479	982,081,889	936,378,696	45,703,193	8,449,517,842
2016	82,293	2,848,559,137	5,890,361,708	7,081,572,359	1,139,372,142	1,062,664,988	76,707,154	10,499,620,137
2017	86,132	2,901,833,976	6,445,245,954	8,541,808,167	1,620,587,649	1,239,616,395	380,971,254	11,535,917,357
2018	122,458	3,330,729,798	9,228,996,123	10,664,423,651	1,696,894,372	1,594,510,274	102,384,098	16,019,939,997
2019	127,712	3,987,005,410	9,436,544,027	12,653,759,350	2,307,140,352	1,959,417,004	347,723,348	17,757,734,275
2020	131,767	4,422,510,352	10,578,661,279	13,242,829,278	2,380,346,486	1,961,977,171	418,369,315	19,564,237,245
2021	136,406	4,640,633,127	11,941,387,352	13,002,287,673	2,441,313,095	2,181,755,703	259,557,392	21,285,607,441



VISION STATEMENT

To be the financial service provider of choice for stakeholders in communities and industries in Jamaica and the Diaspora.

MISSION STATEMENT

To enhance the well-being of our members through superior financial services delivered by an empowered and motivated team.

OUR VALUES

- Integrity
- Financial prudence
- Transparency
- Friendliness
- Training and development



Differentiate
and **Grow**

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **58th Annual General Meeting** of
Community & Workers of Jamaica Co-operative Credit Union Limited
will be a hybrid meeting and will be held at the Jamaica Pegasus Hotel and online

on
Wednesday, June 15, 2022, at 3 p.m.

Members are invited to register to attend the meeting online. Registration will commence on Wednesday, May 25, 2022 and will end at midnight, Monday, June 13, 2022. Once registered, you will receive your online meeting credentials.

For more information on attendance, registration, voting, Covid-19 protocols and AGM documents please visit:

<https://www.cwjcu.com/agm-2022> or call Customer Care at (876)936-3800

dated this the 30th day of March, 2022

SIGNED:



Winston Green
Secretary
Board of Directors

AGENDA

- | | |
|---|--|
| 1. Ascertaining that a quorum is present & Notice of Meeting | (d) Report of the Credit Committee |
| 2. Apologies | (e) Report of the Supervisory Committee |
| 3. Chairman's Opening Remarks and Acknowledgement of Members | (f) Report of the League Delegates |
| 4. Prayer | (g) Report of the Nominating Committee |
| 5. Motion to adopt the Agenda | 8. Elections to:- |
| 6. Minutes of the Fifty-seventh (57th) Annual General Meeting and Matters Arising Therefrom | (a) Board of Directors |
| 7. Consideration of:- | (b) Credit Committee |
| (a) Report of the Board of Directors | (c) Supervisory Committee |
| (b) Management's Report | (d) Management of Other Registered Societies (See Nominating Committee's Report) |
| (c) Treasurer's & Auditors' Reports | 9. Other Business |
| (i) Appropriation of Surplus | 10. Presentation of Prizes |
| (ii) Fixing of Maximum Liability | 11. Adjournment |



It's exactly *what I need...* *Conditions apply

A CWJCCU
Lifestyle
LOAN!

**ACCESS YOUR
C&WJCCU LIFESTYLE
LOAN ANY TIME
YOU NEED IT**

Whatever your reason – Your *Lifestyle*, your choice!

✓ **EMERGENCIES**

✓ **CONSOLIDATE
DEBTS**

✓ **HOME
IMPROVEMENTS**
OR EVERYDAY EXPENSES

✓ **SPECIAL
OCCASIONS**

24
hours
Approval

C&WJ Community
and Workers of Jamaica
CO-OPERATIVE CREDIT UNION LTD.

C&WJ CO-OPERATIVE CREDIT UNION LIMITED **TEN YEAR FINANCIAL PERFORMANCE**

FINANCIAL POSITION (\$M)										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Assets	21,285.6	19,564.2	17,757.7	16,019.9	11,535.9	10,499.6	8,449.5	7,711.0	7,460.0	4,606.0
Loans to Members	13,002.3	13,242.8	12,653.8	10,664.4	8,541.8	7,081.6	5,196.9	4,211.6	4,268.3	2,905.8
Liquid Assets & Investments	6,927.6	4,951.4	3,726.8	3,842.5	1,960.6	2,457.6	2,429.0	2,806.3	2,491.2	1,430.1
Savings Deposits	11,941.4	10,578.7	9,436.5	9,229.0	6,445.2	5,890.4	5,149.7	4,721.2	4,507.1	2,964.8
Voluntary Shares	4,640.6	4,422.5	3,987.0	3,331.0	2,901.8	2,848.6	1,883.6	1,690.7	1,668.4	867.3
Shareholders Equity	3,699.6	3,454.0	3,063.0	2,664.2	1,779.7	1,396.6	1,103.2	1,003.1	984.9	536.1
Institutional Capital	2,738.3	2,669.8	2,932.6	2,569.6	1,600.5	1,316.3	1,044.6	960.0	928.9	503.8
INCOME & EXPENDITURE (\$M)										
Total Revenue	2,441.3	2,380.3	2,307.1	1,696.9	1,620.6	1,139.4	982.1	915.4	726.9	612.9
Interest Expense	343.7	341.0	361.5	331.4	269.5	247.2	268.7	263.2	205.7	169.7
Operating Expenses	1,551.0	1,457.4	1,474.5	1,156.3	912.0	766.0	655.3	596.2	484.7	373.6
Net Income after Int on Shares	259.6	418.4	347.7	102.4	381.0	76.7	45.7	27.9	69.2	20.3
RATIOS										
PROTECTION										
Loan Loss Allowance / Delinquent > 12 Mths	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EFFECTIVE FINANCIAL STRUCTURE										
Net Loans / Total Assets	61.1%	67.7%	71.3%	66.6%	74.0%	67.4%	61.5%	54.6%	57.2%	63.1%
Total Savings / Total Assets	77.9%	76.7%	75.6%	78.4%	81.0%	83.2%	83.2%	83.2%	82.8%	83.2%
Institutional Capital / Total Assets	12.9%	13.6%	16.5%	16.0%	13.9%	12.5%	12.4%	12.4%	12.5%	10.9%
Loans / Deposits	78.4%	88.3%	94.3%	84.9%	91.4%	81.0%	73.9%	65.7%	69.1%	75.8%
ASSET QUALITY										
Total Delinquency / Gross Loan Portfolio	3.5%	2.5%	2.99%	7.2%	2.1%	4.8%	4.3%	7.4%	8.5%	5.0%
Non Earning Assets / Total Assets	7.1%	8.2%	11.2%	9.4%	9.0%	9.1%	9.7%	9.0%	9.4%	6.0%
RATES OF RETURN & COSTS										
Net Loan Income / Avg Net Loan Portfolio	14.1%	14.3%	13.9%	13.3%	13.5%	12.6%	3.4%	13.3%	13.0%	14.9%
Liquid Investment Income / Avg Liquid Investments	2.8%	2.5%	3.5%	4.4%	6.7%	7.2%	7.9%	9.9%	6.4%	6.3%
Fin Investment Income / Avg. Fin Investments	5.5%	4.7%	3.9%	3.1%	3.9%	4.1%	4.6%	5.7%	7.7%	8.7%
Financial Costs: Savings & Deposits / Avg Savings Deposits	1.4%	1.4%	1.6%	1.9%	2.1%	2.3%	3.0%	3.1%	3.1%	3.5%
Gross Margin / Average Assets	8.9%	10.1%	10.9%	9.3%	11.9%	9.0%	8.8%	8.3%	9.2%	8.7%
Operating Expenses / Avg Assets	7.6%	7.8%	8.7%	8.4%	8.3%	8.1%	8.1%	7.9%	8.0%	8.2%
Net Income / Avg Assets (ROA)	1.3%	2.2%	2.1%	0.7%	3.5%	0.8%	0.6%	0.4%	1.1%	0.4%
Interest Income / Earning Assets	10.6%	11.2%	11.2%	9.6%	11.2%	9.6%	10.5%	11.1%	8.9%	11.9%
Interest Expense / Interest Bearing Liabilities	1.9%	2.1%	2.4%	2.4%	2.8%	2.7%	3.6%	3.9%	3.2%	4.4%
Spread	8.6%	9.1%	8.8%	7.2%	8.4%	6.9%	6.9%	7.2%	5.7%	7.6%
LIQUIDITY										
Liquidity Reserves / Total Savings Deposits	24.3%	22.0%	17.6%	19.6%	13.4%	16.0%	27.2%	31.0%	28.00%	17.17%
Liquid Assets / Total Assets	19.7%	15.9%	12.3%	15.4%	10.9%	13%	17.1%	20.8%	23.4%	15.0%
GROWTH										
Loans	-1.8%	4.7%	18.7%	27.5%	20.6%	36.3%	23.4%	-1.3%	46.9%	18.7%
Savings Deposits	12.9%	12.1%	2.2%	43.2%	7.0%	14.4%	9.1%	4.8%	52.0%	1.3%
Ordinary Shares	4.9%	10.9%	19.7%	14.8%	1.9%	51.2%	11.4%	1.3%	92.4%	5.8%
Institutional Capital	2.6%	-9.0%	14.1%	60.6%	21.6%	26.0%	8.8%	3.3%	84.4%	5.8%
Membership	3.6%	3.2%	4.3%	42.2%	4.7%	11.3%	10.2%	4.9%	86.1%	4.7%
Total Assets	8.8%	10.2%	10.8%	38.9%	9.7%	24.3%	9.6%	3.4%	62.0%	2.1%

MINUTES OF THE 57TH ANNUAL GENERAL MEETING OF THE COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE CREDIT UNION LIMITED

HELD IN HYBRID FORMAT ON WEDNESDAY, MAY 5, 2021

1. Quorum of the Meeting

The Chairman, Mr. Condell Stephenson, called the meeting to order at 3:00 pm. He informed the meeting that there was a quorum as two hundred and thirty-seven (237) members had joined the meeting virtually. While a restricted number of specially invited guests, members of the Credit Union's Board executive and staff were in attendance in person at the Credit Union's 51 Half Way Tree Road office, in observance of Covid-19 Disaster Risk Management Act (DRMA) protocols, all members (including those who attended in person) were registered for the purpose of voting

1.1 Reading of the Notice and Convening of the Meeting

The Chairman read the Notice to convene the 57th Annual General Meeting.

1.2 Adoption of the Agenda

The Agenda was amended to reflect that two (2) items - Ascertaining the Quorum of the meeting and Reading of the Notice convening the Meeting - would be taken as one agenda item.

The Chairman explained the process that would be used to move a motion by using the raise hand feature in the virtual/ Zoom meeting. A short presentation was done to show the members how to use the raise hand feature from their devices. A test was conducted following the presentation for the members to familiarise themselves with the process.

The motion to change the Standing Orders and for the adoption of the Agenda was moved by Ms. Donnette Brown, seconded by Ms. Latoya McKenzie by using the raise hand feature. The members in favour of the motion were one hundred and fourteen (114) with none against and no abstentions.

2. Apology for Absence

Chairman Stephenson outlined the process that would be used to identify and acknowledge members who wished to speak. The member must first raise his/her hand by using the raise hand feature on his/her device, wait until acknowledged by the Chairman and before speaking the member is required to turn on his/her video.

The members were also advised that they may type their

apologies in the Chat. No apologies were received.

3. Chairman's Opening Remarks & Acknowledgement of Members

The Chairman welcomed the members and specially invited guests.

The volunteers who served on the Board of Directors during 2020 were introduced to the meeting:

- Mr. Condell Stephenson – President
- Mr. Austin Brown – First Vice President
- Mr. Bornette Donaldson – Second Vice President
- Mrs. Ashlyn Malcolm – Treasurer
- Mr. Delroy Foster – Assistant Treasurer
- Mrs. Pauline Thompson – Secretary
- Mr. Winston Green – Assistant Secretary
- Ms. Paulette Howell – Director
- Mr. Christopher Buckmaster – Director
- Mr. Michael Dunn – Director
- Mr. Shauneil James – Director

Special recognition was extended to the following guests: Miss Tanesha Facey, of the Department of Co-operatives and Friendly Societies; Mr. Errol Gallimore, Registrar of the Department of Co-operatives and Friendly Societies; Mr. Wilbert Spence of KPMG; Mr. David Hall and Mr. Ertis Blake, Past Presidents of C&WJCCUL; Mr. Robin Levy, of Jamaica Co-operative Credit Union League; Mr. Lambert Johnson, President of the Jamaica Co-operative Credit Union League; Mr. Carl Bryan, Stenographer; Mr. Barrington Whyte, former CEO of C&WJCCUL; Mr. Fitz Rowe, past General Manager of St. Elizabeth Co-operative Credit Union Limited; Mr. Herbert Duval, past General Manager of the National Water Commission Co-operative Credit Union Limited; and Ms. Roxann Linton, CEO of First Heritage Co-operative Credit Union Limited.

The Chairman advised that two hundred and seventy-one (271) members joined the meeting virtually. He again reminded the meeting of the procedure to be followed when a member wished to speak or ask a question and the other methods that may be utilised such as posting the questions in the Chat or

by sending the questions via WhatsApp to 876 990 8457. He advised that a team is in place to answer members' queries, or any issues relating to their accounts, etc.

4. Prayer

Assistant Secretary Green offered prayer.

4.1 Silent Tribute to Pioneers, Past Leaders and Late Members

The meeting paid silent tribute to the Credit Union's: Pioneers: Frederick Raiffeisen; Alphonse Desjardins; Edward Filene; Roy Bergengren; Thomas Doig and Fr. John P. Sullivan.

Past Leaders: A. Rod Glen; Eustace Shim; Frank Laing; Sydney Carter; Algie Dale; Lloyd Gayle and Arthur Hylton.

Past Members: The Chairman referred the meeting to the List of Members who had passed during 2020 which was on page 158 of the Annual Report that was previously posted on the Credit Union's website.

5. Resolution to Amend the Rules

The Resolution to amend the Rules of C&WJCCUL was presented for consideration. Chairman Stephenson explained that due to the COVID-19 Pandemic, the manner of convening and conducting meetings had to change. He advised that the League along with the Department of Co-operatives and Friendly Societies had lobbied the Government of Jamaica to amend the Co-operatives Societies Act and Regulations to allow for virtual-only or hybrid meetings effective January 15, 2021.

The Resolution which proposed amendments to the Credit Union's Rules was read by Secretary Thompson as follows:

"Notice is hereby given that the 57th Annual General Meeting of the C&WJ Co-operative Credit Union Limited to be held at 51 Half Way Tree Road, Kingston 10, on Wednesday, May 5, 2021, at 3 pm for members to consider and if thought fit to pass the following special resolutions:

WHEREAS Section 11 and Regulations 41 of the Co-operative Societies Act and Regulations provide for the amendment of Rules;

WHEREAS Article XXIV, Rule 84 allows for amendments to the Rules of the C&WJ Co-operative Credit Union Limited; and

WHEREAS Article XII, Rule 62 is being proposed for amendments in the Rules of the C&WJ Co-operative Credit Union Limited; and

WHEREAS it is being proposed that meetings of members may be conducted by attendance at a physical location, or by virtual-only or by hybrid-meeting; and

WHEREAS electronic attendance shall be construed as if the

members were present at the physical location where the meeting is being convened; and

WHEREAS members attending meetings through an electronic media shall constitute part of the quorum requirement for a legally convened meeting of members of the Society; and

WHEREAS The Co-operative Societies (Amendment) Regulations 2021 dealing with the holding of general meetings in co-operative societies were promulgated on the 15th January 2021;

WHEREAS this Credit Union has agreed to adopt and accept all the interpretations so ascribed under the said regulations and intends that all amendments hereunder proposed are to be operational immediately and binding upon members, consequent upon approval at this general meeting of members and subject to the Registrar of Co-operative Societies' immediate certification.

BE IT RESOLVED that Article XII, Rule 62 which now reads:

- (i) The supreme authority in the Credit Union is vested in the General Meeting of members at which every member has a right to attend and vote on all questions;
- (ii) The first General Meeting of members after registration of the Credit Union should be called the First Annual General Meeting and shall have the same powers as are herein given to the Annual General Meeting.

BE AMENDED TO READ by adding the following additional sentences after the current sentences:

- (iii) References to a "meeting" shall mean a meeting convened and held in a physical location only or via virtual-only and/or in a hybrid manner through a combination of both physical and electronic communication system. Members shall be deemed to be present at that meeting for all purposes of the Rules, applicable laws and the Co-operative Societies (Amendments) Regulations 2021 and said attendance shall be construed to allow the member present in any one of these fora to attend and fully participate in any such meetings.
- (iv) A member's participation in the business of a general meeting shall include without limitation the right to communicate, to all vote, and to have access in hard copy or electronic form to all documents which are required to participate in the business of a general meeting; and participation in such a meeting shall constitute presence in person at such meeting and shall count towards the quorum and for all other voting processes.
- (v) References to "electronic communication system" shall include, without limitation, webcast, video or any form of

MINUTES OF THE 57TH ANNUAL GENERAL MEETING

(CONTINUED)

conference call systems (telephone, video, web or otherwise) and other communication of any sound, document, and or other data.

(vi) If a separate meeting place is linked to the main place of a general meeting by an electronic communication system, such member present at the separate meeting place shall be taken to be present at the general meeting and entitled to exercise all rights as if the member was present at the main physical location.

(vii) All general meetings (including a Special or Annual General Meeting, any adjourned meeting or postponed meeting) may be held as a physical, virtual-only or hybrid-meeting.

(viii) A virtual-only or hybrid-meeting may be held in Jamaica and any part of the world and at one or more locations as may be determined by the Board of Directors in its absolute discretion; however, the principal place and time of such meeting shall be construed to be held in the jurisdiction of Jamaica.

(ix) Votes (whether by a show of hands or ballot or by way of a poll) may be cast through or by electronic means or otherwise, in keeping with the Co-operative Societies (Amendment) Regulations 2021.

(x) If voting is to take place at the meeting, there must be reasonable measures in place to verify that every person voting at the meeting by means of electronic communication system is sufficiently identified, and the Secretary shall keep record of any vote or action taken.

(xi) The provision of these rules shall apply, with any necessary modification, to hybrid-meetings and virtual-only meetings.

BE IT RESOLVED THAT Article XII, Rule 66 which now reads:

(i) At least seven (7) days before the date of any Annual or Special General Meeting, the Secretary shall post a notice of the Meeting in a conspicuous place in the Head office and each branch office of the Society and cause appropriate notice to appear in the media and/or cause written notice to be handed to each member in person or mailed to each member at his address as the same appears on the Records of the Society. Such notice may also be communicated to each member via any available electronic medium provided by the member to the Society.

BE AMENDED TO READ:

(i) At least seven (7) days before the date of any Annual or Special General Meeting, the Secretary shall post a notice of the Meeting in a conspicuous place in the Head Office and each branch office of the Society and cause appropriate notice to appear in one daily newspaper and/or cause written notice to be handed to each member in person or mailed to each member at his address as the same appears on the Records of the Society. Such notice may also be communicated to each member via any available electronic medium provided by the member to the Society.

(ii) Where an Annual or Special General Meeting is either virtual-only or hybrid-meeting, the Secretary shall cause the notice of the meeting to provide instructions for attendance and participation, including voting by member, electronically, and an electronic link for attendees.

ADD SUB-RULE (i) at Rule 67 (d) to read:

“Where the meeting is held as a hybrid-meeting or virtual-only meeting and during the meeting a number of members participating, virtually, cease to be able to participate in the meeting, at any time and for any period during the meeting, in such numbers that the quorum requirement for that meeting is not met, all business transacted at that meeting, including matters put to the vote and any resolution passed, shall be void.”

BE IT RESOLVED THAT ARTICLE XXIV, RULE 84 (AMENDMENTS TO THESE RULES) WHICH NOW READ:

These Rules may be amended by a resolution of the members at any Annual or Special General Meeting, called for the purpose by a majority of not less than three-fourths of the members present at the general meeting at which the resolution was proposed, provided that a written notice of the meeting has been placed in a conspicuous place at the Head Office and in each branch office of the Society and/or in the Media at least seven (7) days before the said meeting. No amendment shall become operative until it has been approved by the Registrar in accordance with the Law.

BE AMENDED TO READ:

These Rules may be amended by a resolution of the members at any Annual or Special General Meeting called in accordance with Article XII, Rule 62 for the purpose by a majority of not less than three-fourths of the members present at the general meeting at which the resolution was proposed either Physically, Virtual-only or at a Hybrid-meeting provided that the written notice of the meeting has

been placed in a conspicuous place at the Head Office and in each branch office of the Society and/or in the Media at least seven (7) days before the said meeting. No amendment shall become operative until it has been approved by the Registrar in accordance with the Law.”

The Chairman summarised the Resolution as follows:

Due to the current situation with COVID-19 Pandemic, the Co-operative Societies (Amendment) Regulations were amended in January 2021 to give Credit Unions the option of having either face-to-face meetings, virtual-only or a hybrid-meeting which is a combination of face-to-face and virtual. This meant that the Credit Union can have its meetings by electronic means on whatever platform the Board of Directors may determine from time to time.

The meeting was again reminded of the procedures in using the raise hand feature.

The Chairman invited questions in relation to the Resolution. There were no questions from the members.

The motion to accept the Resolution as presented was moved by Ms. Jennifer Taylor and seconded by Ms. Taneisha Brown by using the raise hand feature. Two hundred and twenty-five (225) members were in favour of the motion, with three (3) against and one (1) abstention.

Miss Tanesha Facey of the Department of Co-operatives and Friendly Societies conducted the vote to accept the Resolution to amend C&WJCCUL's Rules which was previously circulated and read by the Secretary. Miss Facey pointed out that there were two hundred and ninety members (290) currently online and that in order for the resolution to be successful at least 75% of the members needed to vote in favour of the Resolution. The members were asked to use the raise hand feature of the meeting to indicate their acceptance of the Resolution.

The motion to accept the amendments to the Rules of the C&WJCCUL was moved by Mr. Raymond Hernandez and seconded by Mr. Edward Graham by using the raise hand feature.

The amendments to the Credit Union's Rules were approved by a vote of the members as follows:

At the time of the announcement of the vote, members entitled to vote were two hundred and eighty-nine (289), two hundred and twenty-six (226) members voted in favour of the Resolution, with six (6) members against and fifty-seven (57) members abstaining.

8. Adoption of the Minutes of the 56th Annual General Meeting

The Chairman referred the meeting to the Minutes of the 56th Annual General Meeting on pages 12 to 16 in the Annual Report.

Secretary Thompson requested a motion that the Minutes of the Annual General Meeting held on Saturday, September 26, 2020, be taken as read. By using the raise hand feature, the motion was moved by Ms. Latoya Ferguson, seconded by Ms. Atalia Barnett with one hundred and seventy-six (176) members in favour, four (4) against and two (2) abstentions.

There was no correction to the Minutes of the 56th Annual General Meeting.

The Minutes of the 56th Annual General Meeting was approved by Ms. Shorna Anderson, seconded by Ms. Taneisha Brown by using the raise hand feature with one hundred and seventy (170) members in favour, three (3) against and no abstentions.

8.1 Matters Arising from the Minutes of the 56th Annual General Meeting

There was no matter arising from the Minutes.

The Chairman reminded the two hundred and ninety (290) members present via the Zoom link to remain connected until the end of the meeting. He also mentioned that a special giveaway will be done at the end of the meeting.

9. Reports

The motion to take the reports of the Board of Directors, Management's Report, Treasurer's and Auditor's Reports, Reports of the Credit Committee and the Supervisory Committee, the League Delegates and the Nominating Committee as read en bloc, was moved by Ms. Georjean Edwards, seconded by Ms. Patrice Wright by using the raised hand feature. Those in favour of the motion were one hundred and fifty-five (155) with none against and two (2) abstentions.

9.1 Report of the Board of Directors

The Chairman referred the meeting to the Report of the Board of Directors on pages 22 to 27.

The Chairman informed the meeting that C&WJCCUL has been instilling 60 years of hope for its members since April 24, 1961, when the Credit Union was founded to support the men and women who could not qualify for a loan in the commercial banking system as it was then.

The Chairman advised that the 2020 financial year was successful for C&WJCCUL, its stakeholders and communities. The strong performance in 2020 was due to the steady and focused implementation of the Credit Union's strategies. He highlighted some of the key result areas as follows:

MINUTES OF THE 57TH ANNUAL GENERAL MEETING

(CONTINUED)

Key Result Areas	2019	2020
Membership	127,712.0	131,767.0
Assets	17,758.0	19,564.0
Savings	13,424.0	15,001.0
Loans	12,654.0	13,243.0
Regulatory Capital	2,933.0	2,670.0
Net Surplus	347.7	418.4
Customer Satisfaction Score	97%	98%

(Amounts indicated above are in ‘\$M)

• **Credit Union Growth**

C&WJCCUL at the end of December 2020, remained the largest Credit Union in Jamaica based on Total Assets and controlled a market share of over 14% of the Movement’s savings which is a major achievement.

The Regulatory Capital as at December 2020 was \$2.670 Million, representing 13.65% of assets.

• **Profitability & Surplus**

The surplus for the year ended December 31, 2020, was \$418.4 Million, an increase of 20% over the \$347.7 Million outturn in 2019.

• **Vision for 2021 and Beyond**

The Credit Union promises that for 2021, the business will rise to the challenge of rebuilding and reforming its people, its delivery channels, products and services for the financial well-being of its members.

In closing, the Chairman informed the meeting that he would be retiring at the end of the 57th AGM as his tenure, in keeping with the term limits of the Credit Union, had come to an end, and a new President will be selected. He expressed appreciation and thanks for the opportunity given him to serve.

The Chairman invited questions in relation to the Report.

There being no questions, the Report of the Board of Directors was adopted on a motion moved by Director Winston Green, seconded by Mr. Herbert Duval by using the raise hand feature with one hundred and fifty (150) members in favour, one (1) against and no abstention.

9.2 The Management Report

The Management Report was on pages 30 to 34 of the Annual Report.

The Chief Executive Officer, Mr. Carlton Barclay reported that the

Credit Union performed well despite the challenges of 2020. He stated that for 2020, the Board of Directors remained committed to the following strategic priorities:

- Building value for our members;
- Improving Technology Infrastructure;
- Regulatory Compliance and Enterprise Risk Management; and
- Corporate Social Responsibility

Mr. Barclay in his report, highlighted the following:

• **Building Value for our Members**

C&WJCCUL is the first of twenty-five (25) Credit Unions to achieve the following opportunities for its members:

- Online Banking Platform – updated 2020;
- Mastercard – introduced in 2020;
- Listing of Deferred Shares on the Jamaica Stock Exchange (Main Market) - 2020.

• **Member Focus**

The Credit Union adjusted its focus in 2020, in response to the COVID-19 pandemic. The Credit Union made various adjustments in its operations to ensure the health and safety of its staff and members, and to continue to maintain and provide quality service to the members.

The Credit Union’s efforts were seen in the results of the Customer Satisfaction Survey for 2020 which indicated that the members were satisfied with the Credit Union’s performance. The top three (3) features of the Customer Satisfaction Survey were:

1. Level of Customer Service
2. Ease of Doing Business ; and
3. Convenient Opening Hours

• **Operational Framework and Efficiencies**

The Credit Union invested significantly in technology and was able to improve its products and operational capacity.

The staff was congratulated and commended for their performance during the year.

• **Regulatory Compliance & Risk Management Profile**

The Credit Union continues to meet all regulatory requirements of the Jamaica Co-operative Credit Union League, the Department of Co-operatives and Friendly Societies, Bank of Jamaica and the Jamaica Stock Exchange.

In addition to meeting the PEARLS Standard, C&WJCCUL is also compliant with the International Financial Reporting Standard (IFRS 9).

In 2020, C&WJCCUL was also in full compliance with the provisions of the Jamaica Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) laws and the applicable Guidance Notes.

• **Corporate Social Responsibility**

In 2020, C&WJCCUL focused especially on education and youth development through its High School Assistance Programme (HSAP). Scholarships were issued throughout the parishes in the various communities as well as computers and tablets.

• **Summary of our Performance in 2020**

The Credit Union’s performance in terms of financial targets and Key Performance Indicators (KPIs) were:

- **Total Assets** – Increased by \$1.8 Billion to \$19.6 Billion at the end of 2020 or 10% above the 2019 value of \$17.8 Billion.

- **Membership** – Member growth figures reflected a growth of 4,055 members, moving from 127,712 members in December 2019 to 131,767 members as at December 31, 2020.

- **Loans** – Due to a deteriorated credit quality environment as a result of the COVID-19 pandemic, growth in loans to members was \$589 Million or 4.65% over the one-year period.

The Credit Union in its recognition of the challenges faced by some of its membership had given moratoria to many of its members.

- **Savings** – The savings grew by \$1.6 Billion or 11.7% for the 2020 period. The savings at the end of 2020 was in excess of \$15 Billion.

- **Net Surplus** – The Credit Union realised a net surplus of \$418 Million for 2020 which is the highest surplus achieved by the Credit Union since its inception.

- **Capital** – For 2020, the Credit Union transferred \$269 Million from surplus to the Statutory Reserve Fund. In addition, \$122 Million was also reserved as an additional buffer to further preserve the quality of the assets.

- **Capital ratio** - As at December 2020, the Credit Union’s capital ratio was 13.65% which exceeded the requirements of both standards.

• **Looking to the Future**

Initiatives to be executed for 2021 will include the following:

- New product creation;
- Target member value strategy;

- Accelerate the pace of digitization to enhance member experience; and
- Human resource capacity building framework

COVID-19 Pandemic

Mr. Barclay stated that the Board and Management remains cognizant of the environment and the heightened risks associated with the pandemic. The Credit Union will continue to closely monitor the situation whilst executing its strategies aimed at reducing as much as possible the negative impact of the pandemic on its members and stakeholders.

In conclusion, Mr. Barclay thanked the Board, Committee members and staff for their support and effort given in making 2020 another successful year. He also thanked the members for helping to make C&WJCCUL the #1 Credit Union.

Mr. Barclay addressed a question from the audience regarding the prepaid Mastercard.

There being no further questions, the Management Report was adopted on a motion moved by Mr. Ricardo Malcolm, seconded by Mr. Shevaughn Young by using the raise hand feature with one hundred and fifty-two (152) members in favour, one (1) against and no abstention.

9.3 The Treasurer’s Report

9.3.1 Auditor’s Report and Financial Statements for the Year 2020

The Chairman invited the Auditor, Mr. Wilbert Spence from KPMG Jamaica to present the Auditors’ Report. The Audit Opinion was read by Mr. Spence which stated that the financial statements gave a true and fair view of the financial position and performance of the Credit Union as at December 31, 2020, in accordance with International Financial Reporting Standards (IFRS) and the Co-operative Societies Act.

9.3.2 The Treasurer’s Report

The Treasurer, Mrs. Ashlyn Malcolm, read the letter of authorisation from the Department of Co-operatives and Friendly Societies dated March 31, 2021, which was on page 56 of the Annual Report. Treasurer Malcolm stated that the Credit Union met all the necessary protocols outlined in the letter from the Registrar.

Treasurer Malcolm referred the meeting to the Treasurer’s Report on pages 48 to 142 of the Annual Report. She reported that the Credit Union recorded a strong performance for the financial year ended 2020. She highlighted the following:

- The Credit Union achieved organic growth of over \$1.8 Billion (10.85%) in Total Assets to conclude the financial year at \$19.56 Billion.
- The Credit Union incurred Operating Expenses of \$1.46 Billion which supported several operational initiatives

aimed at improving and digitizing service delivery to its members. The Credit Union also ensured that the health and well-being of its staff and members remained the number one priority.

- C&WJCCUL generated a Net Surplus of \$418.37 Million.
- The Credit Union is required to maintain at least 10% of its savings as liquidity reserves, 8% of which is to be held at the Jamaica Co-operative Credit Union League. At the end of December 2020, the Credit Union was in compliance with this requirement.
- The Credit Union achieved growth in membership of 4,055 members representing an increase of 3.18% over the previous year. The requirement of the standard is a growth rate of at least 5%.
- The Credit Union has taken steps to ensure the safety of the staff and members whilst executing its delivery of unparalleled quality service in the context of the continuing impact of the pandemic.

Treasurer Malcolm concluded her presentation by thanking the members for their continued support, and the Management, staff and the Board of Directors for their continued work and effort to ensure C&WJCCUL’s continued growth.

The Chairman invited questions in relation to the Report.

There being no questions, the Treasurer’s Report was adopted on a motion moved by Mrs. Melissa Blake-Robinson, seconded by Mr. Christopher Vassell by using the raise hand feature with one hundred and forty-eight (148) members in favour, three (3) against and two (2) abstentions.

9.3.3 Appropriation of Surplus

Treasurer Malcolm referred the meeting to page 52 of the Annual Report. She presented the Board’s recommendation for the appropriation of the 2020 surplus as follows:

	\$’000
Surplus available for distribution	302,401
Statutory Reserves	(269,463)
Dividend for Membership	
Qualification shares 5%	(13,938)
Honoraria	(9,000)
Education Reserve	(5,000)
Disaster & Social Outreach	(5,000)

9.3.4 Fixing of Maximum Liability

In keeping with Rule 74, it was proposed that the maximum liability for loans that the Board of Directors may borrow was set at 16 times the Credit Union’s Capital and Reserve Fund.

The appropriation of the Surplus as presented by the Treasurer and the Fixing of the Maximum Liability was approved on a motion moved by Ms. Delores Campbell, seconded by Ms. Patrice Scott by using the raise hand feature with one hundred and fifty-six (156) members in favour, four (4) against and four (4) abstentions.

9.4 Report of the Credit Committee

The Chairman referred the meeting to the Credit Committee Report on pages 144 to 147 of the Annual Report. He invited questions in relation to the report of the Credit Committee.

There being no questions, the Report of the Credit Committee was adopted on a motion moved by Ms. Karice Bennett, seconded by Mr. Peter Scott by using the raise hand feature with one hundred and fifty (150) members in favour, two (2) against and no abstentions.

9.5 Report of the Supervisory Committee

The Chairman referred the meeting to the Supervisory Report on pages 148 to 150 of the Annual Report. He invited questions in relation to the Report of the Supervisory Committee.

There being no questions, the Report of the Supervisory Committee was adopted on a motion moved by Ms. Judith Cawley, seconded by Ms. Atalia Barnett by using the raise hand feature, with one hundred and forty-two (142) members in favour, none against and no abstentions.

9.6 Report of the League Delegates

The Chairman referred the meeting to the Report of the League Delegates on pages 151 to 152 of the Annual Report.

There being no questions, the Report of the League Delegates was adopted on a motion moved by Director Delroy Foster, seconded by Ms. Taneisha Brown by using the raise hand feature, with one hundred and fifty-one (151) members in favour, none against and no abstentions.

10. Elections

Report of the Nominating Committee
The Chairman referred the meeting to the Report of the Nominating Committee on pages 153 to 156 of the Annual Report.

The Chairperson of the Nominating Committee, Miss Paulette Howell, presented the Report. She advised the meeting that the

Nominating Committee was appointed by the Board of Directors at its February 27, 2021, meeting in keeping with Rule 71(a) and comprised of the following persons:

- Ms. Paulette Howell – Chairperson
- Mrs. Terrie-Ann Brown Bennett
- Ms. Carla Davy

Ms. Howell also stated that the Committee was guided by the following:

In keeping with the objective of achieving and maintaining Board diversity, the Nominating Committee selected candidates who would add the required qualities and skillsets to make for a stronger, more diversified Board of Directors.

Ms. Howell concluded her presentation by inviting the members to read the profiles of the nominees on pages 154-156 of the Annual Report.

The Nominating Committee Report was adopted on a motion moved by Ms. Andrea Mumby, seconded by Mrs. Melissa Blake-Robinson with one hundred and forty-two (142) members in favour, none against and three (3) abstentions.

Miss Tanesha Facey, representative of the Department of Co-operatives and Friendly Societies conducted the elections.

(a) Board of Directors

The members retiring at the 2021 Annual General Meeting were:

- Mr. Condell Stephenson
- Miss Paulette Howell
- Mrs. Pauline Thompson
- Mr. Michael Dunn
- Mrs. Ashlyn Malcolm
- Mr. Bornette Donaldson

The members nominated by the Committee to fill the vacancies on the Board of Directors for the term adjacent to each nominee’s name were:

- | | |
|--------------------------|---------|
| • Mrs. Ashlyn Malcolm | 2 years |
| • Mr. Bornette Donaldson | 2 years |
| • Mr. Pete Smith | 2 years |
| • Mrs. Suzette Downie | 2 years |
| • Ms. Georjean Edwards | 2 years |
| • Mr. Raymond Hernandez | 2 years |

Nominations were requested from the floor three (3) times by Miss Facey. There being no other nominations from the floor for the Board of Directors, the abovementioned persons were declared duly elected to the Board of Directors on a motion moved by Ms. Tracy-Ann Bright-Smith, seconded by Mrs. Terrie-Ann Brown Bennett by using the raise hand feature, with one hundred and forty-two (142) members in favour, none against

and one (1) abstention.

(b) Credit Committee

Members retiring at the 2021 Annual General Meeting were:

- Mr. Clifton Atkinson
- Mr. Charles Hanson

The members listed below were nominated by the Committee to fill the two (2) vacancies on the Credit Committee for the term adjacent to each nominee’s name:

- | | |
|------------------------|---------|
| • Mr. Charles Hanson | 2 years |
| • Mr. Clifton Atkinson | 2 years |

Nominations were requested from the floor three (3) times by Miss Facey. There being no other nominations from the floor for the Credit Committee, the abovementioned persons were duly elected to serve on a motion moved by Ms. Taneisha Brown, seconded by Mrs. Tracy-Ann Bright-Smith with one hundred and forty (140) members in favour, none against and no abstentions.

(c) Supervisory Committee

Members retiring at the 2021 Annual General Meeting were:

- Dr. Richard Meggo
- Mr. Kevron Caine
- Mr. Paul Bernard
- Mr. George Morris
- Mr. Rohan Saunders
- Miss Shorna Anderson
- Mr. Michael Sutherland

The members listed below were nominated by the Committee to fill the seven (7) vacancies on the Supervisory Committee for a term of one year:

- Mr. Rohan Saunders
- Miss Shorna Anderson
- Mr. Michael Sutherland
- Mr. Darren Brown
- Mr. Daniel Scott
- Mr. Patrick Simpson
- Mrs. Dionne Mason-Gordon

Nominations were requested from the floor three (3) times by Miss Facey. There being no other nominations from the floor for the Supervisory Committee, the abovementioned persons were duly elected to serve for one (1) year on the Supervisory Committee on a motion moved by Ms. Charmaine Barracks, seconded by Mr. Kevron Caine by using the raised hand feature, with one hundred and forty (140) members in favour, none against and no abstentions.

(d) Management of Other Registered Societies

Miss Facey requested a motion to accept the nominations for the delegates to the Jamaica Co-operative Credit Union League (JCCUL), the Jamaica Co-operative Insurance Agency (JCIA)

MINUTES OF THE 57TH ANNUAL GENERAL MEETING
(CONTINUED)

and Quality Network Co-operative Limited (QNET), en bloc. The motion was moved by Ms. Karlene Burey, seconded by Mrs. Dionne Mason-Gordon by using the raise hand feature, with one hundred and forty (140) members in favour, none against and no abstention.

Delegates to the Jamaica Co-operative Credit Union League (JCCUL)

- The President-Elect
- Chief Executive Officer

Delegates to the Jamaica Co-operative Insurance Agency (JCIA)

- The Treasurer-Elect
- Chief Executive Officer

Delegates to Quality Network Co-operative Limited (QNET)

- The President-Elect
- Chief Executive Officer

The motion to accept the persons so recommended for the Other Registered Societies was moved by Ms. Jada Barrett, seconded by Ms. Karice Bennett by using the raise hand feature, with one hundred and forty-seven (147) members in favour, two (2) against and one (1) abstention.

Miss Facey congratulated all the persons elected to serve and thanked the members for participating in the process.

11. Any Other Business

The Management addressed questions from the members in relation to dormant accounts and the possibility of the Credit Union issuing credit cards in the future.


In closing, the Chairman thanked the members, specially invited guests, the Stenographer, Mr. Carl Bryan, Mr. Wilbert Spence of KPMG and the technical team, Krystal Clear Productions.

12. Special Giveaway & Gate Prize

The special giveaway was announced and the gate prize winner was selected.

13. Adjournment

The motion to adjourn the meeting at 5:30 pm was moved by Ms. Taneisha Brown and seconded by Ms. Atalia Barnett by using the raise hand feature.


.....
Winston Green
Secretary, Board of Directors

Conditions apply

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when you can...

Own it!



Wouldn't you prefer to
own your home rather than paying for
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HERE'S HOW. YOU CAN ENJOY:



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Loan repayment of up to
40 years

Gradual increase in
paymentns over time

Up to **100%** Financing

Up to
90% NHT Financing
(with NHT benefit, based on their
policy)

Very **LOW Processing Fees**

BOARD OF **DIRECTORS**



Austin Brown
President

**Bornette
Donaldson**
First Vice President

**Christopher
Buckmaster**
Second Vice
President



**Winston
Green**
Secretary

**Georjean
Edwards-Fullerton**
Assistant Secretary

**Ashlyn
Malcolm**
Treasurer



Delroy Foster
Assistant Treasurer

Shauneil James
Director

Suzette Downie
Director



Pete Smith
Director

Raymond Hernandez
Director

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED DECEMBER 31, 2021

Austin Brown
President

On behalf of the Board of Directors of the Community & Workers of Jamaica Co-operative Credit Union Ltd (C&WJCCUL), I am pleased to report that the financial year 2021 was a successful one for the Credit Union.

C&WJCCUL remains steadfast in our mission “to enhance the well-being of our members through superior financial services, delivered by an empowered and motivated team.” We accomplish this mission each year, because of responsible and accountable leadership, prudent risk management and consistent strengthening of our operations. Our strategy is increasingly being underpinned by a technological structure that shapes our business processes at all levels.

As we continue to navigate the turbulent economic conditions, the financial success of our members and communities remains the driver of our operations and determines our purpose as the largest credit union in Jamaica.

In 2021, our Credit Union continued to respond with targeted efficiency and resilience to the uncertainties that remained in the economic environment in our country and beyond our shores. Through our strategy to build resilience in times of uncertainty, we safely navigated the rough economic conditions.

The Jamaican Economy - Performance Indicators

Following a prolonged period of the COVID 19 pandemic, the Jamaican economy slowly began its recovery in 2021. This was however negatively impacted by the significant increase in inflation, and the resulting tightening monetary policy measures implemented by the Bank of Jamaica.

In addition, the Russian invasion of Ukraine has also negatively impacted the Jamaican economy and has presented serious uncertainty for the recovery process. The IMF issued the following statement on the economic impact of the war: “While the situation remains highly fluid and the outlook is subject to extraordinary uncertainty, the economic consequences are already very serious. Energy and commodity prices—including wheat and other grains—have surged, adding to inflationary pressures from supply chain disruptions and the rebound from the Covid19 pandemic”.

The Jamaican economic indicators reflected these realities:

- The All Jamaica Consumer Price Index recorded an inflation rate of 9.1% for the calendar year 2021, according to the Statistical Institute of Jamaica.
- The Bank of Jamaica during 2021 increased its policy interest rate from 0.50% to 2.50% at December 2021. The policy rate is now up to 4.50% as at April 30, 2022.
- Preliminary estimates for the calendar year 2021 showed that the economy grew by 4.6%. This was due to improved performances in both the Services Industries and the Goods Producing Industries of 4.7% and 4.3% respectively.
- The Bank of Jamaica maintained a strong net international reserve position during 2021, to close the year at US\$3,999.74 M illion representing 33.5 weeks of goods and services imports.
- The unemployment rate in January 2022 was 6.2% compared to 8.8% for the same quarter of 2021. However, in January 2020, before the coronavirus (COVID-19) pandemic, the unemployment rate was 7.3%, there were more employed persons (1,272,700) and an overall larger economically active population (1,372,900) than in January 2022.

Bank of Jamaica (BOJ) Indicators

The 2021 BOJ annual report indicated that “while the Bank of Jamaica’s operations continued to be impacted by the spread of the coronavirus (COVID-19) during 2021 Jamaica’s financial system remained sound, profitable, adequately funded and capitalised.”

There however continued to be slower growth in loans relative to pre-pandemic rates, but loan quality deteriorated only marginally during the year. Deposit Taking Institutions (DTIs) generally recorded a higher level of profitability, on account of a rebound in non-interest revenue streams. Licensees increased their dependency on revenues generated from dividends, foreign exchange trading gains, fees and charges on credit cards, and the write-back of some loan loss provisions to income.

In the context of the normalisation of economic activity and BOJ’s suspension of its special regulatory treatment of the COVID-19 related payment accommodations, DTIs commenced a gradual phase-out of moratorium facilities during the year. As a result, the stock of loans remaining under moratorium facilities related to COVID-19 declined to \$15.4 Billion at end-November 2021, from \$70.2 Billion at end-2020.

The BOJ also reported that:

1. “The following pending amendments to legislation include, but not limited to:
 - The Co-operative Societies Amendment Bill;
 - The Credit Unions (Special Provisions) Bill;
 - The Financial Institutions Resolution Bill”.
2. “During 2021, Bank of Jamaica continued its monitoring of the credit union sector, in preparation for formal assumption of supervisory oversight. In this regard, the legislative process is at an advanced stage with review and feedback of the latest draft of the Bills being undertaken, to be followed by any necessary redrafting prior to tabling in Parliament for debate”.

In preparation for licensing by the Bank of Jamaica, your Credit Union continues to align our operations, policies and procedures to ensure our state of readiness.

Performance of the Credit Union Movement

At the end of 2021, the number of credit unions in operation in Jamaica remained at twenty-five (25).

The movement continues to perform creditably in relation to a number of its key result areas with assets growing by 9.88%, to close the year at \$150.40Billion; savings growing by 10.30%, to \$116.72Billion; and loans increasing by 6.01%, to \$100.17Billion. Profitability recorded a decline with the ratio of net surplus to average assets moving from 1.54% in 2020, down to 1.40% in 2021.

The fiercely competitive environment in which our Credit Union operate drives us to execute creatively, manage prudently and assert our value proposition as the financial services provider of choice to our communities and stakeholders.

C&WJ Credit Union Performance – Key Areas

Our Credit Union continued our targeted response to the economic challenges of 2021. Critical to this response was the expansion of our digital platform, the strengthening of our operational capability with a significant focus on risk and regulatory compliance, and the operationalization and expansion of our service channels.

REPORT OF THE BOARD OF DIRECTORS

(CONTINUED)

We were very aware that the incomes of some of our members were adversely impacted by the COVID-19 pandemic, and so our strategy was adjusted to assist them to manage their circumstances.

We continued with loan payment moratoria for our members who were impacted, while simultaneously extending affordable credit facilities to others.

The outcome of this sober strategic focus was steady performance in the critical areas of our business and the containment of our delinquency ratio at 3.5%, which is below the regulatory requirement of 5%.

In all of this, our member satisfaction feedback remained consistently positive, increasing by 1% over the 2020 out turn.

The Credit Union's performance in 2021 in the following key result areas is set out below:

KEY RESULTS AREAS	2021	2020	%
Membership	136,406	131,767	3.52%
Customer Satisfaction Score	99%	98%	1%
Assets (\$M)	21,286	19,564	8.80%
Savings (\$M)	16,582	15,001	10.54%
Loans (\$M)	13,002	13,243	-1.82%
Regulatory Capital (\$M)	2,738	2,670	2.56%
Net Surplus (\$M)	259.6	418.4	-37.96%

Member Growth and Retention Strategy

During 2021, the Credit Union entrenched its member growth and retention strategy by focusing on member engagement as measured by the Customer Satisfaction Survey "Through Our Members Eyes".

Our Credit Union continued to record a high level of member satisfaction. 99% of the members surveyed gave our service a positive rating. This was an increase over the 2020 score of 98% percent.

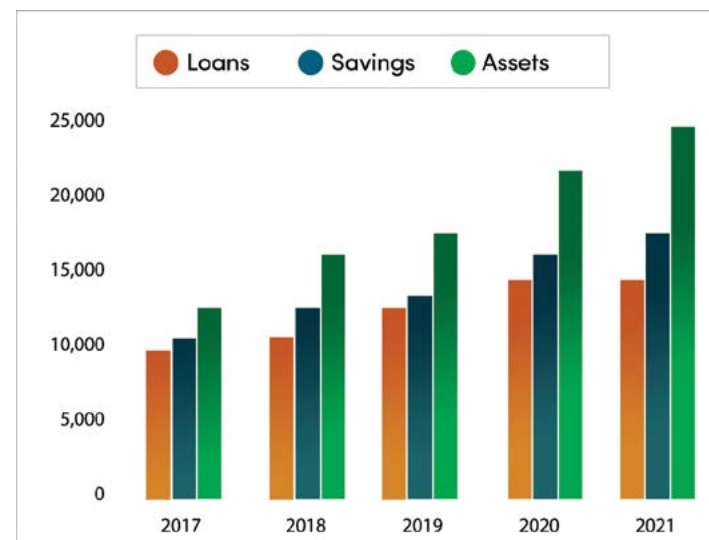
The measures of satisfaction converged around some key areas of our business process, namely the ease of doing business, customer service and convenience.

For 2022, our strategy will provide more focus on those areas which indicated "not too good" or "need improvements".



Performance - Loans, Savings and Assets

The Chart below tracks the Credit Union's growth in loans, savings and assets over the five-year period 2017 to 2021.

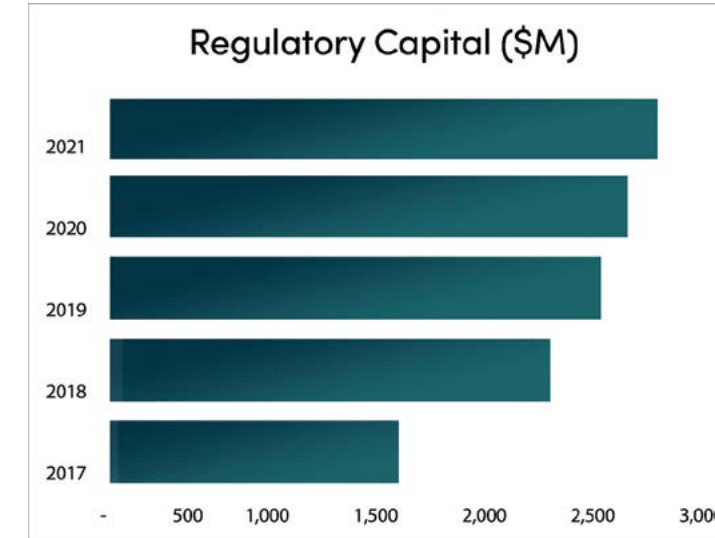


In 2021, we experienced a marginal decline in our loan portfolio of 1.82% and an increase in our savings portfolio of 10.54%. C&WJCCUL at the end of December 2021 remained the largest Credit Union in Jamaica based on total assets, and controlled market share of over 14% of the Movement's savings.

Regulatory Capital

The Credit Union's financial position is undergirded by a strong capital base. Regulatory Capital at year end December 2021 was \$2,738Million and represented 12.86% of assets. This shows that even in spite of the declining proportion of the Deferred

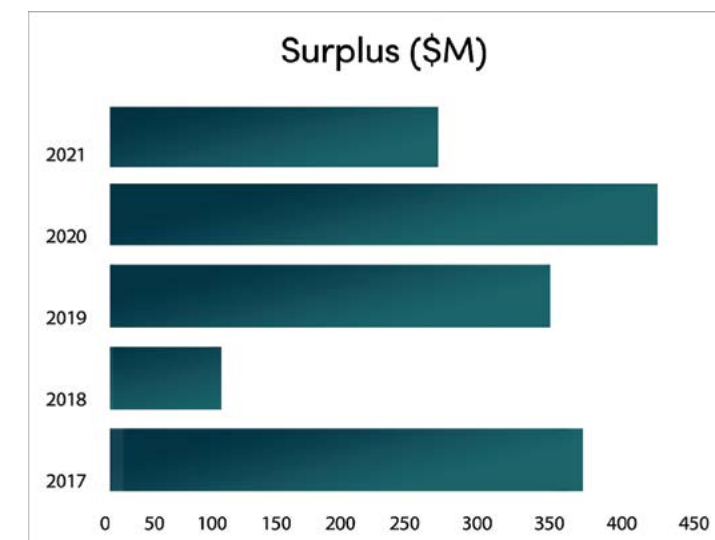
Shares being counted towards regulatory capital, the credit union remains strong and well capitalised. Your Directors were very deliberate about this as it provides a good buffer for the protection of our members' savings.



Profitability Surplus

Our Credit Union made a surplus of \$259.56 Million for the year. This represents a decrease of 38% when compared to the \$418.4 Million outturn in 2020. The decline in surplus is representative of the general depressed income levels in the economy and our members reduced demand for loans. Also contributing to the decline in surplus is the increase in loan loss provision, which was set aside as a buffer in the event that there is deterioration in the quality of the loan portfolio.

The distributable surplus at December 31, 2021 was \$276.01Million. The Directors in keeping with Article XIV Rule 73 and Article XV Rule 74 have transferred \$240.63Million of this surplus to Statutory Reserves after which the amount available for distribution at this meeting is \$35.38Million. The Directors recommendations to the meeting for the appropriation of this surplus are set out in the Treasurer's Report.



REGULATORY COMPLIANCE AND RISK MANAGEMENT

Our Credit Union Movement operates in a highly regulated environment and as a result, our regulatory compliance and risk management strategies are aligned to the environment in which we do business.

Our commitment to our members is that we will continue to manage their business with prudence, being careful to ensure that there is little to no risk of exposure and that the business remains compliant in the regulatory environment.

The risk mitigation strategies having been implemented have produced very favourable results. At December 2021 the Credit Union's delinquency ratio was at 3.50% which is in line with the PEARLS Ratio requirement of less than 5%.

Department of Co-operatives and Friendly Societies

During the year the Credit Union operated within the Rules and Regulations set by our Regulator. All required reporting were satisfied.

Jamaica Co-operative Credit Union League

Your Credit Union continues to adhere to the safety and soundness principles including the PEARLS prudential financial performance standards established by the League's Stabilization Fund. During the year the members' savings were fully guaranteed under the League's Stabilization Fund.

Bank of Jamaica

The Credit Union continued to submit monthly reports to the Bank of Jamaica (BOJ) as well as satisfying the Fit and Proper requirements for Officers. The Bank of Jamaica Credit Union regulations were still not enacted at December 31, 2021. The Credit Union however continue to align our operations in preparation for licensing by the Bank of Jamaica.

Financial Services Commission (FSC)

Your Credit Union continues to be a Licensed Securities Dealer and to submit statutory returns under the provisions of the Securities Act, administered by the FSC.

Jamaica Stock Exchange (JSE)

In July 2020 the Credit Union successfully listed our Deferred Shares on the JSE. All reporting and regulatory requirements of the JSE have been met for the period under review.

CORPORATE SOCIAL RESPONSIBILITY PROGRAMS

Education Assistance Programmes

In 2021 the Credit Union continued its focus on our youth in the Secondary School system through the provision of assistance under the High School Assistance Programme (HSAP). C&WJCCUL also provides Tertiary scholarships to members and their children as part of our outreach activities.

The Credit Union awarded 135 scholarships and bursaries, valued at over \$5 Million under the following Educational Assistance Programs:

- Ertis Blake Tertiary Scholarship;
An additional Ertis Blake Scholarship was awarded for the year 2021 in honour of the passing of our former President, Mr. Ertis Blake
- The Desmond Duval Scholarship;
- F.T. Spence Memorial Scholarship for students pursuing programmes at the tertiary level;
- Leslie Mills Trust County Scholarship;
- Scholarships and Bursaries granted to children of members throughout the 21 branches of the Credit Union.

During the year our members voted to add \$5 Million to the Scholarship Fund from the 2020 surplus, while the Credit Union paid out \$5.2 Million in scholarships, bursaries and grants. At year-end the Fund had a balance of \$3.16 Million. This year the Directors are proposing the addition of \$7 Million to the scholarship fund as an appropriation from the surplus.

The Directors wish to thank the Chairman of the Education Committee, Mr. Christopher Buckmaster and the other members Mr. Winston Green, Mr. Shauneil James, Mr. Delroy Foster, Mr. Raymond Hernandez, Mr. Carlton Barclay, Mr. Leslie Mills and Ms. Brenda Reid and her team Ms. Audrey Witter and Mr. Zemmar Bennett from the HR & Administration Department for their hard work and dedication in serving our youths.

Board Governance

During the year the Board continued to provide oversight of the operations of the Credit Union through the following tools:

- Monthly Board Meetings
- Monthly and or periodic reports from Supervisory Committee; Credit Committee; and Board Appointed Committees, such as the Arrears Committee, the Asset Liability Management Committee (ALCO), The Policy Review Committee, the Information Technology Committee, the Enterprise Risk Management (ERM) Committee and the Education Committee.
- Annual Strategic Planning Retreat
- Training of Board Members
- The Balance Scorecard
- Periodic Board Assessment

Additionally, other initiatives on which the Board wishes to report include the following:

Board Performance

Officers and Directors

Mr. Austin Brown was elected as President of the Credit Union at the Re-organizational Meeting held on May 10, 2021. The elected Officers and Directors of the Credit Union were:

Austin Brown	-	President
Bornette Donaldson	-	1st Vice President
Christopher Buckmaster	-	2ndVice President
Ashlyn Malcolm	-	Treasurer
Winston Green	-	Secretary
Delroy Foster	-	Asst. Treasurer
Georjean Edwards-Fullerton	-	Asst. Secretary

The other Directors were: Shauneil James, Raymond Ernandez, Suzette Downie and Pete Smith.

Meeting Attendance

Attendance at Directors’ Meeting is set out below:

ATTENDANCE AT BOARD MEETINGS
FOR THE PERIOD JANUARY TO DECEMBER 2021

Directors	# of Possible Meetings	Number Attended	Absent With Excuse
Brown, Austin	12	12	-
Buckmaster, Christopher	12	12	-
Donaldson, Bornette	12	12	-
Downie, Suzette	8	8	-
Dunn, Michael	4	4	-
Edwards-Fullerton, Georjean	8	8	-
Ernandez, Raymond	8	7	1
Foster, Delroy	12	12	-
Green, Winston	12	12	-
Howell, Paulette	4	4	-
James, Shauneil	12	12	-
Malcolm, Ashlyn	12	12	-
Smith, Pete	8	8	-
Stephenson, Condell	4	4	-
Thompson, Pauline	4	4	-

I wish to convey special thanks and to show our appreciation to our Credit Committee Chairman, Mrs. Norma Warburton-Thomas who will be demitting office at this Annual General Meeting.

Acknowledgement

Mr. Carlton Barclay

The Credit Union recognizes and celebrates Mr. Carlton Barclay, for his tremendous contribution, dedication, and outstanding leadership and service to C&WJCCUL.

Mr. Barclay, with such a distinguished career, presided over one of the most progressive and outstanding credit unions in Jamaica since January 2017. He has now retired from the position of Chief Executive Officer, effective March 31, 2022.

On behalf of the Board of Directors, I wish to thank Carlton for having led us this far and we wish for him a long and happy retirement.

Appointment of First Female Chief Executive Officer

The Board of Directors is pleased to use this forum to affirm the appointment of the first female Chief Executive Officer of the C&WJCCUL, Mrs. Joyce West-Johnson. Your Board of Directors is confident that in appointing Mrs. West Johnson, to the role of CEO, we have made a prudent choice to lead the Credit Union forward. C&WJCCUL has had a strong contingent of women in leadership and we have seen the business value of this diverse leadership culture that we enjoy. The appointment of our first female CEO is a natural evolution of that culture. We will continue to see great success as Mrs. West-Johnson leads the Credit Union forward.

On behalf of the Board of Directors, I wish to thank the many individuals and institutions in the Credit Union family, the volunteers, Jamaica Co-operative Credit Union League Limited,

CUNA Mutual Insurance Society, Jamaica Co-operative Insurance Agency (JCIA), Department of Co-operatives and Friendly Societies, and the other organizations with which the Credit Union worked during the year.

The Board also thanks FLOW; JAMALCO; ICD GROUP; NWC; D&G and our several other strategic partners for the level of co-operation and support.

Thanks to the members of our Executive Management Team ,and other managers and staff for their professionalism and concern for the welfare of the Credit Union and the members. The Board continues to recognise the faithful support and commitment of our members and we extend special thanks to you.

Let us, together, look forward with re-energized hope and commitment to the continued success of our business.

For and on behalf of the Board.

Signed,



Austin Brown
President

MANAGEMENT TEAM



**Sacha
Vacciana-Riley**

B.A. (Hons), LL.B,
MPhil, CLE, CIRM
Chief Legal, Risk &
Compliance Officer

**Joyce
West-Johnson**

FCCA, FCA, M.Sc.,
B.Sc., J.P.
Chief Executive
Officer

**Tracy-Ann
Henry-Williams**

M.Sc. BHAM, B.Sc.
UWI.
Chief Operating
Officer



**Derron
Seville**

PMP, M.Sc., B.A.
Chief
Information
Officer

**Maria
Chen**

FCCA, FCA, Dip.
Business Studies
Chief Internal
Auditor

**Denise P.
Harris**

CDMP, MBA, BBA
(Hons.)
Chief Marketing
and Sales
Officer

**Brenda
Reid**

MSC BSC.(Hons)
Human
Resources &
Administration
Manager



MANAGEMENT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021

Joyce West-Johnson
Chief Executive Officer

In a financial year marked by unparalleled economic uncertainty, the Community and Workers of Jamaica Co-operative Credit Union (C&WJCCUL) held fast to our mission “to enhance the well-being of our members through superior financial services, delivered by an empowered and motivated team”. With the well-being of our members at the forefront of our business strategy, we completed the 2021 financial year, reporting success in some business areas while maintaining a steady performance in other areas of the Credit Union.

We recognized very early that, to successfully deliver on our strategic priorities, we had to chart a unique course, to balance the exigencies of the circumstances of our members against the requirement of a tough economic environment.

For the year 2021 the management remained committed to the following strategic priorities which were set by the Board, that augured well for the growth of the business of the Credit Union. These included:

1. Building value for our members;
2. Digital Transformation;
3. Regulatory Compliance and Enterprise Risk management;
4. Staff training and development; and
5. Corporate Social Responsibility

Despite another year of unprecedented challenges caused by the pandemic, C&WJCCUL delivered on most of its strategic priorities, significantly

influencing the positive performance achieved for 2021.

BUILDING VALUE FOR OUR MEMBERS

C&WJCCUL continues to lead the way in the movement with resilience and innovation ensuring that we continue to increase convenience and access to our services by our members and prospective members.

Member Focus

We applaud the staff for their courage and professionalism displayed during another difficult year and our members for their loyalty over the years. As the pandemic continued to adversely impact the financial circumstances of many of our members, the Credit Union realised the importance of providing increased quality service as one of many solutions to our members during these unprecedented times.

As a result, our Customer Satisfaction Survey, indicated that members were very satisfied with some key features of our business. These are ease of doing business, convenience and the level of customer service. In addition, staff professionalism, helpfulness and friendliness, were three top attributes with which our members are satisfied.

This Customer Satisfaction Survey conducted by Marketing Strategy Limited is a key resource for us to measure our value as seen through our members’ eyes. Over the past three years the results have indicated a consistent satisfaction score between ninety six percent (96%) and ninety nine percent (99%); the top level this year increasing one percent over 2020 to 99%. The table below shows the summary survey results for the last three years.



The survey result is one of the target reference points to plan

for and implement our member value strategy in the coming financial year.

OPERATIONAL FRAMEWORK AND EFFICIENCIES

Following on the successes of our business strategy in 2020, we continued to focus on a) building value for our members, b) improving our technology infrastructure c) entrenching a risk management, regulatory and compliance culture and d) building a well-trained, empowered and motivated team.

With this focus, the Credit Union was able to grow its asset base to \$21.3 Billion at year-end, an increase of 8.87% over the prior year.

In response to the turbulent economic conditions, the Board determined that it was critical to shield our Credit Union from the shocks in the environment and to ensure continued stability of our business. Consequently, our Credit Union took pre-emptive action to strengthen our operational framework. Critical to this framework, were our digital transformation, member value, risk management, regulatory and compliance and human resource strategies.

DIGITAL TRANSFORMATION

In 2021, our Credit Union accelerated our digital transformation process to expand member access to online services. From previous years we had started to advance our technology infrastructure, deliberately integrating and transforming our business processes as we strengthened our operations framework. The pandemic challenged us to respond with even greater urgency to deliver on our digital transformation strategy to meet the unique needs of our member communities, expansion in our online service channels and more convenience in doing business with third parties.

Building on the investment in technology infrastructure in 2019 and 2020, we expanded the digital platform and digital products to deepen our reach to members who needed wider access. We leveraged the extra-ordinary opportunity to make our platform even more robust, secure and accessible with optimized efficiency for our members.

Our core banking system, enabled us to support and expand online delivery channels for our members and I am pleased to announce that our Credit Union saw a significant increase in our digital transaction, viz:

- Increased usage in online banking channels to transfer cash and pay bills;
- Increase in online member and loan applications online;
- Increased use of ABMs.

MANAGEMENT REPORT (CONTINUED)

Our strategy to build member value remained at the forefront of our consideration for 2021. We continued our resolve of 2020 to retain our existing members by increasing our member value proposition, while at the same time creating opportunities to engage new members, simultaneously achieving overall value for them.

To support this process in 2021, our Credit Union accelerated the pace of digitization to further refine the online loan and member application process and to improve member experience with easier and more seamless online transactions. As a result of this process, there was an increase in online applications and with the introduction of our Mobile Banking Unit across the country in the latter part of 2021, there are positive signs of increased membership potential.

OUR EMPOWERED AND MOTIVATED TEAM

Human resource capacity building is critical to our strategy to enhance the financial well-being of our members. Our staff remains the most valuable asset to the Credit Union to drive this strategy. The C&WJCUUL is committed to building strong functional and behavioural competences in our team, to enhance employee engagement and create an empowering environment that motivates employees.

Our strategy to build member value is undeniably dependent on the success of our people strategy. To ensure this success we implemented a comprehensive training and development plan which is aligned with our member value strategy.

A critical measure of the success of our training and development plan is in the business impact in member engagement and growth.

OUR REGULATORY COMPLIANCE AND RISK MANAGEMENT PROFILE

The Credit Union takes a proactive approach to risk management and compliance, making it an integral part of our business, both strategically and operationally. C&WJCCUL's business operation exposes it to a variety of risks that are either financial or non-financial. It is the Credit Union's objective to not only minimise risk, but to also optimise opportunities within the known and agreed risk appetite levels set by our Board of Directors. C&WJCCUL's risk appetite and tolerance limits align themselves with the Credit Union's strategic plan to ensure the assets of our members are fully protected.

At December 31, 2021, as part of our Regulatory Compliance

Framework, C&WJCCUL had fully prepared for licensing by the Bank of Jamaica (BOJ). The Senior Management routinely manages the organizations policies, procedures and processes to comply with the regulatory framework outlined in the draft regulations of the BOJ.

The draft BOJ legislation which will outline the supervisory framework for credit unions under the Bank of Jamaica, was still not enacted at December 31, 2021. The Credit Union however continues to submit reports to the Bank of Jamaica as required.

Jamaica Co-operative Credit Union League

The PEARLS Ratios represent the main financial standards used by the Jamaica Co-operative Credit Union League to regulate credit unions in Jamaica. During 2021 the Credit Union continued to operate in compliance with these standards. The Credit Union continued to submit monthly returns as required by the League and was also fully compliant with the payment of League Dues and Stabilization Dues for the period under review.

AML/CFT Compliance

In 2021, the Credit Union was in full compliance with the provisions of the Jamaican Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) laws, and the applicable Guidance Notes.

Our Credit Union is also in full compliance with the requirements of our regulatory bodies to include the Department of Co-operatives and Friendly Societies, and the Financial Services Commission.

CORPORATE SOCIAL RESPONSIBILITY

C&WJCCUL operates from twenty-one branch offices in nine parishes across Jamaica.

We are part of the fabric of those communities, where our members and teammates live, work, and raise their families. As a good Corporate Citizen, during the year we continued to Build Lives and to Build Communities. We specifically focused on education and youth development through our High School Assistance Program (HSAP). Our involvement in certain activities, however, continued to be restricted due to the observance of the GOJ Disaster Risk Management Act in response to the pandemic, COVID-19.

A SUMMARY OF PERFORMANCE IN 2021

Our Credit Union continues to measure our key performance indicators against the international credit union PEARLS

Standard; against our peers in the credit union movement; as well as against the targets set for the 2021 financial year.

Our performance measures covered both financial and non-financial targets and facilitated proactive response to changes in our environment. We are pleased to report that we focused on the following Key Performance Indicators (KPIs) and during the year, the actual results exceeded the targets in most of the KPI's.

GROWTH

Signs of Growth is one of the very important KPIs on the Balanced Scorecard which the Credit Union measures. The Charts below track the Credit Union's movements in assets, membership, savings and loans over the five-year period to December 2021.

Growth in Assets

Total assets increased by \$17.2 Billion to \$21.29 Billion or 8.87% above the 2020 value of \$19.56 Billion.

This growth is fully organic given that the Credit Union's last merger was in 2018.

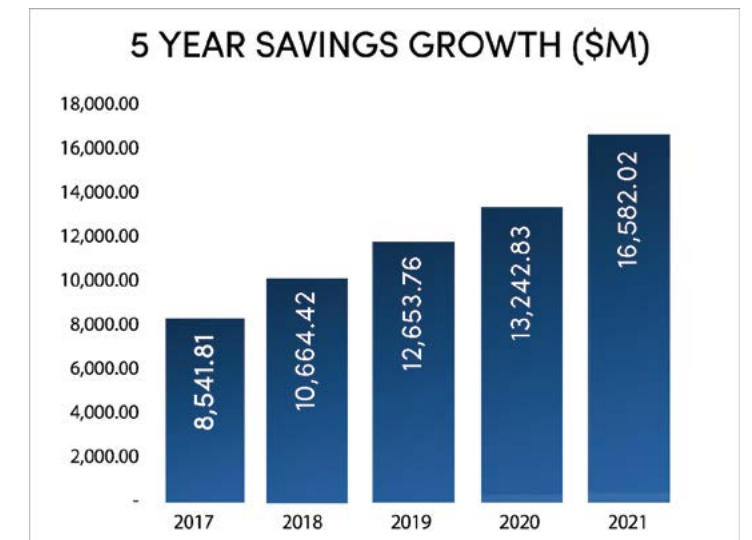


Growth in Membership

At December 31, 2021, our membership growth figures reflected a growth of 4,639 members; moving from 131,767 at December 31, 2020 to 136,406 at December 31, 2021. The 2021 figures represent organic growth and is an outcome of our continued focus on building member strength and value.

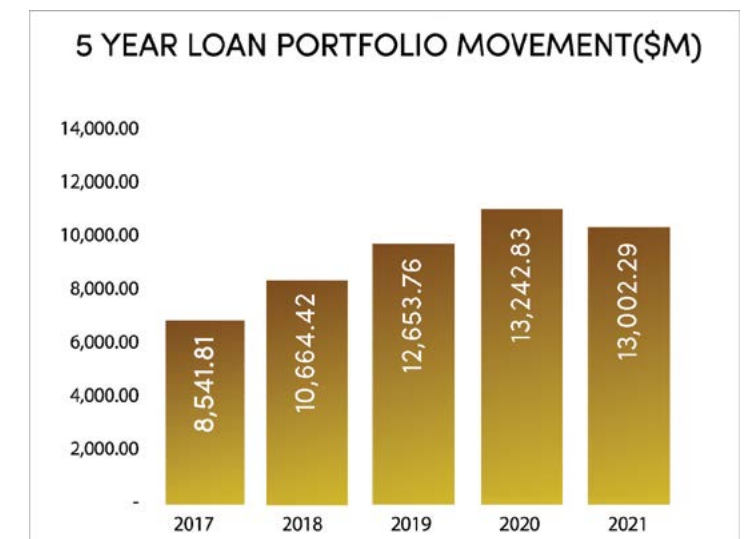
Growth in Savings

Savings grew by \$1.6 Billion or 10.54% for the period, moving the portfolio from \$15.0 Billion in December 2020 to \$16.6 Billion in December 2021. This was a result of pure organic growth and is being reviewed with the objective of stimulating greater participation and results from our members going forward. The graph below highlights the growth in savings for the last five years.



Loans to Members

Due to reduced business activities as a result of COVID -19 containment measures, increased risk and uncertainty during the year 2021, the demand for personal loans was lower than previous years. As a result, the loan portfolio moved from \$13.2 Billion at December 2020 to \$13 Billion at December 2021. The chart below shows the movements in loans over the five-year period to December 2021.



Net Surplus

The Credit Union realised a net surplus of \$260 Million for the year 2021. This was a reduction of \$158 Million over the 2020 surplus of \$418 Million which represented a reduction or 37.80% when compared to the 2020 surplus of \$418 Million. This is representative of the significant level of economic uncertainty and depressed earnings, which have negatively affected our members' demand for loans and the level of loan loss provision required under the IFRS standards

Capital

As one of our strategic imperatives the Credit Union continued to increase its capital base to ensure that the members' savings

are protected. This year the Credit Union transferred \$241 Million from surplus to the Statutory Reserve Fund. This puts the Credit Union in a very strong capital adequacy position at year-end 2021.

During the year the Credit Union complied with the capital requirements under the draft Bank of Jamaica Credit Union Regulations as well as the capital requirements under the Jamaica Co-operative Credit Union League. At December 2021 the Credit Union's capital ratio exceeded the requirements of both standards.

LOOKING TO THE FUTURE

Towards the end of the financial year 2021, the Government began to cautiously open the country for business once more. The Bank of Jamaica has predicted that the domestic economy is expected to gradually recover over the next two years with economic activity returning to pre-COVID-19 levels by the financial year 2022/23. This is exciting news as our Credit Union is strategically poised to take advantage of the new opportunities.

For 2022, in keeping with the business strategy outlined by our directors, our Credit Union will undertake to advance an integrated business operations framework with specific focus on digital transformation, our members and our people.

We will strengthen our technology framework to:

- establish, seamless business operations supported in a technological framework;
- support a strong digital transformation strategy;
- frame the launch of new products that address members' unique needs and make us first to market for our products; and
- support a people management platform that integrates performance management, talent management, training and development, employee engagement and reward and recognition

We will advance our digital transformation strategy to:

- take advantage of member intelligence system to generate a rich source of data for product research and creation;
- provide ease of doing business through expanded delivery of digital channels- online, mobile, wallets;
- drive greater efficiency in operations through the use of data analytics and support faster and better decision making with more reliable data; and
- enable easier business planning and decision making.

We will advance an integrated Member Growth Strategy that:

- targets improved member service;
- targets members based on their unique needs, whilst keeping the personal touch they have come to know and love;

- establishes a technology framework that is safe and convenient and integrally connects the members to exceptional and efficient service; and
- establishes a culture of effective record keeping and compliance.

We will develop a Human Resource Strategy that:

- supports a culture of high performance and well-being among our people;
- enables seamless training and development that matches talent to the business objectives;
- establishes human resources business partnerships that support successful business outcomes;
- enables you no matter where you are in the business, to be equipped to become the high performer that you can be. In doing so, we will become the employer of choice in Jamaica.

We will build on our Marketing Strategy to:

- underpin our member growth strategy;
- expand brand recognition across Jamaica and the Caribbean region; and
- target younger age demographics for marketing campaigns.

In closing, it is my honour to take the reign of leadership for this new year. I believe I am a part of something special - a unique movement. Our Credit Union is a consistent and steady presence in the changing financial landscape. We build value for our members, and we unwaveringly deliver exceptional service to them.

I look forward with anticipation to the coming year. I know we will achieve great things.

On behalf of the staff and Management of C&WJCCUL, I wish to thank the Directors and Committee Members for their support given to the effort of the staff.

Finally, I wish to thank the members of the Credit Union for the many ways in which they have showed their loyalty and expressed their appreciation for the service provided by the staff.

Joyce West-Johnson, FCCA, FCA, M.Sc., B.Sc., J.P
Chief Executive Officer

Civil SERVANT LOAN

MOTOR VEHICLE LOAN	UNSECURED LOAN	SECURED LINE OF CREDIT
Up to 100% financing for Brand New & Newly Imported vehicles and up to 95% for used vehicles	Borrow up to \$5M Interest Rate as low as 15.49% Up to 5 years to repay	Borrow up to \$10M Monthly payment – minimum 3% of outstanding principal Line Term of up to 60 months
Up to 10 years to repay		

QUICK TURNAROUND TIME
within 24 hours for regular loans and 48 hours for mortgages, once all required documents are submitted

**Conditions apply*

REGIONAL
& BRANCH
MANAGERS



Andrea Mumby
St. Ann's Bay Branch
Senior Regional Manager



Karice Bennett
Savanna-la-Mar Branch
Regional Manager



Kim McKoy
Head Office Branch
Regional Manager



Jennifer Taylor
May Pen Branch
Regional Manager



Tanisia Davis-Allen
Jamalco
Branch Manager



Carmen Barrett
Lionel Town
Branch Manager



Sarah Farquharson
Appleton
Branch Manager



Rosemarie Lee-Weir
Kellits
Branch Manager



Janet Poyser
Santa Cruz
Branch Manager



Ralna Black-Hayman
East Parade
Branch Manager



Jennolyn Morrison Forbes
Montego Bay
Branch Manager



Latoya McKenzie
Port Maria
Branch Manager



Tracy-Ann Bright
Junction
Branch Manager



Melissa Blake-Robinson
Black River
Branch Manager



Kerron Jones
Grange Hill
Branch Manager



Christine S. Miller
Marescaux
Branch Manager



Rosemarie Thompson
Spanish Town Road
Branch Manager



Candiea Brim
Newport West
Branch Manager



Michelle Kelly
Mandeville
Branch Manager



Lorean Myrie
Negril
Branch Manager



Kesian Wedderburn
Whitehouse
Branch Manager

EVENT HIGHLIGHTS

MOBILE BRANCH OPERATIONS



Marescaux Road branch at IBEX Global in Portmore Pines

Regional manager Jennifer Taylor in Chapelton, Clarendon



East Parade on location with the mobile branch at JUTC Portmore



The May Pen branch in Old Harbour, Clarendon

S.A.Y.E. SEEING DOUBLES PROMOTION



From Left Tanisia Davis Allen (Branch Manager) Jennifer Taylor (Regional Manager) First Draw Grand Prize Winner Oniel Mills



Second Grand Prize Winner Shirley Smith with Regional Manager Kim McKoy



Erica Campbell-Williams (staff) with The First Draw consolation Prize winner Delroy Cowell



Miss Kim McKoy, Regional Branch Manager presents the Second Draw Consolation Prize winner, Pattrica Wright with her prize

At our Annual Staff Retreat, staff was empowered and reminded by the guest speaker, Mrs. Odetta Rockhead-Kerr, that resilient people are optimistic





BREAKING BARRIERS TOGETHER (BBT) WEBINAR

Breaking Barriers Together Webinar was hosted by Dahlia Harris and our Chief Credit and Arrears Officer, Mrs. Tracy-Ann Henry-Williams shared information on our Graduated Payment Mortgage and other loan offerings with our virtual audience



Behind the scenes of the BBT Webinar

WIPAY PARTNERSHIP



CEO of WiPay Aldwyn Wayne with President Austin Brown



From left; Carlton Barclay (CEO CWJCCU), Kibwe McGann (Country Manager) Aldwyn Wayne (CEO WiPay), Joyce West-Johnson (COO) signing of WiPay and C&WJCCU partnership

HSAP AWARDS AND SCHOLARSHIPS 2021

The Credit Union remains committed to the growth of education in our youth and for the year 2021, we awarded approximately \$4.7M in scholarships, bursaries and grants to children of members under our Educational Assistance Programs - High School Assistance Programme (HSAP) and Tertiary Scholarships throughout the 21 branches.



HSAP recipients from the Mandeville Branch with Branch Manager, Michelle Kelly (right) and Kenisha Graham, Customer Service Representative



HSAP awardees from Santa Cruz Branch with Branch Manager Janet Poyser

HSAP Awardees East Parade branch

HSAP BURSARY



HSAP recipients from the May Pen Branch with our Regional Manager, Ms. Jennifer Taylor

HSAP recipients from the Jamalco Branch. From left: Danielle Deer, Keniela Sybron, Shanique Squire, Kaylee Johnson and Mellisa Francis (back)





HSAP recipients from the Savanna-La-Mar Branch. Seated; Sashagaye Lewis, Kemelia Noble; (middle): Raven Simms, Cortelia Gilling and (back) Oshawn Walker, Antonio Bennett, O'tayne Muirhead, Dontae Livermore, Jesse Llewellyn and Karice Bennet, Regional Manager (right)



Whitehouse Branch recipients Danielle Dwyer, Bridget Rodney (seated); Trawdo Clarke, Anameka Daley, Jordon Dennis and Kelsey Jones (standing) accepted their awards from Karice Bennett, Regional Manager.

TERTIARY SCHOLARSHIPS

In honor of the passing of past president, Ertis Blake, one additional scholarship was added' Then place the three photos beneath it, that is Ertis Blake Scholarship, FT Spence Scholarship and Leslie Mills Trust



Michelle Kelly (Branch Manager) presenting Shauna-Kay Bellanfante with a scholarship of \$200,000 per year for 3 years to pursue a Bachelor of Laws Degree at UWI.



Ralna Black (Branch Manager) presenting Lorenzo Graham the sole applicant for 2021 under this scholarship and a member from East Parade Branch. He received a scholarship of \$50,000 payable over 2 years at \$25,000

STAFF SCHOLARSHIPS

A total of \$650,000.00 was approved for Staff Scholarships and Grants



Janet Poyser (Branch Manager) presenting Anatassia Hastings from Santa Cruz Branch her scholarship in the amount of \$600,000 to be paid over 3 years at \$200,000.00 per year to pursue a Bachelor of Science Degree majoring in Banking and Finance at UWI.



Belinda Mullings from Santa Cruz Branch – Pursuing Bachelor of Science (BSc.) Degree in Business Administration majoring in Accounting.



Suzette Spooner-McIntosh from Santa Cruz Branch - Pursuing Bachelor of Science Degree in Business Administration at UCC.

THE CREDIT UNION LEAGUE **FAMILY DAY**



Nicardo Malcolm (staff Grange Hill branch) presenting gift to their member



Member receives gift from Sashagay Young (staff Head office Branch)



Patrice Scott (Staff Savanna-La-Mar Branch) with members

ANNUAL CHRISTMAS HAMPER GIVEAWAY TO MEMBERS



Regional Manager Kim Mckoy present Christmas Hamper to member



Senior Regional Manager Andrea Mumby presents hamper to member

HONOURING OUR **BOARD RETIREES**

We hosted a Lunch and Awards Ceremony to honour members who retired from the Board of Directors



Terrie-Ann Bennett, Paulette Howell (seated), Pauline Thompson and Condell Stephenson, past president. Sharing in the moment were Director Shauneil James, Pete Smith, Carlton Barclay (retired CEO), Joyce West-Johnson (new CEO), Bornette Donaldson (1st Vice President), Christopher Buckmaster (2nd Vice President), Winston Green (Secretary) and Delroy Foster (Assistant Treasurer)

57TH AGM HIGHLIGHTS



Immediate Past President, Condell Stephenson addressing the 57th Annual General Meeting that was held on May 5, 2021 in hybrid format.



Directors Ashlyn Malcolm, Paulette Howell and Winston Green keenly follows the agenda for the meeting.



The IT and Marketing departments along with the technical crew keeps a close eye to ensure the smooth



Mr. Wilbert Spence of the KPMG, our independent auditor reads the report on the Audit of the Financial Statements.



Treasurer, Mrs. Ashlyn Malcolm shares the financial performance for 2020 with the credit union members.



Miss Tanesha Facey, representative from the Department of Co-operatives & Friendly Societies conducted the vote to accept the resolution to ammend the C&WJCCUL rules.



Immediate past president, Mr. Condell Stephenson, presented the credit union members with the opportunity to register for their mastercard and the first 60 members will receive a gift.

60TH JUBILEE CELEBRATIONS

We hosted a **Jubilee Showcase** to close our 60th Anniversary celebration. The Jubilee Showcase was an evening of great performances from Tarrus Riley, Jermaine Edwards and Omaall Wright "Majah Bless" and Jamique Ensemble.



Jermaine Edwards singing thanks and praise for C&WJCCU in celebration of its 60 years and still going strong



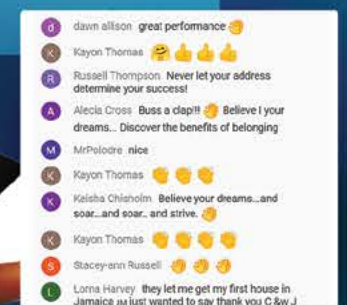
Representing for the C&WJCCU is Tarrus Riley, giving an excellent performance and giving thanks for life and 60 years



The Jamique Ensemble entertained us as we reminisce on our 60-year journey



Omaall 'Majah Bless' Wright reminded us that C&WJCCU is a company of vision and they will lead the way for many to achieve their dreams



Our members, our family and friends were appreciative of this celebration and below are some of the comments made during the Jubilee Showcase

Walk Good *Carlton*

Celebrating the
retirement of our
former CEO



CARLTON BARCLAY A MAN OF **VISION** & **INTEGRITY**

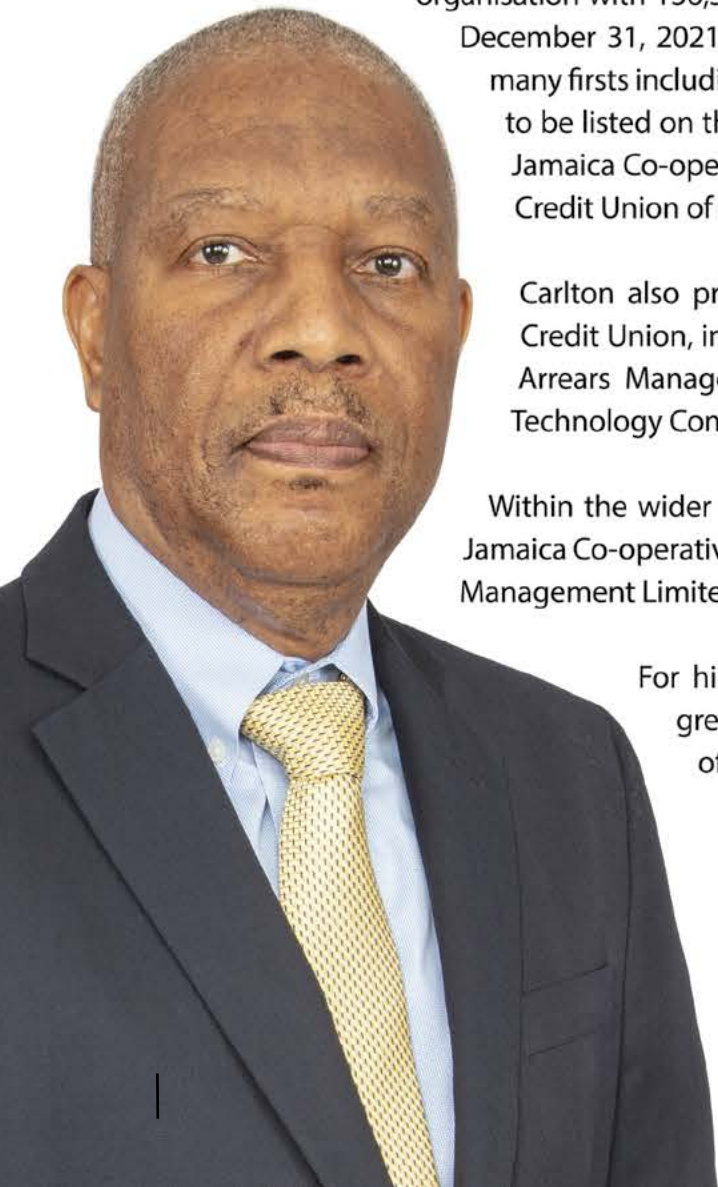
Mr. Carlton Barclay with over 25 years of experience in banking and finance was appointed the Chief Executive Officer of the Community & Workers of Jamaica Co-operative Credit Union Limited (C&WJCCUL) by the Board of Directors on January 2, 2017. Carlton retired on March 31, 2022.

During his time at the helm, the successful mergers of the D&G Employees Co-operative Credit Union Limited and St. Elizabeth Co-operative Credit Union Limited in 2018 saw our Credit Union becoming the number one credit union by assets. Under his leadership and steadfast stewardship, the organisation grew from 82,293 members and total assets of \$10.49 billion in 2016 to an organisation with 136,539 members and total assets of over \$21.28 billion as at December 31, 2021. It was also during his tenure that the C&WJCCUL had many firsts including the major milestone of becoming the first credit union to be listed on the Jamaica Stock Exchange on July 31, 2020. In 2021, the Jamaica Co-operative Credit Union League recognised C&WJCCUL as the Credit Union of the Year in the Large Category.

Carlton also provided his wise counsel on several committees of the Credit Union, including the Asset Liability Management Committee, the Arrears Management Committee, the Policy Review and Information Technology Committees.

Within the wider credit union movement, he served on the Board of the Jamaica Co-operative Credit Union League and its subsidiaries, Cumax Wealth Management Limited and Quality Network Co-operative Limited (QNET).

For his tremendous contribution to the C&WJCCUL, we take great pleasure in paying tribute to Mr. Carlton Barclay - a man of vision and integrity.



OUR **FIRST** *Female* CHIEF EXECUTIVE OFFICER JOYCE WEST-JOHNSON

On April 1, 2022, Community & Workers of Jamaica Co-operative Credit Union Limited (C&WJCCUL) Board appointed its first female Chief Executive Officer, Joyce West-Johnson.

Mr. Austin Brown, President of the Board of Directors of the C&WJCCUL, is pleased that the business is selecting the first female CEO under his watch.

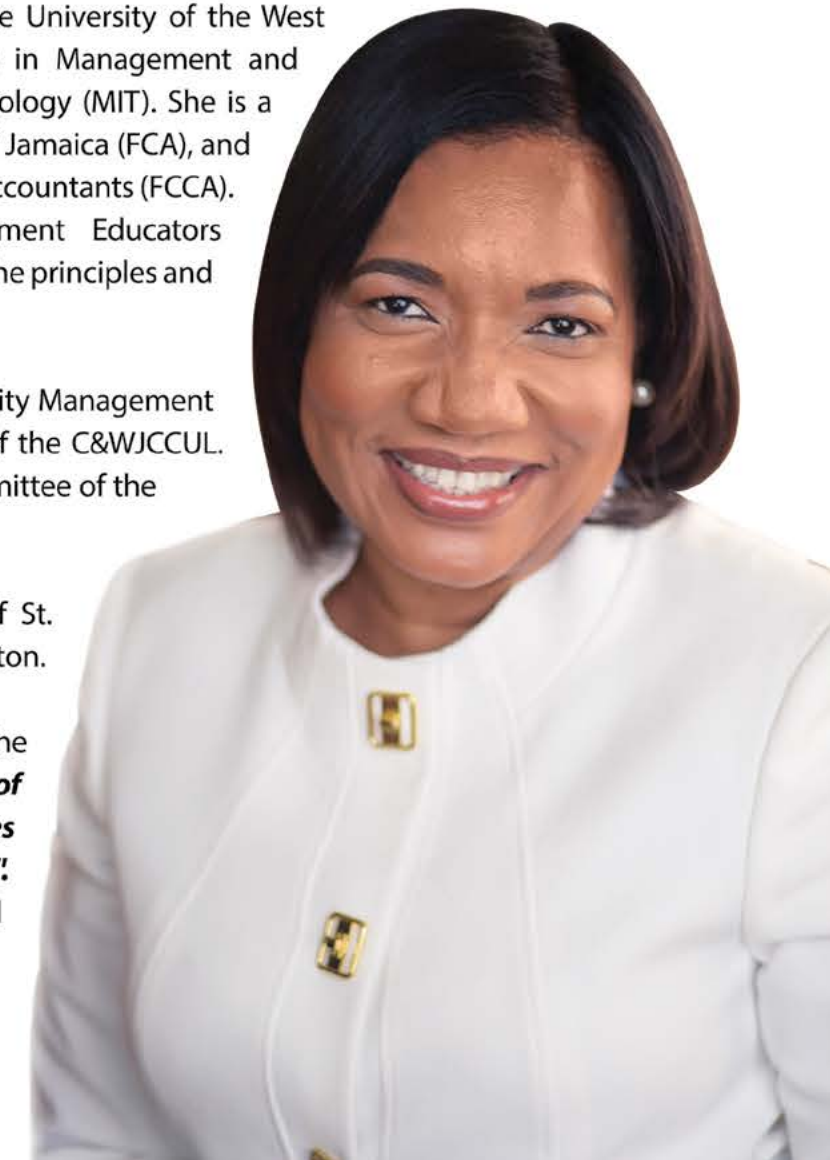
Joyce West-Johnson, Chief Operating Officer received the leadership baton from retired CEO Carlton Barclay, who has led the success of the Credit Union since January 1, 2017.

She joined the movement in 1995 and has been employed to the Credit Union for twenty-six years. West-Johnson, a high achiever, holds a Bachelor of Science Degree in Accounting and Economics and a Master of Science Degree in Accounting from the University of the West Indies. She also holds an Executive Certificate in Management and Leadership from Massachusetts Institute of Technology (MIT). She is a Fellow of the Institute of Chartered Accountants of Jamaica (FCA), and a Fellow of the Association of Chartered Certified Accountants (FCCA). She currently holds the Caribbean Development Educators designation (CaribDE) – an education platform for the principles and philosophy of the Credit Union Movement.

She has served as Secretary to the Asset and Liability Management Committee and other Committees of the Board of the C&WJCCUL. She is also past Chairman of the Supervisory Committee of the Jamaica Co-operative Credit Union League.

Joyce is a Justice of the Peace for the parish of St. Andrew, and a member of the Rotary Club of Kingston.

Joyce West-Johnson is focused on achieving the Credit Union's Mission ***"To enhance the well-being of our members, through superior financial services delivered by an empowered and motivated team"***. She is confident that the Credit Union will increasingly strengthen its partnerships in support of the advancement of communities and workers in Jamaica.



THE TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021

Ashlyn Malcolm
Treasurer

The Treasurer's Report to this the 58th Annual General Meeting of the Society is presented in the pages that follow. The Auditor's Report and Financial Statements are set out on pages 64 to 149 and a summary of these statements is set out in the Treasurer's Report Sheet.

The year under review, 2021, was marked by the significant economic challenges brought on by the COVID-19, Pandemic. The increasing inflation rate that accompanied the pandemic added to the adverse economic conditions that influenced the financial strategies and reduced levels of economic activities in the business community, especially the uptake of loans which is a key driver of the Credit Union's financial strategy. In spite of these conditions, the Credit Union remained strong, continuing to position itself to recognize opportunities in the turbulent business environment and take advantage of them.

I am therefore pleased to report that our Credit Union recorded a strong performance for the financial year ended December 31, 2021. We achieved organic growth of over \$1.72 Billion (8.8%) in total assets to conclude the financial year at \$21.28 Billion. As confirmed by the Jamaica Co-operative Credit Union League's December 2021 unaudited Financial Performance Report, this outturn has maintained C&WJCCUL as the top ranked Credit Union in terms of assets.

Table 1 – Comparative Financial Results

C&WJCCUL - KEY FINANCIAL RESULTS FOR 2021				
ITEM	2021 (\$'M)	2020 (\$'M)	Change (\$'M) - %	
Assets	21,286	19,564	1,722	8.80%
Net Loans	13,002	13,243	(241)	(1.82%)
Capital	3,700	3,454	246	7.12%
Savings	16,582	15,001	1,581	10.54%
Net Income	260	418	(158)	(37.80%)

Revenues

Total revenues increased marginally by 2.56% during the year to total \$2.44 Billion. Interest Income of \$2.09 Billion was \$79.6 million better than the 2020 results of \$2.01 Billion. This performance was driven mainly by:

- Interest on Loans to Members - \$1.86 B
- Interest on Liquid Assets - \$104.02 M
- Interest on Financial Investments - \$129.20M

The performance in interest income from loans was flat when compared to the prior year results, hence other opportunities were generated from the money market resulting in an increase of 53.89% in income from the liquid assets and investment portfolio.

Fees and other non-interest income generated a further \$352 Million, which was 5.03% less than the 2020 results. The major decline in this category was represented by the reduced loan processing fees, consequent on our members' lower demand for loans.

Operating Expenses

The Credit Union incurred operating expenses of \$1.55 Billion which supported a number of operational initiatives aimed at improving and digitizing the service delivery to our Members, as well as improving efficiency in our internal processes. In addition the Credit Union ensured the health and well-being of the staff and Members remained our number one priority.

Net Surplus

Despite the challenging economic environment within which we operated during the year the Credit Union generated a net surplus of \$259.56 million. This represents a decline of 38% when compared to the corresponding period 2020 and is reflective of the general depressed income levels in the economy which negatively impacts our members demand for loans. Also contributing to the decline in surplus this year is the increase of \$103.8M in loan loss provision, which was set aside as a buffer in

the event that there is deterioration in the credit quality of the loan portfolio.

This year the Credit Union is recommending a dividend distribution to Members of 5% from this surplus.

Chart I below outlines how our Income was distributed for 2021.

Chart I
Distribution of \$ Earned in 2021

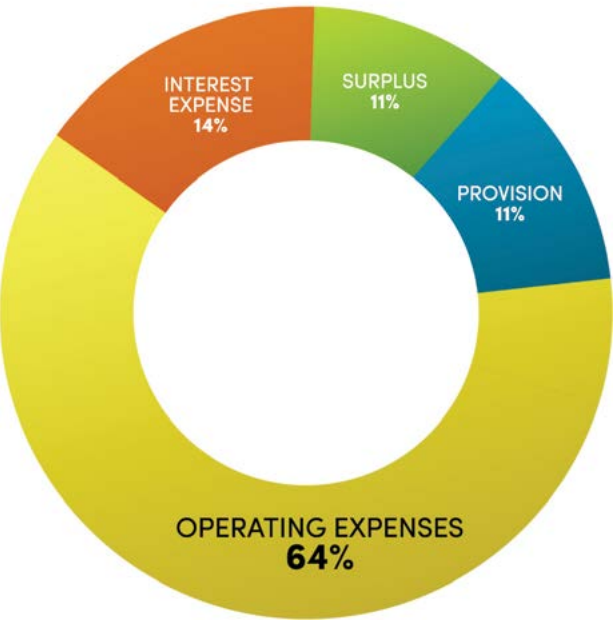
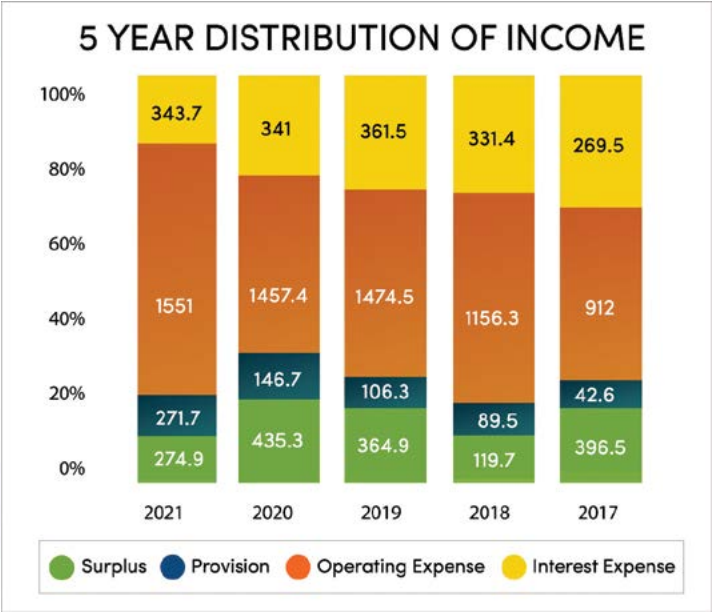


Chart II



THE TREASURER'S REPORT

(CONTINUED)

PEARLS PERFORMANCE

The Credit Union's financial performance is also measured by the PEARLS system, which is the set of International Standards developed by the World Council of Credit Unions (WOCCU) and adopted by the Credit Union Movement in Jamaica. The standard is administered by the Jamaica Co-operative Credit Union League.

A summary of C&WJCCUL's performance for 2021 against those standards is set out in the table below:

C&WJCCUL's Financial Performance 2021 vs League's Minimum Prudential Financial Standards

INDICATOR	STANDARD	31-12-21
PROTECTION		
Provision for loan losses	100%	100%
EFFECTIVE FIN. STRUCTURE		
Capital Ratio: Reserves / Total Assets	>/= 8%	12.86%
Net Loans / Total Assets	60 – 80 %	61.08%
Savings / Total Assets	70 – 80 %	77.90%
ASSET QUALITY		
Delinquent loans > 30 days / Total Loans	< 5 %	3.50%
Non-Earning Assets / Total Assets	< 7 %	7.13%
RATES OF RETURN & COSTS		
Operating Expenses / Average Assets	</= 8%	7.59%
Net Income / Average Assets	To maintain a capital ratio of 8% or more	1.27%
Return on savings	> Inflation rate (9.1%)	1.35%
LIQUIDITY		
Liquidity Reserve / Savings and deposits	> 10 %	24.34%

SIGNS OF GROWTH

Membership Growth	> 5 %	3.52%
Asset Growth	> Inflation rate (9.1%)	8.80%

The Credit Union's financial performance under the PEARLS Standard is discussed in greater detail below.

Protection

Provision for loan losses – 100%

At year end the Credit Union had a loan portfolio of \$13.00 Billion of which loans amounting to \$331.59 Million or 2.55% of the portfolio balance was in arrears for 2 months and over. The PEARLS standard specifies the provision to be set aside for these loans. This provision amounted to \$120 Million. At year end the Credit Union was 100% in compliance with this standard as well as the provision required in accordance with the International Financial Reporting Standard (IFRS 9). As per the requirements of the IFRS 9 Standards, the Credit Union has measured the Expected Credit Losses (ECL) for our loans to be \$310.68 Million. In addition the Credit Union retained the \$122.31 Million which was set aside at year end 2020, for loan loss reserves taking into consideration that unforeseen loan losses may occur within the loan portfolio.

Effective Financial Structure

Reserves / Total Assets – 12.86%

At year end C&WJCCUL had Institutional Capital Reserves in excess of \$2.74 Billion, representing a ratio of 12.86%, and surpassing the requirement of both Standards - Under the Draft BOJ Credit Union Regulations, credit unions will be required to have a Capital Reserves Ratio of not less than 6%, while under the International Credit Union PEARLS Standard the requirement is at least 8%.

Net Loans / Total Assets – 61.08%

The loan portfolio declined by \$240.5 Million during the year reporting an decrease of 1.82% below the 2020 portfolio balance, bringing net loans to \$13.0 Billion at year end. This resulted in a net loan to asset ratio of 61.08% at the end of 2021 which was just in line with the requirement of the PEARLS standard of 60% to 80% of total assets.

The new strategies being rolled out will directly target increasing the loan disbursements in a safe and responsible manner, so

that we grow our portfolio while maintaining or improving the credit quality.

Total Savings / Total Assets – 77.88%

Total savings as a percentage of total assets indicates the extent to which the assets of the Credit Union are being financed by members' savings instead of other externally borrowed funds. The Credit Union achieved significant savings growth in excess of \$1.36 Billion during the year, an increase of 12.88% above the 2020 portfolio balance. At year end the ratio of savings to total assets was 77.88% which is in compliance with the standard of 70% - 80% of total assets.

Asset Quality

Delinquent loans > 30 / Total Loans – 3.50%

Despite the adverse economic conditions, which resulted in a deteriorated lending environment, the Credit Union was able to manage our delinquency levels within the required PEARLS standard for the year of not more than 5%. At year end the Credit Union achieved a ratio of 3.50%.

Our non-performing loans valued at \$227.68 Million at December 31, 2021 was 1.75% of the total loan portfolio which compared favorably to the 2.9% reported for commercial banks based on the Bank of Jamaica Annual Report for 2021. Loan moratoriums which were being extended to our members were reduced during the latter half of the year as the Bank of Jamaica during the year advised of the suspension of its special regulatory treatment of these COVID-19 related payment accommodations. The Credit Union continues to strategically manage this portfolio to maintain a low level of delinquency.

Non-Earning Asset/ Total Asset – 7.13%

This Standard requires that our non-earning assets be no more than 7% of our total assets. At year-end the Credit Union's non-earning assets represented 7.13% of total assets, a reduction of over 1 percentage point compared to 2020 (8.15%). The ratio continues to be outside of the standard as a result of the previous mergers, which added significant amount of real estate; as well as the fair value exercise which brings significant amount of intangible assets onto the books. With the continued growth in total assets this ratio is expected to fall in line with the standard soon.

Rates of Return & Costs

Operating Expenses/ Average Assets -7.59%

The Standard requires that operating expenses should be at most 8% of average assets. The operating expense ratio for 2021 was 7.59%, which was within the required standard. This was a deliberate strategy by Management through various cost containment measures and the implementation of initiatives to improve efficiency.

Net Income / Average Assets 1.27%

The Standard requires that the Credit Union earn enough income to ensure that we have an institutional capital to asset ratio of at least 8%. The Credit Union returned a net income

to average asset ratio of 1.27% for the year under review. This compared favorably to our Peer Group average of 1.24% for the similar period.

The surplus earned for 2021 of \$259.6 million enabled us to transfer \$240.63 million to Statutory Reserves. This brings the Institutional Capital to asset ratio to 12.86% which surpassed the PEARLS standard requirement of 8%.

Return on Savings 1.35%

The Standard requires that the return paid on members' savings should be greater than or equal to the rate of inflation which was 9.1% for the calendar year 2021. C&WJCCU returned an average of 1.35% p.a. on members' savings. This average was 1.08% for commercial banks at December 2021. During 2021 the Credit Union paid interest rates on savings of up to 6% per annum.

Liquidity

Liquidity Reserve / Savings and Deposits – 24.34%

The Credit Union is required to maintain at least 10% of savings as liquidity reserves, 8% of which is to be held in the Jamaica Co-operative Credit Union League. In addition credit unions are required to maintain a "Liquid assets to total deposits" ratio of 17% to 30%.

At the end of 2021, C&WJ was in compliance with these ratios, holding liquid assets of \$4.03 Billion representing 24.34% of savings and deposits.

Signs of Growth

Membership Growth – 3.52%

The requirement of the standard is a growth rate of at least 5% for the one year period. The Credit Union achieved growth in membership of 4,639 members, representing an increase of 3.52% over the previous year.

Asset Growth – 8.80%

The Credit Union recorded an asset growth in excess of \$1.72 Billion bringing total assets to \$21.29 Billion at year end. This represents a growth rate of 8.80% for the period under review, which was below the standard of at least inflation (9.1% for the calendar year).

As we continue to monitor the changing economic environment within which we operate, there is the need to be alert to the rise in inflation rates and the consequences of increasing interest rates for our members in particular. Therefore, our financial strategy going forward, will continue to focus on all the economic factors that will impact our business and stakeholders. We will continue to collaborate to leverage the opportunities in the current environment and so pursue our mission "to enhance the well-being of our members through superior financial services, delivered by an empowered and motivated team".

A. B. Malcolm

Treasurer
Ashlyn Malcolm

THE TREASURER’S REPORT
(CONTINUED)

Appropriation of 2021 Surplus and Fixing of the Maximum Liability

Appropriation of 2021 Surplus		Surplus available for distribution	\$'000
			276,012
	\$'000		
Surplus B/F 20	15,340	Statutory Reserves	(240,632)
Net Surplus for the year 2021	260,672	Dividend on members Qualification Shares 5%	(14,380)
Surplus available for distribution	276,012	Honoraria	(11,000)
		Scholarship	(7,000)
Recommendation of the Board of Directors		Disaster & Social Outreach	(3,000)
			276,012

The Board of Directors of the Credit Union is making the following recommendation to the meeting with respect to the appropriation of the 2021 surplus:

The fixing of the Maximum Liability for Loans

In keeping with Rule 77, it is proposed that the Maximum Liability for loans that the Board of Directors may borrow is to be set at 16 times the Credit Union’s Capital and Reserve Fund.

For and on Behalf of the Board of Directors

A. D. Malcolm

Treasurer
Ashlyn Malcolm

THE TREASURER’S REPORT SHEET

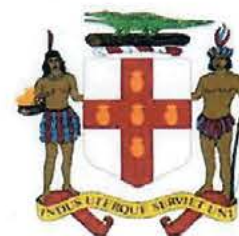
Let Us Look At The Money We Have	2021 \$'000	2020 \$'000	Increase (Decrease)	%
As a group of persons, we have accumulated savings over the past 60 years. This money is shown as:-				
(1) Share Capital	5,813,300	5,601,267	212,033	4%
(11) Deposits	11,941,387	10,578,661	1,362,726	13%
From the income earned over the years we have paid dividends, but we have also kept back asome of these earnings partly because our Rules do not permit us to give it back as dividends and partly out of prudence. The amount held is				
	2,273,718	2,031,041	242,677	12%
We also have Undistributed Net Income and Other Reserves. This amount is				
	253,255	244,173	9,082	4%
We owed: interest earned by our members but not yet paid to them, the Sponsor Company (C&WJ), and to some of our members. The amount owed is				
	1,003,947	1,109,095	-105,148	-9%
The total Amount Available to the Society was	21,285,607	19,564,237	1,721,370	9%

Let Us See How This Money Was Being Used

We spent money in paying for the land, buildings, equipment, furniture and motorcars we own. The land and building increased in value to the amount shown. Guided by certain accounting principles we have already written off a portion of these amounts, so we are left with the amounts shown in the balance sheet as fixed assets. This amount is				
	838,901	775,647	63,254	8%
In accordance with our Rules and also out of prudence, we have invested some money in the League, Government of Jamaica –Bonds and other safe Institutions. The amount invested is				
	6,765,190	4,726,391	2,038,799	43%
Some of the money we have, have been used in re-lending to ourselves. This amount is				
	13,002,288	13,242,829	-240,541	-2%
We have sums tied up in things like interest earned by us on our investments but not yet received; interest owed to us by our members; money collected and not yet banked; cash at our branch offices to pay members withdrawals.				
	679,228	819,370	-140,142	-17%
And so the total funds available, used in the manner set out above , amounted to				
	21,285,607	19,564,237	1,721,370	9%

AUDITORS' REPORT & FINANCIAL STATEMENTS

- 63. LETTER FROM THE DEPARTMENT OF CO-OPERATIVE AND FRIENDLY SOCIETIES
- 64. REPORT OF THE INDEPENDENT AUDITORS TO THE REGISTRAR OF CO-OPERATIVE AND FRIENDLY SOCIETIES
- 71. STATEMENT OF FINANCIAL POSITION
- 72. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
- 73. STATEMENT OF CHANGES IN EQUITY
- 77. STATEMENT OF CASH FLOWS



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
R260/485/04/22

April 29, 2022

The Secretary
Community and Workers of Jamaica
Co-operative Credit Union Limited
51 Half Way Tree Road
Kingston 10

Dear Sir/Madam,

I forward herewith the Financial Statements of your Society for the year ended December 31, 2021.

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,

Mr. Errol Gallimore
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



KPMG
Chartered Accountants
P.O. Box 436
6 Duke Street
Kingston
Jamaica, W.I.
+1 (876) 922 6640
firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Registrar of Co-operative Societies
COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)
(A Society Registered Under the Co-operative Societies Act)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Community & Workers of Jamaica Co-operative Credit Union Limited (C&WJCCUL) ("the Co-operative"), comprising the separate financial statements of the Co-operative and the consolidated financial statements of the Co-operative and its subsidiary (collectively, "the Group") set out on pages 71 to 149, which comprise the Group's and Co-operative's statement of financial position as at December 31, 2021, the Group's and Co-operative's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and Co-operative as at December 31, 2021, and of the Group's and Co-operative's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Co-operative in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants including International Independence Standards (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.

KPMG, a Jamaican partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

R. Tarun Handa
Cynthia L. Lawrence
Rajan Trehan
Norman O. Rainford
Nigel R. Chambers
Nyssa A. Johnson
W. Gihan C. de Mel
Wilbert A. Spence
Rochelle N. Stephenson
Sandra A. Edwards
Karen Ragooobirsingh



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Registrar of Co-operative Societies
COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)
(A Society Registered Under the Co-operative Societies Act)

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters

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

1. Expected credit losses on financial assets

The key audit matter	How the matter was addressed in our audit
<p>The Group is required to recognize expected credit losses ('ECL') on financial assets, the determination of which is highly subjective and requires management to make significant judgement and estimates.</p> <p>The key areas requiring greater management judgement include the identification of significant increase in credit risk ('SICR'), the determination of probabilities of default, loss given default, exposures at default and the application of forward-looking information.</p> <p>These estimates involve increased judgment as a result of the economic impact of Covid-19 on the Group's financial assets. Management considered the following:</p>	<p>Our procedures in this area included the following:</p> <ul style="list-style-type: none">Assessing and testing the design and implementation of the Group's control over the determination of expected credit losses.Obtaining an understanding of the models used by the Group for the calculation of expected credit losses.Testing the completeness and accuracy of the data used in the models to the underlying accounting records on a sample basis.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Registrar of Co-operative Societies
COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)
(A Society Registered Under the Co-operative Societies Act)

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (continued)

1. Expected credit losses on financial assets (continued)

The key audit matter (continued)	How the matter was addressed in our audit (continued)
<ul style="list-style-type: none">- qualitative factors that create COVID-19 related changes to SICR.- increased uncertainty about potential future economic scenarios and their impact on credit losses. <p>Significant management judgement is used in determining the appropriate variables and assumptions used in the ECL calculations, which increases the risk of a material misstatement.</p> <p>We therefore determined that the impairment of financial assets has a high degree of estimation uncertainty.</p> <p><i>[see note 34 (a) (iv) of the financial statements]</i></p>	<p>Our procedures in this area included the following (continued):</p> <ul style="list-style-type: none">• Involving our financial risk modelling specialists to evaluate the appropriateness of the Group's impairment methodologies, including the SICR criteria used and independently assessing the assumptions for probability of default, loss given default and exposure at default.• Involving our financial risk modelling specialists to evaluate the appropriateness of the Group's methodology for determining the economic scenarios used and the probability weightings applied to them.• Evaluating the adequacy of the financial statement disclosures, including disclosures of the key assumptions and judgements, for compliance with IFRS 9.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Registrar of Co-operative Societies
COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)
(A Society Registered Under the Co-operative Societies Act)

Report on the Audit of the Financial Statements (Continued)

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 auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Co-operative'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 Co-operative or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Co-operative's financial reporting process.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Registrar of Co-operative Societies
COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)
(A Society Registered Under the Co-operative Societies Act)

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 6-7, forms part of our auditors' report.

Report on additional matters as required by the Co-operative Societies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Co-operative Societies Act in the manner so required.

The engagement partner on the audit resulting in this independent auditors' report is Wilbert Spence.



Chartered Accountants
Kingston, Jamaica

April 29, 2022

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Registrar of Co-operative Societies
COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)
(A Society Registered Under the Co-operative Societies Act)

Appendix to the Independent Auditors' report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Co-operative 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Registrar of Co-operative Societies
COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)
(A Society Registered Under the Co-operative Societies Act)

Appendix to the Independent Auditors' report

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

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, actions taken to eliminate threats or safeguards applied.

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.


COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)

Statement of Financial Position
December 31, 2021

(Expressed in Jamaica dollars unless otherwise stated)

		Group		Co-operative	
	Notes	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
ASSETS					
EARNING ASSETS					
Loans to members	5	13,002,288	13,242,829	12,997,957	13,227,400
Liquid assets	6	3,874,168	2,890,518	3,874,168	2,890,518
Financial investments	7	<u>2,891,022</u>	<u>1,835,873</u>	<u>2,891,022</u>	<u>1,835,873</u>
Total earning assets		<u>19,767,478</u>	<u>17,969,220</u>	<u>19,763,147</u>	<u>17,953,791</u>
NON-EARNING ASSETS					
Liquid assets	8	162,447	224,996	147,891	210,436
Other assets	9	163,326	191,416	168,244	191,416
Property, plant and equipment	10	838,901	775,647	838,901	775,647
Intangible assets	11	343,840	388,289	343,840	388,289
Right-of-use assets	12	9,615	14,669	9,615	14,669
Investment in subsidiary		-	-	10	10
Total non-earning assets		<u>1,518,129</u>	<u>1,595,017</u>	<u>1,508,501</u>	<u>1,580,467</u>
TOTAL ASSETS		<u>21,285,607</u>	<u>19,564,237</u>	<u>21,271,648</u>	<u>19,534,258</u>
LIABILITIES AND CAPITAL					
INTEREST BEARING LIABILITIES					
Lease liabilities	12	10,620	13,978	10,620	13,978
Voluntary shares	13	4,640,633	4,422,510	4,640,633	4,422,510
Deferred shares	14	885,058	900,000	885,058	900,000
Saving deposits	15	11,941,387	10,578,661	11,941,387	10,578,661
Due to other institutions	16	36,136	42,447	36,136	42,447
External credits	17	<u>254,924</u>	<u>368,780</u>	<u>254,924</u>	<u>368,780</u>
Total interest bearing liabilities		<u>17,768,758</u>	<u>16,326,376</u>	<u>17,768,758</u>	<u>16,326,376</u>
NON-INTEREST BEARING LIABILITIES					
Accruals	18	204,692	199,829	204,692	199,259
Payables	19	171,214	217,004	171,214	217,004
Others	20	<u>326,361</u>	<u>267,057</u>	<u>337,209</u>	<u>263,570</u>
Total non-interest bearing liabilities		<u>702,267</u>	<u>683,890</u>	<u>713,115</u>	<u>679,833</u>
TOTAL LIABILITIES		<u>18,471,025</u>	<u>17,010,266</u>	<u>18,481,873</u>	<u>17,006,209</u>
CAPITAL					
Permanent shares	21	287,609	278,757	287,609	278,757
Institutional capital	22	<u>2,273,718</u>	<u>2,031,041</u>	<u>2,273,718</u>	<u>2,031,041</u>
		2,561,327	2,309,798	2,561,327	2,309,798
Non-institutional capital	23	<u>253,255</u>	<u>244,173</u>	<u>228,448</u>	<u>218,251</u>
TOTAL CAPITAL		<u>2,814,582</u>	<u>2,553,971</u>	<u>2,789,775</u>	<u>2,528,049</u>
TOTAL LIABILITIES AND CAPITAL		<u>21,285,607</u>	<u>19,564,237</u>	<u>21,271,648</u>	<u>19,534,258</u>

The financial statements on pages 8 to 86 were approved by the Board of Directors on April 27, 2022 and signed on its behalf by:


Ashlyn Malcolm, Treasurer


Austin Brown, President

Group
2020

	INSTITUTIONAL CAPITAL					NON-INSTITUTIONAL CAPITAL						
	Permanent shares \$'000 (note 21)	Statutory & legal reserve \$'000 (note 22)	General reserve \$'000 (note 22)	Business combination reserve \$'000 (note 22)	Retained earnings reserve \$'000 (note 22)	Total \$'000	Loan loss reserves \$'000 (note 23)	Fair value reserve \$'000 (note 23)	Other non- qualifying reserve \$'000 (note 23)	Undistributed net surplus \$'000 (notes 23)	Total \$'000	Grand total \$'000
Balances at December 31, 2019	271,235	1,232,189	12,449	489,534	26,188	1,760,360	15,363	49,411	24,924	40,699	130,397	2,161,992
Total comprehensive income for the year												
Surplus for the year	-	-	-	-	-	-	-	-	-	418,369	418,369	418,369
Other comprehensive income:												
Change in fair value of investment securities at FVOCI being total other comprehensive income	-	-	-	-	-	-	-	(16,303)	-	-	(16,303)	(16,303)
Total comprehensive income for the year	-	-	-	-	-	-	-	(16,303)	-	418,369	402,066	402,066
Transactions with members and movements in reserve												
Entrance fees	-	1,218	-	-	-	1,218	-	-	-	-	-	1,218
Shares amount subscribed	7,522	-	-	-	-	-	-	-	-	-	-	7,522
Appropriation of net surplus for 2020	-	-	-	-	-	-	-	-	-	(21,699)	(21,699)	(21,699)
Dividends on membership qualification shares (note 22)	-	-	-	-	-	-	106,950	-	23	(106,950)	-	-
Transfer to loan loss reserve	-	-	-	-	-	-	-	-	23	-	23	23
Leslie Mills Trust fund	-	-	-	-	-	-	-	-	2,783	-	2,783	2,783
Share transfer fund	-	-	-	-	-	-	-	-	2,783	-	2,783	2,783
Disaster and social outreach fund	-	-	-	-	-	-	-	-	2,340	(2,174)	166	166
Scholarship fund	-	-	-	-	-	-	-	-	175	-	175	175
Honorarium	-	-	-	-	-	-	-	-	(175)	(100)	(100)	(100)
Transfer to statutory reserve from surplus for the year before honoraria and other payments	-	269,463	-	-	-	269,463	-	-	-	(269,463)	(269,463)	-
Total transactions with members and movements in reserves	7,522	270,681	-	-	-	270,681	106,950	-	4,971	(400,211)	(288,290)	(10,087)
Balances at December 31, 2020	278,757	1,502,870	12,449	489,534	26,188	2,031,041	122,313	33,108	29,895	58,857	244,173	2,553,971

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

COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)

Statement of Changes in Equity
December 31, 2021
(Expressed in Jamaica dollars unless otherwise stated)

Co-operative 2021												
	INSTITUTIONAL CAPITAL					NON-INSTITUTIONAL CAPITAL						
	Permanent shares \$'000 (note 21)	Statutory & legal reserve \$'000 (note 22)	General reserve \$'000 (note 22)	Business combination reserve \$'000 (note 22)	Retained earnings reserve \$'000 (note 22)	Total \$'000	Loan loss reserves \$'000 (note 23)	Fair value reserve \$'000 (note 23)	Non- qualifying reserve \$'000 (note 23)	Undistributed net surplus \$'000 (note 23)	Total \$'000	Grand total \$'000
Balances at December 31, 2020 carried forward from page 13	278,757	1,502,870	12,449	489,534	26,188	2,031,041	122,313	33,108	29,895	32,935	218,251	2,528,049
Total comprehensive income for the year												
Surplus for the year	-	-	-	-	-	-	-	-	-	260,672	260,672	260,672
Other comprehensive income:												
Change in fair value of investment securities at FVOCI	-	-	-	-	-	-	-	2,569	-	-	2,569	2,569
Change in fair value of other comprehensive income	-	-	-	-	-	-	-	2,569	-	260,672	263,241	263,241
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with members and movements in reserve												
Entrance fees	8,852	2,045	-	-	-	2,045	-	-	-	-	-	2,045
Shares amount subscribed	-	-	-	-	-	-	-	-	-	-	-	8,852
Appropriation of net surplus for 2021	-	-	-	-	-	-	-	-	-	(13,938)	(13,938)	(13,938)
Dividends on membership qualification shares (note 22)	-	-	-	-	-	-	-	-	(64)	-	(64)	(64)
Leslie Mills Trust fund	-	-	-	-	-	-	-	-	1,670	-	1,670	1,670
Share transfer fund	-	-	-	-	-	-	-	-	3,782	(3,782)	-	-
Disaster and social outreach fund	-	-	-	-	-	-	-	-	(205)	205	-	-
Scholarship fund	-	-	-	-	-	-	-	-	-	(80)	(80)	(80)
Honorarium	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve from surplus for the year	-	240,632	-	-	-	-	-	-	-	(240,632)	(240,632)	-
before honoraria and other payments	-	242,677	-	-	-	2,045	-	-	5,183	(258,227)	(253,044)	(1,515)
Total transactions with members and movements in reserves	8,852	242,677	-	-	26,188	2,033,086	122,313	35,677	35,078	35,380	228,448	2,789,775
Balances at December 31, 2021	287,609	1,745,547	12,449	489,534	26,188	2,033,086	122,313	35,677	35,078	35,380	228,448	2,789,775

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

COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)

Notes to the Financial Statements

December 31, 2021

Expressed in Jamaica dollars unless otherwise stated)

1. Identification

Community & Workers of Jamaica Co-operative Credit Union Limited (C&WJCCUL) ("Co-operative") is incorporated and domiciled in Jamaica, is registered under the Co-operative Societies Act ("Act") and has its registered office at 51 Half Way Tree Road, Kingston 10.

The Co-operative listed its deferred shares on Jamaica Stock Exchange on July 31, 2020 (see note 15).

The Co-operative's wholly-owned subsidiary, C&WJCU Holdings Limited, was incorporated in Jamaica on August 1, 2019. The principal activity of the subsidiary, which is domiciled in Jamaica, is the issuing of loans from which interest is earned.

The Co-operative and its subsidiary are collectively referred to as "the Group".

Membership in the Co-operative is limited to:

(A) All registered societies and:

- (i) Employees and ex-employees of Cable & Wireless Jamaica Limited and its successor and predecessor companies.
- (ii) Any person engaged in the provision of telecommunication services in Jamaica including regulators and contractors or sub-contractors of Cable & Wireless Jamaica Limited or its successor and predecessor companies.
- (iii) Employees and ex-employees of corporate subscribers to telecommunication service in Jamaica.
- (iv) Persons living and working in the parish of Clarendon.
- (v) Persons working in Marine and Allied Industries in Jamaica.
- (vi) Employees of members.
- (vii) Minors, whether or not they are wards or children or grandchildren of members.
- (viii) Persons working, living or who were born in the parish of Westmoreland.
- (ix) Relatives and spouses of members. Relatives are specified as father, mother, son, daughter, grandchildren, brother, sister, aunt, uncle, niece and nephew.

(B) Members and persons eligible to be members of the credit unions that merged with this society [Marine and Allied Industries Co-operative Credit Union, Clarendon Co-operative Credit Union, Westmoreland Co-operative Credit Union, ICD & Associates Co-operative Credit Union, National Water Commission Co-operative Credit Union, Desnoes and Geddes Employees Co-operative Credit Union Limited, St. Elizabeth Co-operative Credit Union Limited (STECCUL)].

PROVIDED THAT any person admitted to membership has attained the age of sixteen (16) years.

COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)

Notes to the Financial Statements (Continued)

December 31, 2021

Expressed in Jamaica dollars unless otherwise stated)

1. Identification (continued)

The Co-operative's main activities are:

- (i) The promotion of thrift;
- (ii) The provision of loans to members exclusively for provident and productive purposes; and
- (iii) To receive the savings of its members either as payments on share or as deposits.

The Co-operative Societies Act requires amongst other provisions, that at least 20% of the net surplus of the Co-operative be transferred to a statutory reserve fund.

The Co-operative is exempt from Income Tax under section 59(1) of the Co-operative Societies Act and section 12 of the Income Tax Act.

2. Basis of preparation

(a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and comply with the relevant provisions of the Act.

(b) Basis of measurement:

The financial statements have been prepared on the historical cost, except for certain investments which are measured at fair value.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The accounting policies for the Group are the same for the Co-operative throughout these financial statements. 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 4.

COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)

Notes to the Financial Statements (Continued)

December 31, 2021

Expressed in Jamaica dollars unless otherwise stated

3. Significant accounting policies

The Group has consistently applied the accounting policies as set out below to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements include the assets, liabilities and results of operations of the Co-operative and its subsidiary presented as a single economic entity.

A subsidiary is an entity controlled by the Co-operative. The Co-operative controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group transactions, balances and unrealised gains on transactions between the Co-operative and the subsidiary are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. The accounting policies of the subsidiary are consistent with those of the Co-operative.

(b) Financial instruments – Classification, recognition, derecognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In these financial statements:

- Financial assets comprise loans to members, liquid assets, financial investments and other assets.
- Financial liabilities comprise lease liabilities, voluntary shares, deferred shares, saving deposits, amounts due to other institutions, external credits, accruals, payables and other non-interest bearing liabilities.

Financial instruments are classified, recognised and measured in accordance with the substance of the terms of the contracts as set out herein.

(i) Recognition and initial measurement

The Group recognises a financial instrument when it becomes a party to the contractual terms of the instrument. The Group initially recognises loans and deposits on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

At initial recognition, the Group measures a financial asset or financial liability at its fair value, plus or minus, for a financial asset or financial liability 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 or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Immediately after initial 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.

COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)

Notes to the Financial Statements (Continued)

December 31, 2021

Expressed in Jamaica dollars unless otherwise stated

3. Significant accounting policies (continued)

(b) Financial instruments – Classification, recognition, derecognition and measurement (continued)

(ii) Classification and subsequent remeasurement

Financial assets

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

- the Group's business model for managing the asset; and
- the cash flow characteristics of the asset.

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

- *Amortised cost:* Assets that are held for 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 (vii). Interest income from these financial assets is included in 'Interest income' calculated 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 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 profit or loss. Interest income from these financial assets is included in 'Interest income' calculated using the effective interest method.

COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)

Notes to the Financial Statements (Continued)

December 31, 2021

Expressed in Jamaica dollars unless otherwise stated

3. Significant accounting policies (continued)

(b) Financial instruments – Classification, recognition, derecognition and measurement (continued)

(ii) Classification and subsequent remeasurement (continued)

Financial assets (continued)

The classification requirements for debt and equity instruments are described below (continued):

Debt instruments (continued)

- *Business model:* the business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group'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.

Factors considered by the Group in determining the business model for a class of assets include:

1. Past experience on how the cash flows for these assets were collected;
2. How the asset's performance is evaluated and reported to key management personnel;
3. How risks are assessed and managed; and
4. How managers are compensated.

For example, securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

Solely payments of principal and interest (SPPI): Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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3. Significant accounting policies (continued)

(b) Financial instruments – Classification, recognition, derecognition and measurement (continued)

(ii) Classification and subsequent remeasurement (continued)

Financial assets (continued)

The classification requirements for debt and equity instruments are described below (continued):

Debt instruments (continued)

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The election is made on an investment-by-investment basis.

Gains and losses on equity investments at FVTPL are included in the 'Non-interest income' caption in the statement of profit or loss.

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons. Where the modification to the contractual terms of a loan is substantial, the existing loan is derecognised and a new renegotiated loan is recognised at a new effective interest rate. Where the modification is not substantial and does not result in derecognition, the gross carrying amount of the loan is calculated by discounting the modified cash flows using the original effective interest rate.

Financial liabilities

Financial liabilities are classified and measured at amortised cost

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3. Significant accounting policies (continued)

- (b) Financial instruments – Classification, recognition, derecognition and measurement (continued)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income (OCI) is recognised in profit or loss.

Any cumulative gains or losses recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(iv) Measurement and gains and losses

The 'liquid assets and financial investments' captions in the statement of financial position includes:

- debt investment securities measured at amortised cost which are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt and equity investment securities mandatorily measured at FVTPL or designated as at FVTPL which are at fair value with changes recognised immediately in profit or loss;
- equity investment securities designated as at FVOCI.

The Group elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

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- (b) Financial instruments – Classification, recognition, derecognition and measurement (continued)

(iv) Measurement and gains and losses (continued)

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(vi) Specific financial instruments

(1) Loans to members

Loans in the statement of financial position include loans measured at amortised cost. They are initially measured at fair value, plus incremental direct transaction costs and are subsequently measured at amortised cost less any expected credited loss allowance.

(2) Liquid assets:

Liquid earning assets comprise investments maturing within and more than three (3) months from the reporting date. Liquid non-earning assets comprise cash on hand and current accounts held at banks. Liquid assets are classified and measured at amortised cost.

(3) Securities purchased under resale agreement (“reverse repurchase agreements”):

Securities purchased under resale agreement are short-term transactions whereby an entity buys securities and simultaneously agrees to resell them on a specified date and at a specified price. Reverse repurchase agreements are accounted for as short-term collateralised lending and are classified and measured at amortised cost.

The Group enters into reverse repurchase agreements to resell substantially identical investments at a certain date in the future at a fixed price. The amounts paid are recognised as “reverse repurchase agreements” and are collateralised by the underlying securities.

The difference between the sale and repurchase considerations is recognised on the accrual basis over the period of the transaction and is included in interest income.

(4) Other non-earning assets:

Other assets comprise receivables and are classified and measured at amortised cost less impairment losses.

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3. Significant accounting policies (continued)

(b) Financial instruments – Classification, recognition, derecognition and measurement (continued)

(vi) Specific financial instruments (continued)

(5) Cash and cash equivalents:

Cash and cash equivalents are classified and measured at amortised cost and include cash and bank balances as well as liquid financial assets with original maturities of less than three (3) months, which are subject to insignificant risk of changes in their fair value, and are held for the purpose of meeting short-term cash commitments, rather than for investment for other purposes.

(6) Non-interest bearing liabilities

Non-interest bearing liabilities, including provisions, are classified and measured at amortised cost:

Provisions are recognised when the Group 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.

(7) Deferred shares:

Deferred shares are considered as capital for regulatory purposes but are recognised in the financial statements as liabilities as they are withdrawable after a fixed period. These are initially measured at fair value and are subsequently measured at amortised cost. Interest expense incurred thereon is recognised in profit or loss on the accrual basis using the effective interest method.

(8) Voluntary shares:

Voluntary shares represent deposit holdings of the Cooperative's members to satisfy membership requirements and to facilitate eligibility for loans and other benefits. These shares are classified as financial liabilities. Interest payable on these shares is reported as interest in profit or loss.

(9) External credits:

External credit is initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

(vii) Impairment

The Group recognises loss allowances for expected credit losses (ECL) on financial assets that are debt instruments and that are not measured at FVTPL.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

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3. Significant accounting policies (continued)

(b) Financial instruments – Classification, recognition, derecognition and measurement (continued)

(vii) Impairment (continued)

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group does not apply the low credit risk exemption to any other financial instruments.

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

Life-time ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn and the cash flows that the Group expects to receive.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

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3. Significant accounting policies (continued)

(b) Financial instruments – Classification, recognition, derecognition and measurement (continued)

(vii) Impairment (continued)

Restructured financial assets (continued)

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised costs are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

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3. Significant accounting policies (continued)

(b) Financial instruments – Classification, recognition, derecognition and measurement (continued)

(vii) Impairment (continued)

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of the debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the statement of financial position

Allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.
- loan commitments and financial guarantee contracts: generally, as a provision.
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss is recognised in profit or loss as a reclassification from OCI.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on loans' in the statement of profit or loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

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3. Significant accounting policies (continued)

(b) Financial instruments – Classification, recognition, derecognition and measurement (continued)

(vii) Impairment (continued)

Regulatory provision

Regulatory provisions are established for loans to members as a result of a review of the carrying value of loans in arrears and are derived based on the requirements stipulated by the Jamaica Co-operative Credit Union League Limited ("JCCUL") provisioning policy of making a full provision for loans in arrears over twelve (12) months. General provisions ranging from 10% to 60% are established in respect of loans in arrears for two (2) to twelve (12) months.

Regulatory provision that exceeds the IFRS provision are dealt with in a non-distributable loan loss reserve as an appropriation of undistributable surplus [see note 24(a)].

(c) Employee benefits:

Employee benefits are all forms of consideration given by the Group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, NIS contributions, annual vacation leave, and non-monetary benefits such as medical care; post-employment benefits such as pensions; and other long-term employee benefits such as termination benefits.

Short-term employee benefits are charged as expense. The expected cost of vacation leave that accumulates is recognised over the period that the employee becomes entitled to the leave.

The Group participate in a defined contribution pension plan. Obligations for contribution to defined contribution plans are expensed to profit or loss as the related service is provided.

(d) Property, plant and equipment:

(i) Measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses [see note 3(p)]. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of material and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use.

(ii) Subsequent costs

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

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3. Significant accounting policies (continued)

(d) Property, plant and equipment (continued):

(iii) Depreciation

Depreciation is calculated on the reducing balance basis, except for motor vehicles and computer equipment which are depreciated on the straight-line basis, calculated at rates estimated to write off the relevant assets to their residual values over their expected useful lives. Land and work-in-progress are not depreciated.

The annual rates are as follows:

Buildings	2%
Leasehold improvements	10%
Motor vehicles	20%
Computer equipment	20%
Equipment, furniture and fixtures	10%
Air conditioning units	10%
Carpets and drapery	20%
Stand by plant	5%
Right-of-use assets	2%-33%

The depreciation methods, useful lives and residual values are reassessed at each reporting date.

(e) Institutional capital:

Institutional capital includes retained earnings, business combination and other statutory and legal reserves as set out in article XIV rule 66 of the Cooperative Societies Act. These are set aside in order to strengthen the capital base of the Group and thereby protect the interest of the members. These amounts are not available for distribution.

(f) Statutory reserves:

The 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 surplus before honoraria should be carried to a fund. A registered society may apply to the Registrar to allow the required percentage to be reduced. However, the reduction will not be granted below 10%.

(g) Permanent shares:

Voluntary (ordinary) shares in the Co-operative are not regarded as share capital but are treated as savings deposits. The Co-operative has therefore established permanent shares in order to strengthen its capital base. Special bye-laws were passed by the Board of Directors on 24th May 2008, in accordance with the Co-operative Societies Act. All new applicants for membership and existing members of the Co-operative are required to subscribe to a minimum of 1,000 permanent shares. These shares are issued at a par value of \$2 each and are referred to as membership qualification permanent shares.

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3. Significant accounting policies (continued)

(g) Permanent shares (continued):

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 Co-operative or any other Co-operative as borrower, endorser, co-maker or guarantor.

In accordance with Rule 10, an individual ceasing to be a member of the Co-operative shall be entitled to a refund of any amount held as permanent shares upon transfer to another member. Rule 17 makes provision for permanent shares and deferred shares to be redeemable only upon transfer to another member. In facilitation of this rule, the Co-operative has established a share transfer fund which should represent up to a maximum of fifteen percent (15%) of the value of the outstanding permanent shares to facilitate the transfer or redemption of permanent shares and deferred shares. This is funded from appropriation of surplus and will not form part of the Co-operative's institutional capital (note 22).

(h) Interest income and expense

(i) Effective interest rate

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial assets; or the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the company estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimate future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

(ii) Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

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3. Significant accounting policies (continued)

(h) Interest income and expense (continued)

(iii) Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating-rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Under Regulatory requirements, no interest is recognised on loans that are in arrears for 90 days or more, even if they are not credit-impaired (see also note 6).

(iv) Presentation

Interest income calculated using the effective interest method presented in the income statement includes interest on financial assets measured at amortised cost and interest on debt instruments measured at FVOCI; interest expense presented in the income statement includes financial liabilities measured at amortised cost and interest expense on lease liabilities.

(i) Fees and commission

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

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

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

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3. Significant accounting policies (continued)

(i) Fees and commission (continued)

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

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Service fees	Transaction-based fees such as credit bureau fees are charged to the customers' account when the transaction takes place.	Revenue from account services and servicing fees is recognised over time as the services are provided.
	Servicing fees are charged on a monthly basis and are based on fixed rates determined by the Group.	Revenue related to transactions is recognised at the point in time when the transaction takes place.

(j) Dividends

Dividend income from equity financial investments is recognised when the Group's right to receive payment has been established.

(k) League fees and stabilization dues:

JCCUL has fixed the rate of league fees at 0.20% (2020: 0.20%) of total assets. Stabilization dues are fixed at a rate of 0.15% (2020: 0.15%) of total savings.

(l) Foreign currencies:

Foreign currency balances at the reporting date are translated at the rates of exchange ruling on that date.

Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions. Gains and losses arising from fluctuations in exchange rates are included in profit or loss.

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3. Significant accounting policies (continued)

(m) Basis of combination:

Business combinations are accounted for using the acquisition method as at the acquisition date, which is at the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The Group measures goodwill at the acquisition date as:

- the fair value of the acquiree's equity interest;
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date.

(n) Intangible assets:

(i) Customer relationships

Customer relationships are initially measured at fair value and subsequently at cost less accumulated amortisation and impairment losses and are deemed to have a finite useful life. Customer relationships are the estimated economic benefits derived from the incremental revenues and related cash flows as a direct result of relationships in place, versus having to try and replicate them. Amortisation is calculated using the straight-line method to allocate the cost of the intangible assets over their estimated useful lives of twelve (12) years.

(i) Trademarks

Trademarks are measured at cost less accumulated amortisation and accumulated impairment losses and are deemed to have a finite useful life. The trademark recognised is fully impaired.

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3. Significant accounting policies (continued)

(n) Intangible assets (continued):

(ii) Core deposits

Core deposits relate to the total cost of maintaining the core deposit base (e.g., interest, servicing costs, fee income, and the opportunity cost of reserve requirements and float) in comparison to the cost of an alternative funding source. These are measured at cost less impairment losses and are deemed to have a finite useful life. Amortisation is calculated using the straight line basis to allocate the cost of the intangible assets over their estimated useful lives of twelve (12) years.

(iii) Goodwill

Goodwill is measured initially at fair value, less any accumulated impairment losses. Goodwill is not amortised but assessed annually for impairment.

(iv) Computer software

Computer software, is deemed to have a finite useful life of three years and is measured at cost, less accumulated amortisation and impairment losses, if any.

(o) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each reporting date. Goodwill is tested annually for impairment. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash flows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs that are expected to benefit from the synergies of the combinations.

(i) Calculation of recoverable amount

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(ii) Reversals of impairment

An impairment loss is reserved only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

In respect of other assets, an impairment loss is reversed, if there has been a change in the estimates used to determine the recoverable amount.

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3. Significant accounting policies (continued)

(p) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group branch allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. Therefore, for leases of property, the Group branch has elected to separate non-lease components and account for these separately.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group at the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain Remeasurement, of the lease liability.

The lease liability is initially measured at the present value of the contracted lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, at the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by reference to rates from external services adjusted to reflect the terms of the leasee.

COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)

Notes to the Financial Statements (Continued)

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3. Significant accounting policies (continued)

(p) Leases (continued)

(i) As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in lease liabilities in the statement of financial position.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Co-operative allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is finance lease or an operating lease.

To classify the lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16.

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CREDIT UNION LIMITED (C&WJCCUL)

Notes to the Financial Statements (Continued)

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3. Significant accounting policies (continued)

(q) Deferred income:

Donations or contributions received for capital or recurring expenditure is recognised in deferred income at amortised cost. An amount equivalent to the depreciation charge on capital assets acquired from the funds is recognised as income in profit or loss. Amounts used for recurring expenses are recognised in profit or loss as the expenses are incurred.

(r) New and amended standards issued but not yet effective:

At the date of authorisation of these financial statements, certain new and amended standards and interpretations have been issued which were not effective for the current year and which the Group has not early-adopted. The Group has assessed them with respect to its operations and has determined that the following are relevant:

- Amendments to IFRS 16 *Leases* is effective for annual periods beginning on or after June 1, 2020, with early application permitted. It provides guidance for COVID-19 related rent concessions.

The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession. For example, if the concession is in the form of a one-off reduction in rent, it will be accounted for as a variable lease payment and be recognised in profit or loss.

The practical expedient will only apply if:

- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before 30 June 2021; and
- no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose:

- that fact, if they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and
- the amount recognised in profit or loss for the reporting period arising from application of the practical expedient.

No practical expedient is provided for lessors. Lessors are required to continue to assess if the rent concessions are lease modifications and account for them accordingly.

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CREDIT UNION LIMITED (C&WJCCUL)

Notes to the Financial Statements (Continued)

December 31, 2021

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3. Significant accounting policies (continued)

(r) New and amended standards issued but not yet effective (continued):

- Amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 4 *Insurance contracts* and IFRS 16 *Leases*, is effective for annual accounting periods beginning on or after January 1, 2021 and address issues affecting financial reporting in the period leading up to interbank offered rates (IBOR) reform. The second phase amendments apply to all hedging relationships directly affected by IBOR reform. The amendments principally address practical expedient for modifications. A practical expedient has been introduced where changes will be accounted for by updating the effective interest rate if the change results directly from IBOR reform and occurs on an 'economically equivalent' basis. A similar practical expedient will apply under IFRS 16 *Leases* for lessees when accounting for lease modifications required by IBOR reform. In these instances, a revised discount rate that reflects the change in interest rate will be used in remeasuring the lease liability.

The amendments also address specific relief from discontinuing hedging relationships as well as new disclosure requirements.

- Amendments to IAS 37 *Provision, Contingent Liabilities and Contingent Assets* is effective for annual reporting periods beginning on or after January 1, 2022 and clarifies those costs that comprise the costs of fulfilling the contract.

The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. This clarification will require entities that apply the 'incremental cost' approach to recognise bigger and potentially more provisions. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

- Annual Improvements to IFRS Standards 2018-2020 cycle contain amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 9 *Financial Instruments*, IFRS 16 *Leases*, IAS 41 *Agriculture*, and are effective for annual reporting periods beginning on or after January 1, 2022.
 - (i) IFRS 9 *Financial Instruments* amendment clarifies that – for the purpose of performing the '10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
 - (ii) IFRS 16 *Leases* amendment removes the illustration of payments from the lessor relating to leasehold improvements.

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CREDIT UNION LIMITED (C&WJCCUL)

Notes to the Financial Statements (Continued)

December 31, 2021

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3. Significant accounting policies (continued)

(r) New and amended standards issued but not yet effective (continued):

- Annual Improvements to IFRS Standards 2018-2020 (continued)

(iii) The amendments to IAS 41 *Agriculture* removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 *Fair Value Measurement*.

- Amendments to IFRS 16 *Leases* are effective for annual periods beginning on or after April 1, 2021, early adoption is permitted. The amendments extend the practical expedient by 12 months – i.e. allowing lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022.

The 2021 amendments are applied retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings. The disclosure requirements of Paragraph 28(f) of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* do not apply on initial application.

- Amendments to IAS 1 *Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after January 1, 2023. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. A company classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. It has now been clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

With the amendments, convertible instruments may become current. In light of this, the amendments clarify how a company classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the company's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that a company can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

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CREDIT UNION LIMITED (C&WJCCUL)

Notes to the Financial Statements (Continued)

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3. Significant accounting policies (continued)

(r) New and amended standards issued but not yet effective (continued):

- Amendments to IAS 1 *Presentation of Financial Statements* are effective for annual reporting periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help companies provide useful accounting policy disclosures.

The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments are consistent with the refined definition of material:

"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

Developing an accounting estimate includes both:

- selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 *Financial Instruments*; and
- choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

The Group is assessing the impact that these amendments will have on its financial statements but does not expect the impact to be significant.

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CREDIT UNION LIMITED (C&WJCCUL)

Notes to the Financial Statements (Continued)

December 31, 2021

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3. Significant accounting policies (continued)

(s) New and amended standards adopted during the year

Certain new and amended standards which were in issue came into effect during the year. The adoption of those standards did not have any impact on the amounts recognised or disclosures in the financial statements.

4. Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are set out below:

Key assumptions and other sources of estimation uncertainty

(1) Allowance for impairment losses on financial assets

The measurement of the expected credit loss allowance for financial assets measured at amortised 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. the likelihood of customers defaulting and the resulting losses). Management also estimates the likely amount of cashflows recoverable on the financial assets in determining loss given default. The use of assumptions make uncertainty inherent in such an estimate. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 32(a)(iv), which also sets out key sensitivities of the ECL to changes in these elements. The use of assumptions make uncertainty inherent in such estimate.

(2) Fair value of financial instruments

There are no quoted market prices for certain of the Group's financial assets. Accordingly, fair values of several financial assets are estimated using prices obtained from a yield curve. That yield curve is, in turn, obtained from a pricing source which estimates the yield curve on the basis of indicative prices submitted to it by licensed banks and other financial institutions in Jamaica. There is significant uncertainty inherent in this approach which is categorised as a Level 2 fair value. Some other fair values are estimated based on quotes published by a broker/dealer, and these are also classified as Level 2 as well as those using a valuation method and is classified as level 3. The estimates of fair value arrived at from these sources may be different from the actual price of the instrument in an actual arm's length transaction as set out in note 32(f).

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CREDIT UNION LIMITED (C&WJCCUL)

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5. Loans to members

	Group		Co-operative	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Balance at beginning for year	13,295,270	12,836,002	13,279,832	12,836,002
Loans granted	4,626,742	5,116,675	4,626,742	5,090,420
	17,922,012	17,952,677	17,906,574	17,926,422
Less: repayments and transfers	(4,733,366)	(4,657,407)	(4,722,253)	(4,646,590)
	13,188,646	13,295,270	13,184,321	13,279,832
Loan interest receivable	124,323	160,154	124,315	160,155
Less: impairment loss allowance	(310,681)	(212,595)	(310,679)	(212,587)
Balance at end of year	13,002,288	13,242,829	12,997,957	13,227,400
The amounts are expected to be recovered as follows:				
Within 12 months	12,979,597	13,216,311	12,975,266	13,200,882
Over 12 months	22,691	26,518	22,691	26,518
	13,002,288	13,242,829	12,997,957	13,227,400
Loans to members, before impairment loss allowance, comprised:				
Motor vehicle loans	6,206,091	6,515,175	6,201,758	6,499,737
Cash secured loans	1,493,781	1,426,580	1,493,781	1,426,580
Home equity loans	376,367	472,232	376,367	472,232
Mortgage loans	1,264,780	896,308	1,264,780	896,308
Unsecured loans	3,722,780	3,836,923	3,722,780	3,836,923
Other loans	124,847	148,052	124,855	148,052
	13,188,646	13,295,270	13,184,321	13,279,832

In 2020, the aggregate amount of non-accrual loans on which interest was not recognised amounted to \$120,273,000 for the Group and the Co-operative. In accordance with Regulatory requirements, interest not recognized in the financial statements on these loans was estimated at \$6,686,000 for the Group and the Co-operative in 2020 [see also note 3(h)(iii)].

The movement in the impairment loss allowance for loans determined under the requirements of IFRS is as follows:

	Group		Co-operative	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	212,595	255,098	212,587	255,098
Charge for the year	260,665	156,818	260,672	156,808
Write-offs	(162,579)	(199,321)	(162,580)	(199,319)
Balance at end of year, being specific provision made	310,681	212,595	310,679	212,587

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CREDIT UNION LIMITED (C&WJCCUL)

Notes to the Financial Statements (Continued)

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5. Loans to members (continued)

Impairment loss allowance determined under Jamaica Co-operative Credit Union League (JCCUL) regulatory requirements is as follows:

	Group and Co-operative 2021				Group and Co-operative 2020			
	Number of loans in arrears	Loans in arrears \$'000	Rate %	Loan loss provision \$'000	Number of loans in arrears	Loans in arrears \$'000	Rate %	Loan loss provision \$'000
1 month	240	130,188	-	-	172	140,384	-	-
2 to 3 months	150	103,911	10	10,391	114	76,476	10	7,648
4 to 6 months	198	90,016	30	27,005	129	42,021	30	12,606
7 to 12 months	300	137,664	60	82,598	110	78,253	60	46,952
	888	461,779		119,994	525	337,134		67,206

The allowance for impairment under the JCCUL regulatory requirement is below the provision required under IFRS provisioning rules, hence no amounts have been recognised in loan loss reserve during the year. The excess of the regulatory provision over the IFRS provision is normally dealt with through a transfer between accumulated surplus and loan loss reserve. Although the IFRS provision has exceeded the regulatory reserve, the Co-operative has maintained the loan loss reserve of \$122,313,000 (2020: \$122,313,000). Any changes to the reserve are recorded in the statement of changes in equity.

6. Earning assets – Liquid assets

	Group and Co-operative	
	2021	2020
	\$'000	\$'000
Financial assets at amortised cost		
Maturing within 3 months:		
Savings account balances	250,843	108,175
Securities purchased under resale agreements	781,186	404,403
Certificates of deposit	889,950	633,223
	1,921,979	1,145,801
Maturity over 3 months:		
Securities purchased under resale agreements	350,623	129,742
Certificates of deposit	204,399	216,588
	555,022	346,330
Less impairment loss allowance	(2,988)	(604)
	552,034	345,726
	2,474,013	1,491,527
Financial assets at fair value through profit or loss		
Money market funds (maturity over 3 months)	1,400,155	1,398,991
	3,874,168	2,890,518

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CREDIT UNION LIMITED (C&WJCCUL)

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6. Earning assets – Liquid assets (continued)

All the securities purchased under resale agreements are fully collateralised Government securities, the fair value of such underlying securities was \$1,224,949,000 (2020: \$570,047,000).

The amounts are due to be recovered within 12 months and those maturing within 3 months meet the requirements of cash and cash equivalents.

7. Earning assets - financial investments

	<u>Group and Co-operative</u>	
	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>
Investment securities at amortised cost		
Government of Jamaica benchmark investment notes	49,990	48,455
Corporate bonds	1,433,941	538,960
Deferred shares	<u>690,816</u>	<u>476,648</u>
	2,174,747	1,064,063
Less impairment loss allowance	<u>(14,243)</u>	<u>(5,557)</u>
	<u>2,160,504</u>	<u>1,058,506</u>
Investment securities at fair value through other comprehensive income		
Quoted equities	201,980	149,207
Unquoted shares	<u>118,703</u>	<u>118,706</u>
	<u>320,683</u>	<u>267,913</u>
Investment securities at fair value through profit or loss		
JMMB managed portfolio:		
Cash and cash equivalents (these are investments and are not available for operating purposes)	141,012	154,865
Quoted equities	49,527	68,554
Corporate bonds	133,556	163,362
Government bonds	20,223	60,929
Unit trust	<u>3,863</u>	<u>1,596</u>
	348,181	449,306
Jamaica Co-operative Credit Union League Limited [see (a) below]	16,060	16,060
Unit trust funds	<u>45,594</u>	<u>44,088</u>
	<u>409,835</u>	<u>509,454</u>
	<u>2,891,022</u>	<u>1,835,873</u>

(a) A minimum of 2,008,000 shares, each with a par value of \$1.00, must be held with the JCCUL for the Co-operative to retain membership status.

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CREDIT UNION LIMITED (C&WJCCUL)

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7. Earning assets - financial investments (continued)

The amounts are due to be recovered as follows:

	<u>Group and Co-operative</u>	
	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>
Within 12 months	319,946	586,534
Over 12 months	<u>2,571,076</u>	<u>1,249,339</u>
	<u>2,891,022</u>	<u>1,835,873</u>

8. Non-earning liquid assets

	<u>Group</u>		<u>Co-operative</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Cash balances	90,732	85,830	90,732	71,270
Current account balance	<u>71,715</u>	<u>139,166</u>	<u>57,159</u>	<u>139,166</u>
	<u>162,447</u>	<u>224,996</u>	<u>147,891</u>	<u>210,436</u>

All the amounts are due to be recovered within 12 months

9. Other assets

	<u>Group</u>		<u>Co-operative</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Interest receivable	55,848	24,113	55,848	24,113
Other receivables	<u>107,480</u>	<u>167,303</u>	<u>112,398</u>	<u>167,303</u>
	<u>163,326</u>	<u>191,416</u>	<u>168,244</u>	<u>191,416</u>

COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
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10. Property, plant and equipment

	Group and Co-operative					
	Land and buildings \$'000	Motor vehicles \$'000	Equipment, furniture & fixtures \$'000	Computer equipment \$'000	Leasehold improvements \$'000	Work in progress \$'000
December 31, 2019	638,669	1,450	171,509	215,448	9,691	29,691
Additions	3,081	16,800	13,595	31,060	990	1,002
December 31, 2020	641,750	18,250	185,104	246,508	10,681	30,693
Additions	41,449	15,896	31,054	22,775	-	-
Disposals/write-offs	-	-	(242)	(4,078)	-	-
Transfers	22,451	-	-	-	-	(22,451)
December 31, 2021	705,650	34,146	215,916	265,205	10,681	8,242
Depreciation:						
December 31, 2019	63,619	1,450	82,724	160,831	4,922	-
Charge for the year	8,814	3,133	8,406	23,087	353	-
December 31, 2020	72,433	4,583	91,130	183,918	5,275	-
Charge for the year	9,394	3,890	9,708	24,390	411	-
Disposals/write-offs	-	-	(195)	(3,998)	-	-
December 31, 2021	81,827	8,473	100,643	204,310	5,686	-
Net book values:						
December 2021	623,823	25,673	115,273	60,895	4,995	8,242
December 2020	569,317	13,667	93,974	62,590	5,406	30,693
December 2019	575,050	-	88,785	54,617	4,769	29,691

As at 31 December 2021, the Group leased an insignificant section of its head office under an operating lease arrangement [see note 13(b)].

COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)

Notes to the Financial Statements (Continued)

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11. Intangible assets

	Group and Co-operative					
	Trademarks \$'000	Goodwill \$'000	Customer relationships \$'000	Core deposits \$'000	Computer software \$'000	Total \$'000
Cost:						
December 31, 2019 and 2020	2,430	90,052	63,921	139,354	297,947	593,704
Impairment	-	-	-	-	(4,748)	(4,748)
December 31, 2021	2,430	90,052	63,921	139,354	293,199	588,956
Amortisation:						
December 31, 2019	2,430	-	34,603	22,661	105,623	165,317
Charge for the year	-	-	5,326	11,612	23,160	40,098
December 31, 2020	2,430	-	39,929	34,273	128,783	205,415
Charge for the year	-	-	5,327	11,613	22,761	39,701
December 31, 2021	2,430	-	45,256	45,886	151,544	245,116
Net book values:						
December 2021	-	90,052	18,665	93,468	141,655	343,840
December 2020	-	90,052	23,992	105,081	169,164	388,289
December 2019	-	90,052	29,318	116,693	192,324	428,387

In testing goodwill for impairment, recoverable amounts of entities previously acquired are estimated based on value-in-use. Where the recoverable amounts exceed the carrying amounts, no impairment allowance is made. The recoverable amounts of each entity are arrived at by estimating their future cash flows and discounting those cash flows using long-term discount rates applicable. Future sustainable cash flows are estimated based on the most recent forecasts, after taking account of past experience. In all cases projected cash flows are estimated over 5 years, followed by a terminal value calculated based on the discount rates and growth rates in the table below. Key assumptions are set out below:

Entities previously acquired	2021		2020	
	Discount rates	Growth rates	Discount rates	Growth rates
D&GECCUL	23%	2%	21%	2%
ICDCCU	22%	2%	21%	2%
NWCCU	22%	2%	21%	2%
STECCUL	23%	2%	21%	2%
WCCU	22%	2%	21%	2%

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12. Leases

(a) Leases as lessee

(i) *Right-of-use assets*

Right-of-use assets relate to leased properties that do not meet the definition of investment property.

	<u>Group and Co-operative</u>	
	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at January 1	14,669	16,911
Depreciation charge for the year	(5,054)	(2,242)
Balance at December 31	<u>9,615</u>	<u>14,669</u>

(ii) *Lease liabilities*

Undiscounted cashflows of lease liability:

Less than one year	4,514	3,428
One to five years	4,427	13,265
More than five years	<u>5,923</u>	<u>11,954</u>
	14,864	28,647

Less unamortized interest (4,244) (14,669)

Carrying amount of lease liabilities 10,620 13,978

(iii) *Amounts recognised in profit or loss*

Interest on lease liabilities 1,157 1,121

(iv) *Amounts recognised in statement of cash flows*

Total cash outflow for leases 4,515 4,288

(v) *Extension options*

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

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12. Leases (continued)

(b) As the lessor

Leases relate to property owned by the Group with lease terms of between 2 to 10 years, with options to extend for a further 1 to 5 years. The lessees do not have the option to purchase the property at the expiry of the lease period.

The Group and Co-operative earned property rental income of \$14,324,000 (2020: \$14,832,000) under operating leases. Direct operating expenses arising on the property in the period was \$Nil (2020: \$Nil).

13. Voluntary shares

	<u>Group and Co-operative</u>	
	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year	4,422,510	3,987,005
Amount subscribed	5,322,964	5,623,713
Interest capitalised	<u>9,733</u>	<u>10,019</u>
	9,755,207	9,620,737
Withdrawals and transfers	(5,114,574)	(5,198,227)
Balance at end of year	<u>4,640,633</u>	<u>4,422,510</u>

Voluntary shares are issued at a par value of \$2 per share. Interest is paid at a rate of 0.25% per annum.

14. Deferred shares

	<u>Group and Co-operative</u>	
	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>
Deferred Shares – 7.35% Variable	<u>885,058</u>	<u>900,000</u>

These shares were issued on May 31, 2018 at a par value of \$2 per share. They are not withdrawable for a period of five (5) years, with Series A for \$400 million maturing on June 4, 2023 and Series B for \$500 million maturing on June 4, 2028. The shares attract interest at 7.35% per annum for the first twenty four (24) months. Thereafter, the rate will be reset annually on June 15th, at the average six (6) months treasury bill yield held prior to the commencement of the relevant coupon period, plus two hundred basis points.

During December 2021, the Group repurchased a portion of the deferred shares and the amount of consideration paid is recognized as a deduction from the account. As at December 31, 2021, the Group held 7,471,085 of the deferred shares.

Based on the proposed Bank of Jamaica Credit Union Regulations, deferred shares are treated as institutional capital, and as such are included in the calculation of the capital to asset ratio. They are, however, classified in these financial statements as liabilities in accordance with the requirements of IFRS.

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15. Saving deposits

	<u>Group and Co-operative</u>	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Salary deposits	189,377	176,397
Ordinary deposits	2,641,376	2,375,286
Golden harvest deposits	19,055	201,016
Golden anchor deposits	1,412,933	1,042,195
Special deposits	918,531	790,494
Special fixed deposits	3,244,475	3,203,661
Mortgage deposits	50,204	45,834
Long-term savings deposits	100,770	100,829
Early bird savings	117,707	104,310
Partner savings accounts	182,235	138,760
High yield savings accounts	330,147	314,943
Save as you earn (SAYE)	1,883,129	1,212,890
Solid saver	328,241	311,333
Other deposits	523,207	560,713
Total savings deposits	<u>11,941,387</u>	<u>10,578,661</u>

16. Due to other institutions

	<u>Group and Co-operative</u>	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Jamaica Urban Transit Company (JUTC) revolving loan fund	4,930	4,930
Carib Star Shipping Limited staff fund	1,574	1,574
Crown Packaging Jamaica Limited staff fund	6,809	6,809
Shipping Association of Jamaica staff fund	3,000	3,000
National Water Commission (NWC) fund	19,823	19,823
JA REACH fund	-	6,311
	<u>36,136</u>	<u>42,447</u>

These represent deposits made by corporate entities which are held as security for their members' borrowings and bear interest at varying rates of interest per annum.

17. External credits

	<u>Group and Co-operative</u>	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
NHT Jump Start loan (i)	114,924	141,362
Barita Promissory Note (ii)	-	200,000
Development Bank of Jamaica (iii)	140,000	-
Sharetec loan (iv)	-	27,418
	<u>254,924</u>	<u>368,780</u>

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17. External credits (continued)

- (i) This represents advances under the National Housing Trust Jump Start mortgage fund facility which bears interest at rates ranging from 6% to 9% and are repayable over 1 to 5 years. The loans are both secured and unsecured. Each qualifying member can access a loan up to \$850,000 at any one time but the maximum loan which can be on-lent to each qualifying member is \$1,500,000.
- (ii) This represented a promissory note with Barita Investments Limited which bore interest at 5.50% and was fully repaid during the year.
- (iii) This represents \$40,000,000 and \$100,000,000 medium term loan facility with the Development Bank of Jamaica Limited for on-lending to sub-borrowers in the MSME sector. Interest rates on the loans are 0.5% per and 2% per annum respectively. The loans are repayable over 60 and 96 months respectively.
- (iv) This represented an amount payable to Sharetec for software development cost. The amount was interest free and was fully settled during the year.

18. Accruals

	<u>Group</u>		<u>Co-operative</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$'000	\$'000	\$'000	\$'000
Interest payable	87,022	74,221	87,022	74,221
Accrued vacation	27,739	23,104	27,739	23,104
Other accruals	<u>89,931</u>	<u>102,504</u>	<u>89,931</u>	<u>101,934</u>
	<u>204,692</u>	<u>199,829</u>	<u>204,692</u>	<u>199,259</u>

19. Payables

	<u>Group and Co-operative</u>	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Withholding tax	4,614	3,623
Statutory contributions	54,414	50,695
Pensions contributions payable	2,924	4,498
Standing order payments	56,292	102,813
Sundry credit balances	<u>52,970</u>	<u>55,375</u>
	<u>171,214</u>	<u>217,004</u>

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20. Other non-interest bearing liabilities

	Group		Co-operative	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Advances - Cable & Wireless Jamaica Limited	61,877	59,548	61,877	59,548
Standing orders/members holding account	10,605	11,426	10,605	11,426
Sundry payables	92,370	73,790	92,370	73,790
Estate - deceased members	95,868	67,195	95,868	67,195
Death benefits	11,591	11,608	11,591	11,608
Deferred income	2,572	2,572	2,572	2,572
Refundable to former members	7,259	7,258	7,259	7,258
Staff incentives	31,613	12,061	31,613	12,061
Lawsuits	10,212	6,681	10,212	6,681
Miscellaneous	2,394	14,918	13,242	11,431
	<u>326,361</u>	<u>267,057</u>	<u>337,209</u>	<u>263,570</u>

21. Permanent shares

Permanent shares are issued at a par value of \$2 per share. They form part of the permanent capital of the Co-operative and are not withdrawable [note 3(g)(i)]. As at December 31, 2021, the Co-operative has 136,406 members (2020: 131,767).

In a meeting of the Board of Directors held on March 22, 2021 (2020: March 28, 2020) a dividend of \$13,938,000 (2019: \$21,699,000) representing approximately 5% (2020: 8%) of the value of the membership qualification shares was declared.

22. Institutional capital

	Group and Co-operative	
	2021	2020
	\$'000	\$'000
Statutory and legal reserve (i)	1,745,547	1,502,870
General reserve (ii)	12,449	12,449
Business combination reserve (iii)	489,534	489,534
Retained earnings reserve (iv)	26,188	26,188
	<u>2,273,718</u>	<u>2,031,041</u>

(i) Statutory and legal reserve

	Group and Co-operative	
	2021	2020
	\$'000	\$'000
Balance at beginning of year	1,502,870	1,232,189
Transfer for the year [87.18% (2020: 65.82%) of surplus]	240,632	269,463
Entrance fees	2,045	1,218
Balance at end of year	<u>1,745,547</u>	<u>1,502,870</u>

As required by the Co-operative Societies Act a minimum of twenty (20%) of the annual surplus is transferred to reserves. Amounts collected for entrance fees are also included in this reserve.

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22. Institutional capital (continued)

(ii) General reserve

This represents accumulated surplus transferred from Marine and Allied Co-operative Credit Union Limited and Clarendon Co-operative Credit Union Limited on their merger with the Co-operative.

(iii) Business combination reserve

This represents the excess of the fair value of net assets acquired and the fair value for shares issued to members in the business combinations.

(v) Retained earnings reserve

This represents transfers from surplus which are not available for distribution.

23. Non-institutional capital

	Group		Co-operative	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Loan loss reserve (a)	122,313	122,313	122,313	122,313
Other non-qualifying reserves (b)	35,078	29,895	35,078	29,895
False value reserve (c)	35,677	33,108	35,677	33,108
Undistributed net surplus	<u>60,183</u>	<u>58,857</u>	<u>35,376</u>	<u>32,935</u>
	<u>253,251</u>	<u>244,173</u>	<u>228,444</u>	<u>218,251</u>

(a) Loan loss reserve

This is a non-distributable reserve representing the excess of the provision for loan losses determined by using the JCCUL regulatory requirement as well as any additional general provision as determined by management and the Group's policies over the amount determined under IFRS.

(b) Other non-qualifying reserves

These represent amounts set aside by the Group to be used for specified purposes determined by the Group or the donors to the specified funds and are made up as follows:

	Group and Co-operative	
	2021	2020
	\$'000	\$'000
Special reserve	10	10
Scholarship fund	3,169	3,374
Disaster and social outreach fund	15,199	11,417
Education reserve	147	147
Development fund	300	300
Share transfer fund	12,652	10,983
Leslie Mills Trust fund	<u>3,601</u>	<u>3,664</u>
	<u>35,078</u>	<u>29,895</u>

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23. Non-institutional capital (continued)

(c) Fair value reserve

This represents the unrealised surplus or deficit on the revaluation of financial assets at fair value through other comprehensive income.

24. Other financial costs

	Group	Co-operative	Group and Co-operative
	2021	2021	2020
	\$'000	\$'000	\$'000
Life savings and loan protection insurance	53,077	53,077	52,013
Lease Finance Cost	1,157	1,157	1,121
Bank charges	30,896	30,893	24,766
ABM fees	6,112	6,112	7,494
Other financial cost	3	3	4
	<u>91,245</u>	<u>91,242</u>	<u>85,398</u>

25. Other non-interest income

	Group and Co-operative	
	2021	2020
	\$'000	\$'000
Commission on bill collections and remittance services	14,849	12,086
Gains on foreign exchange	23,892	10,581
Realised gains on investments	11,795	28,040
Family Indemnity Plan commission	13,788	13,360
Dividends on equity investments	5,860	2,150
Miscellaneous income	6,900	14,215
Bad debts recovered	<u>31,367</u>	<u>27,454</u>
	<u>108,451</u>	<u>107,886</u>

26. Operating expenses

	Group		Co-operative	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Personnel expenses				
Employee salaries and allowances	725,028	661,923	725,028	661,923
Employee benefits	122,637	118,579	122,637	118,579
Pension contribution	12	12	12	12
Education and training	10,969	4,760	10,969	4,760
Staff travel and related expenses	<u>3,533</u>	<u>4,272</u>	<u>3,533</u>	<u>4,272</u>
	<u>862,179</u>	<u>789,546</u>	<u>862,179</u>	<u>789,546</u>

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26. Operating expenses (continued)

	Group		Co-operative	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Administrative expenses				
Utilities	54,502	51,782	54,502	51,782
Depreciation - property, plant and equipment	47,793	43,793	47,793	43,793
Depreciation - right-of-use assets	5,054	2,242	5,054	2,242
Audit fees	19,818	10,260	18,955	9,690
Professional fees	50,153	40,140	50,153	40,140
Repairs and maintenance (office)	30,638	44,276	30,638	44,276
Janitorial and security	95,559	81,656	95,559	81,656
Vehicle expenses	1,251	672	1,251	672
Telecommunications	53,588	47,692	53,588	47,692
Printing, stationery and supplies	25,739	27,307	25,739	27,307
Data processing	63,641	59,547	63,641	59,547
Insurance premiums	10,252	8,394	10,252	8,394
Amortisation of intangible assets	39,701	40,098	39,701	40,098
Impairment of intangible assets	4,748	-	4,748	-
Subscriptions	23,749	34,085	23,749	34,085
Loss on disposal of property, plant and equipment	97	-	97	-
Other administrative expenses	<u>25,305</u>	<u>36,913</u>	<u>25,056</u>	<u>62,152</u>
	<u>551,588</u>	<u>528,857</u>	<u>550,476</u>	<u>553,526</u>
Marketing and promotion:				
Publicity and promotion	<u>55,959</u>	<u>65,604</u>	<u>55,959</u>	<u>65,604</u>
Representation and affiliation				
League and other dues	38,156	37,847	38,156	37,847
Seminars and meetings	7,159	1,890	7,159	1,890
Committees	30,223	27,947	30,223	27,947
Annual general meeting	<u>5,699</u>	<u>5,725</u>	<u>5,699</u>	<u>5,725</u>
	<u>81,237</u>	<u>73,409</u>	<u>81,237</u>	<u>73,409</u>
TOTAL OPERATING EXPENSES	<u>1,550,963</u>	<u>1,457,416</u>	<u>1,549,851</u>	<u>1,482,085</u>

27. Comparison of ledger balances for the Co-operative

	Voluntary shares	Saving deposits	Loans
	\$'000	\$'000	\$'000
December 31, 2021			
General ledger	4,640,633	11,941,387	13,184,321
Personal ledger	<u>4,640,633</u>	<u>11,941,387</u>	<u>13,184,321</u>
Difference	-	-	-
December 31, 2020:			
General ledger	4,422,510	10,578,661	13,279,832
Personal ledger	<u>4,422,510</u>	<u>10,578,661</u>	<u>13,279,832</u>
Difference	-	-	-

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28. Related parties, 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" in this case, the Co-operative).

- a) A person or a close member of that person's family is related to the Co-operative if that person:
- has control or joint control over the Co-operative;
 - has significant influence over the Co-operative; or
 - is a member of the key management personnel of the Co-operative or of a parent of the Co-operative.
- b) An entity is related to the Co-operative if any of the following conditions applies:
- The entity and the Co-operative are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - 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).
 - Both entities are joint ventures of the same third party.
 - One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - The entity is a post-employment benefit plan for the benefit of employees of either the Co-operative or an entity related to the Co-operative.
 - The entity is controlled, or jointly controlled by a person identified in (a).
 - 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).
 - The entity, or any member of a group of which it is a part, provides key management personnel services to the Co-operative or the parent of the Co-operative.

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

- (c) The statement of financial position includes the following balances with related parties:

	<u>Group and Co-operative</u>	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
(i) Loan balances (including interest)		
Board and committee members	47,935	53,864
Other key management personnel	71,908	79,620
Relatives of senior management	<u>50,786</u>	<u>44,593</u>

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28. Related party balances and transactions (continued)

- (c) The statement of financial position includes the following balances with related parties (continued):

	<u>Group and Co-operative</u>	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
(ii) Deposits (including interest)		
Board and committee members	31,754	44,669
Key management personnel	11,286	7,412
Others	<u>3,386</u>	<u>3,495</u>
(iii) Shares		
Board and committee members	44	59
Key management personnel	6	8
Others	<u>10</u>	<u>20</u>

The loans are secured, except for \$2,624,000 (2020: \$8,971,353) and are being repaid in accordance with the terms of the loans. No waivers were granted in respect of these loans and no provision was made for any of these loans.

- (d) The Co-operative's statement of profit or loss and other comprehensive income includes the following transactions with related parties:

	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Subsidiary:		
Expense:		
Loan written off	-	24,928
Administrative fees	120	117
Management fees	<u>663</u>	<u>497</u>

- (e) Compensation of key management personnel:

Remuneration of key members of management, reported in personnel expenses (note 27), of the Co-operative during the year was as follows:

	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Salaries	70,548	54,414
Other short-term employment benefits	<u>20,904</u>	<u>17,230</u>
	<u>91,452</u>	<u>71,644</u>

29. Life savings and loan protection insurance

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

30. Fidelity insurance

Fidelity insurance coverage was adequately maintained during the year.

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31. Financial risk management

By its nature, the Group's activities are principally related to the use of financial instruments, which involves analysis, evaluation and management of some degree of risk or combination of risks. The Group manages risk through a framework of risk principles, organisational structures and risk management and monitoring processes that are closely aligned with the activities of the Group. Risk management policies are designed to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits by means of regularly generated reports. The Group's aim is therefore to achieve an appropriate balance between risks and return and minimize potential adverse effects on the Group's financial performance.

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board has established committees for managing and monitoring risks.

Three key committees for managing and monitoring risks are:

Asset and Liability Management Committee (ALCO)

The ALCO is responsible for managing the Group's assets and liabilities and the overall financial structure. It is also primarily responsible for managing the funding and liquidity risk of the Group.

Risk management policies and systems are reviewed regularly by the ALCO and recommendations made to the Board of Directors to reflect changes in market conditions, products and services. The ALCO reports monthly to the Board on their activities.

Supervisory Committee

The Supervisory Committee is responsible for monitoring compliance with the Group's risk management policies and procedures and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The Supervisory Committee is assisted in these functions by the Internal Audit function which undertakes periodic reviews of risk management controls and procedures, the results of which are reported to the Board.

Credit Committee

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

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31. Financial risk management (continued)

(a) Credit risk:

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. This risk arises primarily from the Group's loans to members, earning and non-earning liquid assets and financial investments. There is also credit risk exposure in respect of financial instruments not reflected in the statement of financial position such as loan commitments and guarantees. These expose the Group to similar risks as loans and are managed in the same manner. The carrying amount of financial assets represents the maximum credit exposure.

(i) Loans to members and guarantees

The Board of Directors is responsible for formulating the credit policies, establishing the authorisation structure for the approval of credit facilities, limiting concentration of exposure to counterparties and developing and maintaining the Credit Union's risk ratings. The management of credit risk in respect of loans to members and guarantees is delegated to the Credit Committee.

The Credit Committee has oversight responsibility for the Group's credit risk management process, including reviewing and assessing credit risk. There is a documented credit policy in place which guides the Group's credit review process. The Credit Committee reports to the Board on a monthly basis.

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Credit Review Process

The documented procedures established loan policy and loan interest rates that manage risk and provide the best possible rate based on the member's credit worthiness at the time of the loan; protects saver interests by managing risk; provides competitive interest rates and prompt service to borrowers; complies with all applicable laws and regulations.

Risk based lending which was implemented by the Group provides different rates for different borrowers based on their financial circumstances and credit history. Members applying for loans are evaluated against a pre-determined set of factors in determining and assigning their appropriate risk category.

Risk categories range between "A" to "D", with "A" being the lowest risk and "D" being the highest risk. This assigned risk category forms the basis of the loan approval and interest rate decision. Regular monitoring and review are undertaken by Internal Audit and the Credit Committee, the results of which are reported to the Board on a monthly basis.

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CREDIT UNION LIMITED (C&WJCCUL)

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31. Financial risk management (continued)

(a) Credit risk (continued):

(i) Loans to members and guarantees (continued)

Collateral

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

Collateral is not generally held against deposits and investment securities, except for securities held as part of reverse repurchase agreements (see note 6). The table below sets out the gross amount of loans and the value of identifiable collateral held against loans to members. For each loan, the value of disclosed collateral is capped at the nominal amount of the loan that it is held against. When a loan becomes credit-impaired, the fair value of the collateral is updated and used in calculating the ECL, otherwise a proxy for collateral value is generally used on a portfolio basis to compute the ECL throughout the year.

	Group				
	2021				
	Collaterals				
	Gross amount	Cash	Motor Vehicles	Real Estate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Stage 1	12,653,734	1,371,881	7,674,888	2,301,074	11,347,843
Stage 2	264,381	4,908	182,766	35,849	223,523
Stage 3	270,531	777	127,073	40,935	168,785
	<u>13,188,646</u>	<u>1,377,566</u>	<u>7,984,727</u>	<u>2,377,858</u>	<u>11,740,151</u>
	2020				
	Collaterals				
	Gross amount	Cash	Motor Vehicles	Real Estate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Stage 1	12,946,145	1,194,525	8,095,657	1,952,092	11,242,274
Stage 2	291,924	380	102,585	36,950	139,915
Stage 3	129,201	2,018	56,326	21,307	79,651
	<u>13,295,270</u>	<u>1,196,923</u>	<u>8,254,568</u>	<u>2,010,349</u>	<u>11,461,840</u>

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31. Financial risk management (continued)

(a) Credit risk (continued):

(i) Loans to members and guarantees (continued)

Collateral (continued)

	Co-operative				
	2021				
	Collaterals				
	Gross amount	Cash	Motor Vehicles	Real Estate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Stage 1	12,649,409	1,371,881	7,674,888	2,301,074	11,347,843
Stage 2	264,381	4,908	182,766	35,849	223,523
Stage 3	270,531	777	127,073	40,935	168,785
	<u>13,184,321</u>	<u>1,377,566</u>	<u>7,984,727</u>	<u>2,377,858</u>	<u>11,740,151</u>
	2020				
	Collaterals				
	Gross amount	Cash	Motor Vehicles	Real Estate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Stage 1	12,930,707	1,194,525	8,095,657	1,952,092	11,242,274
Stage 2	219,924	380	102,585	36,950	139,915
Stage 3	129,201	2,018	56,326	21,307	79,651
	<u>13,279,832</u>	<u>1,196,923</u>	<u>8,254,568</u>	<u>2,010,349</u>	<u>11,461,840</u>

Collateral consist mainly of motor vehicles, real estate, and cash. There was no significant changes in the quality of collateral held during the year.

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the member's financial position and where the Group has made concessions that it would not otherwise consider. Once the loan is restructured, it remains in this category independent of satisfactory performance after restructuring. Renegotiated loans for the Group and Co-operative amounted to \$59.6m (2020: \$54.6m). There was no renegotiated loss on these loans.

Write-off policy

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

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31. Financial risk management (continued)

(a) Credit risk (continued):

(ii) Liquid assets and investment securities

The Group limits its exposure to credit risk by investing mainly in liquid assets. These investments and other liquid assets are held mainly in Government of Jamaica securities and with counterparties that Management regards as sound. Management has no specific policy in place to manage the risk on these instruments, except that the Group remains alert regarding known information about these counterparties by constantly monitoring the economic environment. The strength of these institutions is constantly reviewed by the ALCO Committee.

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

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

At the origination of loans, a rating assessment is done by management, which is also used to assess loans on an ongoing basis. The scoring and risk rating is as follows:

Secured loans	Unsecured loans	Risk rating
869 – 1000	869 -1000	A
586 – 868	579 – 868	B
301 – 585	281 – 578	C
Less than 301	less than 281	D

The risk ratings are weighted based on scores allocated for credit reports, debt service ratio, method of payments, and employment stability.

The following tables set out information about the maximum exposure to credit risk and the credit quality of loans to members, based on the above scoring system. Unless specifically indicated, the amounts in the table represent gross carrying amounts.

Loans to members:

	Group			
	2021			
	Stage 1	Stage 2	Stage 3	Total
	\$'000	\$'000	\$'000	\$'000
Credit grade				
Grade A – Low risk	12,419,913	41,971	-	12,461,884
Grade B – Average risk	233,821	222,410	26,913	483,144
Grade D – High risk	-	-	243,618	243,618
	12,653,734	264,381	270,531	13,188,646
Loss allowance [note 2(a)(iv)(d)]	(87,054)	(8,169)	(215,458)	(310,681)
	12,566,680	256,212	55,073	12,877,965

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31. Financial risk management (continued)

(a) Credit risk (continued):

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

Loans to members (continued):

	Group			
	2020			
	Stage 1	Stage 2	Stage 3	Total
	\$'000	\$'000	\$'000	\$'000
Credit grade				
Grade A – Low risk	12,856,514	4,354	-	12,860,868
Grade B – Average risk	86,371	209,929	17,829	314,129
Grade C	-	-	2,008	2,008
Grade D – High risk	-	-	118,265	118,265
	12,942,885	214,283	138,102	13,295,270
Loss allowance [note 32(a)(iv)(d)]	(104,384)	(8,700)	(99,511)	(212,595)
	12,838,501	205,583	38,591	13,082,675
	Co-operative			
	2021			
	Stage 1	Stage 2	Stage 3	Total
	\$'000	\$'000	\$'000	\$'000
Credit grade				
Grade A – Low risk	12,415,588	41,971	-	12,457,559
Grade B – Average risk	233,821	222,410	26,913	483,144
Grade D – High risk	-	-	243,618	243,618
	12,649,409	264,381	270,531	13,184,321
Loss allowance [note 32(a)(iv)(d)]	(87,052)	(8,169)	(215,458)	(310,679)
	12,562,357	256,212	55,073	12,873,642
	2020			
	Stage 1	Stage 2	Stage 3	Total
	\$'000	\$'000	\$'000	\$'000
Credit grade				
Grade A – Low risk	12,841,076	4,354	-	12,845,430
Grade B – Average risk	86,371	209,929	17,829	314,129
Grade C	-	-	2,008	2,008
Grade D – High risk	-	-	118,265	118,265
	12,927,447	214,283	138,102	13,279,832
Loss allowance [note 32(a)(iv)(d)]	(104,376)	(8,700)	(99,511)	(212,587)
	12,823,071	205,583	38,591	13,067,245

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31. Financial risk management (continued)

(a) Credit risk (continued):

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

Loans to members (continued):

Loan commitment for the Group and the Co-operative amounted to \$368,346,000 (2020: \$441,911,000) on which no ECL was provided. The loan commitment falls in stage 1.

Debt securities and other financial assets at amortised cost:

	Group and Co-operative	
	2021	2020
	Stage 1	Stage 1
	\$'000	\$'000
Credit grade		
BBB+ and above	133,200	48,455
Non-investment grade	4,679,124	2,737,108
	4,812,324	2,785,563
Loss allowance	(17,231)	(6,162)
	4,795,093	2,779,401
Movement in allowance:		
Balance of the beginning of the year	6,162	16,311
Additions/(recoveries) for the year	11,069	(10,149)
Balance at end of year	17,231	6,162

(iv) Impairment

Inputs, assumptions and techniques used for estimating impairment

(a) *Significant increase in credit risk*

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

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

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

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31. Financial risk management (continued)

(a) Credit risk (continued):

(iv) Impairment (continued)

Inputs, assumptions and techniques used for estimating impairment (continued)

(a) *Significant increase in credit risk (continued)*

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

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

Credit risk grades:

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

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

- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes.
- Data from credit reference agencies, press articles, changes in external credit ratings.
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities.
- External data from credit reference agencies, including industry-standard credit scores.
- Payment record, which includes overdue status as well as a range of variables about payment ratios.
- Existing and forecast changes in business, financial and economic conditions.

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31. Financial risk management (continued)

(a) Credit risk (continued):

(iv) Impairment (continued)

Inputs, assumptions and techniques used for estimating impairment (continued)

(a) Significant increase in credit risk (continued)

Determining whether credit risk has been increased significantly:

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

Credit risk is deemed to increase significantly where the credit rating of a security decreased four or more levels on the international credit rating scale since the rating at origination date or the issuer of the instrument is experiencing or is very likely to experience one or more adversities and where there are adverse changes in one or more of the credit risk drivers that could increase the likelihood of default since the origination of loans.

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

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

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

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired;

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31. Financial risk management (continued)

(a) Credit risk (continued):

(iv) Impairment (continued)

(a) Significant increase in credit risk (continued)

Determining whether credit risk has been increased significantly (continued):

- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2);
- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held);
- the borrower is more than 90 days past due on any material credit obligation to the Group.
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

Definition of default:

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

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

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances. The Group considers a loan to be in default if it is overdue for 90 days or more.

The definition of default aligns with that applied by the Group for regulatory capital purposes.

(b) Incorporation of forward-looking information

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

The Group uses a forward-looking score card model to estimate the potential of future economic conditions. It formulates three economic scenarios: a base case, which is the median scenario assigned a 50% probability of occurring, and two less likely scenarios, one upside and one downside, each assigned a 20% and 30% probability of occurring, respectively. Each scenario considers the expected impact of interest rates, unemployment rates, gross domestic product (GDP) and inflation. The base case is aligned with information used by the Group for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecasts published by governmental bodies and monetary authorities in Jamaica, supranational organisations and selected private-sector forecasters.

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31. Financial risk management (continued)

(a) Credit risk (continued):

(iv) Impairment (continued)

(c) *Measurement of ECL*

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

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

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

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

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

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

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

Where the regulatory and general computations exceed IFRS the additional allowance is treated as an appropriation and taken to reserves.

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31. Financial risk management (continued)

(a) Credit risk (continued):

(iv) Impairment (continued)

(d) *Loss allowance*

The loss allowance recognised is analysed as follow:

Loan to members:

	Group			
	2021			
	Stage 1	Stage 2	Stage 3	Total
Loan to members:				
Allowance at beginning of year	104,384	8,700	99,511	212,595
Transfers:				
Transfer from stage 1	(200,426)	129	200,297	-
Transfer from stage 2	2,682	(2,691)	9	-
Transfer from stage 3	56,364	-	(56,364)	-
New financial assets originated or purchased	259,377	5,204	-	264,581
Financial assets derecognised during the period	(135,327)	(3,173)	(27,995)	(166,495)
Allowance at end of year	<u>87,054</u>	<u>8,169</u>	<u>215,458</u>	<u>310,681</u>
	Group			
	2020			
	Stage 1	Stage 2	Stage 3	Total
Loan to members:				
Allowance at beginning of year	73,246	4,136	177,716	255,098
Transfers:				
Transfer from stage 1	(22,889)	443	22,446	-
Transfer from stage 2	7,078	(7,358)	280	-
Transfer from stage 3	-	12,776	(12,776)	-
New financial assets originated or purchased	54,077	15,527	-	69,604
Financial assets derecognised during the period	(7,128)	(16,824)	(88,155)	(112,107)
Allowance at end of year	<u>104,384</u>	<u>8,700</u>	<u>99,511</u>	<u>212,595</u>

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31. Financial risk management (continued)

(a) Credit risk (continued):

(iv) Impairment (continued)

(d) Loss allowance (continued)

The loss allowance recognised is analysed as follow: (continued)

Loan to members:

	Co-operative			
	2021			
	Stage 1	Stage 2	Stage 3	Total
Loan to members:				
Allowance at beginning of year	104,376	8,700	99,511	212,587
Transfers:				
Transfer from stage 1	(200,426)	129	200,297	-
Transfer from stage 2	2,682	(2,691)	9	-
Transfer from stage 3	56,364	-	(56,364)	-
New financial assets originated or purchased	259,377	5,204	-	264,581
Financial assets derecognised during the period	(135,321)	(3,173)	(27,995)	(166,489)
Allowance at end of year	87,052	8,169	215,458	310,679
	Co-operative			
	2020			
	Stage 1	Stage 2	Stage 3	Total
Loan to members:				
Allowance at beginning of year	73,246	4,136	177,716	255,098
Transfers:				
Transfer from stage 1	(22,889)	443	22,446	-
Transfer from stage 2	7,078	(7,358)	280	-
Transfer from stage 3	-	12,776	(12,776)	-
New financial assets originated or purchased	54,069	15,527	-	69,596
Financial assets derecognised during the period	(7,128)	(16,824)	(88,155)	(112,107)
Allowance at end of year	104,376	8,700	99,511	212,587

No loss allowance was recognized on loan commitments as the amount was insignificant.

(v) Concentration of, and maximum exposure to, credit risk:

All the Group's assets are located in Jamaica, the Group therefore monitors credit risk by sector. An analysis of concentration of credit risk from loans to members, loan commitments, earning and non-earning assets and financial investments is show below, which represent the Group and Co-operative maximum exposure to credit risk:

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31. Financial risk management (continued)

(a) Credit risk (continued):

(v) Concentration of, and maximum exposure to, credit risk: (continued)

	Group				
	Government \$'000	Corporate \$'000	Financial institutions \$'000	Individuals \$'000	Total \$'000
As at December 31, 2021					
Loans to members	-	-	-	13,002,288	13,002,288
Liquid assets	-	2,514,336	1,359,832	-	3,874,168
Financial investments	70,213	2,077,745	743,064	-	2,891,022
Liquid assets non-earning	-	-	162,447	-	162,447
Other assets	3,846	132,864	26,616	-	163,326
Total financial assets	74,059	4,724,945	2,291,959	13,002,288	20,093,251
Loan commitments	-	-	-	368,346	368,346
	74,059	4,724,945	2,291,959	13,370,634	20,461,597
As at December 31, 2020					
Loans to members	-	-	-	13,242,829	13,242,829
Liquid assets	-	1,932,532	957,986	-	2,890,518
Financial investments	109,383	1,204,157	522,332	-	1,835,873
Liquid assets non-earning	-	-	224,966	-	224,966
Other assets	1,519	177,238	12,689	-	191,446
Total financial assets	110,903	3,313,927	1,717,973	13,242,829	18,385,632
Loan commitments	-	-	-	441,911	441,911
	110,903	3,313,927	1,632,173	13,684,740	18,827,543
	Co-operative				
	Government \$'000	Corporate \$'000	institutions \$'000	Individuals \$'000	Total \$'000
As at December 31, 2021					
Loans to members	-	-	-	12,997,957	12,997,957
Liquid assets	-	2,514,336	1,359,832	-	3,874,168
Financial investments	70,213	2,077,745	743,064	-	2,891,022
Liquid assets non-earning	-	-	147,891	-	147,891
Other assets	3,846	137,782	26,616	-	165,744
Total financial assets	74,059	4,729,863	2,277,403	12,997,957	19,986,050
Loan commitments	-	-	-	368,346	368,346
	74,059	4,729,863	2,277,403	13,366,303	20,447,628
As at December 31, 2020					
Loans to members	-	-	-	13,227,400	13,227,400
Liquid assets	-	1,932,532	957,986	-	2,890,518
Financial investments	109,384	1,204,157	522,332	-	1,835,873
Liquid assets non-earning	-	-	210,436	-	210,436
Other assets	1,519	177,208	12,689	-	191,446
Total financial assets	110,903	3,313,897	1,703,443	13,227,400	18,355,673
Loan commitments	-	-	-	441,911	441,911
	110,903	3,313,897	1,703,443	13,669,311	18,797,554

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31. Financial risk management (continued)

(b) Liquidity risk:

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Group is exposed to daily calls on its available cash resources from loan draw-downs, withdrawal of saving deposits, and maturing deferred shares. The approach to managing liquidity is to ensure, as far as possible, that there is always sufficient cash and marketable securities to meet obligations when due, under normal and also under stressed conditions. The Board of Directors has delegated responsibility for the management of liquidity risk to the Asset and Liability Management Committee. On a monthly basis, the committee reviews the ratios and gap reports in order to assess and manage liquidity risk and to ensure compliance with internal policies and regulatory guidelines. The Group manages its liquidity levels on a daily basis by the monitoring of future cash flows and maintenance of adequate amount of committed facilities.

The key measures used by the Group for managing liquidity risk is the ratio of liquid assets to total savings deposits. For this purpose, liquid assets include cash and bank balances, deposits held with the JCCUL and highly liquid investments which have maturities up to nine months.

The Group is subject to a liquidity limit imposed by JCCUL and compliance is regularly monitored. This limit requires that the Group maintain liquid assets amounting to at least 10% of withdrawable saving deposits. The liquid asset ratio as at December 31, 2021 was approximately 24.36% (2020: 20.74%) which is in compliance with the standard.

Voluntary shares and savings deposits have no contractual maturity. The amounts have therefore been included in the earliest period payable. Management estimate that the expected cash flows on these instruments will occur much later as determined by retention history. These may vary significantly from actual cash flows which are generally expected to maintain a stable or increasing balance.

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

The following table represents the undiscounted cash flows (gross principal and interest cash flows) to settle financial liabilities based on contractual repayment obligations at the reporting date. Based on experience however, the Group expects that the actual cash flows will be significantly less than the contractual cash flows, as most members will not request repayment on the contractual maturity date, but will reinvest their funds with the Group.

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CREDIT UNION LIMITED (C&WJCCUL)

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31. Financial risk management (continued)

(b) Liquidity risk (continued):

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash and bank balances, liquid deposits at JCCUL, investment securities and loans to members.

	Group Contractual cashflows					Total contractual cash flows \$'000	Total carrying amount \$'000
	Within 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000			
As at December 31, 2021							
Lease liabilities	1,129	3,385	4,427	5,923	14,864	10,620	
Voluntary shares	4,640,633	-	-	-	4,640,633	4,640,633	
Deferred shares	7,136	21,409	899,330	-	927,875	885,058	
Saving deposits	12,129,431	-	-	-	12,129,431	11,941,387	
Due to other institutions	-	-	41,782	-	41,782	36,136	
External credits	550	1,650	170,096	116,000	288,296	254,924	
Other liabilities	702,267	-	-	-	702,267	702,267	
Total financial liabilities	17,481,146	26,444	1,115,635	121,923	18,745,148	18,471,025	
As at December 31, 2020							
Lease liabilities	-	3,428	13,265	11,954	28,647	13,978	
Voluntary shares	4,422,510	-	-	-	4,422,510	4,422,510	
Deferred shares	7,560	22,680	945,360	-	975,600	900,000	
Saving deposits	10,930,979	-	-	-	10,930,979	10,578,661	
Due to other institutions	-	-	43,388	-	43,388	42,447	
External credits	200,917	-	175,141	-	376,058	368,780	
Other liabilities	683,890	-	-	-	683,890	683,890	
Total financial liabilities	16,245,856	26,108	1,177,154	11,954	17,461,072	17,010,266	

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31. Financial risk management (continued)

(b) Liquidity risk (continued):

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash and bank balances, liquid deposits at JCCUL, investment securities and loans to members.

	Co-operative Contractual cashflows				
	Within 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000
As at December 31, 2021					
Lease liabilities	1,129	3,385	4,427	5,923	14,864
Voluntary shares	4,640,633	-	-	-	4,640,633
Deferred shares	7,136	21,409	899,330	-	927,875
Saving deposits	12,129,431	-	-	-	12,129,431
Due to other institutions	-	-	41,782	-	41,782
External credits	550	1,650	170,096	116,000	288,296
Other liabilities	713,115	-	-	-	713,115
Total financial liabilities	17,491,994	26,444	1,115,635	121,923	18,755,996
As at December 31, 2020					
Lease Liabilities	-	3,428	13,265	11,954	28,647
Voluntary shares	4,422,510	-	-	-	4,422,510
Deferred shares	7,560	22,680	945,360	-	975,600
Saving deposits	10,930,979	-	-	-	10,930,979
Due to other institutions	-	-	43,388	-	43,388
External credits	200,917	-	175,141	-	376,058
Other liabilities	679,833	-	-	-	679,833
Total financial liabilities	16,241,799	26,108	1,177,154	11,954	17,457,015
					17,006,209
					13,978
					4,422,510
					900,000
					10,578,661
					42,447
					368,780
					679,833

COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)

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31. Financial risk management (continued)

(c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. These arise mainly from changes in interest rates, foreign currency rates and equity prices and will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to monitor and control market risk exposures within acceptable parameters, while optimising the return on investments. Market risk exposures are measured using sensitivity analyses.

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

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or cash flows of a financial instrument will vary because of exchange rate fluctuations. The Group is exposed to foreign currency risk due to fluctuations in exchange rates on transactions and balances that are denominated in currencies other than the Jamaica dollar. The Group ensures that its net foreign currency exposure is kept to an acceptable level by buying or selling currencies at spot rates when necessary to address short-term imbalances.

The Group's exposure to foreign currency risk at the reporting date was as follows:

	Group and 2021 \$'000	Co-operative 2020 \$'000
United States dollar (USD) - Liquid assets	319	190
- Financial investments	1,606	1,291
Canadian dollar (CDN) - Liquid assets	18	3
Pounds sterling (GBP) - Liquid assets	8	2

Sensitivity analysis

Bank of Jamaica's exchange rates in terms of the Jamaica dollar which is the Group's principal intervening currency were as follows:

	USD	CDN	GBP
December 31, 2021	152.75	121.82	208.11
December 31, 2020	140.77	106.12	186.97

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31. Financial risk management (continued)

(c) Market risk (continued):

(i) Foreign currency risk (continued)

Sensitivity analysis (continued)

The strengthening or weakening of the Jamaican dollar by the extent shown against each currency would have increased/reduced surplus and equity by amounts shown below.

Currency	Group and Co-operative			
	2021		2020	
	Strengthening/ (weakening) %	Effect on surplus \$'000	Strengthening/ (weakening) %	Effect on surplus \$'000
USD	4 (6)	11,762 (17,643)	2 (6)	4,170 (12,508)
CDN	4 (6)	88 (132)	2 (6)	6 (19)
GBP	4 (6)	67 (100)	2 (6)	- -

The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2020.

(ii) Interest rate risk

Interest rate risk is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments due to a change in market interest rates. It arises when there is a mismatch between interest-earning assets and interest-earning liabilities which are subject to interest rate adjustments within a specified period. It can be reflected as a loss of future net interest income and/or a loss of current market values. Interest rate risk is managed principally through monitoring interest rate gaps and by setting pre-approved gap ratios. The Group maintains a mix of long and short-term interest-bearing assets that will give it flexibility to take advantage of changes in market interest rates. The Asset and Liability Management Committee has oversight responsibility for the management and monitoring of interest rate risk and reports frequently to the Board of Directors on its strategies and position. Management estimate that the expected cash flows on these instruments will occur much later as demonstrated by retention history. These may vary significantly from actual cash flows which are generally expected to maintain a stable or increasing balance.

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31. Financial risk management (continued)

(c) Market risk (continued):

(ii) Interest rate risk (continued)

The following table summarises the exposure to interest rate risk. They include the financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Group 2021					
	1 to 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Non- interest bearing \$'000	Total carrying amount \$'000
Assets						
Loans to members	24,882	12,954,715	17,890	4,801	-	13,002,288
Liquid assets	1,921,979	1,952,189	-	-	-	3,874,168
Financial Investments	130,000	189,946	1,348,435	492,123	730,518	2,891,022
Non-earning liquid assets	-	-	-	-	162,447	162,447
Other assets	-	-	-	-	163,326	163,326
Total financial assets	2,076,861	15,096,850	1,366,325	496,924	1,056,291	20,093,251
Liabilities						
Lease liabilities	807	2,419	3,163	4,231	-	10,620
Voluntary shares	4,640,633	-	-	-	-	4,640,633
Deferred shares	-	-	885,058	-	-	885,058
Saving deposits	11,941,387	-	-	-	-	11,941,387
Due to other institutions	-	-	36,136	-	-	36,136
External credits	486	1,459	44,212	102,572	106,195	254,924
Other liabilities	-	-	-	-	702,267	702,267
Total financial liabilities	16,583,313	3,878	968,569	106,803	808,462	18,471,025
Total interest rate sensitivity gap	(14,506,452)	15,092,972	397,756	390,121	247,829	1,622,226
Cumulative interest rate sensitivity gap	(14,506,452)	586,520	984,276	1,374,397	1,622,226	-

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31. Financial risk management (continued)

(c) Market risk (continued):

(ii) Interest rate risk (continued)

	Group 2020					
	1 to 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Non- interest bearing \$'000	Total carrying amount \$'000
Assets						
Loans to members	44,966	13,171,345	24,170	2,348	-	13,242,829
Liquid assets	1,145,801	1,744,717	-	-	-	2,890,518
Financial Investments	436,534	150,000	425,766	82,749	740,824	1,835,873
Non-earning liquid assets	-	-	-	-	224,996	224,996
Other assets	-	-	-	-	191,416	191,416
Total financial assets	1,627,301	15,066,062	449,936	85,097	1,157,236	18,385,632
Liabilities						
Lease liabilities	-	-	13,978	-	-	13,978
Voluntary shares	4,422,510	-	-	-	-	4,422,510
Deferred shares	-	900,000	-	-	-	900,000
Saving deposits	10,578,661	-	-	-	-	10,578,661
Due to other institutions	-	-	42,447	-	-	42,447
External credits	-	-	368,780	-	-	368,780
Other liabilities	-	-	-	-	683,890	683,890
Total financial liabilities	15,001,171	900,000	425,205	-	683,890	17,010,266
Total interest rate sensitivity gap	(13,373,870)	14,166,062	24,731	85,097	473,346	1,375,366
Cumulative interest rate sensitivity gap	(13,373,870)	792,192	816,923	902,020	1,375,366	-

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31. Financial risk management (continued)

(c) Market risk (continued):

(ii) Interest rate risk (continued)

	Co-operative 2021					
	1 to 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Non- interest bearing \$'000	Total carrying amount \$'000
Assets						
Loans to members	24,882	12,950,384	17,890	4,801	-	12,997,957
Liquid assets	1,921,979	1,952,189	-	-	-	3,874,168
Financial Investments	130,000	189,946	1,348,435	492,123	730,518	2,891,022
Non-earning liquid assets	-	-	-	-	147,891	147,891
Other assets	-	-	-	-	168,244	168,244
Total financial assets	2,076,861	15,092,519	1,366,325	496,924	1,046,653	20,079,282
Liabilities						
Lease liabilities	807	2,419	3,163	4,231	-	10,620
Voluntary shares	4,640,633	-	-	-	-	4,640,633
Deferred shares	-	-	885,058	-	-	885,058
Saving deposits	11,941,387	-	-	-	-	11,941,387
Due to other institutions	-	-	36,136	-	-	36,136
External credits	486	1,459	44,212	102,572	106,195	254,924
Other liabilities	-	-	-	-	713,115	713,115
Total financial liabilities	16,583,313	3,878	968,569	106,803	819,310	18,481,873
Total interest rate sensitivity gap	(14,506,452)	15,088,641	397,756	390,121	227,343	1,597,409
Cumulative interest rate sensitivity gap	(14,506,452)	582,189	979,945	1,370,066	1,597,409	-

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31. Financial risk management (continued)

(c) Market risk (continued):

(ii) Interest rate risk (continued)

	Co-operative 2020					Non- interest bearing \$'000	Total carrying amount \$'000
	1 to 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000			
Assets							
Loans to members	44,966	13,155,916	24,170	2,348	-	-	13,227,400
Liquid assets	1,145,801	1,744,717	-	-	-	-	2,890,518
Financial Investments	436,534	150,000	425,766	82,749	740,824	-	1,835,873
Non-earning liquid assets	-	-	-	-	210,436	-	210,436
Other assets	-	-	-	-	191,416	-	191,416
Total financial assets	1,627,301	15,050,633	449,936	85,097	1,142,676	-	18,355,643
Liabilities							
Lease liabilities	-	-	13,978	-	-	-	13,978
Voluntary shares	4,422,510	-	-	-	-	-	4,422,510
Deferred shares	-	900,000	-	-	-	-	900,000
Saving deposits	1,564,187	9,014,474	-	-	-	-	10,578,661
Due to other institutions	-	-	42,447	-	-	-	42,447
External credits	-	-	368,780	-	-	-	368,780
Other liabilities	-	-	-	-	679,833	-	679,833
Total financial liabilities	5,986,697	9,914,474	425,205	-	679,833	-	17,006,209
Total interest rate sensitivity gap	(4,359,396)	5,136,159	24,731	85,097	462,843	-	1,349,434
Cumulative interest rate sensitivity gap	(4,359,396)	776,763	801,494	886,591	1,349,434	-	-

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31. Financial risk management (continued)

(c) Market risk (continued):

(ii) Interest rate risk (continued)

The sensitivity of the surplus is the effect of the assumed changes in interest rates on net income based on the floating rate financial assets and financial liabilities. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variables, variables have to be on an individual basis. It should be noted that movements in these variables are non-linear.

The analysis assumes that all other variables, in particular, foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

	Effect on surplus			
	Group		Co-operative	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Change in basis points:				
100 bp decrease (2020: 100 bp decrease)	(19,987)	(9,020)	(19,994)	(10,777)
100 bp increase (2020: 100 bp increase)	19,987	9,020	19,994	10,777

(iii) Equity price risk

Equity price risk arises from equity securities held by the Group as part of its investment portfolio. Management monitors the mix of debt and equity securities in its investment portfolio to maximise returns based on market performance. The primary goal of the Group's investment strategy is to maximise returns on investment while minimising risks.

The Group's quoted equity portfolio is listed on the Jamaica Stock Exchange. A 5% (2020: 7%) increase in quoted bid prices at the reporting date would result in an increase in equity of \$10,099,000 (2020: \$10,444,000) for the Group and Co-operative. A 5% (2020: 12.5%) increase in quoted bid prices at the reporting date would result in a decrease in equity of \$10,099,000 (2020: \$18,650,000) for the Group and Co-operative. Unquoted equities are considered insignificant for equity price risk.

(d) Operational risk:

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

The Group'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.

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CREDIT UNION LIMITED (C&WJCCUL)

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31. Financial risk management (continued)

(d) Operational risk (continued):

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

- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

(e) Capital management:

The Co-operative is subject to capital requirements. The Co-operative's objectives when managing institutional capital, which is a broader concept than the "equity" on the face of statement of financial position are:

- To comply with the capital requirements set by the JCCUL and the Bank of Jamaica for the financial sector in which the Co-operative operates;
- To safeguard the Co-operative's ability to continue as a going concern so that it can continue to provide returns and benefits for members;
- To maintain an 8% ratio of institutional capital to total assets; and
- To maintain a strong capital base to support the development of its business through the allocation of at least 20% of surplus to institutional capital.

Capital adequacy and the use of regulatory capital are monitored by management, based on the guidelines in its Capital Asset Management Policy. The JCCUL currently requires member Co-operative to maintain a minimum level of institutional capital at 8% of total assets. At the reporting date, this ratio was 12.86% (2020: 13.65%) which is in compliance with the requirements.

The proposed Bank of Jamaica regulations require JCCUL to ensure that member Co-operatives:

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

Regulatory capital includes deferred shares as discussed in note 16.

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31. Financial risk management (continued)

(e) Capital management (continued):

During the year, the Co-operative complied with all externally imposed capital requirements to which it is subject.

The composition of regulatory capital and the ratios of the Co-operative as at the reporting date are as follows:

	2021		2020	
	Actual \$'000	Required \$'000	Actual \$'000	Required \$'000
Total regulatory capital (including deferred shares)	2,738,339	1,702,996	2,669,798	1,565,139
Total capital ratio	12.86 %	8%	13.65%	8%

(f) Fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the measurement date and is best evidenced by a quoted market price, if one exists. Some of the Group's financial instruments lack an available trading market. Therefore, these instruments have been valued using present value or other valuation techniques and the values may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments. In addition, the calculation of estimated fair value is based on market conditions at a specific point in time and may not be reflective of future fair values.

The fair value of liquid assets, except units in money market funds, cash and bank balances, other assets and other liabilities is assumed to approximate their carrying values, due to their short-term nature.

The fair value of financial investments is based on quoted market bid prices, when available. Where quoted market bid prices are not available, other valuation techniques are used.

Amounts due to other institutions, voluntary shares, deferred shares, members' deposits are carried at amortised cost, which is deemed to approximate their fair values, as these balances attract interest rates and terms comparable to market interest rates and terms for similar balances.

The fair value of shares held in Jamaica Cooperative Credit Union League and other related entities are determined using the net asset valuation method. There is no available market for these instruments. The Group has no intention to dispose of these investments.

The fair value of loans to members could not be readily determined as the loans are generally unique to the Group although they are at market comparable interest rates. Additionally, the carrying amount of the loans reflects the expected lifetime credit losses, value and quality of collateral and interest rates on the loans.

Financial instruments that are measured at fair value at the reporting date are grouped into Levels 1, 2 and 3 of the fair value hierarchy based on the degree to which the fair value is observable as follows:

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CREDIT UNION LIMITED (C&WJCCUL)

Notes to the Financial Statements (Continued)

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31. Financial risk management (continued)

(f) Fair value of financial instruments (continued):

- (i) Level 1: Fair values are quoted prices (unadjusted) in active markets for identical instruments;
- (ii) Level 2: Fair value measurements are those derived from valuation techniques based on inputs other than quoted market prices included within Level 1, that are observable for the instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3: Fair value measurements are those derived from valuation techniques using significant inputs for the instrument that are not based on observable market data (unobservable inputs).

(i) Accounting classifications and fair values

The following table shows the carrying amount of financial assets measured at fair value, their classification and levels in the fair value hierarchy. There were no transfer between levels during the year. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amounts is a reasonable approximate of fair values.

	Group and Co-operative 2021							
	Carrying amount				Fair value			
	Amortised cost	FVOCI	FVTPL	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets measured at fair value:								
Quoted equities	-	201,980	-	201,980	201,980	-	-	201,980
Unit trust funds	-	-	45,594	45,594	-	45,594	-	45,594
Investment in shares in unlisted entities	-	118,703	-	118,703	-	-	118,703	118,703
JMMB managed portfolio	-	-	348,181	348,181	190,539	157,642	-	348,181
Jamaica Co-operative Credit Union League Limited	-	-	16,060	16,060	-	-	16,060	16,060
Money market funds	-	-	1,400,155	1,400,155	-	1,400,155	-	1,400,155
	-	320,683	1,809,990	2,130,673	392,519	1,603,391	134,763	2,130,673

	Group and Co-operative 2020							
	Carrying amount				Fair value			
	Amortised cost	FVOCI	FVTPL	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets measured at fair value:								
Quoted equities	-	149,207	-	149,207	149,207	-	-	149,207
Unit trust funds	-	-	44,088	44,088	-	44,088	-	44,088
Investment in shares in unlisted entities	-	118,706	-	118,706	-	-	118,706	118,706
JMMB managed portfolio	-	-	449,306	449,306	223,419	225,887	-	449,306
Jamaica Co-operative Credit Union League Limited	-	-	16,060	16,060	-	-	16,060	16,060
Money market funds	-	-	1,398,991	1,398,991	-	1,398,991	-	1,398,991
	-	267,913	1,908,445	2,176,358	372,626	1,668,966	134,766	2,176,358

COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)

Notes to the Financial Statements (Continued)

December 31, 2021

(Expressed in Jamaica dollars unless otherwise stated)

31. Financial risk management (continued)

(f) Fair value of financial instruments (continued):

(ii) Valuation techniques

The valuation techniques used in measuring fair value in the level 2 and level 3 hierarchy are detailed below. Significant unobservable inputs used in the Net Asset Valuation (NAV) method for unquoted equities include assets and liabilities that do not have a quoted market price. Unquoted equities represent holdings in entities in the financial sector providing services mainly to credit unions. As these are financial entities, the NAV is considered an appropriate basis to fair value these equities.

Financial assets

Method

Government of Jamaica
benchmark investment notes

- Obtain bid yield from yield curve provided by a recognised pricing source (which uses market-supplied indicative bids)
- Using this yield, determine price using accepted formula

Government of Jamaica Euro
Global bonds

- Apply price to estimate fair value.
- Apply prices of bonds at reporting date as quoted by broker/dealer.

Units in unit trusts

- Obtain prices quoted by unit trust managers.
- Apply price to estimate fair value.

Corporate bonds

- Based on prices quoted by brokers and portfolio manager.

Unquoted equities and money
market funds

- Net asset valuation method

32. Capital commitment

As at December 31, 2021, the Group and Co-operative entered into contracts for capital expenditure in the amounts of \$4,191,000 (2020: \$86,540,000) in respect of which deposits amounting to \$2,095,000 (2020: \$43,350,000) have been made.

33. Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing services (business segment), or in providing services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)

Notes to the Financial Statements (Continued)

December 31, 2021

(Expressed in Jamaica dollars unless otherwise stated)

33. Segment reporting (continued)

The Group's activities are limited to receiving savings from, and providing loans to, its members in Jamaica, operating in a single segment, therefore no additional segment information is provided.

34. Impact of Covid-19

The pandemic and the measures implemented to control the negative impact on human lives have resulted in disruptions to economic activities and business operations. The Group saw reduced levels of business activities during the year, most notably regarding the volume of new loans, which resulted in minor reduction in the portfolio. The level of delinquency was not significantly impacted during the year. Consequent on the low demand for loans, the investment portfolio growth in 2021 was expanded to take advantage of the long term investment yield.

The Group enacted the Disaster Risk Management policy which provided guidance in mitigating the impact of the pandemic its people. The initiatives taken included:

- the establishment of a crisis management committee to plan for and respond to the challenges arising,
- the implementation of safety and sanitisation protocols with respect to the protection of staff and members,
- preparation for a work from home mandate,
- enhancement of the technical capacity of the virtual network, and
- the expansion of member online and email services.

The economy continues to show signs of recovery from the negative impacts of COVID-19 in 2021. The global economy is expected to recover in 2022 with growth being driven by sustained vaccination efforts, relaxing of COVID-19 measures and rising employment.

The Group is very optimistic that subsequent measures taken by the government to remove most COVID-19 restrictions due to the low level of infection, will result in the economy returning to pre-pandemic state.

35. Restatement of items in the statement of cash flows

In the prior year, liquid assets – earning were included in cash and cash equivalents in the statement of cash flows. Liquid assets – earning included items with maturity for more than three (3) months and wouldn't qualify as cash and cash equivalents. Also, there are other items that have been restated because they were incorrectly classified in the prior year. The adjustments are as follows for the Group and Co-operative:

	<u>\$'000</u>
Realised gains on investments move from financing activities to operating activities	28,040
Proceeds from disposal of foreclose assets move from financing activities to operating activities	(17,313)
Payment of lease interest move from financing activities to operating activities	<u>1,121</u>
Impact on net cash provided by operating activities	<u>11,848</u>

COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
CREDIT UNION LIMITED (C&WJCCUL)

Notes to the Financial Statements (Continued)

December 31, 2021

(Expressed in Jamaica dollars unless otherwise stated)

35. Restatement of items in the statement of cash flows (continued)

These amounts have been reclassified/restated and presented as a line item in the statement of cash flows, with the following effects:

	Group		
	<u>As previously presented</u>	<u>Adjustments</u>	<u>Current presentation</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Net cash provided by operating activities	<u>1,647,276</u>	<u>(11,848)</u>	<u>1,635,428</u>
Cash flows from investing activities:			
Proceeds from disposal of foreclosed properties	17,313	(17,313)	-
Purchase of property and equipment	(66,528)	-	(66,528)
Financial investments	(642,817)	28,040	(614,777)
Liquid assets – earning	-	(1,169,073)	(1,169,073)
Net cash used by investing activities	<u>(692,032)</u>	<u>(1,158,346)</u>	<u>(1,850,378)</u>
Net cash used by financing activities	<u>(17,247)</u>	<u>1,121</u>	<u>(16,126)</u>
Increase (decrease) in cash and cash equivalents	937,997	(1,169,073)	(231,076)
Cash and cash equivalents at beginning of year	<u>2,177,517</u>	<u>(575,644)</u>	<u>1,601,873</u>
Cash and cash equivalents at year of year	<u>3,115,514</u>	<u>(1,744,717)</u>	<u>1,370,797</u>
	Co-operative		
	<u>As previously presented</u>	<u>Adjustments</u>	<u>Current presentation</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Net cash provided by operating activities	<u>1,632,726</u>	<u>(11,848)</u>	<u>1,620,878</u>
Cash flows from investing activities:			
Proceeds from disposal of foreclosed properties	17,313	(17,313)	-
Purchase of property and equipment	(66,528)	-	(66,528)
Investment in subsidiary	(10)	-	(10)
Financial investments	(642,817)	28,040	(614,777)
Liquid assets – earning	-	(1,169,073)	(1,169,073)
Net cash used by investing activities	<u>(692,042)</u>	<u>(1,158,346)</u>	<u>(1,850,388)</u>
Net cash used by financing activities	<u>(17,247)</u>	<u>1,121</u>	<u>(16,126)</u>
Increase (decrease) in cash and cash equivalents	923,437	(1,169,073)	(245,636)
Cash and cash equivalents at beginning of year	<u>2,177,517</u>	<u>(575,644)</u>	<u>1,601,873</u>
Cash and cash equivalents at year of year	<u>3,100,954</u>	<u>(1,744,717)</u>	<u>1,356,237</u>

The adjustments had no other impact on the financial statements.

REPORT OF THE CREDIT COMMITTEE

FOR THE YEAR ENDING DECEMBER 31, 2021



- COMMITTEE MEMBERS** (Left to Right)
- Norma Warburton-Thomas - Chairperson
 - Clifton Atkinson - Secretary
 - Trevor Cameron - Member
 - Charles Hanson - Member
 - Judith Cawley - Member

Another year has come to an end and while we had hoped that the pandemic would too, the Credit Union continued to persevere and to be resilience in times of global uncertainty. If 2020 was the year of crisis fighting for financial institution locally and globally, 2021 was the year in which the Credit Union began to come to terms with the longer-run effects of the COVID-19 pandemic. During the year, the Credit Union, in particular the area of Loan Underwriting and Delinquency Management has faced significant challenges as the economy struggled to recover from the shock of the pandemic.

Despite the unprecedented and synchronized sudden global lock down in economic activities induced by containment measures, the Credit Union through innovation and resilience sought out and made the best of every opportunity to ensure that the year 2021 was a successful one. This is a demonstration of the extraordinary effort of the Board of Directors, Management, Staff and Committees which served during the period.

Members of the Committee serving you at the start of the year were:

- Mrs. Norma Warburton-Thomas - Chairperson
- Mr. Clifton Atkinson - Secretary
- Ms. Judith Cawley - Member
- Mr. Trevor Cameron - Member
- Mr. Charles Hanson - Member

At our AGM held on May 5, 2021, Mr. Charles Hanson and Mr. Clifton Atkinson were elected to serve for two years. Mrs. Norma Warburton-Thomas, Ms. Judith Cawley and Mr. Trevor Cameron would each serve another year.

The Credit Committee met and decided that Mrs. Norma Warburton-Thomas and Mr. Clifton Atkinson would serve as Chairperson and Secretary respectively. Due to the pandemic, the Committee continued to meet virtually fortnightly on a Thursday at 5:30 pm.

Loans approved by the Credit Union

During the year the Credit Union approved and disbursed 13,049 loans and advances, a reduction of 2,631 or 16.78% over the previous year. The total value of loans disbursed during the period was \$4.627 Billion coming from \$5.090 Billion in 2020, a reduction of \$463 Million or 9.10%. The most popular category of loans approved was the Unsecured Loans with 6,494 loans disbursed for the period with a value of \$1.715 Billion. The Cash Secured loans were next with 5,939 loans approved valued at \$835.241 Million. The Unsecured Loans accounted for the largest disbursed value followed by the Motor Vehicle Loans, with disbursements of \$1.714 Billion and \$1.329 Billion respectively. There were 45 Real Estate Secured Loans disbursed with a value of \$577.368 Million.

Credit Committee Oversight responsibility

The Credit Committee continues to exercise oversight responsibility for loans approved by the Loans Committee, Branch Managers and Loans Officers. In carrying out this role, the Credit Committee reviewed a total of 224 randomly selected loans with a value of approximately \$504 Million for the year ended December 31, 2021. The objectives of the reviews were to ensure:

- Compliance with Credit Union’s policies.
- Completeness of documentation.
- Appropriate level of Risk and Security.
- Approval limits were maintained.

The reviews indicated that all internal systems of control were in place and there was adherence to established policies and procedures. All concerns were effectively addressed by the Credit Union’s management and all the loans met the stated objectives. The Credit Committee is satisfied that the Loans Committee, Management and Loans Officer continue to perform effectively.

Loans Approved by the Credit Committee

The Credit Committee approves loans which exceed the authority of the Loans Committee and loans referred by the Loans Committee for special attention. For the year ended December 31, 2021, the Credit Committee approved loans totaling \$481.70 Million that were referred by the Loans Committee.

Attendance Analysis for 2021

The Credit Committee held 22 meetings for 2021 and the attendance of the members are shown below.

Members	Possible	Actual	Absent
Norma Warburton-Thomas	22	21	1
Clifton Atkinson	22	22	-
Charles Hanson	22	20	2
Judith Cawley	22	21	1
Trevor Cameron	22	21	1

Loan Portfolio

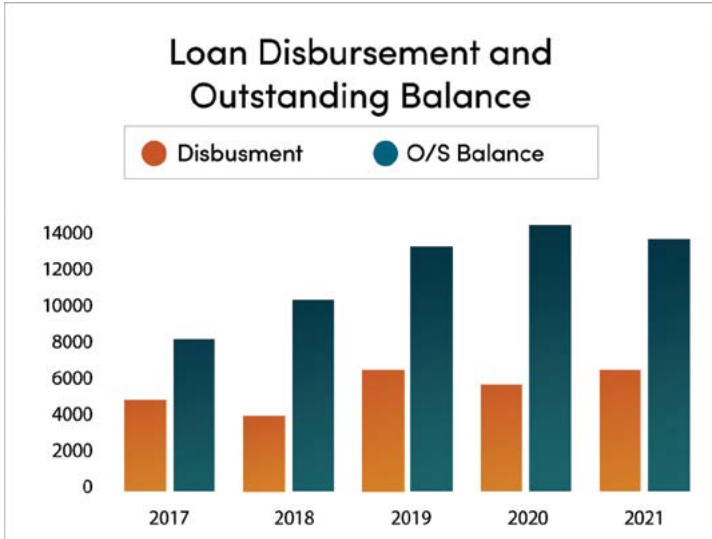
At year-end the Credit Union’s loan portfolio after impairment consisted of 18,862 loan contracts. The total loan balance outstanding moved from \$13.24 Billion in 2020 to \$13.00 Billion at the end of 2021 representing a reduction of 1.81%.

The Unsecured Loans accounted for 9,819 of the 18,547 loans in the portfolio (52.94%), with a value of \$3.771 Billion representing 28.61% of the portfolio balance as at December 31, 2021. Another popular category for the year 2021 was the Cash Secured Loans, at year end; the portfolio consisted of 4,667 of these loans with a value of \$1.555 Billion representing 11.79% of the portfolio balance.

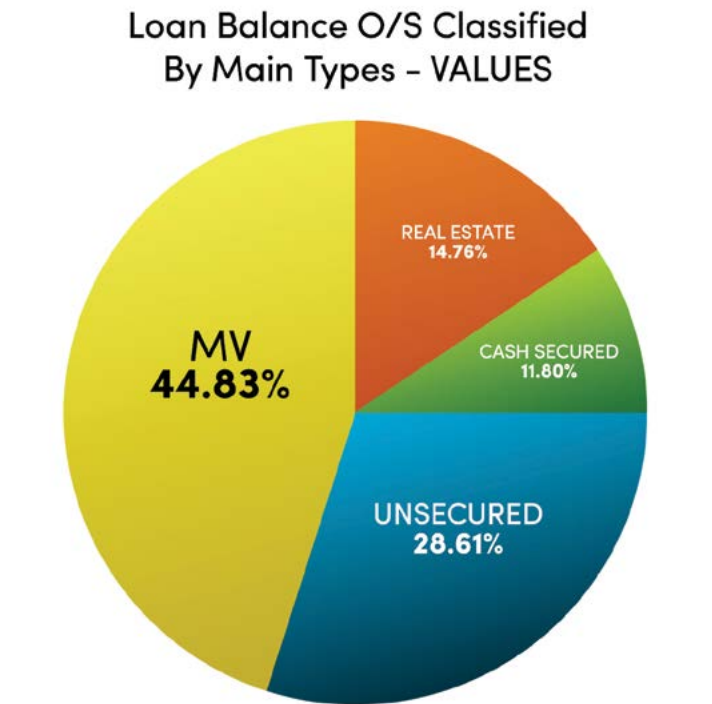
The Motor Vehicle loans accounted for the largest share of the portfolio value accounting for 44.83% with balance outstanding of \$5.910 Billion.

The Real Estate Loan Portfolio moved from \$1.559 Billion in 2020 to \$1.946 Billion at December 31, 2021, an increase of 24.82%.

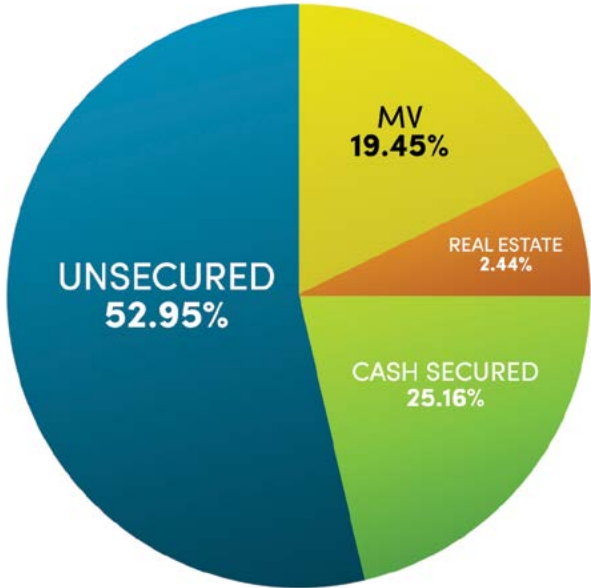
The chart below shows the value of loans disbursed and the outstanding balance of the Credit Union's loan portfolio over the last 5 years.



The charts below show the composition of the loan portfolio by the main loan types to their balances and number of loans outstanding at the year end.



Loan Classified By Main Types - NUMBERS



Additional Information
Members of the committee also participated in the following activities during the year under review:

- a) Training under the Proceeds of Crime Act (POCA) and Counter Terrorism.
- b) The Chairperson of the Committee, Mrs. Norma Warburton-Thomas attended the retreat of the Board of Directors in November 2021.

Conclusion
The Credit Committee wishes to express appreciation to: -

- a) The membership for the confidence displayed in electing us to serve.
- b) The Board of Directors for their recommendations and support when needed.
- c) The C.E.O and his staff for the co-operation and assistance given to us.
- d) A special thanks to the Credit Department for their invaluable assistance at our weekly meetings.
- e) To all the liaison persons for their unending support and to the other committees for their invaluable assistance.

On behalf of the members of this Committee I take this opportunity to say it was a pleasure to have served you.

Sincere thanks to the hardworking members of the committee for their continued commitment and dedication for the past year.

Co-operatively Yours

Norma Warburton-Thomas
Chairperson

Community and Workers of Jamaica

CO-OPERATIVE CREDIT UNION LTD.

INTERNET BANKING

Our Internet Banking is designed to meet your needs by giving you full and complete control.

WITH INTERNET BANKING YOU CAN:

ACCOUNT FEATURES

- View account balances including loans
- View your transaction history

TRANSFERS

- Transfer funds between your own C&WJCCUL Accounts

BILL PAYMENT or EXTERNAL THIRD PARTY FUNDS TRANSFERS

- Pay bills including utilities
- Transfer funds to accounts at other financial institutions

APPLICATION FEATURES

- Apply for a loan
- Open a Member Savings Account - Complete the online membership application and start on the exciting journey to becoming a member and start discovering the benefit of belonging to the #1 Credit Union

C&WJCCUL Mobile App

Manage your money quickly and easily on your mobile device with our user-friendly App that is fit for Android and other devices. Simply visit the Play Store and download our App

SCAN
TO DOWNLOAD OUR APP

Register Today!

*Cotions apply

REPORT OF THE SUPERVISORY COMMITTEE

FOR THE YEAR ENDING DECEMBER 31, 2021



COMMITTEE MEMBERS (Left to Right)

- Michael Sutherland - Chairman
- Dionne Mason-Gordon - Secretary
- Patrick Simpson - Member
- Daniel Scott - Member
- Darren Brown - Member
- Rohan Saunders - Member
- Shorna Anderson - Member

Chairperson’s Remarks

On behalf of the 2021/2022 Supervisory Committee, it is indeed a pleasure to welcome you, fellow cooperators, to the staging of the 58th Annual General Meeting of the C&WJ Co-operative Credit Union. We would also like to thank you for entrusting us with the responsibility of helping to strengthen the system of governance by interrogating the operations of your beloved Credit Union to ensure that the internal operating controls that have been established are functioning effectively and maintained at a high level. When the policies and procedures are functioning effectively, they provide reasonable assurance to you our Members, the Board of Directors and Management that the internal controls are being properly administered.

The work we do as a committee can only be effective if we have the full support of the Internal Audit Department. The Chief Internal Auditor and her most able team consistently go above and beyond to ensure all critical areas of the Credit Union are fully assessed and reports produced in a timely manner. For this we are truly grateful. The Board of Directors, Management and Staff of the Credit Union continue to demonstrate their full support for good governance by bolstering the audit function and implementing recommendations to further strengthen the operations.

The committee members who were duly elected at the 57th Annual General Meeting held on the 5th day of May 2021, served in the following capacities:

Committee Members

Michael Sutherland	Chairman
Dionne Mason-Gordon	Secretary
Darren Brown	Member
Daniel Scott	Member
Rohan Saunders	Member
Shorna Anderson	Member
Patrick Simpson	Member

Members who retired were as follows:

Richard Meggo	Member
Kevron Cain	Member
George Morris	Member
Paul Bernard	Member

Areas Reviewed

Throughout the year, the Supervisory Committee continued to provide independent oversight over the operations and risks associated with the operations of the Credit Union despite the prolonged impact of the COVID-19 pandemic. The vehicle through which this was done was the risk-based audit plan that was ratified by The Board of Directors and we are pleased

to report that despite the challenges posed by the pandemic, ninety-five percent (95%) of the work plan was completed by year end and the remaining 5% completed in January 2022. As is customary, the audit reviews carried out by our able internal audit team were conducted and performed in accordance with the Institute of Internal Audit (IIA) Standards. These standards require that the auditor plans and performs the audits to obtain sufficient and appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives.

Having pivoted to the online platform, the Committee continued to use this medium to meet monthly to analyse, discuss and make recommendations based on the observations and findings of the audit reviews and provide the Board of Directors with a monthly report of the findings and deliberations of the Committee. Over the period, the Committee reviewed the following areas across the Credit Union’s operations:

Accounts & Finance

- Investments and Interest Income
- Liquidity Management
- Capital Management (2)
- Regulatory Compliance (2)
- Bank Reconciliation
- Fixed Assets
- Financial Statement

Customer Service & Operations

- Loans
- Loan Delinquency Write Offs
- Arrears Management/Loan Delinquency
- Shares, Savings & Deposit
- Mastercard
- Cambio Operations (2)
- Anti-Money Laundering & POCA Compliance
- Member Payroll
- Branch Reviews (12)
- Cash Count
- Special Audits
- Security (Done at Branch Level)

Special reviews of the operations were also conducted at the request of Management.

In summing up the review of audit reports over the year, the Supervisory Committee would like to report the following findings:

- There was general adherence to established policies, procedures and compliance with the requirements of the laws and regulations that govern the Credit Union’s operations.
- Generally, controls evaluated were adequate, appropriate and effective to provide reasonable assurance that risks are being managed properly.



Austin Brown
President

REPORT OF THE LEAGUE DELEGATES TO THE 58TH ANNUAL GENERAL MEETING

Mr. Austin Brown, President, and Mr. Carlton Barclay, Chief Executive Officer, were elected as delegates to the Jamaica Co-operative Credit Union League (JCCUL) at the 57th Annual General Meeting of the Society.

Report on the League's 80th Annual General Meeting

The Jamaica Co-operative Credit Union League's 80th Annual General Meeting was held on Saturday, June 5, 2021, at the JCCUL, Sullivan Hall. The meeting was convened using a hybrid format (virtually using Zoom with limited in person attendees) in accordance with the Government's COVID-19 public gathering restrictions at the time. Sixteen (16) persons attended the meeting in person and one hundred (100) persons attended via the Zoom platform.

The President, Mr. Lambert Johnson, chaired the meeting. The following reports were presented: Board of Director's Report, Treasurer's Report, Auditor's Report, Fixing of Maximum Liability, Supervisory Committee Report, Nominating Committee Report, Resolutions and the Credit Union of the Year Awards.

Distribution of Surplus

The Delegates agreed to the distribution of the surplus of \$10.17 Million.

Delegates voted for the maximum liability of the League to be set at \$5 Billion.

Election of Officers

The following persons were elected to the JCCUL's Board:

- Anthony McLaughlin - Jamaica Police Co-operative Credit Union
- Lambert Johnson – Gateway Co-operative Credit Union

- Michael Anglin – JDF Co-operative Credit Union
 - Norris Gilbert – PWD Co-operative Credit Union
 - O'Neil Grant – First Heritage Co-operative Credit Union
- Exiting the Board was Ms. Carol Anglin, COK Sodality Co-op Credit Union.

The following persons were elected to the Supervisory Committee:

- Mrs. Karen Robotham-Teape - Broadcast & Allied Co-operative Credit Union
- Mrs. Ivy Lawrence - Lascelles Employees & Partners Co-operative Credit Union
- Mr. Delroy James - First Heritage Co-operative Credit Union
- Ms. Nicola Reid - Palisadoes Co-operative Credit Union
- Ms. Paulette Green - Jamaica Police Co-operative Credit Union

RESOLUTIONS

The following congratulatory resolutions were passed at the meeting:

- Ambassador Aloun Ndombet-Assamba, COK Sodality Co-operative Credit Union - Retirement
- Hope Mowatt, Grace Co-operative Credit Union - Retirement
- C&WJ Co-operative Credit Union - 60th Anniversary
- Manchester Co-operative Credit Union - 70th Anniversary
- Portland Co-operative Credit Union - 50th Anniversary

RULE CHANGES

1. Jamaica Co-operative Credit Union League Limited – A Special Resolution to amend Rules 23, 25, 30 and 86 to allow for virtual-only and hybrid-meetings, was passed.

2. Jamaica Co-operative Credit Union League Limited – A

Resolution to amend Rule 15 regarding flexibility to amend liquidity reserves requirement, was passed.

The 2021-2022 JCCUL Board:

- | | | |
|----------------------|---|--------------------------|
| • Lambert Johnson | - | President |
| • Andrea Messam | - | 1st Vice President |
| • O'Neil Grant | - | 2nd Vice President |
| • Norris Gilbert | - | Treasurer |
| • Patrick Smith | - | Assistant Treasurer |
| • Jerry Hamilton | - | Secretary |
| • Brenda Cuthbert | - | Assistant Secretary |
| • Winston Fletcher | - | Immediate Past President |
| • Michael Anglin | - | Director |
| • Martin Blackwood | - | Director |
| • Alexander Bourne | - | Director |
| • Bornette Donaldson | - | Director |
| • Ryan Muir | - | Director |
| • Hector Stephenson | - | Director |
| • Anthony McLaughlin | - | Director |

"CREDIT UNION OF THE YEAR" AWARDS

The credit unions awarded were:

Large - Assets

- | | | |
|-----------|---|--------------------------------|
| Winner | - | C&WJ Co-operative Credit Union |
| Runner Up | - | JTA Co-operative Credit Union |

Medium - Assets

- | | | |
|-----------|---|------------------------------------|
| Winner | - | JDF Co-operative Credit Union |
| Runner Up | - | Portland Co-operative Credit Union |

Small - Assets

- | | | |
|-----------|---|---|
| Winner | - | Grace Co-operative Credit Union |
| Runner Up | - | Essential and Emergency Services & Partners Co-operative Credit Union |

Financial Status of the Movement as at December 31, 2021

At December 31, 2021, the number of credit unions in Jamaica remained at 25.

The movement continued to perform creditably in relation to a number of its key result areas; with assets growing by 9.88% to close the year at \$150.40 Billion, savings growing by 10.30% to \$116.72 Billion, and loans by 6.00% to \$100.17 Billion.

Profitability recorded a decline with the ratio of net income to average assets moving from 1.54% in 2020 down to 1.40% in 2021.

The delegates are pleased to have been afforded the privilege of representing the Credit Union at the level of the League.

Signed:

Austin Brown
Delegate to the League

REPORT OF THE NOMINATING COMMITTEE TO THE 58TH ANNUAL GENERAL MEETING

The Nominating Committee was appointed by the Board of Directors at its meeting on February 26, 2022, in keeping with Rule 71(a). The Committee was comprised of the persons named below:

- Mr. Bornette Donaldson - Chairman
- Mrs. Pauline Thompson
- Mr. Andrew Williams

The Committee wishes to express gratitude on behalf of the Board of Directors, to all the volunteers who served the Credit Union in the past, and to specially welcome the volunteer who will be serving for the first time.

In undertaking its work, the Committee was guided by the following:

- Term limits for volunteers. The effect of the term limit is that:- No Director, member of the Credit or Supervisory Committees shall be allowed to serve for more than three (3) consecutive terms; however, such member will be eligible to serve once he/she sits out a period of one (1) year or one (1) Annual General Meeting without serving on any electable committee.

- Rule 36(a) which states that, “At the first Annual General Meeting a bare majority of the members constituting the Board of Directors shall be elected for a term of two (2) years and the others for a term of one (1) year. Whenever the number of the members of the Board of Directors is increased, one-half (1/2) of such additional members shall be elected for two (2) years and one-half (1/2) for one (1) year. Thereafter the term of office for members shall be two (2) years.”

1. Board of Directors

The current status of the members of the Board of Directors is as follows:

- **Members retiring at this 2022 Annual General Meeting:**
 - Mr. Christopher Buckmaster
 - Mr. Winston Green
 - Mr. Austin Brown
 - Mr. Shauneil James
 - Mr. Delroy Foster
- **Members retiring at the Annual General Meeting in 2023:**
 - Mrs. Ashlyn Malcolm
 - Ms. Georjean Edwards
 - Mr. Pete Smith
 - Mr. Raymond Hernandez
 - Ms. Suzette Downie

- Mr. Bornette Donaldson

Nominations

In keeping with the foregoing, the Committee nominates the following members to be elected to fill the five (5) vacancies on the Board of Directors to serve for the term adjacent to their names:

- Mr. Christopher Buckmaster - 2 years
- Mr. Winston Green - 2 years
- Mr. Austin Brown - 2 years
- Mr. Shauneil James - 2 years
- Mr. Delroy Foster - 2 years

2. Credit Committee

The current status of the Committee members is as follows:

• Members retiring at this Annual General Meeting 2022:

- Mr. Trevor Cameron
- Ms. Judith Cawley
- Mrs. Norma Warburton-Thomas*

* Not eligible for re-election, having served the maximum tenure based on the term limit provisions in our Rules.

- Members retiring at the Annual General Meeting 2023:
- Mr. Clifton Atkinson
- Mr. Charles Hanson

Nominations

The Committee nominates the following members to be elected to fill the vacancies on the Credit Committee for the term adjacent to their names:

- Mr. Sheldon Sharpe - 2 years
- Ms. Judith Cawley - 2 years
- Mr. Trevor Cameron - 2 years

3. Supervisory Committee

The members of the Supervisory Committee, all of whom will retire at this meeting are:

- Mr. Rohan Saunders
- Miss Shorna Anderson
- Mr. Michael Sutherland
- Mr. Darren Brown
- Mr. Daniel Scott
- Mr. Patrick Simpson

- Mrs. Dionne Mason-Gordon

Nominations

The Committee nominates the members named below to be elected to fill the seven (7) vacancies on the Supervisory Committee for a term of one (1) year:

- Mr. Rohan Saunders
- Miss Shorna Anderson
- Mr. Michael Sutherland
- Mr. Darren Brown
- Mr. Daniel Scott
- Mr. Patrick Simpson
- Mrs. Dionne Mason-Gordon

4. Delegates to the Jamaica Co-operative Credit Union League

The retiring members are:

- Mr. Austin Brown
- Mr. Carlton Barclay

Nominations

The Committee nominates the following members for the term of one (1) year:

- President Elect
- Chief Executive Officer

5. Delegates to The Jamaica Co-operatives Insurance Agency (formerly NUC-CIS)

The retiring members are:

- Mr. Carlton Barclay
- Mrs. Ashlyn Malcolm

Nominations

The Committee nominates the following members for the term of one (1) year:

- Treasurer Elect
- Chief Executive Officer

6. Delegates to QNET

The retiring delegates are:

- Mr. Austin Brown
- Mr. Carlton Barclay

Nominations

The Committee nominates the following members for the term of one (1) year:

- Chief Executive Officer
- President Elect

PROFILES OF CANDIDATES

BOARD OF DIRECTORS

CHRISTOPHER BUCKMASTER

Mr. Buckmaster has been employed by Jamalco/ General Alumina Jamaica L.L.C. (formerly Alcoa Minerals of Jamaica L.L.C.) for more than 25 years and is currently the Director of Human Resources, Security and Corporate Services. He has held varying positions in Electrical Engineering, Training and Development, Compensation Management, Industrial Relations and general Human Resources Management.

He holds a Master of Science Degree in Computer-Based Management Information Systems from The University of the West Indies, Mona and a Bachelor of Science Degree in Electrical and Computer Engineering from The University of the West Indies, St. Augustine. Mr. Buckmaster is the current Chairman of the Board of Trustees and Sponsor Trustee Alcoa Minerals of Jamaica L.L.C. (Salaried) Pension Plan and is currently a Director of C&WJ Co-operative Credit Union.

Mr. Buckmaster is currently the Second Vice President on the Board of Directors of C&WJ Co-operative Credit Union and is also Chairman of the Education Committee.

WINSTON GREEN

Mr. Winston Green is a former Senior Manager of Pepsi-Cola Jamaica Bottling Company Limited and Desnoes and Geddes Limited. He worked in various leadership roles including Plant Manager, Production Manager, Product Availability Manager and Purchasing Manager. Mr. Green is currently the Operations Manager of Coldfield Manufacturing Limited, Managing Director of G&A Trucking Company Limited.

He currently serves as Chairman of Fellowship Tabernacle Deacons' Board and Chairman of the Board of Trustees of Pepsi-Cola Jamaica Contributory Pension Fund. He also served as the President of the D&G Employees Co-operative Credit Union for over three (3) years.

Mr. Green holds a Master of Business Administration Degree from Barry University, Florida and a Certificate in Telecommunications from the University of Technology, Jamaica. He also holds the designation of Certified Purchasing Manager from the Institute of Supply Management (ISM).

Mr. Green now serves as Secretary on the Board of Directors of C&WJ Co-operative Credit Union, and is a member of the Credit Union's Education Committee, the Enterprise Risk Management Committee and the Policy Review Committee. He is also the Chairman of the Board of the NWC Basic School, which is a sponsor outreach programme of C&WJ Co-operative Credit Union.

AUSTIN BROWN

Mr. Brown was employed to Cable & Wireless Jamaica in the capacity of Vice President, Planning and Development. He holds a Master of Computer-Based Management Information System Degree from The University of the West Indies and a Bachelor in Engineering in Electronics and Telecommunications Degree from the University of Technology, Jamaica.

Mr Brown is also trained in Project Management, Board Governance and Contract Law.

He is currently the Managing Director of Verge Communications Limited.

REPORT OF THE NOMINATING COMMITTEE TO THE 58TH ANNUAL GENERAL MEETING (CONTINUED)

Mr. Brown is the Deputy Chairman of ID Pioneers, a non-profit organisation dedicated to youth development and purpose fulfilment. Mr. Brown is currently the President of the Board of Directors of C&WJ Co-operative Credit Union, Chairman of the Information Technology Committee, and a member of the Asset Liability Management Committee. He is also a Director of the Board of Directors of C&WJCU Holdings Limited, a subsidiary of the Credit Union. He is a member of the Board of the NWC Basic School, which is a sponsor outreach programme of the Credit Union. Mr. Brown previously served as the First Vice President of the Credit Union, and also as a member of the Credit Committee and the Enterprise Risk Management Committee.

SHAUNEIL JAMES

Mr. James is a businessman who has contributed to local and regional ventures. He has over 12 years' experience in the telecommunication industry within the Caribbean where he held leadership roles managing strategic functions such as Information and Communication Technology, Information Security, Physical Security, Business Continuity and Operational Risk Management.

Mr. James is currently a member of the Board of Directors, and is Chairman of the Enterprise Risk Management Committee, a member of the Education Committee, a member of the Policy Review Committee, a member of the Education Committee and a member of the Information Technology Committee. He was previously the Chairman of the Credit Union's Supervisory Committee.

DELROY FOSTER

Mr. Foster holds a Bachelor of Science (Upper Second Class Honours) and a Diploma in Sugar Cane Processing from The University of the West Indies. Since 2000, Mr. Foster has held the positions of Senior Production Manager and Factory Operations Manager within J. Wray & Nephew (now Gruppo Campari).

Mr. Foster has served the credit union movement for over 25 years and has served as a Director of the Jamaica Co-operative Credit Union League and was the Treasurer and Director of the St. Elizabeth Co-operative Credit Union Limited prior to its merger with C&WJ Co-operative Credit Union in September 2018.

Mr. Foster now serves as a Director on the Board of C&WJ Co-operative Credit Union, and is the Chairman of the Credit Union's Arrears Management Committee, a member of the Education Committee and a member of the Asset Liability Management Committee.

CREDIT COMMITTEE

SHELDON SHARPE

Mr. Sharpe is a Mechanical Engineer by profession and has been employed to Red Stripe for over 20 years. He has worked in different capacities, including Maintenance Manager, Engineering Manager, and Packaging & Training

Manager. He has worked in cross-functional teams both locally and internationally. Mr. Sharpe also served as Red Stripe's representative on the Board of the Jamaica Manufacturers & Exporters Association.

Mr. Sharpe holds a Bachelor of Engineering (Honours) – Mechanical Engineering Degree from the University of Technology, Jamaica and a Diploma in Brewing from the Institute of Brewing & Distilling, London.

Mr. Sharpe was a long standing member of the former Desnoes & Geddes Employees Co-operative Credit Union Limited.

TREVOR CAMERON

Mr. Cameron has been employed at the Appleton Estate Sugar Factory since 2000 and is currently the Section Engineer - Process House, Pumps and Workshop. He has over 26 years' experience in the Sugar Manufacturing Industry with direct involvement in process control, product quality and process efficiency, the maintenance and monitoring of unit equipment and supervision of a diverse workforce.

He holds a Bachelor of Science Degree in Chemical Engineering from The University of the West Indies, St. Augustine, and a Professional Certificate in Production/Operation Management from The University of the West Indies Continuing Studies, Kingston. Over the years, he has received numerous awards and certificates from courses, seminars, and workshops that have enhanced his professional and personal development.

Mr. Cameron is currently a member of C&WJ Co-operative Credit Union's Credit Committee.

JUDITH CAWLEY

Mrs. Cawley has been a member of the Credit Union for over 25 years and is currently employed to Beryllium Limited, formerly Guardsman Armoured Limited as the Queries & CMU Support Manager. She was previously employed at National Commercial Bank Jamaica Limited as Remediation Lead and at Cable & Wireless where she held several senior roles, including Regional Billing Operations Lead, Head of Department - Billing and Billing Assurance Manager.

She has over 20 years' experience in Telecommunications, Change Management, Operations Management, Banking, Credit Control, Cash and Treasury Management, Risk Management, Billing and Revenue Assurance, Financial Management and Reporting.

She is currently a member of the Credit Committee of C&WJ Co-operative Credit Union. She also previously served on the Committee for 10 years and chaired the Committee for 5 years.

Mrs. Cawley holds a Master of Business Administration Degree in Finance and Banking from the University of Manchester (UK)

and a Bachelor of Science Degree (Honours) in Management Studies from The University of the West Indies.

SUPERVISORY COMMITTEE

SHORNA ANDERSON

Miss Anderson is currently employed to Flow Jamaica and has been a Manager in the Finance Shared Service Centre since 2010.

She holds a Master of Business Administration Degree specializing in Banking and Finance and is a Fellow of both the Association of Chartered Certified Accountants (ACCA) and the Institute of Chartered Accountants of Jamaica (ICAJ).

Miss Anderson is currently a member of the C&WJ Co-operative Credit Union's Supervisory Committee. She previously served in the capacities of Chairperson, Secretary and Assistant Secretary on the Committee.

ROHAN SAUNDERS

Mr. Saunders has been employed to Jamalco as the Senior Property and Accounts Receivables Accountant since 2017. He holds a Bachelor of Business Administration Degree from the University of Technology, Jamaica and is a Certified Chartered Accountant (ACCA).

Mr. Saunders has been serving on C&WJ Co-operative Credit Union's Supervisory Committee since 2020.

MICHAEL SUTHERLAND

Mr. Sutherland is a Certified Information Systems Auditor and a Certified Business Continuity Lead Implementer.

He holds a Bachelor of Science Degree in Business Administration from the Northern Caribbean University and a Diploma in Electrical Engineering from the University of Technology, Jamaica.

He is currently employed as the IT Security Manager at the Jamaica Broilers Group and currently serves as a member of the Jamaica Co-operative Credit Union League (JCCUL) Limited's Supervisory Committee as well as a member of the Advisory Board for the Cybersecurity Degree Specialization at the University of Technology, Jamaica.

Mr. Sutherland previously served as a member of C&WJ Co-operative Credit Union's Board of Directors and the Supervisory Committee for a number of years.

DARREN BROWN

Mr. Brown is a Finance Professional who currently works at Jamalco as Financial Accounting Superintendent.

He holds a Master of Business Administration Degree, with concentration in Finance, and a Bachelor of Arts Degree in Accounting, with an International Business Minor.

Mr. Brown was a long standing member of the former Clarendon Co-operative Credit Union Limited.

Mr. Brown is currently a member of C&WJ Co-operative Credit Union's Supervisory Committee. He has previously served on the Committee.

DANIEL SCOTT

Mr. Scott is currently employed to Flow Jamaica as Change Manager in Service Assurance. He has over 20 years' experience across different cross sections of the telecommunications industry.

He holds a Bachelor of Science Degree in Computing with Management Studies from the University of Technology, Jamaica and an Associate Degree in Electronic Engineering, and is Information Technology Infrastructure Library (ITIL) Certified.

Mr. Scott now serves on C&WJ Co-operative Credit Union's Supervisory Committee. He has previously served on the Committee.

PATRICK SIMPSON

Mr. Simpson has over 30 years' experience in telecommunications. He was previously employed to FLOW Jamaica in the capacity of Senior Manager, Field Services Operations.

He holds a Master of Business Administration Degree from Nova Southeastern University and a Bachelor of Science Degree (Honours) Major in Economics and Management Studies from The University of the West Indies, Mona. Mr. Simpson is a trained teacher by profession and a graduate of Mico Teachers' College.

Mr. Simpson is currently a member of C&WJ Co-operative Credit Union's Supervisory Committee. He has previously served on the Committee.

DIONNE MASON-GORDON

Mrs. Mason-Gordon is employed to the Shipping Association of Jamaica as Operations Manager – Member Services.

Mrs. Mason-Gordon is a results-oriented professional, with training in strategic planning, managing projects and operations. She has a proven record of success in planning and executing large meetings, conferences and events. At present, she also assists the Caribbean Shipping Association as the manager of two annual conferences.

She holds a Master of Business Administration Degree with a specialisation in Strategic Planning and a Bachelor of Arts Degree in Business and Finance from Heriot Watt University in Scotland. She is also the recipient of an Associate of Science Degree in Management from The University of the West Indies.



Bornette Donaldson - Chairman



Pauline Thompson



Andrew Williams

DECEASED MEMBERS

LISTING FOR 2021

ADRIAN ROBINSON
ALBERT VASSELL
ALPHEUS CAREY
ALTON EDWARDS
ALVIN WILLIAMS
AMBROSE CAMPBELL
ANALDA MALCOLM
ANDREW BURTON
ANDREW NELSON
ANGELLA GREEN
ANGELLA WATT-COLE
ANN-MARIE FRAY
ANTHONY LINDO
ANTHONY SAMUELS
ANTONIO ROBINSON
ARTHUR GREY
AUDRELYN SHAKESPEARE
AUDREY MADDEN
AUDREY WATSON
AUDREY WILLIAMS
AUVELL NEWMAN
BARBARA DAWSON
BENTLEY KNIGHT
BERRIS FOSTER
BEULAH LAING
BLOSSOM DENNIS
BRENETTA HUTCHINSON
CALLEY WILLIAMS
CALVIN PALMER
CALVIN THOMPSON
CAROL LEWIS
CAROL POWELL
CAROLINA LINDSAY
CATELENA BARTLEY
CERLENOX NEMBARD
CHARLES MELBOURNE
CHERESA LYNCH
CHERINE BLAKE
CHERLYNE MCKENZIE

CHRISTOPHER POWELL
CLEVELAND GREEN
CLIFFORD WHITE
CLINTON SIMPSON
CLIVE BAKER
CLIVE BECKFORD
CLIVE COLQUHOUN
CLIVE MORRISON
CLUNIS PALMER
CLUTHILD SPENCER
COURTNEY THOMAS
DALE ALLEN
DALTON COLEMAN
DEAN SMITH
DELORIS BURTON
DELROY CAMPBELL
DELROY MENDEZ
DELROY MUNDLE
DELROY ROBINOSN
DENSTON COY
DESMOND LEWIS
DEVON GOODEN
DEVON HYATT
DEXTER MADDEN
DIANA LAWRENCE
DONAVAN RHODEN
DOROTHY URQUHART
DORRELL BRYAN
DOUGLAS BANTON
DUNNETT BLACK
EARSLEY BARRETT
EDGAR MARSHALL
EDGETON BLACKWOOD
ELAINE MOORE
ELDORA MALCOLM
ELI ALLISON
ELISHA SPENCE
ELIZABETH WOOLERY
ELSIE POWELL

ENEL SAMUELS
ENID WILLIAMS
ERTIS BLAKE
ERNEL DUNN
ERROL VASSEL
EULALEE HINDS
EULEM ALLEN
EULETTE BENLOSS
EVELYM BLAKE
EVELYN MILLER
EVERIT SMITH
EVRICK GAYLE
FAYTON CRANSTON
FITZ RICKETTS
FLONA JUMPP
FRANK FARQUHAR
GARFIELD CROSS
GARFIELD MAYNE
GARY CROSS
GEMIS COLLEY
GENE ROBINSON
GLAISTER ELLIS
GLEDON GOLDING
GLORIA FULLER
GODFREY TAYLOR
GWENITA JEFFREY
HANIF HYLTON
HAROLD DUNKLEY
HAZEL SHERMAN
HEADLEY SPENCE
HEADLEY WILSON
HEDLEY BROWN
HOWARD VASSELL
HUBERT BROWN
HYACINTH ROBINSON JOHNSON
HYLTON GORDON
IAN PRAYOGG
INEZ EDMOND
ISABELL WRIGHT

ISLINE COHEN
JACQUALYN FLOWERS
JANET SHAKES
JEAN HERDSMAN
JENNIFER BAILEY
JENNIFER FRANCIS
JOHN MCLEOD
JOHNAYA ROSE
JONAH MORRIS
JOSEPH CRANSTON
JOSEPH SINCLAIR
JOSEPH SLOELY
JOY SAMUDA
JOYCE CONNELL
JOYCE MEDLEY
JOYCE STEWART
JOYSPHA CAMPBELL
JULIETTE HORREL
KATIA WILLIAMS
KEITH ROBINSON
KENEISHA BANTON
KENNETH FERGUSON
KEVIN CUMMINGS
KIPLING SMITH
LARNA MCLEOD
LAWRENCE WILLIAMS
LENA CAMPBELL
LENNOX THOMAS
LENROY ATKINSON
LEON BIGGS
LERA DWYER
LEROY MINTO
LESLIE ROWE
LILEITH MINOTT
LOCKSLEY CAMPBELL
LUCILLE DIXON
LURLEAN MCKAY
LURLINE ROPER
M. MCDERMOTH-WRIGHT
MANLEY CAMPBELL
MARCIA ELLIS
MARLENE TOMLINSON
MARY SCARLETT
MAUREEN STEWART

MAUREEN WRIGHT
MAZIE SMITH-THOMPSON
MEDINA O'CONNOR
MELVA SCARLETT
MELVIN SALMON
MELVIN THOMPSON
MERNETTA DUNKLEY
MERVIN ELLIOTT
MICHAEL GARDNER
MILDRED WILLIAMS
MILTON PATTERSON
MINETTE FENNELL
MOREEN WRIGHT
MUREEN STEPHENS
NADIA TOBIAS-LYNCH
NELSON TAYLOR
NERISSA TOWNSEND
NEUVAL ROWE
NOEL BOYDEN
NOEL FRANCIS
NORIS GRAHAM
NORMA TOMLINSON
ODIE FACEY
OMAR PETRIE
ONEIL LEWIS
ONEIL MCFARLANE
ORRETT MCKENZIE
ORVILLE JOHNSON
PETER CAMPBELL
PETER EBANKS
PETER MCKENZIE
PHILBERT LAWRENCE
PHILLIP GIBSON
PHYLLIS MULLINGS
RAINFORD GRANT
RALPH GRANT
RANFORD GRANT
RAY THOMPSON
RAYON DUNKLEY
RAYON SUTTON
REXFORD NEMBARD
ROBERT LINDSAY
RODERICK BROWN
ROMELL SMITH

RONA THOMPSON
ROY LYTTLETON
ROY RAMSAY
RUBEN CHAMBERS
RUDOLPH SCOTT
RUDOLPH WRIGHT
RUPERT ALLEN
RUPERT FACEY
RUPERT WALLACE
RUPERT WILLIAMS
SAMUEL SHAKESPEAR
SEBERT GOLDING
SEYMOUR CHAMBERS
SHARON DUNKLEY
SHARON SWABY
SHEMA SAMMS
SHIRLEY SALMON
SONIA CUNNINGHAM
ST AUBYN SHIELDS
SYLVETSER MITCHELL
THEO MONTIQUE
THERESA CHIN
THOMAS MEREDITH
TOBIAS LYNCH
TREVOR FRANCIS
TREVOR MULLINGS
TREVORTON SAMUELS
TULIA WILLIAMS
VALERIE SMALLING
VERMON ROWE
VEROL SEATON
VERON ROBINSON
VERONICA COLE
VICTOR GOWIE
VICTOR MILLER
VINCENT BOOTHE
VINCENT MOHAN
VIOLET SAMUELS
WARD THOMPSON
WESTON ROSE
WHYCLIFFE ALLEN
WRENFORD THOMAS



IN MEMORIAM:
ERTIS BLAKE

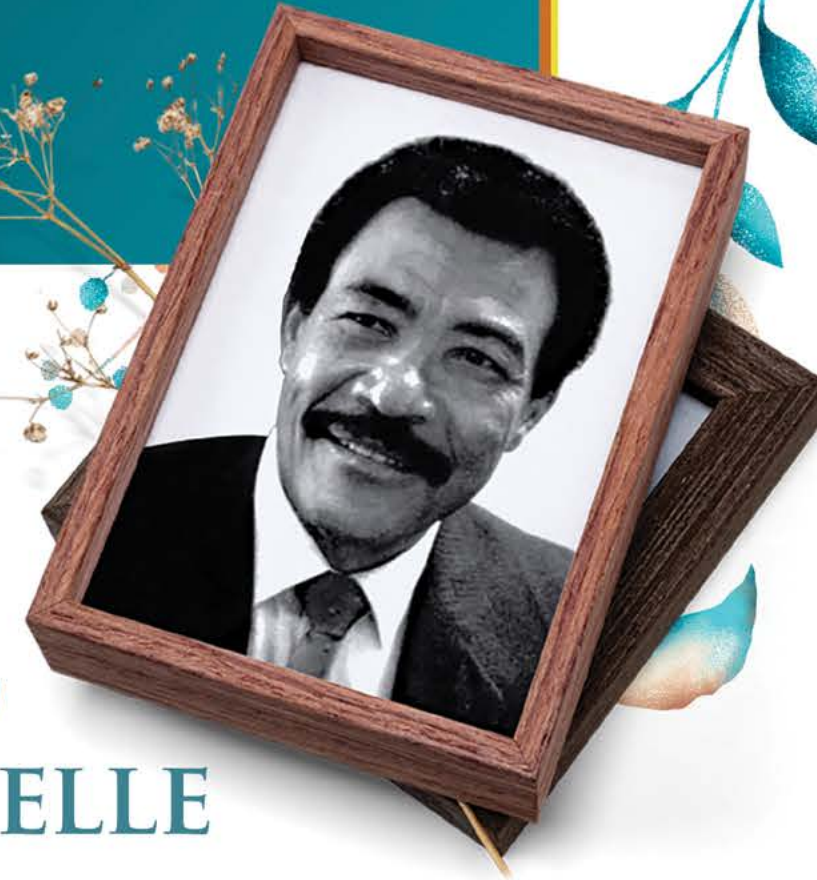
The Community & Workers of Jamaica Co-operative Credit Union Ltd (C&WJCCU) mourns the loss of Ertis Blake, who passed away on June 16, 2021 at the age of 75. Blake was President and Chairman of the Board of Directors of the Credit Union from 2000 to 2012 and ably served the Credit Union in various other capacities since 1983, earning himself the designation of President Emeritus.

Mr. Blake, at the helm of the Credit Union, was a powerful leader who shifted the Credit Union from a purely employee-based to a more inclusive wider-reaching community-based lender. He is fondly remembered as a noble, fearless yet humble leader who, with lively spirit and sense of humour, was able to connect with many from all walks of life.

His legacy will be inextricably linked to his unwavering commitment to growing the membership of the credit union, whose numbers more than quadrupled from 8,479 in 2000 at the start of his presidency, to 34,387 in 2012, when he demitted office. His visionary and astute leadership extended to numerous innovations that were firsts for this Credit Union- such as Mobile Internet Banking and Telephone Banking services - and the wider credit union movement in Jamaica and the world. He is today, still a highly respected and revered co-operator. Indeed, in December 2010, at the international Credit Union Executives Society (CUES), Blake was honoured and recognised as the Director of the Year for excellence in credit union volunteerism. It was the first time that an Executive outside the United States was selected for such recognition.

Ertis held pride of place in the hearts and affections of the staff of C&WJCCU and up to the time of his death maintained close contact with many in the C&WJCCU family who are truly saddened by his passing but retain fond memories of his time with the Credit Union. Our hearts go out to his family, friends and other business associates. He will be dearly missed.

REMEMBERING OUR STALWARTS



IN MEMORIAM:
**CARL
CHANTRIELLE**

The Community Workers of Jamaica Co-operative Credit Union Ltd mourns the loss of our first President, Carl Chantrielle, who passed away on February 7, 2022 at the age of 96.

Mr. Chantrielle was born on March 28, 1925, he received his elementary and secondary education at Rock River School and Kingston Technical High School. He joined the Air Force in 1944 and spent three years in England and, significantly, studied Accounting. He returned to Jamaica on July 4, 1947 and started working with the JTC on August 4, of the same year.

Along the path of his colourful and distinguished career, he was a man of many firsts – the first President of Telecommunications of Jamaica (TOJ), and as fate would have it he was the first President of the Credit Union, the then JTC Employees Co-operative Credit Union Ltd.

Reflecting on the first Meeting of the Society, Mr. Chantrielle recalls: “When the first meeting was held I was the one who organized it. I was the head cook and bottle washer. I went and bought ice, soft drinks - everything. It was held around the back of the JTC on a lawn about 4 or 5 pm. Some 30 or 40 people attended and I had to chair the meeting. I automatically became President, the first President”.

We express our heartfelt condolences and our wishes and prayers
are with the Chantrielle family.

VOLUNTEERS / COMMITTEES

WHO SERVED US FROM MAY 2021 – APRIL 2022

BOARD OF DIRECTORS

Mr. Austin Brown	President
Mr. Bornette Donaldson	1st Vice President
Mr. Christopher Buckmaster	2nd Vice President
Mrs. Ashlyn Malcolm	Treasurer
Mr. Delroy Foster	Assistant Treasurer
Mr. Winston Green	Secretary
Ms. Georjean Edwards-Fullerton	Assistant Secretary
Mr. Shauneil James	Director
Mr. Raymond Hernandez	Director
Mrs. Suzette Downie	Director
Mr. Pete Smith	Director

CREDIT COMMITTEE

Mrs. Norma Warburton	Chairperson
Mr. Clifton Atkinson	Secretary
Ms. Judith Cawley	Member
Mr. Trevor Cameron	Member
Mr. Charles Hanson	Member

SUPERVISORY COMMITTEE

Mr. Michael Sutherland	Chairman
Ms. Dionne Mason-Gordon	Secretary
Ms. Shorna Anderson	Member
Mr. Patrick Simpson	Member
Mr. Daniel Scott	Member
Mr. Darren Brown	Member
Mr. Rohan Saunders	Member

INFORMATION TECHNOLOGY COMMITTEE

Mr. Austin Brown	Chairman
Mr. Derron Seville	Secretary/Staff
Mrs. Ashlyn Malcolm	Member
Mr. Pete Smith	Member
Mr. Shauneil James	Member
Mr. Carlton Barclay	Member/Staff (retired)
Mrs. Joyce West-Johnson	Member/Staff
Mr. Rickie Williams	Member/Staff (resigned)

EXECUTIVE COMMITTEE

Mr. Bornette Donaldson	Chairman
Mr. Winston Green	Member
Mrs. Ashlyn Malcolm	Member
Mr. Austin Brown	Member

EDUCATION COMMITTEE

Mr. Christopher Buckmaster	Chairman
Ms. Brenda Reid	Secretary/Staff
Mr. Delroy Foster	Member
Mr. Raymond Hernandez	Member

Mr. Shauneil James	Member
Mr. Winston Green	Member
Mr. Leslie Mills	Honorary Member
Mr. Carlton Barclay	Member/Staff (retired)

ASSET LIABILITY MANAGEMENT COMMITTEE

Mrs. Ashlyn Malcolm	Chairperson
Mr. Rickie Williams	Secretary/Staff (resigned)
Ms. Jacqueline Miller	Secretary/Staff
Mr. Austin Brown	Member
Mr. Raymond Hernandez	Member
Mr. Bornette Donaldson	Member
Mrs. Suzette Downie	Member
Mr. Delroy Foster	Member
Mr. Carlton Barclay	Member/Staff (retired)
Mrs. Joyce West-Johnson	Member/Staff
Mrs. Sacha Vacciana-Riley	Member/Staff
Mrs. Tracy-Ann Henry-Williams	Member/Staff
Ms. Leleith Gunter	Member/Staff

ARREARS MANAGEMENT COMMITTEE

Mr. Delroy Foster	Chairman
Ms. Sheron Bryan	Secretary/Staff
Mrs. Ashlyn Malcolm	Member
Mr. Bornette Donaldson	Member
Mr. Carlton Barclay	Member/Staff (retired)
Mrs. Joyce West-Johnson	Member/Staff
Mrs. Tracy-Ann Henry-Williams	Member/Staff
Mrs. Sacha Vacciana-Riley	Member/Staff
Mr. Rickie Williams	Member/Staff (resigned)

POLICY REVIEW COMMITTEE

Mr. Bornette Donaldson	Chairman
Mrs. Joyce West-Johnson	Secretary/Staff
Mrs. Ashlyn Malcolm	Member
Ms. Georjean Edwards-Fullerton	Member
Mr. Winston Green	Member
Mr. Shauneil James	Member
Mr. Carlton Barclay	Member/Staff (retired)
Mrs. Sacha Vacciana-Riley	Member/Staff

ENTERPRISE RISK MANAGEMENT COMMITTEE

Mr. Shauneil James	Chairman
Mrs. Sacha Vacciana-Riley	Secretary/Staff
Ms. Georjean Edwards-Fullerton	Member
Mr. Bornette Donaldson	Member
Mr. Austin Brown	Member
Mr. Winston Green	Member
All members of the Management Team	

*Conditions apply

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GETTING UP TO 90% OF YOUR ACCUMULATED SAVINGS AS A LOAN?

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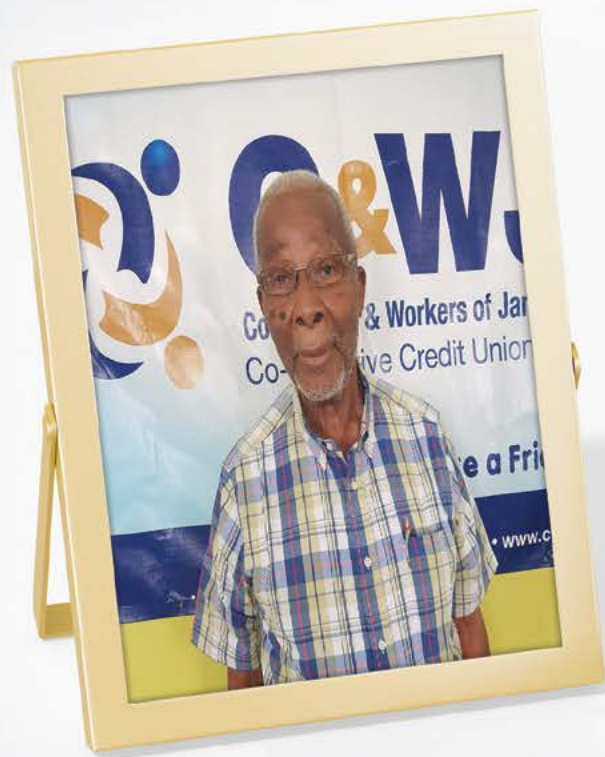
GETTING \$5 MILLION FREE LIFE INSURANCE OF UP TO \$5 MILLION TO COVER YOUR SAVINGS WITHOUT DOING A MEDICAL?

Start a **Save As You Earn** (S.A.Y.E.) Plan with CWJCCU and...

Watch it Grow!

PLUS! In the event of death after just one month's payment, the total amount you were saving towards is paid quick, quick to your beneficiary!

CWJ Community and Workers of Jamaica CO-OPERATIVE CREDIT UNION LTD.



Celebrating

OUR FOUNDING MEMBERS

In 1961, a group of individuals who were employed to then Jamaica Telephone Company Limited, believed that individuals should have better access to creating wealth; hence the idea of forming this Credit Union was born. Leadership of that effort came from its first Management committee comprising Carl Chantrielle as President, Leo Walker (Secretary), Leslie Mills (Treasurer), Floyd Ebanks, and FT Spence as Directors.

The operations of the credit union at that time took place on the compounds of the telephone company at 47 Half Way Tree Road with assistance from the company's accounting staff and the first loan amounting to 58 pounds sterling was granted.

As the membership of the Credit Union grew over the years, the Credit Union acquired property at 51 Half-Way-Tree Road and broke ground for its flagship location which was commissioned in 1978.

This was under the leadership of the then President, William "Billy" Bertram and the Credit Union building was named after him.

Today, 61 years later, our Credit Union. Community & Workers of Jamaica Co-operative Credit Union Limited, continues to deliver on our mission "to enhance the well-being of our members through superior financial services delivered by an empowered and motivated team"

On behalf of the Board of Directors, Management Team and our Members, I would like to present Mr. Leslie Mills and Stedson Chambers with this award of recognition of their vision as founding members, their unwavering support, ongoing commitment and unrelenting guidance that has led our Credit Union to success. We appreciate your devotion and support over the years. We could not have made it without you.

Thank You



HEAD OFFICE: 51 HALF WAY TREE ROAD, KINGSTON 10

TELEPHONE: 876-936-3800/ FAX: 876-929-8118

WEBSITE: WWW.CWJCU.COM

EMAIL: INFO@CWJCU.COM



(876) 936-3800 | WWW.CWJCU.COM | INFO@CWJCU.COM