



UNAUDITED FINANCIAL STATEMENTS

JUNE 30, 2021

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

(A Society Registered Under the Co-operative Societies Act)

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June 30, 2021

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Directors' Interim Report

For the Second Quarter Ended June 30, 2021

On behalf of the Board of Directors of the Community & Workers of Jamaica Co-operative Credit Union Limited, I am pleased to present the Unaudited Consolidated Financial Statements for the period ended June 30, 2021. The Credit Union recorded total assets of \$20.47B as at June 30, 2021, an increase of 11% when compared to the comparative period June 30, 2020. This increase in total assets was due to the increase in savings of \$1.86B which speaks to the confidence our members continue to have in the Credit Union.

The Credit Union achieved a surplus of \$82.51M for the six months ended June 30, 2021. This was 33% below the six-month comparative period ended June 30, 2020, primarily due to a 73% increase in provision for credit losses on the loan portfolio.

The surplus recorded for the second quarter ended June 30, 2021 was \$62.88M which represents a 55% increase relative to the corresponding quarter, June 30, 2020. This performance was due primarily to a \$31.37M or 52% reduction in provision for credit losses over the same period reflecting improved management of the credit risk. This is the result of the strategic approach management has taken in response to the continued impact the COVID-19 pandemic has had on the global and local economy.

The most recent IMF/World Economic Outlook for 2021, forecast global economic growth of 6% - driven mainly by the advanced economies, as various vaccines are approved, and mitigation measures implemented by these countries. A return to pre-COVID-19 levels is considered to be contingent on the success of the vaccine programme and the magnitude of the disruptions that the new variant may have on developing economies, including Jamaica.

The resulting new norm of doing business has challenged the Board and management to continue to deliver and meet the expectations of our members and other stakeholders. The Credit Union remains resolute to continue to deliver on its mission of enhancing the well-being of our members.

Notwithstanding the improved outlook, our members in various sectors, namely transport, agriculture and tourism continue to be negatively impacted by the pandemic. The current moratorium facility has provided a reprieve to ease the financial burden on the affected members. The Board and management have assessed the financial implications that may result after all the moratoriums expire and are confident that the Credit Union will remain strong and resilient.

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

Consolidated Statement of Financial Position (Unaudited)
(expressed in Jamaican dollars unless otherwise indicated)

GROUP FINANCIAL PERFORMANCE – SECOND QUARTER PERFORMANCE

Surplus

Despite the impact of COVID-19, the Credit Union generated a surplus of \$62.88M for the quarter ended June 30, 2021. This compares to a surplus of \$40.67M for the corresponding period in 2020. This increase of 55% was due to the deliberate strategies employed by the management to improve the performance of the credit risk.

Interest Income

The Credit Union earned interest income of \$496M for the quarter ended June 30, 2021. Our investment in several markets provided our investment portfolio with the adequate diversification of the risk associated with market volatility. The long-term investments continued to perform well, and our expectation is that this will continue. Notwithstanding a declining interest rate environment, interest income for the quarter ended June 30, 2021 remained flat compared to the corresponding period in 2020.

Interest Expense

Interest expenses remained relatively flat for the quarter ended June 30, 2021 compared to the corresponding period in 2020. Total cost of funds for the quarter ended June 30, 2021 amounted to \$89.53M compared to \$88.57M in 2020.

Non-Interest Income

Non-Interest income amounted to \$76.11M for the quarter ended June 30, 2021, an improved performance over the comparative quarter ended June 30, 2020. The Credit Union has invested in several Automated Teller Machines (ATM) which will be fully commissioned within the third quarter of this financial year. This investment is expected to significantly increase our non-interest income in the form of fee income. Management continues to pursue opportunities for diversifying the incomes of the Credit Union.

Operating Expenses

The management of cost continues to be a high priority of the Credit Union. Total operating expenses for the quarter ended June 30, 2021 amounted to \$382M. This is a marginal increase when compared to the quarter ended June 30, 2020 which amounted to \$377M.

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Consolidated Statement of Financial Position (Unaudited)
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GROUP FINANCIAL POSITION

Total Assets

The Credit Union remains on target to execute its growth strategy by focusing on member engagement and enhanced experiences during the period. The Credit Union experienced growth in all major areas of its operations. Total assets grew by 11% as at June 30, 2021 compared to the previous period June 30, 2020, moving from \$18.46B to \$20.47B, an increase of \$2.01B.

Loans and Savings

The loan portfolio grew by \$126.96M for the period ended June 30, 2021 when compared to the corresponding period in 2020. This increase is within the context of a contraction of the economy, increased unemployment and a reduction in disposable income. In an effort to aggressively grow its real estate loan portfolio, the Credit Union has recently introduced a new loan product to the market, "Own It". This loan product targets young professionals who want to acquire their home. The response is promising and has exceeded the expectation of management. As of June 30, 2021 the overall loan portfolio balance stood at \$12.68B.

The Credit Union appreciates the high level of confidence and commitment of our members as demonstrated by the significant increase in savings over the period. The Credit Union's savings portfolio grew significantly by 13% as at June 30, 2021 compared to the comparative period June 30, 2020. This represents an increase of \$1.86B, moving from \$14.05B as at June 30, 2020 to \$15.91B as at June 30, 2021.

Liquidity

As at June 30, 2021 the Credit Union had a liquidity position of \$3.44B which represented a liquidity ratio of 21.55%. This is an improved position compared to the 2020 position of \$2.97B which represented a liquidity ratio of 21.13%. The Credit Union's strong liquidity position is a deliberate strategy that is being pursued by management to provide an effective buffer for the Credit Union in the event of a crisis.

Capital Adequacy

The Credit Union's financial position is undergirded by a strong capital base. The total capital base of the Credit Union was \$3.54B as at June 30, 2021, which satisfies the capital adequacy requirements of our regulators. Our institutional capital ratio was 13.53% as at June 30, 2021, which is in compliance with the minimum requirement of 8%.

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Consolidated Statement of Financial Position (Unaudited)
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OUTLOOK

As we continue to celebrate our 60th anniversary in 2021 the Board and management is humbled by our members' loyalty and the resilience of the Credit Union during these challenging times. We are committed to deliver pioneering products and services that will continue to have a positive impact on the lives of our members and other stakeholders.

While the pandemic has brought many challenges, it has also presented opportunities to improve the service delivery to our members. The Credit Union continues to pursue the digitization of its products and processes in preparation for the new digital economy that is shaping the landscape of the financial industry. While we advance in technology and adapt our business processes to the new norm, we are also fully aware of the challenges of increased cyber risk. We want to assure our members that our banking platform remains secure and robust to support the business and the services that we offer.

Our members are the foundation of our organisation's network, and it is with this in mind, that we are committed and fully focused on our member strategy; one that will not only offer value-added services but will create opportunities to engage members, thereby retaining the existing membership and attracting new members.

Management continues to review the effect of the developments arising from the pandemic, and proactively manages the risks faced by the Credit Union. The Credit Union is optimistic that the vaccine programme in our country will lead to a further reopening of the economy. In this vein, the Board and management have ensured that all the pillars of growth are in place for the Credit Union to operate successfully within the current paradigm.

On behalf of the Board of Directors, I wish to thank the many individuals and institutions in the Credit Union family with which this Credit Union worked during the quarter.

Thanks to the management and staff for their professionalism and concern for the welfare of the Credit Union and the members. The Board also wishes to thank our members, who continue to faithfully support the Credit Union.

For and on behalf of the Board.

Signed,



Austin Brown
President

**COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
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Consolidated Statement of Financial Position (Unaudited)
(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Six months ended 30-Jun-21 \$'000	Unaudited Six months ended 30-Jun-20 \$'000	Audited Year Ended 31-Dec-20 \$'000
ASSETS			
EARNING ASSETS			
Loans	12,679,314	12,552,355	13,242,829
Liquid Assets	3,054,316	2,684,923	2,890,518
Financial Investments	<u>2,932,798</u>	<u>1,426,542</u>	<u>1,835,873</u>
Total earning assets	<u>18,666,428</u>	<u>16,663,820</u>	<u>17,969,220</u>
NON-EARNING ASSETS			
Liquid assets	389,170	284,545	224,996
Other assets	226,310	232,620	177,916
Pledged assets	-	50,431	-
Property, plant and equipment	794,563	773,888	775,647
Intangible assets	368,421	408,225	388,289
Assets held-for-sale	13,500	32,000	13,500
Right-of-use assets	<u>12,924</u>	<u>15,060</u>	<u>14,669</u>
Total non-earning assets	<u>1,804,888</u>	<u>1,796,769</u>	<u>1,595,017</u>
TOTAL ASSETS	<u><u>20,471,316</u></u>	<u><u>18,460,589</u></u>	<u><u>19,564,237</u></u>
LIABILITIES:			
INTEREST BEARING LIABILITIES			
Lease liabilities	12,019	14,650	13,978
Voluntary shares	4,515,348	4,207,708	4,422,510
Deferred shares	900,000	901,151	900,000
Saving deposits	11,398,738	9,846,777	10,578,661
Due to other institutions	58,232	58,202	42,447
External credits	<u>342,994</u>	<u>492,518</u>	<u>368,780</u>
Total interest bearing liabilities	17,227,331	15,521,006	16,326,376
NON-INTEREST BEARING LIABILITIES			
Accruals	212,552	255,960	199,829
Payables	40,043	53,195	217,004
Others	<u>356,625</u>	<u>359,084</u>	<u>267,057</u>
Total non-interest bearing liabilities	<u>609,220</u>	<u>668,239</u>	<u>683,890</u>
TOTAL LIABILITIES	<u><u>17,836,551</u></u>	<u><u>16,189,245</u></u>	<u><u>17,010,266</u></u>
CAPITAL			
Permanent shares	283,501	275,041	278,757
Institutional capital	<u>2,032,074</u>	<u>1,760,994</u>	<u>2,031,041</u>
	2,315,575	2,036,035	2,309,798
Non-institutional capital	<u>319,190</u>	<u>235,309</u>	<u>244,173</u>
TOTAL CAPITAL	<u><u>2,634,765</u></u>	<u><u>2,271,344</u></u>	<u><u>2,553,971</u></u>
TOTAL LIABILITIES & CAPITAL	<u><u>20,471,316</u></u>	<u><u>18,460,589</u></u>	<u><u>19,564,237</u></u>

Approved for issue by the Board of Directors on August 11, 2021 and signed on its behalf by:


Ashlyn Malcolm, Treasurer


Austin Brown, President

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

(A Society Registered Under the Co-operative Societies Act)

Consolidated Statement of Comprehensive Income (Unaudited)
(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Six months ended 30-Jun-21 \$'000	Unaudited Six months ended 30-Jun-20 \$'000	Unaudited Three months ended 30-Jun-21 \$'000	Unaudited Three months ended 30-Jun-20 \$'000	Audited Year Ended 31-Dec-20 \$'000
INTEREST INCOME					
Loans	907,054	907,591	451,191	450,075	1,857,729
Liquid Assets	41,852	20,253	24,495	9,929	71,587
Financial investments	46,703	32,273	20,688	32,589	79,965
	<u>995,609</u>	<u>960,117</u>	<u>496,374</u>	<u>492,593</u>	<u>2,009,281</u>
INTEREST EXPENSE					
Saving deposits	96,587	89,954	50,304	45,856	182,453
Members' Shares	5,241	4,995	2,658	2,601	10,019
Deferred shares	15,304	32,560	7,599	16,454	48,912
Due to other institutions	9,580	11,945	4,617	4,034	14,206
Other financial costs	45,929	39,796	24,354	19,622	85,398
	<u>172,641</u>	<u>179,250</u>	<u>89,532</u>	<u>88,567</u>	<u>340,988</u>
NET INTEREST INCOME	822,968	780,867	406,842	404,026	1,668,293
Provision for credit losses	(116,145)	(67,181)	(29,046)	(60,416)	(146,669)
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	<u>706,823</u>	<u>713,686</u>	<u>377,796</u>	<u>343,610</u>	<u>1,521,624</u>
NON-INTEREST INCOME					
Fees	108,740	117,664	53,400	51,146	248,347
Rental Income	7,086	7,368	3,604	4,241	14,832
Others	46,367	36,026	19,101	19,008	107,886
	<u>162,193</u>	<u>161,058</u>	<u>76,105</u>	<u>74,395</u>	<u>371,065</u>
GROSS INCOME	869,016	874,744	453,901	418,005	1,892,689
OPERATING EXPENSES	<u>(777,077)</u>	<u>(749,965)</u>	<u>(381,998)</u>	<u>(376,544)</u>	<u>(1,457,416)</u>
NET SURPLUS BEFORE HONORARIA AND OTHER PAYMENTS	91,939	124,779	71,903	41,461	435,273
Honoraria	(8,920)	-	(8,920)	-	(8,900)
Disaster and Social Outreach	(508)	(974)	(98)	(794)	(2,829)
Scholarship Fund	-	(200)	-	-	(5,175)
NET SURPLUS AFTER HONORARIA AND OTHER PAYMENTS, BEING SURPLUS FOR THE PERIOD	<u>82,511</u>	<u>123,605</u>	<u>62,885</u>	<u>40,667</u>	<u>418,369</u>
OTHER COMPREHENSIVE INCOME					
Item that may be reclassified to surplus: Change in fair value of the debt securities at fair value through other comprehensive income	6,496	(20,423)	986	492	(16,303)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>89,007</u>	<u>103,182</u>	<u>63,871</u>	<u>41,159</u>	<u>402,066</u>
Earnings per Deferred Share (expressed in \$)	0.18	0.27	0.14	0.09	0.93

**COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
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Consolidated Statement of Changes in Equity (Unaudited)
(expressed in Jamaican dollars unless otherwise indicated)

Quarter ended June 30, 2021

	INSTITUTIONAL CAPITAL					Total	NON-INSTITUTIONAL CAPITAL					Total	Grand total
	Permanent shares	Statutory & legal reserve	General reserve	Business combination reserve	Retained earnings reserve		Loan loss reserves	Fair value reserve	Other Non-qualifying reserve	Undistributed net surplus	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at January 1, 2021	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	
Total comprehensive income for the year													
Surplus for the year	-	-	-	-	-	-	-	-	-	82,511	82,511	82,511	
Other comprehensive income:													
Change in fair value of equity at FVOCI being total other comprehensive income	-	-	-	-	-	-	-	6,496	-	-	6,496	6,496	
Total comprehensive income for the year	-	-	-	-	-	-	-	6,496	-	82,511	89,007	89,007	
Transactions with members and movements in reserves													
Entrance fees	-	1,033	-	-	-	1,033	-	-	-	-	-	1,033	
Shares amount subscribed	4,744	-	-	-	-	-	-	-	-	-	-	4,744	
Appropriation of net surplus for 2021:													
Dividends on membership qualification shares	-	-	-	-	-	-	-	-	-	(13,938)	(13,938)	(13,938)	
Transfer to loan loss reserve	-	-	-	-	-	-	-	-	-	-	-	-	
Leslie Mills Trust Fund	-	-	-	-	-	-	-	-	28	-	28	28	
Share transfer fund	-	-	-	-	-	-	-	-	-	-	-	-	
Disaster and social outreach fund	-	-	-	-	-	-	-	-	4,492	(4,492)	-	-	
Scholarship fund	-	-	-	-	-	-	-	-	5,000	(5,000)	-	-	
Honorarium	-	-	-	-	-	-	-	-	-	(80)	(80)	(80)	
Total transactions with members and movements in reserves	4,744	1,033	-	-	-	1,033	-	-	9,520	(23,511)	(13,990)	(8,213)	
Balances at June 30, 2021	283,501	1,503,903	12,449	489,534	26,188	2,032,074	122,313	39,604	39,415	117,857	319,190	2,634,765	

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

(A Society Registered Under the Co-operative Societies Act)

Consolidated Statement of Changes in Equity (Unaudited) (Continued)
(expressed in Jamaican dollars unless otherwise indicated)

Quarter ended June 30, 2020

	INSTITUTIONAL CAPITAL						NON-INSTITUTIONAL CAPITAL					Grand total \$'000
	Permanent shares \$'000	Statutory & legal reserve \$'000	General reserve \$'000	Business combination reserve \$'000	Retained earnings reserve \$'000	Total \$'000	Loan loss reserves \$'000	Fair value reserve \$'000	Other Non-qualifying reserve \$'000	Undistributed net surplus \$'000	Total \$'000	
Balance at January 1, 2020	<u>271,235</u>	<u>1,232,189</u>	<u>12,449</u>	<u>489,534</u>	<u>26,188</u>	<u>1,760,360</u>	<u>15,363</u>	<u>49,411</u>	<u>24,924</u>	<u>40,699</u>	<u>130,397</u>	<u>2,161,992</u>
Total comprehensive income for the year												
Surplus for the year	-	-	-	-	-	-	-	-	-	123,605	123,605	123,605
Other comprehensive income:												
Change in fair value of equity at FVOCI being total other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,423)</u>	<u>-</u>	<u>-</u>	<u>(20,423)</u>	<u>(20,423)</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,423)</u>	<u>-</u>	<u>123,605</u>	<u>103,182</u>	<u>103,182</u>
Transactions with members and movements in reserves												
Entrance fees	-	634	-	-	-	634	-	-	-	-	-	634
Shares amount subscribed	3,806	-	-	-	-	-	-	-	-	-	-	3,806
Appropriation of net surplus for 2020:												
Dividends on membership qualification shares	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Loan Loss Reserve	-	-	-	-	-	-	8,333	-	-	(8,333)	-	-
Leslie Mills Trust fund	-	-	-	-	-	-	-	-	1,730	-	1,730	1,730
Disaster and social outreach fund	-	-	-	-	-	-	-	-	(997)	997	-	-
Honorarium	-	-	-	-	-	-	-	-	(200)	200	-	-
Transfer to statutory reserve [86.10% of net surplus for the year before honoraria and other payments]	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to share transfer fund, net	-	-	-	-	-	-	-	-	-	-	-	-
Scholarship fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total transactions with members and movements in reserves	<u>3,806</u>	<u>634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>634</u>	<u>8,333</u>	<u>-</u>	<u>533</u>	<u>(7,136)</u>	<u>1,730</u>	<u>6,170</u>
Balances at June 30, 2020	<u>275,041</u>	<u>1,232,823</u>	<u>12,449</u>	<u>489,534</u>	<u>26,188</u>	<u>1,760,994</u>	<u>23,696</u>	<u>28,988</u>	<u>25,457</u>	<u>157,168</u>	<u>235,309</u>	<u>2,271,344</u>

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

(A Society Registered Under the Co-operative Societies Act)

Consolidated Statement of Cash Flow June 30, 2021 (Unaudited)
(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Six Months Ended 30-Jun-21	Unaudited Six Months Ended 30-Jun-20	Audited Year Ended 31-Dec-20
	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year	82,511	123,605	418,369
Adjustments for:			
Depreciation - property, plant and equipment	23,171	18,515	43,793
Depreciation - right-of-use assets	1,745	1,851	2,242
Amortisation and impairment	19,867	20,162	40,098
Gain on assets held for sale	-	-	1,187
Provision for credit losses	116,145	67,181	146,669
Interest income	(995,609)	(960,117)	(2,009,281)
Interest expense	172,161	178,675	339,867
Interest expense on lease liability	480	575	1,121
	<u>(579,529)</u>	<u>(549,553)</u>	<u>(1,015,935)</u>
Changes in operating assets and liabilities			
Loans to members	384,059	72,964	(658,586)
Saving deposits	820,077	410,233	1,140,417
Voluntary shares & deferred shares	92,838	220,703	434,450
Other assets	(48,394)	(85,692)	(30,988)
Pledged assets	-	312,965	363,396
Accruals	12,723	52,688	(3,443)
Payables	(176,961)	(153,381)	10,428
Other non-interest-bearing liabilities	89,568	121,418	29,390
Due to other institutions	15,785	15,685	(70)
External credit	<u>(25,786)</u>	<u>(71,445)</u>	<u>(195,183)</u>
	584,380	346,585	73,876
Interest received	1,048,571	910,457	1,911,567
Interest paid	<u>(155,367)</u>	<u>(186,926)</u>	<u>(338,167)</u>
Net cash provided/(used) by operating activities	<u>1,477,584</u>	<u>1,070,116</u>	<u>1,647,276</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Financial investments	(1,096,925)	(240,618)	(642,817)
Purchase of property, plant and equipment	(42,087)	(39,491)	(66,528)
Proceed on disposal of investments	-	-	17,313
Net cash provided/(used) by investing activities	<u>(1,139,012)</u>	<u>(280,109)</u>	<u>(692,032)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Permanent shares	4,744	3,806	7,522
Entrance fees	1,033	634	1,218
Dividends on membership shares	(13,938)	-	(21,699)
Lease payment	<u>(2,439)</u>	<u>(2,496)</u>	<u>(4,288)</u>
Net cash used by financing activities	<u>(10,600)</u>	<u>1,944</u>	<u>(17,247)</u>
Increase in cash and cash equivalents	327,972	791,951	937,997
Cash equivalents at beginning of year	<u>3,115,514</u>	<u>2,177,517</u>	<u>2,177,517</u>
Cash equivalents at end of year	<u>3,443,486</u>	<u>2,969,468</u>	<u>3,115,514</u>
Comprised of:			
Liquid Assets: Earning	3,054,316	2,684,923	2,890,518
Liquid Assets: Non-earning	<u>389,170</u>	<u>284,545</u>	<u>224,996</u>
	<u>3,443,486</u>	<u>2,969,468</u>	<u>3,115,514</u>

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

(A Society Registered Under the Co-operative Societies Act)

Notes to the June 30, 2021 Financial Statements
(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

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

On August 1, 2019, C&WJCU Holdings Limited was formed with initial ownership of 100% by Community & Workers of Jamaica Co-operative Credit Union Limited. The principal activity of C&WJCU Holdings Limited is the holding of loan portfolios from non-members of the credit union. The company is incorporated in Jamaica. The company started trading in January 2020.

The Co-operative’s subsidiary, which together with the Co-operative are 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)**

(A Society Registered Under the Co-operative Societies Act)

**Notes to the June 30, 2021 Financial Statements
(expressed in Jamaican dollars unless otherwise indicated)**

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 saving 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. Statement of compliance and basis of preparation

(a) Basis of preparation

The Group's condensed Consolidated Interim Financial Statements for the quarter ended June 30, 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS). The condensed Consolidated Interim Financial Statements should be read in conjunction with the accounting policies as set out in the Audited Financial Statements for the year ended December 31, 2020.

(b) Basis of consolidation

Subsidiaries are entities over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights.

The Consolidated Financial Statements present the results of operations and financial position of the Group and its Subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. The Subsidiary's accounting policies are consistent with the policies adopted by the Group.