



**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2022**

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

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

**Index**

**March 31, 2022**

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| <b>UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS</b>       | <b>Page</b> |
|--|-------------|
| <b>Directors' Interim Report</b>                         | 2-6         |
| <b>Unaudited Consolidated Financial Statements</b>       |             |
| Unaudited Consolidated Statement of Financial Position   | 7           |
| Unaudited Consolidated Statement of Comprehensive Income | 8           |
| Unaudited Consolidated Statement of Changes in Equity    | 9-10        |
| Unaudited Consolidated Statement of Cash Flows           | 11          |
| Notes to the Interim Financial Statements                | 12-13       |

## **Directors' Interim Report**

**For the First Quarter Ended March 31, 2022**

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 March 31, 2022.

The latest McKinsey Global Survey on economic conditions cited the invasion of Ukraine will have a stronger economic impact than that of the COVID-19 pandemic, despite its continuance to plague the world. It is the top risk to domestic growth in every geography, except greater China which cites the COVID-19 pandemic as its top risk. Despite the downward trends, the overall economic sentiment remains more positive than negative. The Credit Union shares the same sentiments and remains focused on our Mission: *“To enhance the well-being of our members through superior financial services delivered by an empowered and motivated team”*. With the support of our members, we continue to deliver on this mission to profitably grow the business while ensuring the safety of our members' funds.

The Credit Union achieved growth during the first quarter of 2022, both in terms of total assets as well as membership.

C&WJCCUL's performance for the quarter showed continued growth as the year-to-date net surplus increased to \$28.44M, representing a 45% growth when compared to the similar quarter in 2021. The Credit Union continues to emphasize efficiency as it strives to improve its performance month over month.

The Credit Union's capital adequacy, liquidity and asset quality ratios remain strong.

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

***Financial Results for the three-months ended March 31, 2022***

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***GROUP FINANCIAL PERFORMANCE – FIRST QUARTER PERFORMANCE***

***Surplus***

The Credit Union achieved a net surplus of \$28.44M for the quarter ended March 31, 2022, compared to \$19.64M in the corresponding quarter in 2021. The \$8.8M increase in surplus was due primarily to a 32% decline in the loan loss provision.

***Interest Income***

The performance in interest income for the quarter was flat. The Credit Union earned interest income of \$495.76M for the quarter ended March 31, 2022, compared to \$499.23M for the corresponding period in 2021.

***Interest Expense***

Interest expense for the quarter was also flat. Total interest expense for the quarter ended March 31, 2022, was \$84.29M compared to \$83.11M for the first quarter of 2021.

***Non-Interest Income***

Non-interest income amounted to \$87.48M for the quarter ended March 31, 2022, an increase of 1.61% over the comparative period in 2021.

***Operating Expenses***

Operating expenses for the quarter ended March 31, 2022, amounted to \$411.58M, an increase of 4.18% when compared to the corresponding period in 2021. This was based on planned expenditure and was well within the budget for the period.

COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE  
CREDIT UNION LIMITED (C&WJCCUL)  
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*Financial Results for the three-months ended March 31, 2022*

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**GROUP FINANCIAL POSITION**

***Total Assets***

Total assets grew by 8.85% or \$1.76B for the twelve-month period, moving from \$19.91B as at March 31, 2021, to \$21.67B as at March 31, 2022. This represents a 1.82% growth for the current quarter over December 31, 2021. Liquid assets and financial investments increased by \$1.95B for the twelve-month period and by \$537.29M for the current quarter. The increase in total assets was funded primarily by the savings of our members.

***Loans***

The uncertainty that exists within the economy continues to be reflected in our members' relatively lower demand for loans. This resulted in a reduction of 1.29% on the loan portfolio, closing the quarter with a loan balance of \$12.69B as at March 31, 2022, compared to \$12.85B as at March 31, 2021. Management is pursuing several initiatives to improve the performance of the loan portfolio while preserving the credit quality. The non-performing loan portfolio was maintained well within the regulatory guidelines, in spite of the effects of COVID-19 on our members and the economy.

***Savings***

The Credit Union's savings portfolio grew by 10.87% over the twelve-month period, and by 2.78% during the current quarter ended March 31, 2022. This represents an increase of \$1.67B for the twelve-month period, moving from \$15.37B as at March 31, 2021, to \$17.04B as at March 31, 2022.

***Liquidity***

As at March 31, 2022, the Credit Union had a strong liquidity position of \$3.57B, which represented a liquidity ratio of 20.95%. 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 to mitigate any unforeseen events.

***Capital Adequacy***

The Credit Union's financial position is supported by a strong capital base. The total capital base of the Credit Union was \$3.72B as at March 31, 2022, which is higher than the capital adequacy requirements of our regulators. Our institutional capital ratio was 12.64% as at March 31, 2022, which is in compliance with the minimum requirement of 8%.

*Financial Results for the three-months ended March 31, 2022*

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**OUTLOOK**

The global economic outlook as reported by the International Monetary Fund (IMF) World Economic Outlook January 2022 highlighted the following, which points to the continuing uncertain economic environment within which we operate:

*Global growth is expected to slow to 3.8 percent in 2023. Although this is 0.2 percentage point higher than in previous forecasts, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022. The forecast is conditional on adverse health outcome declining to low levels in most countries by end-2022 assuming vaccination rates improve worldwide and therapies become more effective. Global growth is expected to moderate from 5.9% in 2021 to 4.4% in 2022.*

The Bank of Jamaica Monetary Policy Committee (MPC), in the continued implementation of its tightening monetary policy, has reported the impact on the Jamaican financial sector as follows:

*“Interest rates in the money market have increased, overnight placements (or liquid balances) by deposit-taking institutions at Bank of Jamaica have declined and deposit rates have started to rise. Further, the indications from the Bank of Jamaica’s credit conditions survey are that deposit-taking institutions plan to increase interest rates on loans, albeit marginally.*

*During the March 25 and 28, 2022 meetings, the MPC noted that inflation continues to breach the upper limit of the Bank’s target and it is expected to continue. The Committee also noted that the invasion of Ukraine by Russia has increased the level of uncertainty in the environment and contributed to the further rise in domestic inflation. The MPC noted that the conflict posed a downside risk to domestic growth.”*

In March 2022, the MPC agreed to further reduce the level of monetary policy accommodation by increasing the policy rate by 50bps to 4.50 percent. This they indicated was against the background of the following:

- The domestic economy is expected to expand in the range of 7.0% to 10.0% for FY2021/22 and between 2.0% and 4.0% FY2022/23;
- Real GDP to return to its pre-COVID-19 level by the end of 2022 with the reopening of the economy;
- Inflation was expected to average within a range of 5.5% to 7.5% over the next two years;
- Monetary conditions continue to tighten globally. To date, at least 39 central banks around the world have begun tightening policy;
- They will continue to pursue other measures to contain the Jamaican Dollar liquidity expansion.

Management continues to review and monitor the effect of the developments arising from the pandemic, as well as the war in Ukraine, and proactively manage the risks faced by the Credit Union. The Credit Union is optimistic that the reopening of the economy will continue to provide the needed growth in the most affected sectors. 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 new paradigm.

On behalf of the Board of Directors, I wish to thank the many individuals and institutions in the Credit Union movement with which we worked during the period. Thanks to the management and staff for their professionalism and concern for the welfare of the Credit Union and the members. The Board wishes to specifically thank our members, who continue to faithfully support the institution.

For and on behalf of the Board.

Signed,



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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 Financial Position as at March 31, 2022*  
*(expressed in Jamaican Dollars unless otherwise indicated)*

|   | Unaudited<br>Quarter Ended<br>31-Mar-22<br>\$'000 | Unaudited<br>Quarter Ended<br>31-Mar-21<br>\$'000 | Audited<br>Year Ended<br>31-Dec-21<br>\$'000 |
|---|---|---|--|
| <b>ASSETS</b>                           |   |   |  |
| <b>EARNING ASSETS</b>                   |   |   |  |
| Loans                                   | 12,688,565  | 12,854,206  | 13,002,288                                   |
| Liquid Assets                           | 3,363,163   | 2,907,630   | 3,874,168                                    |
| Financial Investments                   | 3,939,315   | 2,448,863   | 2,891,022                                    |
| Total earning assets                    | 19,991,043  | 18,210,699  | 19,767,478                                   |
| <b>NON-EARNING ASSETS</b>               |   |   |  |
| Liquid assets                           | 207,712   | 250,331   | 162,447                                      |
| Other assets                            | 299,324   | 252,027   | 163,326                                      |
| Property, plant and equipment           | 830,836   | 791,221   | 838,901                                      |
| Intangible assets                       | 334,517   | 378,338   | 343,840                                      |
| Assets held-for-sale                    | 0   | 13,500  | 0  |
| Right-of-use assets                     | 8,705   | 13,712  | 9,615  |
| Total non-earning assets                | 1,681,094   | 1,699,129   | 1,518,129                                    |
| <b>TOTAL ASSETS</b>                     | <b>21,672,137</b>                                 | <b>19,909,828</b>                                 | <b>21,285,607</b>                            |
| <b>LIABILITIES:</b>                     |   |   |  |
| <b>INTEREST BEARING LIABILITIES</b>     |   |   |  |
| Lease liabilities                       | 9,675   | 13,013  | 10,620                                       |
| Voluntary shares                        | 4,689,639   | 4,420,200   | 4,640,633                                    |
| Deferred shares                         | 869,749   | 900,000   | 885,058                                      |
| Saving deposits                         | 12,353,055  | 10,951,702  | 11,941,387                                   |
| Due to other institutions               | 36,136  | 58,202  | 36,136                                       |
| External credits                        | 206,205   | 404,504   | 254,924                                      |
| Total interest bearing liabilities      | 18,164,459  | 16,747,621  | 17,768,758                                   |
| <b>NON-INTEREST BEARING LIABILITIES</b> |   |   |  |
| Accruals                                | 216,116   | 228,160   | 204,692                                      |
| Payables                                | 105,290   | 42,798  | 171,214                                      |
| Others                                  | 339,627   | 335,095   | 326,361                                      |
| Total non-interest bearing liabilities  | 661,033   | 606,053   | 702,267                                      |
| <b>TOTAL LIABILITIES</b>                | <b>18,825,492</b>                                 | <b>17,353,674</b>                                 | <b>18,471,025</b>                            |
| <b>CAPITAL</b>                          |   |   |  |
| Permanent shares                        | 290,484   | 281,235   | 287,609                                      |
| Institutional capital                   | 2,274,440   | 2,031,512   | 2,273,718                                    |
|   | 2,564,924   | 2,312,747   | 2,561,327                                    |
| Non-institutional capital               | 281,721   | 243,407   | 253,255                                      |
| <b>TOTAL CAPITAL</b>                    | <b>2,846,645</b>                                  | <b>2,556,154</b>                                  | <b>2,814,582</b>                             |
| <b>TOTAL LIABILITIES &amp; CAPITAL</b>  | <b>21,672,137</b>                                 | <b>19,909,828</b>                                 | <b>21,285,607</b>                            |

Approved for issue by the Board of Directors on May 12, 2022 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 for the three months ended March 31, 2022  
(expressed in Jamaican Dollars unless otherwise indicated)**

|  | Unaudited<br>Three months ended<br>31-Mar-22<br>\$'000 | Unaudited<br>Three months ended<br>31-Mar-21<br>\$'000 | Audited<br>Twelve months ended<br>31-Dec-21<br>\$'000 |
|--|--|--|---|
| <b>INTEREST INCOME</b>   |  |  |   |
| Loans  | 445,905  | 455,863  | 1,855,675   |
| Liquid Assets  | 45,197   | 17,357   | 104,020   |
| Financial investments  | 4,663  | 26,015   | 129,200   |
|  | <u>495,765</u>   | <u>499,235</u>   | <u>2,088,895</u>                                      |
| <b>INTEREST EXPENSE</b>  |  |  |   |
| Saving deposits  | 51,629   | 46,283   | 204,006   |
| Members' Shares  | 1,640  | 2,583  | 9,733   |
| Deferred shares  | 7,025  | 7,705  | 30,224  |
| Due to other institutions  | 2,139  | 4,963  | 8,509   |
| Other financial costs  | 21,858   | 21,575   | 91,245  |
|  | <u>84,292</u>  | <u>83,109</u>  | <u>343,717</u>  |
| <b>NET INTEREST INCOME</b>   | 411,474  | 416,126  | 1,745,178   |
| Provision for credit losses  | (58,902)   | (87,099)   | (271,734)   |
| <b>NET INTEREST INCOME AFTER PROVISION<br/>FOR CREDIT LOSSES</b>   | <u>352,572</u>   | <u>329,027</u>   | <u>1,473,444</u>                                      |
| <b>NON-INTEREST INCOME</b>   |  |  |   |
| Fees   | 62,295   | 55,340   | 229,643   |
| Rental Income  | 3,921  | 3,482  | 14,324  |
| Others   | 21,260   | 27,266   | 108,451   |
|  | <u>87,476</u>  | <u>86,088</u>  | <u>352,418</u>  |
| <b>GROSS INCOME</b>  | 440,048  | 415,115  | 1,825,862   |
| <b>OPERATING EXPENSES</b>  | (411,580)  | (395,079)  | (1,550,963)   |
| <b>NET SURPLUS BEFORE HONORARIA AND<br/>OTHER PAYMENTS</b>   | 28,467   | 20,036   | 274,899   |
| Honoria  | -  | -  | (8,920)   |
| Disaster and Social Outreach   | (127)  | (410)  | (1,217)   |
| Scholarship Fund   | 100  | -  | (5,205)   |
| <b>NET SURPLUS AFTER HONORARIA AND<br/>OTHER PAYMENTS, BEING SURPLUS FOR<br/>THE PERIOD</b>  | <u>28,441</u>  | <u>19,626</u>  | <u>259,557</u>  |
| <b>OTHER COMPREHENSIVE INCOME</b>  |  |  |   |
| Item that may be reclassified to surplus:<br>Change in fair value of the debt securities at fair value<br>through other comprehensive income | 26   | 5,510  | 2,569   |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE<br/>PERIOD</b>   | <u>28,467</u>  | <u>25,136</u>  | <u>262,126</u>  |
| <b>Earnings per Deferred Share<br/>(expressed in \$)</b>   | <b>0.07</b>  | <b>0.04</b>  | <b>0.60</b>   |

**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 for the three months ended March 31, 2022  
(expressed in Jamaican dollars unless otherwise indicated)**

**Quarter ended March 31, 2022**

|   | INSTITUTIONAL CAPITAL         |  |                              |  |   | NON-INSTITUTIONAL CAPITAL |                                    |                                    |  |  |                 |                          |
|---|-------------------------------|--|------------------------------|--|---|---------------------------|------------------------------------|------------------------------------|--|--|-----------------|--------------------------|
|   | Permanent<br>shares<br>\$'000 | Statutory &<br>legal reserve<br>\$'000 | General<br>reserve<br>\$'000 | Business<br>combination<br>reserve<br>\$'000 | Retained<br>earnings<br>reserve<br>\$'000 | Total<br>\$'000           | Loan<br>loss<br>reserves<br>\$'000 | Fair<br>value<br>reserve<br>\$'000 | Other<br>Non-<br>qualifying<br>reserve<br>\$'000 | Undistributed<br>net surplus<br>\$'000 | Total<br>\$'000 | Grand<br>total<br>\$'000 |
| Balance at January 1, 2022  | 287,609                       | 1,745,547                              | 12,449                       | 489,534                                      | 26,188                                    | 2,273,718                 | 122,313                            | 35,677                             | 35,078   | 60,186                                 | 253,254         | 2,814,581                |
| <b>Total comprehensive income for the year</b>                                    |                               |  |                              |  |   |                           |                                    |                                    |  |  |                 |                          |
| Surplus for the year  | -                             | -                                      | -                            | -  | -   | -                         | -                                  | -                                  | 582-   | 24,686                                 | 25,268          | 25,268                   |
| Other comprehensive income:   |                               |  |                              |  |   |                           |                                    |                                    |  |  |                 |                          |
| Change in fair value of equity at FVOCI<br>being total other comprehensive income | -                             | -                                      | -                            | -  | -   | -                         | -                                  | 3,199                              | -  | -                                      | 3,199           | 3,199                    |
| Total comprehensive income for the year   | -                             | -                                      | -                            | -  | -   | -                         | -                                  | 3,199                              | 582  | 24,686                                 | 28,467          | 28,467                   |
| <b>Transactions with members and movements in reserves</b>                        |                               |  |                              |  |   |                           |                                    |                                    |  |  |                 |                          |
| Entrance fees   | -                             | 722                                    | -                            | -  | -   | 722                       | -                                  | -                                  | -  | -                                      | -               | 722                      |
| Shares amount subscribed  | 2,875                         | -                                      | -                            | -  | -   | -                         | -                                  | -                                  | -  | -                                      | -               | 2,875                    |
| Appropriation of net surplus for 2022:  |                               |  |                              |  |   |                           |                                    |                                    |  |  |                 |                          |
| Dividends on membership qualification shares                                      | -                             | -                                      | -                            | -  | -   | -                         | -                                  | -                                  | -  | -                                      | -               | -                        |
| Transfer to loan loss reserve   | -                             | -                                      | -                            | -  | -   | -                         | -                                  | -                                  | -  | -                                      | -               | -                        |
| Leslie Mills Trust Fund   | -                             | -                                      | -                            | -  | -   | -                         | -                                  | -                                  | -  | -                                      | -               | -                        |
| Share transfer fund   | -                             | -                                      | -                            | -  | -   | -                         | -                                  | -                                  | -  | -                                      | -               | -                        |
| Disaster and social outreach fund   | -                             | -                                      | -                            | -  | -   | -                         | -                                  | -                                  | ( 126)   | 126                                    | -               | -                        |
| Scholarship fund  | -                             | -                                      | -                            | -  | -   | -                         | -                                  | -                                  | 100  | ( 100)                                 | -               | -                        |
| Honorarium  | -                             | -                                      | -                            | -  | -   | -                         | -                                  | -                                  | -  | -                                      | -               | -                        |
| Total transactions with members and movements in reserves                         | 2,875                         | 722                                    | -                            | -  | -   | 722                       | -                                  | -                                  | (26)   | 26                                     | -               | 3,497                    |
| Balances at March 31, 2022  | 290,484                       | 1,746,269                              | 12,449                       | 489,534                                      | 26,188                                    | 2,274,440                 | 122,313                            | 38,876                             | 35,634   | 84,898                                 | 281,721         | 2,846,645                |

**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 for the three months ended March 31, 2022  
(expressed in Jamaican dollars unless otherwise indicated)**

**Quarter ended March 31, 2021**

|  | INSTITUTIONAL CAPITAL      |                                     |                           |  |                                     | NON-INSTITUTIONAL CAPITAL |                              |                              |  |                                     |                 | Grand total<br>\$'000 |
|--|----------------------------|-------------------------------------|---------------------------|--|-------------------------------------|---------------------------|------------------------------|------------------------------|--|-------------------------------------|-----------------|-----------------------|
|  | Permanent shares<br>\$'000 | Statutory & legal reserve<br>\$'000 | General reserve<br>\$'000 | Business combination reserve<br>\$'000 | Retained earnings reserve<br>\$'000 | Total<br>\$'000           | Loan loss reserves<br>\$'000 | Fair value reserve<br>\$'000 | Other Non-qualifying reserve<br>\$'000 | Undistributed net surplus<br>\$'000 | Total<br>\$'000 |                       |
| Balance at January 1, 2021                                 | <u>278,757</u>             | <u>1,502,870</u>                    | <u>12,449</u>             | <u>489,534</u>                         | <u>26,188</u>                       | <u>2,031,041</u>          | <u>122,313</u>               | <u>33,108</u>                | <u>29,895</u>                          | <u>32,935</u>                       | <u>244,173</u>  | <u>2,553,971</u>      |
| <b>Total comprehensive income for the year</b>             |                            |                                     |                           |  |                                     |                           |                              |                              |  |                                     |                 |                       |
| Surplus for the year                                       | -                          | -                                   | -                         | -                                      | -                                   | -                         | -                            | -                            | -                                      | 19,626                              | 82,511          | 82,511                |
| 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>5,510</u>                 | <u>-</u>                               | <u>-</u>                            | <u>6,496</u>    | <u>6,496</u>          |
| Total comprehensive income for the year                    | <u>-</u>                   | <u>-</u>                            | <u>-</u>                  | <u>-</u>                               | <u>-</u>                            | <u>-</u>                  | <u>-</u>                     | <u>5,510</u>                 | <u>-</u>                               | <u>19,626</u>                       | <u>89,007</u>   | <u>89,007</u>         |
| <b>Transactions with members and movements in reserves</b> |                            |                                     |                           |  |                                     |                           |                              |                              |  |                                     |                 |                       |
| Entrance fees  | -                          | 471                                 | -                         | -                                      | -                                   | 471                       | -                            | -                            | -                                      | -                                   | -               | 471                   |
| Shares amount subscribed                                   | 2,478                      | -                                   | -                         | -                                      | -                                   | -                         | -                            | -                            | -                                      | -                                   | -               | 2,478                 |
| Appropriation of net surplus for 2021:                     |                            |                                     |                           |  |                                     |                           |                              |                              |  |                                     |                 |                       |
| Dividends on membership qualification shares               | -                          | -                                   | -                         | -                                      | -                                   | -                         | -                            | -                            | -                                      | -                                   | -               | -                     |
| Transfer to loan loss reserve                              | -                          | -                                   | -                         | -                                      | -                                   | -                         | -                            | -                            | -                                      | -                                   | -               | -                     |
| Leslie Mills Trust Fund                                    | -                          | -                                   | -                         | -                                      | -                                   | -                         | -                            | -                            | 20                                     | -                                   | 20              | 20                    |
| Share transfer fund  | -                          | -                                   | -                         | -                                      | -                                   | -                         | -                            | -                            | -                                      | -                                   | -               | -                     |
| Disaster and social outreach fund                          | -                          | -                                   | -                         | -                                      | -                                   | -                         | -                            | -                            | ( 410)                                 | 410                                 | -               | -                     |
| Scholarship fund   | -                          | -                                   | -                         | -                                      | -                                   | -                         | -                            | -                            | -                                      | -                                   | -               | -                     |
| Honorarium   | -                          | -                                   | -                         | -                                      | -                                   | -                         | -                            | -                            | -                                      | -                                   | -               | -                     |
| Total transactions with members and movements in reserves  | <u>2,478</u>               | <u>471</u>                          | <u>-</u>                  | <u>-</u>                               | <u>-</u>                            | <u>471</u>                | <u>-</u>                     | <u>-</u>                     | <u>( 390)</u>                          | <u>410</u>                          | <u>20</u>       | <u>2,969</u>          |
| Balances at March 31, 2021                                 | <u>281,235</u>             | <u>1,503,341</u>                    | <u>12,449</u>             | <u>489,534</u>                         | <u>26,188</u>                       | <u>2,031,512</u>          | <u>122,313</u>               | <u>38,618</u>                | <u>29,505</u>                          | <u>52,971</u>                       | <u>243,407</u>  | <u>2,556,154</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 Flows for the three months ended March 31, 2022  
(expressed in Jamaican dollars unless otherwise indicated)**

|   | Unaudited<br>Three Months<br>Ended<br>31-Mar-22 | Unaudited<br>Three Months<br>Ended<br>31-Mar-21 | Audited<br>Year Ended<br>31-Dec-21 |
|---|---|---|------------------------------------|
|   | \$'000  | \$'000  | \$'000                             |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>             |   |   |                                    |
| Surplus for the year                                    | 28,441  | 19,626  | 259,557                            |
| Adjustments for:  |   |   |                                    |
| Depreciation - property, plant and equipment            | 13,034  | 12,387  | 47,793                             |
| Depreciation - right-of-use assets                      | 910   | 957   | 5,054                              |
| Amortisation and impairment                             | 14,855  | 9,950   | 316,183                            |
| Loss on disposal of property, plant and equipment       |   |   | 97                                 |
| Gain on assets held for sale                            | -   | -   | (11,795)                           |
| Provision for credit losses                             | 58,902  | 87,099  | -                                  |
| Interest income   | (495,765)                                       | (499,235)                                       | (2,088,895)                        |
| Interest expense  | 84,111  | 83,029  | 342,560                            |
| Interest expense on lease liability                     | 181   | 80  | 1,157                              |
|   | <u>(295,333)</u>                                | <u>(286,107)</u>                                | <u>(1,128,289)</u>                 |
| <b>Changes in operating assets and liabilities</b>      |   |   |                                    |
| Loans to members  | 254,821   | 200,888   | (55,955)                           |
| Saving deposits   | 411,668   | 373,041   | 1,362,726                          |
| Voluntary shares & deferred shares                      | 33,697  | (2,310)   | 203,181                            |
| Other assets  | (135,998)                                       | (74,111)  | 28,090                             |
| Other non-interest-bearing liabilities                  | (16,533)  | (77,837)  | 5,573                              |
| Due to other institutions                               | -   | 15,755  | (6,311)                            |
| External credit   | (48,719)  | 35,724  | (113,856)                          |
|   | <u>203,604</u>                                  | <u>185,043</u>                                  | <u>295,159</u>                     |
| Interest received                                       | 497,544   | 560,037   | 2,092,993                          |
| Interest paid   | (87,008)  | (63,586)  | (330,913)                          |
| <b>Net cash provided/(used) by operating activities</b> | <u>614,141</u>                                  | <u>681,494</u>                                  | <u>2,057,239</u>                   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>             |   |   |                                    |
| Financial investments                                   | (1,042,762)                                     | (612,990)                                       | (1,018,594)                        |
| Purchase of property, plant and equipment               | (4,969)   | (27,961)  | (207,473)                          |
| Proceeds from disposal asset held for sale              | -   | -   | (111,174)                          |
| Proceeds on disposal of property plant and equipment    | -   | -   | 30                                 |
| <b>Net cash provided/(used) by investing activities</b> | <u>(1,047,731)</u>                              | <u>(640,951)</u>                                | <u>(1,337,211)</u>                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>             |   |   |                                    |
| Permanent shares  | 2,875   | 2,478   | 8,852                              |
| Entrance fees   | 722   | 471   | 2,045                              |
| Dividends on membership shares                          | -   | -   | (13,938)                           |
| Lease payment   | (1,126)   | (1,045)   | (3,358)                            |
| <b>Net cash provided/(used) by financing activities</b> | <u>2,471</u>                                    | <u>1,904</u>                                    | <u>(6,399)</u>                     |
| <b>Increase/(decrease) in cash and cash equivalents</b> | <u>(431,119)</u>                                | <u>42,447</u>                                   | <u>713,629</u>                     |
| <b>Cash equivalents at beginning of year</b>            | <u>2,084,426</u>                                | <u>3,115,514</u>                                | <u>1,370,797</u>                   |
| <b>Cash equivalents at end of year</b>                  | <u><u>1,653,307</u></u>                         | <u><u>3,157,961</u></u>                         | <u><u>2,084,426</u></u>            |
| <b>Comprised of:</b>                                    |   |   |                                    |
| Liquid Assets: Earning                                  | 1,445,595                                       | 2,907,630                                       | 1,921,979                          |
| Liquid Assets: Non-earning                              | 207,712   | 250,331   | 162,447                            |
|   | <u>1,653,307</u>                                | <u>3,157,961</u>                                | <u>2,084,426</u>                   |

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

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

**Notes to the Financial Statements for the three-months ended March 31, 2022 (Unaudited)**  
**(expressed in Jamaican dollars unless otherwise indicated)**

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**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 Financial Statements for the three-months ended March 31, 2022 (Unaudited)**  
**(expressed in Jamaican dollars unless otherwise indicated)**

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**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 three months ended March 31, 2022 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, 2021.

**(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.