



UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Third Quarter Ended September 30, 2022

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

Index

September 30, 2022

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COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE

CREDIT UNION LIMITED (C&WJCCUL)

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

Directors' Interim Report
For the Third Quarter Ended September 30, 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 September 30, 2022.

The Bank of Jamaica through its Monetary Policy Committee (MPC) issued the following statements in regard to its monetary policy direction:

- a) Inflation has not yet sustained a downward path despite the key drivers of inflation and other economic indicators trending in the right direction.
- b) The pace of monetary tightening among Jamaica's main trading partners has accelerated as on September 21, 2022 the Federal Reserve Board raised its interest rate target by 75 bps. They have also signalled that interest rates could rise to 4.4 per cent by the end of 2022 and 4.6 percent by the end of 2023. This could result in US dollar assets becoming more attractive relative to those denominated in Jamaican dollars, which could cause capital outflows, and prompt a faster pace of exchange rate depreciation and further derailment of the Bank's efforts to manage inflation.
- c) The Bank is concerned about the slow pace at which interest rates on local currency deposits have responded to its policy signals. This is shown in the weighted average deposit rate being offered by DTI's increasing by only 37 bps when comparing September 2021 and July 2022 to the policy rate which was increased by 500 bps for the same period.

The decision was made by the MPC for the Bank to continue its pursuit of other measures in containing the liquidity expansion of the Jamaican dollar and to maintain a relative stability in the foreign exchange market. The MPC also agreed to increase the policy rate by 50 bps to 6.5 per cent which has resulted in a cumulative increase in policy rate of 600 bps since October 2021. The Bank has emphasized the need to monitor the DTI's in an effort to ensure that the increase in interest rates is being passed on to individual depositors.

The Bank of Jamaica is optimistic about the growth of the economy as it anticipates growth of 2.5 to 3.5 percent in GDP. The main contributing factors being anticipated are growth in Tourism and allied services as well as agricultural production.

Despite these challenging economic conditions, the Credit Union continued to experience growth during the third quarter of 2022, both in terms of total assets as well as membership. The Credit Union's capital adequacy, liquidity and asset quality ratios remain strong as we continue to emphasize efficiency and to improve our performance month over month.

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

Financial Results for the nine-months ended September 30, 2022

GROUP FINANCIAL PERFORMANCE – THIRD QUARTER PERFORMANCE

Surplus

The Credit Union achieved a net surplus of \$88.51M for the quarter ending September 30, 2022, compared to \$43.96M in the corresponding quarter in 2021. The \$44.56M increase in surplus was due primarily to the increase in net interest income, non-interest income and a reduction in the operating expenses. This quarter's surplus was also \$32.14M more than the \$56.38M reported for the second quarter of 2022. The year-to-date surplus of \$173.21M was \$45.95M more than that reported for the same period during the previous year.

Interest Income

The Credit Union earned interest income of \$551.72M for the quarter ended September 30, 2022, compared to \$515.88M for the corresponding period in 2021. Interest income for the quarter increased by \$29.99M when compared to the quarter ended June 2022. This was primarily due to the Credit Union benefiting from the gains made on the investment portfolio.

Interest Expense

Total interest expense for the quarter ending September 30, 2022, was \$108.24M, compared to \$91.59M for the third quarter of 2021. This represents an increase of \$16.65M or 18.18%. The increase in interest rate on the Deferred Shares was the major contributing factor.

Non-Interest Income

Non-interest income was \$94.54M for the quarter ending September 30, 2022 which was \$21.24M or 28.97% more than that reported for the same period in 2021. Fee income of \$15.3M was the main contributing factor to the increase.

Operating Expenses

Operating expenses for the quarter ending September 30, 2022, amounted to \$395.65M, a decrease of \$13.17M when compared to the corresponding period in 2021, and 4.49% less when compared to the second quarter of 2022.

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

Financial Results for the nine-months ended September 30, 2022

GROUP FINANCIAL POSITION

Total Assets

Total assets grew by 7.33% or \$1.53B for the twelve-month period, moving from \$20.92B as at September 30, 2021, to \$22.46B as at September 30, 2022. This represents a 5.51% growth over December 31, 2021. Liquid assets and financial investments increased by \$1.52B for the twelve-month period and 2.76% 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 0.46% in the loan portfolio, closing the quarter with a loan balance of \$12.88B, compared to \$12.94B as at September 30, 2021. Management has been 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, despite the negative effects of COVID-19 on our members and the economy.

Savings

The Credit Union's savings portfolio grew by 8.6% over the twelve-month period, and by 1.96% during the current quarter ended September 30, 2022. This represents an increase of \$1.4B for the twelve-month period, moving from \$16.3B as at September 30, 2021, to \$17.7B as at September 30, 2022.

Liquidity

As at September 30, 2022, the Credit Union had a strong liquidity position of \$3.51B, which represented a liquidity ratio of 19.75%. 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 order to mitigate any unforeseen events.

Capital Adequacy

The Credit Union's financial position is supported by a strong capital base. The total capital base was \$3.85B as at September 30, 2022, which is higher than the capital adequacy requirements of our regulators. Our institutional capital ratio was 12.29% as at September 30, 2022, which is in compliance with the minimum requirement of 8%.

COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE
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Financial Results for the nine-months ended September 30, 2022

OUTLOOK

The World Economic Outlook as reported by the IMF points to a cost of living crisis, with the Global economic activity experiencing a broad based and sharper than expected slowdown, and inflation rising higher than seen in several decades. The following are some indicators highlighted:

- a) IMF has stated that Global growth is forecasted to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. The IMF indicated that this is the weakest growth profile experienced since 2001, except for the Global financial crisis and the acute phase of the COVID-19 pandemic.
- b) Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022, but to decline to 6.5 percent in 2023 and to 4.1 percent in 2024.
- c) Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a tight stance, aligned with monetary policy.
- d) Structural reforms can further support the fight against inflation, by improving productivity and easing supply constraints, while multinational cooperation is necessary for fast tracking the green energy transition and preventing fragmentation.

As the Credit Union looks forward to the final quarter of this financial year, the leadership team will continue to manage the various risks which the business encounters as a result of the economic environment and respond responsibly to the respective challenges. The Credit Union remains optimistic that with the changes in interest rate and inflation, the offerings will remain attractive to the members. In this regard, 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. We thank the management and staff for their professionalism and concern for the welfare of the Credit Union and the members. Specifically, the Board wishes to thank our members, who continue to faithfully support the institution.

For and on behalf of the Board.

Signed,


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 September 30, 2022
(expressed in Jamaican Dollars unless otherwise indicated)*

	Unaudited Quarter Ended 30-Sep-22 \$'000	Unaudited Quarter Ended 30-Sep-21 \$'000	Audited Year Ended 31-Dec-21 \$'000
ASSETS			
EARNING ASSETS			
Loans	12,880,484	12,938,340	13,002,288
Liquid Assets	3,275,512	2,773,427	3,874,168
Financial Investments	4,652,186	3,632,547	2,891,022
Total earning assets	20,808,181	19,344,314	19,767,478
NON-EARNING ASSETS			
Liquid asset	235,054	244,230	162,447
Other assets	273,948	165,296	163,326
Property, plant and equipment	817,127	799,544	838,901
Intangible assets	317,569	358,505	343,840
Right-of-use assets	6,902	12,139	9,615
Total non-earning assets	1,650,602	1,579,712	1,518,129
TOTAL ASSETS	22,458,783	20,924,026	21,285,607
LIABILITIES:			
INTEREST BEARING LIABILITIES			
Lease liabilities	7,734	11,014	10,620
Voluntary shares	4,835,678	4,556,841	4,640,633
Deferred shares	865,646	900,000	885,058
Saving deposits	12,862,637	11,741,720	11,941,387
Due to other institutions	36,136	39,340	36,136
External credits	122,108	235,714	254,924
Total interest bearing liabilities	18,729,939	17,484,628	17,768,758
NON-INTEREST BEARING LIABILITIES			
Accruals	241,052	275,080	204,692
Payables	46,899	34,445	171,214
Others	455,150	459,905	326,361
Total non-interest bearing liabilities	743,102	769,430	702,267
TOTAL LIABILITIES	19,473,041	18,254,058	18,471,025
CAPITAL			
Permanent shares	295,131	285,478	287,609
Institutional capital	2,275,686	2,032,551	2,273,718
Non-institutional capital	2,570,818	2,318,030	2,561,327
TOTAL CAPITAL	414,924	351,938	253,255
TOTAL LIABILITIES & CAPITAL	22,458,783	20,924,026	21,285,607

Approved for issue by the Board of Directors on November 11, 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 nine months ended September 30, 2022
(expressed in Jamaican Dollars unless otherwise indicated)

	Unaudited Three months ended 30/9/2022	Unaudited Three months ended 30/09/2021	Unaudited Nine months ended 30/9/2022	Unaudited Nine months ended 30/09/2021	Audited Twelve months ended 31/12/2021
	\$'000	\$'000	\$'000	\$'000	\$'000
INTEREST INCOME					
Loans	436,372	460,530	1,308,947	1,367,584	1,855,675
Liquid Assets	92,541	31,598	216,837	73,451	104,020
Financial investments	<u>22,811</u>	<u>23,753</u>	<u>43,436</u>	<u>70,456</u>	<u>129,200</u>
	551,723	515,881	1,569,220	1,511,491	2,088,895
INTEREST EXPENSE					
Saving deposits	57,404	54,157	164,107	150,744	204,006
Members' Shares	1,727	2,528	5,054	7,769	9,733
Deferred shares	21,548	7,622	39,359	22,927	30,224
Due to other institutions	1,536	4,181	5,612	13,761	8,509
Other financial costs	<u>26,024</u>	<u>23,105</u>	<u>70,265</u>	<u>69,004</u>	<u>91,245</u>
	<u>108,238</u>	<u>91,592</u>	<u>284,396</u>	<u>264,204</u>	<u>343,717</u>
NET INTEREST INCOME	<u>443,485</u>	<u>424,288</u>	<u>1,284,824</u>	<u>1,247,286</u>	<u>1,745,178</u>
Provision for credit losses	<u>-48,772</u>	<u>-40,835</u>	<u>-151,829</u>	<u>-150,278</u>	<u>-271,734</u>
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	<u>394,714</u>	<u>383,453</u>	<u>1,132,994</u>	<u>1,097,008</u>	<u>1,473,444</u>
NON-INTEREST INCOME					
Fees	70,286	55,017	203,056	163,757	229,643
Rental Income	4,062	3,587	13,027	10,673	14,324
Others	<u>20,196</u>	<u>14,701</u>	<u>61,894</u>	<u>54,374</u>	<u>108,451</u>
	<u>94,544</u>	<u>73,305</u>	<u>277,977</u>	<u>228,804</u>	<u>352,418</u>
GROSS INCOME	<u>489,258</u>	<u>456,758</u>	<u>1,410,972</u>	<u>1,325,813</u>	<u>1,825,862</u>
OPERATING EXPENSES	<u>395,649</u>	<u>-408,819</u>	<u>-1,221,481</u>	<u>-1,185,145</u>	<u>-1,550,963</u>
NET SURPLUS BEFORE HONORARIA AND OTHER PAYMENTS	93,609	47,939	189,491	140,668	274,899
Honoraria	0	0	-10,764	-8,920	-8,920
Disaster and Social Outreach	-299	-504	-823	-1,012	-1,217
Scholarship Fund	<u>-4,796</u>	<u>-3,480</u>	<u>-4,696</u>	<u>-3,480</u>	<u>-5,205</u>
NET SURPLUS AFTER HONORARIA AND OTHER PAYMENTS, BEING SURPLUS FOR THE PERIOD	<u>88,514</u>	<u>43,955</u>	<u>173,208</u>	<u>127,256</u>	<u>259,557</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	<u>-1,023</u>	<u>986</u>	<u>1,875</u>	<u>-7,414</u>	<u>2,569</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>87,491</u>	<u>44,941</u>	<u>175,083</u>	<u>119,842</u>	<u>262,126</u>
Earnings per Deferred Share (expressed in \$)	0.20	0.10	0.40	0.28	0.59

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

Unaudited Consolidated Statement of Changes in Equity for the nine months ended September 30, 2022
(expressed in Jamaican Dollars unless otherwise indicated)

Quarter ended September 30, 2022

	INSTITUTIONAL CAPITAL						NON-INSTITUTIONAL CAPITAL					
	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	Grand total \$'000
Balance at January 1, 2022	287,609	1,745,547	12,449	489,534	26,188	2273,718	122,313	35,677	35,078	60,187	253,255	2,814,582
Total comprehensive income for the year											173,208	173,208
Surplus for the year	-	-	-	-	-	-	-	-	-	-	173,208	173,208
Other comprehensive income:												
Change in fair value of equity at FVOCI												
being total other comprehensive income	-	-	-	-	-	-	-	1,875	-	-	1,875	1,875
Total comprehensive income for the year	-	-	-	-	-	-	-	1,875	-	173,208	175,083	175,083
Transactions with members and movements in reserves												
Entrance fees	-	1,968	-	-	-	1,968	-	-	-	-	-	1,968
Shares amount subscribed	7,522	-	-	-	-	-	-	-	-	-	-	7,522
Appropriation of net surplus for 2022:												
Dividends on membership qualification shares	-	-	-	-	-	-	-	-	(14,380)	(14,380)	(14,380)	
Transfer to loan loss reserve	-	-	-	-	-	-	-	-	-	-	-	-
Leslie Mills Trust Fund	-	-	-	-	-	-	-	-	29	-	29	29
Share transfer fund	-	-	-	-	-	-	-	-	1,174	-	1,174	-
Disaster and social outreach fund	-	-	-	-	-	-	-	-	2,178	(2,178)	-	-
Scholarship fund	-	-	-	-	-	-	-	-	2,304	(2,304)	-	-
Honorarium	-	-	-	-	-	-	-	-	-	(236)	(236)	(236)
Total transactions with members and movements in reserves	7,522	1,968	-	-	-	1,968	-	-	5,685	(19,098)	(13,413)	(3,923)
Balances at September 30, 2022	295,131	1,747,515	12,449	489,534	26,188	2,275,686	122,313	37,552	40,763	214,297	414,925	2,985,742

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

Unaudited Consolidated Statement of Changes in Equity for the nine months ended September 30, 2022
(expressed in Jamaican Dollars unless otherwise indicated)

Quarter ended September 30, 2021

	INSTITUTIONAL CAPITAL						NON-INSTITUTIONAL CAPITAL					
	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	Grand total \$'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	32,935	244,173	2,553,971
Total comprehensive income for the year												
Surplus for the year	-	-	-	-	-	-	-	-	-	-	126,947	126,947
Other comprehensive income:												
Change in fair value of equity at FVOCI												
being total other comprehensive income	-	-	-	-	-	-	-	(7,415)	-	-	(7,415)	(7,415)
Total comprehensive income for the year	-	-	-	-	-	-	-	(7,415)	-	126,947	119,532	119,532
Transactions with members and movements in reserves												
Entrance fees	-	1,510	-	-	-	1,510	-	-	-	-	-	1,510
Shares amount subscribed	6,721	-	-	-	-	-	-	-	-	-	-	6,721
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	-	-	-	-	-	-	-	-	15	-	15	28
Share transfer fund	-	-	-	-	-	-	-	-	(2)	-	-	-
Disaster and social outreach fund	-	-	-	-	-	-	-	-	3,987	(3,987)	-	-
Scholarship fund	-	-	-	-	-	-	-	-	1,5200	(1,520)	-	-
Honorarium	-	-	-	-	-	-	-	-	(80)	(80)	(80)	(80)
Total transactions with members and movements in reserves	6,721	1,510	-	-	-	1,510	-	-	5,520	(19,524)	(14,003)	(5,772)
Balances at September 30, 2021	285,478	1,504,380	12,449	489,534	26,188	2,032,551	122,313	25,693	35,415	166,280	349,7027	2,667,732

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

**Unaudited Consolidated Statement of Cash Flows for the nine months ended September 30, 2022
(expressed in Jamaican Dollars unless otherwise indicated)**

	Unaudited Nine Months Ended 30-Sep-22 \$'000	Unaudited Nine Months Ended 30-Sep-21 \$'000	Unaudited Audited Year Ended 31-Dec-21 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year	173,208	126,947	259,557
Adjustments for:			
Depreciation - property, plant and equipment	41,683	35,032	47,793
Depreciation - right-of-use assets	2,713	2,530	5,054
Amortisation and impairment	37,316	29,784	44,449
Loss on disposal of property, plant and equipment	-	-	97
Gain on assets held for sale	-	-	-11,795
Provision for credit losses	151,829	163,987	271,734
Interest income	-1,569,220	-1,511,491	-2,088,895
Interest expense	283,905	263,534	342,560
Interest expense on lease liability	491	699	1,157
	<u>-878,075</u>	<u>-888,977</u>	<u>-1,128,289</u>
Changes in operating assets and liabilities			
Loans to members	121,979	142,446	-55,955
Saving deposits	921,250	1,161,095	1,362,726
Voluntary shares & deferred shares	175,633	134,331	203,181
Other assets	-110,622	-53,184	28,090
Other non-interest-bearing liabilities	274,746	-5,680	5,573
Due to other institutions	0	15,785	-6,311
External credit	-132,816	-93,726	-113,856
	<u>372,093</u>	<u>438,933</u>	<u>295,159</u>
Interest received	1,872,468	1,571,184	2,092,993
Interest paid	-517,816	-243,245	-330,913
Net cash provided by operating activities	<u>1,726,745</u>	<u>1,766,871</u>	<u>2,057,239</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Financial investments	-272,430	-1,796,674	-1,226,067
Purchase of property, plant and equipment	-19,909	-58,929	-111,174
Proceeds on disposal of property plant and equipment	0	0	30
Net cash used by investing activities	<u>-292,339</u>	<u>-1,855,602</u>	<u>-1,337,211</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Permanent shares	7,522	6,721	8,852
Entrance fees	1,968	1,510	2,045
Dividends on membership shares	-14,380	-13,938	-13,938
Lease payment	-3,377	-3,663	-3,358
Net cash used by financing activities	<u>-8,267</u>	<u>-9,370</u>	<u>-6,399</u>
Increase/(decrease) in cash and cash equivalents	1,426,140	-98,101	713,629
Cash equivalents at beginning of year	2,084,426	3,115,514	1,370,797
Cash equivalents at end of year	<u>3,510,566</u>	<u>3,017,413</u>	<u>2,084,426</u>
Comprised of:			
Liquid Assets: Earning	3,275,512	2,773,427	1,921,979
Liquid Assets: Non-earning	235,054	243,985	162,447
	<u>3,510,566</u>	<u>3,017,412</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 nine-months ended September 30, 2022 (Unaudited)
(expressed in Jamaican Dollars unless otherwise indicated)**

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 nine-months ended September 30, 2022 (Unaudited)
(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 nine months ended September 30, 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.