BJ STAFF
CO-OPERATIVE CREDIT UNION LTD.

"Your Financial Success is Our Business"

Contents

BJ STAFF
CO-OPERATIVE CREDIT UNION LTD.

"Your Financial Success is Our Business"

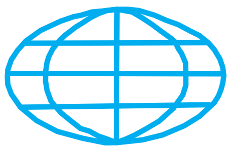
Your Credit Union

You may have seen this symbol before on our posters perhaps. or in our newsletters or in a newspaper, or even on Credit Union Buildings islandwide, but you may not know what it means.

We think it's important that you know and we'd like to give you a formal introduction.

The " hands family and globe" symbol as it is called stands for Credit Unions everywhere -whether it's a Credit Union where you work or live, no matter if you work or live in Timbuktu or Jamaica.

A pair of hands? The hands represent the self-help nature of all Credit Unions. When you become a Credit Union member you become part of a group of people who save together and make low-cost loans plus several other services to each other from the accumulated funds, Credit Unions engender democracy in the truest sense of the word - as a member you are part owner of the business and exercise control of its policies. It is your organisation.



Credit Unions are world-wide financial organi-sations That's why we've included a globe as part of the overal symbol.

As a matter of fact, there are more than 38.000 Credit Unions all over the world 101 in Jamaica.

The four silhouettes represent the family unit - the family or mankind working for the mutual benefit of all. Care was taken in the actual design to avoid difference between national dress or custom and other details because Credit Unions serve all people all over the world.

Altogether now... the "hands, family and globe" symbol was selected as a trademark that stands for Credit Unions in any language. in any country. the theme is universal and conveys graphically, accurately and instantly.

So when you feel the urge to save money or borrow money, think of the Credit Union where you get low interest loans and all the surplus is returned to you.

Your credit union -
Is where you belong!

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N O T I C E

Notice is hereby given that the
34th Annual General Meeting of the BJ Staff Co-operative Credit Union Limited

Will be held in a virtual format only on
Thursday September 23, 2021 commencing at 3:00p.m. to allow members to:

1. Transact the ordinary business of the Credit Union; and

2. Consider, and if thought fit, to approve a resolution submitted by the Board of Directors in respect of amendments to the rules of the BJ Staff Co-operative Credit Union Limited for meetings of members of the society to be conducted by attendance at a physical location, or by virtual-only or by hybrid-meeting. The full resolution and the 2020 Annual report are available on our website at http:\\www.bjstaffcreditunion.com

Members are invited to register to attend the meeting online due to the COVID-19 pandemic restrictions and protocols for our mutual health and safety.

For more information on registration attendance, participation, and the voting process you may call (876) 967-1783 or visit website at http:\\www.bjstaffcreditunion.com

Cora Robinson
Secretary

BJ STAFF CO-OPERATIVE CREDIT UNION LTD.

"Your Financial Success is Our Business"

Agenda

1. Ascertainment of Quorum

2. Call to Order & Prayer of Saint Francis

3. Welcome & Introduction/Apologies for Absence

4. Resolution – To amend By-laws to allow Virtual and/or Hybrid meetings

5. Minutes of 33rd AGM

- Amendments
- Confirmation

6. Matters Arising

7. Reports

- Board of Directors
- Credit Committee
- Supervisory Committee
- Auditor's Report
- Treasurer's Report & Appropriation of Surplus

8. Fixing of Maximum Liability

9. Election of Officers

10. Any other Business

11. Drawing of Grand Prizes

12. Adjournment

13. Playing of National Anthem

BJ STAFF
CO-OPERATIVE CREDIT UNION LTD.
"Your Financial Success is Our Business"

Minutes

32nd Annual General Meeting of BJ Staff Co-operative Credit Union Held on Tuesday, May 14, 2019 at the Bank of Jamaica Auditorium, Nethersole Place, Kingston

1. CALL TO ORDER/OPENING REMARKS

A quorum having been ascertained, the Chairman, Mr. Lascelle Powell, called the meeting to order at 5:00 p.m.
He then invited all to stand and recite the Prayer of St. Francis of Assisi.

The Chairman welcomed all to the 33rd Annual General Meeting and thanked them for coming out on time.

He noted that amidst the pandemic the Credit Union performed creditably.

2. INTRODUCTION

The Chairman introduced and welcomed specially-invited guests:

Mr. Michael David Webb
(Snr Inspector)
- *Department of Co-operatives & Friendly Societies*

Mr. Mario Clarke
(Auditor)
- *Department of Co-operatives & Friendly Societies*

Ms. Joyce James
- *Steno writer*

3. NOTICE CONVENING THE MEETING

The Secretary was invited to read the notice convening the meeting.

The notice convening the meeting was duly read.

4. MINUTES OF THE 32nd ANNUAL GENERAL MEETING

The minutes were taken as read on a motion moved by Mr. Stetson Rodney, seconded by Miss Karen Barrett.

Correction to the minutes:

Page 6, 2nd column, 2nd bullet, 'White' should read 'Whyte'.

Page 6, 2nd column, last bullet, 1st line, 'in' should read 'into'

Page 7, 2nd column, 'Brian' should read 'Bryan'

Page 10, 2nd column, penultimate paragraph, 1st line, 'O'Malley' should read 'O'Mally'

The minutes were confirmed on a motion moved by Mr. Anthony Gayle, seconded by Mr. Anthony Clarke.

The Chairman apologized for not introducing the Board members earlier and introduced and welcomed the following Board Members:

Glenroy Williams	*1st Vice President*
Cora Robinson	*Secretary*
Dennis Hutchinson	*Treasurer*

Apologies for absence were received from Mrs. Joy Hermitt and Mrs. Suzette Whyte and apology for lateness from Mr. Michael Howell, the other Board of Directors members.

4.1 Matters Arising:

Mr. Phillip Hyman queried the status of the BJ Staff Credit Union Foundation and requested an update on the MasterCard branded debit cards.

In relation to the Foundation, the Chairman stated that the last meeting mandated the Board to investigate the formation of the Foundation which they did and took steps to start. Consultation was sought on how to start a foundation and a meeting was held with the Department of Co-operatives and Friendly Societies, and the pros and cons were reviewed by the legal luminaries on the Board but Covid-19 came and shifted the focus of the Credit Union to that of remaining operational. He, however, stated that it was the Board's determination in the near future, to form the foundation as the investigation had shown that utilizing a foundation would be a more efficient way of handling the corporate social responsibilities of the Credit Union. He noted however that the success of the foundation was not just based on forming it but in having committed volunteers who would execute and those volunteers are expected to come from the membership.

Queried further by Mr. Hyman as to who would benefit from the Foundation, the Chairman indicated that the Foundation would undertake the function of giving back to the society, therefore, funds received whether through donations or fund raising events would be used to carry out that task. Therefore, society would benefit.

As it related to the MasterCard, the Chairman noted that this was being led by the Jamaica Cooperative Credit Union League and BJ Staff Credit Union opted to become a part of it because having a MasterCard branded debit card would be of benefit to its members. There was some delay in the project team from JCCUL getting approval from BOJ and some cards were to be rolled out through the pilot project but it too was delayed. He assured the meeting that it was still on the horizon but he did not have a timeline as to when it would be getting off the ground.

5. REPORT OF THE BOARD OF DIRECTORS FOR 2019

The report was taken as read and the Chairman took the meeting through his Report and highlighted the following:

- That 2019 was another successful year for the organization.

- The Board focused on ensuring that the Credit Union was in a state of readiness for the impending BOJ regulations. Policies governing all business processes were reviewed and steps taken to ensure that all practices were in full adherence with the stated policies. Steps were also taken to future proof the organization by ensuring that the Information Technology was adequate to support the ambition of bringing modern Internet banking practices to the Credit Union in the near future.

- The Credit Union realized a surplus of $10.74M which represented a 31% improvement over 2018 or $3.34M.

- Expenses were contained while loans were expanded resulting in a stronger financial performance in 2019 compared with the previous year.

- That total assets of the Credit Union grew by $80.79M to reach $717.66M while loans to membership stood at $482.64M, an improvement of $53.90M over the previous year.

- Savings and Deposits for 2019 improved over 2018 by $70.02M totaling $588.13M.

- The Chairman noted that while the Credit Union performed creditably, there was room for improvement especially in the area of membership recruitment as 2019 showed a 54 member increase over the previous year.

- The Credit Union continued to reward outstanding academic performances of its youthful members and the first PEP scholarships went to Miss Jianna Clarke who gained a placed at Campion College and Master William Fullerton who gained a place at Ardenne High School.

- The Amelia Pitterson Bursary award for 2019 went to Mr. Aaron Lawrence who was pursuing his BSc degree in Nursing in the Faculty of Medical Science at the University of the West Indies. Record levels of employment were noted towards the end of 2019 and the level of consumer confidence was very high with a positive outlook.

- The Credit Union also focused on ensuring that the operations were compliant with all regulations.

- In 2019, the Credit Union started the process of assessing the website to determine its capability to handle future technology based needs of the organization and was in the process of making the necessary adjustments.

- He noted that at the last AGM in 2019 Mr. Michael Howell and Miss Cora Robinson were elected to the Board of Directors replacing Mr. Victor Henry and Mrs. Maxine Brown Mitchell. He thanked them for their contribution to the Board. He asked members to view the attendance record as presented in the book for 2019.

- The Chairman noted that Miss Janet Gray made her transition during the course of 2019 and offered condolences to her family and friends. A minute's silence was observed in her memory.

- Looking to the future, it was the hope of the Credit Union to retain the youth account members who had graduated into adult membership.

In closing, the Chairman expressed, on behalf of the Board of Directors, heartfelt thanks to the members for allowing BJ Staff Credit Union to serve their financial needs.

He thanked all the volunteers, including those behind the scenes, for ensuring the success of the Credit Union and also the management and staff of the Credit Union for their invaluable service.

He expressed thanks to the following entities for their support:

Jamaica Co-operative Credit Union League

The Registrar of Co-operatives and Friendly Societies

Our Auditors, KPMG and

The management of the Bank of Jamaica

Mr. Verrol Blake noted that it was a positive report but stated that membership was just glossed over and asked that this be expounded on. He further stated that he did not hear the names of the management and staff mentioned as they were the ones who contributed to the success of the Credit Union.

As it related to the anemic membership growth, the Chairman stated that officers were now going to the other entities apart from Bank of Jamaica to recruit members and currently the Credit Union had become a staple on the BOJ's orientation programme. He also stated that there was a designated day when a staff member would go to Jamaica Stock Exchange to recruit members in order to maximize their bond at Student Loan, Exim Bank, and Bank of Jamaica in addition to recruiting spouses and family members of members of the Credit Union.

The Chairman stated that he did thank the hardworking staff members even though their names were not mentioned and stated that though it was a small staff they achieved a lot. He commended the staff headed by Mrs. Maurene Delevante, Office Manager; Mrs. Susan Dale, Assistant Manager; Mrs. Terri-Ann Watson, Member Service rep; Miss Karen Lee, Member Service rep and young and upcoming Miss Chantelle Edgar, accounting clerk.

In relation to attracting young people to become volunteers, Miss Solana Salmon questioned what are the roles and responsibilities of the committees as she had not seen it in the book and asked that this be sent out at a later date. She was informed that things of that nature could be found in the rule book which was on the website or available at the Credit Union office.

Mrs. Jennifer O'Mally-Johnson expressed disappointment as it related to the sparse information given re the website and asked for an update on its current status. She also queried whether an engagement programme would be considered for the staff.

As it related to the website, the Chairman stated that majority of the work took place in 2020 and they were reporting on 2019 activities and so it would be mentioned in next year's report. He however asked Mr. Dennis Hutchinson who was integral in this exercise to inform the members on the status of the website. Mr. Hutchinson duly obliged.

The Chairman added that the staff were well incentivized and highly motivated.

Mr. Hutchinson indicated that they had contracted Quality Network Cooperatives Limited (QNET) to do majority of the background work as Covid-19 had caused the Credit Union to ramp up some of the online activities such as having access to essential forms but the online banking platform required an additional software module from the software provider and the Credit Union was in the process of acquiring same. He stated that by 2021 the internet banking platform should be closer to what they wanted it to be.

Mr. Glenroy Williams added that requests for transfer funds, whether from deposits or proceeds of loans, to any account specified were now be accepted.

It was mentioned that the Credit Union was currently in discussion with Techno Soft to provide a back-up site in case of a disaster.

Mr. Hyman further queried if there was plan afoot to increase the PEP reward whether in terms of numbers or amount. The Chairman stated that there are plans to do so but the level of increase was dependent on affordability.

The Board of Directors Report was unanimously adopted on a motion moved by Mrs. Jennifer O'Mally-Johnson, seconded by Mr. Marcel Dyce.

6. CREDIT COMMITTEE REPORT

The Chairman of the Credit Committee, Mrs. Donna Copeland, asked that a motion be moved to have the report taken as read, it being previously circulated. The motion was moved by Mr. Carlos Thomas, seconded by Mr. Marcel Dyce.

There being no questions, **the Credit Committee Report was unanimously accepted on a motion moved by Miss Karen Barrett, seconded by Mrs. Tracyann Pryce-Findlay.**

7. REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee Chairman, Miss Sandra Moodie, asked for a motion to be moved to have the report be taken as read, it having been previously circulated. The motion was moved by Mr. Anthony Gayle and seconded by Mrs. Ellan Neil.

She stated that the meeting should have been informed earlier that the reports were on the website.

There being no questions, the report was accepted on a motion moved by Mr. Karl Francis, seconded by Mr. Carlos Thomas.

The Chairman welcomed the presence of Board member Mr. Michael Howell who had asked that an apology be tendered for his lateness.

8. AUDITOR'S AND TREASURER'S REPORT

8.1 Auditor's Report:

An abridged version of the Auditor's Report, consisting only of the last three pages, was read by the Treasurer in the absence of the Auditor.

He informed the meeting that the new Auditors were BDO as regular auditors KPMG had been replaced.

There being no questions, the Auditor's Report was accepted on a motion moved by Mr. Anthony Gayle, seconded by Mr. Phillip Hyman.

8.2 Treasurer's Report:

The Treasurer stated that given the time constraint and the President having presented most of the salient points, and the report having been previously circulated he would not make a presentation and asked for a motion that the meeting accept the report as read.

The Treasurer's Report was accepted as read on a motion moved by Mr. Marcel Dyce, seconded by Mr. Karl Francis.

The Treasurer assured all that though the Credit Union had been impacted by Covid-19 negatively it had not ravaged the Credit Union which continued to perform creditably.

9 APPROPRIATION OF SURPLUS

Mr. Hutchinson asked for a motion to accept the Appropriation of Surplus as recommended by the Board of Directors for 2019 of $8,599,433 to be distributed as follows:

Institutional Capital	$3,000,000
Education Reserve	$ 1,000,000
General Reserve	$ 1, 500,000
Loan Loss Reserve	$ 1,500,000
Honoraria	$ 600,000
Donation	$ 300,000
Retained Surplus	$ 699,443

The Appropriation of Surplus was unanimously accepted on a motion moved by Mr. Marcel Dyce, seconded by Mr. Phillip Hyman.

10 FIXING OF THE MAXIMUM LIABILITY FOR LOANS

In keeping with Rule 70, it was proposed by the Treasurer that the Maximum Liability, for which the Board of Directors may commit the Credit Union, should not exceed a ratio of sixteen times the Credit Union's capital.

This was unanimously accepted on a motion moved by Mrs. Maxine Grant-Sterling, seconded by Mr. Ewan Sparkes.

11 QUESTIONS FROM THE TREASURER'S REPORT:

Mr. Hyman queried what accounted for printing stationery & supplies moving from $626,445 in 2018 to $1,360,901 in 2019. The Treasurer stated that they had to buy more expensive printing items such as printer cartridges which would also be seen in the 2020 financials.

He also queried the figure for International Credit Union Day expense moving from $98,600 in 2018 to $325,618 in 2019 and asked if the Credit Union got value for the money. The Chairman indicated that more was given back to the members in 2019 as tokens were bought in 2019 while none was bought in 2018 and there was a bigger celebration in 2019.

Mr. Hyman noted that nothing was mentioned in the report about Covid-19 and recommended that the Credit Union provide care packages for the suffering members. The Chairman asked that he identify these members and provide the names of these persons to the Credit Union.

The Treasurer's Report was accepted on a motion moved by Mr. Carlos Thomas, seconded by Mr. Clifford Bogle.

12 NOMINATING COMMITTEE REPORT

In the absence of the Chairman of the Nominating Committee Report, Mr. O'neil Rufus, Mr. Webb was invited to conduct the elections.

13 ELECTIONS:

13.1 Board of Directors:

RETIRING	*NOMINATED*	*TERM IN OFFICE*
Mrs. Suzette Whyte	Mrs. Suzette Whyte	2 Years
Mrs. Joy Hermitt	Mrs. Joy Hermitt	2 Years
Mr. Glenroy Williams	Mr. Glenroy Williams	2 Years

Nominations were asked from the floor three times, and hearing none, Mr. Webb declared Mrs. Suzette Whyte, Mrs. Joy Hermitt and Mr. Glenroy Williams duly elected to the Board of Directors for a term of two years each.

13.2 Credit Committee

RETIRING	*NOMINATED*	*TERM IN OFFICE*
Mrs. Maureen Vickerman	Mrs. Ellan Neil	2 Years
Miss Shinelle Parsons	Miss Shinelle Parsons	2 Years
Mr. Howard Lawrence	Mr. Howard Lawrence	2 Years
Mr. Anthony Clarke	Mr. Anthony Clarke	2 Years

There being no nominations from the floor, Mr. Webb declared Mrs. Ellan Neil, Miss Shinelle Parsons, Mr. Howard Lawrence and Mr. Anthony Clarke duly elected to the Credit Committee for a term of two years each.

13.3 Supervisory Committee

RETIRING	*NOMINATED*	*TERM IN OFFICE*
Mr. Kevin McCalla	Mrs. Reisha Collins-Salmon	1 Year
Mr. Neville Hemmings	Mr. Steven Getten	1 Year
Mrs. Jodianne Morris	Mrs. Jodianne Morris	1 Year
Mrs. Prudence Serju-Thomas	Mrs. Prudence Serju-Thomas	1 Year
Miss Sandra Moodie	Miss Sandra Moodie	1 Year

Mr. Webb asked for nominations from the floor three times. There being no other nominations, he declared Mrs. Reisha Collins-Salmon, Mr. Steven Getten, Mrs. Jodianne Morris, Mrs. Prudence Serju-Thomas and Miss Sandra Moodie duly elected to serve on the Supervisory Committee for one year.

Mr. Webb reminded the Board of Directors, the Credit and Supervisory Committees to meet within the next ten (10) days to select their executives, along with the Delegates and Alternate Delegates to the Jamaica Co-operative Credit Union League and to submit the names and addresses of the officers to the Department of Co-operatives and Friendly Societies.

The Chairman thanked Mr. Webb for the efficient manner in which he conducted the elections.

He thanked Mrs. Maureen Brady-Vickerman, who had migrated, for her long and distinguished service to the Credit Committee as also Mr. Kevin McCalla and Mr. Neville Hemmings from the Supervisory Committee.

He welcomed on board Mrs. Reisha Collins-Salmon, Mr. Steven Getten and Mrs. Ellan Neil to the volunteer corps of the Credit Union and congratulated the returning volunteers.

14. PRIZES

Mrs. Terri-Ann Watson led this exercise.

Early Bird Prize was won by Mr. Donovan Currie

Youth Account Prizes:
Michael Carr (Boy)
Jemoi Johnson (Girl)
Third Prize – Miss Tique Richards
Second Prize – Mr. Paul Allen
Main Grand Prize – Mr. Stetson Rodney

15. TERMINATION

The Chairman thanked all those who attended and invited everyone to take a pre-packaged meal on their way out. There being no other business, the meeting was terminated at 6:54 p.m. on a motion moved by Ms. Latoya Anderson, seconded by Mr. Wesley Sinclair.

Report
Board of Directors
For the Year ended December 31, 2020

INTRODUCTION

Like most companies in Jamaica and across the world, 2020 was a challenging year for BJ Staff Co—operative Credit Union. This was occasioned by the crippling effects of the COVID-19 pandemic and the regulatory and social measures that were taken to contain it.

In response, the Credit Union had to adjust its operations quickly to ensure that service to our members were not significantly impacted. Most noticeable was, the Credit Union commenced accepting Loan applications and withdrawal requests online, via our website.

Despite the challenges faced as a result of the pandemic, the domestic financial system registered growth in its net loans, deposit and assets. For the calendar year 2020, the financial sector recorded overall loans growth of 9.0% and deposits growth of 16.2%. Total assets in the financial sector grew by 11.7%. The loans growth recorded was above what was expected in the context of the sharp fallout in economic activity and the total loans portfolio in the then current market.

The BJ Staff Co-operative Credit Union also reported growth in its loans, savings and assets portfolio, with improved performance in some areas relative to 2019. The Credit Unions ended the year with a net surplus before distributions growth of 10%, total assets growth of 16%, loan to members' growth of 3%, savings and deposits growth of 27%, shares growth of 7% and allowance for loan loss growth of 36%. See *Table 1* below.

Table 1

	2020	2019	Change	Change
	($)	**($)**	**($)**	**(%)**
Net surplus before distributions	**12,799,956.00**	**11,672,718.00**	**1,127,238.00**	**10%**
Total Assets	**831,454,229.00**	**717,657,806.00**	**113,796,423.00**	**16%**
Loans to Members	**499,532,573.00**	**482,641,638.00**	**16,890,935.00**	**3%**
Savings and Deposits	**409,462,640.00**	**322,432,166.00**	**87,030,474.00**	**27%**
Shares	**285,935,709.00**	**266,092,253.00**	**19,843,456.00**	**7%**
Allowance for Loan loss	**8,781,633.00**	**6,477,124.00**	**2,304,509.00**	**36%**

This performance reflects a conscious effort of the Board, the Office Manager and the Staff to deepen member relationships, resulting in an improved asset mix and return on assets under management.
Nevertheless, our best efforts at the BJ Staff Credit Union must continue to be directed at growing loans, which is the core of our business.

CORPORATE GOVERNANCE

The following member volunteers, who were elected to serve on the Board of Directors (BOD) for the 2020 - 2021 administrative year, served in the following capacities:

President:	Glenroy Williams
1st Vice President:	Michael Howell
2nd Vice President:	Joy Hermitt
Treasurer:	Suzette Whyte
Asst Treasurer:	Dennis Hutchinson
Secretary:	Cora Robinson
Assistant Secretary:	Lascelle Powell

The onset of the COVID-19 pandemic early in the year severely hampered our ability to convene board meetings. This, as our by-laws did not allow virtual meetings.

Special authorization from the Department of Cooperatives and Friendly Societies later on gave Credit Unions the leeway to conduct virtual Board meetings. As such the number of meetings held during the period under review was significantly reduced as the entire world adjusted to the new normal by transitioning to the online world.

During the period January 2020 to December 2020, the Board held five meetings. The attendance of each of the members is reported in the table below.

Board Member	Meetings Held	Meetings Attended	Absent with Apology	Percentage Attendance %
Glenroy Williams	5	5	0	100
Michael Howell	5	4	1	80
Joy Hermitt	5	4	1	80
Suzette Whyte	5	4	1	80
Dennis Hutchinson	5	4	1	80
Cora Robinson	5	5	0	100
Lascelle Powell	5	5	0	100

MEMBERSHIP

Everything we do revolves around our membership. During the year, we continued our journey towards being the financial institution of choice for our current and potential members. The sustained investments in our members continue to bring positive results with membership growing by 44 to reach 1,472 by year-end.

One of the key pillars of our strategic mandate is the educational development of our members and their families. Consistent with this mandate, we are happy to report that the following students were awarded the following Scholarships:

The Primary Exit Profile EP (PEP)

- Kaela Nugent (female) – Daughter of Mr. Keith Nugent of the Bank of Jamaica, who was awarded a place at Campion College.

- Christopher Thompson (male) - Son of Mrs. Cheryl Thompson of the Bank of Jamaica, who was awarded a place at Wolmer's Boy School.

The Board thanks the Education Committee, which consist of Mrs. Sandra Chambers, Mrs. Gillion Vickers and Ms. Cora Robinson for the work done in evaluating and selecting the awardees for 2020.

STRATEGIC PLANNING

Your Board and Management Team have been working diligently over the past year to evolve our strategic agenda, which focuses, among other things, on three important priorities to guide our actions:

Member Focus: We are reinforcing our member-centric model where a sharper focus on our members informs all decision-making and operations within the organization.

Effective deployment of technology: We are upgrading the IT infrastructure of the Credit Union to accommodate the new MasterCard branded debit cards as soon as they are issued to our members. This is anticipated that this will result in more benefits for our members. Further, the work on our web site continues, to ensure a consistent excellent service experience and highly efficient operations.

Business Mix: We are constantly amending our business model to optimize on opportunities where we have and can build even deeper relationships with our members.

OPERATIONAL SUPPORT

Our success this year would not have been possible without the dedication and professionalism of our talented and highly engaged employees. Team BJSCCU puts members first, collaborates effectively and looks for ways to continue to deliver an exceptional member experience and to nurture member trust.

CONDOLENCES

The Board of Directors extends sincere condolences to the family and friends of our beloved members who passed on during 2020.

Member	Company
Noel Robinson	Pensioner – Bank of Jamaica
Letecia Radcliffe	Pensioner – Bank of Jamaica
Harriett Dacres	Pensioner – Bank of Jamaica
Michael Watkins	Pensioner – Bank of Jamaica

May their souls rest in peace.

BJ STAFF
CO-OPERATIVE CREDIT UNION LTD.

APPRECIATION

The Board of Directors of BJSCCU would like to express sincere appreciation and gratitude to the staff and volunteers (Supervisory, Credit, Education Committees & informal volunteers) for their invaluable service during 2020. With each passing year, the economic landscape becomes more challenging, but despite this and inspired by your support, we continue to look for more opportunities as we strive to live up to our mandate, ***"To enhance the well-being of our members, staff and the community, by making their financial success our business".*** We would also like to thank:

- The Department of Co-operatives and Friendly Societies,
- The Jamaica Co-operative Credit Union League,
- The Management of the Bank of Jamaica.

Most important, we would like to thank our 1,472 members for your unwavering support during 2020 and we are looking forward to continue serving you.

May God continue to bless the BJ Staff Co-operative Credit Union and Jamaica, land we love.

For and on behalf of the Board of Directors,

Glenroy Williams - President

Report

Treasurer

For the Year ended December 31, 2020

For the year 2020, in spite of the pandemic crisis BJ Staff Credit Union Limited made a Surplus of $12m, 12.07% above the $10.75m earned for 2019. The Summary of the Income and Expenditure Statement for the year ended 31 December 2020 detailed below shows the growth of the Credit Union.

BJ STAFF CO-OPERATIVE CREDIT UNION LIMITED
INCOME AND EXPENDITURE ANALYSIS
JANUARY - DECEMBER 2020
J$000

INTEREST INCOME	INT. EXPENSE-DEPOSITS	SURPLUS BEFORE OPERATING EXP.	OPERATING EXPENSE	SURPLUS FOR THE YEAR
$74,270.03	($14,202.19)	$58,663.06	($46,616.20)	$12,046.86
$6,697.21	-$1,203.34	$5,946.00	-$4,648.44	$1,297.56
9.91%	-9.26%	11.28%	-11.08%	12.07%

DETAILS	31-Dec-20	31-Dec-19	CHANGE	% CHANGE
INTEREST INCOME	$74,270.03	$67,572.82	$6,697.21	9.91%
INT. EXPENSE-DEPOSITS	($14,202.19)	($12,998.85)	($1,203.34)	-9.26%
LOAN LOSS ADJUSMENT	($2,304.51)	($2,578.87)	$274.36	10.64%
NET INTEREST INCOME	$57,763.33	$51,995.10	$5,768.23	11.09%
OTHER INCOME	$899.73	$721.96	$177.77	24.62%
SURPLUS BEFORE OP. EXP.	$58,663.06	$52,717.06	$5,946.00	11.28%
OPERATING EXPENSE	($46,616.20)	($41,967.76)	-4,648.44	-11.08%
SURPLUS FOR THE YEAR	$12,046.86	$10,749.30	$1,297.56	12.07%

Total Interest Income grew by 9.91% or $6.70m when compared to the comparative period in 2019. This was due to Interest from Loans to Members which increased by $4.31m (6.48%). Investments and Deposits also contributed to this growth where it increased by $2.38m (229.85%) when compared to 2019. The growth in Loan Revenue was primarily due to an expansion in Net Loan to Members by $14.53m (3.06%) when compared to the comparative period of 2019. Overall, Total Gross Income increased by $6.87m (10.07%) moving from $68.29m to $75.17m.

BJ STAFF CO-OPERATIVE CREDIT UNION LIMITED GROSS INCOME COMPARITIVE ANALYSIS			
MAJOR INCOME SOURCES	**J$ 2020**	**J$ 2019**	**J$ Change**
Interest Income			
Loans to members	70,848,907.00	66,534,922.00	4,313,985.00
Investments and Deposits	3,421,121.00	1,037,900.00	2,383,221.00
Total Interest Income	**74,270,028.00**	**67,572,822.00**	**6,697,206.00**
Non Interest Income			
Other Income	899,730.00	721,958.00	177,772.00
Total Gross Income	**75,169,758.00**	**68,294,780.00**	**6,874,978.00**

Total Operating Expenses for the year after accounting for Donations and Honoraria amounted to $46.62m an increase of $4.65m (11.08%) over 2019.

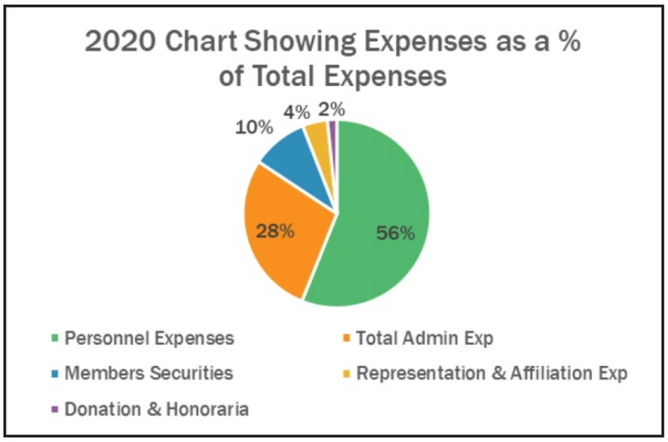
The table below highlights the major drivers of expenses.

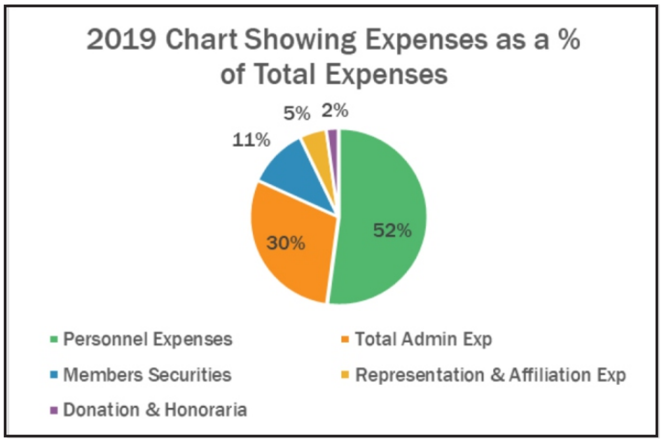
BJ STAFF CO-OPERATIVE CREDIT UNION LIMITED EXPENDITURE ANALYSIS			
MAJOR EXPENDITURE	**J$ 2020**	**J$ 2019**	**J$ Change**
Personnel Expenses	**26,144,161**	**21,876,437**	- **4,267,724**
Adminitrative Expenses			
Auditors' remuneration	2,592,860	2,752,895	**160,035**
Repairs & maintenance	1,008,394	996,581	- **11,813**
Subscriptions & other admin expense	2,121,488	1,326,913	- **794,575**
Printing stationery & supplies	1,400,876	1,360,901	- **39,975**
JCCUL AGM	-	1,021,403	**1,021,403**
International Credit Union day expense	136,275	325,618	**189,343**
Other admin expenses	5,892,327	4,656,113	- **1,236,214**
Total Admin Exp	**13,152,220**	**12,440,424**	- **711,796**
Members Securities -			-
Savings & Loan Protection	4,559,184	4,659,652	**100,468**
Representation & Affiliation Exp			-
JACCUL Fees	1,125,337	1,290,657	**165,320**
Stabilisation Dues	882,201	777,176	- **105,025**
	2,007,538	**2,067,833**	**60,295**
Total Operating Expenses	**45,863,103**	**41,044,346**	- **4,818,757**
Total Operating Expenses after Donations & Honoraria	**46,616,203**	**41,967,760**	- **4,648,443**

Personnel Expenses stood at 56% (52%: 2019) of Total Operating Expenses increasing by approximately $4.27m (19.51%) over 2019. This increase represents movement of salaries closer to market.

Administrative Expenses is 28% (30%: 2019) of the Total Operating Expenses increasing by $0.71m (5.72%) over 2019. There was no expenses for JCCUL AGM for 2020.

The charts below highlight the broad category of expenses as a percentage of total expenses. It shows that for 2020 Personnel Expenses as a percentage of total expenditure was 56%, which is a 4% increase to the 52% recorded for 2019. Administrative Expenses decrease from 30% in 2019 to 28% in 2020.





BALANCE SHEET

The Credit Union's assets reflected a net expansion of $113.80m (15.86%) from $717.66m to $831.45m at 31 December 2020 when compared to 2019. The Comparative Analysis of Assets and Liabilities below reflects the major movement in the balance sheet for the period. The analysis primarily reflects growth in the Financial and Liquid Assets by $104.44m (46.01%) over 2019. This is largely funded by the Members Saving Deposit which increased by $106.66m (18.13%) over the comparative period.

BJ STAFF CO-OPERATIVE CREDIT UNION LIMITED				
COMPARATIVE ANALYSIS OF ASSETS & LIABILITES				
JANUARY - DECEMBER 2020				
J$				
	2020	**2019**	**Change**	**% Change**
Net Loans to Members	$490,750,940	$476,164,514	**$14,586,426**	3.06%
Financial & Liquid Assets	$331,436,777	$226,997,603	$104,439,174	46.01%
Other Assets	$9,266,512	$14,495,689	-$5,229,177	-36.07%
Total Assets	**$831,454,229**	**$717,657,806**	**$113,796,423**	**15.86%**
Members Saving Deposits	$694,789,424	$588,133,541	**$106,655,883**	18.13%
Other Liabilities	$8,491,979	$8,885,995	$394,016	4.43%
Total Equity	$128,172,826	$120,638,270	$7,534,556	6.25%
Total Liabilities	**$831,454,229**	**$717,657,806**	**$113,796,423**	**15.86%**

Due to strong member support and the dedication of the staff of the Credit Union, we overcame a challenging 2020. Despite the pandemic, the Credit Union remains strong and resilient and continue to be innovative in its efforts to satisfy the needs of its members as we strive for excellence.

Suzette Whyte
Treasurer

APPROPRIATION OF SURPLUS

FOR YEAR ENDED DECEMBER 31, 2020

The Board of Directors recommends that the surplus be distributed as follows;

Surplus available for distribution 2020	$9,655,884
Institutional Capital	$3,500,000
Education Reserve	$1,000,000
General Reserve Fund	$ 500,000
Loan Loss Reserve	$1,000,000
Milestone Event	$2,700,000
Honoraria	$ 600,000
Donation	$ 300,000
Retained Surplus	$ 55,884
Total	$9,655,884

On Behalf of the Board of Directors

Suzette Whyte
Treasurer

The Fixing of the Maximum Liability for Loans;

In keeping with Rule 70, it is proposed that the Maximum Liability, for which the Board of Directors may commit the Credit Union, shall not exceed a ratio of sixteen times the Credit Union's Capital.

On Behalf of the Board of Directors

Suzette Whyte
Treasurer

BJ STAFF
CO-OPERATIVE CREDIT UNION LTD.

"Your Financial Success is Our Business"

SPECIAL RESOLUTIONS

TO ALLOW FOR VIRTUAL-ONLY OR HYBRID-MEETINGS

NOTICE IS HEREBY GIVEN that the **34th** Annual General Meeting of the **BJ Staff Co-operative Credit Union Limited** to be held **online/virtually on the 23rd of September 2021** for members to consider and if thought fit to pass the following special resolutions:

WHEREAS Rule 77 allows for amendments to the Rules of the BJ Staff Co-operative Credit Union Limited; and

WHEREAS the Interpretation section, Article XII, Rule 56, Rule 57, Rule 60, Rule 61, and Article XXIV, RULE 77, are being proposed for amendments in the Rules of the BJ Staff Co-operative Credit Union Limited; and

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

WHEREAS electronic attendance shall be construed as if the members were present at the physical location where the meeting is being convened; and

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

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

WHEREAS the BJ Staff Co-operative Credit Union has agreed to adopt and accept all the interpretations so ascribed under the said regulations:

BE IT RESOLVED that the INTERPRETATION section be amended to include:

> "Meeting" shall include meeting of the Board of Directors, Committee meetings, Special or Annual General Meeting, any adjourned meeting or postponed meeting and may be held as a physical, virtual-only or hybrid-meeting.
>
> "Votes" shall include by a show of hands or ballot or by way of a poll and may be cast through or by electronic means or otherwise, in keeping with the Cooperative Societies (Amendment) Regulations 2021

BE IT RESOLVED that Article XII, Rule 56 which now reads:

(i) The supreme authority in the Credit Union is vested in the General Meeting of members at which every member has a right to attend and vote on all questions; and

(ii) The first General Meeting of members after registration of the Credit Union shall be called the First Annual General Meeting, and shall have the same powers as are herein given to the Annual General Meeting

Be amended to read by adding the following additional sentences after the current sentences:

(iii) References to a "meeting" shall mean a meeting convened and held in a physical location only or via virtual-only and/or in a hybrid manner through a combination of both physical and electronic communication system. Members shall be deemed to be present at that meeting for all purposes of the Rules, applicable laws, and the Cooperative Societies (Amendments) Regulations 2021 and said attendance shall be construed to allow the member present in any one of these fora to attend and fully participate in any such meetings.

(iv) A member's participation in the business of a general meeting shall include without limitation the right to communicate, to vote, and to have access in hard copy or electronic form all documents which are required to participate in the business of a general meeting; and participation in such a meeting shall constitute presence in person at such meeting and shall count towards the quorum and for all other voting processes.

(v) References to "electronic communication system" shall include, without limitation, webcast, video or any form of conference call systems (telephone, video, web or otherwise) and other communication of any sound, document, and or other data.

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

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

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

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

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

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

BE IT RESOLVED THAT Article XII, Rule 57 which now reads:

(i) Each member shall have one vote only and there shall be no voting by proxy; provided that in the case of an equality of votes the President shall have a second or casting vote.

(ii) Any question submitted for the decision of the members present at a meeting shall be decided by a majority of votes

(iii) At any meeting a resolution put to the vote shall be decided by a show of hands unless voting by ballot is demanded by at least five (5) of the members present before declaration of the result by the show of hands, and in such case, voting by ballot shall be taken.

Be amended to read by adding the following additional sentences after the current sentences:

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

BE IT RESOLVED THAT Article XII, Rule 60 which now reads:

60. At least seven (7) days before the date of any Annual or Special General Meeting, the Secretary shall post a notice of the meeting in a conspicuous place in the office and cause written notice thereof to be handed to each member in person or mailed to each member at his address as the same appears on the Records of the Society.

BE AMENDED TO READ:

(i) At least seven (7) days before the date of any Annual or Special General Meeting, the Secretary shall issue a written notice of the meeting to be delivered by electronic means and printed in one daily newspaper.

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

ADD SUB-RULE (iii) at Rule 61 to read:

(iii) The BJ Staff Co-operative Credit Union Limited shall maintain a quorum to vote on or ratify all decisions and resolutions at a meeting. The failure or inability of a member to remain in a meeting held in a hybrid or virtual-only format that results in a loss of a quorum, due to a mistake or events beyond the control of the BJ Staff Co-operative Credit Union Limited, shall not constitute a defect in the holding of said meeting, and shall not invalidate in any way, decisions made and resolutions passed or proceedings taken at that Meeting", while a quorum was in effect.

E IT RESOVLED THAT ARTICLE XXIV, RULE 77 (AMENDMENTS TO RULES) WHICH NOW READ:

These Rules may be amended by a resolution of the members at the Annual or Special General Meeting called for the purpose by three-fourths (3/4) votes of those present and entitled to vote, provided a copy of the proposed amendments together with a written notice of the meeting shall have been sent to each member or handed to him in person at least seven (7) days before the said meeting. No amendment shall become operative until it has been approved by the Registrar in accordance with the Law.

BE AMENDED TO READ:

These Rules may be amended by a resolution of the members at the Annual or Special General Meeting called in accordance with **Article XII, Rule 57 (vii)** for the purpose by at least three-fourths (3/4) votes of those present either Physically, Virtual-only or at a Hybrid-meeting entitled to vote, provided a copy of the proposed amendments together with a written notice of the meeting shall have been sent to each member by electronic means and printed in one daily newspaper at least seven (7) days before the said meeting. No amendment shall become operative until it has been approved by the Registrar in accordance with the Law.

All amendments are to be operational immediately and binding upon members consequent upon approval at this general meeting of members and subject to the Registrar of Cooperative Societies certification.

Moved by:

Seconded by:

Date:

There were ………. persons present at the time of voting

Voted for: (In-person votes) _________

(Virtual votes) __________

Against: (In-person votes) _________

(Virtual votes) __________

Abstained: (In-person votes) _________

(Virtual votes) __________

....
PRESIDENT

....
SECRETARY

SEAL OF CREDIT UNION

DEPARTMENT OF CO-OPERATIVES & FRIENDLY SOCIETIES
CHARITIES AUTHORITY, JAMAICA
Ministry of Industry, Investment, and Commerce
2 Musgrave Avenue, Kingston 10
Jamaica, W.I.
Tel: (876) 927-4912 | 927-6572 | 978-1946
E-mail: dcfs@cwjamaica.com Website: www.dcfs.gov.jm

ANY REPLY OR SUBSEQUENT REFERENCE TO THIS COMMUNICATION SHOULD BE ADDRESSED TO THE REGISTRAR AND THE FOLLOWING REFERENCE QUOTED:

S1
R301/563/05/21 May 26, 2021

The Secretary
BJ Staff Co-operative Credit Union Limited
Bank of Jamaica
Nethersole Place
Kingston

Dear Sir/Madam,

I forward herewith the Financial Statements of your Society for the financial year ended December 31, 2020.

The Annual General Meeting (AGM) must be convened under ***Regulation 19, 21* and 25 a-f** of the Co-operative Societies (Amendment) Regulations, 2021. At least seven (7) days' notice shall be given before the meeting is held.

A copy of your report, which you intend to present to the Annual General Meeting on the year's working of the Society as set forth in ***Regulation 35 (b)*** of the Co-operative Societies Regulations should be forwarded to this office.

An AGM Protocol Documents developed by the Department should be used as a guide in preparing for the Meeting, along with the ***Exceptions to Prohibition on Public Gathering Exceeding Specified Number of Persons*** available to Societies under the Disaster Risk Management (Enforcement Measures) Order, 2021.

Kindly advise the Department of the date of the Annual General Meeting, so that arrangements can be made for representation.

Yours truly,

....

Lavern Gibson-Eccleston (Mrs.)
(For) REGISTRAR OF CO-OPERATIVE SOCIETIES
AND FRIENDLY SOCIETIES

HOPE GARDENS	MANDEVILLE, MANCHESTER	MONTEGO BAY, ST. JAMES
Hope Gardens, Kingston 6	23 Caledonia Road	10 Delisser Drive
(876) 977-2277 / 927-1948	(*RADA Bldg.*)	(The Office of the Prime Minister)
Fax (876) 977-2698	(876) 615-9083	(876) 952-7913

FINALCIAL Statements

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31 DECEMBER 2020

BJ STAFF CO-OPERATIVE CREDIT UNION LIMITED

Tel: (876) 926-1616/7, 926-4421
Fax: (876) 926-7580
www.bdo.com.jm

Chartered Accountants
26 Beechwood Avenue
P.O. Box 351
Kingston 5, Jamaica

INDEPENDENT AUDITORS' REPORT

To: The Registrar of Co-operatives and Friendly Societies
Re: B.J. Staff Co-operative Credit Union Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of B.J. Staff Co-operative Credit Union Limited set out on pages 4 to 63, which comprise the statement of financial position as at 31 December 2020, and the statements of surplus or deficit and other comprehensive income, changes in equity and cash flows for the year then ended, and notes comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Co-operative as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Co-operatives Societies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Co-operative in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the Co-operative for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on 31 March 2020.

Responsibilities of Management and those charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Co-operative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Co-operative or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

To: The Registrar of Co-operative and Friendly Societies
Re: B.J. Staff Co-operative Credit Union Limited

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To: The Registrar of Co-operatives and Friendly Societies
Re: B.J. Staff Co-operative Credit Union Limited

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

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

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

BDO

Chartered Accountants

6 May 2021

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2020

	Notes	2020 $	2019 $
ASSETS:			
EARNING ASSETS:			
Loans to members	9	499,532,573	482,641,638
Less allowance for loan loss		(8,781,633)	(6,477,124)
		490,750,940	476,164,514
Liquid assets	10	14,098,459	13,761,331
Financial investments	11	134,927,518	115,598,515
		639,776,917	605,524,360
NON-EARNING ASSETS:			
Liquid assets	10	182,570,636	98,022,029
Other assets	12	2,083,546	1,755,071
Property, plant and equipment	13	2,482,130	3,453,346
Retirement benefit asset	14	4,541,000	8,903,000
		191,677,312	112,133,446
TOTAL ASSETS		831,454,229	717,657,806
LIABILITIES AND EQUITY:			
INTEREST-BEARING LIABILITIES:			
Members' shares deposits	15	285,935,709	266,092,253
Savings deposits	16	409,462,640	322,432,166
		695,398,349	588,524,419
NON-INTEREST-BEARING LIABILITY:			
Payables	17	7,883,054	8,495,117
TOTAL LIABILITIES		703,281,403	597,019,536
EQUITY:			
Non-institutional capital		22,597,013	17,853,019
Institutional capital	18	90,058,458	82,146,387
Milestone reserve		1,743,850	1,743,850
Permanent shares	19	2,945,000	2,902,000
Redemption reserve fund		270,000	268,000
Loan loss reserve	20	6,017,505	6,822,014
Employee benefits reserve	21	4,541,000	8,903,000
TOTAL EQUITY		128,172,826	120,638,270
TOTAL LIABILITIES AND CAPITAL		831,454,229	717,657,806

The financial statements on pages 4 to 63 were approved for issue by the Board of Directors on 6 May 2021 and signed on its behalf by:

Glenroy Williams - President

Suzette Whyte - Treasurer

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2020

	Notes	2020 $	2019 $
INTEREST INCOME:			
Loans to members		70,848,907	66,534,922
Investments and deposits		3,421,121	1,037,900
		74,270,028	67,572,822
INTEREST EXPENSES:			
Savings deposits		(12,208,298)	(11,200,913)
Members' share deposits		(1,993,892)	(1,797,936)
		(14,202,190)	(12,998,849)
NET INTEREST INCOME		60,067,838	54,573,973
Impairment losses on loans, net	9	(2,304,509)	(2,578,867)
NET INTEREST AFTER IMPAIRMENT LOSSES		57,763,329	51,995,106
Non-interest income	6	899,730	721,958
		58,663,059	52,717,064
Operating expenses	7	(45,863,103)	(41,044,346)
NET SURPLUS BEFORE HONORARIUM AND DONATIONS		12,799,956	11,672,718
Honoraria		(600,000)	(600,000)
Donations		(153,100)	(323,414)
NET SURPLUS FOR THE YEAR		12,046,856	10,749,304
OTHER COMPREHENSIVE (LOSS)/ INCOME:			
Item that will never be reclassified to surplus			
Re-measurement of defined benefit asset		(4,560,000)	2,507,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		7,486,856	13,256,304

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2020

	Non-institutional Capital $	Institutional Capital $	Milestone Reserve $	Permanent Shares $	Redemption Reserve Fund $	Loan Loss Reserve $	Employee Benefits Reserve $	Total $
Balance at 1 January 2019	9,034,709	77,991,525	1,743,850	2,814,000	246,000	8,900,881	6,536,000	107,266,965
Net surplus	10,749,304	-	-	-	-	-	-	10,749,304
Other comprehensive income:								
Remeasurement of retirement benefits asset	-	-	-	-	-	-	2,507,000	2,507,000
Total comprehensive income	10,749,304	-	-	-	-	-	2,507,000	13,256,304
Transactions with members:								
Entrance fees	-	5,001	-	-	-	-	-	5,001
Permanent share subscription	-	-	-	88,000	-	-	-	88,000
Movement in reserves:								
Transfer from employee benefits reserve	140,000	-	-	-	-	-	(140,000)	-
Transfer to statutory and legal reserve	(3,149,861)	3,149,861	-	-	-	-	-	-
Transfer to education reserve	(500,000)	500,000	-	-	-	-	-	-
Transfer to general reserve	(500,000)	500,000	-	-	-	-	-	-
Transfer from loss reserve	2,078,867	-	-	-	-	(2,078,867)	-	-
Addition of shares	-	-	-	-	22,000	-	-	22,000
	(1,930,994)	4,154,862	-	88,000	22,000	(2,078,867)	(140,000)	115,001
Balance at 31 December 2019	17,853,019	82,146,387	1,743,850	2,902,000	268,000	6,822,014	8,903,000	120,638,270
Net surplus	12,046,856	-	-	-	-	-	-	12,046,856
Other comprehensive income:								
Remeasurement of retirement benefit asset	-	-	-	-	-	-	(4,560,000)	(4,560,000)
Total comprehensive income	12,046,856	-	-	-	-	-	(4,560,000)	7,486,856
Transactions with members:								
Entrance fees	-	2,700	-	-	-	-	-	2,700
Permanent share subscription	-	-	-	43,000	-	-	-	43,000
Movement in reserves:								
Transfer from employee benefits reserves	(198,000)	-	-	-	-	-	198,000	-
Transfer to statutory and legal reserve	(5,409,371)	5,409,371	-	-	-	-	-	-
Transfer to education reserve	(1,000,000)	1,000,000	-	-	-	-	-	-
Transfer to general reserve	(1,500,000)	1,500,000	-	-	-	-	-	-
Transfer from loan loss reserve	804,509		-	-		(804,509)	-	-
Addition of shares	-	-	-	-	2,000	-	-	2,000
	(7,302,862)	7,912,071	-	43,000	2,000	(804,509)	198,000	47,700
Balance at 31 December 2020	22,597,013	90,058,458	1,743,850	2,945,000	270,000	6,017,505	4,541,000	128,172,826

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2020

	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net surplus for the year	12,046,856	10,749,304
Adjustments for:		
Interest income	(74,270,028)	(67,572,822)
Interest expense	14,202,190	12,998,849
Depreciation and amortisation	1,093,218	317,310
Retirement benefit asset	(198,000)	140,000
Loan impairment losses	2,304,509	2,578,867
	(44,821,255)	(40,788,492)
Changes in operating assets and liabilities		
Loans to members, net	(16,890,935)	(53,903,399)
Other assets	(43,070)	409,470
Payables	(830,110)	(2,694,452)
Savings deposit	87,030,474	46,771,626
Members' share deposit	19,843,456	23,244,508
	44,288,560	(26,960,739)
Interest received	70,339,064	66,399,206
Interest paid	(13,984,143)	(12,898,566)
Cash provided by operating activities	100,643,481	26,539,901
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	3,645,557	1,101,308
Purchase of property, plant and equipment	(122,000)	(432,539)
Financial investments	(19,329,003)	(13,259,046)
Cash used in investing activities	(15,805,446)	(12,590,277)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Permanent shares, net	43,000	88,000
Issue of shares	2,000	22,000
Entrance fees	2,700	5,001
Cash provided by financing activities	47,700	115,001
Increase in cash and cash equivalents	84,885,735	14,064,625
Cash and cash equivalents at beginning of year	111,783,360	97,718,735
CASH AND CASH EQUIVALENT AT END OF YEAR (Note 10)	196,669,095	111,783,360
Comprised of:		
Liquid assets - interest bearing	14,098,459	13,761,331
- non-interest bearing	182,570,636	98,022,029
	196,669,095	111,783,360

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

1. **STATUS AND PRINCIPAL ACTIVITIES:**

B.J. Staff Co-operative Credit Union Limited (the Co-operative) is registered under the Co-operative Societies Act and is domiciled in Jamaica. The registered office and principal place of business is located at Nethersole Place, Kingston.

The main activities of the Co-operative comprise receiving money from its members for the purchase of shares or as deposits, and providing loans to its members.

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.

The Co-operative is a member of and is supervised by the Jamaica Co-operative Credit Union League (JCCUL).

2. **FUNCTIONAL CURRENCY:**

These financial statements are presented in Jamaican dollars which is the Co-operative's functional currency.

3. **SIGNIFICANT ACCOUNTING POLICIES:**

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) **Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS). The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets that are measured at fair value and employee benefits asset which is recognised at the fair value of plan assets, less the present value of defined benefit obligations.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Co-operative's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) **Basis of preparation (cont'd)**

New standards, interpretations and amendments effective in the current year

Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial year. The Co-operative has assessed the relevance of all such new standards, amendments and interpretation and has put into effect the following, which are immediately relevant to its operations:

Amendments to IAS 1 'Presentation of financial statements' and IAS 8 'Accounting policies, changes in accounting estimates and errors' (effective for annual periods beginning on or after 1 January 2020). The IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

These amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of users of general purpose financial statements by defining them as existing and potential investors, lenders and other creditors. The Co-operative has applied the guidance on materiality when preparing its financial statements.

Revised Conceptual Framework for Financial Reporting (effective for annual periods beginning on or after 1 January 2020). The revised Conceptual Framework will be used in standard-setting decisions with immediate effect; however, no changes will be made to any of the current accounting standards. Entities that apply the Conceptual Framework in determining accounting policies will need to consider whether their accounting policies are still appropriate under the revised Framework. There was no impact from the adoption of this amendment.

New standards, amendments and interpretations not yet effective and not early adopted

At the date of authorization, there are a number of standards, amendments to standards and interpretations which have been issued by the IASB that are effective in future accounting periods that the Co-operative has decided not to adopt early. The most significant of these are:

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) **Basis of preparation (cont'd)**

New standards, amendments and interpretations not yet effective and not early adopted (cont'd)

Annual Improvements to IFRS Standards 2018-2020 cycle (effective for annual periods beginning on or after January 1, 2022). These amendments include minor changes to the following applicable standards:

(i) IFRS 9 Financial Instruments amendment clarifies that – for the purpose of performing the '10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

(ii) IFRS 16 Leases amendment removes the illustration of payments from the lessor relating to leasehold improvements.

The Co-operative is assessing the impact the amendment will have on its 2022 financial statements.

The Co-operative does not expect any other standards or interpretations issued by the IASB, but not yet effective, to have a material effect on its financial position.

(b) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include loans to members, liquid assets, financial investments and other assets. Financial liabilities include members' share deposits, savings deposits, and payables.

Recognition and initial measurement

The Co-operative initially recognises assets on the trade date at which the Co-operative becomes a party to the contractual provisions of the instrument.

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

The Co-operative recognises a financial instrument when it becomes a party to the contractual terms of the instrument. The Co-operative initially recognises loans and deposits on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date, which is the date on which the Co-operative becomes a party to the contractual provisions of the instrument.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(b) **Financial instruments (cont'd)**

Recognition and initial measurement (cont'd)

A financial asset (unless it is a receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL; transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt and equity investments; or fair value through profit or loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

On initial recognition of an equity investment that is not held for trading, the Co-operative may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Co-operative may irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets and recognising gains or losses on them on different bases.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(b) **Financial instruments (cont'd)**

Classification and subsequent measurement (cont'd)

Financial assets (cont'd)

Business model assessment

The Co-operative makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Assessment of whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

The Co-operative's objective is achieved by both collecting contractual cash flows and selling financial assets.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Co-operative considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(b) **Financial instruments (cont'd)**

Classification and subsequent measurement (cont'd)

Financial assets (cont'd)

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Co-operative changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first reporting period following the change in business model.

Financial liabilities

The Co-operative classifies financial liabilities as measured at amortised cost.

Derecognition

Financial assets

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

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

Financial liabilities

The Co-operative derecognises a financial liability when its contractual obligations expire or are discharged or cancelled.

Measurement and gains and losses

Financial assets at amortised cost are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(b) **Financial instruments (cont'd)**

Measurement and gains and losses (cont'd)

For debt securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in surplus or deficit in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When a debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to surplus or deficit.

Offsetting

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

Identification and measurement of impairment

The Co-operative recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(b) **Financial instruments (cont'd)**

Identification and measurement of impairment (cont'd)

12-month ECLs are the portion of ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

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

Financial assets that have an objective evidence of impairment will be included in stage 3. Similar to stage 2, the allowance for credit losses will continue to capture the lifetime ECL.

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

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Co-operative expects to receive); and

- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

Restructured financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(b) **Financial instruments (cont'd)**

Identification and measurement of impairment (cont'd)

Restructured financial assets (cont'd)

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

Credit-impaired financial assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(b) **Financial instruments (cont'd)**

Identification and measurement of impairment (cont'd)

Credit-impaired financial assets (cont'd)

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Co-operative considers the following factors.

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

Presentation of allowance for ECL in the statement of financial position

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

- *financial assets measured at amortised cost:* as a deduction from the gross carrying amount of the assets.

- *debt instruments measured at FVOCI:* no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Write-off

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(b) **Financial instruments (cont'd)**

Identification and measurement of impairment (cont'd)

Write-off (cont'd)

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

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

The guidelines stipulated by the Jamaica Co-operative Credit Union League ("JCCUL"), according to the PEARLS standard, require the allowance for loan losses be stipulated percentages of total delinquent loans, the percentages varying with the period of delinquency, without considering securities held against such loans.

The allowance for loan losses required by PEARLS, that is in excess of the requirements of IFRS is treated as an appropriation of accumulated surplus and included in a non-distributable loan loss reserve (note 20).

(c) **Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and in bank and deposits not held to satisfy statutory requirements and short term highly liquid investments with original maturities of three months or less, net of bank overdraft.

(d) **Impairment of non-financial assets**

The carrying amounts of the Co-operative's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in surplus or deficit.

(e) **Property, plant and equipment and computer software**

Items of property, plant and equipment are recorded at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(e) **Property, plant and equipment and computer software (cont'd)**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Co-operative and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method at annual rates estimated to write off the costs of the assets over the period of their estimated useful lives. Annual rates are as follows:

Computer equipment	331/3%
Furniture and fixtures	10%
Equipment	10%

Property, plant and equipment are periodically reviewed for impairment. Where the carrying amount of the assets is greater than the estimated recoverable amount, it is written down immediately to its recovery amount.

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining surplus or defict.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

Computer software is deemed to have a finite useful life of 10 years and is measured at cost, less accumulated amortization and impairment losses if any.

(f) **Employee benefits**

The employees of the Co-operative participate in a defined-benefit, multi-employer pension plan operated by JCCUL.

In respect of defined-benefit arrangements, employee benefits comprising pension assets and obligations included in the financial statements are determined by a qualified independent actuary, appointed by JCCUL. The actuarial valuations are conducted in accordance with IAS 19, using the projected unit credit method. When the calculation results in a potential asset for the Co-operative, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. In carrying out their audit, the auditors rely on the work of the actuary and the actuary's report.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(f) **Employee benefits (cont'd)**

The Co-operative's net obligation in respect of the defined-benefit pension plan is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that value is discounted to determine the present value, and the fair value of any plan assets is deducted.

Remeasurements of the net defined benefit asset, which comprise actuarial gains and losses are recognised immediately in other comprehensive income. The Co-operative determines the net interest expense (income) on the net defined benefit asset for the period by applying the discount rate used to measure the defined benefit asset at the beginning of the annual period to the then net defined benefit asset, taking into account any changes in the net defined benefit asset during the period as a result of contributions and benefit payments. Net interest expense and other expenses on post-retirement obligation is recognised in surplus or deficit.

When the benefits of a plan are changed, or when the plan is curtailed, the resulting change in benefit relating to past service or the gain or loss on curtailment is recognised immediately in surplus or deficit. The Co-operative recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The plan was curtailed effective 31 December 2016. Effective 31 December 2016, the defined-benefit plan was closed to new members. New members to the plan participate in a defined-contribution multi-employer pension plan operated by JCCUL.

(g) **Saving deposits**

Saving deposits are recognized initially at the normal amount when funds are received. Deposits are subsequently stated at amortised cost.

(h) **Members shares**

Permanent shares

Permanent shares are classified as equity and are available for withdrawal when membership is being terminated. Dividend on permanent shares is treated as an appropriation of surplus and payable when declared.

Voluntary shares

Members' voluntary shares represent deposit holdings of the Co-operative's members, to satisfy membership requirements and to facilitate eligibility for loans and other benefits. These shares are classified as financial liabilities. Interest payable on these shares are determined at the discretion of the Co-operative and reported as interest in the statement of income in the period in which they are approved.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(i) **Related party**

A party is related to the Co-operaive, if:

(i) Directly, or indirectly through one or more intermediaries, the party:

(a) is controlled by, or is under common control with, the Co-operative;
(b) has an interest in the Co-operative that gives it significant influence over the entity; or
(c) has joint control over the Co-operative.

(ii) The party is a member of the key management personnel of the entity or its parent;

(iii) The party is a close member of the family of any individual referred to in (i) or (iv);
(iv) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (ii) or (iii).

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. The Co-operative has a related party relationship with its directors and key management personnel representing certain senior officers of the Co-operative.

(j) **League fees and stabilization dues**

JCCUL has determined the rate for calculating league fees at 0.2% (2019: 0.2%) of total assets. Stabilisation dues are computed at a rate of 0.15% (2019: 0.15%), of savings fund.

(k) **Revenue recognition**

(i) **Interest income**

Effective interest rate

Interest income is recognised in surplus or deficit using the effective interest method. The "effective interest rate" is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to its gross carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(k) **Revenue recognition (cont'd)**

(i) **Interest income (cont'd)**

Effective interest rate (cont'd)

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

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

Amortised cost and gross carrying amount

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

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(k) **Revenue recognition (cont'd)**

(i) **Interest income (cont'd)**

Calculation of interest income (cont'd)

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

Presentation

Interest income calculated using the effective interest method presented in the statement of profit or loss and OCI, includes interest on financial assets measured at amortised cost, and interest on debt instruments measured at FVOCI.

(ii) **Grant income**

This amount represents a grant to the Co-operative from JCCUL for expenses for professional fees for the implementation of IFRS 9 ECL Model. The amount is recognised as income when the funds are utilised (see note 17).

(iii) **Dividends:**

Dividend income from equity financial investments is recognised at a point in time when the Co-operative's right to receive payment has been established.

(l) **Interest expenses**

Interest expense is recognised in surplus or deficit using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability.

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

The 'amortised cost' of a financial liability is the amount at which the financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(l) **Interest expenses (cont'd)**

The effective interest rate of a financial liability is calculated on initial recognition of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

Interest expense presented in the statement of profit or loss and OCI includes financial liabilities measured at amortised cost.

(m) **Provisions**

The Co-operative has recognised provision for liabilities of uncertain timing or amount. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

4. **CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY:**

The Co-operative makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Key assumptions concerning the future and other sources of estimation uncertainty.

(a) Pension benefits

The amounts recognised in the statements of financial position and surplus or deficit and other comprehensive income for pension benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include expected long-term return on plan assets and the discount rate used to determine the present value of estimated future cash flows required to settle the pension.

The expected return on plan assets is assumed considering the long-term historical returns, asset allocation and future estimates of long-term investment returns. The discount rate is determined based on the estimate of yield on long-term government securities that have maturity dates approximating the terms of the Co-operative's obligation. In the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenor security on the market.

Any changes in these assumptions may impact the amounts recorded in the financial statements for those obligations.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

4. **CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONT'D):**

(i) Key assumptions concerning the future and other sources of estimation uncertainty (cont'd).

(b) Impairment losses on loans to members

In determining amounts recorded for impairment of financial assets in the financial statements, management makes assumptions in determining the inputs to be used in the ECL measurement model, including incorporation of forward-looking information. Management also estimates the likely amount of cash flows recoverable on the financial assets in determining loss given default. The use of assumptions make uncertainty inherent in such estimates.

(ii) Judgements:

(a) Classification of financial assets:

The assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding requires management to make certain judgements about its business operations.

(b) Impairment of financial assets:

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of expected credit loss (ECL) and selection and approval of models used to measure ECL requires significant judgement.

5. **FINANCIAL RISK MANAGEMENT:**

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

The Co-operative has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

In common with all other businesses, the Co-operative's activities expose it to a variety of risks that arise from its use of financial instruments. This note describes the Co-operative's objectives, policies and processes for managing those risks to minimize potential adverse effects on the financial performance of the Co-operative and the methods used to measure them.

(a) **Principal financial instruments**

The principal financial instruments used by the Co-operative from which risk arises, are as follows:

- Financial investments
- Loans to members
- Liquid assets
- Payables
- Saving deposits
- Member's share deposits

(b) **Financial instruments by category**

Financial assets

	Assets at amortised cost $	Assets at fair value through profit or loss $	Assets at fair value through other comprehensive income $	Total $
As at 31 December 2020:				
Liquid assets	196,669,095	-	-	196,669,095
Loans to members	490,750,940	-	-	490,750,940
Financial investments	7,229,836	113,498,224	14,199,458	134,927,518
	694,649,871	113,498,224	14,199,458	822,347,553

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(b) **Financial instruments by category (cont'd)**

Financial assets (cont'd)

	Assets at amortised cost $	Assets at fair value through profit or loss $	Assets at fair value through other comprehensive income $	Total $
As at 31 December 2019:				
Liquid assets	111,783,360	-	-	111,783,360
Loans receivables	476,164,514	-	-	476,164,514
Financial investments	7,454,272	94,574,785	13,569,458	115,598,515
	595,402,146	94,574,785	13,569,458	703,546,389

Financial liabilities

	At amortised cost 2020 $	2019 $
Payables	7,883,054	8,495,117
Saving deposits	409,462,640	322,432,166
Members' shares deposits	285,935,709	266,092,253
	703,281,403	597,019,536

(c) **Financial instruments measured at fair value**

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction.

The financial instruments are grouped into level 1 to 3 based on the degree to which the fair values are observable as follows:

- Level 1 includes those instruments which are measured based on quoted prices in active markets for identical assets or liabilities.

- Level 2 includes those instruments which are measured using inputs other than quoted prices within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Financial instruments measured at fair value (cont'd)**

- Level 3 includes those instruments which are measured using valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs).

There were no transfer between levels during the year.

The following table shows the fair values of financial assets including their levels in the fair value hierarchy. The table does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of their fair value.

	2020		
	Level 2	Level 3	Total
	$	$	$
Financial assets measured at fair value:			
Financial investments (note 11)	14,199,458	113,498,224	127,697,682

	2019		
	Level 2	Level 3	Total
	$	$	$
Financial assets measured at fair value:			
Financial investments (note 11)	94,574,785	13,569,458	108,144,243

Financial investments which have been categorized as level 2 valuation model is based on yields derived from pricing services which may include data not observed in actual market transaction but indicative information. The valuation technique used for level 3 financial instruments is the net assets valuation method.

The fair value of liquid assets maturing in one year is assured to appropriate their carrying amount. This assumption applies to all other financial assets and liabilities.

(d) **Financial risk factors**

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

Two key committees and responsible officers (finance function) for managing and monitoring risks are as follows:

(i) **Supervisory Committee**

The Supervisory Committee oversees the Internal Audit function of the Co-operative and ensures that internal procedures and controls are adhered to. The Supervisory Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of management controls and procedures, the results of which are reported to the Supervisory Committee.

(ii) **Credit Committee**

The Credit Committee oversees the approval of the credit facilities to members. It is also primarily responsible for monitoring the quality of the loan portfolio, by ensuring that collaterals used to secure members' loans are adequate prior to loan approval.

(ii) **Finance Function**

The Treasurer and Assistant Treasurer are responsible for overseeing the management of the Credit Union's assets and liabilities and the overall financial structure. They are also responsible for managing the funding and liquidity of the Co-operative.

The committees and responsible officers comprise persons independent of management and reports to the Board on a monthly basis.

The Co-operative's overall risk management programme seeks to minimize potential adverse effects on the Co-operative's financial performance. There have been no significant changes to the Co-operative's exposure to financial risks or the manner in which it manages and measures its risks.

(i) **Credit risk**

Credit risk is the risk of financial loss to the Co-operative if a member or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the Co-operative's loans to members, deposits with other institutions and investment securities.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(i) **Credit risk (cont'd)**

Credit review process

The management of credit risk in respect of loans to members is delegated to the Credit Committee. The Committee is responsible for oversight of the Co-operative's credit risk, including formulating credit policies, establishing the authorisation structure for the approval of credit facilities, reviewing and assessing credit risk, and limiting concentration of exposure to counterparties.

Loans to members

Management of risk

The Co-operative assesses the probability of default of individual borrowers using internal ratings. The Co-operative assesses each borrower on four critical factors. These factors are the member's credit history, ability to pay linked to the industry benchmarked debt service ratio of 75%, character profile and the member's economic stability, based on employment and place of abode.

Borrowers are segmented into two rating classes, performing and non-performing.

The credit quality review process allows the Co-operative to assess the potential loss as a result of the risk to which it is exposed and take corrective action. Exposure to credit risk is managed, in part, by obtaining collateral and personal guarantees.

Credit quality

The following table sets out information about the credit quality of loans.

	2020			
	Stage 1 $	Stage 2 $	Stage 3 $	Total $
Performing	481,711,383	6,934,548	-	488,645,931
Non-performing	-	-	10,886,642	10,886,642
	481,711,383	6,934,548	10,886,642	499,532,573
Loss allowance	(2,011,898)	(149,186)	(6,620,549)	(8,781,633)
Carrying amount	479,699,485	6,785,362	4,266,093	490,750,940

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(i) **Credit risk (cont'd)**

Loans to members (cont'd)

Credit quality (cont'd)

The following table sets out information about the credit quality of loans (cont'd).

	2019			
	Stage 1 $	Stage 2 $	Stage 3 $	Total $
Performing	469,402,925	-	-	476,698,922
Non-performing	-	7,295,997	5,942,716	5,942,716
	469,402,925	7,295,997	5,942,716	482,641,638
Loss allowance	(2,027,080)	(59,631)	(4,390,413)	(6,477,124)
Carrying amount	467,375,845	7,236,366	1,552,303	476,164,514

Financial investments

Management of risk

The Co-operative limits its exposure to credit risk by investing only in liquid assets and only with counterparties that have a high credit quality and Government of Jamaica securities. Therefore, management does not expect any counterparty to fail to meet its obligations.

The Co-operative has documented policies which facilitate the management of credit risk on investment securities and resale agreements. The Co-operative's exposure and credit ratings of its counterparties are continually monitored.

Credit quality

The Co-operative identifies changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Co-operative supplements this by reviewing changes in bond yields together with available press and regulatory information on issuers.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(i) **Credit risk (cont'd)**

Liquid assets

Liquid assets are held in financial institutions which management regards as strong and there is no significant concentration. The strength of these financial institutions is constantly reviewed by the Board of Directors.

Impairment has been measured at 12-month expected loss basis and reflects the short maturities of the exposures. The Co-operative considers that liquid assets have low credit risk.

Credit limits

The Co-operative manages concentrations of credit risk by placing limits on the amount of risk accepted in relation to a single borrower or groups of related borrowers, and to product segments. Borrowing limits are established by the use of the system described above. Limits on the level of credit risk by product categories, and for investment categories, are reviewed and approved bi-annually by the Board of Directors.

Collateral held and other credit enhancements

The most widely used practice for mitigating credit risk is the taking of security in the form of physical assets, netting agreements and guarantees. The amount and type of collateral required depend on an assessment of the credit risk of the borrower and guidelines implemented regarding the acceptability of different types of collateral. The principal collateral types provided for loans and advances are charges over members' balances, real property and motor vehicles.

Estimates of fair values are based on value of collateral assessed at the time of borrowing and are generally not updated except when a loan (or other financial asset) is individually assessed as impaired. Collateral is not generally held against deposits and investment securities, except when the securities are held as part of resale agreements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(i) **Credit risk (cont'd)**

Collateral held and other credit enhancements (cont'd)

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the provision for credit losses.

The table below shows the collateral and other security enhancements held against loans to borrowers.

Collateral held for loans

	2020 $	2019 $
Past due but not impaired financial assets		
Properties	23,559,339	5,873,548
Shares and deposits	15,652,910	2,527,820
Liens on motor vehicles	36,719,538	44,775,734
	75,931,787	53,177,102
Impaired financial assets		
Properties	4,424,025	-
Shares and deposits	-	1,108,681
Liens on motor vehicles	4,424,025	1,562,095
	8,848,050	2,670,776
	84,779,837	55,847,878

Impairment

Inputs, assumptions and techniques used for estimating impairment

See accounting policy at note 3(b).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(i) **Credit risk (cont'd)**

Impairment (cont'd)

Inputs, assumptions and techniques used for estimating impairment (cont'd)

Significant increase in credit risk

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

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

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

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

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

Credit risk grades

The Co-operative allocates each exposure a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgment. The Co-operative uses these grades in identifying significant increases in credit risk. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. These factors may vary depending on the nature of the exposure and the type of borrower.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(i) **Credit risk (cont'd)**

Impairment (cont'd)

Inputs, assumptions and techniques used for estimating impairment (cont'd)

Credit risk grades (cont'd)

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

- Information obtained during periodic review of customer files.
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower.
- Payment record – this includes overdue status as well as a range of variables about payment ratios.
- Existing and forecast changes in business, financial and economic conditions.

Determining whether credit risk has been increased significantly

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

Credit risk is deemed to increase significantly where the credit rating of a security decreased from grade 1 to grade 3 and the risk grade of loans has moved from grade 1 (standard) to grade 3 (sub-standard).

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(i) **Credit risk (cont'd)**

Impairment (cont'd)

Inputs, assumptions and techniques used for estimating impairment (cont'd)

Determining whether credit risk has been increased significantly (cont'd)

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

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

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(i) **Credit risk (cont'd)**

Impairment (cont'd)

Inputs, assumptions and techniques used for estimating impairment (cont'd)

Definition of default

The Co-operative considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Co-operative in full, without recourse by the Co-operative to actions such as realising security (if any is held);
- the borrower is more than 90 days past due on any material credit obligation to the Co-operative; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Co-operative considers indicators that are:

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

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of forward-looking information

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(i) **Credit risk (cont'd)**

Impairment (cont'd)

Inputs, assumptions and techniques used for estimating impairment (cont'd)

Definition of default (cont'd)

Incorporation of forward-looking information (cont'd)

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

The economic scenarios used as at 31 December 2020 assumed no significant changes in key indicators for Jamaica within the next year.

Based on the economic scenario, proxies of 0.6, 1.1 and 1.6 times ECL were determined to be appropriate for positive, stable and negative outlooks respectively.

Measurement of ECLs

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(i) **Credit risk (cont'd)**

Impairment (cont'd)

Inputs, assumptions and techniques used for estimating impairment (cont'd)

Measurement of ECLs (cont'd)

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

Exposure to credit risk

Maximum credit exposure to credit risk before collateral held or other credit enhancements

The maximum credit exposure, that is, the total amount of loss that the Co-operative would suffer if every counterparty to the Co-operative's financial assets were to default at once, is represented by the carrying amount of the financial assets shown on the statement of financial position as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(i) **Credit risk (cont'd)**

Impairment (cont'd)

Exposure to credit risk (cont'd)

Concentration of risk

Loans

The following table summarises the Co-operative's credit exposure for consumer loans at their carrying amounts:

	2020 $	2019 $
Construction and real estate	188,489,460	76,978,216
Unsecured	36,851,074	5,929,339
Cash secured	80,021,896	25,873,129
Motor vehicle	194,170,143	373,860,954
	499,532,573	482,641,638
Less: Allowance for impairment losses	(8,781,633)	(6,477,124)
	490,750,940	476,164,514

(ii) **Liquidity risk**

Liquidity risk is the risk that the Co-operative will encounter difficulty in meeting obligations from its financial liabilities. The Co-operative's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal or stressed conditions. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed facilities. The Co-operative manages this risk by keeping a substantial portion of its financial assets in liquid form in accordance with regulatory guidelines.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(ii) **Liquidity risk (cont'd)**

The Co-operative is subject to a liquidity limit of 20% imposed by JCCUL and compliance is regularly monitored. The key measure used by the Co-operative for managing liquidity risk is the ratio of liquid assets to total savings deposits. For this purpose, liquid assets include cash and bank balances, deposits held with JCCUL and highly liquid investments which are readily convertible into cash. The Co-operative's liquid asset ratio at the end of the year was 34% (2019: 64%).

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

The following table presents the undiscounted contractual maturities of financial liabilities.

	2020					
	Up to 1 month $	Between 1 and 3 months $	Between 3 and 12 months $	Between 1 and 5 years $	Contractual outflows $	Carrying amount $
Members' share deposits	285,935,709	-	-	-	285,935,709	285,935,709
Savings deposits	409,462,640	-	-	-	409,462,640	409,462,640
Accounts payable	7,883,054	-	-	-	7,883,054	7,883,054
	703,281,403	-	-	-	703,281,403	703,281,403

	2019					
	Up to 1 month $	Between 1 and 3 months $	Between 3 and 12 months $	Between 1 and 5 years $	Contractual outflows $	Carrying amount $
Members' share deposits	266,092,253	-	-	-	266,092,253	266,092,253
Savings deposits	322,432,166	-	-	-	322,432,166	322,432,166
Accounts payable	8,495,117	-	-	-	8,495,117	8,495,117
	597,019,536	-	-	-	597,019,536	597,019,536

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(ii) **Liquidity risk (cont'd)**

Members' share deposits are classified as liabilities. These deposits can be withdrawn at the option of the members and will, therefore, affect the liquidity position of the Co-operative. These deposits have no contractual maturity. The amounts included in the analysis are based on management's estimate of expected cash flows on these instruments as determined by retention history. These may vary significantly from actual cash flows which are generally expected to maintain a stable or increasing balance.

(iii) **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. These arise mainly from changes in interest rate and foreign currency rate and will affect the Co-operative's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

There has been no change to the Co-operative's exposure to market risk or the manner in which it measures and manages the risk.

(i) **Currency risk**

Currency risk is the risk that the market value of, or the cash flows from, financial instruments will vary due to fluctuations in exchange rates on transactions and balances that are denominated in currencies other than the Jamaica dollar. There was no significant exposure to foreign currency risk, as the Co-operative's foreign currency instruments are minimal.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(iii) **Market risk (cont'd)**

(ii) **Interest rate risk**

Interest rate risk is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates. It arises when there is a mismatch between interest-earning assets and interest-bearing liabilities which are subject to interest rate adjustments within a specified period. It can be reflected as a loss of future net interest income and/or a loss of current market values. Interest rate risk is managed by holding primarily fixed rate financial instruments. Liquid assets are held for the short-term and, accordingly, would substantially reflect prevailing interest rates in the financial markets. Interest is paid on members' share deposits and savings deposits, and external credits are accepted from, and loans given to, members at a fixed rate of interest which is fairly stable. Accordingly, there is no significant exposure to interest rate risk.

The following tables summarize the Co-operative's exposure to interest rate risk. They include the Co-operative's financial instruments at carrying amounts, categorized by the earlier of contractual re-pricing or maturity dates. A summary of the Co-operative's interest rate gap position is as follows:

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(iii) **Market risk (cont'd)**

(ii) **Interest rate risk (cont'd)**

	2020					
	Up to 3 Months $	Between 3 and 12 Months $	Between 1 and 5 Years $	Over 5 Years $	Non-interest Bearing $	Total $
Financial assets:						
Liquid assets	-	14,098,459	-	-	182,570,636	196,669,095
Financial investments	-	-	7,070,000	-	127,697,682	134,767,682
Loans to members	452,623	2,058,578	322,251,675	165,988,064	-	490,750,940
Total financial assets	452,623	16,157,037	329,321,675	165,988,064	310,268,318	822,187,717
Financial liabilities:						
Members' shares deposits	35,244,889	10,003,514	209,744,166	30,943,140	-	285,935,709
Savings deposits	408,853,715	-	-	-	-	408,853,715
Total financial liabilities	444,098,604	10,003,514	209,744,166	30,943,140	-	694,789,424
Total interest rate sensitivity gap	(443,645,981)	6,153,523	119,577,509	135,044,924	310,268,318	127,398,293
Cumulative gap	(443,645,981)	(437,492,458)	(317,914,949)	(182,870,025)	127,398,293	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(iii) **Market risk (cont'd)**

(ii) **Interest rate risk (cont'd)**

	2019					
	Up to 3 Months $	Between 3 and 12 Months $	Between 1 and 5 Years $	Over 5 Years $	Non-interest Bearing $	Total $
Financial assets:						
Liquid assets	-	13,761,331	-	-	98,022,029	111,783,360
Financial investments	-	-	7,070,000	-	108,144,243	115,214,243
Loans to members	5,984,214	9,983,069	372,087,529	88,109,702	-	476,164,514
Total financial assets	5,984,214	23,744,400	379,157,529	88,109,702	206,166,272	703,162,117
Financial liabilities:						
Members' shares deposits	49,052,449	13,139,519	189,637,631	14,262,654	-	266,092,253
Savings deposits	322,041,288	-	-	-	-	322,041,288
Total financial liabilities	371,093,737	13,139,519	189,637,631	14,262,654	-	588,133,541
Total interest rate sensitivity gap	(365,109,523)	10,604,881	189,519,898	73,847,048	206,166,272	115,028,576
Cumulative gap	(365,109,523)	(354,504,642)	(164,984,744)	(91,137,696)	115,028,576	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(iii) **Market risk (cont'd)**

(ii) **Interest rate risk (cont'd)**

Cash flow sensitivity analysis

An increase/decrease in the basis points (bp) using the scenario noted below would have increased or decreased profit or loss by the amounts shown.

	100bp Increase $	100bp Decrease $
Variable rate instruments		
31 December 2020	20,700	(20,700)
31 December 2019	20,700	(20,700)

(e) **Capital management**

The Co-operative's objectives when managing capital are to safeguard the Co-operative's ability to continue as a going concern, so that it can continue to provide returns to its members and benefits for other stakeholders and to maintain a strong capital base to support the development of its business. The Co-operative defines its capital as permanent share capital, redemption reserve fund, institutional capital and non-institutional capital and other reserves. Its dividend payout is made taking into account the maintenance of an adequate capital base.

The Co-operative is required by JCCUL to maintain its institutional capital at a minimum of 8% of total assets. At the reporting date, this ratio was 10.83% (2019: 11.45%).

The proposed Bank of Jamaica regulations require JCCUL to ensure that member Co-operatives:

(i) Hold a minimum level of the regulatory capital of 6% of total assets; and

(ii) Maintain a ratio of total regulatory capital to risk-weighted assets at or above 10%.

The table below summarises the composition of regulatory capital and the ratios of the Co-operative as at the reporting date. During the year, the Co-operative complied with all externally imposed capital requirements to which it is subject.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(e) **Capital management (cont'd)**

	2020		2019	
	Actual	Required	Actual	Required
Total regulatory capital ($)	128,172,826	83,145,423	120,638,270	71,765,781
Total capital ratio	15%	10%	17%	10%

6. **NON-INTEREST INCOME:**

	2020 $	2019 $
Dividends from equity securities	215,638	444,456
Gain on revaluation of shares – CUFMC	630,000	-
Miscellaneous income	54,092	277,502
	899,730	721,958

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

7. **OPERATING EXPENSES:**

	2020 $	2019 $
Personnel expenses (Note 8)	26,144,161	21,876,437
Members' securities:		
CUNA life, savings and loan protection (note 24)	4,559,184	4,659,652
Administrative expenses		
Annual general meeting	2,685,512	2,703,991
ATM fees	1,395,896	461,138
Auditors' remuneration –current	2,592,860	2,752,895
Bad debt	-	131,446
Bank charges	70,885	80,820
Depreciation	1,093,218	317,310
International Credit Union day expense	136,275	325,618
Internal audit – JCCUL	-	196,000
JCCUL AGM	-	1,021,403
Legal and other professional fees	287,500	10,826
Meetings and functions	50,400	97,000
Printing, stationery and supplies	1,400,876	1,360,901
Repairs and maintenance	1,008,394	996,581
Subscriptions and other administrative expenses	2,121,488	1,391,608
Telephone	308,916	209,194
Solution disaster recovery	-	383,693
	13,152,220	12,440,424
Representation and affiliation expenses:		
Jamaica Co-operative Credit Union League:		
Fees	1,125,337	1,290,657
Stabilisation dues	882,201	777,176
	2,007,538	2,067,833
Total operating expenses	45,863,103	41,044,346

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

8. **PERSONNEL EXPENSES:**

	2020 $	2019 $
Employee salaries and allowances	21,836,877	17,644,126
Statutory contributions	2,105,213	1,710,963
Other staff benefits	1,472,071	1,646,348
Pension (note 14)	730,000	875,000
	26,144,161	21,876,437
The number of persons employed at 31 December:		
Full-time	5	5

9. **LOANS TO MEMBERS:**

Movement in loans during the year is as follows-

	2020 $	2019 $
Balance at beginning of year	476,164,514	428,738,239
Add: disbursements	280,243,883	291,369,211
	756,408,397	720,107,450
Less: repayments and transfers	(256,875,824)	(237,465,812)
	499,532,573	482,641,638
Less: Provision for loan impairment	(8,781,633)	(6,477,124)
	490,750,940	476,164,514
Maturity:		
Due within 1 year	2,511,201	15,967,283
Due after 1 year	488,239,739	460,197,231
	490,750,940	476,164,514

The aggregate amount of non-performing loans on which interest was not being accrued amounted to $8,591,752 (2019: $3,257,132) uncollected interest not accrued in the financial statements on these loans was estimated at $1,440,796 (2019:$1,365,075).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

9. **LOANS TO MEMBERS (CONT'D):**

The ageing of the loans at the reporting date was as follows

	2020 $	2019 $
Neither past due nor impaired	487,011,500	459,372,992
Past due but not impaired		
Less than 2 months	1,931,868	17,858,966
2 to 3 months	1,997,453	2,152,548
3 to 6 months	1,592,041	242,643
6 to 12 months	4,082,594	994,841
Over 12 months	2,917,117	2,019,648
	499,532,573	482,641,638

Provision for loan impairment

The provision for impairment losses under the JCCUL regulatory requirement is as follows:

As at 31 December 2020:

Months in Arrears	Number of accounts in arrears	Total loan balances $	Savings held against loans $	Exposure $	Loan loss provision $	Provision rate %
Less than 2 months	7	1,931,868	792,172	1,139,696	-	-
2 – 3 months	1	1,997,453	216,424	1,781,029	199,745	10
3 – 6 months	5	1,592,041	597,583	994,458	477,612	30
7 – 12 months	6	4,082,594	1,903,375	2,179,219	2,449,556	60
12 months and over	3	2,917,117	951,520	1,965,597	2,917,117	100
Totals	22	12,521,073	4,461,074	8,059,999	6,044,030	

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

9. **LOANS TO MEMBERS (CONT'D):**

Delinquent loans (cont'd)

As at 31 December 2019:

Months in Arrears	Number of accounts in arrears	Total loan balances $	Savings held against loans $	Exposure $	Loan loss provision $	Provision rate %
Less than 2 months	11	17,858,966	5,266,388	12,592,578	-	-
2 - 3 months	2	2,152,548	1,015,624	1,136,924	215,255	10
3 - 6 months	2	242,643	138,392	104,251	72,793	30
7 – 12 months	2	994,841	192,656	802,185	596,905	60
12 months and over	2	2,019,648	153,856	1,865,792	2,019,648	100
Totals	19	23,268,646	6,766,916	16,501,730	2,904,601	

The Co-operative had no restructured loans as at 31 December 2020 and 2019.

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

	2020 $	2019 $
Balance at start of year	6,477,124	3,898,257
Increase in provision for current year	2,304,509	2,578,867
Balance at end of year	8,781,633	6,477,124

The provision for loan impairment under the JCCUL regulatory requirement is below the provision required under IFRS 9 provisioning rule, therefore no transfer to the loan loss reserve from undistributed surplus was required (see note 20).

The movement on the loan loss reserve is as follows:

	2020 $	2019 $
Balance at 1 January	6,822,014	8,900,881
General reserve	1,500,000	500,000
Transfer to accumulative surplus	(2,304,509)	(2,578,867)
	6,017,505	6,822,014

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

10. **LIQUID ASSETS:**

	2020 $	2019 $
At amortised cost:		
Earning assets:		
JCCUL - special deposits	13,304,625	12,975,817
CUETS settlement deposit	793,834	785,514
	14,098,459	13,761,331
Non earning assets:		
Current account	82,913,068	48,091,530
Savings account	99,657,568	49,930,499
	182,570,636	98,022,029
	196,669,095	111,783,360

11. **FINANCIAL INVESTMENTS:**

	2020 $	2019 $
Amortised cost:		
Government of Jamaica Securities		
J$ Benchmark Investment Notes	7,070,000	7,070,000
Interest receivable	159,836	384,272
	7,229,836	7,454,272
Fair value through profit or loss:		
Units in CUMAX money market fund	113,498,224	94,574,785
Fair value through other comprehensive income:		
Unquoted equities:		
Jamaica Co-operative Credit Union League (JCCUL)	2,499,297	2,499,297
Quality Network Co-operative Limited (QNET)	70,161	70,161
Credit Union Fund Management Company	11,130,000	10,500,000
Jamaica Co-operative Insurance Agency Limited	500,000	500,000
	134,927,518	115,598,515

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

11. **FINANCIAL INVESTMENTS (CONT'D):**

Impairment has been measured at 12 month expected loss for the Government of Jamaica Securities. It was not considered significant for adjustment.

As at the reporting date, the fair value of the Government of Jamaica Securities (J$ Benchmark Investment Notes) was $6,584,262 (2019: $7,582,207).

	2020 $	2019 $
Maturity:		
Over 12 months	7,070,000	7,070,000
No set maturity	127,857,518	108,528,515
	134,927,518	115,598,515

Impairment has been measured at 12-month expected credit loss and was not considered significant for adjustment.

12. **OTHER ASSETS:**

	2020 $	2019 $
Interest receivable	1,431,497	708,849
Withholding tax recoverable	641,049	1,035,222
Security deposit	11,000	11,000
	2,083,546	1,755,071

The amounts are expected to be recovered within the next twelve (12) months.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

13. **PROPERTY, PLANT AND EQUIPMENT:**

	Computer equipment	Furniture and fixtures	Equipment	Total
	$	$	$	$
At cost:				
1 January 2019	1,581,497	256,249	721,626	2,559,372
Additions	146,300	189,779	96,460	432,539
Transferred from intangible asset	2,521,692	-	-	2,521,692
31 December 2019	4,249,489	446,028	818,086	5,513,603
Additions	-	122,000	-	122,000
31 December 2020	4,249,489	568,028	818,086	5,635,603
Depreciation:				
1 January 2019	1,284,220	69,877	388,850	1,742,947
Charge for the year	223,231	24,120	69,959	317,310
31 December 2019	1,507,451	93,997	458,809	2,060,257
Charge for the year	990,910	48,513	53,793	1,093,216
31 December 2020	2,498,361	142,510	512,602	3,153,473
Net book values:				
31 December 2020	1,751,128	425,518	305,484	2,482,130
31 December 2019	2,742,038	352,031	359,277	3,453,346

14. **EMPLOYEE BENEFIT ASSETS:**

The Co-operative participates in a defined-benefit plan operated by the Jamaica Co-operative Credit Union League Limited. This is a contributory pension plan that is jointly funded by contributions from employees of 5% (5% optional), and by the Co-operative of 8% of the employee's taxable remuneration, taking into account the recommendations of independent, qualified actuaries, Eckler Consultants and Actuaries.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

14. **EMPLOYEE BENEFIT ASSETS (CONT'D):**

(a) The defined benefit asset recognised in the statement of financial position was determined as follows:

	2020 $	2019 $
Fair value of plan assets	46,408,000	41,722,000
Present value of obligations	(41,867,000)	(32,819,000)
Asset recognised in the statement of financial position	4,541,000	8,903,000

(b) Movements in the present value of funded obligations:

	2020 $	2019 $
Balance at beginning of year	(32,819,000)	(29,888,000)
Employees' contributions	(1,393,000)	(1,103,000)
Service costs	(1,094,000)	(1,107,000)
Interest costs	(2,513,000)	(2,131,000)
	(37,819,000)	(34,229,000)
Remeasurement of actuarial gain/(loss) arising from:		
- Experience adjustments	(4,574,000)	(110,000)
- Changes in financial assumptions	526,000	1,535,000
- Changes in demographic assumptions	-	(15,000)
	(4,048,000)	1,410,000
Present value of obligation at end of year	(41,867,000)	(32,819,000)

(c) The movement in the fair value of pension plan assets during the year was as follows:

	2020 $	2019 $
At beginning of year	41,722,000	36,424,000
Interest income on plan assets	3,216,000	2,614,000
Actuarial (loss)/gain on plan assets	(512,000)	1,097,000
Contributions:		
Employer	929,000	735,000
Employee	1,393,000	1,103,000
Administrative expenses	(340,000)	(251,000)
At the end of the year	46,408,000	41,722,000

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

14. **EMPLOYEE BENEFIT ASSETS (CONT'D):**

(c) The movement in the fair value of pension plan assets during the year was as follows (cont'd):

	2020 $	2019 $
Plan assets consist of the following:		
J$ Debentures	14,521,000	13,922,000
Resale agreements	960,000	1,813,000
Investment property	11,256,000	9,292,000
US$ Debentures	7,336,000	1,962,000
US$ Certificate of deposit	1,338,000	1,193,000
Quoted equities	9,445,000	10,131,000
Real estate investment trust fund	506,000	436,000
Local Registered Stock	-	3,676,000
Units in Unit Trusts	1,959,000	1,290,000
Net current liabilities	(913,000)	(1,993,000)
	46,408,000	41,722,000

(d) The amounts recognised in surplus for the year are as follows:

	2020 $	2019 $
Current service cost	1,094,000	1,107,000
Interest cost on obligations	2,513,000	2,131,000
Income on plan assets	(3,216,000)	(2,614,000)
Administrative expenses	339,000	251,000
Total included in staff costs (note 8)	730,000	875,000

(e) The amounts recognized in other comprehensive for the year are as follows:

	2020 $	2019 $
Actuarial (losses)/gain on net plan assets	(4,560,000)	2,507,000

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

14. **EMPLOYEE BENEFIT ASSETS (CONT'D):**

(f) The five-year trend for the fair value of plan assets, the defined benefit obligation, the surplus in the plan, and experience adjustments for plan assets and liabilities are as follows:

	2020 $	2019 $	2018 $	2017 $	2016 $
Fair value of plan assets	46,408,000	41,722,000	36,424,000	32,588,000	27,886,000
Defined benefits Obligation	(41,867,000)	(32,819,000)	(29,888,000)	(24,140,000)	(19,771,000)
Surplus	4,541,000	8,903,000	6,536,000	8,448,000	8,115,000
Experience adjustments:					
Fair value of plan assets	(512,000)	1,097,000	(434,000)	573,000	1,902,000
Defined benefit obligation	4,574,000	110,000	(334,000)	(225,000)	(161,000)

(g) The principal actuarial assumptions used were as follows:

	2020 %	2019 %
Discount rate	9.00	7.50
Salary increases	6.50	7.50
Pension increases	4.50	3.00

(h) Impact on Defined Benefit Obligation (DBO) of 1% change in key economic assumptions

The change in the Defined Benefit Obligation (DBO) that would arise from a one present (1%) change in each of the key economic assumptions is shown below. In determining the impact of each assumption, the others are held constant.

Measurement Assumptions	Sensitivity Analysis of Key Economic Assumptions 2020 +1% $	-1% $	2019 +1% $	-1% $
Discount rate	(5,820,000)	7,490,000	(4,578,000)	5,969,000
Future salary increase	3,457,000	(3,103,000)	2,871,000	(2,544,000)
Future pension increases	3,194,000	(2,748,000)	2,430,000	(2,083,000)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

14. **EMPLOYEE BENEFIT ASSETS (CONT'D):**

(i) Liability duration

Category of participant

	Liability duration (years) 2020	2019
Active members	16.4	16.2

There was no movement in the liability duration of the active members during the year under review. However, reduction can result from changes in the actuarial assumptions, to include rates of withdrawal from service on grounds other than retirement or death.

(j) Impact on defined benefit obligation of a one year increase in life expectancy:

The effect on the defined benefit obligation of a one year increase in the life expectancy is about $0.73 million (2019: $0.55 million).

(k) The estimated pension contributions expected to be paid into the plan during the next financial year is $0.93 million (2019: $0.74 million).

15. **MEMBERS' SHARE DEPOSITS:**

	2020 $	2019 $
Balance at start of the year	266,092,253	242,847,745
Add: amount subscribed	66,843,844	74,614,434
	332,936,097	317,462,179
Less: withdrawals and transfers	(47,000,388)	(51,369,926)
Balance at end of the year	285,935,709	266,092,253

Shares may be withdrawn in whole or in part by the member, however, the Board of Directors reserve the right at any time to require a member to give notice not exceeding six months, provided that no member may withdraw any shareholdings below the amount of his total liability to the Co-operative without the approval of the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

16. SAVINGS DEPOSITS:

	2020 $	2019 $
Balance at start of the year	322,041,288	275,269,662
Add placements during the year	4,303,683,759	3,514,779,882
	4,625,725,047	3,790,049,544
Less withdrawals	(4,216,871,332)	(3,468,008,256)
	408,853,715	322,041,288
Interest payable	608,925	390,878
Balance at end of the year	409,462,640	322,432,166

	2020 $	2019 $
Broken down as follows:		
Regular deposits	39,677,917	36,267,084
Golden harvests	22,383,791	31,507,202
Fixed deposits	223,116,361	143,140,652
Optimum deposits	46,711,807	47,768,718
Youth savings	28,037,676	23,745,218
Other deposits	49,535,088	40,003,292
	409,462,640	322,432,166

17. PAYABLES:

	2020 $	2019 $
Other payables	4,631,848	5,304,347
Audit fees	2,530,000	2,752,945
Statutory payables	721,206	437,825
	7,883,054	8,495,117

Other payables includes deferred income received from JCCUL Stabilisation Fund to assist with the implementation of IFRS 9 in the 2018 financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

18. **INSTITUTIONAL CAPITAL AND MILESTONE RESERVE:**

(a) Institutional capital:

	2020 $	2019 $
Statutory and legal reserve (i)	66,109,391	60,700,020
General reserve (ii)	12,300,935	10,800,935
Education reserve (iii)	11,570,020	10,570,020
Entrance fees	78,112	75,412
	90,058,458	82,146,387

(i) The statutory and legal reserve is maintained in accordance with the provisions of the Co-operative Societies Act, which requires that a minimum of 20% of surplus be carried to a reserve fund. Upon application by a Registered Co-operative, the Registrar may allow the required percentage to be reduced but not below 10%.

(ii) This represents an allocation of funds for unforeseen circumstances.

(iii) This represents an allocation of funds from which the interest generated will be utilised to fund various scholarships.

(b) Milestone reserve:

This represents a reserve fund for the Co-operative's significant milestones recommended by the Board of Directors.

19. **PERMANENT SHARES AND REDEMPTION RESERVE FUND:**

(a) Permanent shares:

	2020 $	2019 $
Balance at beginning of the year	2,902,000	2,814,000
Amounts added	77,000	136,000
	2,979,000	2,950,000
Less withdrawals and transfer	(34,000)	(48,000)
Balance at end of the year	2,945,000	2,902,000

Included in the members' ledger are 277 (2019: 265) accounts totalling $28,037,676 (2019: $23,745,218) belonging to persons under the age of eighteen to whom no permanent shares have been allocated as they do not have member status.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

19. **PERMANENT SHARES AND REDEMPTION RESERVE FUND (CONT'D):**

(a) Permanent shares (cont'd):

The following rights are attached to permanent shares:

- Shares in the Co-operative entitle each member to one vote in the conduct of the affairs of the Co-operative at general meetings;
- They may be transferred to any member or anyone eligible for membership with the consent of the Board and payment of a fee;
- They may be redeemed, subject to the sale, transfer, or repurchase of such shares;
- Dividends may be paid on permanent shares subject to the profitability of the Co-operative;
- They may be used to offset indebtedness only in cases of cessation of membership and liquidation of the Co-operative.

As at 31 December, all members have subscribed to the permanent shares.

(b) Redemption reserve fund:

This represents a fund for the redemption of permanent shares upon termination of membership.

20. **LOAN LOSS RESERVE:**

This is a non-distributable reserve for loan loss (note 9), which is in excess of the provision, under JCCUL guidelines over IFRS 9 requirements as well as a general provision.

21. **EMPLOYEE BENEFITS RESERVE:**

The employee benefits reserve represents the pension surplus arising on the actuarial valuation, under IAS 19, of the defined-benefit pension plan in which the Co-operative participates (note 14). Annual changes in the value of the plan are recognised in surplus or deficit and other comprehensive income, then transferred to this reserve.

22. **HONORARIA:**

Honoraria represents payments made to volunteers (members) of the Co-operative for their contributions made in furtherance of the Co-operative's activities. These amounts are determined by members at their Annual General Meetings and are recognised as an expense when the honoraria is approved.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

23. **RELATED PARTY TRANSACTIONS:**

(a) These represent loans granted to members of staff, the Directors and members of the Supervisory and Credit Committees.

	2020		
	Number	Loans $	Shares and deposits $
Directors and committee members	19	51,606,253	21,437,470
Staff	5	2,686,452	4,36,170

	2019		
	Number	Loans $	Shares and deposits $
Directors and committee members	19	28,264,333	22,396,929
Staff	5	32,878,006	3,713,024

During the year, no Director or Committee member received loans which necessitated a waiver of the general loan policy. At 31 December all loans owing by Directors, Committee members and staff were being repaid in accordance with the loan agreements.

(b) Key management personnel compensation comprises short-term benefits [included in personnel expenses at note 8 of $5,456,360 (2019: $5,456,360).

24. **INSURANCE:**

During the year, the Co-operative maintained life, savings and loan protection coverage (note 7). Premiums of $4,559,184 (2019: $4,659,652) for fidelity insurance coverage were paid during the year.

25. **COMPARISON OF LEDGER BALANCES:**

	Shares $	Savings deposits $	Loans $
General ledger	285,935,709	408,853,716	499,532,576
Members' ledger	285,935,709	408,853,716	499,532,576
Differences 2020	-	-	-
Differences 2019	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

26. **IMPACT OF COVID-19:**

The World Health Organization declared the novel Coronavirus (COVID-19) outbreak a pandemic on March 11, 2020 and the Government of Jamaica declared the island a disaster area on March 13, 2020. The pandemic and the measures to control its human impact have resulted in disruptions to economic activity, business operations and asset prices. This could have significant negative financial effects on the Co-operative, depending on factors such as (i) the duration and spread of the outbreak, (ii) the restrictions and advisories from Government, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, all of which are highly uncertain and cannot be estimated reliably.

The Co-operative has performed various assessments and stress testing of its business plans under multiple scenarios, as part of its business continuity and contingency planning. However, at the date of authorisation of the financial statements, the Co-operative is unable to determine a reliable estimate of the financial impact of this matter on its profitability, capital adequacy and financial position.

BJ STAFF CO-OPERATIVE CREDIT UNION LTD.

Report of the Credit Committee

For the Year ended December 31, 2020

Donna Copeland - *Chairman*
Ellan Neil - *Secretary*
Anthony Clarke
Howard Lawrence
Lorraine Mattis
Shinelle Parsons
Charlene Porteous-Henry

The Committee scheduled weekly meetings to review and approve loan applications. Urgent loan applications presented for consideration over the period under review were duly treated.

During 2020, Four Hundred and Thirty-Two (432) loans were granted totalling One Hundred and Forty-Five Million, Six Hundred and Thirty-Eight Thousand, Five Hundred and Sixty Dollars and Eighty-Three Cents ($145,638,560.83). Motor Vehicle Loans accounted for 42% of total loans, with Twenty-Four (24) loans at a value of Sixty Million Eight Hundred and Thirty-Eight Thousand, Nine Hundred and Ninety-Six Dollars Ninety-nine Cents ($60,838,996.99). The second largest category was attributed to loans in the Personal and Domestic category accounting for Two Hundred and Two loans at a value of Eighteen Million, Four Hundred and Seventy-Three Thousand, Two Hundred and Fifty-One Dollars ($18,473,251.00) representing 13%, while Debt Consolidation accounted for 12% of total loans at a value of Seventeen Million, Forty-Eight Thousand and Fifty Eight Dollars Forty-Two Cents ($17,048,058.42). The attached loan schedule provides further details.

The Committee expresses sincerest thanks to the office staff for their invaluable assistance during the year and we encourage our members to continue to avail themselves of the loan facility.

....
For Donna Copeland
Chairman

BJ STAFF
CO-OPERATIVE CREDIT UNION LTD.

Report of the Supervisory Committee

For the Year ended December 31, 2020

At the 32nd Annual General Meeting of the BJ Staff Co-operative Credit Union Limited, held on 26th April 2019 at the Bank of Jamaica Auditorium, Nethersole Place, Kingston, elections were held to choose members to serve on the BJ Staff Co-operative Credit Union Supervisory Committee. Those elected were:

Mrs: Prudence Serju-Thomas
Jodianne Morris

Mr: Kevin McCalla
Neville Hemmings

Miss: Sandra Moodie

Committee Position

Miss Sandra Moodie was elected by the members to serve as Chairman for the Committee. Mr Kevin McCalla was elected to serve as the Committee's Secretary. The committee served until the 33rd Annual General Meeting of the Union, held on 29th December 2020 at the Jamaica Conference Centre, when Messrs. McCalla and Hemmings were replaced by Mrs. Reisha Collins-Salmon and Mr. Steven Getten. All Committee minutes have been filed at the Credit Union.

Audit Reviews amid Covid10 Pandemic

The Committee experienced severe challenges due to the continuing Covid-19 pandemic as its activities were severely curtailed. Volunteers were unable to physically access the Credit Union, due to parish specific stay-at-home and national no-movement orders as managing the pandemic necessarily became the national prerogative. In spite of this, in the opinion of the Supervisory Committee, in all material respects, the operations of the Credit Union have been carried out in accordance with approved policy guidelines and accounting practices.

Mandate Effectiveness

The Supervisory Committee continues to encourage all members to support the Credit Union as it fulfils its mandate to "enhance the well-being" of members, staff and the community. The Committee, in turn, will continue to ensure the Credit Union operates as per existing policy and in keeping with best practices.

Acknowledgements

The members of the Supervisory Committee extend our appreciation to the Board of Directors, other volunteers, members and the management and staff of the Credit Union for their kind support and cooperation during the period under review.

....
Sandra Moodie
Chairperson

PERCENTAGE OF TOTAL LOANS PER LOAN TYPE				
	LOANS TYPE	**NO. OF LOANS**	**VALUE OF LOANS**	**% OF TOTAL LOANS**
1	MOTOR VEHICLE PURCHASE	24	60,838,996.99	42%
2	PERSONAL & DOMESTIC	202	18,473,251.00	13%
3	DEBT CONSOLIDATION	40	17,048,058.42	12%
4	MORTGAGE DEPOSIT	7	9,400,000.00	6%
5	CREDIT CARD BILL PAYMENT	35	7,196,935.00	5%
6	LEGAL FEES	3	6,870,000.00	5%
7	REFINANCE LOANS	2	6,264,324.52	4%
8	FURNITURE & APPLIANCE	28	4,150,926.79	3%
9	MEDICAL BILLS	23	2,737,533.16	2%
10	MOTOR VEHICLE REPAIR	16	2,593,812.43	2%
11	HOUSE PURCHASE	1	2,340,000.00	1%
12	FOREIGN CURRENCY PURCHASE	1	2,200,000.00	1%
13	DEPOSIT ON HOUSE PURCHASE	1	1,350,000.00	1%
14	PAY DAY LOAN	23	1,339,000.00	1%
15	*Other Categories*	*26*	*2,835,722.52*	*2%*
	TOTALS	**432**	**145,638,560.83**	**100%**

BJ STAFF
CO-OPERATIVE CREDIT UNION LTD.

Report of the Nominating Committee

For the Year ended December 31, 2020

The Nomination Committee comprised the following members:

Mrs. Joy Hermitt	-	Chairman
Miss Lorraine Mattis	-	Member
Mr. O'neil Rufus	-	Member

Committee Mandate

In accordance with Article XIII (Elections) Rule 65(I) of the BJ Staff Co-operative Credit Union Limited,

> *"Not less than thirty (30) days prior to each Annual General Meeting, the Board of Directors shall appoint a Nominating Committee of three (3) Members, of which not more than one* ***may*** *be a member of the existing Board of Directors. It shall be the duty of the Nominating Committee to nominate at the Annual General Meeting one member of each vacancy for which elections are being held."*

The criteria for selection included;

- Loans of the members are being serviced to satisfaction.
- Members confirm a willingness to serve as a Volunteer and to dedicate sufficient time in undertaking the duties therein.
- Members standing for re-election should have had good attendance record and made good contributions at meetings.

The Committee presents the members nominated for the Board of Directors, the Credit and Supervisory Committees.

BOARD OF DIRECTORS

Article VIII Rule 33 (i)

"The business of the Credit Union shall be conducted by the Board of Directors, which shall be elected at the Annual General Meeting of the Credit Union and shall consist of not less than five (5) members nor more than seven (7), all of whom shall be members of the Credit Union, and must satisfy that they are fit and proper persons to be Directors and to perform corporate management functions. The number of members comprising the Board of Directors shall, at all times be an uneven number. Each member shall hold office until the conclusion of the meeting at which his successor is elected, unless he demits office earlier or has been expelled, and shall be eligible for re-election provided that no member shall serve as President, Secretary or Treasurer for more than five (5) years consecutively with a minimum rest period of one (1) year thereafter before such retiring officer may serve in any other position."

RETIRING / RESIGNING	NOMINATED	TERM IN OFFICE
Mrs. Cora Robinson	**Mrs. Cora Robinson** Snr Documentation & Records Analyst Records Management Department Bank of Jamaica Nethersole Place, Kingston	2 Years
Mr. Dennis Hutchinson	**Mr. Dennis Hutchinson** Head Financial Accounting & Reporting Accounting Services Department Bank of Jamaica Nethersole Place, Kingston	2 Years
Michael Howell	**Mr. Michael Howell** Attorney-at-Law	2 Years
Mr. Lascelle Powell	**Mr. Lascelle Powell** Assistant Director Information Systems Department Bank of Jamaica Nethersole Place, Kingston	2 Years

CREDIT COMMITTEE

Article IX Rule 41 (i)

"The Credit Committee shall be elected at the Annual General Meeting of the society and shall consist of not less than three (3) members and no more than seven (7), all of whom shall be members of the Society. Each member shall hold office until his successor is elected and shall be eligible for re-election provided that no member shall serve as Chairman or Secretary for more than five (5) years consecutively with a minimum rest period of one (1) year thereafter before such retiring officer may serve in any other position."

RETIRING	NOMINATED	TERM IN OFFICE
Mrs. Charlene Porteous-Henry	**Mrs. Charlene Porteous-Henry** Head Banking Department Bank of Jamaica Nethersole Place, Kingston	2 Year
Miss Lorraine Mattis	**Miss Lorraine Mattis** Pension Administration Officer Human Resource Administration Bank of Jamaica Nethersole Place, Kingston	2 Years
Mrs. Donna Copeland	**Mr. Ruel Hinds** Currency Logistics Manager Currency Department Bank of Jamaica Nethersole Place, Kingston	2 Years

SUPERVISORY COMMITTEE

Article X Rule 48 (i) (ii) (iii)
"The Supervisory Committee shall consist of not less than three (3) members and no more than five (5), none of whom shall be members of the Board of Directors or Credit Committee, and all of whom shall be members of the society."

"Members of the Committee shall be elected for one (1) year only at each Annual General Meeting. They shall hold office until their successors are elected and shall be eligible for re-election provided that no member shall serve as Chairman or Secretary for more than five (5) years consecutively with a minimum rest period of one (1) year thereafter before such retiring officer may serve in any other position".

"In the event of a vacancy in the membership of the Committee, the remaining members of the committee shall fill such vacancy by appointing a member who shall hold office only until the next Annual General Meeting".

RETIRING	NOMINATED	TERM IN OFFICE
Mrs. Reisha Collins-Salmon	**Mrs. Reisha Collins-Salmon** Assistant Curator Board Management Secretariat Bank of Jamaica Nethersole Place, Kingston	1 Year
Mr. Steven Getten	**Ms. Mellissa Jordan** Assistant Head Banking Department Bank of Jamaica Nethersole Place, Kingston	1 Year
Mrs. Jodianne Morris	**Ms. Ivorine Williams** Senior Auditor Internal Audit Department Bank of Jamaica Nethersole Place, Kingston	1 Year
Ms. Sandra Moodie	**Ms. Sandra Moodie** Curator Board Management Secretariat Bank of Jamaica Nethersole Place, Kingston	1 Year
Mrs. Prudence Serju-Thomas	**Mrs. Prudence Serju-Thomas** Senior Director Research Unit Bank of Jamaica Nethersole Place, Kingston	1 Year

BJ STAFF
CO-OPERATIVE CREDIT UNION LTD.

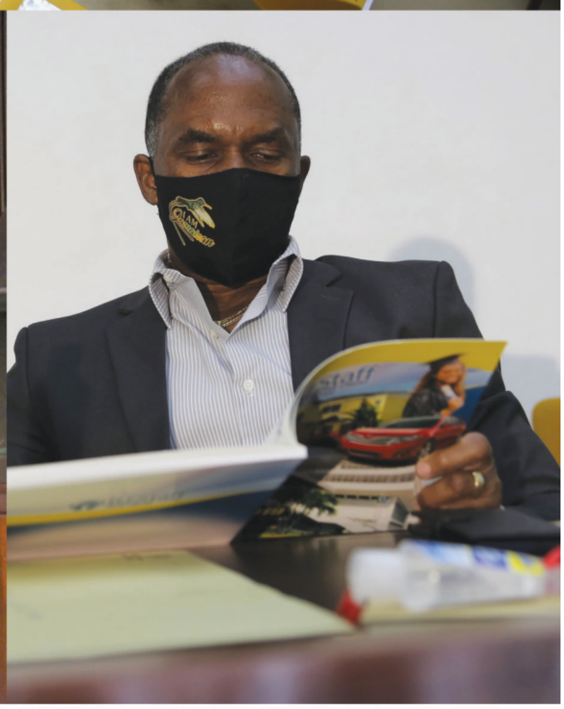
The Nominating Committee wishes to thank the BJ Staff Co-operative Credit Union Limited for affording us the opportunity to serve in this manner.

……………………
Joy Hermitt (Mrs.)
Chairman, Nomination Committee

Members of Staff

BJ Staff
CO-OPERATIVE CREDIT UNION LIMITED

2019 Annual General Meeting scenes



"YOUR FINANCIAL SUCCESS IS OUR BUSINESS"

BJ Staff
CO-OPERATIVE CREDIT
UNION LIMITED

2019
Annual General Meeting scenes

"YOUR FINANCIAL SUCCESS IS OUR BUSINESS"