

CARIBBEAN CONFEDERATION OF CREDIT UNIONS



ANNUAL REPORT 2020

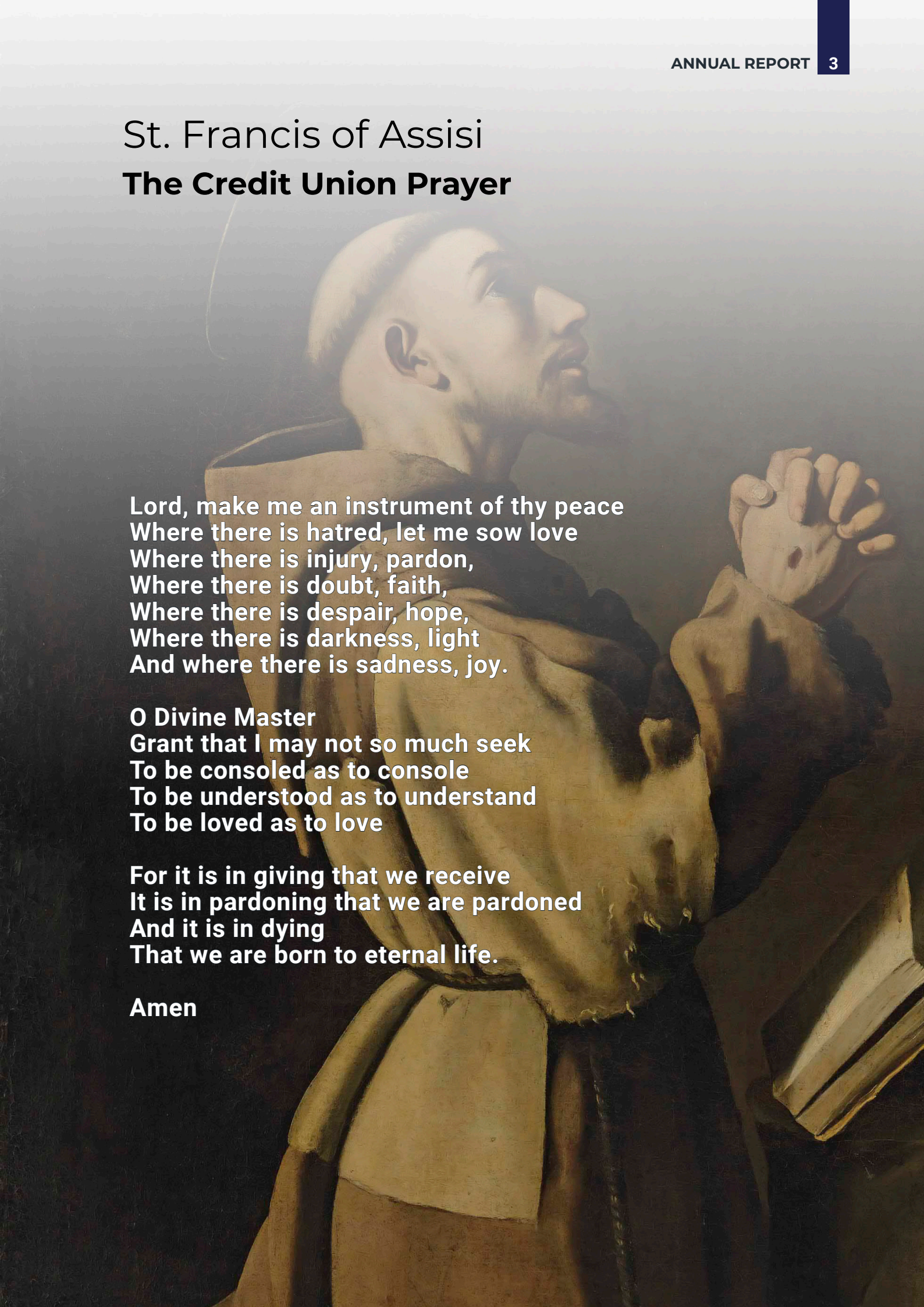


CONTENTS

VISION AND MISSION STATEMENTS	04
CCCU PROFILE	05
CONSOLIDATED STATISTICS	06
NOTICE OF 50TH ANNUAL GENERAL MEETING	07
STANDING ORDERS	08
BOARD OF DIRECTORS REPORT	10
TREASURERS REPORT	30
AUDITOR'S REPORT & FINANCIAL STATEMENTS	35

St. Francis of Assisi

The Credit Union Prayer



Lord, make me an instrument of thy peace
Where there is hatred, let me sow love
Where there is injury, pardon,
Where there is doubt, faith,
Where there is despair, hope,
Where there is darkness, light
And where there is sadness, joy.

O Divine Master
Grant that I may not so much seek
To be consoled as to console
To be understood as to understand
To be loved as to love

For it is in giving that we receive
It is in pardoning that we are pardoned
And it is in dying
That we are born to eternal life.

Amen

BUILDING RESILIENCE THROUGH SELF RELIANCE



VISION

To become The Pre-eminent Regional Apex Organization
Empowering Caribbean people through a Unified Co-operative Sector.

MISSION

To drive Caribbean Co-operatives towards improved Economic Competitiveness and
Social Well-Being

CCCU PROFILE

The Caribbean Confederation of Credit Unions (CCCU) was established on August 17, 1972 in Dominica, as the successor to the West Indies Conference of Credit Societies (WICCS) and serves as the apex trade and development organization for Credit Unions and non-credit union co-operatives in the Caribbean. The CCCU is an affiliate of the World Council of Credit Unions (WOCCU) and represents the Caribbean Diaspora with 2.6 million members as part of the 260 million members of the Global Credit Union Sector.

OBJECTIVES OF THE CCCU

In pursuit of its mission, CCCU performs the following broad functions:

- Defending and representing the interest of the Co-operative Sector;
- Providing technical and managerial assistance to strengthen and expand co-operative sector;
- Promoting and facilitating technology transfers and expertise;
- Conducting promotional and educational campaigns to show Co-operative Sector achievements and benefits;
- Organizing educational conventions and other fora to strengthen leadership, governance and management;
- Providing directors and employees opportunities for skills training with regional and international certification;
- Mobilizing financial and technical resources for expanding the sector.

CCCU STRATEGIC BUSINESS UNITS

The CCCU is structured into two (2) primary strategic business units, namely Trade Association and the Development Foundation.

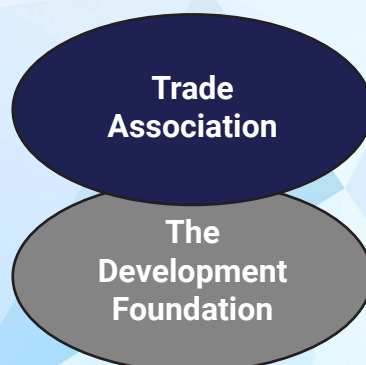
1. Trade Association:

The mandate of the Association is to project the CCCU as a major regional advocate for the Co-operative Sector as a critical stakeholder in social-economic development and integration of the Caribbean. In this regard, it is responsible for research, marketing, representation, affiliate relations, policy advocacy, legislation and regulation, training and education, and expanding the sector throughout the region.

2. Development Foundation

The primary responsibility of the Foundation is to mobilize resources to foster social and community development through co-operative activities and formulating programmes and projects aimed at disaster relief, education, youth and rural development.

Primary Strategic Business Units



2020 CONSOLIDATED STATISTICS as at December 31, 2020 in U.S. \$

Affiliates	Number of Credit Unions	Membership	Total Savings (Shares & Deposits)	Loans Outstanding	Reserves	Total Assets	No. of Employees
Anguilla	1	1,139	4,527,883	2,916,518	-11,857	4,876,563	6
Antigua & Barbuda	6	45,982	136,167,546	125,610,539	7,439,286	162,748,828	107
Barbados	30	221,493	1,228,191,648	867,637,707	142,431,319	1,395,782,663	549
Belize	9	169,723	479,722,290	319,951,281	74,001,978	570,841,668	321
Bermuda	1	5,764	24,663,668	11,183,315	1,141,166	26,168,276	7
Cayman Islands	1	15,959	476,884,794	366,524,800	34,638,295	518,594,574	63
Curacao (FEKOSKAN)	6	33,237	149,768,888	203,635,264	10,366,599	230,027,773	159
Dominica	6	83,789	291,584,287	205,550,777	29,314,847	346,164,143	255
Grenada	10	76,450	312,241,191	294,653,094	11,238,872	402,770,316	251
Guyana	27	41,593	34,506,959	27,829,910	3,822,479	49,180,235	102
Jamaica	25	1,034,962	741,855,761	641,033,707	62,294,843	959,506,332	1,737
Montserrat	1	5,681	22,700,909	19,298,491	1,000,260	24,994,740	16
St. Kitts & Nevis	4	31,079	145,490,430	114,341,813	19,473,098	176,931,498	88
St. Lucia	12	76,999	224,070,785	194,902,775	14,130,835	279,460,123	209
St. Vincent & The Grenadines	4	74,618	184,222,019	130,063,144	15,496,780	211,986,148	178
Trinidad & Tobago	54	486,165	1,201,868,832	846,135,740	258,117,510	1,445,643,554	430
SUB-TOTAL	197	2,404,633	5,658,467,889	4,371,268,874	684,896,310	6,805,677,433	4,478

Non-Affiliated Credit Unions							
Bahamas	7	45,467	425,691,000	216,384,000		482,293,000	
Barbados	2	296	780,618	578,913	169,959	992,223	
Guyana	3	6,995	930,541	580,654	291,882	1,508,211	6
St. Lucia	4	40,129	124,838,642	83,696,181	22,449,315	159,431,025	80
Trinidad and Tobago	17	208,932	1,040,187,939	556,140,525	154,726,623	1,220,448,287	200
SUB-TOTAL	33	301,819	1,592,428,740	857,380,273	177,637,779	1,864,672,746	286
TOTAL	230	2,706,452	7,250,896,629	5,228,649,147	862,534,089	8,670,350,179	4,764

2019 CONSOLIDATED STATISTICS as at December 31, 2019 in U.S. \$

Affiliates	Number of Credit Unions	Membership	Total Savings (Shares & Deposits)	Loans Outstanding	Total Reserves	Total Assets
Antigua & Barbuda	6	43,467	123,322,492	115,442,035	6,236,766	146,549,724
Anguilla	1	167	192,009	39,947	-	222,664
Barbados	31	215,439	1,142,516,128	862,267,782	135,828,773	1,300,599,532
Belize	9	159,308	462,416,319	339,261,832	56,810,717	548,291,195
Bermuda	1	5,325	18,855,461	11,494,943	1,323,207	20,602,071
Cayman Islands	1	14,708	368,360,659	332,723,800	32,538,026	408,493,957
Curacao(FEKOSKAN)	7	34,759	150,290,669	210,291,946	14,053,642	251,531,175
Dominica	6	79,424	227,345,277	201,693,477	26,431,253	331,825,969
Grenada	10	71,647	283,253,672	269,963,038	8,518,611	369,949,160
Guyana	26	29,691	28,379,242	24,961,693	6,808,908	42,620,708
Jamaica	25	1,006,557	726,502,514	668,865,569	55,136,537	935,143,476
Montserrat	1	5,556	20,365,578	19,462,670	1,106,951	22,931,549
St. Kitts & Nevis	4	28,987	125,072,805	103,581,589	16,554,999	153,133,615
St. Lucia	12	73,127	187,206,346	150,422,501	13,737,670	257,250,954
St. Vincent & The Grenadines	4	72,033	171,715,064	128,950,977	12,955,329	200,360,397
Trinidad and Tobago	54	467,296	1,176,240,699	824,312,332	186,744,419	1,403,992,086
SUB-TOTAL	198	2,307,491	5,212,034,934	4,263,736,130	574,785,808	6,393,498,233

Non-Affiliated Credit Unions						
Bahamas	8	44,109	420,113,000	226,913,000	34,053,000	476,202,000
Barbados	2	279	725,797	525,728	151,349	942,109
Guyana	3	4,348	914,935	566,491	334,151	1,496,158
St. Lucia	4	34,983	115,181,927	82,953,175	17,371,033	147,359,723
Trinidad and Tobago	73	251,188	1,205,421,423	702,445,826	173,923,203	1,514,973,494
SUB-TOTAL	90	334,907	1,742,357,082	1,013,404,220	225,832,736	2,140,973,484
TOTAL	288	2,642,398	6,954,392,016	5,277,140,350	800,618,544	8,534,471,717



Caribbean Confederation Of Credit Unions

PO Box 1213, Corner of Wilkin Street & St Johnston Avenue, Fortlands, Basseterre St Kitts & Nevis
Telephone (869) 466-9453; Fax: (869) 466-6957; Email: admin@caribccu.coop; Website: [http:// www.caribccu.coop](http://www.caribccu.coop)

AFFILIATED TO THE WORLD COUNCIL OF CREDIT UNIONS

Notice of 50th Annual General Meeting

Notice is hereby given that the **50TH ANNUAL GENERAL MEETING** of the **CARIBBEAN CONFEDERATION OF CREDIT UNIONS** will be held virtually on **SATURDAY, SEPTEMBER 18, 2021** commencing at **11:00 A.M. ATLANTIC STANDARD TIME**.

Agenda

1. Call to Order
2. Invocation/Silent Tribute.
3. Report of Credentials Committee and Ascertainment of Quorum.
4. Approval of Standing Orders.
5. Minutes of the 49th Annual General Meeting of September 26, 2020 & Special General Meeting of April 24, 2021.
6. Matters Arising from the Minutes.
7. Report of the Board of Directors.
8. Report of the External Auditors.
9. Report of the Treasurer & Financial Statements for the year ended December 31, 2020.
10. Report of the Internal Audit Committee.
11. Elections.
12. Resolutions.
13. Appointment of External Auditors.
14. Unfinished Business.
 - (i) CCCU Revised By-Laws
15. New Business.
16. Adjournment.

Carol Fraser
Secretary
July 19, 2021

Affiliates:

Leagues: Antigua & Barbuda, Barbados, Belize, Curacao, Dominica, Grenada, Guyana, Jamaica, St. Christopher and Nevis, St. Lucia, St. Vincent & the Grenadines, Trinidad & Tobago.

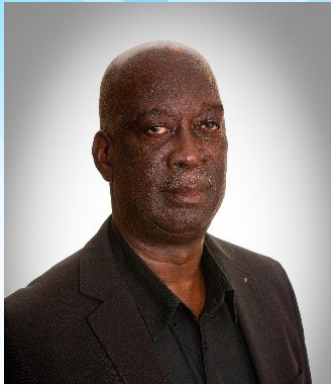
Credit Unions: Anguilla, Bermuda, Cayman Islands, Montserrat

Associate Members: Co-operators General Insurance-Barbados, Corporate Enterprise Finance Facility Limited (CORP-EFF)-Dominica, UNICAGRIH – Haiti, Q-NET – Jamaica, CUFMC - Jamaica

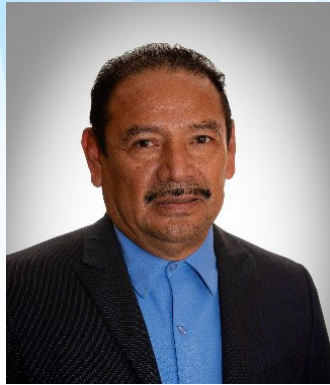
STANDING ORDERS

1. A member may sit, when addressing the Chair.
 - 1.1 Speeches shall be clear and relevant to the subject before the meeting.
2. A member shall address the meeting when called upon by the chairman to do so, after which he/she shall immediately take his/her seat.
3. No member shall address the meeting except through the Chairman.
4. A member shall not speak twice on the same subject except:
 - 4.1 The mover of a motion who has the right to reply;
 - 4.2 He/she rises to object or to explain (with permission of the Chair).
5. No speeches shall be made after the question has been put, carried or negated.
6. The mover of a “procedural motion” (adjournment, postponement, lay on the table) shall have no right of reply.
7. A member rising on “point of order” shall state the point clearly and concisely. (A point of order must have relevance to the Standing Orders).
8. A member shall not “call” another member “to order” but may draw the attention of the Chair to a “breach of order”.
 - 8.1 In no event can a member “call” the Chair “to order”.
9. A “Question” shall not be put to vote, if a member desires to speak on it or move an amendment to it – except that a “procedural motion”, “the previous question”, “proceed to the next business” or the “closure”, “that the question be now put”, may be moved at the time.
10. Only one motion/amendment shall be before the meeting at one and the same time.
11. When a motion is withdrawn, any amendment to it falls.
12. The Chairman shall have, in addition to his/her ordinary vote, a “casting vote in the case of an equality of votes.
13. If there is an equality of votes on a motion or an amendment, and if the chair man does not exercise his casting vote, the motion or amendment is lost.
14. The Chairman shall make provision for the protection of members from vilification (personal abuse).
15. No member shall impute improper motives against the Chairman, Board of Directors, Officers of the Confederation or any other member.

BOARD OF DIRECTORS



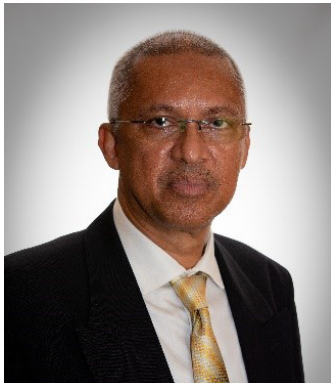
JOSEPH REMY
President



LEOPOLDO ROMERO
Vice President



CAROL FRASER
Secretary



LENNOX BOWMAN
Treasurer



AARON MOSES
Director



WINSTON FLETCHER
Director



HALLY HAYNES
Director



ANDRE GOINDOO
Ex-Officio Director

BOARD OF DIRECTORS REPORT

OVERVIEW OF REGIONAL ECONOMIC PERFORMANCE

The year under review was an extraordinarily challenging one globally and it was no exception for our affiliated territories in the Caribbean. This unprecedented global challenge was of an economic, financial, social, and physical nature mainly due to the spread of the coronavirus pandemic. In its 2020 Economic Review, the Caribbean Development Bank (CDB) reported that almost all of its Borrowing Member Countries (BMCs) experienced economic contraction in 2020.

However, the CDB advised that the report “is clouded by the ongoing uncertainty, caused by the global pandemic,” in which “the economies of its 19 Borrowing Member Countries (BMCs) contracted by 12.8 percent on average due to the onset of COVID-19.” Nonetheless, a return to growth is forecast for 2021.

Ongoing uncertainty

In 2020, the majority of BMCs registered double-digit declines in GDP, as pointed out by the CDB. Countries with significant tourism industries, such as The Bahamas, Barbados, Belize, Cayman Islands, Dominica, and Grenada, were hard-hit by a more than 70 percent drop in overnight visitors in 2020, which spilled over to affect other economic sectors. An increase in agricultural production in Jamaica could not prevent the economy shrinking by 10.4 percent. Agriculture in Belize was affected by a severe drought from the previous year, and then a reduction in tourism-related

demand. The economy contracted by 13.3 percent.

The CDB went on to explain that Guyana was the only economy to record economic growth (26%), solely due to the start-up of its first oil production. However, growth was lower than expected due to lower global oil prices. Declining oil prices also caused economic contraction of 11.1 percent in Trinidad and Tobago. Guyana also saw mixed performances in agriculture – sugar production fell while rice production rose. In Haiti the pandemic affected manufacturing supply chains. This compounded the effect of social unrest on the economy early in the year.

CDB President Dr. William Warren Smith, stated that the pandemic had underscored the importance of building economic and social resilience. He opined that we can only reduce the susceptibility to external shocks when we accelerate the diversification of our economies; broaden our productive base; and take appropriate measures to build competitiveness whilst providing adequate safety nets to protect our most vulnerable groups.”

REGIONAL CREDIT UNION SECTOR

There was overall growth in the Regional Credit Union Sector in all the major performance indicators, notwithstanding the social and economic malaise created by the unprecedented global pandemic.

As at December 31, 2020 there were 197 credit unions directly affiliated to the CCCU with a membership of 2.4 million, an increase of 97,142 or 4.21% and estimates of \$5.66 billion in Savings, \$4.37 billion in Loans, \$685 million in Reserves

and \$6.81 billion in Total Assets. A total of 4,478 persons were employed in the Credit Union Sector a reduction of approximately 62 from last year.

The Total Regional Credit Union Sector comprised over 230 credit unions, serving approximately 2.7 million people, an increase of 64,054 or 2.42% over 2019. At the end of 2020, Total Savings in the Regional Credit Union Sector were \$7.25 billion, Loans totaled \$5.2 billion; Reserves \$862.5 million and Total Assets were \$8.7 billion.

Note that Anguilla has extraordinarily high growth rates because they are a newly formed credit union. Therefore, it may appear as an anomaly when compared with the other affiliates.

MEMBERSHIP

Apart from Anguilla, the highest membership growth rate was attained by Guyana with 40% growth, the next highest was 8.5% in Cayman Islands and Bermuda with 8.2%.

Membership by all affiliates combined saw a growth of 4%. However, one affiliate, Curacao experienced a reduction in membership by 4%.

SAVINGS

Notwithstanding the anomaly in Anguilla, the highest growth rate in Savings was achieved by Bermuda with 31% followed closely by Cayman Islands and Commonwealth of Dominica with 29.5% and 28% respectively.

Total Savings of affiliates increased by 8.5% over last year; however, Curacao again recorded a decrease of 0.35%.

LOANS

As mentioned previously, there was an extraordinarily high growth rate (240%) in Anguilla. This was achieved by the loan promotion implemented by this newly formed credit union during the year, particularly after the onset of the pandemic.

The next highest growth was recorded by St. Lucia with 29.6%, followed by Guyana with 11.5% and St. Kitts and Nevis with 10.4%. The affiliates obtained an overall 2.5% increase in Loans over last year.

RESERVES

There were mixed performances by affiliates in the Reserves category. Five (5) of the Affiliates recorded negative growth in Total Reserves. Trinidad & Tobago attained the highest positive rate of 38% with Grenada and Belize following closely with 32 and 30% respectively. Then St. Vincent & the Grenadines and Antigua & Barbuda were next in line with 19.6% and 19.3% respectively.

TOTAL ASSETS

As expected, Anguilla had the highest Asset growth of 113%, followed by Bermuda and Cayman Islands with 27% and 26.95% respectively. St. Kitts & Nevis and also Guyana had similar growth rates of 15.5% and 15.4 respectively.

AFFILIATES INDIVIDUAL PERFORMANCES

ANTIGUA & BARBUDA

The Antigua & Barbuda Credit Union Movement experienced a successful year. There was significant growth in all the performance indicators; its highest rate of growth of 19% was attained in Reserves

in Total Savings.

Some of the highlights which impacted the movement during 2020 included:

- The first ever virtual AGMs were conducted for the credit unions as well as the League.
- Continuous Increase in Banking Fees,
- Inability to access ECCB's Automated Clearing House (ACH)
- Change in ownership /Selling of Royal Canadian Banks in 2020

ANGUILLA

This affiliate, a former Provisional Member, is now a full-fledge member, in keeping with the CCCU Bylaws that with 1,000 members it can attain full membership. The society continued to gain members despite the impact of the pandemic.

A number of its borrowers were impacted by the pandemic and required deferral plans. Consequently, these borrowers were provided with immediate assistance to cover salary interruptions for existing members. A loan promotion was implemented for members wishing to transition in the Fishing, Farming and Manufacturing industries to help stabilize local subsistence in light of the pandemic.

BARBADOS

There was positive growth in the major performance indicators. Barbados's highest rate of growth of 7.5% was recorded in Savings and closely followed by Total Assets of 7.3%. Highlights during the year were as follows:

- Covid-19 pandemic impact on the country had resulted in high

unemployment and significant reduction in economic activity especially in its major sector of tourism.

- Macro-economic environment: Government's 4-year IMF funded programme entered its third year with continued expenditure cuts and revenue raising measures amidst a pandemic.
- Debt Restructuring Program (DRP) which featured long maturities and drastic cuts in interest rates.
- One amalgamation was completed during the period.

BELIZE

Belize reported a record of 30% growth in Reserves followed by a growth of 6% in Membership. However, there was a negative growth in Loans.

The revision of the Credit Union Act continues to be on hold. The Belize Credit Union League is doing its best to ensure that it keeps the Central Bank of Belize engaged and also to ensure that this process of consultation is not lost.

The Central Bank of Belize, with the advent of COVID19 introduced forbearance measures allowing credit unions to grant their members extended repayment periods for credit facilities. These measures also allowed credit unions to not report those facilities that were performing before COVID-19 and granted forbearance measures as non-performing or restructured. These measures were expected to expire March 31, 2021.

Challenges

- Credit unions continued to be challenged with becoming IFRS9 compliant but

worked towards becoming fully compliant with all the IFRS standards.

- The Go Live date for the connectivity to the National Payment System has been pushed back to sometime in 2021. The advent of the pandemic with the ensuing shutdowns and border closure, slowed the process but an end date is in sight.
- COVID 19 continued to dominate and impact the trajectory of the movement with uncertainty as credit unions move into 2021. Continued border closures, limited and low tourism arrivals, climbing unemployment, reduced demand for products and services, and the pending expiration of forbearance measures were just a few of the issues dealt with when credit unions planned for the future.
- Credit unions were not fully prepared for the work from home scenarios and the non-face-to-face business model brought on by the pandemic. The movement now needs to focus on the digitalization of its services, especially loan application, alternative collateral development, and the development of new products and services to remain relevant in these unprecedented times.

Successes

- The Belize Credit Union League undertook an EcoMicro project financed under the IDB EcoMicro Program which is geared towards helping micro, small, and medium sized businesses (MSMEs) and households acquired technologies and other upgrades to help mitigate or adapt to the impact of climate change.
- As a part of this project, a Financial Institution Prudential Health Diagnostic Tool, referred to as the COVID-19 Assessment Tool, was developed to

assist credit unions to mitigate the impact of crisis events.

The tool allowed for:

- High level overview of the credit union's performance
- Data driven decision making.
- Effective pivoting by credit unions based on dynamic shifts due to shift shock events (health, social, climatic, economic).

BERMUDA

The records revealed that Bermuda had a creditable performance last year having had positive growth in three major areas and negative growth in two areas. This is another affiliate which seemed to have benefited from the pandemic. Its highest growth rate was in Savings of 30.8% followed by a 27% growth in Total Assets. Loans declined by 2.7% and Reserves were reduced by 13.8%.

A major highlight for this affiliate during the year was that permission was granted to the credit union to offer Family Indemnity Plan and Golden Harvest Services to members which have been pending for a couple years.

CAYMAN ISLANDS

The Cayman Islands reported a successful year. There was positive growth in all the performance areas with the highest rate of 29.5% in Savings and Assets next with 26.95% growth.

The Credit Union decreased the loan interest rate by 1% in order to match commercial banks.

The government allowed withdrawals from private pension funds due to COVID-19 pandemic and this had a positive impact

on the Credit Union's Savings portfolio.

CURACAO

This affiliate had a very, very challenging year to the point whereby they recorded negative growth in all the major performance areas. This was mainly attributed to the closure of one of the credit unions. The Central Bank of Curacao and St. Maarten (CBCS) revoked the license of St. Famia Habri Credit Union (CUSFH) in 2020 due to non-compliance with banking regulations. Many members canceled their membership and/or withdrew their savings because of the COVID-19 measures resulting in a 4.4% reduction in membership and 0.35% drop in Savings. The Loans Outstanding and total Reserves declined by 0.35%

Other activities which impacted the movement during the past year:

- COVID 19 has had very adverse consequences for its constituent credit unions. Unemployment rate on the island was 19.1% while youth unemployment rate was at 42.2% by year end.
- The Government of Curaçao has adopted a new Co-operative Development Policy. This Co-operative Development Policy is the first such undertaking in the history of the Curaçao co-operative movement. In addition to proposing new approaches and identifying the financial resources necessary for their implementation, support measures were also introduced that are specifically adapted to the co-operative environment. By acknowledging that co-operatives can play a central role in the economy and tackle specific problems, the new policy guarantees the harmonious development of

co-operatives in Curaçao.

- Revocation of license from Credit Union Sta. Famia Habri.

The Central Bank of Curaçao and Sint Maarten (CBCS) has temporarily appointed two trustees within the Algemene Credit Union (ACU) to assist the board. The current board of ACU remains in function. The issue at ACU was about a new governance structure that would better safeguard the interests of the members. The reorganization process has been delayed for some time according to the CBCS. To speed this up, the two experts have been appointed by the CBCS.

COMMONWEALTH OF DOMINICA

The Dominican Movement experienced another successful year achieving positive growth in all the major areas. The highest growth was attained in Total Savings with 28% followed by a 10.9% growth in Reserves and 4% in Total Assets.

The Dominica Cooperative Societies League Ltd. (DCSLL) planned to launch a Digital, bank agnostic, wallet called MLajan. MLajan will be the first of its kind in Dominica and will allow anyone owning a phone to become financially included. Through a partnership-based approach DCSLL will introduce in Dominica and the Caribbean, an integrated payment ecosystem to enable financial linkages with all critical sectors of the economy while enabling financial inclusion for the unbanked. DCSLL together with its strategic partners will deploy a full-fledged solution that will initially serve Dominica and subsequently other countries of the OECS and wider region. The uniqueness of MLajan is its level of integration with all economic players with the aim of making it the payment method of reference in the OECS region. The solution will allow

transfers, cash in & cash out, bill payment, Merchant payment and International remittance through a blockchain based solution. This solution will introduce new use cases of digital payments that will facilitate accessibility, flexibility, reliability, and affordability.

MLajan is the much-needed financial tool that will also support Government's effort to reach a wide range of the population (vulnerable /poor included) for financial relief program for emergencies situation without requesting them to move and visit a formal financial institution. MLajan will also ease government payments and aids. More particularly, in response to the socio-economic crises caused by the COVID-19 pandemic, MLajan will have the capability to implement an emergency cash transfer program, targeting the most vulnerable households in selected urban and peri-urban areas, who have been classified as most vulnerable. Beneficiaries can receive cash deliveries through mobile money delivery mechanism, using the MLajan platform. Beneficiary households can also receive social and behavioural change communication focusing on COVID-19 prevention as well as general health and nutrition best practices through virtual means (via texts or in app notifications).

The critical issues for Dominica's developing economy are that of financial access and inclusion. Financial institutions are not motivated to lend because of the lack of credit history, and as such budding entrepreneurs and potential start-ups are impeded from being able to access callable solutions for these startups, simply because they lack the financial and technological wherewithal to do so.

As a developing country with a very low

digital infrastructure footprint, their industry will not be able to develop financial and economic resilience if its players are unable to tap into modern scalable technologies that offer them virtual market spaces for local produce, where the market meets them.

GRENADA

The Grenada Credit Union Sector reported another successful year of operation. There was positive growth in the major indicators, having its highest growth of 32% in Reserves followed by a 10% growth in Savings and 9% in Loans and Assets.

Some of the major successful activities of the credit union movement in Grenada included:

- Grenada Union of Teachers (GUT) Credit Union awarded 22 TAMCC scholarships & 173 students with grants to attend secondary school.
- Ariza contributed to Grencoda towards the student assistance program and awarded ten scholarships to students at different levels. This credit union also installed a new ATM at WesterHall, St. David.
- Credit Unions strategized on dealing with the impact of COVID-19 on loans.
- The Co-operative League donated \$10,000 worth of sanitizers to the Ministry of Education for use by the students.

GUYANA

Guyana recorded an exceptionally good year in most of the performance areas however, there was a reduction in Reserves of 43.9%. The Credit Union sector exhibited encouraging growth in Membership,

Savings, Loans and Assets of 40%, 21.6%, 11.5% and 15.4% respectively.

The curtains came down on the year 2020 with financial institutions showing a great deal of liquidity, and with production of Oil and Gas moving into full swing in Guyana, the future prospect of the economy seemed geared to take off. Also, uncertainty of the political climate in 2020 was disheartening. With all that said, the major financial agencies continued to maintain a programme of sustained and aggressive marketing aimed at increasing its market share, thus employing innovative ways in packaging its products and services.

Despite the COVID-19 Pandemic, which started in Guyana in March of the reporting period, there were vast improvements of Audit Status of the affiliated credit unions and the strengthening of the role in the Regulations/Support systems by the Department of Co-operatives. Credit Unions were able to remain constant helping their members wherever the need was. Some credit unions gave small loans to their membership to help to offset the difficult period that the pandemic brought along. The Guyana League played its part through the Caribbean Confederation of Credit Unions by presenting masks to the credit unions frontline staff.

JAMAICA

The Credit Union Sector in Jamaica experienced a relatively good year with positive growth in virtually all the indicators except in Total Loans where it encountered a 4% negative growth. It's important to note however, when compared in the local currency there was a 3.58% increase in Loans.

This discrepancy was due to a fluctuation in the exchange rate. Total Reserves increased by 13% and growth in the areas of Membership, Savings and Assets averaged 2.5%.

The coronavirus pandemic forced the shutdown of almost every economic activity on the island in 2020. The League's marketing plans and programmes were negatively impacted as no events could have been held in the usual formats due to the drastic limitations on public gatherings. Nevertheless, the Marketing, Communications and Research Department was able to make an impact on the lives of many suffering the effects of the pandemic through sponsorships and donations.

The League successfully delivered on its civic and social responsibilities as follows:

- Twenty-five (25) PEP bursaries were offered to grade 6 students of which Credit Unions submitted sixteen (16) applications. In total, PEP student youth savers received JMD \$325,000.00 in bursaries for back-to-school expenses. Additionally, seven PEP students from inner-city communities in Kingston received bursaries totalling JMD\$175,000.00.
- Two tertiary scholarships, The Glen Francis (Credit Union) Scholarship and the Milburn Corrie Co-operative Scholarship each valuing J\$500,000.00 were awarded to a final year student and a second-year student at the University of the West Indies Mona, respectively.
- Book vouchers valued at JMD\$30,000.00 from Kingston Bookshop were contributed as back to school prizes on social media.
- Approximately JMD\$2.3 million was spent to purchase electronic devices,

particularly computer tablets, to aid in at-home learning as a result of the closure of Government schools.

- JCCUL on behalf of the Credit Unions of Jamaica partnered with the Jamaica Social Stock Exchange and donated JMD\$500,000.00 to assist Mona Tech Engineering Services with repairing ventilators for the Jamaica Health Sector, to be used in the fight against COVID-19.

- Other donations of approximately JMD\$159,000.00 went towards individuals and organizations under the League's corporate social responsibility programme.

MONTserrat

Economic activities slowed down in the lockdown period during the year. Generally, the performance was fair with positive growth in three (3) areas and negative growth in two areas.

Its highest area of growth was 11.5% in Savings followed by 9% in total Assets. An increase of just over 2% was observed in membership.

St. Patrick's Credit Union (SPCCU) recorded the largest asset growth in recent times with total assets increasing by \$5.6M (9.0%) from \$61.9M at December 31, 2019 to \$67.5M as at December 31, 2020.

The SPCCU performance in financial year 2020 was somewhat spurred by local and diaspora individuals diversifying their financial relationships and financial holdings due to the purchase of the local operations of RBC by the Bank of Montserrat.

In March 2020, the SPCCU as part of a regional initiative, rolled out a loan deferral (moratorium) programme for customers for up to three (3) months with a possible extension upon review. A waiver of late fees and charges was also applicable to eligible members during that period.

Consideration for loan deferrals / moratorium was determined via a review and assessment on a case-by-case basis of the members circumstances taking into consideration, members whose income have been negatively impacted.

ST. KITTS & NEVIS

The St. Kitts Nevis National Co-operative League Limited and its Affiliates experienced significant growth in several areas despite the downturn in the local economy due to the impact of the COVID pandemic. The Movement continued to demonstrate its financial strength with a 7.3% growth in overall membership; an increase of 12% in assets; an 8.5% growth in loans; and a 11.7% in savings. This progress is a resounding testament to the Credit Union Movement's unrelenting efforts to offer a unique brand of member service with an affordable mix of products and services.

Credit Unions have always managed to thrive during difficult economic times because of the philosophy of care for its membership. The ability to offer sound financial advice and guidance has contributed to making the sector sustainable. The SKNNCL Affiliates have reported net profit while actively helping members, especially those members who work in the tourism industry, to save while meeting their loan commitments.

The local Credit Union Movement continues to implement several strategies to assist its membership, and the SKNNCL is committed to providing the necessary assistance and resources to further strengthen and develop the sector.

ST. LUCIA

This affiliate also recorded a successful year with positive growth in the performance indicators. The best performance was attained in Loans with approximately 30% increase followed by approximately 20 % in Savings and 9% growth in Assets.

It was observed that the non-affiliated credit unions in St. Lucia also experienced growth comparable to the affiliated ones. Therefore, it can be concluded that the St. Lucia Credit Union sector was not very adversely affected by the pandemic as experience by the other sectors.

The year 2020 was a challenging year for the credit union movement in Saint Lucia with the emergence of the COVID 19 pandemic. Despite the challenges, the movement was able to weather them.

ATM

The ATM Project which was launched in December 2019 proved to be most timely. This shared service, allowed participating credit unions to use the same platform and allowed their members to access funds and services at whichever credit union the ATM was located. Most importantly credit unions were able to allow their members to transact business at their convenience while adhering to the COVID -19 protocols.

Moratoriums

Credit unions offered moratoriums on repayments, to members who were encountering difficulties with their loan

obligations, due to the economic impact of the COVID -19 pandemic. In addition to moratoriums, credit unions provided relief in the form of reduced interest rates on loans. These measures greatly assisted members who were adversely affected by the pandemic.

Purchase of Government Bonds

In an effort to secure members' salaries and wages, the League coordinated the purchase by credit unions of a direct block placement of Government bonds. This purchase assisted the government to honour its salaries, wages and allowances to Public Sector workers, in cash rather than bonds, for a three-month period.

New Appointment

In October 2020 Mr. Jermaine M. Hunte joined the St. Lucia Co-operative Credit Union League Limited in the capacity of General Manager. The League continues to work with its members to assist them in managing their challenges.

ST. VINCENT & THE GRENADINES

St. Vincent & the Grenadines Movement achieved highest increase in Reserves of approximately 20% and modest growth in membership, savings, loans and assets of 4%, 7%, 0.9% and 6% respectively.

Government Consultation with League and CUs

On March 24, 2020, the SVG Co-operative League and affiliated credit unions participated in a consultation between the financial sector, the Prime Minister and the Minister of National Security, Hon. Ralph Gonsalves, and the Minister of Finance and Economic Development, Hon. Camillo Gonsalves to discuss the economic impact of Covid-19 and possible mitigation measures by the GOVSVG and the financial sector.

The GOVSVG unveiled a quarter billion-dollar comprehensive stimulus programme to assist vulnerable persons and businesses. The Credit Union Sector agreed to work with affected borrowers and other members that may be under stress financially from the effects of the Coronavirus pandemic through the provision of loan accommodations/moratoriums and lowered payments for a defined time period.

Impact of Covid-19 Pandemic

The Coronavirus pandemic placed new and heavy demands on the human and technical resources of the League. The greatest areas of impact on the League were with regard to readjustments in the workflow and processes. The workflow was significantly affected when the staff was placed on rotation, with a fifty percent quota working remotely from home at a time. In addition, office hours were reduced to limit person to person contact as per the health protocols. As a result of these changes, business and communication modalities were completely revamped, wherein approximately ninety percent of member and stakeholder transactions/communication were conducted via telephone or online.

To navigate the constantly changing environment engendered by the Covid-19 pandemic, the League has had to adjust its strategic focus to address the immediacy and emerging implications of the crisis relative to (i) the health and safety of credit union sector employees, volunteers and members; (ii) the capacity of the credit union sector as a subsector of the financial services industry to effectively service the needs of members; and (iii) the general operations and continuity of the League. The 2020

programme of training for League affiliates has been redesigned to be delivered as webinar modules. Some courses had to be cancelled altogether and new courses added to address scenarios dealing with the realities of a pandemic and a more highly uncertain environment.

TRINIDAD & TOBAGO

The Credit Union Sector of Trinidad and Tobago achieved reasonable growth in membership, Savings, Loans and Assets of 4%, 2%, 2.65% and 3% respectively; however, it recorded an exceptional increase of 38% in Reserves. The following activities were highlighted for the period under review:

1. The TT Credit Union Movement had a tough but reasonably comfortable year, to a large extent. While some credit unions experienced a slowing of loans, others had a peak specifically within the last four months of the year 2020. Membership increased slightly and dividend payment was down from a Movement average of 4.5% to 3.5% to 4%. This, despite the fact that many credit unions were unable to host their 2019 AGMs.
2. The League and the Movement are actively engaged in finalizing new legislation for the TT Movement and a draft legal framework is expected by the end of 2021.
3. The COVID-19 Pandemic has seen many members and citizens out of employment or underemployment. The Government, in this regard, offered a \$100M Emergency COVID-19 Income Loan Facility. However, this did not obtain buy-in from the credit union members as they preferred grants rather than loans.
4. The League is actively working with its

members to counter the challenges of the COVID-19 Pandemic by revisiting strategies and strategic plans with the aim of enhancing income in 2021 and to provide enhanced social and financial services to take members through these hard times.

5. The League hosted several webinars and e-books to keep members aware of the international trends with the COVID-19 Pandemic and promoted Government's plans to curb the spread.

MARKET SHARE

During 2020, it was observed that there was significant share of the Savings market in the following affiliated territories: Belize (51.5%), Barbados (37.6%), Dominica (28.7%), Grenada

(19.8%), St. Vincent & the Grenadines (19%) and Trinidad & Tobago (18.4%).

Similarly, there were significant share of the Loans Market in Barbados, Belize, Dominica, Montserrat, and St. Vincent and the Grenadines in 22.5%, 22.6, 34%, 33% and 21.7% respectively.

When compared with the previous year (2019), the credit union market share was adversely affected in most of the credit unions. Ten (10) of the affiliates experienced a reduction in Savings share, it remained the same in two (2) of the affiliates and it increased in 4 affiliates. The reduction in the Savings Share was one of the adverse effects of the Pandemic.

Affiliate Territory	SAVINGS US \$ '000s				LOANS US \$ '000s			
	Banks	Credit Unions	Market Share 2019	Market Share 2020	Banks	Credit Unions	Market Share' 2019	Market share 2020
Anguilla	465,556	4,528	0.7 %	1 %	214,444	2,917	0.44	1.3 %
Antigua & Barbuda	1,446,296	136,168	15.5	9 %	1,059,259	125,611	10	10.6
Barbados	2,036,456	1,228,192	36.7	37.6	2,992,556	867,638	22	22.5
Belize	450,982	479,722	53.4	51.5	1,094,626	319,952	23.9	22.6
Bermuda	20,400,000	24,664	0.09	0.12	8,174,000	11,184	0.13	0.14
Cayman Islands	20,400,000	476,885	4. %	2.3 %	8,174,000	366,525	5.5	4.3
Curacao	3,539,672	149,769	3.3	4 %	2,656,909	203,635	4	7
Dominica	724,445	291,584	35.7	28.7 %	407,037	205,551	35.6	33.6
Grenada	1,261,852	312,241	32.8	19.8 %	657,407	294,653	29.9	30.95
Guyana	1,713,749	34,507	1.8	2.0	794,667	27,830	3.1	3.38
Jamaica	4,467,467	741,856	15 %	14 %	6,447,926	641,034	9.6	9.05
Montserrat	138,519	22,701	23.3	14 %	39,259	19,299	33.3	32.96
St. Kitts & Nevis	1,582,593	145,491	22.2	8.4 %	731,852	114,342	12.6	13.5
St. Lucia	1,672,963	224,071	20.9	11.8	1312,222	194,903	10.65	12.9
St. Vincent	786,667	184,222	29.8	19 %	468,148	130,063	22.5	21.7
Trinidad & Tobago	5,331,171	1,201,869	14.1	18.4 %	11,489,215	846,136	7.4	6.86 %

REGIONAL OUTLOOK

In recent years there has been a growing awareness that the subregion has persistently lagged behind comparable economies in the developing world on the path to sustainable development. Long-standing problems are now being aggravated by climate change, with the increasing frequency and intensity of extreme events hampering the sustainable economic growth of these island economies and undermining the security of their populations. The resulting damage and loss have also led to escalating costs and a greater emphasis on disaster risk management.

In this context, the main challenge facing the Caribbean is to identify paths to development that emphasize macroeconomic stability with growth, equity and environmental sustainability. This first issue of The Caribbean Outlook not only offers perspective on the threats and challenges faced by the Caribbean, but also proposes a rich body of innovative solutions to issues which must be confronted resolutely if the subregion is to achieve these sustainable development paths.

OECS SUB-REGION OUTLOOK

Based on the assessment of the ECCU, the OECS High Credit growth across the OECS appears to have moderated. The IMF Executive Board approved emergency financing assistance for Dominica, Grenada and St. Lucia under the Rapid Credit Facility (RCF) totaling US \$65.6 million in April 2020 while request for St. Vincent for emergency financing was approved in May 2020. The RCF disbursement provided immediate relief at outset of the pandemic.

Considering that all the OECS governments have undertaken an aggressive,

comprehensive vaccination program, vaccine rollouts are being implemented in earnest. It is projected that a recovery will likely only begin after the COVID-19 pandemic is brought under control.

Accordingly, the pace of recovery in tourism is assumed to be gradual, with the number of tourists returning to the 2019 level only in 2024. The economy is projected to shrink by nearly ½ percent in 2021 and rebound by 9 percent in 2022.

The uncertainty and unpredictability of these times poses a serious challenge in prudently managing the credit unions. In this new norm, management must be innovative in addressing online operations and to undertake the process of digitization and digitalization.

CCCU OPERATIONS GOVERNANCE

Due to the COVID-19 pandemic, the 63rd Annual International Convention was cancelled however, the 49th Annual General Meeting was held for the first time virtually via the OnBoard Passageways Platform on September 26, 2020 under the theme “Waves of Change.....Oceans of Opportunities”.

Retiring Directors were Leopoldo Romero of Belize and Lennox Bowman of St. Vincent and the Grenadines. Leopoldo Romero who held a guaranteed seat, was re-elected and Lennox Bowman who held the position of Treasurer was asked to serve the remaining nine months given the circumstances experienced by the pandemic and onboarding a new Director so late in the financial year would be costly. This position was unanimously approved by the AGM.



The composition of the Board subsequent to the Annual General Meeting in September 2020, was as follows:

Joseph Remy	- President
Leopoldo Romero	- Vice President
Lennox Bowman	- Treasurer
Carol Fraser	- Secretary
Winston Fletcher	- Director
Aaron Moses	- Director
Hally Haynes	- Director
AndreGoindoo	- Ex-Officio Director

Board meetings

The Board convened one (1) face to face meeting in March 2020 in St. Lucia and two (2) electronic meetings during the year.

At the first meeting convened in St. Lucia during the period March 3 - 8, 2020, the Board met with Mr. Calixte Leon and his team from the Financial Services Regulatory Authority. The Board also met with the Board of Directors of the St. Lucia Co-operative Credit Union League, the Member Credit Unions and the Credit Unions that exited the League.

The second and third meetings were held electronically in June and September 2020 respectively.

During the first Board meeting of the newly constituted board in September 2020, sub-committees were appointed to support the organization's governance structure as follows:

Dues

Anthony Pilgrim
Barbados
Chairman

Martina Belizaire
St. Lucia
Member

Auldric Neptune
Trinidad & Tobago
Member

Bylaws

Barry Hunte
Barbados
Chairman

William Joseph
Grenada
Member

Audit

Andrea Messam
Jamaica
Chairman

Chanelle Myers
St. Kitts & Nevis
Member

Convention

Director
Aaron Moses
Chairman

Director
Winston Fletcher
Member

Investment

Director
Lennox Bowman
Chairman

Eldrid Fos
Curacao
Member

Michael Nixon
Cayman Islands
Member

Peter Jenkins
St Kitts & Nevis
Member

Aylmer Irish
Dominica
Member

Director
Joseph Remy
Member

Director
Leopoldo Romero
Member

Ex-Officio Director
Andre Goindoo
Member

Human Resources

Director
Winston Fletcher
Chairman

Director
Carol Fraser
Member

Director
Joseph Remy
Member

Committees' Meetings

The Audit Committee held one meeting during the year and provided its report to the Board and the Annual General Meeting.

The By-Laws Committee met several times since the last AGM of the Confederation in June 2019 to examine further groupings and relevant changes.

FINANCIAL PERFORMANCE

Despite the absence of a Convention, the Confederation recorded a surplus of US\$19,961 compared to US\$139,947 recorded in 2019. In analyzing the performance of the Confederation for the period under review, this was attributed mainly to savings in the form of lower operational costs and increased income from the newly constructed Conference Facility established in 2019 at the Confederation's Headquarters.

Table 1 – Convention Net Surplus over the past five (5) years (in US\$).

Year	Venue	Net Surplus
2020	No Convention	\$0
2019	The Bahamas	\$195,280
2018	Trinidad & Tobago	\$273,086
2017	Cuba	\$341,700
2016	Orlando	(\$69,525)

During 2020, donations to the Building Fund amounted to US\$3,583 bringing the total contribution from affiliates and friends towards the building's construction since 2014 to US\$178,422.52.

TECHNICAL ASSISTANCE AND TRAINING

The Confederation prepared a number of resources for Member Leagues and Credit Unions which aided them in their business continuity plans as a result of the onslaught brought on by the Pandemic.

These included the following:

- Pandemic Checklist
- Pandemic Preparedness & Response Program
- Ease the Burden Proposal Contingency Plan for Annual General Meeting of Credit Unions
- COVID-19 Practical Guide for Credit Unions & Staff
- Protecting Credit Unions against Fraudulent Activities
- Remote Work Policy
- Guidelines to Mitigate a Cash Run
- Guidelines for COVID-19 Impact Assessment
- Procedures for Credit Union Members Conduct During a Pandemic
- Credit Union Sector Evaluation Tool

The Confederation partnered with the Co-operative Credit Union League of Trinidad & Tobago and the Cipriani College of Labour & Co-operative Studies to bring the "Response of a Movement" Webinar Series – Credit Unions and COVID-19. Presentations included:

- The Regional Response
- Operational Responses to Member's Needs
- The Response of Regional Regulators
- Through the Eyes of Our Members

CIPRIANI COLLEGE
OF LABOUR AND CO-OPERATIVE STUDIES
"Empowering All Through Education"

WEBINAR SERIES
Thursday May, 7th 2020 - 12 p.m. to 1.30 p.m. ECT

In Partnership with:

- Ms. Denise Garfield, General Manager, CCCU
Operational Strategies of Regional Units
- Mr. Anthony Pilgrim, General Manager/Representative of Barbados Credit Union League
Responses of Barbados Credit Union Units to Members Needs in COVID-19
- Mr. Robin Levy, Chief Executive Officer/Representative of Jamaica Credit Union League
Responses of Barbados Credit Union Units to Members Needs in COVID-19
- Dianne Joseph, Chief Operating Officer/Representative of Credit Union League of Trinidad & Tobago
Responses of Trinidad & Tobago Credit Union Units to Members Needs in COVID-19

Through this webinar series, Cipriani College of Labour and Co-operative Studies (CCLCS), the regional institution of teaching, learning and research for the Co-operative and Labour Movements, partners with stakeholders of the local, regional and international Credit Union Movements to explore economic, social and other interventions during COVID-19.

Credit Unions and COVID-19
Operational Responses to Member's Needs

www.cclcs.edu.tt

Ms. Denise Garfield
General Manager, CCCU

Mr. Anthony Pilgrim
General Manager/Representative of Barbados Credit Union League

Mr. Robin Levy
Chief Executive Officer/Representative of Jamaica Credit Union League

Ms. Dianne Joseph
Chief Operating Officer/Representative of Credit Union League of Trinidad & Tobago

Several alliances were formed during the year with the Financial Services Training Institute, Synergy Credit Union Consulting, Digital Financial and Go Blue. Thirteen (13) workshops were provided to the Caribbean Credit Union Movement with over 600 employees, volunteers and members being trained in the following courses:

- Certified International Financial Planner
- Understanding Financial Statements
- Loan Securities
- Document Examination
- Effective Debt Collection Techniques
- Credit Assessment Techniques
- Managing Resilience
- Anti-Fraud Seminar
- Enterprise Risk Management
- Understanding Financial Statements for Members
- Consumer Loans Underwriting and Collections
- Business Continuity and Fraud
- Evolution and Revolution: Opportunities and Challenges for Credit Unions

COMMUNICATION & CO-OPERATIVE SOCIAL RESPONSIBILITY

Constant communication was maintained with all affiliates via electronic means of weekly updates through e-blasts, Facebook, WhatsApp blasts and bulletins.

The Development Foundation arm of the Confederation played a significant role during 2020 in the fight against COVID-19. US\$100,000 was donated to two organisations, the Pan American Health Organization (PAHO) Caribbean Sub region received US\$75,000 to purchase Personal Protective Equipment (PPE) for frontline workers, more specifically health care workers and the Caribbean Disaster Emergency Management Agency (CDEMA) received US\$25,000 for logistical support for the OECS distribution. All affiliated member countries with the exception of Trinidad and Tobago received supplies as a regional effort in the fight against COVID-19.



President Fletcher (second left) hands over PPE to the Ministry of Health, Jamaica.

Additionally, the Confederation participated in World Patient Safety Day 2020 at the joint invitation of PAHO and the World Health Organization (WHO).



Secretary Harding (Left) hands over PPE to the Ministry of Health, Guyana.

In collaboration with the Worldwide Foundation, masks, sanitizers, cleaning equipment were provided to twelve (12) affiliated member countries for employees and offices within the Caribbean Credit Union sector. The National Credit Union Association in Korea also donated 6000 masks to Caribbean Credit Unions.



Employees in Belize display their masks and sanitizer in the fight against COVID-19.



Employees in Trinidad and Tobago display their masks in the fight against COVID-19.

Picture below are employees in Jamaica with their masks in the fight against COVID-19.



In an effort to break the monotonous virtual meetings and workshops CCCU successfully hosted a “Soca meets Reggae” party. Over 150 party goers attended. This was done to rejuvenate our Caribbean Credit Unionists.



IDB De-Risking Project

During 2020, the Inter-American Development Bank (IDB) Regional De-Risking Project – “Strengthening Financial Transparency: Rebuilding Trust in Correspondent Banking in the Caribbean” of which the Confederation is a participant, continued its agenda relating to Components 1 and 11. The Advisory Committee held two electronic meetings and one training session during the year.

IFRS 9 Implications

During 2020, CCCU worked closely with

WOCCU to engage regulators to maintain flexibility with some standards during the COVID-19 pandemic.

Regional Stabilization Fund

The series of devastation within the region is a stark reminder that, the region remains vulnerable to natural disasters. Therefore, it is imperative that the Regional Stabilization Fund be revisited to assess its feasibility and ultimately the way forward.

Financial Education

Both Credit Union week and the ECCB’s Financial Month are celebrated in October. CCCU partnered once again with the ECCB to promote financial literacy, using CCCU mobile app - \$smart Finance App. CCCU representatives conducted an interview on ZIZ radio programme awarding two winners with US\$50 vouchers for deposit to their Credit Union account. Additionally, ECCB utilized the \$smart Finance App to conduct its virtual Treasure Hunt for high school students of which CCCU managed the App and fielded questions.

BUSINESS DEVELOPMENT

Howden Parametric Loan Default & Cybersecurity Insurance

The partnership with Howden continues as we tailor the product as a group solution for the Caribbean. Development of the Parametric Loan Default Insurance continued.

ADVOCACY AND REPRESENTATION

In addition to the regular board meetings, your Confederation established structured information-sharing with regulators.

OECS SUMMIT

The OECS Summit which was slated to be held in Grenada was cancelled due to the pandemic.

WORLD COUNCIL OF CREDIT UNIONS

The Annual World Conference of Credit Unions was cancelled. Despite this, CCCU worked closely with WOCCU on a number of initiatives. World Council formed an International COVID-19 Response Committee of which the General Manager, CCCU was invited as a member.

Both organisations have been working with the government of the Turks and Caicos Islands to establish credit unions in the Island.

Dr. Patrick Antoine presented on CCCU's behalf during the COVID-19 Response Committee Webinar Series. He presented the Caribbean perspective on the Economic Impacts of COVID-19 on Caribbean Credit Unions.

INTERNATIONAL CO-OPERATIVE ALLIANCE

CCCU maintained its membership status as an Associate Member in the International Co-operative Alliance (ICA) in 2020, which is the last year as Associate status. In 2021, CCCU is expected to transition to Full Member.

CUNA CARIBBEAN INSURANCE

CUNA Caribbean continued to lend its support to the Confederation by assisting with the marketing of the CUNA Caribbean Conference Center which redounded to immense benefits during 2020. Once St. Kitts and Nevis removed curfews and social gatherings were resumed with stipulated guidelines the conference center became the #1 place to hold events as all hotels remained closed.

CARIFORUM-EU Consultative Committee

Your Confederation was once again selected for retention on the list of civil society organizations representing CARIFORUM on the Consultative

Committee for the 2019 – 2020 term. The Consultative Committee's focus is on social, economic, and environmental issues affecting economies of partnering member-states.

COLLABORATION WITH EASTERN CARIBBEAN CENTRAL BANK (ECCB)

COVID-19 Relief

At the invitation of the Governor, ECCB, with Credit Union regulators, CCCU was invited to discuss the actions being leveraged by credit unions to their members affected by the COVID-19 pandemic. The "Ease the Burden" proposal was shared and discussed and accepted by all.

Direct Cash Purchase

Additionally, the pilot programme of the ability of Credit Unions to purchase cash directly from the ECCB was successful. While no credit union took up the offer credit unions were able to negotiate much better rates with their commercial banks.

Participation in the ACH

Approval has been granted by the Eastern Caribbean Automated Clearing House (ECACH) for other classes of institutions to participate in the ECACH to include Credit Unions. The CCCU is currently working with the ECCB team to address technical capacity, service delivery, costing, operational capacity in making it relevant for participation.

External consultation commenced on 24 December 2020, with the engagement of the Attorneys General in ECCU member countries.

The draft amendments to the ECACH rules were submitted to the ECCU countries for their comments. The next step would be to have the proposed amendments

finalized and passed in the respective jurisdictions.

Regional Institutions Invitation Programme – 29th Annual Conference with Financial Institutions

At the invitation of the Governor, ECCB, the Credit Union Movement was invited once again to participate virtually in the Annual Conference with financial institutions.

FUTURE INITIATIVES

Advocacy

The Confederation will continue to examine the financial landscape and advocate on its member affiliates' behalf to ensure the success and sustainability of the Credit Union Movement.

The CCCU is moving to engage CARICOM with a view to being consulted with the rest of the financial sector when critical policy and regulatory related matters are being discussed. To achieve this objective, it is recommended that national engagement strategies be employed.

Income Streams for the Confederation and Leagues

The Confederation continues to identify opportunities for additional revenue streams to diversify the Confederation's income sources. Its new headquarters has generated office and conference facility rental income and strategic alliance relationships to offer products and services to the Movement.

Sustainability of the Sector

Notwithstanding a moderate active hurricane season, the region still remains vulnerable and exposed to economic shocks. How prepared we are, the regulatory environment, the additional cost for compliance, and the ability to generate surplus and value to our

members, continue to be of utmost importance.

In the final analysis, sustainability of the credit union movement in the long run, will be dependent on how successful Credit Unions are in engaging and incorporating the youth market. A critical component of the strategy is the use of digital technology to facilitate transactions and interactions.

SOCIO-ECONOMIC OUTLOOK

It is projected that the global economy will contract on a magnitude larger than the Global Financial Crisis of 2008 according to the Caribbean Development Bank. At this time, the extent of the economic impact depends on the length and severity of the pandemic. The CDB forecasts negative growth for nearly all its member countries, largely driven by the fall off in tourism. Notwithstanding, based on a study by the ECCB, Remittance flows to the region remained robust, and is expected to maintain this trend.

CONCLUSION

2020 was an unprecedented year highlighted by a global pandemic with its attendant impacts. Despite this, Credit Unions were at the forefront of their members assistance during this time. Despite lower income, it was a successful year for the Confederation. Broader collaboration was achieved. Increased recognition of the Credit Union Movement was realized and active engagement and lobbying prevailed.

The CCCU will continue to look for ways to bolster its relevance to members through further collaboration, advocacy and increased recognition.

Against the background of the forecast of negative growth for the Caribbean, due

to the impact of the COVID-19 pandemic, Credit Unions will face significant challenges, as businesses and their members face the fall out of reduced business activities. Therefore, the credit unions will have to play a very important role in working with their members to withstand the period of negative growth. This will necessitate credit unions becoming more creative and responsive in their product offerings. This will include the use of data analytics in the quest to become more innovative.

CARICOM's push for enhanced food security presents an opportunity for the Credit Union Movement to tap into and provide support to the agricultural sector.

CONDOLENCES

During the year, Credit Unions and Co-operatives in the Region lost a number of members. The Board extends sincerest condolences to the relatives and acquaintances of those who have departed this life.

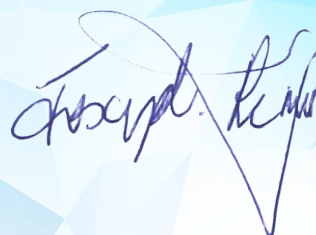
ACKNOWLEDGEMENTS

The Board would like to express its sincere thanks and gratitude to the management and staff of the Secretariat for their continued commitment and support during the year.

Appreciation is also extended to all of our key stakeholders for their loyalty and support, particularly our Affiliates, Committee Members, CUNA Caribbean Insurance Society, World Council, Worldwide Foundation, International and Regional Development Agencies, Regional Governments, Regulators of Credit Unions and Co-operatives, Attorney, Consultants, and friends of the Co-operative Sector for their contribution and support during the

difficult and challenging year.

For and on behalf of the Board of Directors



Joseph Remy, President

TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020 (All figures are expressed in US\$)

INTRODUCTION

This report provides an overview of the key financial performance indicators for the year 2020, with comparisons to the accounts of 2019. The Confederation maintained a surplus position and continued to record profit despite the cancellation of the Annual International Convention due to the Coronavirus (COVID-19) pandemic.

STATEMENT OF FINANCIAL POSITION

ASSETS

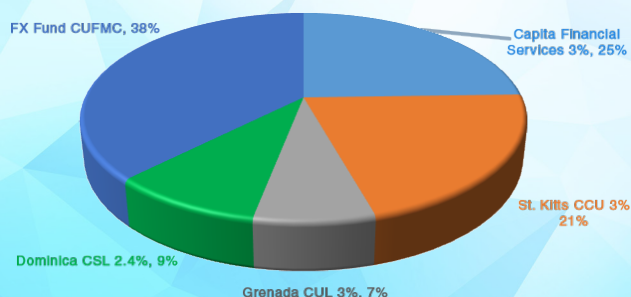
Cash and Bank Balances

Cash and bank balances increased to \$238,026 from \$115,709 representing an increase of \$122,317 or 105.71% when compared to 2019.

Fixed Deposits

Investments in fixed deposits increased to \$538,688 from \$328,058 representing an increase of \$210,630 or 64.21% over 2019. Earnings on investments remained steady and continued to be impacted by the prevailing low interest rate environment. Chart I depicts the investment holdings of the Confederation as at December 31st, 2020, with respective interest rates.

Chart I – Investments Portfolio



Receivables and Prepayments

Receivables and prepayments decreased to \$110,801 from \$133,675. This represented a decrease of \$22,874 or 17.11% over 2019.

Deferred Costs

Deferred costs increased to \$137,664 from \$85,287 which was an increase of \$52,377 or 61.41% from the previous year's balance. This amount related primarily to expenses for Convention 2020.

Fixed Assets

Non-current assets represented by fixed assets decreased to \$1,721,412 a decrease of \$921 or 0.05% over the December 2019 figure of \$1,722,333.

The composition of total assets of the Confederation at the end of the 2020 period was as follows (See Table I):

Table I – ASSET COMPOSITION

COMPOSITION	\$	%
Non-Current Assets	1,721,412	62.67
Investments/Fixed Deposits	538,688	19.61
Other Assets	248,465	9.05
Cash and bank balances	238,026	8.67
TOTAL	2,746,591	100

LIABILITIES

Accounts Payable and Accruals

The liabilities of the Confederation decreased to \$107,388 from \$109,027 a \$1,639 or 1.5% decrease over 2019 and consisted of trading accounts payable and accruals, long term debt and residual project funds. Majority of the outstanding amounts are due to suppliers of goods and services.

Equity

Total equity increased to \$1,647,432 from \$1,599,797 representing an increase of \$47,635 or 2.98% from the 2019 figure primarily due to the distribution of surplus.

Total equity was comprised of the following (See Table II):

TABLE II – EQUITY COMPOSITION

COMPOSITION	\$	%
Accumulated Surplus	766,860	46.55
Reserve Fund	528,468	32.08
Stabilization Fund	176,989	10.74
Revaluation Surplus	79,128	4.80
Youth Activity Fund	50,679	3.08
Staff Gratuity Fund	45,308	2.75
TOTAL	1,647,432	100

STATEMENT OF COMPREHENSIVE INCOME

INCOME

The Confederation's total income of \$608,460 for the financial year 2020, represented a decrease of \$195,519 or 24.32% over the 2019 figure of \$803,979. Income was reduced mainly from the cancellation of the annual international convention.

Membership Dues increased to \$491,032 from \$456,278 in 2019 which represented an increase of \$34,754 or 7.62%.

Grants and other income increased to \$117,428 from \$115,092 which represented an increase of \$2,336 or 2.03% from the 2019 figure (See Table III – Income Composition). This was mainly attributed to a 6,632% increase in training income which emanated from strategic

alliances, a 1,222% increase in rental income which comprised office and conference room rental (the most utilized venue in 2020 due to the pandemic) and a 49.5% increase in CUNA Caribbean's annual grant which signifies their continued commitment to the Caribbean movement.

TABLE III – INCOME COMPOSITION

COMPOSITION	\$	%
DUES	491,032	80.70
GRANTS, OTHER INCOME	117,428	19.30
TOTAL	608,460	100

EXPENSES

Administrative expenses decreased to \$454,169 from \$561,772 which represented a significant decrease of \$107,603 or 19.15% over the 2019 period. This was attributable to savings in board meeting and world council meeting costs.

Depreciation expenses increased to \$68,460 from \$21,566 representing an increase of \$46,894 or 217.44%. This was due to a full year's depreciation being charged on the new headquarters.

SURPLUS

The total comprehensive surplus for the year 2020 was \$19,961 compared with \$139,947 in 2019. A decrease of \$119,986 or 85.74%.

THE FUTURE

The overall position of the Confederation remains positive. The Board will continue to strive for continued profitability as it continues to identify additional revenue streams. This it achieved in 2020 having pivoted to establish strategic alliances with professional training institutes to improve the human capital of its member affiliates. It will continue to provide access

to services for Affiliates and their members, while utilizing increased technology as in its first virtual hosting of its AGM, electronic funds transfers and identifying areas for cost containment by remote work and virtual board meetings.

APPRECIATION

On behalf of the Board, I extend sincerest appreciation to the Management and staff of the Confederation, our member affiliates, Committees, CUNA Caribbean Insurance Society, World Council and other stakeholders for their continued support.

I also wish to extend my thanks and appreciation to my fellow Directors for their support and the opportunity to serve as your Treasurer for the period under review.



Lennox Bowman
Treasurer



Join our Supporters Network

The Development Foundation of the Caribbean Confederation of Credit Unions was initially founded in 1983, but was officially registered on May 17, 2006, under the laws of St. Christopher and Nevis pursuant to the Foundation Act.

The objectives of the Development Foundation are to operate and administer a fund or funds for the following purposes:

- a) To stimulate activities benefitting Caribbean Co-operatives nationally and regionally;
- b) To stimulate services, through co-operative projects for the relief of special disasters or emergencies;
- c) To promote youth and advance education and the development of co-operative principles within the Caribbean;
- d) To promote youth development in the Caribbean through educational opportunities and leadership training towards self-reliance
- e) To provide and in-kind assistance to organizations working to empower Caribbean people and communities with special focus on minority groups, rural communities, small businesses and small farmers; and
- f) To co-operate with governmental and non-government organizations which have objectives similar to those of the Foundation.

Whereas the main activities for which the Foundation has given financial support has been related to disaster relief and small grants for education, it is intended that the Foundation play a more pivotal role in mobilizing financial resources for the development of Caribbean Co-operatives, in keeping with its objectives.

Towards this end, the foundation is formally launching its Supporter Network, and is inviting individuals, co-operative and other institutions to invest in the future of our Caribbean communities and the sustainable development of the Co-operative Sector.

Individual and Organizational supporters can make their investments in any of the following categories denominated in US dollars:

All Supporters will be suitably acknowledged

DEVELOPMENT FOUNDATION DONORS 2020

Your Donation Makes A Difference

SUPPORTERS LEVELS

Diamond – > \$50,001
 Sapphire - \$25,001 - \$50,000
 Platinum - \$10,001 - \$25,000
 Gold - \$5,001 - \$10,000
 Silver - \$1,001 - \$5,000
 Bronze - \$1 - \$1,000

Gold - \$5,001 - \$10,000

Belize

- Holy Redeemer Credit Union Ltd.

Cayman Islands

- The Cayman Islands Civil Service Association Co-operative Credit Union Ltd.

Silver - \$1,001 - \$5,000

Dominica

- National Co-operative Credit Union Ltd.

Grenada

- Grenada Co-operative League Ltd.

Bronze - \$1 - \$1,000

Antigua & Barbuda

- Antigua & Barbuda Co-operative League Ltd.

Barbados

- Barbados Co-operative & Credit Union League Ltd.

Bermuda

- Bermuda Credit Union Co-operative Society

Jamaica

- Jamaica Co-operative Credit Union League Ltd.
- Jamaica Teachers Association Co-operative Credit Union Ltd.

St. Vincent & The Grenadines

- General Employees Co-operative Credit Union Ltd.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Financial Statements

December 31, 2020

(Expressed in United States Dollars)

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

TABLE OF CONTENTS

	Pages
Independent Auditors' Report to the Board of Directors	1-2
Statement of Financial Position	3
Statement of Comprehensive Income	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to Financial Statements	7-20



Tel: 268-462-8868
268-462-8869
268-462-8992
Fax: 268-462-8808

Cnr. Factory Road and Carnival Gardens
P.O. Box 3109
St. John's
Antigua

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Opinion

We have audited the financial statements of the Caribbean Confederation of Credit Unions ("the Confederation"), which comprise the statement of financial position as at December 31, 2020, the statements of 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 present fairly, in all material respects, the financial position of the Confederation as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

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 Confederation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 IFRS for SMEs, 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 Confederation'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 Confederation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Confederation's financial reporting process.

INDEPENDENT AUDITORS' REPORT (*cont'd*)

To the Board of Directors of
CARIBBEAN CONFEDERATION OF CREDIT UNIONS

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Confederation'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 Confederation'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 Confederation 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.



Chartered Accountants
August 11, 2021

Antigua and Barbuda

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Statement of Financial Position

December 31, 2020

(Expressed in United States Dollars)

	Notes	2020	2019
Assets			
Current Assets			
Cash at bank and on hand	3	\$ 238,026	115,709
Short-term investments	4	538,688	328,058
Accounts receivables and prepayments	5	110,801	133,675
Deferred costs	6	137,664	85,287
Total Current Assets		1,025,179	662,729
Non-Current Assets			
Property and equipment	7	921,412	913,166
Investment property	9	800,000	809,167
Total Non-Current Assets		\$ 1,721,412	1,722,333
Total Assets		2,746,591	2,385,062
Liabilities and Equity			
Current Liabilities			
Project funds	10	\$ 1,034	1,034
Accounts payable and accruals	11	62,055	56,943
Due to related party	13	31	2,827
Current portion of long-term debt	12	44,268	48,223
Total current Liabilities		107,388	109,027
Non-Current Liabilities			
Long-term debt	12	768,300	676,238
Deferred income	20	223,471	-
Total Non-Current Liabilities		991,771	676,238
Total Liabilities		1,099,159	785,265
Equity			
Reserve fund	14	528,468	458,494
Youth activity fund	15	50,679	36,684
Stabilization fund	16	176,989	155,997
Revaluation surplus	17	79,128	51,454
Staff gratuity fund		45,308	31,313
Accumulated surplus		766,860	865,855
Total Equity		1,647,432	1,599,797
Total Liabilities and Equity		\$ 2,746,591	2,385,062

Approved by the Board of Directors on August 11, 2021.

Director.....

Director.....

The notes on pages 7 to 20 are an integral part of these financial statements.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Statement of Comprehensive Income

Year ended December 31, 2020

(Expressed in United States Dollars)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Income			
Membership dues		\$ 491,032	456,278
Training income		45,444	675
Rental income		33,798	2,556
CUNA Caribbean Insurance Society Grant (CMG)		29,900	20,000
Other income		4,703	19,209
Building grant from members		3,583	54,391
Convention income	20	-	232,609
Grant Income		-	18,261
Total Income		608,460	803,979
Expenses			
Administrative expenses	19	454,169	561,772
Depreciation	7	68,460	21,566
Training expenses		34,044	-
Financial literacy app expense		3,000	3,000
Convention expenses	20	-	37,329
Amortization	8	-	18,261
Total Expenses		559,673	641,928
Operating profit for the year before finance income		48,787	162,051
Finance income		10,760	10,725
Finance cost		(39,586)	(32,829)
Finance cost, net		(28,826)	(22,104)
Surplus for the year		19,961	139,947
Total Comprehensive Income for the Year		\$ 19,961	139,947

The notes on pages 7 to 20 are an integral part of these financial statements.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Statement of Changes in Equity

Year ended December 31, 2020

(Expressed in United States Dollars)

	Notes	Reserve Fund	Youth Activity Fund	Stabilization Fund	Revaluation Surplus	Building Fund	Staff Gratuity Fund	Accumulated Surplus	Total
Balance at December 31, 2018		\$ 458,494	36,684	155,997	51,454	432,745	31,313	293,163	1,459,850
Surplus for the year		-	-	-	-	-	-	139,947	139,947
Transfer from retained earnings	18	-	-	-	-	(432,745)	-	432,745	-
Balance at December 31, 2019		\$ 458,494	36,684	155,997	51,454	-	31,313	865,855	1,599,797
Surplus for the year		-	-	-	-	-	-	19,961	19,961
Transfer from retained earnings		69,974	13,995	20,992	-	-	13,995	(118,956)	-
Revaluation surplus	17	-	-	-	27,674	-	-	-	27,674
Balance at December 31, 2020		\$ 528,468	50,679	176,989	79,128	-	45,308	766,860	1,647,432

The notes on pages 7 to 20 are an integral part of these financial statements.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Statement of Cash Flows

Year ended December 31, 2020

(Expressed in United States Dollars)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities			
Surplus for the year		\$ 19,961	139,947
Adjustments for:			
Depreciation	7	68,460	21,566
Interest expense		39,586	32,829
Bad debt expense		17,911	12,439
Revaluation loss on investment property	9	9,167	-
Amortization	8	-	18,261
Deferred grant income		-	(18,261)
Interest income		(10,760)	(10,725)
Operating profit before changes in working capital		144,325	196,056
Change in other receivables and prepayments		11,175	(57,351)
Change in deferred costs		(52,377)	(567,270)
Change in accounts payable and accruals		2,131	453,957
Change in due from related party		-	45,380
Change in due to related party		(2,796)	2,827
Net cash provided by operating activities		102,458	73,599
Cash flows from investing activities			
Purchase of property and equipment	7	(55,244)	(723,966)
Interest received		10,391	10,736
Change in short-term investments		(210,261)	(9,163)
Net cash used in investing activities		(255,114)	(722,393)
Cash flows from financing activities			
Proceed from loan		88,107	724,461
Donations received		223,471	-
Interest paid		(36,605)	(32,829)
Net cash provided by financing activities		274,973	691,632
Increase in cash during the year		122,317	42,838
Cash at beginning of year		115,709	72,871
Cash at end of year	3	\$ 238,026	115,709

The notes on pages 7 to 20 are an integral part of these financial statements.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements

December 31, 2020

(Expressed in United States Dollars)

1. Incorporation and Principal Activity:

The Caribbean Confederation of Credit Unions (the "Confederation") was incorporated under the Laws of St. Christopher and Nevis pursuant to the Companies Act 335 on February 13, 2005 as a limited liability Company.

The registered office of the Confederation is located at the corner of Wilkin Street & St. Johnston Avenue, Fortlands, Basseterre, St. Kitts. At December 31, 2020, the Confederation had seven (7) (2019: six (6)) employees.

The Caribbean Confederation of Credit Unions was established at the Sixth Caribbean Conference of Credit Unions held in Dominica on August 18, 1972. The objectives generally are to promote the development of the Credit Union Movement in the Caribbean and adjacent territories.

The constitution provides that the Caribbean Confederation of Credit Unions shall be operated on a non-profit basis and net income shall be utilised for the carrying out of its aims and objectives and for any other activity incidental thereto.

2. Basis of Preparation:

(a) *Statement of Compliance:*

These financial statements of the Caribbean Confederation of Credit Unions have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) adopted by the International Accounting Standard Board (IASB).

These financial statements were approved by the Board of Directors on August 11, 2021.

(b) *Basis of measurement:*

The financial statements have been prepared under the historical cost convention except for land and buildings and investment property which are measured at fair value.

(c) *Cash at bank and on hand:*

Cash is comprised of cash at bank held in deposit accounts and cash on hand.

(d) *Impairment of Assets:*

At each reporting date the assets of the Confederation are reviewed to determine whether there is objective evidence of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an assets exceeds its recoverable amount. Impairment losses are recognized immediately to profit or loss.

A previously recognized impairment loss is reversed if there has been a change in the estimation used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized immediately to profit or loss.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (*cont'd*)

December 31, 2020

*(Expressed in United States Dollars)*2. **Basis of Preparation:** (*cont'd*)(e) **Accounts Receivable:**

Accounts receivable are amounts due from debtors for dues, other contributions or services performed in the ordinary course of the Confederation's operations. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Accounts receivable are stated at cost less impairment losses.

(f) **Property and Equipment:**

Land and buildings are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity to ensure the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 Confederation and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against reserves directly in equity; all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from 'revaluation surplus' to 'accumulated fund'.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, at the following annual rates:

Building	2%
Non-project furniture and equipment	10% to 33⅓%
Project equipment	20% to 33⅓%
Electronic equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2020

*(Expressed in United States Dollars)***2. Basis of Preparation and Accounting Policies: (cont'd)****(f) Property and Equipment: (cont'd)**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the statement of comprehensive income.

When revalued assets are sold, the amounts included in revaluation reserves are transferred to accumulated fund.

(g) Intangible Assets:

Intangible assets are identifiable non-monetary assets without physical substance. These are measured at cost less accumulated amortization and any impairment losses. The acquired Financial Literacy Software Application is capitalized on the basis of the cost incurred to develop and bring the application to use.

Capitalized costs are amortized on a straight line basis over the estimated useful life. Residual values and useful lives are reviewed at each reported date.

The estimated useful life of the Financial Literacy Software Application is three (3) years.

(h) Provisions:

Provisions are recognised when the Confederation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(i) Accounts Payable and accruals:

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of the Confederation's operations. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accounts payable and accruals are carried at cost, which is the fair values of the consideration to be paid in the future for goods and services received whether or not billed to the Confederation.

(j) Borrowings:

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transactions costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (*cont'd*)

December 31, 2020

*(Expressed in United States Dollars)***2. Basis of Preparation and Accounting Policies: (*cont'd*)****(k) Revenue Recognition:**

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Confederation's activities and is recognised on the accrual basis. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(l) Grants:

The Confederation records grants from donor agencies in the period when the funds are received, and the relevant amounts are transferred to income in the period when the expenditure occurs.

(m) Functional and Presentation Currency:

The financial statements are presented in United States dollars which is the Confederation's functional and presentation currency.

(n) Foreign Currency Transactions:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(o) Use of Estimate and Judgements:

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(p) Investment Property:

Property held to earn rental income or for capital appreciation or for both is classified as Investment Property. Investment Property whose fair value can be measured reliably is recorded initially at its cost including transaction costs and subsequently at its fair value at each reporting date, with the changes in the fair value recorded in profit and loss.

If the fair value is not reliably measurable without undue cost or effort, the property is then included in property, plant and equipment.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2020

(Expressed in United States Dollars)

3. Cash at bank and on hand:

	2020	2019
St. Kitts-Nevis-Anguilla National Bank	\$ 231,420	109,200
Nevis Co-operative Credit Union Ltd.	5,695	5,587
St. Kitts Co-operative Credit Union Ltd.	891	871
Cash on hand	20	51
	<u>\$ 238,026</u>	<u>115,709</u>

4. Short-term investments:

a) Investment Fund:

	2020	2019
FX Fund at Credit Union Fund Management Co.	\$ 201,176	-

b) Fixed deposits:

One (1) year fixed deposit at St. Kitts Co-operative Credit Union Limited maturing on May 15, 2021 bearing interest at a rate of 3%.	\$ 113,079	109,833
One (1) year fixed deposit at Capita Financial Services Inc. maturing on November 19, 2021 bearing interest at a rate of 3%.	131,487	127,648
One (1) year fixed deposit at Dominica Co-operative Societies League Limited maturing on November 20, 2021 bearing interest at a rate of 2.4%.	50,438	49,256
One (1) year fixed deposit at Grenada Co-operative League Limited maturing on November 22, 2021 bearing interest at a rate of 3%.	39,738	38,920
	334,742	325,657
Interest receivable	2,770	2,401
Total fixed deposits	337,512	328,058
Total short-term investments	<u>\$ 538,688</u>	<u>328,058</u>

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2020

(Expressed in United States Dollars)

5. Accounts Receivables and Prepayments:

	2020	2019
Accounts receivable	\$ 129,249	135,581
Prepayments	10,004	9,867
Other receivables	1,898	666
	141,151	146,114
Provision for bad debts	(30,350)	(12,439)
	\$ 110,801	133,675

6. Deferred Costs:

Deferred costs relate to expenses incurred during the current financial year for which benefits are expected in the subsequent periods. The costs recognised in the financial statements are those directly attributable to pre-convention expenses.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2020

(Expressed in United States Dollars)

7. Property and Equipment:

	Land & Land Improvements	Building	Non-project Furniture and Equipment	Project Equipment	Electronic Equipment	Work -in - Progress	Total
Cost/Valuation:							
December 31, 2018	\$ 131,545	-	29,839	1,163	28,993	879,256	1,070,796
Additions	57,167	-	63,224	-	134,220	469,355	723,966
Disposals	-	-	-	-	(770)	-	(770)
Transfers	-	539,444	-	-	-	(539,444)	-
Transfers to Investment property	-	-	-	-	-	(809,167)	(809,167)
December 31, 2019	188,712	539,444	93,063	1,163	162,443	-	984,825
Additions	-	-	25,085	-	30,159	-	55,244
Disposals	-	-	-	-	-	-	-
VAT Refund Adjustment	-	(6,212)	-	-	-	-	(6,212)
Revaluation	12,491	100	-	-	-	-	12,591
December 31, 2020	\$ 201,203	533,332	118,148	1,163	192,602	-	1,046,448
Depreciation:							
December 31, 2018	\$ -	-	26,800	1,163	22,900	-	50,863
Charge for the year	633	3,304	6,340	-	11,289	-	21,566
Disposals	-	-	-	-	(770)	-	(770)
December 31, 2019	633	3,304	33,140	1,163	33,419	-	71,659
Charge for the year	6,531	15,525	17,125	-	29,279	-	68,460
Revaluation	(4,000)	(11,083)	-	-	-	-	(15,083)
December 31, 2020	\$ 3,164	7,746	50,265	1,163	62,698	-	125,036
Carrying value:							
December 31, 2020	\$ 198,039	525,586	67,883	-	129,904	-	921,412
December 31, 2019	\$ 188,079	536,140	59,923	-	129,024	-	913,166

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2020

(Expressed in United States Dollars)

8. Intangible Assets:

Cost:	Total
At December 31, 2018	\$ 54,783
Additions	-
Disposals	-
At December 31, 2019	54,783
Additions	-
Disposals	-
At December 31, 2020	\$ 54,783
Accumulated Amortization:	
At December 31, 2018	\$ 36,522
Charge for the year	18,261
At December 31, 2019	54,783
Charge for the year	-
At December 31, 2020	\$ 54,783
Carrying Value	
At December 31, 2020	\$ -
At December 31, 2019	\$ -

9. Investment Property:

	2020	2019
Balance, beginning of the year	\$ 809,167	-
Fair value loss on investment property	(9,167)	-
Transfer from work in progress	-	809,167
Balance, end of year	\$ 800,000	809,167

Investment property comprises of a section of the new Caribbean Confederation of Credit Union headquarters that is leased to third parties.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2020

(Expressed in United States Dollars)

10. Project Funds:

	2020	2019
OECS Project Phase II	\$ 1,034	1,034

The purpose of this project is to advance the upgrading of the regulatory framework of the OECS Credit Union System combined with increased self-regulation and compliance, enhanced internal safety procedures and practices and greater e-business connectivity. The establishment of the Regional Stabilization and Supervisory Unit (RSSU) is a major component of this project.

11. Accounts Payable and Accruals:

	2020	2019
Trade payables	\$ 4,869	20,154
Accruals	42,374	29,894
Other payables	7,878	6,895
Payroll liabilities	3,953	-
Interest payable	2,981	-
	\$ 62,055	56,943

12. Long Term Debt:

	2020	2019
Secured term loan bearing interest at the rate of 4.5% per annum from St. Kitts-Nevis-Anguilla National Bank Limited payable in monthly installments of \$6,600 and maturing on December 28, 2033.		
The loan was secured with a property located at Fortlands, Basseterre, which comprises of 16,992.61 sq. ft. of land and a building erected thereon.		
	\$ 812,568	724,461
	812,568	724,461
Less: Current portion	(44,268)	(48,223)
	\$ 768,300	676,238

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2020

*(Expressed in United States Dollars)***13. Related Party Transactions:**

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties can arise by way of common ownership, common directors and management.

The Caribbean Confederation of Credit Unions conducts various transactions with and on behalf of the Caribbean Confederation of Credit Unions Development Foundation. The nature of these transactions relate primarily to receipts of pledges, expenses, payments and donations.

The outstanding balances of related party transactions are as follows:

Due to related party:

	2020	2019
Caribbean Confederation of Credit Unions Development Foundation	\$ 31	2,827

Key Management Compensation

	2020	2019
Key members of management	\$ 94,900	94,900

During the year, key management compensation comprised of management salary, allowances, bonus and gratuity.

14. Reserve Fund:

	2020	2019
Balance, beginning of year	\$ 458,494	458,494
Transfer from retained earnings	69,974	-
Balance, end of year	\$ 528,468	458,494

The Board of Directors approved the establishment of a reserve fund of fifty percent (50%) of net income or not less than \$20,000 to be held in the form of liquid investments commencing the financial year ended December 31, 2010. The reserve fund computation excludes income received to establish the Stabilization Fund.

15. Youth Activity Fund:

On December 31, 2013 the Board of Directors approved the establishment of a Youth Activity Fund. The mandate for this fund would aid in the development and provision of youth development activities at the annual conventions. During the year, the Board of Directors approved the transfer of \$13,995 to the fund (2019:nil). At year end, the Youth Activity Fund amounted to \$50,679 (2019: \$36,684).

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2020

*(Expressed in United States Dollars)***16. Stabilization Fund:**

In 2011, the Confederation established a Stabilization Fund to assist Credit Unions of the Organization of Eastern Caribbean States whose investment portfolio have been significantly impaired as a result of the financial difficulties of Colonial Life Insurance Company and British American Insurance Company Limited. This fund was capitalized with an initial \$100,000 from The Caribbean Confederation of Credit Union Development Foundation. During the year, the Board of Directors approved the transfer of \$20,992 to the fund (2019:nil). At year end, the Stabilization Fund amounted to \$176,989 (2019: \$155,997).

17. Revaluation Surplus:

The revaluation surplus relates to the net appreciation of land based on revaluations performed by an independent property appraiser (note 7).

	<u>Note</u>	<u>2020</u>	<u>2019</u>
Balance, beginning of year		\$ 51,454	51,454
Revaluation of land and building	7	27,674	-
Balance, end of year		\$ 79,128	51,454

18. Building Fund:

During the year ended December 31, 2015, the Board of Directors approved the establishment of a building fund for the purpose of financing the construction of the new CCCU Headquarters. Several credit union leagues and associated members made donations to the fund. The Board also supplemented the fund by transferring additional amounts from the accumulated surplus annually. The building was completed in 2019 and the fund balance amounting to \$432,745 was transferred to accumulated surplus.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2020

(Expressed in United States Dollars)

19. Administrative Expenses:

	<u>Note</u>	<u>2020</u>	<u>2019</u>
Payroll and related costs	21	\$ 255,104	197,901
Board and committee's expenses		37,964	100,769
World Council of Credit Unions dues		28,575	28,575
Repairs and maintenance		21,811	8,986
Bad debts expense		17,911	12,439
Professional fees and expenses		16,317	11,167
Insurance		12,771	6,491
Audit fees		11,600	11,600
Loss on investment property	9	9,167	-
Telephone and utility expenses		8,766	18,245
Subscription and donations		7,752	15,173
AGM related expenses		5,117	24,552
Advertising and promotion		3,550	30,842
Stationery, printing and supplies		3,331	6,639
Affiliates		3,082	3,042
Official Travel		1,734	25,522
Rental expense		-	36,080
World Council of Credit Unions meeting		-	18,999
Miscellaneous expenses		9,617	4,750
Total expenses		\$ 454,169	561,772

20. Convention Income and Expenses:

No convention was held in 2020 due to the outbreak of the Coronavirus (Covid-19) pandemic. Consequently, convention registration fees and sponsorships received during the year amounting to a total of \$223,471 were recognised as deferred income in the statement of financial position as at December 31, 2020 (2019:nil).

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2020

(Expressed in United States Dollars)

20. Convention Income and Expenses: (cont'd)

The table below shows the Confederation's convention income and expenses:

	2020	2019
Convention income		
Registration fees	\$ -	207,056
Sponsorship and booth rental	-	25,553
	\$ -	232,609
Convention expenses		
Facilitators' fees and expenses	\$ -	3,733
Opening and closing ceremony	-	4,280
Convention secretariat service	-	4,728
Board accommodation and expenses	-	12,097
Bank charges	-	734
CEO's roundtable	-	4,030
Pre-convention planning expenses	-	7,671
Miscellaneous expense	-	56
Total convention expenses	\$ -	37,329
Total net convention income	\$ -	195,280

21. Payroll and Related Costs:

	2020	2019
Salaries and wages	\$ 202,566	156,848
Housing allowance	12,000	12,000
Statutory deductions	14,143	10,433
Gratuity	9,933	6,600
Employee travel	7,385	4,710
Staff welfare	6,677	4,910
Entertainment allowance	2,400	2,400
	\$ 255,104	197,901
Number of Employees	7	6

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (*cont'd*)

December 31, 2020

*(Expressed in United States Dollars)***22. Taxation:**

The Confederation is exempt from corporation and other taxes under Section 5 (b) of the Income Tax Ordinance #17, 1966.

23. Coronavirus (Covid-19) Pandemic:

The Coronavirus (Covid-19) pandemic had caused the postponement of the international convention and annual meeting, which was originally scheduled to be held in Punta Cana, Dominican Republic in June 2020. This resulted in an increase in deferred convention income and a decrease in convention-related expenses.



CONTACT

+1 (869) 466-9453



www.caribccu.coop



P.O. Box 1213
Corner of Wilkin Street and St.
Johnston Avenue
Fortlands,
Basseterre,
St. Kitts

