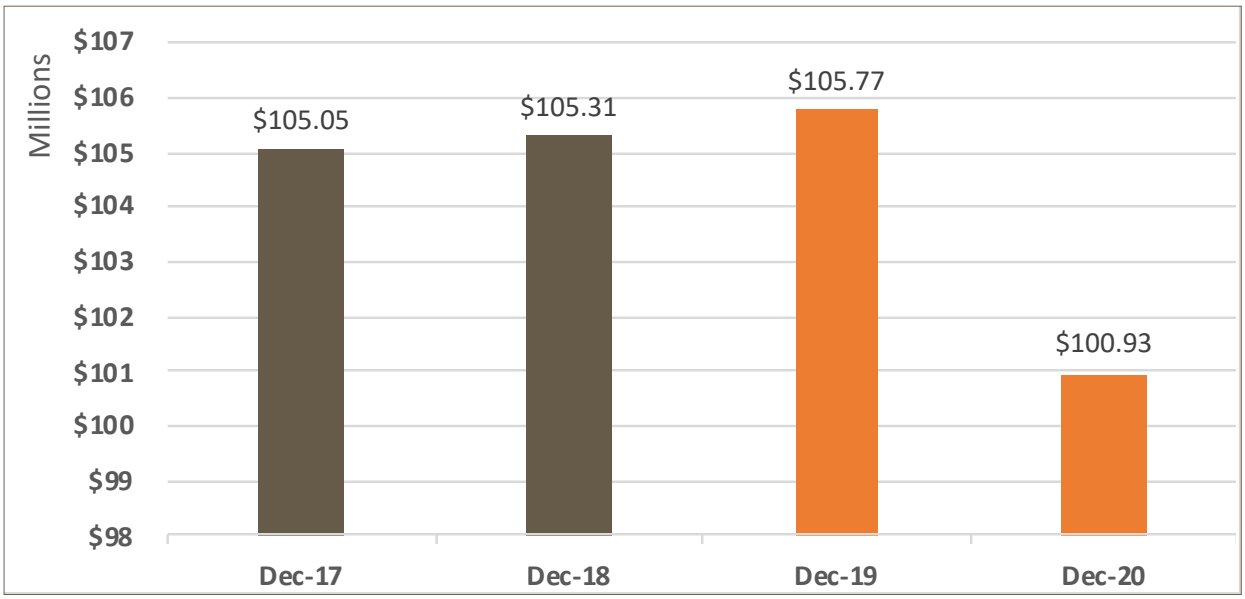
Financial Highlights

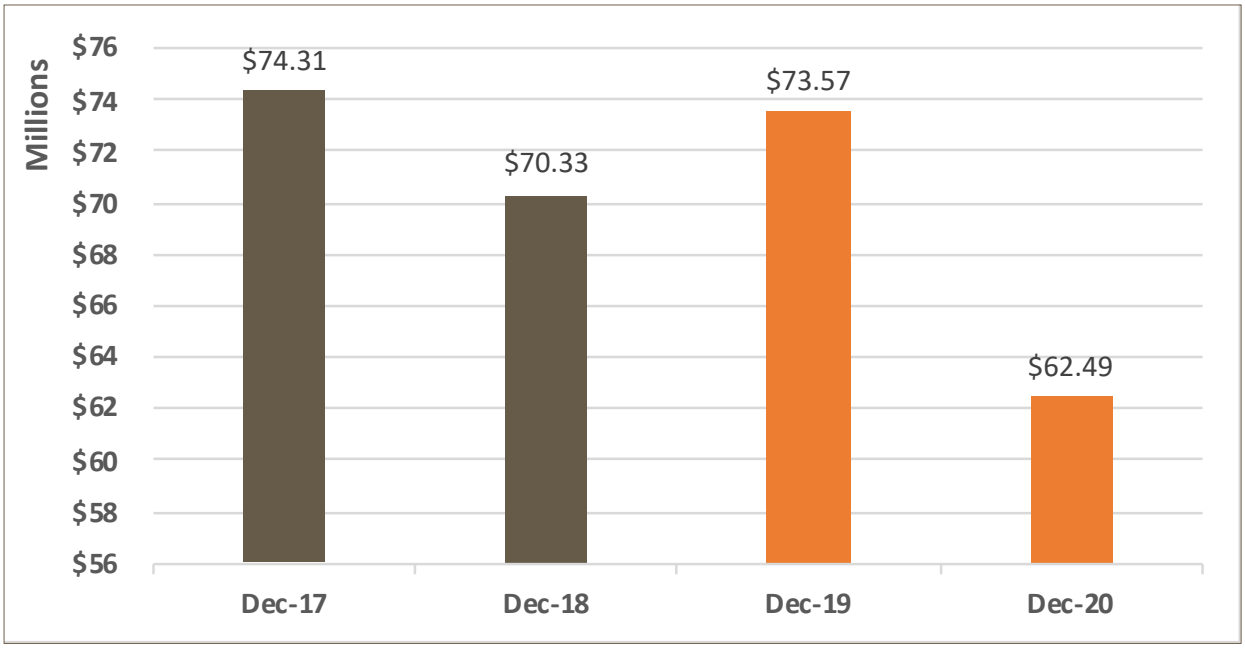
TOTAL ASSETS

Total Assets increased by .2% in 2018 and 0.4% in 2019. There was a decline of -4.8% in 2020.

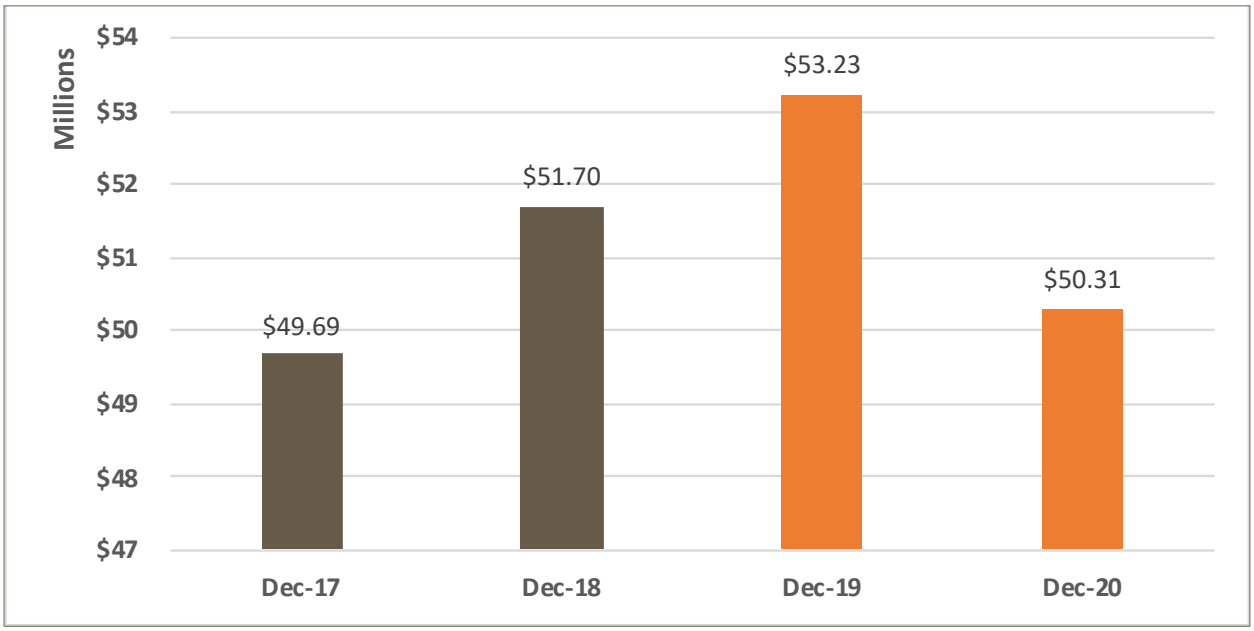


TOTAL MEMBERS LOANS

Total Loans decreased by -6% between 2018 and 2017, increased by 4% in 2019 and declined by -18% in 2020.

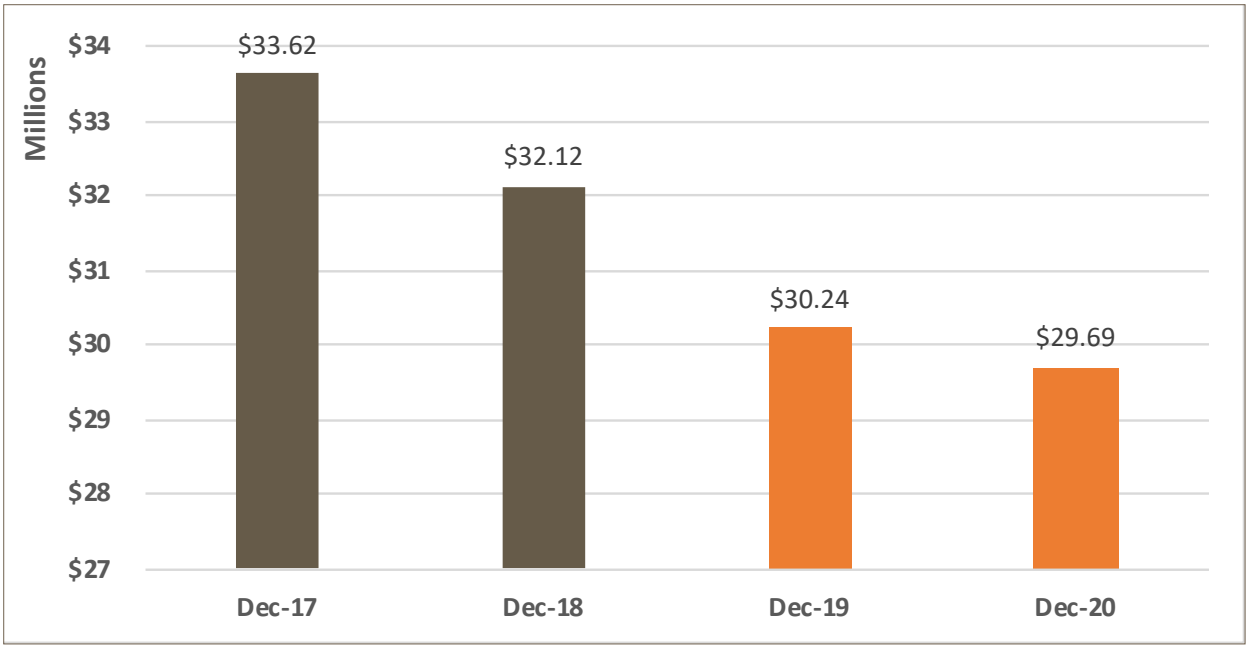


TOTAL MEMBERS SHARES



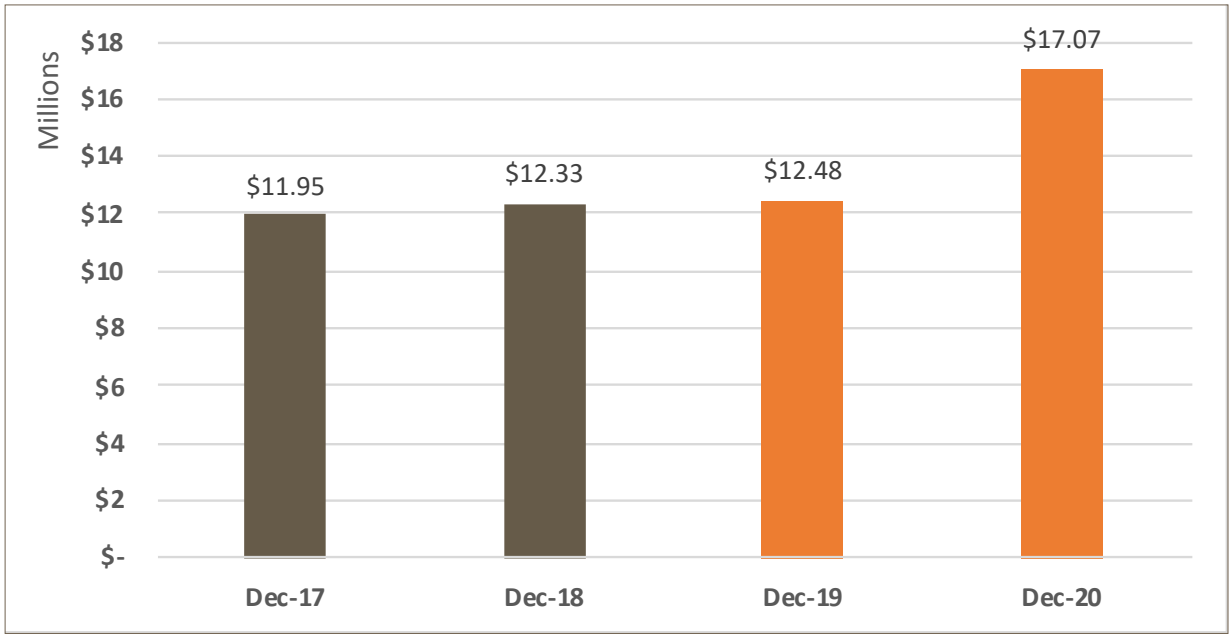
Total Shares increased by 3.9% in 2018 over 2017 and 2.9% in 2019, while Total Deposits declined by -4.7% and -6.2% respectively. Both Shares and Deposits declined in 2020 by -5.8% and -1.9%.

TOTAL MEMBERS DEPOSITS



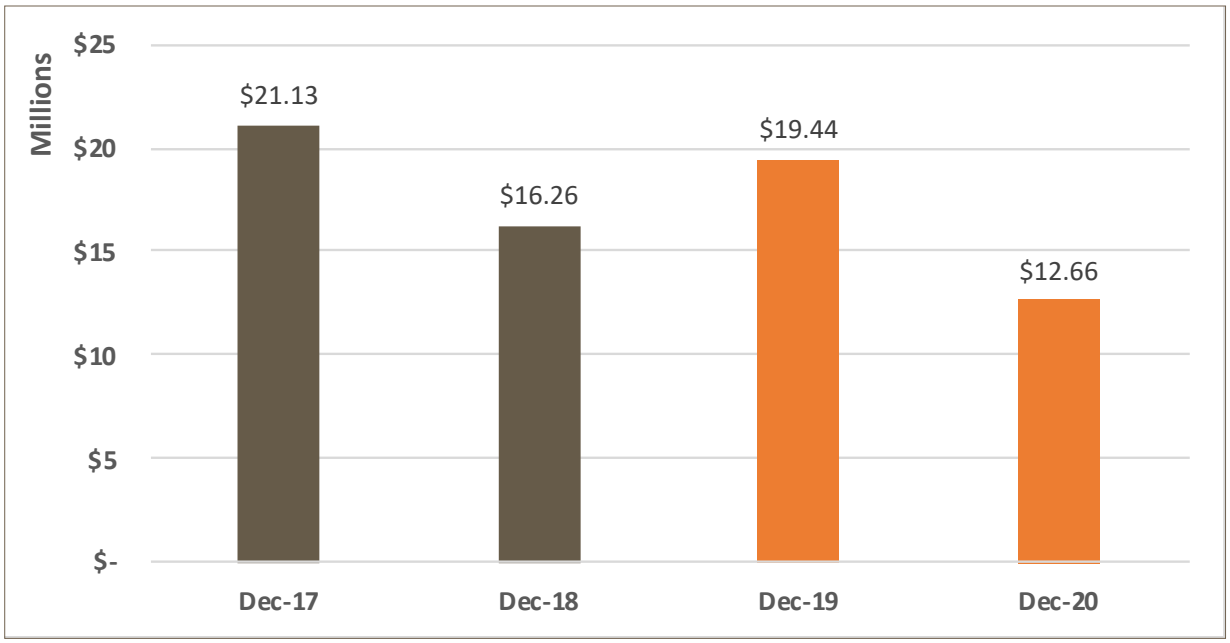
TOTAL INVESTMENTS

Total Investments increased by 2.1% and 3.2% between 2018 and 2019 respectively. There was an increase of 26.9% in 2020.



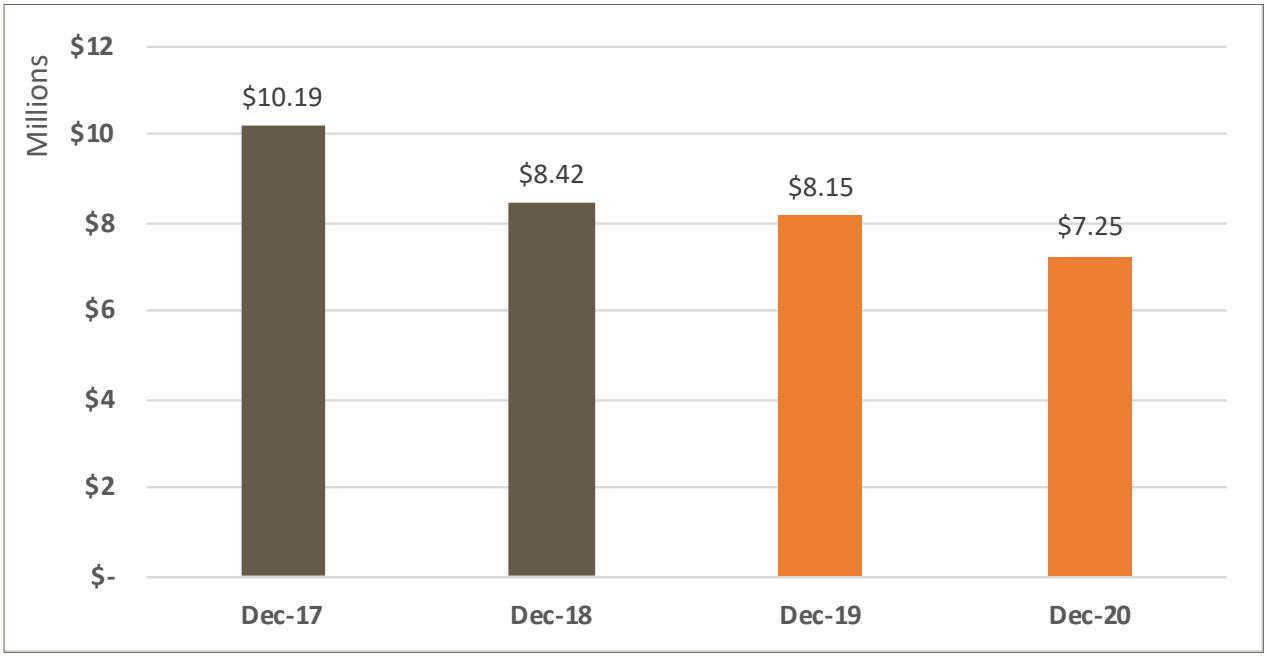
LOANS GRANTED

Loans granted declined by -29.9% in 2018 and increased by 16.3% in 2019. In 2020 there was a decline of -53.5% compared to 2019.



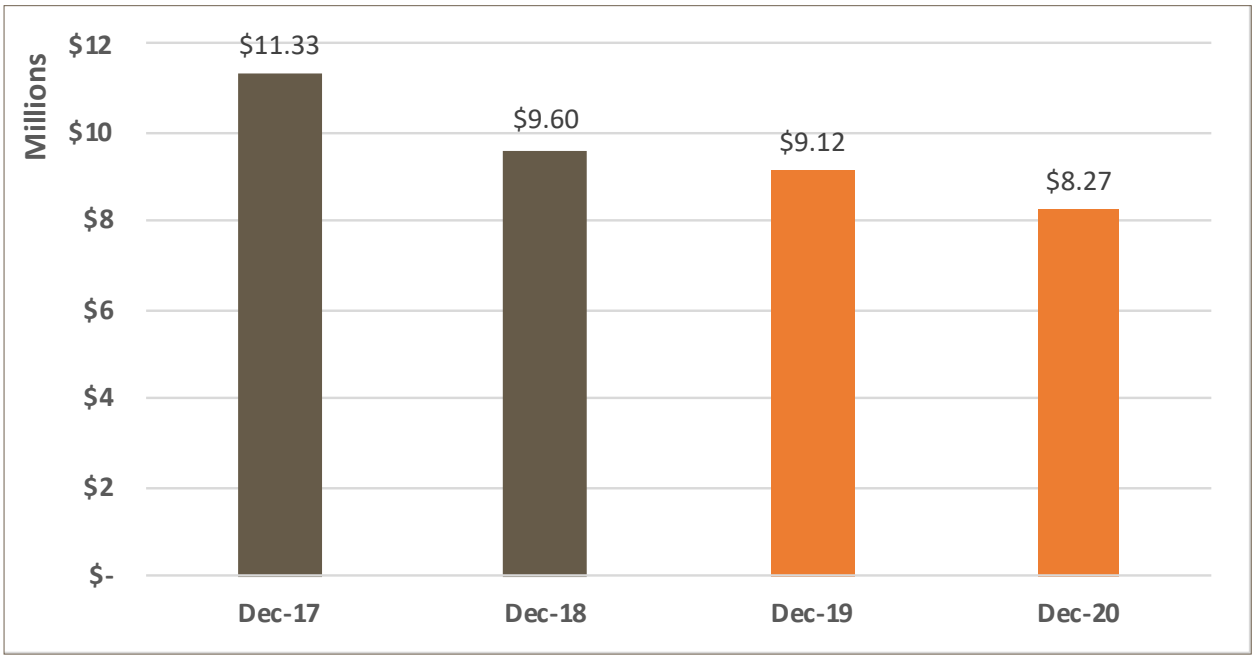
LOAN INTEREST INCOME

There was a decline of -21.0%, -3.4% and -12.5% in Loan Interest Income in 2018, 2019 and 2020 respectively.



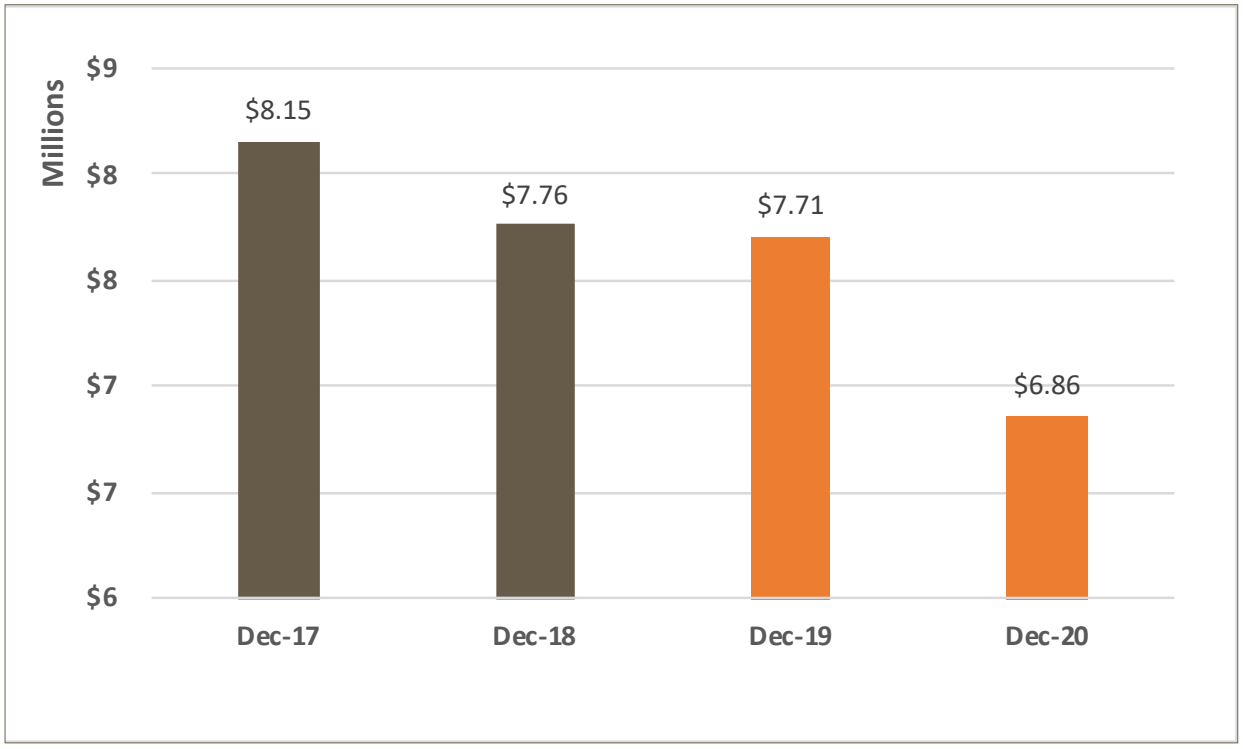
Total Income declined from $11.3m in 2017 to $8.27m in2020.

INCOME



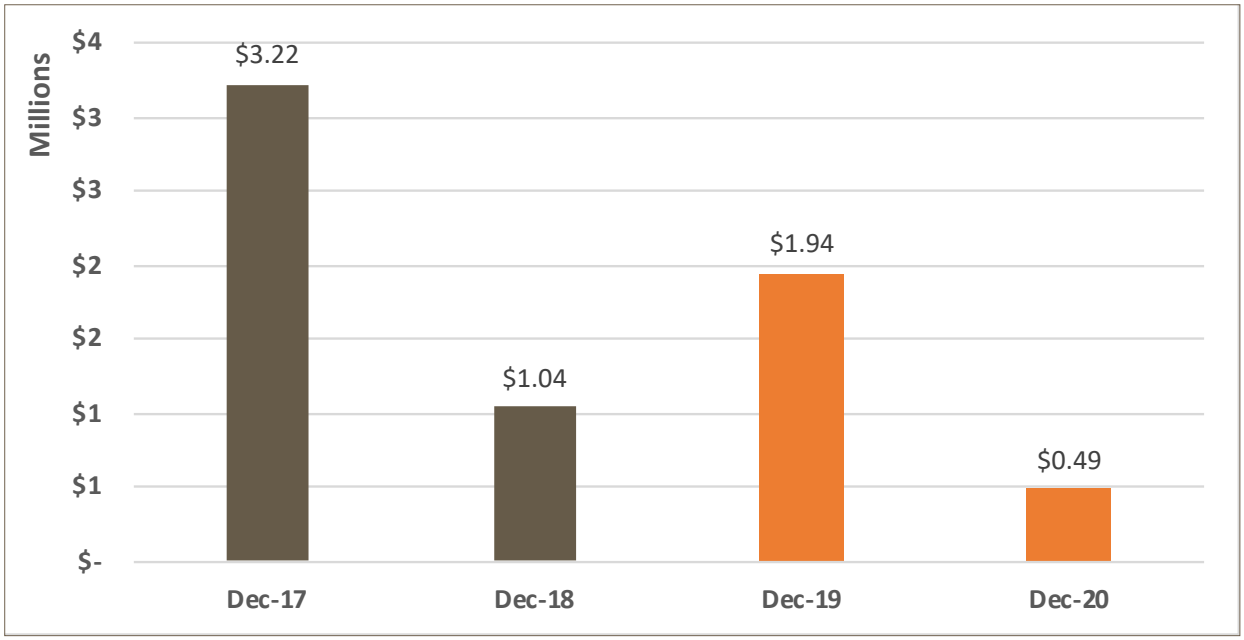
EXPENSES

Total Expenses declined by -5.1% in 2018, -0.7% in 2019 and -12.3% in 2020.



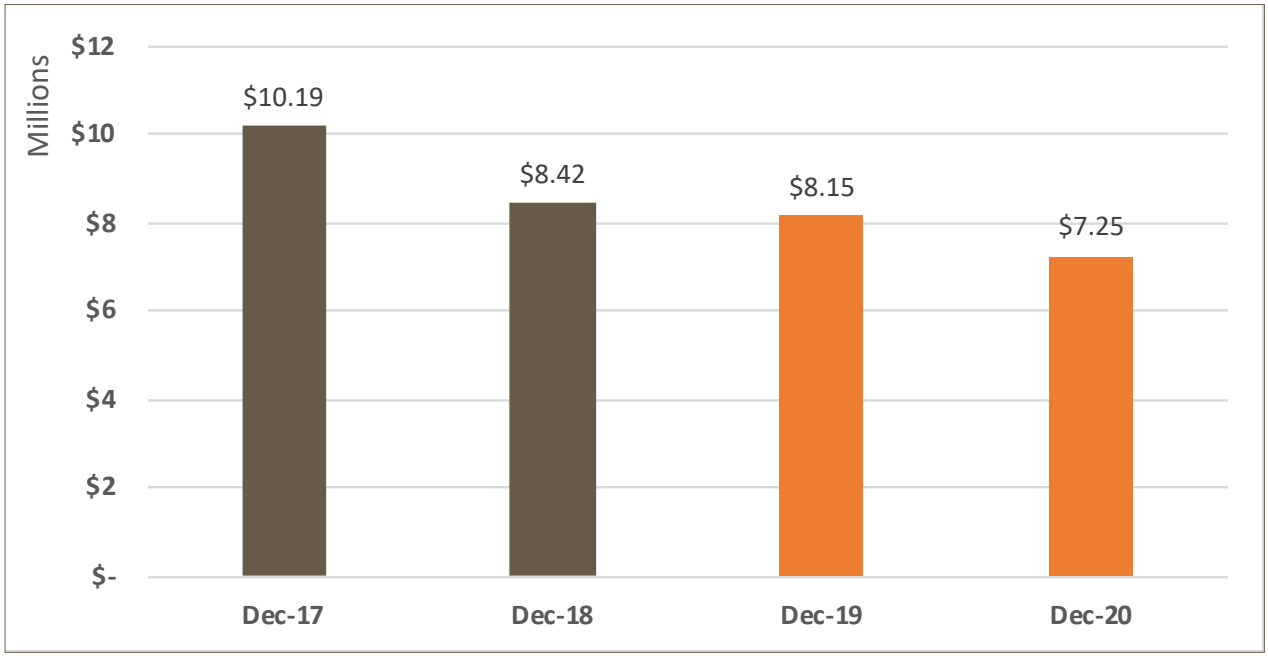
SURPLUS

Net Surplus declined by -209.4% in 2018, increased by 46.4% in 2019 and declined by -298.4% in 2020.



LOAN LIQUIDATION

Loans were liquidated to the value of $4.86m, $4.33m and $6.64m in 2018, 2019 and 2020 respectively.



The economic environment in 2020 followed on two previous years of stagnation, retrenchment at state companies, slow down in the global economy, decline in energy production, foreign currency scarcity and a general uncertainty about job security within both the public and private sectors. Enter COVID-19 in early 2020 to stymie growth efforts. Community Care operated in this environment and was not immune to its effects.

The Loan portfolio, which is the main source of the Credit Union's income was negatively impacted by the combination of a reduction in loan demand, delinquency, competition from banks and other non-bank lending institutions, as evidenced by the $15.8m of loans liquidated in the past three years. Additionally, the UCL workforce reduction had a double impact on both delinquency and loan demand as some of those members chose to utilize internal savings to reduce their indebtedness, while others have defaulted on their loan payments.

As a financial institution, we are obligated to adopt best practice in accounting standards and provide for the possibility of partial or non-recovery of loans. Adherence to the IFRS9 requirements meant a portion of the annual surplus must be set aside to cater for non-payment on delinquent loans. Additionally, we had to extend loan deferrals to 130 plus members, some of whom have still not fully recovered from the financial effects of COVID-19. Loans for some of these members have been restructured to match what they can afford to pay to maintain to avoid total delinquency.

A collection of different approaches has been adopted to treat with delinquency from as early as 15 days past due; supported by the addition of bailiff services, frequent publication/circulation of names of delinquent members and engaging another collection and small claims agency. Early results

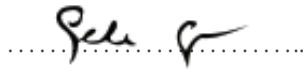
suggest that once these approaches are maintained and coupled with sustained vigilance there will be an increase in recoveries/collections and a reduction in delinquency. We have also introduced a Skip A Payment option to assist those members who may face a challenge during the loan repayment period and need to divert funds to satisfy that requirement.

The reduced loan demand provided an opportunity for reinvestment of non-earning funds. This resulted in an increase of $4.59m in Total Investments. Mindful of the reduced income, we introduced a Just in Time (JIT) system to manage expenditure. This resulted in two years of reduced expenditure from $7.7m in 2018 to $6.86m in 2020.

The negative growth in Total Assets is directly linked to the reduction in the Loan Portfolio as previously outlined. This is our Credit Union and as owners when you utilize our products and services, especially loans and maintain those loans, all members will benefit from healthy dividends.

One of the thorny issues, which has plagued us for the past five months relates to the Visa Debit Card. The provider changed its software in September 2020 and since then operations have not been restored to an acceptable level of normalcy. We are in continuous dialogue with the bank to arrive at a mutually agreeable position.

Despite the above, the Board has proposed a 4.5% dividend. We again urge each of you to support your Credit Union as we move towards our 70th Anniversary in the year 2022.



Angela Carrington
Ceo/Treasurer