



COK SODALITY CO-OPERATIVE CREDIT UNION LTD.

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ANNUAL REPORT 2014

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NOTICE

Notice is hereby given that the 48th Annual General Meeting of COK Sodality Co-operative Credit Union Limited will be held on Wednesday, May 6, 2015, at the Jamaica Conference Centre, starting at 1:00 p.m.

Registration commences at 12:00 noon.

Take further notice that at this meeting COK Sodality intends to have resolutions passed to address or amend rules relating to the following:

- Change in the minimum Permanent Share requirement
- When a person ceases to be a Member
- Additional grounds for expulsion
- Loans to employees
- Treatment of loans for Charge-off

Christopher Robinson
Secretary
April 2015

AGENDA

1. Ascertainment of Quorum
2. Call to Order & Notice of Annual General Meeting
3. Opening Prayer
4. Obituaries
5. Welcome & Apologies
6. Adoption & Confirmation of Minutes of the 47th Annual General Meeting
 - Matters Arising
7. Reports
 - a. Board of Directors
 - b. Treasurer and Auditors
 - Presentation of Budget
 - c. Credit Committee
 - d. Supervisory Committee
 - e. Delegates to the Jamaica Co-operative Credit Union League's (JCCUL) AGM
 - f. Delegates to the Jamaica Fishermen Co-operative Union Limited's AGM
8. Fixing of Maximum Liability
9. Elections
 - a. Appointment of Returning Officer
 - b. Nominating Committee's Report
 - c. Election of:
 - i. Board of Directors
 - ii. Credit Committee
 - iii. Supervisory Committee
 - iv. Delegates to the JCCUL
 - v. Delegates to the Jamaica Fishermen Co-operative Union Limited.
 - vi. Delegates to the Jamaica Co-operative Insurance Agency (JCIA)
10. Resolutions
11. Any Other Business
12. Termination

CORPORATE PROFILE

THE CITY'S CREDIT UNION

The then City of Kingston Co-operative Credit Union Limited (COK), was incorporated in October 1967 in response to the need for an inclusive credit union that offered membership to citizens of Kingston and St. Andrew. This was essential as, although there were some 130 credit unions at the time, membership was restricted to specific professions or church groups. The COK concept meant that, for the first time, people could join a credit union once they were residents of the Corporate Area.

The visionaries behind COK's early days, along with CUNA Mutual, the Registrar of Co-operatives and the Jamaica Co-operative Credit Union League, each played an important role in nurturing the burgeoning credit union. COK held its first Annual General Meeting on November 24, 1967 with 13 members with total shares of sixty pounds, which then was equivalent to Jamaican \$120.

HISTORIC OCCASION

November 1, 2009 marked an historic occasion as COK, long regarded as the largest credit union in membership in both Jamaica and the English-speaking Caribbean, merged with the credit union hailed as the pioneer of the movement being the oldest credit union – Sodality Co-operative Credit Union Limited. As such, the new institution is now the COK Sodality Co-operative Credit Union Limited ("Credit Union" or "Society" or "COK Sodality").

With the merger, it should be noted that among the key benefits afforded to COK Sodality is the extension of a bond that, for the first time in the history of the movement, is both community-based (geographical) and associational (based on affiliation). This means that COK Sodality's membership is open to:

- a) Persons of the universal catholic faith (believing that Jesus Christ is resurrected Lord)
- b) Persons working or living in Kingston & St. Andrew
- c) Employees of the Society
- d) Relatives of members who qualify under (a) and (c) aforementioned, provided that relatives include Mother, Father, Brother, Sister, Son, Daughter, Aunt, Uncle, Husband, Wife, Niece, Nephew and Grandparents; and

- e) Members of other co-operatives

GOVERNANCE

While COK Sodality is led by a member-appointed Board of Directors headed by its first female President Miss Carol Anglin, the daily operations of the Credit Union are the responsibilities of the management team led by Chief Executive Officer, Mrs. Jacqueline Mighty, who during 2014 was adeptly supported by Senior Managers Linda Miller, Desmond Foster, the late Lloyd Black and seventeen administrative/ Branch managers.

COK Sodality, at the end of December 2014, managed over \$7.5B in Assets, \$6.5B in Savings and \$5.2B in Loans on behalf of over 264,000 members through a branch network of 5 locations – 2 in the Kingston Metropolitan Region (Half- Way-Tree & Cross Roads), and one each in Portmore, Mandeville and Montego Bay.

PRODUCT OFFERINGS

In addition to its wide and balanced menu of loan facilities and savings/investment plans, the Credit Union operates a Micro Finance Centre, offers Individual Health Insurance, an Approved Retirement Scheme (ARS) packaged as the COK Pension Plan, notable the oldest ARS in the island, remittance services through the COK Remittance Services Limited as well as, Cambio operations which has been in existence for over 20 years through COK Exchange Cambio Services.

As COK strives to expand and offer superior service to its membership in Jamaica and the diaspora, the Credit Union has formed alliances/ forged partnerships, for example with Paymaster, signed memoranda of understanding with Credit Unions in the wider Caribbean and South Florida as well as acquired shares in MoneyMasters Limited, a licensed securities dealer.

MISSION

COK Sodality takes its mission of 'improving the well-being of its members' seriously and with 'One Voice' uses this medium to thank all its members for their continued support and pledges its ongoing commitment to assist them to achieve their goals faster, by building the ideal product solutions around them.

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MINUTES OF THE ANNUAL GENERAL MEETING

MINUTES OF THE FORTY-SEVENTH ANNUAL GENERAL MEETING OF COK SODALITY CO-OPERATIVE CREDIT UNION LIMITED HELD ON WEDNESDAY, MAY 7, 2014 AT THE JAMAICA CONFERENCE CENTRE COMMENCING AT 1:30PM

ASCERTAINMENT OF QUORUM AND CALL TO ORDER

Having ascertained from the Chief Executive Officer, Mrs. Jacqueline Mighty, that 196 persons were registered and in attendance and that the COK Sodality Co-operative Credit Union Annual General Meeting (AGM) was legally constituted as per Rule 61 Section i (d), the President Ms. Carol Anglin, Chairman, called the Forty-seventh AGM to order at 1:30pm.

READING OF NOTICE CONVENING THE MEETING

Mr. Christopher Robinson, Secretary, read the notice convening the Meeting which complied with Rule 60 of the COK Sodality Co-operative Credit Union Rules. He stated that the Notice of the AGM was first published on April 23, 2014 in the Observer newspaper and posted in all COK Sodality Branches.

OPENING PRAYER AND OBITUARIES

Prayer was offered by Msgr. Michael Lewis, which was followed by the Prayer of St. Francis of Assisi. The meeting observed a minute's silence for members who departed during the year as were outlined on pages 58 to 60 of the Annual Report Booklet. The COK Sodality Choir gave a rendition of the Lord's Prayer.

WELCOME AND INTRODUCTION

The President, Ms. Anglin extended a warm welcome to everyone, and outlined the Parliamentary procedures to be observed for the meeting.

Ms. Anglin reminded the meeting of the Credit Union's theme for 2013, which was "One Goal, One Aim, One Destiny - Moving Forward Together"; which was selected in an effort to get Staff and Volunteers to focus all their energies and attention on achieving the targets for 2013 and beyond.

She said the year proved to be another challenging one and literally stretched the Credit Union's capacity to deliver on the targeted performance. The growth path had commenced and the intention was to keep it that way even with the 2014 challenges. The Credit Union would continue to present the products and services needed by members, attractive rates to ease the burden, and improving the well-being of all while sustaining the Credit Union's improving position.

Ms. Anglin introduced the members on the platform as follows:-

Msgr. Michael Lewis	- Vice President
Mr. Steadman Pitterson	- Treasurer
Mr. Christopher Robinson	- Secretary
Dr. Karen Asher Osbourne	- Assistant Secretary
Mr. Al Chambers	- Director
Mrs. Debbie-Ann Gordon Crawford	- Director
Mrs. Jacqueline Mighty	- Chief Executive Officer (CEO)

Members of the Supervisory and Credit Committees who were present were also acknowledged and welcomed to the meeting.

WELCOME TO SPECIALLY INVITED GUESTS

Mrs. Jacqueline Mighty extended welcome to the following specially invited guests:-

Mr. Errol Gallimore	- Department of Co-operatives & Friendly Societies (DCFS)
Ms. Lisa Miller	- DCFS
Ms. Tanisha Facey	- DCFS
Ms. Vera Lindo	- Jamaica Co-operative Credit Union League (JCCUL)
Mr. Derrick Tulloch	- President, JCCUL
Ms. Phillipa Beckford	- CMFG Life Insurance
Mr. Oswald Clarke	- CMFG Life Insurance
Mr. Wilbert Spence	- Auditor, KPMG
Mr. Mark Hill	- MoneyMasters Ltd (MML)
Mr. Fitzgerald Rowe	- St Elizabeth Co-operative Credit Union
Mr. Albert Morris	- Honorary Director COK Sodality
Mrs. Margaret Morris	- Member, COK Sodality
Father Gerry McLaughlin, S.J.	- Foundation Member, COK Sodality

MINUTES OF THE ANNUAL GENERAL MEETING Cont'd.

Mr. Courtney Wynter - Former Chief Financial Officer, COK Sodality
 Mr. Lenworth Tracey - Nominee to COK Sodality Credit Committee
 Mr. Basil Lue - Member, COK Sodality Education Committee
 Ms. Beverley Cole - Stenographer

Mr. Ralston Hyman - Member, COK Sodality Credit Committee
 Mrs. Catherine Gregory - Member, COK Sodality Credit Committee
 Mrs. Carol Williams - Member, COK Sodality Credit Committee
 Mrs. Lorraine Stewart - Member, COK Sodality

Mrs Mighty acknowledged that Teacher's Day celebrations were being held; and in support of the teachers recognized and saluted the teachers in attendance.

Special welcome was also extended to the children, C.A.R.E.S. savers with COK Sodality, attending the AGM as observers.

APOLOGIES FOR LATENESS

Mrs. Mighty advised that apologies for lateness were received from the following persons:-

Mr. Joscelyn Jolly - Former Director, COK Sodality
 Bishop Burchell McPherson - Member, COK Sodality Nominating Committee
 Mr. Deryke Smith - Director, COK Sodality
 Ms. Marjorie Shaw - Director, COK Sodality

APOLOGIES FOR ABSENCE

Apologies for absence were received from the following:-

Mr. Trevor Blake - Director, COK Sodality
 Mr. Glenworth Francis - Group Chief Executive Officer JCCUL
 Mrs. Susan Thompson - Chief Operations Officer JCCUL
 Mr. David Wan - CMFG Life Insurance
 Ambassador Aloun Ndombet-Assamba - Former Board Member and GM, COK Sodality
 Mr. Neville Rhone - Former GM, COK Sodality
 Mrs. Donna Parchment Brown - Trustee, COK Pension Scheme
 Mr. Michael Martin - Former Board Member, COK Sodality

ADOPTION AND CONFIRMATION OF MAY 2013 AGM MINUTES

The Minutes having been circulated were taken as read on a motion moved by Mr. Garth O'Sullivan and seconded by Mr. Livingston Young.

The Secretary, Mr. Christopher Robinson, drew the meeting's attention to the Errata Sheet which was circulated along with the Annual Booklet. The following amendments were highlighted from the Minutes:

Page 9 Discussion of the Board of Directors' Report, line 7, should read, "large companies, where members with loans were employed".
 Page 12 Report of the Supervisory Committee, 5th paragraph, 3rd line, change the word "second" to "seconded".
 Page 30 Treasurer's Report, 1st column, under the heading "Debt Management Plan", 2nd paragraph line 10, should read "...in an effort to make repayments more affordable to assist in keeping their accounts current."
 Page 32 Treasurer's Report, 2nd column, insert the word "Provisions" as the heading; and in the 1st paragraph, last line, should read "...down from 10.55% in 2012."
 Page 34 Treasurer's Report, 2nd column, under the heading "Grow Income", 2nd line, change "rebound" to "redound".
 Page 49 Report of Supervisory Committee, under the heading "Committee Performance", 5th line, change "Planning" to "Policy".
 Page 53 Delegates Report Jamaica Co-operative Credit Union League, 1st column, 4th paragraph, 3rd line, change "2011" to "2013".

The Motion for the adoption and confirmation of the Minutes was moved by Mr. Lorenzo Barrett and seconded by Mr. Corey Spaulding.

MINUTES OF THE ANNUAL GENERAL MEETING Cont'd.

MATTERS ARISING FROM THE MINUTES

Delinquency

In response to an enquiry from Mr. Michael Burke for an update on delinquency, Mr. Robinson directed his attention to Page 15 - Referrals from the Minutes of May 8, 2013, which gave an update.

Mr. Garth O'Sullivan pointed out that co-makers and liaison officers assisted in the past in disclosing information on members with loans at their work-places who they co-make for, and the programme worked properly, particularly when there was planned retrenchment. This assisted with tracking the members whose whereabouts were difficult to locate. He enquired if this programme could be re-looked at.

Mr. Michael Burke added that every member has to become involved in addressing delinquency within the Credit Union. The Credit Union he said has to find a way to advise the members of the importance of repaying their loans.

Improving Communication

Mr. Garth O'Sullivan opined that communication could be improved if sound was provided on the monitors displayed in the branches so the members can hear the information being shared on the products and services.

Mr. Michael Burke added that the system could also be used to educate the members by communicating the importance of their loan repayments to the Credit Union's operations, assist with highlighting delinquency and help to motivate and recruit volunteers to serve the Credit Union.

Computer Equipment expenditures

Mr. O'Sullivan asked if the observation made about the significant amount of approximately 18% of earnings being spent on computer equipment was addressed by the Management.

Mr. Robinson responded that all expenses were reviewed by Management and the Treasurer's Report for the year would reveal that a very tight expense management had been employed in the Credit Union.

Mr. Robinson expressed thanks for the important points that were raised. He noted that it was the desire of the Board to get everyone to assist in the collection efforts of the Credit Union, and urged the members to contribute in this area.

There being no further matters for discussion from the Minutes. Vice President, Msgr. Michael Lewis assumed the Chair for the presentation of the Board of Directors' Report by President, Ms. Carol Anglin.

REPORTS

Board of Directors

The motion for the Board of Directors Report to be taken as read was moved by Mr. Garth O'Sullivan and seconded by Mr. Lorenzo Barrett.

Overview

The President stated that the Credit Union positioned itself in the market-place as the financial institution of choice to empower ambitious hardworking individuals in realizing their personal life aspirations. The Credit Union continued the implementation of its 5-year strategic plan which featured key phases of consolidating operating efficiency and effectiveness; market push for growth and margins; turnaround and preservation of preferred position in the market. The year 2013 was the mid-point of the strategic plan, wherein the institution should have intensified its efforts to attain top and bottom-line growth. However, externalities in the wider economy created significant challenges that adversely affected performance. She said performance for 2013 was better than the preceding year, particularly, in the areas of new product development and delinquency management, but areas for improvement remained.

The President mentioned that as the organization strives to deliver improved performance in the short to medium term, the Credit Union would continue to balance aggressively growing the business; prudently managing resources and capabilities for optimal performance, and implement appropriate monitoring and control mechanisms.

The Credit Union recorded growth in Total Assets of approximately \$15.6M, moving from \$7.1B to \$7.12B. Gross Loans grew by \$474.9M, moving from \$4.2B to \$4.6B; whilst Net Savings grew by approximately \$40.0M.

MINUTES OF THE ANNUAL GENERAL MEETING Cont'd.

Investment went down by 19%. COK Sodality continued its drive to strengthen and secure its capital base, by increasing compliance with Permanent Shares and achieving a surplus

Loan Growth

The Credit Union continued in earnest to focus its efforts on growing the business resulting in loan disbursements achieving 92% of the target for the year. In order to fund the growth in loans, there had to be a restructuring of the investment portfolio by 19% from \$2.3B to \$1.9B. Liquidity surpassed the minimum recommended by the PEARLS standard and reflected a strong potential to fuel growth in terms of loans and income generation for 2014.

Operations

Being mindful that the members have been negatively impacted by the broader macroeconomic structural adjustments, we continue to keep their well-being the central focus of product development. This resulted in new and revamped products being introduced to the market, competitive rates offered on products and services, improved member-care, as well as staff development. A number of special initiatives were executed such as, automation of processes, service delivery and member access points; Champion Saver and the Debt Consolidation products promotion; expansion of the Remittance Partners; revamp and automation of the credit processes to improve efficiency; further enhancements to the debt collection process; re-design and re-launch of the Credit Union's website and internet banking development and upgrade of our telecommunications system to our membership.

Improving Service to Members and Communication

The Board having noted all the concerns raised by members at the 2013 Annual General Meeting, prepared a comprehensive customer service framework for implementation on a phased basis throughout the organization.

This framework was intricately tied to member-care delivery with the intention to improve the quality of engagement with stakeholders and included the use of multiple communications channels such as email, text messages, internet, video screens, and COK Mobile Apps as well as members meetings held in Kingston, Montego Bay and Mandeville.

Social and Corporate Responsibility

We supported various outreach efforts in communities surrounding our branches in Kingston, Portmore, Mandeville, and Montego Bay. Our commitment was underpinned by the dual mantra of wellness in personal and financial health and was achieved through donating to and sponsoring of activities and events in the areas of community development, sports and agriculture; sharing essential information on wellness and healthy living.

COK Sodality over the years has contributed directly and indirectly to the educational pursuits of our youth at the basic, primary, secondary and tertiary levels. In 2013, we provided 23 scholarships amounting to \$565,000.00 to our members' children attending educational institutions. This was done through the Bertie Morris Scholarship, Carter Carter Scholarship and Trevor Blake Scholarship.

Surplus and Distribution

The Credit Union having made a surplus of \$5.1M for the year 2013 and due to the accumulated losses as at December 31, 2013, had to apply the entire surplus to reduce the accumulated losses as per the instructions from The Registrar of the Department of Co-operatives and Friendly Societies (DCFS). The Board is being very judicious and prudent in its approach to aggressively grow the Credit Union out of its deficit position in the short-term, bearing in mind that our deferred shares mature in 2016.

Delinquency Management

The Board through its Debt Management Committee (DMC) and its Debt Management Unit (DMU) continue to provide oversight and monitoring of this very critical area in the organization's operations. The delinquency management philosophy balanced the need to service the members, the harsh economic effects that they increasingly endure and the imperative to mitigate risks to the organization.



MINUTES OF THE ANNUAL GENERAL MEETING Cont'd.

Various approaches to manage delinquency during the review period yielded satisfactory results.

The number of delinquent accounts declined from just over 1,900 in 2012 to approximately 1,690 in 2013, with principal arrears totaling \$163.2M in 2013, down from \$182.6M in 2012; recovery of approximately \$44.9M from bad debts previously charged-off, an increase of \$11.4M more than that collected in the previous year.

Charged-off Accounts

A provision of \$53.7M, for accounts with arrears in excess of 365 days which are required to have 100% provision of the principal value, was made in the accounts, representing 33% of the total \$163.2M of arrears. During the year, \$44.9M was collected from balances which were charged-off in previous years. In keeping with our Rules, Rule 38 (i) the Directors hereby present, for the Meeting's approval, to treat them as Charged-off Loans. Of note, during the year, \$44.9M was collected from balances which were charged-off in previous years.

The audited accounts state that the estimated fair value of the collateral held against past-due impaired loans at December 31, 2013 was \$191.1M. This being the case, there is scope for recovery of some of these bad debts from the disposal of collaterals. However, until the cash flows back into the Credit Union from the sale of these collaterals, these associated loans cease to earn interest income for the organization.

Notable Legal Issue

Included in the Receivables was an amount of \$58.2M relating to the remaining balance from a Cambio Trading Partner for its default on a transaction. Efforts to recover the outstanding amounts were diligently being pursued and were at an advanced stage of conclusion, having now received an offer for full and final settlement for the debt. Management is in the process of finalizing the settlement and it is expected that full and final settlement will be received during the financial year 2014. It is the opinion of our attorneys that the Credit Union's interest is well-secured and no provision has therefore been made in the accounts for this balance.

Human Resources

In 2013 the Credit Union sought to streamline and strengthen its human resource capabilities to make it more innovative and flexible while developing a stronger and more unified corporate culture to aid in the delivery of our wide range of products and services to meet the ever-changing needs of our members. There were 224 persons employed to the organization at the end of December 2013 as follows: 114 Permanent Staff; 105 Contracted /Temporary Staff and 5 H.E.A.R.T. Trainees. There were a number of resignations, employment and appointments. Miss Linda Miller and Ms Roshene Betton joined the organization as Chief Operations Officer and Legal Counsel respectively and Mrs. Claudine Scott replaced Mrs Lorraine Green DaCosta as Marketing Manager.

COK Remittance Services Ltd. (COKRS)

The COKRS, an agent for a number of remittance companies operating out of the Cayman Islands, United States of America and Europe, is in its fifth year of operation. The performance trajectory of COKRS was encouraging as the company reduced its losses by 46% when compared to 2012.

MoneyMasters Limited (MML)

MML is an associate of COK Sodality as a result of the Credit Union acquiring 25% of its ordinary shares in August 2010. There was a net return to date of approximately \$700,000.00, representing a return of roughly 3% and is the Credit Union's portion of the share of profits/losses made in the last three years.

Corporate Governance

The Board of Directors continued throughout the year to review the operations and subsidiary activities of the Credit Union through the various committees of the Board. They ensured compliance of the Credit Union's operations and subsidiary activities and where necessary approved and implemented policies and procedures designed to improve the monitoring, controls and accountabilities within the organization.

MINUTES OF THE ANNUAL GENERAL MEETING Cont'd.

Impending BOJ Credit Union Regulation

The Jamaica Co-operative Credit Union League was awaiting the draft BOJ Credit Union Regulations having arrived at an agreed position on the outstanding issues.

Credit Bureau

In April 2013, the Board approved the participation as a Credit Information Provider to the two currently licensed Credit Bureaus operating in Jamaica - Credit Info Jamaica Limited and CRIF NM Credit Assure.

The Way Forward

Despite formidable shocks, the Credit Union strengthened its balance sheet in 2011; improved the PEARLS financial metrics in 2012; grew and diversified income from existing and new products, whilst containing delinquency in 2013.

The aim for 2014 and 2015 was to further consolidate these performance gains to realize the capital base targets for 2016. From all indicators, the road ahead will require nibble stewardship to attain the Credit Union's objectives as the wider economy will continue to pose significant challenges for the members in 2014. The members were implored to renew their commitment to the institution by supporting the many initiatives that are geared to meeting their needs and assuring the long-term viability of the Credit Union.

The Board of Directors would continue to improve the organization's performance and secure its continued relevance and value in the increasingly competitive and harsh economic environment. This will be done by being compliant with regulations, honouring our values of being safe, caring, knowledgeable and accessible. In 2014, we will grow surplus by continued growth of our loan portfolio, we will contain delinquency, employ a laser-like focus on cost management initiatives; and through organic growth and consolidation transform the Credit Union into a high performance financial entity.

Acknowledgement

The President expressed appreciation to the volunteers, management and staff, liaison officers, regulators, providers of professional services and all who have assisted COK Sodality in conducting its affairs over the past year. She conveyed thanks to the valued members for the confidence they continue to repose in the Board as they strive to serve the organization.

DISCUSSION OF BOARD OF DIRECTORS' REPORT

In response to Mr. Trevor Jennings' enquiry on what assistance the Credit Bureau provides Msgr. Lewis indicated that the Credit Bureau system assisted the Credit Union in assessing the creditworthiness of the members applying for loans.

Msgr. Lewis thanked everyone for their participation in the deliberations and closed the segment of the meeting.

The motion for the adoption of the Board of Directors' Report was moved by Mr. Garth O'Sullivan and seconded by Mr. Livingston Young. The motion was unanimously carried.

Performance

The Treasurer, Mr. Steadman Pitterson in presenting the report stated that despite all the negatives in 2013, the Credit Union recorded a net surplus of \$5.1M. This was a significant improvement over the previous year when a loss of \$126.0M was recorded. A net surplus of \$51.1M could have been achieved had it not been for the National Debt Exchange (NDX) impacting our performance, as \$46M had to be written-off the investment income.

Loan Portfolio

The Treasurer said the loan portfolio grew by \$475M to end the year at \$4.63B, surpassing the budget by \$28.1M. To grow the loan portfolio, a Debt Consolidation Loan was offered during the second half of 2013 which contributed approximately \$150M of the \$475M growth in the loan portfolio. Disbursements for 2013 were \$2.662B representing the second highest disbursement to date. Interest income on loans grew by \$84M.



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MINUTES OF THE ANNUAL GENERAL MEETING Cont'd.

Bad Debt Provision and Delinquency

There was a reduction in the level of Bad Debt provision by \$50M. There was a shortfall of \$17M in the projected Bad Debt Recoveries. As at the end of December 2013 the delinquency rate was 9.83%, against 10.55% in 2012. The Debt Management Unit recovered over \$45M of the planned \$62M. Improvements continued to be seen in this area, however there was still much work to be done to reverse the negative trends of prior years.

Operating Costs

Operating costs for the year declined by \$10.5M over the previous year, reflecting the outcome of diligent execution of the cost management initiatives, despite the inflationary pressures on all cost drivers.

Balance Sheet

The balance sheet grew by \$16M in 2013. The growth fell short of target primarily as the savings target was not achieved.

Investments

The investment portfolio at the end of 2013 was \$1.9M which represented a reduction of approximately \$440M when compared to the balance at the end of 2012. Interest income from investments surpassed budget by \$14.4M.

Savings & Deposits

The savings portfolio increased marginally in 2013 to \$6.25B compared to \$6.21B in 2012. Interest expenses on deposits decreased by \$36M when compared with 2012. This was as a result of the reduced investment rates, post NDX.

Membership

The Credit Union's Adult membership grew by 5,611 in 2013. The children accounts, CARES, grew by 2,299 in 2013. Permanent Shares increased by \$19M to \$380.6M when compared to 2012. Membership compliance increased to 58.22%.

The Way Forward

The Treasurer stated that the Credit Union was on a path of growth, having addressed the internal weaknesses of the past. A new streamlined credit assessment process was implemented and this along with the use of the services of the Credit Bureaus should see an improvement in the loan quality being added to the portfolio. The Credit Union remained committed to providing financial assistance to its members in a cost effective and efficient manner. He said the primary focus in 2014 would be:-

- The continued growth in savings and loans which will redound in growth in revenues and assets.
- To increase capital by \$107M resulting in a Capital Adequacy Ratio of 8.5%.
- To become more competitive and drive volumes in specific loan products.
- To continue to make cost containment a culture within the Credit Union with emphasis on efficiency management.

The Credit Union he said was a safe repository for savings, and despite the fragile environment in which it currently operates and the modest surplus of 2013, remained very positive in the ability to play an important part in fostering financial independence and creating wealth for the members. COK Sodality was well positioned to return to sustainable profitability despite the various challenges associated with operating in a highly competitive environment.

At this point the Treasurer invited Mr. Wilbert Spence from the auditing firm KPMG to read the Auditor's Report. He stated that the firm audited the financial statements of COK Sodality Co-operative Credit Union Limited and the subsidiary and it was the opinion of the auditing firm that proper accounting records and financial statements were duly vouched and in accordance with the provision of the Co-operative Societies Act.

In concluding the report, the Treasurer thanked the Management and Staff for remaining steadfast in their duties to the organization, as well as the cadre of volunteers who unselfishly gave of their time and talent, and were very forthcoming with ideas and suggestions about improving the Credit Union.

MINUTES OF THE ANNUAL GENERAL MEETING Cont'd.

He also thanked the Department of Co-operatives and Friendly Societies and the Jamaica Co-operative Credit Union League for their guidance and support during the year. He thanked the Auditors, KPMG, who conducted and completed their audit in a timely manner thereby enabling the submission of the financial statements within the stipulated timeframe; and the members for their continued support and the opportunity to have served in this capacity in 2013.

There being no questions, a motion for the adoption of the Reports was moved by Mr. Courtney Wynter and seconded by Mr. Trevor Jennings. The motion was unanimously carried.

REPORT OF THE CREDIT COMMITTEE

The motion for the Credit Committee Report to be taken as read was moved by Mr. Garth O'Sullivan and seconded by Mr. Erell Crooks.

The Chairman, Mrs. Donna Pommells in presenting the report indicated that the Committee exercised their oversight responsibility for all loans at the Credit Union; and in this regard met fortnightly to review loan applications and also randomly selected and reviewed loan accounts from the total loan portfolio.

Mrs. Pommells mentioned that in 2013 the Credit Union faced major internal and external challenges. The heightened competition in the marketplace required COK Sodality to make changes to its products and occasionally granting concessions and waivers in order to remain competitive. Despite the challenges, the Credit Union ended the year attaining 91.7% of the loan disbursement budget.

She stated that the increased cost of living resulted in an increase in demand for personal loans as consumers struggled to cope and the Credit Union was able to assist its members in addressing their needs through its various loan offerings. She urged the members to exercise a greater degree of personal responsibility in honouring their obligations, as well as, taking advantage of the opportunities that exist to enhance their earning capacity.

In concluding, Mrs. Pommells encouraged the members to join the volunteers, employees, management and other stakeholders in the efforts to reclaim the number one position.

Mrs. Pommells thanked the members, fellow volunteers, Staff and Management for the support during the year.

There being no questions, a motion for the adoption of the Report was moved by Mr. Erell Crooks and seconded by Mr. Garth O'Sullivan. The motion was unanimously carried.

REPORT OF THE SUPERVISORY COMMITTEE

The motion for the Report to be taken as read was moved by Mr. Trevor Jennings and seconded by Mr. Errol Gray.

The Chairman, Ms. Herma Walker in presenting the report noted that the Committee ensured that the Management and Board carried out their functions in accordance with the policies and rules of the Credit Union and Co-operative Societies Act. Regular reviews of the Credit Union's operations were conducted and monthly reports of the findings and recommendations were submitted to the Management and Board.

Ms. Walker stated that the Committee conducted their reviews in accordance with International Auditing Standards and best practices; and found that there were general adherence to the established policies, procedures and internal controls. There was compliance with the related laws and regulations that govern the Credit Union's operations. Recommendations were made where deemed necessary, the implementation of which resulted in improvements to the internal control environment, thus reducing the risk of loss to the organization.

She said the suggestions received from the members were brought to the Management's attention where they were given the appropriate attention. There was however a reduction in suggestions which seemed to indicate that the members might not be utilizing the suggestion boxes across the branch network.

In closing, Ms. Walker implored the members to continue to work together to build the Credit Union as they continue to invest in their future.

Ms. Walker expressed thanks to the members, Board, other volunteers, Management and Staff for their assistance during the year 2013.

There being no questions from the Report, the motion for the adoption of the report was moved by Mr. Basil Lue and seconded by Mrs. Donna Pommells. The motion was unanimously carried.

MINUTES OF THE ANNUAL GENERAL MEETING Cont'd.

REPORT OF DELEGATES TO JAMAICA CO-OPERATIVE CREDIT UNION LEAGUE (JCCUL)

Mrs. Jacqueline Mighty presented the Report of Delegates to JCCUL which was taken as read on a motion moved by Mr. Garth O'Sullivan and seconded by Ms Dianne Fraser.

Mrs. Mighty stated that the 72nd Annual General Meeting (AGM) of JCCUL was held at the Ritz Carlton Golf & Spa Resort in Montego Bay May 16 to 19, 2013 under the theme "Renewed, Repositioned, Reshaping the Movement for the Future".

She mentioned that this was the first AGM following the transformation of JCCUL into a consolidated entity and it generated much interest. One of the highlights of the AGM was the Annual Awards Dinner with Professor Trevor Munroe as the guest speaker.

Mrs. Mighty advised that the details were outlined on pages 53 to 54 of the Annual Report.

QUESTIONS FROM THE DELEGATES' REPORT

Mr. Erell Crooks suggested that JCCUL could consider lobbying the Government for a cheque clearing-house within the Movement, instead of utilizing the banks' facility. Mrs Mighty advised that discussion was being held in that regard.

Mr. Derrick Tulloch, President of JCCUL advised that discussion was being held with Government for implementation of the Jamaica Electronic Payment System (JCUES) which would facilitate an electronic payment system within the Movement.

When asked by Mr. Trevor Jennings about the magnitude of the Rule Changes at JCCUL's AGM, Mrs. Mighty clarified that these were required as there was a change in the governance structure of the JCCUL to make it a Group comprising four entities including co-operatives and companies. These entities have their own Boards and governance structure. The League now functions as a Group of entities and a Trade Association for the rest of the credit unions.

Mr. Michael Burke commented that the JCCUL should consider negotiating a loan or a grant to assist Jamaica from a country operating co-operatives, such as Israel, so the Government could view the Credit Union in a whole different light. He also made a call for the JCCUL Board to be proactive, innovative and aggressive in its handling of credit union matters; and that the credit unions should initiate discussions at its members' meetings regarding the role of the JCCUL. He further suggested that the benefits and services that redound to credit unions should be highlighted in the Delegates' Report as this would help to heighten awareness of how the JCCUL functions.

REPORT OF THE DELEGATES TO THE JAMAICA FISHERMEN CO-OPERATIVE UNION (JFCU)

The motion for the Report to be taken as read was moved by Mr. Michael Burke and seconded by Ms. Vera Daley.

Mrs. Jacqueline Mighty stated that the Jamaica Fishermen's Co-operative Union (JFCU) Annual General Meeting (AGM) was held at the Tropics View Hotel, Mandeville, Manchester on February 25, 2014. The Delegates' Report she said was outlined on page 55 of the Annual Report.

QUESTIONS FROM THE DELEGATES' REPORT

Mr. Michael Burke declared that he made a suggestion at the previous AGM of the JFCU to have a strategic seminar to apprise fishermen of ways in which credit unions can assist them to improve the fishing industry and this was not held, and he had expressed his disappointment to the JFCU.

MINUTES OF THE ANNUAL GENERAL MEETING Cont'd.

The motion for the adoption of the Report was moved by Mr. Garth O'Sullivan and seconded by Mr. Erell Crooks. The motion was unanimously carried.

PROPOSAL FOR FIXING THE MAXIMUM LIABILITY TO 31st DECEMBER 2014

In keeping with Rule 70, it was proposed that the Maximum Liability to 31st December, 2014 be set at \$7.7B, being 12 times the 2013 total capital, inclusive of Deferred Share of \$300M, which was projected at \$640M.

This was adopted on a motion moved by the Treasurer, Mr. Steadman Pitterson and seconded by Mr. Fitzgerald Rowe. This was unanimously carried.

ELECTIONS

The Report of the Nominating Committee was taken as read on a motion moved by Mr. Lorenzo Barrett and seconded by Mr. Erell Crooks.

The Elections were presided over by Mr. Errol Gallimore as per Rule 65(iv). Mr. Gallimore indicated that the Nominating Committee met in accordance with Rule 65(a) and the selection of persons who were recommended for the Board, the Credit Committee and the Supervisory Committee and other Co-operatives were stated.

The results of the Elections were as follows:-

Board of Directors (For 2 years)

- Mr. Christopher Robinson
- Dr. Karen Asher Osbourne
- Mr. Al Chambers
- Ms. Marjorie Shaw
- Msgr. Michael Lewis
- Mr. Orville Christie

They were unanimously accepted on a motion moved by Mr. Erell Crooks and seconded by Ms. Vera Daley.

Credit Committee (For 2 years)

- Mr. Rohan Townsend
- Mr. Errol Beckford
- Mrs. Donna Pommells
- Ms. Lisa Campbell
- Mr. Lenworth Tracey

They were unanimously accepted on a motion moved by Ms. Shauna-Kaye Levy and seconded by Ms. Lorna Harris.

Supervisory Committee (For 1 year)

- Ms. Herma Walker
- Mrs. Jacqueline Daley
- Mr. Arnold Breakenridge
- Mr. Clive Medwynter
- Mrs. Carol Williams
- Mr. Alston Reid
- Ms. Vinnate Hall
- Ms. Phillipa Edwards
- Mrs. Beverly Haylett Smith

They were unanimously accepted on a motion moved by Mr. Erell Crooks and seconded by Mr Livingston Young.

Delegates to JCCUL (For 1 year)

- Mrs. Jacqueline Mighty
- Mr. Steadman Pitterson

Alternate Delegates

- Mr. Christopher Robinson
- Ms. Carol Anglin

Jamaica Fishermen Co-operative Union

- Mr. Michael Burke
- Mr. Neville Rhone
- Mrs. Jacqueline Mighty

Jamaica Co-operative Insurance Agency Ltd.

- Mr. Christopher Robinson
- Mrs. Jacqueline Mighty

They were unanimously accepted on a motion moved by Mr. Erell Crooks and seconded by Ms. Dianne Fraser.

The Chairman congratulated the elected representatives and thanked the retirees for their contributions over the years.

The Chairman thanked Mr. Errol Gallimore for conducting the Elections.

ANY OTHER BUSINESS

Condolence Resolution

The Chairman invited Msgr. Michael Lewis to the podium to read the Condolence Resolution for Mr. Harold Stewart a past President of the COK who died during the year.

ANNUAL REPORT 2014



MINUTES OF THE ANNUAL GENERAL MEETING Cont'd.

Condolence Resolution for Mr. Harold Stewart

WHEREAS Mr. Harold Arthur Stewart has served the Co-operative Movement with distinction as a volunteer for many years, and more specifically the City of Kingston Co-operative Credit Union Limited, now COK Sodality Co-operative Credit Union Limited.

AND WHEREAS he has served COK Sodality Co-operative Credit Union as a member of the Board of Directors and as a President between 1981 through 1982.

AND WHEREAS under his stewardship the Credit Union made significant strides in meeting the needs of its members through its product offerings and contributions to the wider community.

AND WHEREAS Mr. Stewart died on May 9, 2013 at the age of 74 years after a long illness.

BE IT RESOLVED that the 47th Annual General Meeting of the COK Sodality Co-operative Credit Union, extends sincere condolence to the family of Harold Arthur Stewart on his passing.

The motion for the acceptance of the Condolence Resolution was moved by Msgr. Michael Lewis and seconded by Mr. Garth O'Sullivan. The motion was unanimously carried.

Tribute to Mr. Garth O'Sullivan

Mr. Garth O'Sullivan was honoured and awarded a plaque in recognition of his 40 years of voluntary service to COK Sodality Co-operative Credit Union.

Benefits of being a Credit Union Member

Msgr. Lewis in responding to a query from Mr. Franklyn Cunningham on the benefits of being a member outlined some of the benefits that members derived from their Credit Union as:

- Use of the COK ATM machines at no cost.
- No cost for the initial issue of an ATM access card.

- Summary statements, balance enquiry via the Call Centre or in-branch, standing order services for payments to accounts such as Pension, FIP and Golden Harvest, transfer of funds between accounts, transfer monthly fixed deposits into various accounts, loan within shares, personalized JP service offered twice per week.
- Interest on all our loan products is calculated on the reducing balance, which means interest is calculated on the reduced principal balance, thereby affording less interest on the loan repayments.
- Loan repayments have a savings component which is accessible when the loan is repaid.

New COK Sodality Products

Msgr. Lewis encouraged the members to utilize the newly designed products which were developed to cater to their needs. These were Champion Saver Programme, Christmas in November and Summer Wave promotions. He said these were programmes designed specifically for them.

Updating Nomination Form

Msgr. Michael Lewis explained to the members the importance of having a named person as beneficiary on the Nomination Form to benefit from funds in the Credit Union in case of the member's death. He emphasized that the members' loans and savings were insured for a limited sum, and in case of death the loans are paid out from the amounts. If any of the funds remain this would be paid to persons named on the Nomination Form. The members were urged to visit the Credit Union to ensure the information was completed and also to make changes if the member wishes to replace the named beneficiary on the Nomination Form.

Credit Union Skills Bank

Mr. Burke informed the meeting of a proposed establishment of a benevolent society to form a registry of credit union members' skills and occupations which he thinks could assist persons, particularly those who are delinquent. This would allow for centralization of a databank for all types of jobs where everyone can access this information.

MINUTES OF THE ANNUAL GENERAL MEETING Cont'd.

ACKNOWLEDGEMENT

Ms. Anglin thanked everyone for attending and participating in the 47th Annual General Meeting, as well as those companies and organizations that contributed products, prizes and exhibited their product offerings to the membership.

She also thanked the recording secretary for faithfully recording the proceedings, and the Management and Staff for organizing the AGM. She indicated that the AGM is a very important part of the proper running of any organization and is where democracy, responsibility, equality, equity and solidarity are exercised to their fullest by its owners - the members. She implored everyone to continue to be diligent in monitoring all aspects of the Credit Union's performance, and continue to play their part with "One Voice and One Aim", to achieve financial success through the Credit Union in the coming year.

TERMINATION

The meeting terminated at 5:10pm on a motion moved by Ms. Shanna Kay Levy and seconded by Mr. Trevor Jennings.

COK SODALITY BRANCH NETWORK

CROSS ROADS BRANCH



MONTEGO BAY BRANCH



MANDEVILLE BRANCH



PORTMORE BRANCH



HALF WAY TREE BRANCH



THE BOARD OF DIRECTORS' REPORT



Carol Anglin (Ms.)
PRESIDENT



Monsignor Michael Lewis
VICE PRESIDENT



Christopher Robinson (Mr.)
SECRETARY



Steadman Pitterson (Mr.)
TREASURER



Karen Asher-Osbourne (Dr.)
ASST. SECRETARY



Deryke Smith (Mr.)
ASST. TREASURER



Marjorie Shaw (Ms.)
DIRECTOR



Debbie-Ann Gordon-Crawford (Mrs.)
DIRECTOR



Albert Morris (Mr.)
HONORARY DIRECTOR



Trevor Blake (Mr.)
DIRECTOR



Al Chambers (Mr.)
DIRECTOR



Orville Christie (Mr.)
DIRECTOR

BOARD OF DIRECTORS' REPORT Cont'd.

The Board of Directors of COK Sodality Co-operative Credit Union Limited presents, to you the members, the Annual Report for the year 2014.

Our focus remains on the main goal of our five year strategic plan - turning around the Credit Union by the end of 2015. Your Board and Management, since the commencement of this strategic plan, continue to monitor the key influencers in the economy, industry and the Credit Union that may impact the attainment of this goal.

The first three years (2011 – 2013) of the strategic plan were characterized by significant volatility, uncertainty and risk in the global and domestic environments. In 2014, we started the year with prospects of a year-on-year positive outturn for the global economy and held similar views for our local economy. These expectations were substantially realized with: the domestic economy recording growth of just less than one per cent; fiscal year inflation of 8.3%; the primary surplus target of 7.5% being consistently met; and the debt-to-GDP (Gross Domestic Product) dipping below 140%. However, despite consistent favourable reviews under the International Monetary Fund's (IMF) Extended Fund Facility (EFF) with the country, the domestic economy continues to struggle to create significant growth. Indeed, the fiscal tightening, continued wage restraint, unemployment, currency devaluation and inflation taken together resulted in muted aggregate demand – which in turn created an ever-increasingly hostile competitive landscape for Credit Unions; and compelled your Board to take even more aggressive actions to improve the core operations and financial standing of the institution during 2014.

The Credit Union made a surplus of **\$25.2M** for 2014 that reflects the positive outcome of various strategic initiatives and operational improvements undertaken. During the period, your Board was judicious in its pursuit of the organisation's strategic goals. We sanctioned the provision of credit facilities across new sectors, we also sought to enhance offerings to traditional sectors; and, retained a keen focus on "know your member" and regulatory compliance as we explored these business development opportunities.

Before we review the key elements of the operating performance, it is important to note that the Board, with a view to cleaning up the institution's Balance sheet (in-line with the 2016 strategic goal), decided to make a 100% provision for a receivable from a Cambio partner that remains inordinately outstanding. As a result, we are reporting a loss of **\$33.6M**, based on the provision that amounts to \$58.8M. The organisation is aggressively using all legal channels to pursue the party involved in the Cambio transaction to recover the outstanding sum.

Our associate, Money Masters Ltd., in which we currently have a 22% shareholding, also recorded a loss on its operations in 2014. Our share of the loss, recorded in our group accounts, amounted to approximately **\$8.4M**. Furthermore, our Remittance Company, a wholly-owned subsidiary, also recorded a loss for 2014 of **\$2.1M** – an amount in line with budgetary expectations. Taken together, the group recorded a loss of **\$44.2M** over the review period.

Returning to our core Credit Union performance, enhanced services were delivered to you as we:

- launched COK's first mobile App to improve member access;
- enhanced the Credit Workflow processes to improve turnaround times on loans;
- revamped the institution's website (including a new Online Chat feature), to provide a more user friendly and informative site for members and potential members;
- implemented a Micro Finance Module in our systems to manage and grow the Micro Loans portfolio;
- refurbished our Cross Roads Branch;
- opened an ATM at the HWT Branch;
- completed the installation of LED light bulbs as part of our drive to reduce our electricity consumption;
- conducted Member Satisfaction surveys to better inform our engagement activities.

The core operating performance of the institution was mixed. Positive outturns for 2014 (year-on-year) were recorded in:

- Total Assets of **\$7.5B** - a \$400M (6%) increase;
- Operating expenses were less than budget - \$817M versus \$828M.

BOARD OF DIRECTORS' REPORT Cont'd.

Performance objectives were not achieved in:

- Loan disbursements – \$40M decline representing 93% of budget;
- Loan portfolio – \$540M (12%) growth attaining 90% of budget;
- Savings – \$250M (4%) growth representing 98% of budget;
- Permanent shares – 7% growth achieving 98% of budget.

Two sources were used to support the growth in loans: proceeds from our savings initiatives during the period; and liquidity realized from restructuring the investment portfolio – resulting in a \$100M (5%) reduction. Although we had these encashment, net-net our liquidity remained healthy in 2014, surpassing the minimum recommended by the PEARLS standard.

The bond market, for a third consecutive year, remained relatively inactive during the reporting period. We anticipated this sluggish activity and adjusted our forecast trading gains to \$8.0M. Despite, this conservative estimate, trading gains were disappointing at \$2.1M in 2014.

Disbursements in loans were **\$2.62B** or 93% of the target set for the year, as the organisation continued in earnest to focus its efforts on growing the business. Our achievement was due in part to the active promotions during the year on motor vehicle and debt consolidation loans. These initiatives resulted in the organisation growing the loan portfolio to **\$5.2B** at the end of 2014 achieving 99% of the target set for the year.

Our key plans and strategies in the short to medium term are designed to achieve sustained growth and profitability by aggressively growing the business; improving our member services delivery; controlling the levels of non-performing loans; prudently managing resources and capabilities for optimal performance; and continuing to implement appropriate monitoring and control mechanisms.

OPERATIONS

Marketing, Member Relations and Business Development

Your Board fully appreciates that our members have been adversely impacted by the harsh economic environment. This recognition has led to an intense focus on finding novel approaches to addressing your diverse and challenging needs, while preserving the viability of the Credit Union. Our market research efforts have been unprecedented; and your feedback led to product enhancements and new initiatives.

Some of these initiatives included:

- specials on fixed deposits and golden harvest savings plans;
- debt consolidation and Motor Vehicle loan promotions;
- health and wellness weekly feature;
- “COK in the streets” monthly promotions;
- hosting four (4) Members Meeting including the Members Bingo Night;
- social outreach programmes in Kingston, Portmore, Mandeville & Montego Bay.

Table 1 summarizes COK Sodality's key operating statistics that measure the effectiveness of our marketing efforts for 2014. A breakout of the performance of our wide range of products and services is provided in Appendix 1.

Table 1

Categories	Balance @ 31/12/2012	Balance @ 31/12/2013	Balance @ 31/12/2014	Change (\$) 2013 vs 2014	Change (%) 2013 vs 2014
Savings (Deposits and Voluntary Shares)	\$6.21B	\$6.25B	\$6.50B	\$250.00M	4%
Investments	\$2.29B	\$1.85B	\$1.75B	(\$100.00)M	-5%
Loan Repayments	\$2.38B	\$2.19B	\$2.10B	(\$90.00)M	-4%
Loan Portfolio	\$4.16B	\$4.63B	\$5.17B	\$540.00M	12%
Loan Disbursements	\$2.89B	\$2.66B	\$2.62B	(\$40.00)M	-2%
Membership	252,007	257,618	264,025	6,407	2%

BOARD OF DIRECTORS' REPORT Cont'd.

All of us as members are stakeholders in the performance, turnaround and sustainability of our Credit Union. Your Board is mindful of the value that each member provides and the next section summarizes the service and communications to members.

Improving Service to Members and Communications

In 2014, we continued and finalized work on the design of a comprehensive programme to improve our member service delivery. This was finalized late in 2014 and will be fully implemented in 2015 with the establishment of a special unit, headed by a Member Experience and Service Excellence Manager, who will be charged with the responsibility of ensuring that member satisfaction is increased significantly.

We continued to keep in touch with our members across multiple media, including print, electronic, as well as by e-mail, text messages, Facebook, the internet and video screens in our branches. We introduced our COK App in March 2014 as yet another means for you to have access to your Credit Union; and we use this opportunity to again encourage you to use this App as it provides you with quick and easy access to do business with us.

Social and Corporate Responsibility

COK Sodality's continued commitment to social and corporate responsibility is underpinned with the dual mantra of wellness in personal and financial health. This was demonstrated through our various outreach efforts especially in communities surrounding our branches in Kingston, Portmore, Mandeville, and Montego Bay; and was achieved through:

- donating and sponsoring activities and events in the areas of community development, education, sports and agriculture;
- sharing essential information on wellness and healthy living via electronic and print media with a weekly column in the Jamaica Observer newspaper, regular promotional spots and interviews on several radio stations, and partnering with the Diabetic Association of Jamaica and Dr. Winston Dawes of Corporate Mahogany Health and Fitness;

- investing in education and co-operation. COK Sodality over the years has contributed directly and indirectly to the educational pursuits of our youth at the basic, primary, secondary and tertiary levels. In 2014, we provided 30 scholarships and grants amounting to approximately \$650,000 to our members and children of members attending local institutions ranging from basic through to tertiary institutions. Our Education Committee is responsible for the management of this programme and has provided details in their Annual Report to the membership.

The following pictures provide a glimpse into one of the social outreach initiatives undertaken during 2014.



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BOARD OF DIRECTORS' REPORT Cont'd.

PRUDENTIAL MEASURES

Strengthening Capital Base

In 2014, as in prior years, COK Sodality continued its drive to strengthen and secure its capital base by, among other things, increasing compliance with permanent shares, and achieving surplus.

For 2014, Permanent Shares of **\$28.4M** (\$18.7M in 2013) was collected which represented contributions from new and existing members, and the continuous drive to improve member compliance. We continue to pursue various approaches to improve member compliance with the minimum permanent shares requirement. The Board is encouraged that as at December 2014, members' contributions to Permanent Shares was approximately **\$409.0M** (\$380.6M in 2013).

Delinquent Loans

The Board through its Debt Management Committee (DMC) and Management via the Debt Management Unit (DMU) continued to provide oversight and monitoring of this very critical area in our organisation's operations.

The Board and Management, in the execution of their duties, tried to balance the challenges of the members in meeting their obligations as agreed against the negative impact on the organisation's financial performance, and in so doing tried to come to the best possible compromise in the interest of both parties.

At the end of the 2014 reporting period the level of delinquency was 9.1% (9.83% in 2013) against an end of year target of 7%. The delinquent portfolio declined year over year from approximately \$489M to \$480M however the level of provisioning for Bad Debts increased year-on-year by approximately \$16.7M as the value of loans in the higher provisioning brackets increased.

Income from sale of collateral held against charged-off or delinquent loans under achieved in 2014 as disposal of collateral was not as buoyant as anticipated. However, we were able to collect \$33.2M of the \$65.7M budgeted.

Charged-off Accounts

Accounts that are in arrears for a period in excess of 365 days and for which the accounts reflect a 100% provision for the debt are recommended to the Board by the Management for Charge-Off.

In keeping with our current Rules, (Rule 38 (i) I) the Directors hereby present, for the Meeting's approval, that these loans, totalling approximately \$49.1M at December 31, 2014, be treated as Charged-Off Loans. These loans will continue to be managed for collections but will no longer be included as part of the current loans portfolio. Of note, during the year, **\$33.2M** was collected from loans which were charged-off in previous years.

Notable Legal Issue

Over the last three years we have advised the membership that included in the Receivables is an amount of \$58.2M relating to a balance from a Cambio Trading Partner for its default on a transaction. The Board and Management have aggressively employed various approaches to recover this debt - a portion of the debt was recovered in 2012 via out of court actions. Our efforts to recover the outstanding amounts are unceasing; however, despite repeated promises we have yet to realize full recovery. As previously mentioned, your Board prudently made a 100% provision for this debt; and it continues recovery efforts via available legal channels

HUMAN RESOURCES

In 2014, the Credit Union continued its measures to streamline and strengthen its human resource capabilities as part of its strategic imperative of having a more nimble, innovative and flexible organisation fully equipped to meet the changing demands of our growing members and stakeholders.

We also placed greater focus on improving the capacity of our staff and volunteers through more structured training and development and ensuring that minimum training requirements were met by all.

Staff

There were 236 persons employed to the organisation at the end of December 2014 broken down as follows:

Permanent Staff	116
Contracted/Temporary Staff	113
Heart Trainees	6

BOARD OF DIRECTORS' REPORT Cont'd.

Volunteers

After the last Annual General Meeting held in May 2014, the following persons were elected as Officers to serve the Credit Union:

President	- Ms Carol E. Anglin
Vice President	- Rev. Msgr. Michael Lewis
Treasurer	- Mr. Steadman Pitterson
Assistant Treasurer	- Mr. Deryke Smith
Secretary	- Mr. Christopher Robinson
Assistant Secretary	- Dr. Karen Asher Osbourne

The members of the Board are listed in Appendix II and the record of their attendance at meetings.

We wish to pay tribute to all our volunteers who give of themselves selflessly on the Board and various Committees to ensure that the work of the Credit Union is carried out in accordance with the Policies and guidelines.

This year the following volunteers have indicated their unavailability to continue to serve and have requested not to be considered for re-election:

- Rev. Norman Francis – Credit Committee
- Lisa Campbell – Credit Committee
- Lenworth Tracey – Credit Committee
- Beverly Haylett-Smith – Supervisory Committee

On your behalf we record our thanks to them for their service to the organization and wish for them success in their future endeavours.

During the year, we saw key management movements, including:

- Courtney Wynter – Chief Financial Officer demitted office;
- Desmond Foster – Senior Manager, Strategic Planning & Development demitted office
- Lloyd Black, Chief Business Development Officer and Andre Gooden, Investment and Treasury Manager, joined the organisation.

We pause in this report to register the Board's sincerest regret at the passing of Lloyd Black in March 2015. Mr. Black, who joined the COK Sodality family in August 2014, passed away after a very brief illness. He made significant contributions to the organisation during his tenure and won the respect and admiration of the members, his peers and volunteers. We extend sincerest condolences to his family and friends.

WHOLLY-OWNED SUBSIDIARY AND ASSOCIATE

COK Remittance Company Ltd. (COKRS)

The COK Remittance Company Ltd. (COKRS) is a fully owned subsidiary of the Credit Union and operates as an agent for several remittance companies operating out of the Cayman Islands, Haiti, United States of America, Europe and Canada.

In 2014, the company made strides in expanding its local and international network. However in 2014, we recorded a loss of \$2.1M which was in line with budget. Our strategic plan for this business is to expand its distribution network throughout Jamaica, while promoting its services, both in the overseas and local markets.

Money Masters Limited (MML)

Money Masters Limited (MML) is an associate of COK Sodality as a result of the Credit Union initially acquiring 25% of the company's ordinary shares August 2010. This equity has been reduced to 22% in 2014. In 2014, the Credit Union had to record a loss of approximately \$8.4M due to the reduction in value of this investment.

Messrs Trevor Blake and Christopher Robinson continue as the COK Sodality representatives on the Board of MML.

CORPORATE GOVERNANCE

During the year under review the Board of Directors, knowing the importance of corporate governance practices in the conduct and operations of the organisation, continued its appraisal of the operations and subsidiary activities of the Credit Union through the various committees of the Board. These committees - namely: Audit Risk & Compliance; Finance & Policy; Asset Liability Management; Debt Management; Information Communication Technology; Nominating; and Performance Management & Compensation - ensured compliance of the Credit Union operations and subsidiary activities; and where necessary approved and implemented policies and procedures designed to improve the monitoring, controls and accountabilities within the organisation.

The Board of Directors continued to work with Management in improving compliance issues including strengthening the compliance infrastructure and processes of the organisation. We, again report that the level of compliance relating to members' due diligence (Know Your Member) is still not at its expected levels, despite our efforts for full compliance.

ANNUAL REPORT 2014



BOARD OF DIRECTORS' REPORT Cont'd.

Too many of our members continue to demonstrate reluctance in updating their information on the Credit Union's files. We again use this medium to encourage you to co-operate with us in accomplishing this task so that we can be fully compliant with our regulators. The Know Your Member due diligence is an on-going process and we crave your co-operation, as the Board and the Management work to ensure safety and soundness at all levels within the organisation.

The Board of Directors will continue to ensure compliance with regulations and regulators through policies and to hold the practice of accountability high while developing and implementing sound strategies for positive growth.

Impending BOJ Credit Union Regulations

The Jamaica Co-operative Credit Union League (JCCUL) is now awaiting the draft BOJ Credit Union Regulations, given that they have agreed on all pending matters

THE WAY FORWARD

The report outlined the environmental and operational issues with which we must contend. Your Board has identified, and where necessary modified, its programme of activities to realize the strategic goal of an organisation that is: operationally efficient and effective; positioned on a robust capital base; and placed on a trajectory of sustainable growth.

Your Board has taken note of some positive indicators and developments in the wider economy. For example, the Jamaica Conference Board's (JCB) 4th Quarter Business and Consumer Confidence Indices suggest that confidence in the economy, among firms and individuals, is at a 13-year high. Additionally, public sector workers seem set to benefit from a relaxation of the wage restraint regime and inflation that is currently tracking at a 40-year low. Furthermore, we remain hopeful that the country's improved rankings in the Global Doing Business Index will translate into increased levels of foreign direct investment and commercial activity that will redound to the benefit of our members. In recognition of these emerging opportunities, and the deliberate actions taken to strengthen and further consolidate the key elements of our operating model, your Board remains steadfast in its commitment to member care, human resource capacity building and offering solutions that satisfy your changing needs.

Having cleaned up the balance sheet in 2014, our focus for 2015 will be to: provide distinctive member care; earn surplus through continued growth of our loan portfolio, delinquency containment, cost management, new product development; and further strengthen the capital base of the organisation.

Our strategic plan is focused on ensuring sustainable financial viability; and so, your Board is intent on the timely execution of initiatives that will further strengthen the organization's capital base. Permanent shares are an essential component of our Credit Union's capital structure. Indeed, one element of the Board's plan will be an invitation for us, during our Annual General Meeting (AGM), to support a resolution that proposes to increase our minimum Permanent Share requirement from \$2,000 to \$3,000. This \$1,000 increase from every member will solidify our Credit Union as a strong entity in the financial services sector; and to reinforce the foundation to widen our services and generate surpluses.

Your Board believes that our Credit Union is at the tipping point of its turnaround; and we continue to solicit your support to ensure that our mission is fulfilled.

APPRECIATION

We wish to record our appreciation to our volunteers, management and staff, liaison officers, regulators, providers of professional services and all others who have assisted the COK Sodality Co-operative Credit Union Limited in the conduct of its affairs over the past year.

We thank you, our members, for the confidence that you continue to place in us as we strive to serve the COK Sodality Co-operative Credit Union Limited.

For and on behalf of the Board of Directors,

Carol E. Anglin
President

BOARD OF DIRECTORS' REPORT Cont'd.

Appendix I

OUR PRODUCTS & SERVICES

Our savings products include:

1. PARTNER PLAN

Partner Plan	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	Change in 2014
Members in Plan	2,463	2,633	2,547	2,567	1%
Value	\$81.99M	\$85.44M	\$86.85M	\$89.85M	3%

The Partner Plan continues to record a steady growth since its introduction. The Partner Plan is used significantly by our members to fulfil their short-term obligations while receiving a bonus on the amount contributed for their consistency in saving. In 2014, 5638 plans matured at a value of \$300.3M. Members can save for periods of 16 weeks; 24 weeks; 36 weeks and 48 weeks and receive bonus as detailed below:

WEEKS	CONDITIONS	REWARDS
16 weeks (4 months)	No more than ONE late payment	15% of weekly hand
24 weeks (6 months)	No more than TWO late payment	35% of weekly hand
36 weeks (9 months)	No more than THREE late payment	80% of weekly hand
48 weeks (12 months)	No more than FOUR late payment	150% of weekly hand

2. WEALTH MAXIMIZER

Wealth Maximizer	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	Change in 2014
No. of Members	185	172	158	133	-15.8%
Value	\$77.8M	\$64.98M	\$60.78M	\$52.71	-13%

The decline in this product has been consistent over the last 4 years as members have instead gravitated to the shorter term instruments as a result of the market conditions. We however believe that more members will again see this as a good vehicle for investment as the economy settles down

With a minimum deposit of **\$25,000** and an additional saving of up to **\$1 million** per annum, members may participate in a **Wealth Maximizer** account with very competitive interest rates. This product is a long-term savings plan with a **tax free** benefit if held for up to **5 years**. Members saving through the **Wealth Maximizer** are able to withdraw semi-annually up to **75 %** of the **interest** earned. This is an ideal savings instrument for planning towards a major goal and even retirement.

3. FIXED DEPOSIT

Fixed Deposit	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	Change in 2014
No. of Members	12,882	12,255	11,963	11,837	-1%
Value	\$2.8B	\$2.76B	\$2.68B	\$2.74B	2%

ANNUAL REPORT 2014



BOARD OF DIRECTORS' REPORT Cont'd.

Fixed Deposit grew by 2% over 2013 although the number of members with these accounts declined marginally by 1%.

Members may start a Fixed Deposit with a minimum of **\$10,000** for maturity at their convenience (30, 90, 180 and 365 days) at very competitive rates.

4. COK PENSION PLAN

COK Pension	2011	2012	2013	2014	Change in 2014
No. of Members	3,183	4,084	4,520	5,243	16%
Value	\$98.2M	\$141.5M	\$185.6M	\$237.50	28%

Our Pension Plan has seen significant growth over 2013, in both membership and contributions as we have placed significant emphasis in growing this offering. The Retirement Scheme for members of the **City of Kingston Co-op Credit Union Limited and Trustees** was formally approved by the Financial Services Commission (FSC) on November 26, 2008 under the Pensions Superannuation Funds and Retirement Scheme Act, 2004.

Persons who are self-employed and or employed in an organisation that does not have a pension plan may join this Scheme. Members may contribute up to **20%** of their chargeable income, **tax free**.

5. GOLDEN HARVEST

Golden Harvest	2011	2012	2013	2014	Change in 2014
New Members	1,919	2,554	1,911	3,027	58%
Total Members	3,339	4,085	3,351	4,155	24%
Value	\$300.7M	\$402.1M	\$411.7M	\$541.8M	32%

In 2014 we recorded significant year-on-year growth in both members and savings in this product. Golden Harvest is an investment and savings plan with a specific goal at an attractive interest rate. Members up to age **69 years** may save for a period between 1 - 5 years at a fixed interest rate. At COK up to **\$4 million** of a member's savings in this plan is insured through CMFG (formerly CUNA Mutual) at **no cost** to the member as long as the member fulfils his/her savings obligations as agreed in the contract.

Our services to members include:

1. FAMILY INDEMNITY PLAN (FIP)

Family Indemnity Plan	2011	2012	2013	2014	Change in 2014
Members	6069	6406	6801	7546	11%

FIP has an outstanding feature that allows up to six (6) family members to be insured for the same monthly premium; it now offers six (6) insurance plans for our members to choose from. This is a must have for every family. **In 2014, 247 members or their dependents were the beneficiaries of approximately \$75.1M in pay-outs under this plan.**

BOARD OF DIRECTORS' REPORT Cont'd.

2. STANDING ORDER PAYMENTS

<u>Standing Order Payments</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Change in 2014</u>
Transactions	5,277	5,870	5,786	5,371	-7%
Institutions Paid	14	14	15	12	-20%

Payments are made on behalf of members and on their instructions to various institutions. The service offers **convenience** and **a peace of mind** for periodic payments. The figures shown **exclude** FIP payments made to CMFG (formerly CUNA Mutual).

3. COK XCHANGE – CAMBIO SERVICES

<u>Cambio</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Change in 2014</u>
Amount traded	US\$57.0M	US\$35.6M	US\$23.89M	US\$12.74M	-47%
Earnings	J\$6.9 M	J\$8.25M	J\$12.15M	J\$5.3M	-56%

During the year 2014 due to a significant change in policy by our main bankers, we were not longer able to make cheque deposit to our cambio accounts, which impacted our ability to trade as before; thereby reducing the volumes and profits from this service. Since 2015, we have been able to address this issue and are rebuilding lost relationships as a result of the fallout and are garnering new ones to increase our volumes and profits.

Foreign exchange services are available to our membership for their convenience to purchase or sell foreign currency at **competitive** rates. The organization is licensed to operate cambio services in all our Branch locations in Cross Roads, Half Way Tree, Portmore, Mandeville and Montego Bay.

4. COK REMITTANCE SERVICES

<u>Remittance (Sub Agent)</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Change in 2014</u>
No. of Transfers	39,832	29,940	33,664	49,066	46%
Value	\$682.6M	\$542.3M	\$722.2M	\$1.32B	83%

COK Sodality acts as an agent and sub-agent for various remittance services. Members and potential members may collect their money transfer from any of the locations authorized to pay on our behalf. We have expanded the number of agents with whom we do business, to include MoneyGram, Swift Cash, Capital & Credit, Jamaica National, Money Exchange, Unitransfer, Caribbean Airmail, Fast Funds Money Transfer, and Ria.

5. COK VISA CREDIT CARD

<u>COK Visa Credit Card</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Change in 2014</u>
Cardholders	977	829	684	594	-13%
Portfolio Value	\$33.1M	\$27.9M	\$25.5M	\$20.96M	-18%
Earnings	\$20.6 M	\$18.51M	\$12.22M	\$13.04M	7%

COK Sodality in partnership with RBC Royal Bank, now Sagicor since their purchase of RBC's business in Jamaica, issues a local credit card. The current interest rate of **39%** is among the lowest in the industry. We are currently reviewing the processes associated with this facility and expect to conclude on this by the end of August 2015.

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BOARD OF DIRECTORS' REPORT Cont'd.

Appendix II

ATTENDANCE AT DIRECTORS MEETING

NAME	POSITION	SCHEDULED MEETINGS	MEETINGS ATTENDED	MEETINGS EXCUSED
Ms. Carol Anglin	President	10	10	0
Monsignor Michael Lewis	Vice President	10	6	4
Mrs. Christopher Robinson	Secretary	10	8	2
Dr. Karen Asher-Osbourne	Assistant Secretary	10	9	1
Mr. Steadman Pitterson	Treasurer	10	10	0
Mr. Deryke Smith	Assistant Treasurer	10	9	1
Mr. Debbi-Ann Gordon Crawford	Director	10	7	3
Mr. Trevor Blake	Director	10	5	5
Mr. Al Chambers	Director	10	7	3
Ms. Marjorie Shaw	Director	10	6	4
Mr. Orville Christie	Director	10	8	2

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Each COK product is created with your success in mind to help you achieve your goals faster.



Sign up for any three (3) new savings plans and benefit from a rate reduction on your next loan or an increased rate on a savings account.*

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*Conditions Apply • Offer ends August 31, 2015



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TREASURER'S REPORT FOR YEAR ENDED MARCH 31, 2015

OVERVIEW

Jamaica's second debt-exchange programme the National Debt Exchange (NDX), which was implemented in February 2013 continued to have a spin-off effect on the Jamaican economy. The most significant being the effect on those who are indebted to the Credit Union. The evidence of the above is the significant provision of \$75M that was experienced this year. Despite the above provision the Credit Union made an operating profit of \$25M before audited provision of \$59M for accounts receivable and writing down of our investment in Money Masters Limited by \$8.4M. When these were applied against the operating profit of \$25M the Credit Union made a loss on its business operation of \$44M.

The Credit Union continues to operate in a challenging economic environment, however with tight cost containment the increase in operating expenses year over year was kept below the inflation rate. This expense increased by \$23M over the comparative period, albeit below the inflation rate and below the 2014 budgeted spend.

1. Performance

Despite the loss of \$44M, the 2014 financial year ended with the Credit Union achieving a number of positive results which included:

- 12% growth in the Loan Portfolio - grew by \$540M vs. budget of \$598M to close at \$5.2B, (2013 - \$4.626B)
- 4% growth in Savings Deposits - grew by \$250M vs. budget of \$325M to close at \$6.5B, (2013 - \$6.3B)
- Growth in Permanent Shares by \$28M, achieving approximately 80% of budget (\$35M).
- 97% achievement of interest income from loans - \$678M vs. budget of \$696M; shortfall of \$18M
- 108% achievement of interest income from investments - \$149M vs. budget of \$138M; \$11M above budget
- Containment of operating expenses below budget by \$11M. Actual was \$817M vs. budget of \$828M

There were however some areas that did not meet the budgeted targets set for the 2014 financial year and as such impacted the financial performance negatively. These included the following:

- Credit Card income of \$13M was below projections by \$8M. (Budget of \$21M).
- Bad Debt provisions were over budget by \$73M - \$133M vs. budget of \$60M
- Non-Interest income fell below projections by \$54M - \$276M vs. budget of \$329M. Major contributor to this was the amounts achieved from Bad Debt Recoveries which were below projections by \$32M, achieving \$33.2M against a budget of \$66.7M.

Our results in 2014 was, as in 2013 impacted by the inability to trade Government of Jamaica (GOJ) bonds held by the Credit Union, which resulted in declining interest rate especially during the last two quarters of 2014, tight liquidity which resulted in a competitive environment for savings deposits and lower net interest margins. Bad Debt Provisioning and Recoveries from Bad Debt were two areas that posed some challenges during the 2014 financial year. The Credit Union continued to review and closely monitor these areas and implement strategies to correct them.

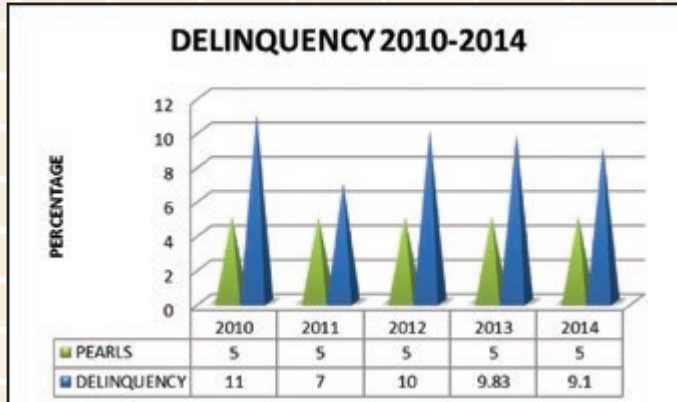
2. Debt Management Plan

As at the end of December 2014 the delinquency rate was 9.1% (2013:9.83 %). Additionally, the Debt Management Unit was able to recover over \$33M (2013:\$45M) of the planned \$66M (2013:\$62M) through the continuous and aggressive pursuit of delinquent members.

The proactive approach adopted in managing delinquency, wherein we seek to be in contact with our members after one missed payment with the aid of SMS texting messaging and emails generated from our system continued throughout the financial year.

The Credit Union will continue to employ an aggressive posture with our collections including legal action in small claims court in 2015, while seeking to improve the asset recovery process as it relates to acting expeditiously. The entire process surrounding issuing formal/demand notices to include realizing on assets was tightened and achieved closer monitoring of our Attorneys, Bailiffs and External Collectors who themselves play a critical role in the collections process. We are cognizant of the fact that as a financial institution whose primary business is lending, bad debt provisions are part of our business, nevertheless we will continue to ensure that our processes are in line with best practices and that efficiency is engrained in our way of life.

TREASURER'S REPORT Cont'd



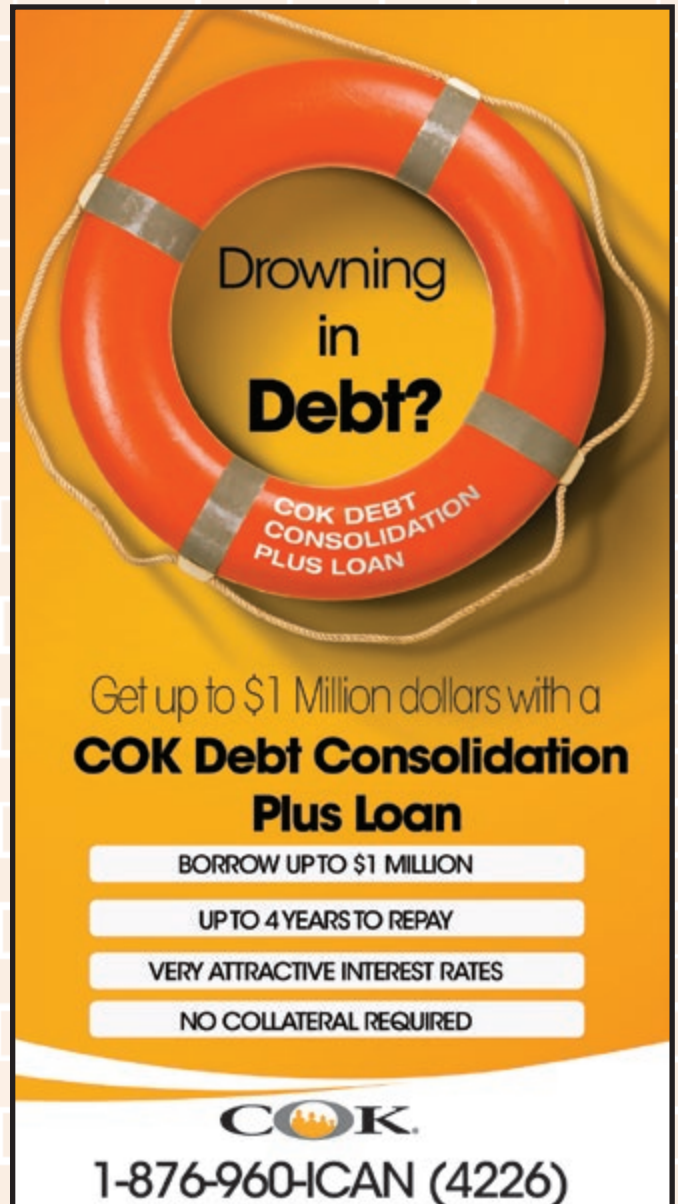
3. Remittance

COK Remittance Company, a wholly owned subsidiary made a loss of approximately \$2M compared to a \$0.859M loss in 2013.



The loss was primarily driven by a 25% reduction in net gains from foreign exchange trading and a 30% increase in operating expense year over year.

The Remittance Company's total assets grew by 10% over 2013 to close at \$8.5M (2013:\$7.6M). The Remittance Company is projected to make a surplus of \$2M for the 2015 financial year.



Drowning in Debt?

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COK Debt Consolidation Plus Loan

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- UPTO 4 YEARS TO REPAY
- VERY ATTRACTIVE INTEREST RATES
- NO COLLATERAL REQUIRED

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TREASURER'S REPORT Cont'd

The table below summarizes the results of the Credit Union's operations for 2014 as compared to 2013.

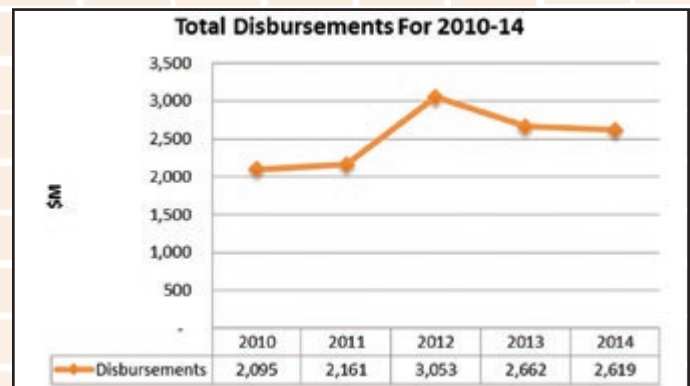
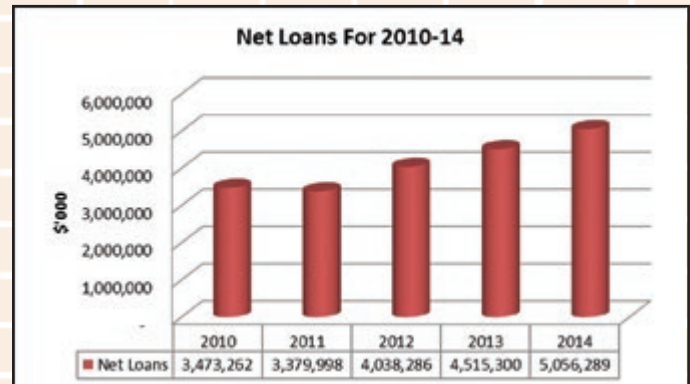
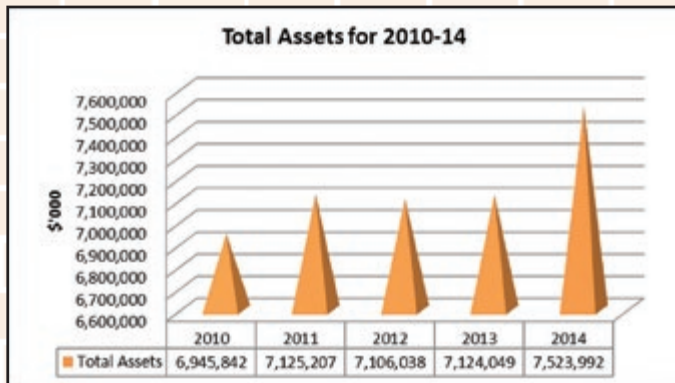
ANALYSIS OF CHANGE IN INCOME & EXPENDITURE 2014 VS. 2013

	2014	2013		
	\$'000	\$'000	\$'000	
<u>Interest Income:</u>				
Loans to members	678,386	648,885	29,501	4.5%
Investments and deposits	149,196	145,622	3,574	2.5%
Total Interest Income	827,582	794,507	33,075	4.2%
<u>Interest Expense:</u>				
Members' Deposits	175,841	160,211	15,630	9.8%
External Credits	1,776	50,679	(48,903)	-96.5%
Other Financial Costs	29,191	26,790	2,401	9.0%
Total Interest Expense	206,808	237,680	(30,872)	-13.0%
Net Interest Income	620,774	556,827	63,947	11.5%
<u>Non-Interest Income</u>				
Fees	184,550	164,125	20,425	12.4%
Dividends on Equity Investments	506	419	87	20.8%
Other Income	108,462	129,351	(20,889)	-16.1%
Total non-interest Income	293,518	293,895	(377)	-0.1%
Gross Margin before provisions and expenses	914,292	850,722	63,570	7.5%
Less Operating Expenses	(816,661)	(793,845)	(22,816)	-2.9%
Surplus for the year before provision	97,631	56,877	40,754	71.7%
<u>Provisions</u>				
Allowance for loan losses	(57,331)	(40,667)	(16,664)	41.0%
Allowance for interest losses	(6,846)	1,065	(7,911)	-742.8%
Allowance for losses on other assets	(10,476)	(11,761)	(1,285)	-10.9%
Total Provision	(74,653)	(51,363)	(23,290)	45.3%
Surplus/(Loss) for the year before Exceptional Allowance	22,978	5,514	17,464	-316.7%
Exceptional Allowance for losses on other assets	(58,782)	-	(58,782)	-100.0%
Surplus/(Loss) for the year After Exceptional Allowance	(35,804)	5,514	(41,318)	-749.3%
Add Share of profit/(loss) of Associate	(8,354)	(2,388)	(5,966)	-249.8%
Net Income/(Loss) for the year	(44,158)	3,126	(47,284)	-1512.6%

TREASURER'S REPORT Cont'd

Growth

The Credit Union's Total Assets increased by \$400M (2013:\$16M) over the comparative period 2013 to close at \$7.5B (2013:\$7.124B). The growth in Total Assets was financed by net increased in savings and shares deposits of \$250M (2013:\$34M) and net external loans of \$98M (2013:\$3M).



Loans

Gross loans increased significantly year over year by \$540M (2013:\$475M) to \$5.2B. Disbursements for 2014 were \$2.62B (2013:\$2.66B) or \$40M less than 2013. The competitive and declining interest rates environment continued during 2014 and as such, the Credit Union in an effort to remain competitive had a number of loan promotions which resulted in reduction in loan rates as well as its yield. Despite the reduction in loan yields, the credit union achieved 97% (2013:98%) of its projected interest income for 2014. Interest income on loans was \$678M compared to \$649M for the 2013 comparative period. Our net loan to asset ratio at the end of the financial year was 67% (2013:63%) well within the PEARLS standard of 60-80%.

Additionally, we continued to streamline our credit assessment and policies, and also use the Credit Bureaus which have resulted in the Credit Union obtaining better quality loans even as it seeks to grow the loan portfolio.

Provisions

The year 2014 has proven to be a challenging year as it relates to bad debt provisioning, due to several hard core large accounts that were not regularized and the Credit Union was not successful in disposing of pledged properties during the financial year. Attempt to dispose of these pledged properties will continue during 2015.

The Credit Union made the following provisions during the 2014 financial year:

Loan loss provision of \$57M (2013:\$41M). The Credit Union was able to attain a 9.1% (2013:9.83%) delinquency level. While our eyes are set on ultimately achieving the PEARLS standard of 5% delinquency or less, we are aware that this will not be achieved over night and have put measures in place to gradually reduce the delinquency ratio.

With consistency and focus from the entire Debt Management Team, and increased sensitivity of the COK Sodality family towards delinquency we intend to gradually reduce our position to approximately 6% by December 2015.

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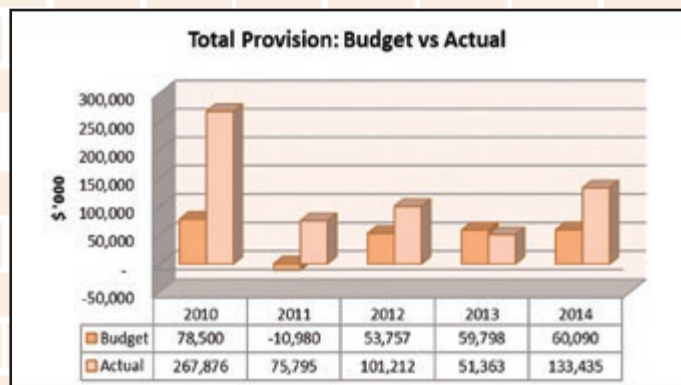
TREASURER'S REPORT Cont'd

In order to achieve the aforementioned delinquency targets, the Debt Management Department have since strengthened the internal processes to include increasing individual collector daily targets. In addition we have changed the priority within ICMS (Integrated Collection Management System) to ensure that accounts with the greatest dollar value of arrears are targeted first versus what obtained before. In addition, greater focus is being placed on high value accounts (i.e. \$2 million & over) which account for the greater percentage of delinquency and provisions monthly. This focus includes the DMU Manager and Senior Collector having daily oversight of these accounts.

The Branch Managers will also play a more integral role in the monitoring of accounts domiciled at the branches at the 1 - 30 days stage of delinquency, as relationship management of these accounts in the early stages of delinquency will play a vital role in reducing our overall delinquency in the medium to long term.

Loan Interest Receivable provision of \$7M (2013: write back of \$1M).

Other Assets Provision of \$69M (2013:\$12M). This include \$58.8M receivable from a cambio trading partner for defaults on amounts due for which a full provision was made during the year. Efforts to recover the outstanding amounts are diligently being pursued.



Investments

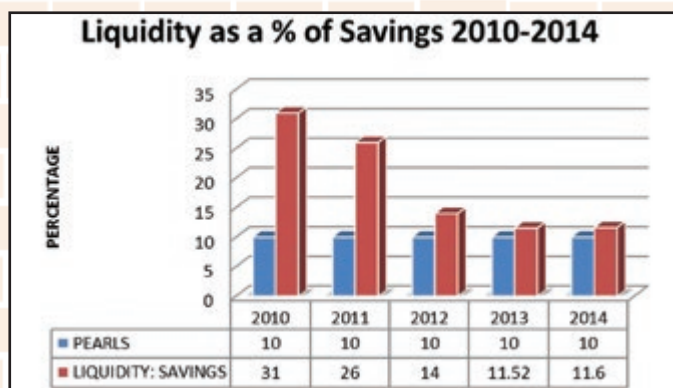
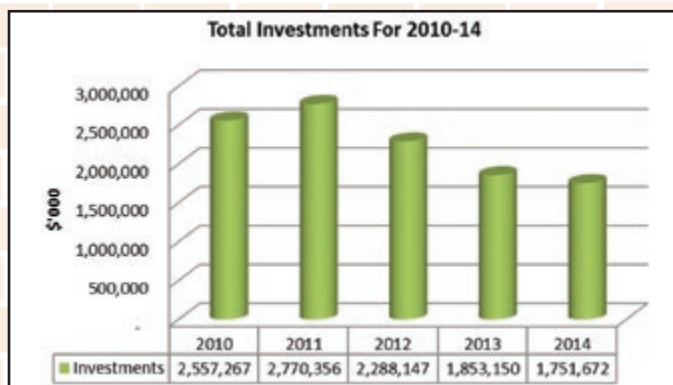
As at December 2014, the investment portfolio of \$1.8B (2013:\$1.9B) decreased by a net \$100M (2013:\$436M) over 2013, primarily due to the continued shift in the asset mix to loans meaning, liquidating lower yielding investments and converting to higher yielding loans.

Interest Income earned from investments was \$149M (2013:\$146M). Interest Income earned on investments exceeded budget by \$11M for the 2014 financial year, this was achieved as a result of the diversification of the asset base through medium risk structured financing projects.

The bond market remained stagnant during 2014, however the Credit Union earned Investments gains of \$2M (2013:\$3M) during the 2014 financial year.

To further diversify its asset base, the credit union will continue to look at medium risk structured financing projects to boost its interest income in 2015.

It should be noted that despite the asset shift into longer loan tenors and the continued stagnant bond market, the credit union was able to manage its cash flow and liquidity to meet all its loan demands and payment obligations on a timely basis.



Savings & Deposits

The savings portfolio increased by \$250M (2013:\$41M) to \$6.5B (2013:\$6.25B) from normal course of savings.

TREASURER'S REPORT Cont'd

Interest expense on deposits increased by \$11M or 8% to \$148M (2013:\$137M). The Credit Union had to be very aggressive in the financial market and offered a number of savings initiatives to attract and retain savings. Despite the increase in interest cost over the comparative period our cost of funds was lower than planned resulting in savings in interest cost of \$16M. Most importantly our members continue to exhibit confidence in the Credit Union as is evident in the increase of \$250M in year over year savings.

THE WAY FORWARD

The strategic objectives for the 2015 financial year are to grow our loan portfolio by \$572M, increase savings to fund the loan growth, reduce the delinquency ratio to an acceptable level of 6%, increased recoveries from bad debt by 52%, increase interest income by 10%, maintain our operating expenses within or below inflation rate and improve our Capital Adequacy Rate (CAR) above the PEARLS benchmark of 8%.

Grow Income

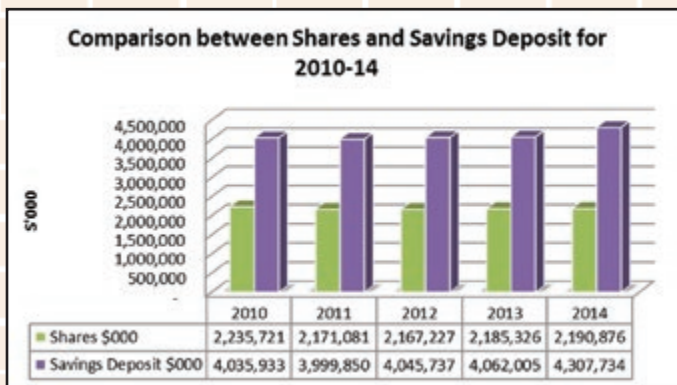
The focus of the Credit Union in 2015 is the continued growth in savings and loans, management of delinquency and Bad Debt Recoveries and by extension growth in assets. Additionally, the credit union will continue to grow and balance the risk profile of the loan and investment portfolios and by extension growth in loan and investment income. To improve on our efficiency in loan processing we will be introducing a Centralized Credit Unit (CCU) that will result in improvement in credit assessment and shorter turnaround time for loan processing. Our loans workflow will also be enhanced in tandem with the CCU. Additionally, the Credit Union will seek to become more competitive on selective loan rates to drive volumes.

Further, the Credit Union will be diligently looking at other investment vehicles and low risk structured financing opportunities to boost its investment income.

Delinquency and Bad Debt Recoveries

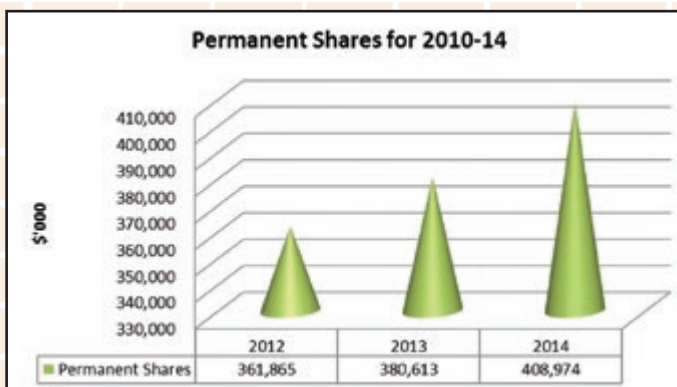
The credit union will seek to achieve a target of 6% for 2015. We recognize that there is still a lot of work to be done in this regard. Notwithstanding the aforesaid we are optimistic of keeping our delinquency rate down as we employ new and varied strategies despite the challenging economic climate. The credit union will continue working with its membership through, information, education and other initiatives. Where necessary, however, the credit union will aggressively take legal action to ensure loans are collected.

Asset management is also a very critical area to the Credit Union relative to achieving profitability targets. We will continue our focus to collect on charged-off accounts as this will have a positive impact on our bottom line. The credit union will also explore and apply more innovative means of collecting on debt in 2015. We intend to continue our aggressive approach of asset recovery and liquidation.



Membership-Permanent Shares

The Credit Union's adult and CARES membership grew by 6407 (2013:5,186) or 2% and 2480 (2013:2,299) or 2% respectively, in 2014. Permanent shares increased by \$28M (2013:\$19M) when compared to 2013. Membership compliance was 59.27% compared to 58.22% in 2013. We now have over 155,000 (2013:148,000) members being fully compliant out of a total active membership of 264,000 adult members. Several initiatives were implemented in 2014 to encourage our members to become permanent share compliant.



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TREASURER'S REPORT Cont'd

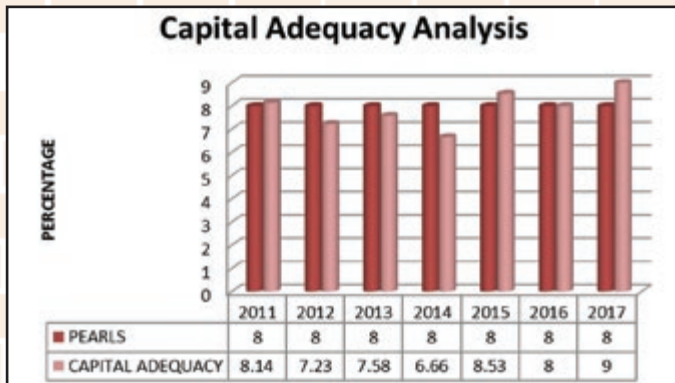
Cost Management

COK Sodality will continue to make cost containment a culture within the Credit Union with emphasis on efficiency management. We believe that an efficient COK Sodality will ultimately lead to world class customer service and service delivery which eventually leads to volume growth. In 2014, we rolled out our fully automated payroll processing system as well as our new and improved payment system. These two new systems have led to cost reduction in stationery and printing cost, improved processing time for transactions and member satisfaction.

In 2015, we will continue enhancing our core banking system by introducing a loan fee module, improve our website and our online banking facility. These initiatives, we believe will improve our time to market with products and a fast turnaround for loans, as well as, give our membership an enhanced in-branch and out of branch service. We continue to look at resources and where necessary ensure that COK Sodality will have the right fit to deliver upon our objectives.

Capital Adequacy

In 2015, the Credit Union will boost its capital adequacy ratio by increasing permanent share requirement, together with an anticipated increase in permanent share attributable to loans growth in the amount of \$44M. This added to the planned contribution from surplus of \$34M, constitute the capital management plan to achieve \$158M of capital or 8.53% capital adequacy ratio in 2015. The below plan constitute the capital management plan through to 2017.



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Come to COK and get up to \$500,000
With a **COK FAST LOAN.**

- ☑ **Borrow up to \$500,000**
- ☑ **No collateral required**
- ☑ **Up to 4 years to repay**
- ☑ **Very attractive interest rates**

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TREASURER'S REPORT Cont'd



The table below summarizes the Budget of the credit union's operations for 2015 as compared to 2014

2015 BUDGET REVENUE AND EXPENDITURE STATEMENT

				2014				2015			
BUDGET	ACTUAL	+ / (-)	%					BUDGET			
\$'000	\$'000							\$'000			
				INTEREST INCOME							
698,563	678,386	(20,177)	(3)	Members' Loans				783,442			
138,607	149,196	10,589	8	Investments and Deposits				131,078			
<u>837,170</u>	<u>827,582</u>	<u>(9,588)</u>	<u>(1)</u>					<u>914,520</u>			
				FOR WHICH OUR INTEREST COST AND OTHER EXPENSES WERE							
153,306	148,308	4,998	3	INTEREST ON MEMBERS' DEPOSITS				163,534			
24,826	27,533	(2,707)	(11)	INTEREST ON MEMBERS' SHARES (DEFERRED)				25,038			
60,090	133,435	(73,345)	(122)	LOANS AND OTHER PROVISIONS				90,728			
14,560	29,191	(14,631)	(100)	OTHER FINANCIAL COSTS				21,585			
15,545	1,776	13,769	89	INTEREST ON EXTERNAL CREDIT				20,571			
<u>268,327</u>	<u>340,243</u>	<u>(71,916)</u>	<u>(27)</u>					<u>321,456</u>			
568,843	487,339	(81,504)	(14)								
				LEAVING A NET INTEREST OF AND WE ADD NET EARNINGS FROM NON - INTEREST SOURCES							
20,693	13,043	(7,650)	(37)	CREDIT CARD				7,750			
5,462	9,190	3,728	68	REMITTANCE SERVICES				9,677			
14,572	8,408	(6,164)	(42)	CAMBIO SERVICES				11,818			
309,550	262,877	(46,673)	(15)	FEES AND OTHER INCOME				303,442			
<u>350,277</u>	<u>293,518</u>	<u>(56,759)</u>	<u>(16)</u>					<u>332,687</u>			
				MAKING OUR GROSS MARGIN BEFORE OPERATING EXPENSES							
<u>919,120</u>	<u>780,857</u>	<u>(138,263)</u>	<u>(15)</u>					<u>925,751</u>			
				FROM WHICH WE DEDUCT OUR OPERATING EXPENSES							
847,010	816,661	30,349	4					892,742			
72,110	(35,804)	(107,914)	(150)	LEAVING AN OPERATING INCOME / (LOSS)				<u>33,009</u>			
1,000	(8,354)	(9,354)	(935)	ADD SHARE OF PROFIT OF ASSOCIATES				1,000			
<u>73,110</u>	<u>(44,158)</u>	<u>(117,268)</u>	<u>(160)</u>	LEAVING A NET INCOME/LOSS				<u>34,009</u>			

ANNUAL REPORT 2014



TREASURER'S REPORT Cont'd

2015 BUDGET BALANCE SHEET STATEMENT

2014				2015		
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>		<u>BUDGET</u>		
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>		
OUR ASSETS						
5,051,852	5,056,289	4,437	0%	LOANS TO US AS MEMBERS	5,600,707	
2,006,629	1,751,672	(254,957)	-13%	OUR INVESTMENTS IN OTHERS	1,716,129	
50,418	116,892	66,474	132%	CASH IN HAND & AT BANK	59,839	
351,341	358,390	7,049	2%	OWING TO US BY OTHERS	321,479	
279,125	240,749	(38,376)	-14%	FIXED ASSETS WE PURCHASED	228,133	
<u>7,739,365</u>	<u>7,523,992</u>	<u>(215,373)</u>	<u>-3%</u>	MAKING OUR GRAND TOTAL ASSETS	<u>7,926,287</u>	
					% GROWTH PROJECTED	5%
SOURCES FROM WHICH OUR ASSETS ARE FINANCED						
2,275,000	2,190,876	(84,124)	-4%	OUR SAVINGS IN SHARES	2,132,000	
4,347,387	4,398,614	51,227	1%	OUR SAVINGS IN DEPOSITS	4,647,887	
<u>6,622,387</u>	<u>6,589,490</u>	<u>(32,897)</u>	<u>0%</u>	MAKING OUR TOTAL SAVINGS	<u>6,779,887</u>	
462,467	462,911	444	0%	INSTITUTIONAL CAPITAL	469,702	
417,000	408,974	(8,026)	-2%	PERMANENT SHARES	525,641	
300,000	300,000	-	0%	DEFERRED SHARES	300,000	
2,132	5,638	3,506	164%	INVESTMENT REVALUATION RESERVE	6,000	
-	23,481	23,481	100%	LOAN LOSS RESERVE	23,481	
97,806	120,934	23,128	24%	PENSION RESERVE	97,806	
<u>(536,601)</u>	<u>(670,861)</u>	<u>(134,260)</u>	<u>-25%</u>	NON-INSTITUTIONAL CAPITAL	(635,484)	
<u>7,365,191</u>	<u>7,240,567</u>	<u>(124,624)</u>	<u>-2%</u>	MAKING THE GRAND TOTAL WE OWN AS MEMBERS	<u>7,567,033</u>	
374,174	283,425	(90,749)	-24%	WE OWED OTHERS AT YEAR-END	359,254	
<u>7,739,365</u>	<u>7,523,992</u>	<u>(215,373)</u>	<u>-3%</u>	AGREEING THE SOURCES OF FINANCING WITH OUR TOTAL ASSETS	<u>7,926,287</u>	

TREASURER'S REPORT Cont'd

CONCLUSION & ACKNOWLEDGEMENTS

Despite the various challenges associated with operating in a highly competitive environment, COK Sodality believes it is well positioned to return to sustainable profitability. The credit union remains committed to providing financial assistance to its members in a cost effective and efficient manner. We are a safe repository for savings, and despite the fragile environment in which we currently operate and the loss of 2014 which resulted primarily because of an exceptional provision of \$58.8M, we remain very positive in our ability to play an important part in fostering financial independence and creating wealth for our members. Our primary mission is to improve our members' well-being and we will continue to provide those opportunities for you our valued members to achieve your goals.

I wish to thank the management and staff of the Credit Union for remaining steadfast in their duties to the organization. It is never easy to operate in a dynamic environment. Thanks also to the cadre of volunteers who unselfishly give of their time and talent, and were very forthcoming with ideas and suggestions about improving the Credit Union.

Special thanks to the Department of Cooperatives and Friendly Societies and The Jamaica Cooperative Credit Union League for their guidance and support during the year. Finally to our Auditors, KPMG, who conducted and completed their audit in a timely manner thereby enabling us to submit our financial statements within the stipulated timeframe.

Finally, I am grateful to you our members for your continued support of the credit union and the opportunity to have served in this capacity.



Steadman Pitterson
Treasurer

Proposal for the fixing of Maximum Liability To 31st December 2014

In keeping with Rule 70, it is proposed that Maximum Liability to 31 December, 2014 be set at \$7.8 billion, being 12 times the 2014 total capital, inclusive of Deferred Share of \$300 million, projected at \$651 million

For and behalf of the Board of Directors



Steadman Pitterson
Treasurer



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TREASURER'S REPORT Cont'd

PRUDENTIAL INDICATORS	PEARLS	2014	2013	2012	2011	2010
PROTECTION						
Allow for Loan Loss/Delinquency > 12 mths	100	100	100	100	100	100
Allow for Loan Loss/Delinquency 6-12 mths	60	60	60	60	60	60
Allow for Loan Loss/Delinquency 3-6 mths	30	30	30	30	30	30
Allow for Loan Loss/Delinquency 2-3 mths	10	10	10	10	10	10
EFFECTIVE FINANCIAL STRUCTURE						
Net Loans / Total Assets	60-80	67.20	63.38	56.27	47	50
Liquid Assets / Total Assets	max 20	11.71	11.80	13.54	23	28
Financial Investments / Total Assets	max 10	13.12	15.78	18.82	16	9
Total Savings / Total Assets	70-80	87.58	88.75	87.53	86	90
Shares / Total Assets	10 - 20	29.12	30.38	30.20	30	32
Institutional Capital / Total Assets	min 8	6.66	7.58	7.23	8.14	3.1
ASSET QUALITY						
Delinquency (>1mth) / Gross Loan Portfolio	<=5	9.10	10.42	10.51	7	11
non-Earnin Assets / Total Assets	<=7	8.04	9.37	10.28	15	11
RATES OF RETURN AND COSTS						
Net Loan Income / Average Net Loan	mkt rate	13.54	14.67	15.02	18	18
Operating Expenses / Average Assets	<=8	10.93	10.66	11.37	10.9	10.2
Net Margin / Average Assets	>5	-0.46	0.09	-1.83	0.74	-6.6
Loan loss provision / Average Assets	cover loss	1.49	1.55	1.7	1.50	2.7
LIQUIDITY						
Liquidity reserves / Total savings deposits	10	11.63	11.52	14.14	26	31
Non earning liquid assets / Total Assets	<1	1.55	1.57	1.16	2	1.5
SIGNS OF GROWTH (YTD)						
Loans (gross)		12	12	19	(5)	(18)
Savings Deposits		2	2	3	0	4
Shares		0.25	1	0	(3)	(13)
Institutional Capital		-	-	-	7	59
Membership	5%	3%	2%	3%	3%	6%
Total assets	>=inflation	5.50%	0.22%	-0.29%	4%	-10%

COK SODALITY - CORPORATE CITIZEN



CEO Jacqueline Mighty lays a tile at the office of the Diabetic Association of Jamaica - COK Sodality Labour Day Project 2014



COK Sodality's Montego Bay Branch painted the Salt Spring Primary School as its Labour Day Project



Cross Roads' Sean Lewis provided a drink and toiletries to the homeless in the Cross Roads area



Half Way Tree Branch Manager, Morris Livingston and MRO Roger Lim Sang assisted in the branch community outreach Feed & Read Programme



CEO Jacqueline Mighty and staff members hand a bag of goodies to a member of the public as COK gives back.



Praise and thanksgiving as COK Sodality celebrated its 47th anniversary.



COK Sodality's Mandeville Branch took on the repainting of the Curphey's Home as their Labour Day Project for 2014



Children of COK Sodality's members benefited from Scholarships offered in 2014

**Giving
back
while
giving
Thanks**

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COK'S MANAGEMENT TEAM



Jacqueline Mighty
Chief Executive Officer



Linda Miller
Chief Operations Officer



Shaun Barrett-Radcliffe
MIS



Roshene Betton
Legal Counsel



Dianne Bolton
Credit Origination



Hugh Campbell
DMU



Vevine Cameron
Credit Administration



Rexona Christie
Facilities & Procurement



Andre Gooden
Investment & Treasury



Juliet Henry
Branch Operations



Millicent Isaacs
HR & L



Anthony Morris
Internal Audit



Claudine Scott
Member Experience



Emma Thomas
Sales & Marketing



Trisha Williams
Finance & Accounts



Stanford Hastings
Mandeville



Morris Livingston
Half Way Tree



Tina Livingston
Cross Roads



Oral Sewell
Portmore



Roger Shippey
Montego Bay

TEAM MEMBERS

CEO's OFFICE / STRATEGIC PLANNING & BUSINESS DEVELOPMENT



L-R: Janet Tate, Vivene Thompson, Jacqueline Mighty (CEO)

INTERNAL AUDIT



(L-R): Richardo Jones, Rachel Tomlinson, Kadian McDonald, Anthony Morris (Manager)

MANAGEMENT INFORMATION SYSTEMS



FRONT ROW (L-R): Shaun Barrett-Radcliffe (Manager), Omar Morgan, Nateisha McDonald-Lawrence, Delecia Mair-Grizzle BACK ROW (L-R): Claudette Seballo-Myrie, Andre Stevens, Austin Briscoe

HUMAN RESOURCE & LEARNING



(L-R): Tashoy Hayles-Talbert, Barbara McKenzie, Millicent Isaacs (Manager), Dawn Gardner-Rose, Krystal Roper, Dorraine Wright, Cegartha Hayles.

SECURITIES ADMIN



FRONT ROW (L-R): Winsome Whyllie-Tai, Roshene (Legal Counsel) Betton, Tanyshé Rhoden, Merrill Tomlinson, Shelly Cargill-Brooks, Horane Plunkett BACK ROW (L-R): Andre Corrie, Junior Pearce, Taffar Simpson, Erell Crooks MISSING: Keneshia Goulbourne

CREDIT



FRONT ROW (L-R): Antoinette Lynch, Donald Tomlinson, Ramonia Brown-Britton, Dianne Bolton (Manager), Antoinette Irving-Chambers BACK ROW (L-R): Shelika Duncan, Antonette Samuels Kevin Dalberry, Famar Edwards, Vevine Cameron (Manager), Clive Thompson

ANNUAL REPORT 2014



TEAM MEMBERS

RECORDS



L-R: Dean Nelson, Althea White, Kemeisha Forrest, Lorraine Broderick, Dwayne Smith.
MISSING: Kevin Graham, Angela Walker-Carby

BRANCH OPERATIONS



L-R: Juliet Henry (Manager, Branch Operations), Paul-Ann James, Linda Miller (COO), Karlene Brown

FACILITIES & PROCUREMENT



FRONT ROW (L-R): Richard Maye, Rexona Christie (Manager), Linda Miller (COO). BACK ROW (L-R): Andrew Kirkland, Sandra Hibbert-Facey. MISSING: Lorina Spencer-Hastings, Ryan Garvin

CENTRALIZED SERVICES UNIT



FRONT ROW (L-R): Desmond Henry, Linda Miller (COO), Jessica Williams, Charlene Campbell, Odette Thomas, Juanique Holmes. BACK ROW (L-R): Stacy-Ann Grant, Debrette Brown, Juliet Henry (Manager, Branch Operations)
MISSING: Natalee Hall, Tanisha Jarrett-Allen

RISK & COMPLIANCE



FRONT ROW (L-R): Linda Miller (Chief Operations Officer), Sharna Meredith-Ramsay, Daniela Dacres. BACK ROW: Brian Dixon

MEMBER EXPERIENCE



(L-R): Amoi Patrick-Tucker, Claudine Scott (Manager)

TEAM MEMBERS

DEBT MANAGEMENT UNIT



FRONT ROW (L-R): Angella Brown, Vivienne Plummer, Deidre Daley, Michelle Coombs, Yashema Berdoe. **2ND ROW (L-R):** Tarika Kelly, Melicia Tait, Julli-Ann McEwan, Kayla Dennis **BACK ROW (L-R):** Christopher Dyer, Hugh Campbell (Manager). **MISSING:** Suisj'aila Wilson

ACCOUNTS



FRONT ROW (L-R): Yashica Byroo, Tamika Farquharson, Heather Wong-Franklin, Patricia Edwards, Trisha Thompson-Williams (Manager). **BACK ROW (L-R):** Trisann Dumay, Christopher Richards, Christopher Walters. **MISSING:** Nkachi Reeves

CAMBIO & REMITTANCE



FRONT ROW (L-R): Patrice Thomas-Hinds, Nadine Matthews, Andre Gooden (Manager). **BACK ROW (L-R):** Jamie Muir, Shayon South, Marlet Fender

FINANCIAL SERVICES



(L-R): Shernel Simms, Lamar Virgo, Sheryl Williams-Gordon, Trisha Thompson-Williams (Manager), Selvina Waite

TREASURY & INVESTMENTS



FRONT ROW (L-R): Donica Bryan, Andre Gooden (Manager), Jacqueline Simpson, Yanique Henry. **BACK ROW (L-R):** Terry-Melissa Ballin, Renee Rattray. **MISSING:** Teasha Fraser-Griffiths

MICRO FINANCING



FRONT ROW (L-R): Dianne Bolton (Manager), Christina McCarthy, Ann-Marie Francis. **BACK ROW (L-R):** Christopher Thomas, Curven Whyte. **MISSING:** Corbeth Thompson, Derrick Heslop

ANNUAL REPORT 2014



SALES & MARKETING / BRANCHES

SALES & MARKETING



L-R: Emma Thomas (Manager), Sam-Wayne Wilson, Valrie Coley-Brown, Joan Davidson, Shanice Hamilton

CROSS ROADS



FRONT ROW (L-R): Darian Davidson, Nakeem Melford, Nicole Shim, Jheanelle Simpson, Daniel-Lee Lewis, Claudette McPherson, Dionne Johnson-Roberts, Karen Ramsay, Mecadian Lattibeaudiere, Annetta Mattocks, Tanesha Campbell, Sashene Miller, Tina Livingston (Branch Manager)
2ND ROW (L-R): Tracy-Ann Gordon, Shana-Lee Hewitt, Karen Maylor-Graham, Anthoy Fagan, Rosalie Johnson, David Duval, Jason Leach, Kristoff Young, Renae Burgess,
BACK ROW (L-R): Floreta Bowen, Letteacha Grant, Othneil Bailey, Clive Thompson, Sheldon Jones, Joevan Duhaney, Sheena Watson, Sean Lewis. MISSING: Marcia Hunter-Anderson

MONTEGO BAY



FRONT ROW (L-R): Kadeisha Bernard, Simone Case, Bianca Dawkins, Fitzroy Sanderson, Alecia Wynter, Geraldine Rosegreen, Khalfani Stoddart-Kerr, Pamela Maddan. SECOND ROW: (L-R) Roger Shippey (Branch Manager) Taimar Nelson, Julane Daley, Geraldine Smith, Patrine Lamont, Orpah Dawkins, BACK ROW (L-R) Beneve Griffiths, Dorrian Clarke, Melodean Cousley., Samora Roper

HALF WAY TREE



FRONT ROW (L-R): Racquel Williams, Charmaine Changoo-Headley, Ramonia Brown-Britton, Latanya Fraser, Keron Brown, Kadian Tullonge, Marie Robinson, Nadine Chin, Kaydian Malcolm, Venese Wright-White, Morris Livingston (Branch Manager). 2ND ROW (L-R): Clifford Brown, Casmarie Sherwood, Glenford Pennington, Roger Lim Sang, Russhaun Thomas, Peter Downey. BACK ROW (L-R): Naizly Nelson, Shelly-Ann Wint, Ineeka Anderson, Nico Bailey, Lidice Ferguson, Jena Wilson.

PORTMORE



FRONT ROW (L-R): Jacqueline Googlar-Bailey, Antonette Irving-Chambers, Shoshanna Johnson, Ruschell Grant, Shenee Hope, Venice Griffiths, Patricia Jones, Gillian Gordon, Devine Gayle. 2ND ROW (L-R): Oral Sewell (Branch Manager), Latoya Linton, Nicholas Clarke, Famar Edwards, Camian Williams, Kimberly Swaby. BACK ROW (L-R): Troy Powell, Kimberly Savage, Alex McCarty, Clinton Lewin, Renee Johnson

MANDEVILLE



FRONT ROW (L-R): Sasha Hunt, Jennifer Thomas, Peta-Gay Bryan, Lashauna Mckenzie, Feona Bennett, Stanford Hastings (Branch Manager). 2ND ROW (L-R): Marlan Vickers, Amanda Heron, Nadine Hutchinson, Letiesha Williams. BACK ROW (L-R): Sutaniana Morgan, Alison Gordon, Collin Cotterell, Simone Reid-Windeth

STAFF AWARDS FUNCTION 2014

2014 Branch of the Year



Montego Bay Branch Manager Roger Shippey and his team receiving the Branch of the Year 2014 Award from President Carol Anglin.

2014 Branch of the Year



Branch Manager Roger Shippey collect the trophy for Branch of the Year 2014, a title they hold for two year in a row, from President Carol Anglin

2014 Employee of the Year



Accounts' Christopher Richards receiving the 2014 Employee of the Year Award from CEO Jacqueline Mighty

2014 Top Achievers



From (R -L) Branch Manager Roger Shippey for the Branch of the Year (Montego Bay Branch); Employee of the Year - Christopher Richards; Micro Officers Ann Marie Francis & Julane Daley and Member Relations Officer of the Year - Geraldine Smith.

2014 Member Relations Officer of the Year



Geraldine Smith of the Montego Bay Branch receiving the Member Relations Officer of the Year 2014 Award from Director Al Chambers.

COK Sodality Choir



The COK Sodality Choir perform their version of Kevin Downswell "You Make me Stronger" at the award ceremony



REPORT OF THE CREDIT COMMITTEE FOR 2014

COK Sodality operated in a very challenging economic environment in 2014 which was no different from the previous year. The Government continued in its efforts to attain the desired benchmarks that have been imposed by the International Monetary Fund (IMF) under the current Extended Fund Agreement.

While the Government is seeking to gradually establish a sound macroeconomic framework, the impact at the micro level has not yet been achieved as there still exists a high level of unemployment, reduced purchasing power and aggregate demand and generally a high cost of living. Against this background, the populace and by extension our membership has faced increased hardship which has impacted loan demand to an extent that has not been seen in previous years.

Despite the tight economic conditions, however the Credit Union has been able to achieve a reasonable performance for 2014 which is evidenced by the following:

- Disbursements of \$2.62B which represents 93% of its target for the year and 1.6% or \$40M less than the previous year.
- Growth in the loan portfolio of over \$500M or 12%
- Growth of over 100% in six of its loan products which include Motor Vehicle Loans, Debt Consolidation Loans (secured & unsecured) and Mortgages.

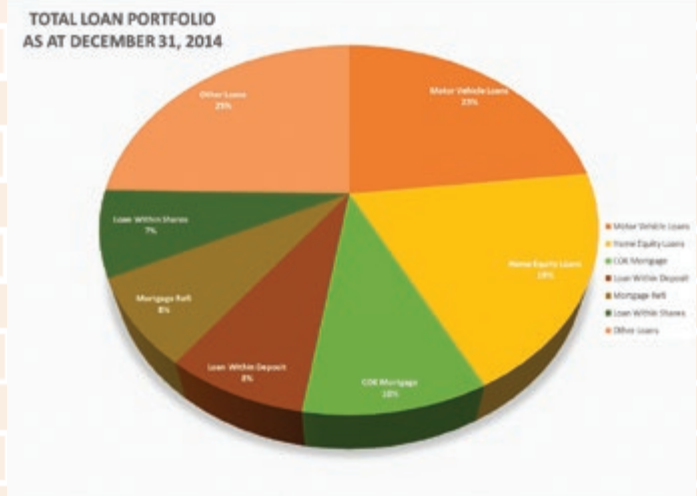
The Credit Bureaus have played a significant role in the loan underwriting process as more informed and quicker decisions were made based on the information that was made available. There is now marked improvement in the quality of the loan assessments which is expected to result in an overall improvement in the quality of the portfolio over time.

PERFORMANCE HIGHLIGHTS

Disbursements for year ended December 31, 2014

Product	YTD Actual \$
COK Pre-Approved Loans	19,102,000
NIF/SME	200,000
Mortgage Refi	3,160,500
COK Pensioners Plus Loan	1,130,405
COK Pensioners Loan	1,170,000
Business Loans	20,80,038
Home Equity Loans	191,552,727
SCHOLAR	22,509,918
Pay Day Loan	164,566,300
SCHOLAR PLUS	31,207,580
Special Education	57,094,843
Micro Loans	146,411,752
Loan within Shares	505,339,468
FAST	51,847,314
Loans within Deposits	339,973,255
Staff Loans	92,707,782
Ratio Loans	44,031,464
COK Debt Con Loan	75,905,378
Mortgage	110,095,000
Motor Vehicle	575,168,369
COK Debt Con Plus	165,025,176
TOTAL	2,618,999,268

TOTAL PORTFOLIO AS AT DECEMBER 2014



REPORT OF THE CREDIT COMMITTEE FOR 2014

Total loans as at year ending December 31, 2014 was \$5.2B with the following products jointly accounting for over 60% of the portfolio:

- Motor Vehicle – 23.15%
- Home equity -19.33%
- Mortgage & Mortgage Refinancing – 17.62%

CREDIT COMMITTEE ACTIVITIES

The Credit Committee held meetings on a fortnightly basis to adjudicate on loans and to review existing loans. Reviews are intended to strengthen the credit risk management process and are therefore primarily geared at determining the following:

1. The adequacy of our credit policies and procedures for the granting of loans
2. Whether loans are granted and/or being managed in accordance with the credit policies and procedures
3. The status of security held to ensure that same are perfected and can be readily enforced in the event of default.

In performing its role, the Credit Committee has observed that the assessment of loans submitted for approval is at an acceptable level, however closer monitoring of loans following disbursement is required as this would allow for early identification of problem accounts and would reduce the likelihood of an account becoming delinquent. The management will therefore be seeking to leverage its current MIS system to enhance its monitoring capabilities.

OUTLOOK

The outlook for COK Sodality remains positive, reflecting the dual impact of internal changes as well as the expected improvements in the broader macroeconomic environment. The passing of the seventh consecutive IMF test with its attendant drawdown, the reduction in the price of petrol in the global economy and the low inflation achieved in the local environment should result in a more favourable growth in the local economy which bodes well for the financial industry and by extension COK Sodality.

Against this background, the stepped up focus of COK Sodality is on further rationalizing and improving its delivery of services which would directly and indirectly improve the bottom-line and contribute to the process of restoring the organization to its number one position in the local credit union sector.

There is cautious optimism for the Credit Union as it relates to the outlook for 2015. COK has been embarking on initiatives such as the centralization of the credit underwriting, securities and disbursement functions to improve its service delivery to its member as well as special promotions to drive loan demand. The ultimate success of these strategies will be a function of the improvements in the broader economic conditions; particularly at the micro level where COK's membership and target market is highly concentrated.

ACKNOWLEDGEMENTS

The Credit Committee would like to acknowledge the assistance of the management and staff for their erstwhile assistance as we exercised oversight responsibility for all loans approved by the Credit Union for the year 2014. Thanks to fellow volunteers for the support during the year. We would also like to thank the members for reposing their confidence in us and we look forward to serving you in the coming year.

The Serving members of the Committee are:



L-R: Irwin Gregory, Donna Pomells, Rohan Townsend, Errol Beckford.
Missing: Catherine Gregory, Lisa Campbell, Ralston Hyman, Lenworth Tracey

Mesdames:

- Catherine Greory
- Donna Pomells
- Lisa Campbell

Messrs:

- Errol Beckford
- Rev. Norman Francis (resigned January 2015)
- Irwin Gregory (Secretary)
- Ralston Hyman
- Rohan Townsend (Chairman)
- Lenworth Tracey

Yours cooperatively,

Rohan Townsend
Chairman

REPORT OF SUPERVISORY COMMITTEE

Introduction

The Co-operative Societies Act 1950 defines the Supervisory Committee as a committee elected by the members of the credit union at the Annual General Meeting for the purpose of Audit and Supervision of the Society. In the case of COK Sodality, the Supervisory Committee is supported by the Internal Audit Department, and carries out its mandate by examining the affairs of the Credit Union periodically. In addition, the committee reviews and deliberates on investigations into members' complaints affecting the proper running of the Credit Union.

In keeping with the rules of COK Sodality, the Supervisory Committee consists of nine (9) members (Rule Book - Article X, Section 48 (i))

Stated below are the names of the committee members who were duly elected at the 47th Annual General Meeting held on May 9, 2014. They served in the following capacities:

Mesdames:

- Herma Walker - Chairman
- Jacqueline Daley - Secretary
- Beverly Haylett Smith - Member(Resigned)
- Phillippa Edwards - Member
- Vinnate Hall - Member
- Carol Williams - Member

Messrs:

- Alston Reid - Member
- Clive Medwynter - Member
- Arnold Breakenridge- Member

Role and Responsibilities

The Supervisory Committee's mandate is to determine the extent to which the Management and Staff undertake their respective functions in accordance with the policies and rules laid down by the Board of Directors, and the Co-operative Societies Act. The findings therefrom and resulting recommendations are then conveyed to the Board of Directors meeting for their deliberation.

We discharge our responsibility to the general membership by conducting regular reviews of the operations of the Credit Union and provide monthly reports of our findings and recommendations to the Board of Directors and Management.

A summary of our activities for the year is included in this report to the general membership at the Annual General Meeting.

Areas of Focus 2014

During the year, the committee reviewed the operations of the credit union and made recommendations for improvement in the following areas:-

- Branch Operations
- Bank Reconciliations
- Dormant/Inactive Accounts Audit
- IT General Controls Audit
- ATM Reconciliations Review
- Staff Loans Audit
- CUETS Settlement Review
- Proceeds of Crime Act (POCA)/Anti Money Laundering
- Monthly Cash Audit Exercises
- Special Management/Committee Requests

We conducted our reviews in accordance with International Auditing Standards and best practices. The findings revealed general adherence to established policies, procedures and internal controls. Compliance with the related laws and regulations that govern the Credit Union's operations was adequate. Recommendations were made where deemed necessary, the implementation of which resulted in improvements in the Credit Union's activities, thereby reducing the risk of loss to the organisation.

The Committee attended regular monthly meetings of the Board, Finance and Policy, Joint Credit Committee, Debt Management and Audit Risk and Compliance Committees. While attending these meetings, we were able to join with other volunteers in deliberating and making decisions on very important issues affecting the credit union.

Additionally, members availed themselves for training seminars which the committee utilised in making sound recommendations. Careful execution of the planned audits resulted in heightened consciousness and appreciation of the policies and procedures, resulting in improvements being reflected in the internal control environment of the organization. Also with the identification of some risks, we were able to be agents of change in risk mitigation strategies.

REPORT OF SUPERVISORY COMMITTEE

In general, such involvement afforded us to make a significant contribution to the growth and development of the organisation.

The committee continues to bring to the attention of the Board of Directors and other volunteers, issues that impacted the management's performance during the past year.

Challenges

We acknowledge that many of the recommendations made in our reports to the Board were implemented in a timely manner; however, we are still concerned about the pace of resolution of outstanding issues, the absence of which could impact the effectiveness of the governance process of the organization. Also while noting the effort of some members to have an input into the organisation's service delivery experience; we are concerned that the majority of members have not been utilizing the avenues made available via the Suggestion Box.



Front Row: Arnold Breakenridge, Philippa Edwards, Herma Walker, Alston Reid. Back Row: Clive Medwynter, Carol Williams, Vinnate Hall, Jacqueline Daley

Acknowledgement

The Supervisory Committee continues to acknowledge the work of the Board of Directors, Management, the Administrative support staff, Joint Credit and other committees for their tremendous work during the year. We also appreciate the remarkable work of the Internal Audit staff during the year under review, and for their unwavering support to the committee.

A handwritten signature in black ink, appearing to read 'H Walker', on a white rectangular background.

Herma Walker
Chairman - Supervisory Committee

Recommendations

We encourage members to take full advantage of the facilities which have been made available for providing their feedback on the services offered. This will assist management in determining strategies to be employed to improve the delivery of services to members.

To our valued members we say thank you for affording us the opportunity to serve you over the past year. We deem it both a privilege and an honour to have done so.

As Chairman, I would like to thank the hardworking members of this committee for their sterling commitment and dedication. Again, I invite all of us to continue working together as a team in building our organisation, COK Sodality Co-operative Credit Union Limited as we embrace the theme for 2015 – ***Passion – Time for Growth***”.



REPORT OF NOMINATING COMMITTEE

The members of the Nominating Committee were:

- Mr. Christopher Robinson - Director and Chairman
- Fr. Burchell McPherson - Member
- Mr. Garth O'Sullivan - Member
- Mrs. Jacqueline Mighty - Staff Liaison
- Mr Hugh Campbell - Staff Liaison
- Mrs. Barbara McKenzie - (Staff Liaison/ Admin Support)



L - R : Garth O'Sullivan, Jacqueline Mighty, Fr. Burchell McPherson, Barbara McKenzie, Hugh Campbell, Christopher Robinson

Committee's Mandate

The mandate of the Committee is to act within the framework of the Rules of COK Sodality Co-operative Credit Union as per Article X111 Rule 65(a) "Not less than thirty (30)days prior to each Annual General Meeting, the Board of Directors shall appoint a Nominating Committee of three (3) members, of which not more than one may be a member of the existing Board of Directors. It shall be the duty of the Nominating Committee to nominate at the Annual General Meeting one member of each vacancy for which elections is being held."

The selection criteria included:

- Loans of the members are being satisfactorily serviced
- Members confirm a willingness to serve as a Volunteer and to dedicate sufficient time in undertaking duties therein.
- Members standing for re-election should have had good attendance record and made good contribution at meetings.
- Members, where required, are willing to complete the Fit and Proper Exercise as required by the Regulators.

The Nominating Committee submits the following members for nomination to the Board of Directors, the Supervisory Committee and the Credit Committee.

BOARD OF DIRECTORS

Article V111 Rule 33(i)

"The Business of the Society shall be conducted by a Board of Directors which shall be elected at the Annual General Meeting of the society and shall consist of not less than five (5) members, all of whom shall be members of the society and eighteen years of age and over, provided that the number of members comprising the Board of Directors shall at all times be an uneven number. Each member shall be eligible for re-election."

RETIRING	RECOMMENDED	TERM IN OFFICE
Miss Carol Anglin	Miss Carol Anglin Management Consultant Ebony Business Printers 25 Eastwood Park Road Kingston 10	2 Years
Mr. Steadman Pitterson	Mr. Steadman Pitterson Management Consultant P.O. Box 449 Kingston 19	2 Years
Mrs. Debbie-Ann Gordon Crawford	Mrs. Debbie-Ann Gordon Crawford Debbie-Ann Gordon & Associates Attorneys-at-Law 79 Harbour Street Kingston	2 Years
Mr. Deryke Smith	Mr. Deryke Smith Senior Manager Finance & Information Housing Agency of Jamaica 13 Caledonia Avenue Kingston 5	2 Years
Mr. Trevor Blake	Mr. Trevor Blake Business Executive Boss Furniture 112c Church Street Kingston	2 Years
Mrs. Marjorie Shaw	Mrs. Marjorie Shaw Attorney-at-Law Brown & Shaw 12 Herb McKenley Drive Kingston 6	2 Years

REPORT OF NOMINATING COMMITTEE

Credit Committee

Article 1X Rule 4(i)

The Credit Committee shall be elected at the Annual General Meeting of the Society and shall consists of not less than three (3) members, all of whom shall be members of the society and age eighteen or over. Each member shall hold office until his successor is elected and shall be eligible for re-election.

RETIRING	RECOMMENDED	TERM IN OFFICE
Mr. I. Errol Gregory	Mr I. Errol Gregory KLAS Sports Radio 17 Haining Road Kingston 5	2 Years
*Rev. Norman Francis	Mrs. Jacqueline Lloyd Carter Collections Officer International Credit Management Solutions 72 Hope Road Kingston 6,	2 Year
Ms.Catherine Gregory	Ms Catherine Gregory Director- Finance & Budget Manpower & Maintenance Services 1 Eureka Road Kingston 5	2 Years
Mr. Ralston Hyman	Mr. Ralston Hyman Financial Analyst Power 106 FM 6 Bradley Avenue. Kingston 10	2 Years
Mr. Rohan Townsend	Mr. Rohan Townsend Chartered Accountant 7 Favorita Avenue Three Oaks Gardens Kingston 20	2 Years
*Miss Lisa Campbell	Mrs. Sharon Usim Usim, Williams & Co. Attorney-at-Law 5 Duke Street Kingston	2 Years
*Mr. Lenworth Tracey	Mr. Patrick Galbraith Director of Taxation & Administration DGS Chartered Accountants & Business Advisors Ltd 6 Leinster Road Kingston 5	2 Years

Three vacancies were created due to the following resignations:-

- *Miss Lisa Campbell
- *Rev. Norman Francis
- *Mr. Lenworth Tracey

SUPERVISORY COMMITTEE

Article X Rule 48(i) (ii) (iii)

The Supervisory Committee shall consist of not less than three members, none of whom shall be members of the Board of Directors or Credit Committee, and all of whom shall be members of the society.”

“Members of the Committee shall be elected, for one year only at each Annual General Meeting. They shall hold office until their successors are elected and shall be eligible for re-election.”

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

RETIRING	RECOMMENDED	TERM IN OFFICE
Ms. Herma Walker	Ms. Herma Walker Audit Consultant 764 Cedar Grove Boulevard Gregory Park P.O. St. Catherine	1 Year
Mrs. Jacqueline Daley	Mrs. Jacqueline Daley Facey Commodity Merchandise Division 61 Newport Boulevard Kingston 11	1 Year
Mrs. Carol Williams	Mrs. Carol Williams Clinical Psychologist International University of the Caribbean Centre for Counselling Psychological Services Kingston 5	1 Year
Mr. Arnold Breakenridge	Mr. Arnold Breakenridge Breakenridge & Associates 15a Old Hope Road, 5th Floor Kingston 5	1 Year
Mr. Clive Medwynter	Mr. Clive Medwynter Managing Director Paradigm Pioneers Inc. 11 Ardenne Road Kingston 10	1 Year

REPORT OF NOMINATING COMMITTEE

SUPERVISORY COMMITTEE Cont'd..

RETIRING	RECOMMENDED	TERM IN OFFICE
Mrs. Beverly Haylett Smith	Ms. Charmaine Newsome Attorney-at-Law Ministry of Finance & Planning Financial Investigation Division	1 Year
Mr. Alston Reid	Mr. Alston Reid HR Services Manager National Water Commission. 4 Marescaux Road Kingston 5	1 Year
Ms. Vinnate Hall	Ms. Vinnate Hall Assistant Vice President Internal Audit Sagikor Life Ja. Ltd 28-48 Barbados Avenue Kingston 5	1 Year
Ms. Phillipa Edwards	Ms. Phillipa Edwards Financial Controller Jamaica Customs Department 2-4 King Street Kingston	1 Year

Vacancy was created due to the resignation of Mrs. Beverly Haylett -Smith

JAMAICA CO-OPERATIVE CREDIT UNION LEAGUE

RETIRING	RECOMMENDED	TERM IN OFFICE
Delegates		
Mrs. Jacqueline Mighty	Mrs. Jacqueline Mighty	1 Year
Mr. Steadman Pitterson	Mr. Steadman Pitterson	1 Year
Alternate Delegates		
Mr. Christopher Robinson	Mr. Christopher Robinson	1 Year
Ms. Carol Anglin	Ms. Carol Anglin	1 Year

JAMAICA FISHERMEN CO-OPERATIVE UNION

RETIRING	RECOMMENDED	TERM IN OFFICE
Mr. Neville Rhone	Mr. Neville Rhone	1 Year
Mr. Michael Burke	Mr. Michael Burke	1 Year
Mrs. Jacqueline Mighty	Mrs. Jacqueline Mighty	1 Year

JAMAICA CO-OPERATIVE INSURANCE AGENCY LTD.

RETIRING	RECOMMENDED	TERM IN OFFICE
Mr. Christopher Robinson	Mr. Christopher Robinson	1 Year
Mrs. Jacqueline Mighty	Mrs. Jacqueline Mighty	1 Year

The Nominating Committee has carefully reviewed the eligibility requirements for each vacancy and has taken all reasonable steps to ensure that the nominees meet these requirements.

The Chairman and the members of the Nominating Committee wish to say thanks for the opportunity to serve COK Sodality Co-operative Credit Union.



Christopher Robinson (Mr.)
For & on behalf of the Nominating Committee

DELEGATES REPORT OF THE JAMAICA CO-OPERATIVE CREDIT UNION LEAGUE'S CONVENTION AND THE 73rd ANNUAL GENERAL MEETING

The Jamaica Co-operative Credit Union League's 73rd Annual General Meeting was held from May 15-18, 2014 at the Hilton Rose Hall Hotel & Spa in Montego Bay. It was held under the theme: 'Credit Unions Unite for Good...A Better Way.' Approximately one hundred and fifty (150) delegates and observers attended the week-end meeting.

One of the highlights of the conference was the Annual Awards Dinner which was held on the Friday evening, May 16, 2014.

COK Sodality Co-operative Credit Union copped two awards from the CUNA Group as follows::

- 1st Place - Highest Production Number of New Accounts for Golden Harvest Savings Plan for 2013
- 1st Place - Highest Production Number of New Accounts for FIP for 2013.

Awards were also given for:

- Highest Net Capital Growth - C&WJ Credit Union
- Highest Asset Growth - C&WJ Credit Union
- Credit Union with the highest Solvency - D&G Employees Credit Union
- Credit Union with the highest Return on Assets - Portland Credit Union
- Parish Credit Union with the Highest Net Loan growth - Portland Credit Union
- Most Outstanding Parish Credit Union - Manchester Credit Union.
- Mega Credit Union of the Year Award - JTA Co-operative Credit Union
- Large Credit Union of the Year Award. - JDF Co-operative Credit Union
- Medium Credit Union of the Year Award. - BJ Staff Co-operative Credit Union
- Small Credit Union of the Year Award - Church of the First Born Co-operative Credit Union

Board Report

The Annual General Meeting was chaired by JCCUL's President Derrick Tulloch. All aspects of JCCUL's operations were presented and examined.

League's Performance 2013

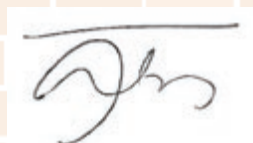
- The league acquired majority share ownership in the Credit Union Fund Management Company (CUFMC) in 2013
- The League's Trade Association recorded loss of \$1.2M on its operations
- The consolidated performance of the League's group of companies (Trade Association and CUFMC) made a surplus of \$211.4M before taxation and \$135.9M after taxation.
- At the end of the year, assets of the Group stood at \$11.5B compared to \$10.1B recorded in the previous year.
- Net institutional capital to assets ratio declined to 11.4% compared to 12.3% in 2013.

The executive team elected at the AGM for the 2014-2015 financial year were:

- | | |
|-------------------------------|-----------------------|
| • Mr. Derrick Tulloch | - President |
| • Ms. Carol Anglin | - 1st Vice President |
| • Mr. Winston Fletcher | - 2nd Vice President |
| • Mrs. Andrea Messam | - Treasurer |
| • Mr. Wilburn Pottinger | - Assistant Treasurer |
| • Mr. Rodcliffe Robertson | - Secretary |
| • Dr. Dorothy Raymond | - Assistant Secretary |
| • Mr. Martin Blackwood | |
| • Rev. Paul Gardner | |
| • Mr. Norris Gilbert | |
| • Mr. O'Neil Grant | |
| • Mr. Jerry Hamilton | |
| • Mr. Clide Nesbeth | |
| • Mr. John Spence | |
| • Mrs. Yvonne Ridguard Harris | |

Delegates and alternates in attendance at the AGM were: Mr. Steadman Pitterson, Mrs. Jacqueline Mighty, Mr. Christopher Robinson and Ms. Carol Anglin.

On behalf of the delegates,



Jacqueline Mighty (Mrs.)
Delegate

Delegates Report to the Annual General Meeting of the Jamaica Fishermen Co-operative Union Ltd. Held at the Medallion Hall Hotel, Kingston - March 12, 2015

The Annual General Meeting (AGM) of the Jamaica Fishermen Co-operative Union Ltd. (JFCU) was held at the Medallion Hall Hotel, 53 Hope Road, Kingston 6 on Thursday, March 12, 2015.

COK Sodality's delegates, Messers. Neville Rhone and Michael Burke were in attendance.

The Board of Directors Report for the period July 2013 to June 2014 was presented by the Board Secretary Mr. Elliston Deleon and highlighted the following matters:

- The Society recorded increased sales of 4% from \$137.6M in 2013 to \$143.0M in 2014
- Operating expenses declined by 1.5% from \$43.1M in 2013 to \$42.4M in 2014.
- The Society achieved a surplus of \$4.6M or 88% over the previous year when it reported a surplus of \$2.1M
- Assets grew by 14% over the previous year largely as a result of increased trade
- The Boat Project made a small surplus of \$334,000 which is an improvement over previous years
- Resolution passed at the last AGM for a Rule change to incorporate Branch Stores
- The Primary co-operatives are becoming non-functional as they are struggling to remain in business. There are presently seven (7) Primary Co-operatives operating.
- International Fishermen's Day activities were celebrated during the week of June 22 – 28, 2014 with a Church Service in Discovery Bay, National Fisher-folk conference in St. Ann and a Regatta in St. Mary.

A Strategic Retreat was held by the Board of Directors in 2014. Delegates from COK Sodality, while supportive of this event as it had been a recommendation from COK Sodality's delegate Michael Burke from 2013, opined at the meeting that such a retreat might have been more useful had all the delegates from the member co-operatives been invited to that Retreat. This they felt would have assisted the JFCU in identifying more meaningful strategies to develop the fishing industry which is currently undergoing many challenges.

The Board advised that another Retreat would be planned before the next AGM in 2016 at which other delegates of JFCU and other members of the Cooperative movement, including Credit Unions, would be invited to make representations to assist the JFCU in their efforts to grow their businesses.

Three delegates were nominated by the Nominating Committee to represent the Jamaica Fishermen's Co-operative Union at National Union of Co-operative Societies (NUCS).

They are:

- Mr. Gaston White - Director and delegate from the Half Moon Bay Fishermen's Co-operative in Portmore, St. Catherine;
- Miss Ionie Henry - Manager JFCU;
- Mr. Michael Burke - delegate from COK Sodality Credit Union.

The three were unanimously elected by the delegates.

The meeting appointed the following persons to the Board of Directors for a period of three (3) years.

- Keith Myrie - Rocky Point Fishermen Co-operative
- Yvonne Cox- Half-Moon Bay Fishermen Co-operative
- Elliston Deleon - Calabash Bay Fishermen Co-operative

Other members of the Board who were not up for re-election at this AGM are:

- Havelan Honeyghan - Gillings Gully Fishermen Co-operative
- Shawn Taylor - Calabash Bay Fishermen Co-operative
- Shawn Ascott - Alloa Fishermen Co-operative
- Ian Edwards - N.E Island Fishermen Co-operative
- Glaston White - Half Moon Bay Fishermen Co-operative
- Junior McDonald - Old Harbour Bay Fishermen Cooperative

On behalf of the delegates,



Michael Burke
Delegate

REPORT OF THE EDUCATION COMMITTEE

The Education Committee, a sub-committee of the Board, has responsibility for, among other things:

- The continuing education among COK's members;
- The development, organization and evaluation of educational programs in order to meet the organisation's educational needs
- Administering the various scholarships offered by the organization
-

Members of the Committee for 2014 were:

- Mr. Al Chambers -Chairman
- Mrs. Marcia Detry Fogah
- Mrs. Norma Chambers
- Mr. Basil Lue
- Mrs. Enid Bonfield
- Mrs. Claudine Scott
- Ms. Millicent Isaacs
- Ms Selvina Waite
- Mr. Peter Downey
- Ms. Dorraine Wright
- Mrs. Dawn Gardner Rose
- Mrs. Barbara McKenzie

The Committee held two (2) meetings during 2014 where it reviewed and discussed the Education Policy, fundraising activities to support the award of scholarships and the Margaret Rodgers Foundation. The Committee, as part of its mandate, also reviews the guidelines that govern the award of scholarships and the Margaret Rodgers Foundation to ensure that they are relevant and meet the needs for which they were established.

The Committee awarded several scholarships and grants totalling approximately \$650,000 during the year namely:

The Bertie Morris Scholarship

This scholarship is open to children of employees with a minimum of two years permanent employment with the organization. A total of 15 scholarships were offered for 2014, in two categories as follows:-

Category 1: Awarded to nine (9) children between the ages of 6 – 11 years of age and tenable at Primary or Private Preparatory Schools, and students who maintain grade averages of 80% and over as we seek to award excellence.

Category 2: Awarded to six (6) children between the ages of 11 - 18 years old and tenable at Secondary or High School.

The Carter Carter Scholarship

This scholarship is open to children of COK Sodality members who are attending or about to enter secondary school. Students should be involved in extra-curricular activities and be 'in need' of financial assistance.

The scholarship is for a period of two years and currently, three students, one from each county, benefit each year.

Trevor Blake Scholarship

This scholarship is open to the general membership and the recipient(s) should be between the ages of 18 – 35, who has been accepted to pursue or is pursuing a Degree in one of the following disciplines: - Management Studies, Banking, Finance or Accounting at a local university.

This scholarship is for a period of two years.

To be eligible for this scholarship, the successful candidate must be a member of COK Sodality for at least two (2) years, or be a child whose parent is a member for at least two (2) years.

Paul Chevannes Scholarship

This scholarship is open to the general membership and the recipient(s) should be between the ages of 18 – 35. The recipient should be pursuing a degree in Management Studies/Business Administration at a local University.

The scholarship is for a period of two years.

To be eligible for the scholarship, the successful candidate must be a member of COK Sodality for at least two (2) years, or a child whose parent is a member for at least two (2) years, and has satisfactorily completed two years in a First Degree Programme.

Margaret Rodgers Foundation Grant

This grant is awarded to the child of a COK Sodality member who has maintained a B+ average, is involved in extra-curricular activities and is in need of financial assistance. One such award was made in 2014.

ANNUAL REPORT 2014



REPORT OF THE EDUCATION COMMITTEE

The Education Committee continues to address and support the organisation's education demands in keeping with its mandate.

We would like to thank the members of this Committee for their commitment and dedication. We invite all members to continue to support our Credit Union as it is with your support that we are able to provide these scholarships and grants to improve the well-being of others.

On behalf of the Education Committee,

Al Chambers
Chairman

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CALL: 9661 CAN (966-4226) || 88 PIN: 273A55E8 ||
WEBSITE: www.cokcu.com || **EMAIL:** contact@throcokcu.com
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2 & 8 Mandeville Plaza, Mandeville. || MONTEGO BAY: 30-34 Market Street, Montego Bay.

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OBITUARIES

List of Deceased Members For Whom Claims Were Settled in 2014

1. RICHARDS	ABRAHAMS	47. DORREL	DAVIS
2. GLORIA	AIKMAN	48. JEREL	DAVIS
3. ORRETT	ALLISON	49. MARION	DAVIS
4. ADINA	ANDERSON	50. LUKE	DILLON
5. MERLE	ANDERSON	51. RAYMOND	DIXON
6. HUIMAD	BAHADUR	52. CECIL	DONEGAN
7. CECIL	BAKER	53. DAVE	DOUGLAS
8. KARL	BALLENTINE	54. GEORGE	EDWARDS
9. ROSEMARIE	BANTON-NEMHARD	55. STEVE	EDWARDS
10. VIONA	BARKER	56. ALICEA	ELLIS
11. ANTHONY	BARNES	57. MARGARET	ELLISON
12. JACQUELINE	BARTLEY	58. ALLISON	FACEY
13. ERROL	BECKFORD	59. PAMELLA	FAIRWEATHER
14. GRESFORD	BENNETT	60. WILLIAM	FERGUSON
15. ODEARE	BENNETT	61. ORAYNE	FLEMMING
16. PAMELA	BENTLEY-PEYNADO	62. UTON	FLEMMING
17. PAUL	BERKETT	63. GLORIA	FOSTER
18. SHIRLEY	BLACK	64. DELROY	FRANKLIN
19. MARLON	BOUCHER	65. JANET	FRAZER
20. FRANKLYN	BROOKS	66. THELMA	FUNG
21. EZRON	BROWN	67. FREDRICA	GAYNAIR
22. HENRY	BROWN	68. GLENROY	GILZEAN
23. LESLIE	BROWN	69. ILLYRIA	GLOVER
24. LORNA	BROWN	64. MAURICE	GORDON
25. MICHEAL	BROWN	65. NEITA	GORDON
26. PHILLIP	BROWN	66. RICHARD	GORDON
27. SAMUEL	BROWN	67. JOYCE	GRAHAM-MCGROWDER
28. NADINE	BROWN-PANTON	68. YVONNE	GREEN
29. DOREEN	BURGESS-SHAKES	69. YANNICK	GREGORY
30. CHRISTOPHER	BURKE	70. LEONARD	GRIFFITHS
31. EUNEL	BURKE	71. MAVIS	HALL
32. IAN	BURKE	72. JOHN	HAMILTON
33. ROSE	CAMERON	73. BASIL	HARRIOTT
34. THESLIN	CAMPBELL	74. TACIUS	HAYDEN
35. GLORIA	CAMPBELL-AIKMAN	75. CARL	HEADLAM
36. LAMBERT	CARTY	76. EARL	HEADLAM
37. HERMAINE	CAWLEY	77. HERMAINE	HEADLEY
38. ALLEN	CHEN	79. DONNA	HUTCHINSON-REID
39. VIVIA	CHUNG	80. MARCIA	IRONS
40. GLORIA	CLARKE	81. ADELLA	IRVING
41. TROY	CLARKE	82. GLEN	JACKMAN
42. LORRAINE	CLARKE	83. DONALD	JAMES
43. PHELETA	CONNAGE	84. JUMAINE	JAMES
44. VENA	CONNOLLY	85. WINSTON	JAMES
45. LEROY	COOPER	86. BEULAH	JENKINS
46. DENNIS	DALEY	87. DUNVILLE	JENNINGS

OBITUARIES

List of Deceased Members For Whom Claims Were Settled in 2014 Cont'd.

88. MAXWELL	JOHNSON	134. LORNA	ROBINSON
89. WAYNE	JOHNSON	135. MARLON	ROBINSON
90. EVENIE	KEE	136. REUBEN	ROBINSON
91. BLANDEL	KERR	137. ROSE	ROYAL
92. SHERRY-ANN	KERR	138. SYLVESTER	RUMBLE
93. YVONNE	LESLIE	139. WILTON	SALMON
94. LENWORTH	LEWIS	140. MICHAEL	SAMPSON
95. FLORENCE	LINDO	141. EWART	SAMUELS
96. DOUET	LOWE	142. MARY	SAMUELS
97. PEARLEEN	LUGG	143. PATRICK	SAMUELS
98. WILSON	LYEW	144. CYNTHIA	SAWYERS
99. BARBARA	LYONS	145. JOAN	SERGEANT-HARRIOTT
100. MARCIA	MALABRE	146. DESROY	SHIELDS
101. HUSTAS	MARCHANT	147. CARMEN	SILVERA
102. CHRISTOPHER	MARSHALL	148. ALVIN	SIMPSON
103. DANIEL	MCDONALD	149. JUSTIN	SMITH
104. MERCILYN	MCNEIL	151. MIRIAM	SMITH
105. MAVIS	MIGHTY	152. ROHAN	SPEID
106. ADITER	MILLER	153. CAROL	SPENCER
107. JOYCE	MOORE	154. DAHLIA	SPENCER
108. BARBARA	MORGAN	155. PAUL	STAMP
109. IAN	MORGAN	156. GEORGE	STEWART
110. LINDSAY	MORRIS	157. JOEL	STEWART
111. FLORENCE	MORRISON	158. CECIL	STURRIDGE
112. HYACINTH	NELSON	159. BERNICE	TABANAR
113. LUDLOW	NEUFVILLE	160. CELENA	THOMAS
114. ETHLYN	NORTON-COKE	161. HARRY	THOMAS
115. NOEL	OWENS	162. JONATHAN	THOMAS
116. NEVILLE	PARKES	163. SAMUEL	THOMAS
117. JANET	PARKINSON	164. YVONNE	THOMAS
118. PAMELLA	PATTERSON	165. GEORGIA	THOMPSON
119. MARLENE	PEART	166. MELODENE	THOMPSON
120. MARLENE	PEAT	167. DWIGHT	VASSELL
121. HARTLEY	PHILLIPS	168. MERVYN	WALTERS
122. JOSEPH	PINNOCK	169. LORNA	WATKIS-ANDERSON
123. KAREN	POYSER-SALMON	170. ASWEN	WATSON
124. ALPHANSO	PUSIE	171. BERNICE	WEBB
125. KARL	RAMSAY	173. VASHTI	WHITE
126. BARRY	REID	174. JACQUELINE	WHITFIELD-BROWN
127. CARMEN	REID	175. DONALD	WHYTE
128. WESLEY	REYNOLDS	176. GEORGE	WHYTE
129. EPHRAIM	RICHARDS	177. DONALD	WILLIAMS
130. OWEN	RICHMOND	178. RICHARDO	WILLIAMS
131. IVANHOE	RICKETTS	179. YVONNE	WILLIAMS
132. DAVY	RILEY	180. RAYMORE	WILSON
133. VIOLET	ROACH	181. KESTON	WITTER

OBITUARIES

List of Deceased Members For Whom Claims Were Settled in 2014

182. MARCIA	WOLLERY
183. ALTHEA	WOODFINE
184. FRANCELLA	WRAY
185. ARTHUR	WRIGHT
186. NORMA	WRIGHT
187. ANGELLA	YOUNG-POWNALL



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REFERENCE QUOTED:-

2 MUSGRAVE AVENUE
KINGSTON 10

TEL: 927-4912/927-6572
or 978-1946
Fax: 927-5832

E-mail: dcfs@cwjamaica.com

S1
R325/-517/03/15

March 31, 2015

The Secretary
COK Sodality Co-operative Credit Union Limited
66 Slipe Road
KINGSTON 5

Dear Sir/Madam,

I forward herewith the Financial Statements of your Society for the year ended December 31, 2014.

The Credit Union should continue its strenuous efforts to curtail the increasing losses and improve its overall capital adequacy position over the long term.

You must now hold the Annual General Meeting convened under **Regulation 19** of the Co-operative Societies Regulations, 1950. At least seven (7) days notice shall be given before the meeting is held

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

Kindly advise me of the date of the Annual General Meeting, so that arrangements may be made for the Department to be represented.

Yours sincerely,

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



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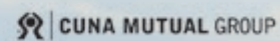
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- You get automatic life insurance on savings.*
- Your loans are insured at no direct cost to you.*
- Your family can benefit from up to 200% of your savings upon death.*
- Your family achieves peace of mind knowing you have a solid FIP for final expenses.
- You share in any surplus the credit union makes because you are a part owner.

*Conditions Apply



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