



COK SODALITY CO-OPERATIVE CREDIT UNION LTD.

Invest in your future today!

ANNUAL REPORT 2012



Invest in your future today!

Prayer of St. Francis of Assisi

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

**Oh Divine Master, grant that I may not
So much seek to be consoled as to console;
To be understood as to understand;
To be loved as to love;
For it is in giving that we receive;
It is in pardoning that we are pardoned;
And it is in dying that we are born to eternal
life.**



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NOTICE

Notice is hereby given that the 46th Annual General Meeting of COK Sodality Co-operative Credit Union Limited will be held on Wednesday, May 8, 2013, at the Jamaica Conference Centre, starting at 1:00 p.m. Registration commences at 12:00 noon.

Debbie-Ann Gordon-Crawford
Secretary
April 2013

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 45th 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. Any Other Business
11. 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").

MOVING FORWARD

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 membership is open to:

- a) Persons of the universal catholic faith (believing that Jesus Christ is 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) above, 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

COK Sodality currently manages over \$7.17B in assets on behalf of over 250,000 members through a branch network of 5 locations across the island – 2 in Kingston Metropolitan Region, Portmore, Mandeville and Montego Bay.

Along with its traditional product offerings of deposits and multiple loan facilities, the Credit Union also offers an Approved Retirement Scheme 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 15 years, and the COK Exchange Cambio Services.

Though COK Sodality is led by a member-appointed Board of Directors with newly-elected and first female President, Miss Carol Anglin, the daily operations are the purview of the management team led by Chief Executive Officer, Jacqueline Mighty, who is adeptly supported by Senior Managers, Courtney Wynter and Desmond Foster.

COK Sodality enjoys memoranda of understanding with several credit unions in the Caribbean region and also in South Florida. These associations, along with its ever expanding online banking system, are geared towards ensuring effective service delivery to its membership whether at home or in the diaspora.

As COK continues to seek opportunities to expand the range of product and service offerings available to members, 2010 marked another banner year in the pursuit of that objective. In August 2010, having sought and received approval from the Registrar of Co-operatives & Friendly Societies, the Credit Union acquired shares in Money Masters Limited. This investment now affords COK Sodality members greater access to a wider range of wealth creation products.

This opportunity also serves to diversify the income stream of the Credit Union, to include earnings from project financing among others.



MINUTES OF THE ANNUAL GENERAL MEETING

MINUTES OF THE FORTY-FIFTH ANNUAL GENERAL MEETING OF COK SODALITY CO-OPERATIVE CREDIT UNION LIMITED HELD ON WEDNESDAY, MAY 9, 2012 AT THE JAMAICA CONFERENCE CENTRE, COMMENCING AT 2:17PM

ASCERTAINMENT OF QUORUM AND CALL TO ORDER

Having ascertained that there was a quorum, the President Ms. Carol Anglin, Chairman, called the Forty-fifth Annual General Meeting (AGM) to order at 2:17pm.

READING OF NOTICE CONVENING THE MEETING

The Chairman read the Notice Convening the Meeting which complied with Rule 60 of the COK Sodality Co-operative Credit Union Rules.

OPENING PRAYER AND OBITUARIES

To mark Jamaica's 50th year of Independence the Chairman invited everyone to stand for the playing of a rendition of the National Anthem, that was played August 1962 when Jamaica's flag was first raised, Prayer was offered by Msgr. Michael Lewis.

The Prayer of St. Francis of Assisi was said and the observance of a minute's silence for our members that departed during the year which can be found on pages 42 & 43 of the Annual Report.

WELCOME & INTRODUCTION

The Chairman, Ms. Anglin welcomed everyone to the meeting and outlined the Parliamentary procedures to be observed for the meeting. She mentioned that the year was significant as the country celebrated its 50th year of Independence and the Credit Union Movement celebrated 70 years of growth and development through credit unions and cooperatives in Jamaica. COK Sodality she said had made significant contributions to the growth and development of the country's economy with our 240,000 members; and more significantly, continued to provide solutions for members' well being, welfare and growth.

Ms. Anglin asked the meeting to acknowledge Mr. Joscelyn Jolly who had been at the forefront of the leadership par excellence to the Credit Union Movement locally and internationally, and had served COK Sodality as President for 29 years.

She introduced the other members present on the platform as follows:

Msgr. Michael Lewis	- Vice President
Mr. Christopher Robinson	- Treasurer
Mr. Deryke Smith	- Assistant Treasurer
Mrs. Debbie-Ann Gordon-Crawford	- Secretary
Dr. Karen Asher-Osbourne	- Assistant Secretary
Mr. Trevor Blake	- Director
Mr. Al Chambers	- Director
Mrs. Jacqueline Mighty	- CEO

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

WELCOME OF SPECIALLY INVITED GUESTS

Welcome was extended to the following specially invited guests by Mrs. Jacqueline Mighty:

Ms. Phillippa Beckford	- CMFG Life Insurance Company
Father Burchell McPherson	- Nominating Committee COK Sodality
Mr. Errol Gallimore	- Registrar, Department of Co-operatives & Friendly Societies
Ms. Tanesha Facey	- Department of Co-operatives & Friendly Societies
Mr. Adrian Thompson	- Department of Co-operatives & Friendly Societies
Ms. Jacqueline Allen	- Department of Co-operatives & Friendly Societies
Ms. Nadine Williams	- KPMG
Mr. Patrick Chin	- KPMG
Mr. Colin Wheeler	- OGM Integrated Communications
Mr. Elvis King	- AAMM Co-operative Credit Union
Mr. Dialo Sterling	- Hamilton Brown-Hamilton & Associates

MINUTES OF THE ANNUAL GENERAL MEETING Cont'd..

- Mrs. Velma Brown-Hamilton - Hamilton Brown-Hamilton & Associates
- Mr. Jonathan Brown - President, JCCUL
- Ms. Vera Lindo - Jamaica Co-operative Credit Union League (JCCUL)
- Mr. Franklin Moodie - Former COK Sodality Director
- Mr. Harold Stewart - Former COK Sodality President
- Mrs. Aloun Ndombet-Assamba - Former Board Member & GM COK Sodality
- Mr. Dennis Hickey - MoneyMasters Limited (MML)

Mrs. Mighty acknowledged that Teachers' Day celebrations were being held; and in support of the teachers, saluted the teachers in attendance who were asked to stand and be recognized.

Special welcome was also extended to the children, C.A.R.E.S. savers with the Credit Union who she said were attending the Annual General Meeting. She advised that they were assigned a special area and from all indications were enjoying themselves.

APOLOGIES FOR ABSENCE

Apologies for absence were received from the following:

- Father Gerry McLaughlin, S.J.- Foundation Member, COK Sodality
- Mr. Errol Beckford - Credit Committee Member COK Sodality
- Mr. Dennis Goldson - Paul Goldson & Company
- Mr. Albert Morris - Honorary Director, COK Sodality
- Mrs. Margaret Morris - Member, COK Sodality
- Mrs. Yvonne Ridguard Harris - JCCUL's Director assigned to COK Sodality
- Mrs. Claudette Stephens - NCB Co-operative Credit Union
- Mr. David Wan - CMFG Life Insurance Company
- Mr. James Wood - Former Credit Committee Member, COK Sodality

ADOPTION AND CONFIRMATION OF MAY 2011 AGM MINUTES

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

The following amendments were highlighted from the minutes:

Board of Directors Report

- Page 15 Table 1 - Operating Statistics, 3rd column heading should read "Balance at 31/12/2010".
4th column "Loan Disbursements" should read "\$2.16B"
6th column "Loan Disbursement" under "Change (%) 2011" column should read 3%.
- Page 16 Item "b" delete "to" at the beginning of the sentence
- Page 17 Under "Volunteers" add 3rd bullet to read "Mr. Everett Hyatt after four years on that Committee, resigned during the year. Also Mrs. Arlene Miles Linton who served on the Committee for six years and chaired same for two years decided not to seek re-election."

Treasurer's Report

- Page 26 Table heading should read "Analysis of Change in Income & Expenditure 2011 versus 2010".
- Page 41 2nd column 2nd paragraph after "AGM..." replace "2010 - 2011" with "2011 - 2012".
- Page 101 2nd column under Article XI - Officers, 3rd "Whereas" change "overtime" to over time".

The Motion for the adoption and confirmation of the minutes was moved by Mr. Basil Lue and seconded by Mr. Garth O'Sullivan. The Motion was unanimously carried.

MATTERS ARISING FROM THE MINUTES

The Secretary, Mrs. Gordon-Crawford, directed the members to the referrals which highlighted the matters Management was asked to address at the last AGM and the responses. Members of the meeting were asked to raise any other matter that needed to be clarified.



MINUTES OF THE ANNUAL GENERAL MEETING Cont'd..

COK Products & Services

Mr. Michael Burke sought further explanation on the Board's approval for adjustments to be made on some of the loan products relating to loan tenure, processing fee, qualifying shares etc. He asked that the specific adjustments be outlined to the meeting.

Mrs. Mighty responded that Management reviewed motor vehicle loans and applied a rate reduction. She mentioned that the S.C.H.O.L.A.R. loan product was also enhanced and an unsecured portion applied. The Payday Loan facility was also reviewed. Mrs. Mighty explained that, in addition, minor adjustments were done to the Home Equity Loan, as well as to other cash secured loans to make them more competitive in the market.

Automated Teller Machine (ATM)

Ms. Cynthia Gray enquired whether the ATM machines promised to the members were installed and where were they located.

Mrs. Mighty responded that the machines were not yet in place but should be in by June 2012. The objective was to put an upgraded full service machine at the Cross Roads Branch, and to replace the ATM at the Portmore Branch. Arrangement, she said, was being made to place ATMs in strategic locations to serve the members. The members would be kept informed of the developments relating to the ATMs.

Unallocated Receipts

Mrs. Sheila Goulbourne enquired about the large amount for Unallocated Receipts and how this impacted the status of the members' accounts.

Mrs. Mighty responded that a specific department has responsibility for processing members' salary deductions and updating their accounts within a 48 hour turnaround time, once the account is identified on the system. In some cases, amounts cannot be allocated as the accounts cannot be identified and these were the balances that remained unallocated.

Mrs. Goulbourne stated that she was not satisfied that the money remained unallocated for extended periods before any contact is made with the organization from which the deduction came. Mrs. Mighty explained that there were approximately 50,000 accounts with salary deductions coming in at the same time to be processed. Priority is given to those accounts that can be identified and as such some time would elapse before the organizations are contacted to verify and make the allocation.

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

Surplus

The President noted that the Credit Union ended the year with a surplus which was achieved through more rigorous governance, strong management, tight control mechanisms, stringent supervision and regulation. Although it was projected that interest rates for the year would decline, the rates plummeted faster than projected which negatively impacted the investment income despite growth in the portfolio.

Loan Disbursements

Loan disbursements at the end of the year amounted to \$2.16B representing a 3% improvement over 2010. This was commendable given the challenging external economic environment. Despite implementing a number of measures in keeping with the Debt Management Master Plan, provisioning continued to be of concern. However, the Board and Management continued to intensify implementation of policy initiatives and strategic measures to contain delinquency, to grow the organization's income, capital and profit, and place the organization on a solid financial footing.

Delinquency

The major challenge for the Credit Union in 2011 had been delinquency and as such adequate systems had to be implemented,

MINUTES OF THE ANNUAL GENERAL MEETING Cont'd..

as well as human and material resources to manage the process which resulted in some positive outcomes. The year ended with a delinquency rate of 6.84% which was less than December 2010's rate of 11%. The delinquency portfolio also declined by approximately 40% from \$392.4M in 2010 to \$236.2M in 2011.

Measures Implemented by the Board

In an effort to curtail delinquency the Credit Union took a more robust approach towards delinquent borrowers to ensure the survival of the organization. This included working with all delinquent members to regularize their accounts in accordance with the cooperative principles and sound financial practices. Specifically, in 2011, several initiatives were implemented to arrest the rapid decline and strengthen the balance sheet. These included:

- a. Delinquency Management
- b. Deferred Share Offer
- c. Collections of outstanding debts
- d. Disposal of assets held as security for loans against delinquent or charged off accounts
- e. Loan Growth
- f. Investment management
- g. Cost management.

During the year, COK Sodality continued its corporate campaign emphasizing the values and products of the Credit Union as a means to further differentiate itself in the highly competitive financial sector. An analysis was conducted on the product offerings to the membership to carefully examine the relevance of the products in keeping with the members' desires and needs; the impact on profitability and product service delivery improvements. As a result of this, some products were revamped or put on hold and new ones brought to market to address the needs in the mortgage and micro financing areas. Alliances were also formed to improve efficiencies and effectiveness in the delivery of products and services to members. The Board and Management continues to offer to the membership a wide range of products in order to sway them to use the Credit Union as their preferred financial institution.

Fees

The President explained that the introduction of user fees for a number of financial services in recent years by financial institutions had been a national concern. The explanation given by these financial institutions was that the fall in revenues arising from reduced interest rates under the Jamaica Debt Exchange (JDX) regime, as well as increasing operating costs, had created the necessity for the introduction of fees to fund the cost of delivering some services which were free to users prior to the JDX.

She said, arising from the commitment given at the last Annual General Meeting, the Directors embarked on an exercise designed to maintain a comparable range and quality of services to those offered by other financial institutions but at a lower and more affordable cost. Given the reality of the JDX impact, the challenge faced by the Credit Union is one of designing a system which will simultaneously reduce and/or remove specific user fees to members, balance the revenue flows to achieve the plan to improve service delivery, rebuild the institutional capital base and generate surplus for the payment of dividend to members. This innovative system was in its final stages, and members would be kept informed.

Promotions

During the year, the Credit Union was involved in the communities surrounding the different branch locations in Kingston, Portmore, Mandeville and Montego Bay, and provided support in the areas of education, sports, elderly and indigent care and agriculture.

Permanent Shares

In strengthening the capital base of the Credit Union in 2011, the Board of Directors focused primarily on Permanent Shares, Deferred Shares and achieving a surplus. Growth in Permanent Shares was achieved through increase in new members; compliant members increasing their amount in Permanent Shares and account holders who were not compliant with the minimum \$2,000 requirement becoming compliant. To this end, a promotional campaign was launched to address account holders' compliance. As at December 27, 2011, \$35.2M was collected in Permanent Shares. However, it was revealed that 104,000 members were still not \$2,000 compliant. Members at the meeting were encouraged to make their Permanent Shares account compliant.

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MINUTES OF THE ANNUAL GENERAL MEETING Cont'd..

Deferred Shares

An offer of Deferred Shares at no par value was made to the general membership of COK Sodality and other co-operatives on May 18, 2011 and closed on July 18, 2011. The Credit Union realized 100% subscription of the offer and was able to raise the targeted capital of \$300M thus confirming its good reputation in the market-place. This was a commendable achievement for the Credit Union with the product paying interest of 6.85% to members who took up the offer.

The President indicated that the Deferred Share offer was done to strengthen the capital base of the Credit Union and give the Credit Union five years to overcome significant capital depletion resulting from the delinquency fall-out in 2010. She said the target of five years was made to overcome the significant capital depletion and to enable the Credit Union to continue its business, diversification strategies and expansion into new markets, specifically, the home ownership, and business micro finance lines, and building long-term sustainable member value.

Revenue Growth

The Micro Finance Unit commenced its operation in July 2011. The mortgage product was also launched in October 2011, and so far the performance of both products have been good. The Credit Union had also aggressively implemented strategies in an effort to grow revenue so the members who subscribe to the Deferred Share offer could be paid as quickly as possible.

Growing Surplus

Throughout the year, the organization aggressively pursued those initiatives that would achieve the targets that were set. To this end, operating costs were only 2% over 2010, which was significantly below the inflation figure of 7% for 2011. There was also a significant recovery of \$77M from bad debts previously charged or written off.

Delinquent Loans

Delinquency still remained one of the critical issues facing the organization. Throughout 2011, this was rigorously handled by the Debt Management Unit with oversight of the Board's Debt Management Committee.

This led to an acceleration of the recovery process as the organization focused on the realization of assets and aggressive collections that resulted in a write back of provisions made on some loans. The organization was able to reduce the number of delinquent accounts to approximately 2,000 with principal and interest arrears ranging from 90 to 360 days, totalling \$228.8M.

Charged off Accounts

Included in the delinquency amount of \$228.8M was \$91M which comprised accounts over 360 days in arrears and for which 100% of the value had been provided in the accounts. The Directors presented these for the meeting's approval to treat them as charged off loans. Of note, during the year \$72.6M was collected from balances which were charged off in the previous year.

Prudential Measures

The audited accounts indicated that the estimated fair value of the collateral held against past due impaired loans at December 31, 2011 was \$174M. There is scope for recovery of some of these bad debts from the disposal of these collateral. Included in the receivables was an amount of \$38M which was noted as a legal issue. This related to the remaining balance from a Cambio Trading Partner for a default on a transaction. Most of this debt had been collected but the recovery of this balance was being pursued through the courts. Our attorneys believe the Credit Union's interest was well secured so provision had not been made in the accounts.

Surplus

The Credit Union made a surplus of \$52M for the year 2011. Due to the accumulated losses of \$517.73M, all of the surplus would be applied to reduce the losses as per the instructions of the Registrar of Co-operatives and Friendly Societies. However, based on plans going forward the accumulated losses were expected to be cleared within the next three to four years. This would be achieved through:

- Increased income by maximizing the use of technology to drive the operations through online banking and more ATM machines.
- Focus on growing the loans portfolio through diversification of the loan products and be more competitive in the market-place.

MINUTES OF THE ANNUAL GENERAL MEETING Cont'd..

- Revision of the fees charged for services.
- Continue aggressive implementation measures to reduce the delinquent loans over 90 days, to earn more from the loan portfolio.
- Continue to look for more opportunities to increase the yield from investments.
- Expedite the liquidation of collaterals held against delinquent loans.
- Reduce the expenses by continuing to implement measures to reduce the cost of utilities, especially electricity.
- Automating the process flows to improve turn-around time and eliminate manual processes.
- Review and rationalise the organizational structure to make it leaner and more efficient and constantly identify and negotiate better prices for goods and services.

Human Resources

During the year, the Credit Union continued its programme of training and development of staff and volunteers through online internal personnel and external specialist trainers, in an effort to create the best staff, build capabilities of the highest quality and a strong sense of accountability. At the end of December 2011, there were 236 persons employed to the organization; 145 permanent staff, 87 contracted and temporary staff and 4 H.E.A.R.T. trainees.

Managers who demitted office during the year were Mrs. Audio Hoo - Member Relations Manager, Mrs. Gaye Ingram Williams - Accounting Manager and Mr. Stephen Wallder - Human Resources & Learning Manager.

The new managers were Mrs. Dianne Bolton who joined in June 2011 as Credit Origination Manager, Mr. Hugh Campbell who joined in September 2011, as Manager of the Debt Management Unit and Miss Paula Atkinson Human Resources & Learning Manager.

Mrs. Trisha Thompson-Williams was promoted to Accounting Manager, and Mrs. Emma Thomas to Member Relations Manager.

Mr. Maurice Clarke and Rev. Ralph Parkes who were elected as Directors at the last Annual General Meeting resigned because of work and other commitments that arose after they were appointed.

After a long and outstanding period of service, Ms. Monica Cobran resigned from the Credit Committee, due to ill health and did not serve out her term; whilst Mr. Edward Chin Mook, who served as Chairman of the Committee for 2011/2012 did not seek re-election.

Mr. Everett Hyatt, after four years on the Supervisory Committee resigned during the year and Mrs. Arlene Miles Linton, who served the Committee for six years, and who chaired same for two years did not seek re-election.

On behalf of the members and the Board, the President thanked the staff members and volunteers for their service to the organization and wished them every success in their future endeavors.

Service to Members

The President assured the members that the concerns expressed regarding service delivery, relationship management and communication, were being addressed and the Board and Management continued to be responsive to their concerns. The organization continues to look for ways to achieve best in quality service delivery and was currently making further changes in the organization, its systems, processes and people, to ensure sustained success. She asked for the members' indulgence as these measures are put in place to improve service delivery.

The Credit Union, she said had been making better use of current technology, such as video screens in the banking halls and electronic communication, E-mails, E-news, text messages and website to keep in touch with the members. The members were invited to visit the website, Facebook and our branches to keep the flow of information and communication constant. It was also pointed out that in addition, a series of members' meetings were being planned across the island for 2012, to share the organization's plans and to get their feedback on how to serve them better.

COK Remittance Services (COKRS)

The company made a loss in 2011 of \$2.6M compared to \$3.1M in 2010 due to the financial crises that affected all countries in the past four years. However strategies were put in place such as increased marketing and an improved technological platform to assist the growth and to turn around the company in another two years. The members were encouraged to help drive the business.

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MINUTES OF THE ANNUAL GENERAL MEETING Cont'd..

Money Masters Ltd. (MML)

The Credit Union acquired 25% ordinary shares in MML in August 2010 which earned \$2.4M in 2011, approximately 11% return on this investment.

Corporate Governance

The President stated that the Board of Directors would continue to make corporate governance practices a high priority in the organization. Throughout the year the committees of the Board were Audit, Risk and Compliance, Finance and Policy, Debt Management, Asset Liability Management, Performance Management and Compensation. These Committees reviewed different aspects of the operations to ensure compliance with credit union operations and subsidiary activities.

The organization strengthened its compliance infrastructure and processes, while improving some of its compliance issues. However, there was a shortfall in the area of member compliance in "Know Your Member" (KYM) as members continue to demonstrate reluctance in readily updating their information on the Credit Union's files. The KYM is a critical compliance regulator issue under the Proceeds of Crime Act (POCA). Members who have changed their addresses or telephone numbers need to update that information at least every two years. This process was ongoing and the Board would continue to work with the Management to ensure safety and soundness at all levels within the organization.

Where necessary the Board approved and implemented policies and procedures designed to improve the monitoring, control and accountability within the organization. The Jamaica Co-operative Credit Union League (JCCUL) met with the Governor of the Bank of Jamaica and his team to discuss the proposed BOJ regulations. The issues and concerns expressed were taken to the relevant persons in Government and contact made with both previous and current administrations regarding having a meeting to discuss the outstanding matters and those were in train.

The Way Forward

The President mentioned that the country overall had many challenges in 2011 and 2012 will be no different.

However, the organization was committed to always search for viable economic solutions, better ways of doing business and driving savings. Therefore, in the quest to position the Credit Union towards sustained long-term growth, over the past three years measures were introduced to increase the revenue streams and reduce costs. These were already yielding results, as, through the collective efforts of members, regulators, staff and volunteers, positive signs of recovery had begun. However, it was not an easy task but together it could be achieved.

She said in 2012 there would be even greater focus on making the members matter, through continually improving member service delivery; addressing financial/revenue growth through increased Permanent Shares; improving internal processes, particularly, in the areas of Credit, Debt Management and Branch Operations; automating systems for improved efficiencies, debt collection and provisioning and improved market share by courting aggressively our membership for investments, savings, borrowings and remittances. The Board and Management will continue to aggressively monitor operating cost, deliver more competitive rates to the membership, grow incomes through higher disbursements and at the same time seek out opportunities that would present options to diversify the income stream. The task ahead was to strategically and operationally preserve the gains that have been made, continue to make good loans and closely monitor delinquency, pursue merger opportunities and continue to forge alliances for the expansion of services to members in a cost efficient manner.

Acknowledgement

The President expressed appreciation to the volunteers, staff, liaison officers, providers of professional services and all those persons who assisted in conducting the Credit Union's affairs over the past two years. She conveyed sincere thanks to the valued members for the confidence they continue to repose in the Board as we strive to serve this great organization.

DISCUSSIONS OF BOARD OF DIRECTORS' REPORT

Mr. Garth O'Sullivan implored the members to assist in locating credit union members who had delinquent loans and expressed dismay at the difficulty being encountered in locating persons particularly those living in the Portmore areas,

MINUTES OF THE ANNUAL GENERAL MEETING Cont'd..

including gated communities to repossess assets used as collateral for the loans. Access he said was usually denied when attempts were being made to visit these persons.

Mr. O'Sullivan mentioned also that the Credit Union should give some special consideration such as special interest rates to its senior citizen members. He also suggested that arrangements should be made for the front-line staff to give special attention to wheelchair members and seniors who visit to conduct business in an effort to reduce the length of time they spent transacting business.

Ms. Natalie Fearon enquired whether contribution to the pension fund was tax-free and whether she would lose her contribution should she be unable to make any contribution for a period of time. Mr. Trevor Blake responded that the tax-free portion was 10% or \$1M of annual income. He said the money is vested to be paid upon retirement and members cannot withdraw once they have joined.

Mr. Michael Burke stated that the matter of members not repaying their loans was of concern and ways must be found to educate the members of the importance of fulfilling this obligation despite their personal challenges. The members need to be aware of the negative implications delinquency has on the entire membership and the Credit Union's operations. He suggested that the Credit Union explore the possibility of engaging in some public relations/advertisements to inform the members of the importance of repaying their loans. He indicated that he was available to be a part of any planning committee that was set up to deal with this particular delinquency initiative.

Mr. Burke also suggested that the Credit Union might want to consider exploring the possibility of offering "crash" course training to the members on how to repay their loans. This he said was done in the early days of the Movement when persons received training in loan repayment before they could join.

Mrs. Sheila Goulbourne enquired what was the Credit Union doing to encourage dormant account holders to do business as there was the possibility

that some persons might have large amounts in these accounts but not transacting any business. She suggested that advertisements be done to encourage the members to reactivate their accounts.

Mrs. Goulbourne also enquired what was being done to get non-compliant members to become compliant.

Msgr. Michael Lewis reminded the meeting of the awareness drive being undertaken by the Credit Union to encourage the non-compliant members to become compliant. He indicated that members should assist the Credit Union by encouraging each other to become compliant and to also increase their investment in Permanent Shares as this would help to grow the organization.

Msgr. Lewis responded that as it relates to the dormant accounts the Credit Union would embark on a member information drive in 2012 with a view to getting them to become active members. He said one of the initiatives in 2012 was utilizing the Call Centre to contact the members in this regard. There was, however, a challenge as from time to time the members' information changes and there is no update on the system and so no contact can be made with them. In this regard, there was a drive to update the members' directory on the system. Additional officers conducting external promotion activities are advised to be alert in this regard as they interact with the members.

In regard to a concern raised, Msgr. Lewis clarified that the Permanent Shares did not attract tax and would not be depleted as no withdrawal would be done by the Credit Union.

Mr. Allan Martin enquired what was being done to protect the members' investments from the Bank of Jamaica regulations.

Msgr. Lewis replied that the Credit Union Movement was engaged in consultation meetings with all stakeholders to ensure the members savings were protected from any unreasonable actions by other third parties.

During the discussion, members sought clarification on personal issues they were experiencing with the Credit Union and officers were assigned to take their particulars and make contact with them with a view to having the situations addressed.

Msgr. Lewis thanked everyone for the concerns expressed, questions and issues raised in the discussion and brought the segment to a close.

ANNUAL REPORT 2012



MINUTES OF THE ANNUAL GENERAL MEETING Cont'd..

The motion for the adoption of the Board of Directors' Report was moved by Mr. Errel Crooks and seconded by Mr. Donald Blackwood. The motion was unanimously carried.

SUSPENSION OF STANDING ORDERS

Msgr. Lewis asked for a motion to suspend the standing orders to acknowledge Ambassador Designate to the United Kingdom, Mrs. Aloun Ndombet-Assamba. The motion was moved by Mr. Garth O'Sullivan and seconded by Mr. Errel Crooks. The motion was unanimously carried.

Mr. Joscelyn Jolly presented a Congratulatory Resolution to Mrs. Aloun Ndombet-Assamba on being named Ambassador Designate to the United Kingdom. Mrs. Ndombet-Assamba was acknowledged for her distinguished service of 31 years to the Co-operative Movement.

Mrs. Ndombet-Assamba expressed her thanks and appreciation to everyone for the recognition and the sentiments expressed.

RESUMPTION OF STANDING ORDERS

The standing orders were resumed on a motion moved by Mr. Errel Crooks and seconded by Mr. Garth O'Sullivan. The motion was unanimously carried.

TREASURER'S AND AUDITOR'S REPORTS

In presenting the report, the Treasurer, Mr. Christopher Robinson, noted that the year 2011 continued to be a challenge in the global economy, and as such, the Credit Union was in no way insulated from all that was happening within the economy. The Credit Union felt the effects of job layoffs and job cuts as there had been slow recovery in the local and global economies from the 2008 global melt down.

In 2011, he said, the country saw the effects of the standby agreement with the International Monetary Fund. General election was also held which traditionally caused the economy to slow down, as persons wait to see what changes were going to be made. The financial sector also operated in a post Jamaica Debt Exchange (JDX) era where reinvestment risks had to be managed more carefully.

The Treasurer said the Credit Union, through better management of the important factors which affected the Credit Union business, was able to turn performance around during 2011 and there was a surplus of \$52M. However, the group surplus was reduced because of the COK Remittance Company loss, and as a result overall surplus for the group was \$48.2M, compared to the loss last year of \$395M. This he said was the best result over the past four years.

The Credit Union earnings increased by 8.9% to \$1.1B, due primarily to trading gains and debt recovery, while interest expense declined by 20.3%. Investment income and interest income declined as a result of the reduced interest rates which resulted from the Jamaica Debt Exchange Programme. Overall, expenses in the Credit Union increased by 2%.

Loan Portfolio

The Treasurer stated that efforts were made to grow the loan portfolio, but the tightening economy, which caused the members to have less disposable income resulted in loan disbursements achieving 89% of target. Interest earned, however, was 98% of target, but the overall net portfolio declined by 2.7%. He said it was interesting to note that 2011 disbursements were approximately \$60M higher than 2010.

In an effort to improve loan disbursements there were some direct sales initiatives and incentives among the various branches, with the emphasis on selling the products to the members. Occasionally, also, there were loan sales for the members and special rates were offered on certain loan products. In addition, new products and services were introduced to the members.

Bad Debt Provision and Delinquency

Provision for bad debt in 2011 was \$75.8M compared to \$267.8M in 2010. This reflected the progress that was made in dealing with some of the delinquent loans, notwithstanding that the provision still exceeded the budget for delinquency. The delinquency rate for 2011 was 6.8%, down from 11%. However, this area still continues to be a challenge to the Credit Union as efforts are made to bring delinquency levels within world class standards or the generally acceptable standards within the Credit Union Movement, which is less than 5%. Some of the initiatives that were implemented to deal with delinquency were restructuring the Debt Management Unit;

MINUTES OF THE ANNUAL GENERAL MEETING Cont'd..

engaging the services of external collectors to assist in recovering some of the delinquent loans; following up more frequently with members; disposing of the collateral for loans in a more expeditious manner; and working with members who come in, to help them regularize their loans. These initiatives were implemented in order for greater efficiency and monitoring of delinquent loans. He said delinquency was not just the business of the staff but also involves the members. He implored everyone to assist the Credit Union to deal with delinquency by encouraging members known to them who were delinquent to regularize their accounts.

Along with these initiatives, some other things were done in an effort to decrease the level of delinquency. The Credit Committee reviewed and monitored all business loans and loans greater than \$3M; member education and counselling, assisted members who lost their jobs and needed advice; reviewed loan requirements to improve the quality of loan assessment; reviewed all the documents submitted for loans to ensure all compliance issues were covered to facilitate quick recovery of collateral. The services of the registered Credit Bureaus would be engaged to assist with loan assessment.

Investment Portfolio

The Treasurer indicated that Investment income fell during 2011 by 15.6%, due to the reduction in rates as a result of the JDX Programme. However, the portfolio grew by 8.4% over 2010. As a result of investments in Money Masters Limited the Credit Union earned \$2.4M on its investments, which represented 11% increase. He said this was prudent as this investment if placed in a normal savings account in the bank would earn only 3% or 4%. The association with Money Masters Ltd had resulted in some valuable proposals as they assisted in repurchase agreements, assessing the bond market for value both locally and internationally; constantly reviewed the stock market for stocks and shares with potential for growth; gave advice on portfolio management; and helped with project structuring and financing. This helped with the improvement of the Investment portfolio.

Permanent Shares

Permanent Shares increased by \$35M in 2011, an increase of 11.5 % over 2010. Approximately 136,000 members were \$2,000 compliant. The Treasurer stated that should all 240,000 members become compliant, many of the challenges being experienced by the Credit Union would be solved.

He asked the members to encourage persons they know who were members but were not doing business with the Credit Union to ensure they were Permanent Shares compliant. He said various programmes and advertising campaigns were done to get all the members to become compliant but there was still a lot of work left to be done.

Capital Adequacy

The Treasurer mentioned that the Credit Union experienced losses over the past three years, which resulted in the reduction of the capital base. As a result of this the Credit Union proactively took the following steps:

- Implemented a debt management strategy
- Negotiated and obtained a \$180M standby agreement from the Credit Union Stabilization Fund Unit, operated by the Credit Union League
- Implemented the Deferred Shares offering, with the interest earned free from withholding tax.

As a result of some of the things that were done the capital adequacy moved from 3.11% in 2010 to 8.14% at December 2011, which exceeded the minimum regulatory requirement of 8%. At a minimum the Credit Union wants to be at 10% capital adequacy, and so the various programmes that were introduced would continue to bring about some improvements.

Future

The Treasurer mentioned some of the things that the Credit Union planned to do for the future, which should assist in growing the loan portfolio by 24%. These would help to recapitalize the Credit Union, to encourage more Permanent Shares, strengthen some of the internal processes, increase or improve the capacity and the capability of the internal accounting operating systems and in general to improve efficiencies within the organization.

The Credit Union he said was committed to providing financial assistance to the members in a cost effective and efficient manner as it is a safe repository for their savings, which would encourage them to put more money in the Credit Union. He stated that, based on the results for 2011 and the projections going forward, he remained upbeat about the organization's ability to play an important part in fostering financial independence and creating wealth for the members.

MINUTES OF THE ANNUAL GENERAL MEETING Cont'd..

The Treasurer indicated that the December 31, 2011 audited Financial Report was fully compliant with the International Financial Reporting Standards (IFRS), which was a requirement for all financial institutions and organizations.

At this point the Treasurer invited Ms. Williams from the auditing firm KPMG to read the Auditor's Report. She indicated that the firm audited the financial statements of COK Sodality Co-operative Credit Union Limited and the consolidated financial statements of the co-operative and its 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 Treasurer thanked the management and staff and the team of volunteers for their work during the course of 2011. He thanked the Department of Co-operatives and Friendly Societies, for their assistance during the year; the auditors, KPMG who gave valuable advice on how to structure the Credit Union's business in an effort to return it to the path of profitability; the members who remained loyal, for their continued support so the Credit Union can continue to grow to be the vibrant financial organization for which COK Sodality has been known.

QUESTIONS FROM TREASURER'S REPORT

Mr. Michael Burke suggested that ongoing member education could be made possible through advertisements on Radio Jamaica as this redounds to the benefit of the Credit Union Movement as the Jamaica Co-operative Credit Union League owned substantial shares in the radio station. This would allow growth in the League's Stabilization Fund to enable it to provide assistance to Credit Unions.

The Treasurer clarified that the Stabilization Fund of the League was the result of contributions made by various credit unions into the fund; and each credit union has to contribute 0.25% of their savings into the fund.

Ms. Pauline Bailey noted that the suggestion made at the 2010 Annual General Meeting to improve the report, such as the inclusion of the budget was acted upon and commended the Treasurer in this regard.

Ms. Sylvia Bailey pointed out that some delinquent members might be fearful to visit the Credit Union

to discuss their situation and enquired whether these persons could come in to have dialogue with an officer. The Treasurer explained that it was in the best interest of these individuals to visit the Credit Union so proper guidance can be provided to them. If they are unable to visit then an officer could visit them instead.

Mrs. Cynthia Gray enquired whether someone could take over another member's loan account before it goes delinquent. The Credit Union's lawyer Mrs. Velma Brown-Hamilton responded that even though persons would like to help each other due care must be exercised due to the Credit Union's principles of confidentiality of the members' private contractual arrangements. However, the individuals could visit the lawyers to work out a private arrangement between themselves. Mrs. Gray was invited to have further discussion with the lawyer in the matter.

The motion for the adoption of the reports was moved by Mrs. Patricia Walker and seconded by Mr. Maurice Channer. The motion was unanimously carried.

REPORT OF THE CREDIT COMMITTEE

The Credit Committee's Report which was presented by its Chairman, Mr. Edward Chin-Mook was taken as read on a motion moved by Mr. Garth O'Sullivan and seconded by Ms. Angeletta Lee.

The Chairman stated that the Committee approved loans which exceeded the authority of the Senior Management Team. The Committee considered fifty-two such loan applications for 2011. Of those loans, forty-six were approved for a total of \$165M, two were declined amounting to \$4M and four were referred to the Board of Directors for final approval, totaling \$108M.

He said the Committee continued to exercise oversight responsibility for all loans approved within the organization, and as such, randomly selected and reviewed several loan accounts from a wide cross section of the portfolio.

He indicated that the Committee, in its role for the overall responsibility for credit and the loan portfolio, played a significant part in the turnaround of the Credit Union by continuing the process of ensuring that high quality loans were booked.

MINUTES OF THE ANNUAL GENERAL MEETING Cont'd..

He said the members of the Committee are committed to the membership of the Credit Union and was ready to assist in any way possible. The Credit Union he said has grown and will continue to grow even in the challenging environment.

In closing, the Chairman implored the members as much as possible to avail themselves of the services of the Credit Union as these services exist for their benefit.

The Chairman thanked the membership, Board of Directors, Management and Staff and members of the Supervisory Committee for the support extended to the Credit Committee in 2011.

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

REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee's Report which was presented by Chairman, Ms. Herma Walker was taken as read on a motion moved by Mr. Errell Crooks and seconded by Ms. Sophia Cowell.

The Chairman gave details of the various activities undertaken by the Committee with the assistance of the Internal Audit team during 2011 and the various reports that were presented to the Board of Directors and Management. She said the Committee conducted reviews in accordance with international auditing standards and best practices and found that there was general adherence to established policies and procedures.

The Committee she said continued to ensure the voices of the members were heard and acted upon as recommendations were made to Management based on members' suggestions placed in the suggestion box.

The Chairman stated that the Committee continued to bring to the attention of the Board of Directors and other volunteers, issues that impacted the management performance during 2011. The Committee also participated in various meetings to discuss matters relating to the growth and development of the organization.

The Chairman thanked the Management and staff, Board of Directors, Internal Audit Staff and Credit Committee members for the tremendous support, and the members for the privilege of serving them throughout 2011.

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

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

Mr. Joscelyn Jolly presented the Delegates to JCCUL Report which was taken as read on a motion moved by Ms. Nardia Morris and seconded by Mr. Garth O'Sullivan.

Mr. Jolly indicated that the 70th Annual General Meeting of the Jamaica Co-operative Credit Union League (JCCUL) was held at the Ritz Carlton Golf & Spa Resort as a milestone event; and the details were outlined on page 41 of the Annual Report.

There being no questions the motion for the adoption of the Report was moved by Mr. Errell Crooks and seconded by Mrs. Cynthia Gray. The motion was unanimously carried.

PROPOSAL FOR FIXING THE MAXIMUM LIABILITY TO 31st DECEMBER, 2012

In keeping with Rule 70, it was proposed that the Maximum Liability to 31st of December, 2012 be set at \$9.7B, being 12 times total capital, including Deferred Shares, which were projected to the end of the year at \$811M.

This was adopted on a motion moved by the Treasurer, Mr. Christopher Robinson and seconded by Mr. Errell Crooks. This was unanimously carried.

ELECTIONS

The Report of the Nominating Committee was taken as read on a motion moved by Mr. Errell Crooks and seconded by Ms. Rosemarie Jones.

Mr. Michael Burke felt that he was able to make a meaningful contribution to the Jamaica Fishermen Co-operative Union from his attendance at these meetings.

ANNUAL REPORT 2012



MINUTES OF THE ANNUAL GENERAL MEETING Cont'd..

The elections were presided over by Mr. Errol Gallimore, Registrar, Department of Co-operatives and Friendly Societies 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 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
- Mr. Steadman Pitterson
- Msgr. Michael Lewis
- Mr. Winston Butler

They were unanimously accepted on a motion moved by Mr. Errell Crooks and seconded by Mr. Garth O'Sullivan.

Credit Committee (For 2 years)

- Mrs. Carol Williams
- Mr. Errol Beckford
- Mr. Joscelyn Richards
- Mrs. Donna Pommells
- Ms. Lisa Campbell

They were unanimously accepted on a motion moved by Ms. Herma Walker and seconded by Mrs. Jacqueline Daley.

Supervisory Committee (For 1 year)

- Ms. Herma Walker
- Mrs. Beverley Haylett-Smith
- Mrs. Jacqueline Daley
- Mr. Arnold Breakenridge
- Mr. Clive Medwynter
- Mrs. Myrna Watts
- Mr. Alston Reid
- Ms. Vinnate Hall
- Ms. Phillippa Edwards

They were unanimously accepted on a motion moved by Mr. Errol Beckford and seconded by Mr. Errel Crooks.

Delegates to JCCUL (For 1 year)

- Mrs. Jacqueline Mighty
- Ms. Carol Anglin

Alternate Delegates

- Mr. Christopher Robinson
- Mr. Joscelyn Jolly

Delegates to Jamaica Fishermen Co-operative Union (For 1 year)

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

Mr. Michael Burke was nominated from the floor on a motion moved by Ms. Pauline Davis and seconded by Ms. Cynthia Gray. This resulted in a vote to determine the Delegates. Mr. Michael Burke emerged the winner and replaced Mr. Al Chambers who was recommended by the Nominating Committee.

Delegates to Jamaica Co-operative Insurance Agency (For 1 year)

- Mr. Christopher Robinson
- Mrs. Jacqueline Mighty

They were unanimously accepted on a motion moved by Mr. Errell Crooks and seconded by Ms. Cynthia Gray.

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

The Chairman thanked Mr. Gallimore for conducting the Elections.

Resolutions to Amend the COK Sodality Rules

The Resolutions as set out on Pages 101 and 102 of the Annual Report were brought to the meeting by Msgr. Michael Lewis, Chair of the Rule Book Committee on behalf of the Board of Directors as per Rule 77. This Rule also required that the Resolutions be passed by a three fourths (75%) majority of those present and eligible to vote.

The motion for the Resolutions to be taken as read was moved by Mr. Maurice Channer and seconded by Mr. Donald Blackwood.

Msgr. Lewis summarized the resolutions to be voted on. The first is when a person ceases to be a member; the second, the rights and restrictions attached to permanent and deferred shares; the third, the conduct of directors at the first meeting; the fourth, non attendance at meetings by members of the Supervisory Committee; and, the fifth and final, the roles of the Treasurer and Assistant Treasurer. When put to the vote, the Resolutions were carried; from a total of 234 members present and eligible to vote, 211 voted for, and 23 abstained, none against.

MINUTES OF THE ANNUAL GENERAL MEETING Cont'd..

ANY OTHER BUSINESS

There was no other matter for discussion.

TERMINATION

The President thanked everyone for their attendance and participation and adjourned the meeting at 6:45pm on a motion moved by Mrs. Patricia Walker and seconded by Mrs. Carol Williams.

BRANCH NETWORK



THE BOARD OF DIRECTOR'S REPORT



Carol Anglin (Ms.)
PRESIDENT



Monsignor Michael Lewis
VICE PRESIDENT



Christopher Robinson (Mr.)
TREASURER



Debbie-Ann Gordon-Crawford (Mrs.)
SECRETARY

OVERVIEW

The Board of Directors of COK Sodality Co-operative Credit Union Limited presents to you the members the Annual Report for the year 2012.

The year 2012 was another challenging one for our members and our Credit Union as the economy both in Jamaica and globally continued to recover. In 2012, we continued efforts that began in 2011 to take our organization out of deficit and onto a path of sustainable recovery. Whilst some level of stability was achieved in 2011, there were a few setbacks which negated some of the positive strides made in 2012.

Recognizing those challenges that our members and our organization faced, especially, in the last three years, a strategic plan was developed to achieve improved performance in critical areas of:

- Delinquency management
- Investment management
- Cost management
- Loan Growth

In 2012, COK Sodality reported a net loss of approximately \$133M. That performance in 2012 has, as you can imagine, impacted the timelines that were set for our organization's financial "turn-around". This loss was largely as a result of not achieving projected targets in the following key areas:

- Bad debt recoveries on charged-off and delinquent accounts
- Investment gains from the trading of Government Bonds
- Operating costs containment

However, our liquidity position still remained healthy, and reflected a strong potential to fuel growth in terms of loans and income generation.

There was moderate year over year improvement in the delinquent portfolio with approximately \$447M for loans delinquent 31 days and over at the end of 2012 versus \$742.7M in 2011; a decrease of \$295.7M or 40%. However, delinquency remains a challenge.

Income from sale of collateral held against charged-off or delinquent loans achieved only 35% of the target and 46% of the amount achieved in 2011. This less than expected result, when combined with the 10.55% delinquency rate, severely impacted the financial results in 2012.

With a weakened bond market in 2012, the projected investment gains of \$40M from trading government bonds were not realised. Market uncertainty and illiquid market conditions resulting from the delayed signing of the agreement between the International Monetary Fund (IMF) and the Government of Jamaica impacted trading.

Operating costs for the year were approximately 110% of the budget, a slight increase of 5% more than that for 2011. In real terms, this translated to operating costs being reduced by approximately 3% year on year. This was driven by both higher costs (utilities, office supplies and personnel) and increased marketing activities.

Despite our negative results at the end of 2012, the Credit Union continued in earnest to focus its efforts on growing the business. These efforts realised the disbursements of loans valuing approximately \$2.9B achieving 97% of the target for the year. This stellar achievement was primarily due to the active promotions during the year on mortgage refinancing, motor vehicles and home equity loans. The combination of those initiatives resulted in the organization growing the loan portfolio to \$4.1B at the end of 2012.

THE BOARD OF DIRECTORS



Albert Morris (Mr.)
HONORARY DIRECTOR

Consequently, although the operating performance was unacceptable, the balance sheet for our Credit Union was strengthened during the period providing a better “jump-off” point from which we can earn interest income in 2013.

Our aggressive push to grow revenues was complemented by strict and rigorous governance, prudent management, tight control mechanisms and stringent supervision and regulation.

The immediate term is expected to be equally, if not, more challenging than the past three years. We will, therefore, need the continued support and commitment of everyone in executing the programme of activities to ensure our Credit Union’s success.



Karen Asher-Osbourne (Dr.)
ASST. SECRETARY

OPERATIONS

Strategic Planning and Development

Our members remain central to everything that we do. Our strategies saw more focused member-care engagements; re-training and equipping our employees, making them fit for purpose; increased promotional activities; renovation of our product-set; and rationalization of our internal processes to ensure that the value derived by our members was at least on par, but in many instances better than our competitors.



Deryke Smith (Mr.)
ASST. TREASURER



Joscelyn Jolly (Mr.)
DIRECTOR

During the year, we carried out a number of special initiatives which included:

- Launching of the Mortgage Refinancing Product – this was well received by our members
- Expansion of the number of Remittance Companies with which we do business
- Installation of two (2) new full service ATM Machines – Portmore and Cross Roads
- Revamping credit application process to improve efficiency. Work in this area continues and we will have full automation by the end of 2013
- Improving the debt collection process to have earlier contact with delinquent members and faster disposal of collateral when the member defaults.



Al Chambers
DIRECTOR



Trevor Blake (Mr.)
DIRECTOR

A product portfolio review was done to determine: the level of member satisfaction, members’ desires and needs; product/service impact on financial performance; and product service delivery deficiencies.

Table 1 summarizes COK Sodality’s key operating statistics for the year 2012. A breakout of the performance of our wide range of products and services is provided in Appendix 1.



Winston Butler (Mr.)
DIRECTOR



Steadman Pitterson (Mr.)
DIRECTOR



BOARD OF DIRECTORS' REPORT

Table 1: Key Operating Statistics

Categories	Balance @ 31/12/2010	Balance @ 31/12/2011	Balance @ 31/12/2012	Change (\$) 2012	Change (%) 2012
Savings (Deposits and Voluntary Shares)	\$6.27B	\$6.17B	\$6.21B	\$4M	1%
Investments	\$2.56B	\$2.77B	\$2.29B	\$580M	-3%
Loan repayments	\$2.90B	\$2.25B	\$2.38B	\$130M	5%
Loans Portfolio	\$3.63B	\$3.45B	\$4.13B	\$680M	16%
Loan Disbursements	\$2.10B	\$2.15B	\$2.89B	\$740M	26%
Membership	242,659	246,489	252,007	5,518	2%

Corporate Social Responsibility

Our Credit Union makes important contributions to the economic and social well-being of our members' communities. We continued our commitment to corporate social responsibility at national and community levels. During the year, we were involved in educational, sporting and agricultural initiatives, as well as addressing the welfare needs of the less fortunate (targeting the elderly and indigent) in communities that surround our branches in Kingston, Portmore, Mandeville, and Montego Bay.

PRUDENTIAL MEASURES

1. Strengthening Capital Base

In 2012, the options employed by COK Sodality to strengthen its capital base included, but not limited to, increasing permanent shares, and achieving surplus.

Permanent Shares continues to be an avenue through which the capital base of the institution is secured. During the reporting period, only \$23.3M was collected which represents contributions from a mixture of new members, and the Management Team's drive to improve member compliance. As at December 2012, we have collected \$361.9M in Permanent Shares.

You will recall that the capital base also includes \$300 Million that was raised from our Deferred Shares Offer in 2011. The Credit Union has used this facility to also diversify and strengthen its offerings and remain confident that its investment portfolio has sufficiently matched its assets and liabilities to guarantee complete fulfilment of its obligations to the holders of the deferred shares.

The new business lines along with an intense focus on revenue growth and cost management initiatives will, over time, see the institution gradually returning to a position of surplus.

One of the initiatives aimed at achieving surplus was the introduction of Service Fees. Service Fees were inevitable as interest spreads narrowed in an environment where operating and delivery costs were on the rise. This also ensured that the quality of service delivered to our members was not compromised. Your Board continues to review all interest rates, fees and charges to attain its dual objective of our members' well-being and our Credit Union's viability.

2. Delinquent Loans

Our Board continues to pay keen attention to delinquency prevention and management. The Debt Management Committee (DMC) of the Board meets monthly and works closely with the Debt Management Unit in devising and implementing programmes to arrest the adverse effects of delinquency on our Credit Union's performance. This resulted in the recovery of approximately \$33.5M from bad debts previously charged-off.

In striving to attain the PEARLS standard for delinquency, the organization was able to further reduce the number of delinquent accounts from just over 2,000 in 2011 to approximately 1,900 in 2012 with principal arrears ranging from 90 to over 365 days totalling \$182.6M.

Charged-off Accounts

Included in the \$182.6M is \$55.2M which is over 365 days in arrears and for which 100% of the value has been provided in the accounts.

BOARD OF DIRECTORS' REPORT

In striving to attain the PEARLS standard for delinquency in keeping with the prudential standards for such accounts, the Directors hereby present them for the Meeting's approval to treat them as charged-off loans. Of note, during the year, \$33.5M 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, 2012 was \$146.2M. This being the case, there is scope for recovery of some of these bad debts from the disposal of these collateral. However, until the cash flows back into the Credit Union from the sale of these collateral, these loans cease to earn interest income for the organisation.

As co-operators, we have the collective responsibility to support the Debt Management thrust of our Credit Union as the benefits will be shared by all of us now and in the future.

Notable Legal Issue

Included in the Receivables is an amount of \$56.5 Million relating to the remaining balance from a Cambio Trading Partner for its default on a transaction. Through proactive out of court actions, monies were recovered in 2012, however the remainder of the recovery of the balance is being pursued through the courts. 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

Without question, our asset structure remains one of the key differentiators on which we plan to position and grow our Credit Union. Within that asset structure, our human resources have been lending their skills, competences and innovativeness to make certain that our Credit Union ranks among the best in providing service to its members. Our Credit Union in turn has provided training and development programmes for our staff and volunteers in an effort to continuously fulfil any skills deficit identified within our Team.

As the environment becomes increasingly more competitive our performance management systems will be strengthened to maintain relevance, alignment of roles and accountability so that all our valued employees and volunteers may be able to objectively assess their contribution to our Credit Union.

Staff

There were 241 persons employed to the organization at the end of December 2012 broken down as follows:

Permanent Staff	141
Contracted/Temporary Staff	95
Heart Trainees	5

In February 2013, as part of our cost management initiative, we released twenty-five (25) employees, through redundancy, throughout the organization. Three (3) employees also chose Early Retirement in March 2013.

Volunteers

After the last Annual General Meeting (AGM) held in May 2012, 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 Christopher Robinson
Assistant Treasurer	Mr Deryke Smith
Secretary	Mrs Debbie-Ann Gordon-Crawford
Assistant Secretary	Dr. Karen Asher Osbourne

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

Management

- Ms. Marcia Lewis, Risk & Compliance Manager, Ms. Paula Atkinson, Human Resources and Learning Manager, and Sean Cousins, Treasury Manager, demitted office.
- Ms. Millicent Isaacs joined as the Human Resources and Learning Manager;
- Ms. Teasha Fraser was appointed Assistant Treasury Manager

ANNUAL REPORT 2012



BOARD OF DIRECTORS' REPORT

Volunteers

- Board of Directors: Mr. Joscelyn Jolly, after 31 years (1982-2013) of yeoman service to our Credit Union and the wider Credit Union Movement in Jamaica and the Caribbean, has indicated that he will not be seeking re-election to the Board of Directors at this AGM.
- Credit Committee: Mr. Joscelyn Richards, after serving for a few months, resigned from the Committee to take up duties overseas.
- Supervisory Committee: Mrs. Myrna Watts, after 9 years (2004-2013) of exemplary service as part of the Supervisory Committee, has indicated that she will not be seeking re-election at this AGM.

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

Improving Service to Members and Communications

Your Board in its drive to improving service to members and communications in 2012 used our current technology to keep in touch with you. Information was sent via e-mail, text messages, Facebook, the internet and video screens in branches. We kindly ask that you update your contact information with us to ensure that we can contact you readily, as we seek to share what we are doing for you.

For 2013, we will broaden our member meetings across the island and, to this end, a series of member meetings are being planned, as we share with you and hear from you on how we can serve you better. Our first meeting was held on February 8, 2013 at the Cross Roads Branch parking lot and was followed up with another on April 24, 2013 at the same venue. Others are being planned for Montego Bay, Mandeville and Portmore.

WHOLLY-OWNED SUBSIDIARY AND INVESTMENT IN MONEY MASTERS LIMITED

COK Remittance Services Ltd. (COKRS) is in its fourth year of existence. The company made a loss in 2012 of \$1.7M compared to \$2.6M in 2011, as we continued to grapple with the financial crises that continued to plague the world's economies for the last five years. Statistics provided by the Bank of Jamaica, shows that net remittances in 2012 grew by less than 1%.

We are, however, very optimistic that the measures and strategies that we have put in place over the past year will rebound to increased income and profits in the medium term as we have begun to see, since the latter part of 2012 and into 2013, great improvements in the number of transactions coming through this company.

Our acquisition of 25% ordinary shares in August 2010 in Money Masters Limited (MML) has earned the Credit Union \$2.4M in 2011 and \$0.6M in 2012, representing the Credit Union's portion of the profits made in each of those two years. This signifies an overall return of approximately 11% on our investment. Messrs Trevor Blake and Christopher Robinson continue as the COK Sodality representatives on the Board of MML.

CORPORATE GOVERNANCE

Corporate governance practices are a high priority in the conduct and operations of the organization. In this regard, the Board of Directors continued throughout the year to review the operations and subsidiary activities of the Credit Union through various committees of the Board such as Audit Risk & Compliance; Finance & Policy; Debt Management, Asset Liability Management; Performance Management & Compensation. This was done to ensure 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 organization.

The Board of Directors continued to work very closely with Management to make sure that the organization strengthened its compliance infrastructure and processes, while improving some of its compliance issues. We are still not satisfied with the level of compliance relating to member due diligence (Know Your Member) as many of our members continue to demonstrate reluctance in readily 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 quickly. This is not something that we do once and for all, it is an on-going process as the Board and the Management work to ensure safety and soundness at all levels within the organization.

BOARD OF DIRECTORS' REPORT

The Board of Directors will continue to ensure compliance with regulations and Regulators through policies; steer our Credit Union's team toward farsighted strategic and financial thinking, and succession planning for the next decade and beyond; 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 (JC-CUL) met with the Minister of Finance and the Bank of Jamaica in October 2012 where the major areas were re-examined and, where consensus could not be arrived at, further discussion is to take place. The main issue remaining is, as it relates to Unsecured Credit, where the Movement was asked to propose another way to manage the risk, and define a trigger or a higher limit in the Regulations. The JCCUL has advised that they will continue to lobby for the changes proposed and credit unions are being encouraged to continue to make changes to meet Regulations, standards and build capital.

Credit Bureau

With the advent of approved Credit Bureaus in Jamaica, the Board and Management of COK Sodality have been taking a very keen interest in the discussions and presentations by the licensed providers, the Regulators and the Government to determine what position to take.

Credit Bureaus are institutions that specialize in collecting, collating and disseminating credit information. Credit information is collected from various traditional sources such as financial institutions, government departments, businesses and customers, as well as non-traditional sources such as utility providers and compiled into credit information reports which help creditors in assessing repayment capabilities of prospective and existing customers.

The Board sees the advent of the Credit Bureaus at this time in the Jamaican society as opportune as this can give tremendous boost to the credit risk assessment currently being done by our Credit Union and, thus, reduce the level of delinquency.

It is for this reason that the Board approved the Credit Union's participation as a Credit Information Provider to the two (2) licenced Credit Bureaus now operating in Jamaica, Credit Info and CRIF NM, with effect from April 1, 2013.

THE WAY FORWARD

Since the start of the year, 2013, we have already seen severe economic adjustments with the Government imposing a National Debt Exchange (NDX) designed to reduce the interest cost on the debt owed by the Government; as well as other tax adjustments to improve revenues in the coffers of the Government. These moves have, without a doubt, negatively impacted many organizations, including COK Sodality, in the short-term.

We, however, like other financial institutions, have had to make some hard decisions around cost management. These include, but are not limited to, the rates we offer on products and services, staffing and staff benefits. We are aware that a number of our members have been negatively impacted by the broader macroeconomic structural adjustments and the changes made by our institution, however, the changes that our organization was compelled to make are necessary as we seek to maintain a viable entity.

For 2013, we will be even more aggressive to:

- Improve member service delivery.
- Maximise on bad debt recoveries
- Reduce operating costs
- Increase income from loans, investments & other streams

The Board of Directors continues to ensure compliance with regulations and to provide policies characterized by our values, innovation and viability. We seek to turnaround our organization's performance and secure its continued relevance and value in the increasingly competitive and harsh environment that we must face.

All the signs in the national and international economies point to a challenging year in 2013. As a people, we have been experiencing economic turbulence for a long time and so we cannot be daunted by these signs. COK Sodality is committed to be always searching for viable economic solutions, new and innovative ways of doing business and driving savings and loans. We recognize it will not be easy, but your Board believes that, together, we can make it happen and so we ask for your full support in working with us to improve our performance as we go forward.

ANNUAL REPORT 2012



BOARD OF DIRECTORS' REPORT

In 2013, as it was in 2012, we need to focus on:

- Improving internal processes, particularly, in the areas of Credit, Debt Management and Branch Operations;
- Improving member service delivery,
- Continuing the process of automating our systems for improved efficiencies;
- Growing revenues;
- Compliance in members' permanent shares;
- Debt collection and provisioning; and
- Improved market share by courting aggressively our membership for investments, savings, borrowings and remittances.

In summary, therefore, COK Sodality Cooperative Credit Union Limited will adopt and adapt, where necessary, take strategic initiatives that will bolster, protect and grow all its lines of business so that, in satisfying our members' diverse needs, it will achieve sustainable long-run performance.

OUR PRODUCTS & SERVICES (APPENDIX I)

Our savings products include:

1. PARTNER PLAN

Partner Plan	2010	2011	2012	Growth 2012
Members in plan	2,463	2,423	2,633	9%
Value	\$74.90M	\$81.99M	\$85.44M	4%

This product is very popular with our members and continues to record a steady growth since we started. 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

The Partner Plan is well known for assisting members to fulfil their short-term obligations while receiving a bonus on the amount contributed for the consistency in saving.

ACKNOWLEDGEMENTS

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

To you, our valued members, we record sincerest thanks for the confidence that you continue to repose in us as we strive to serve this great organization.

For and on behalf of the Board of Directors,

President

BOARD OF DIRECTORS' REPORT

2. WEALTH MAXIMIZER

Wealth Maximizer	2010	2011	2012	Growth 2012
No. of Members	210	185	172	-7%
Value	\$89.3M	\$77.8M	\$64.98	-16%

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 up to **5 years**. As at December 2012, the portfolio closed at **\$64.98 million** with **172** members.

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	2010	2011	2012	Growth 2012
No. of Members	13,477	12,882	12,255	-5%
Value	\$2.9B	\$2.8B	\$2.76B	-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

Pension Plan	2010	2011	2012	Growth 2012
No. of Members	2,178	3,183	4,084	28%
Value	\$79.9 M	\$97.8M	\$142.6M	46%

The Retirement Scheme for members of the **City of Kingston Co-op Credit Union Limited** was formally approved by the Financial Services Commission (FSC) on November 26, 2008 under the Pensions Superannuation Funds and Retirement Scheme Act, 2004. The Credit Union is not required to make contributions to the plan.

Persons who are self-employed 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**. Now is a very important time to begin to take seriously what your income will be when you are no longer able to work.

5. GOLDEN HARVEST

Golden Harvest	2010	2011	2012	Growth 2012
New Members	2,024	1,919	2,554	33%
Total Members	3,528	3,339	4,085	22%
Value	\$323.2M	\$300.7M	\$402.1M	34%

ANNUAL REPORT 2012



BOARD OF DIRECTORS' REPORT

This product offers an investment and savings plan with a specific goal at an attractive interest rate. Members up to age 69 years may save 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 CUNA Mutual at no cost to the member as long as the member fulfills his/her savings obligations as agreed in the contract.

We continue to provide the following services to satisfy our members' needs:

1. FAMILY INDEMNITY PLAN (FIP)

Family Indemnity Plan	2010	2011	2012	Growth 2012
Members	5,809	6,069	6,406	6%

FIP carries with it an outstanding feature that allows up to six (6) family members to be insured for the same premium and offers five (5) insurance plans for our members to choose from. This is a must have for every family.

2. STANDING ORDER PAYMENTS

Standing Order Payments	2010	2011	2012	Growth 2012
Transactions	3,294	5,277	5,870	11%
Institutions Paid	68	61	61	0%

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 CUNA.

3. COK XCHANGE – CAMBIO SERVICES

Cambio	2010	2011	2012	Growth 2012
Amount traded	US\$69.6M	US\$57.0M	US\$35.6M	-37.54%
Earnings	J\$10.3M	J\$6.9 M	J\$8.25M	19.57%

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 Branch locations.

4. COK REMITTANCE SERVICES

Remittance (Sub Agent)	2010	2011	2012	Growth 2012
No. of Transfers	41,618	39,832	29,940	-24.83%
Value	\$819.9M	\$682.6M	\$542.3M	-20.55%

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. For the year in review, the remittance service showed decline over that of the previous year in both the number of transfers disbursed and the dollar value.

BOARD OF DIRECTORS' REPORT

5. COK VISA CREDIT CARD

COK Visa Credit Card	2010	2011	2012	Growth 2012
Cardholders	1124	977	829	-15%
Portfolio Value	42.7M	\$33.1M	\$27.9M	-16%
Earnings	\$22.4M	\$20.6 M	\$18.5M	-10%

COK Sodality in partnership with RBC Royal Bank issues a local credit card. Its current interest rate of 39% is among the lowest in the industry. We use this medium to appeal to members to use your cards with discipline and to ensure that you make your payments monthly to prevent delinquency which will affect your credit record.

ATTENDANCE AT DIRECTORS MEETING (Appendix II)

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

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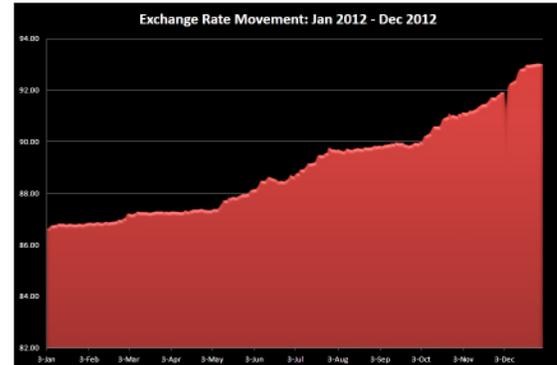
TREASURER'S REPORT

OVERVIEW

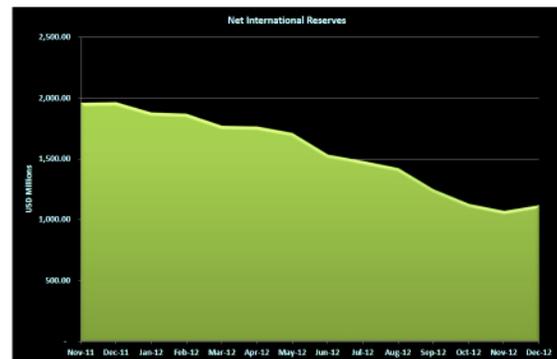
The Jamaican economy has not fully recovered from the global financial crisis of 2008, and as a matter of fact, stalled in 2012. The macro economy was dominated by a pending Stand-By agreement with the International Monetary Fund (IMF) to replace the US \$1.2 billion agreement signed by the previous government in 2010. Domestic uncertainties continue to surround the possible signing of a new IMF agreement, as well as tax measures to be implemented to bring fiscal surplus to 7.5% of GDP. As stakeholders await the outcome, the market remains speculative.

The skepticism around the agreement has negatively impacted the economy, evident in the key macro-economic indicators below: (Source: Bank of Jamaica)

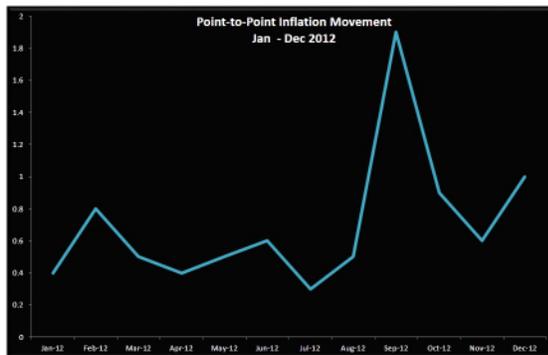
EXCHANGE RATE



NET INTERNATIONAL RESERVES



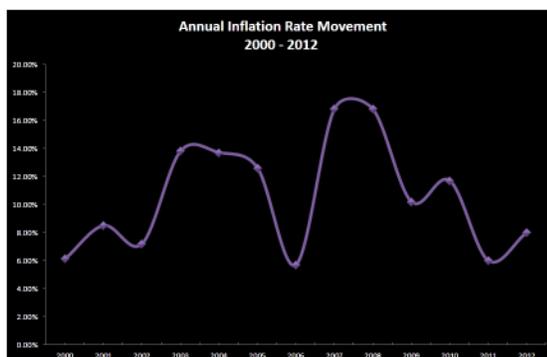
INFLATION



INTEREST RATES



INFLATION cont'd



TREASURER'S REPORT

QUARTERLY GDP GROWTH



The results of the macro-economic climate are being characterized by:

- **Increased inflation:** Inflation year over year dating from 2008 has recorded declines from 16.80% to 11.70% in 2010. As at December 2012, calendar year-to-date inflation stood at 8%, up from an annual inflation of about 6% in 2010/2011.
- **Instability in the USD:** JMD exchange rate: Movement in the local currency to the United States Dollar over the 12 month period January to December reflects a steady depreciation of the Jamaican dollar of about 7.4%. This is projected to reach approximately 9% to 10% by the time the IMF agreement is finalized.
- **Declining level of NIR:** While Net International Reserves have been declining month over month since the buildup of USD\$2.6 billion in April 2011, there's been a rapid decline in the NIR in 2012, moving from 20 weeks to 13 weeks of reserves in goods and services imports held by the country.
- **Increasing interest rates:** Interest rates on the benchmark Six-Month Treasury Bills increased from 6.46% in December 2011, to a current rate of 7.18% at the end of December 2012.
- **Negative Growth:** Real GDP recorded negative growth for the June to September 2012 quarter of -0.60%.

The afore-mentioned macro-economic conditions have contributed to a stagnant bond market, increased unemployment, resulting in less disposable income. The harsh conditions have contributed to the Credit Union experiencing the highest loan growth and disbursement in recent history.

Further, although the collections efforts have been stepped up, the Credit Union continues to be challenged by loan defaults, as well as lower levels of savings. Additionally, while our members have benefitted from lower interest rates, the post JDX era has resulted in a significant reduction in interest income yield on loans, as well as, lower investment income, when compared to previous years.

Finally, to address the declining interest income from loans in 2012, the Credit Union offered a successful Mortgage Refinance product that contributed approximately \$200M of the \$671M growth to the loan portfolio. The response from the membership, and potential members to this offer was extremely encouraging and not only ensured the overwhelming success of the program, but also sent a clear message of confidence in the viability of our Credit Union. As a result of the success of the Mortgage Refinance program, the Credit Union was able to achieve a good "jump off" position in respect to interest income for the 2013 budget year.

1. Performance

Given the challenges in the macro economy, resulting in the increase in the industry's delinquency levels, and a stagnant bond market, the financial performance for 2012 resulted in a net loss of approximately \$133M compared to a surplus of \$52M in 2011. The losses were primarily due to the Credit Union's inability to trade Government of Jamaica (GOJ) bonds held by the Credit Union, thereby, not realizing the planned gains of \$40M, as well as not realizing planned debt recovery of \$61M. Additionally, loan loss provision exceeded plan by approximately \$25M.

The Credit Union, also introduced a monthly service charge while eliminating some fees to members such as fees charged for using COK's ATMs. The Credit Union also purchased and installed two new full service machines in Portmore and Cross Roads branches and is in the process of installing a dispenser in Mandeville, once a suitable location is identified. To increase the loan portfolio and boost income, the Credit Union offered a Mortgage Refinance product in the second half of the year. This contributed to a 19% increase in the loans portfolio and positioned the credit union for higher income in 2013.



TREASURER'S REPORT

During the year, several initiatives were implemented to reduce expenses, and despite a 6% inflation in 2012, the Credit Union managed its expenses to a 5% increase over the previous year.

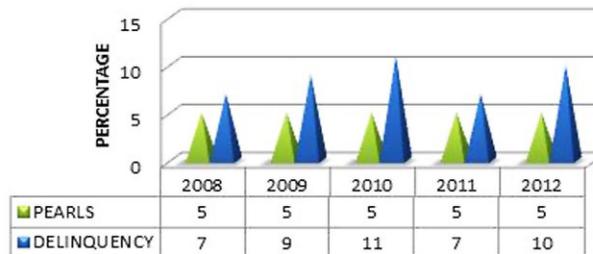
2. Debt Management Plan

As at the end of December 2012, we were able to achieve our lowest delinquency rate in recent years ending the year at a comparable 5.72% (6.84%; 2011) based on delinquency measurement methodology used in 2011. Given the new calculation at 31 days and over, the credit union's delinquency rate is now adjusted to 10.55% as at December 31, 2012. Additionally, the Debt Management Unit was able to recover over \$33.5M of the planned \$95M through aggressively pursuing delinquent members and greatly improving the turnover of assets.

We have seen improvement in this area, but there is still much work to be done to reverse the negative trends of prior years, particularly, as we seek to dispose of several of the collaterals that we have seized in order to liquidate outstanding debts. Importantly, we have also been working with many of our members to consolidate and restructure their debts in an effort to make the repayments more affordable and so keep their accounts current. Also, the Credit Union continues to review and put into place measures to improve efficiencies and controls throughout the organization.

The Credit Union will continue to employ an aggressive posture with our collections, including legal action in small claims court in 2013, 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, is being tightened in order to achieve the targets we set ourselves. This includes closer monitoring of our Attorneys, Bailiffs and External Collectors who themselves play a critical role in the collections process. We recognize that, as a financial institution whose primary business is lending, bad debt provisions are part of our business, nevertheless, we will ensure that our processes are in line with best practice and that efficiency is engrained in our way of life.

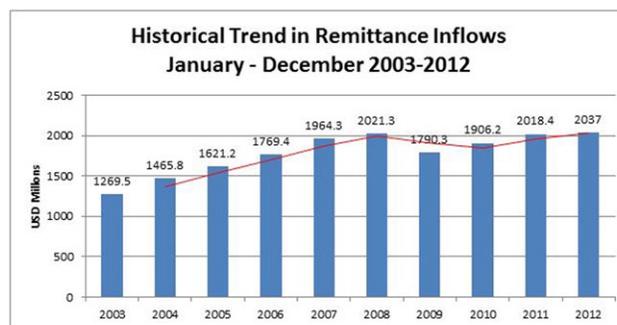
DELINQUENCY 2008-2012



2012: Comparative delinquency number is 6%. Adjusted to 10% due to revised methodology.

3. Remittance

COK Remittance Services Limited is in its fourth year of operations and for the 2012 year reported a loss of approximately \$1.7M compared to a \$2.6M loss in 2011. Although the remittance company made good progress over the past three years, the global economic conditions especially in the United States continued to have a negative impact on the performance of the company. The remittance company added one international partner from Cayman Islands in December 2012, however, it experienced some decline in the total transactions disbursed when compared to 2011. None-the-less, income increased by approximately 21.2% attributable to the gradual appreciation of the USD. Reports from the Bank of Jamaica indicated that although marginally better than 2011, remittance inflows growth percentage has slowed since the 2008 global crisis. Improvement in remittance inflows in 2013 is being forecasted, as there are improving macroeconomic conditions in the originating economies of remittances, especially in the United States.



Source: Bank of Jamaica

TREASURER'S REPORT

The table below summarizes the results of the Credit nion's operations for 2012 as compared to 2011
ANALYSIS OF CHANGE IN INCOME & EXPENDITURE 2012 VS. 2011

	2012	2011	Change	
	\$'000	\$'000	\$'000	%
Interest Income:				
Loans to members	564,577	637,054	(72,477)	-11.4%
Investments and deposits	196,507	204,817	(8,310)	-4.1%
Total Interest Income	761,084	841,871	(80,787)	-9.6%
Interest Expense:				
Members' Deposits	196,241	191,387	4,854	2.5%
External Credits	14,259	35,295	(21,036)	-59.6%
Other Financial Costs	23,179	21,726	1,453	6.7%
Total Interest Expense	233,679	248,408	(14,729)	-5.9%
Net Interest Income	527,405	593,463	(66,058)	-11.1%
Non-Interest Income				
Fees	129,745	61,088	68,657	112.4%
Dividends on Equity Investments	1,552	1,309	243	18.6%
Other Income	120,134	234,724	(114,590)	-48.8%
Total non-interest Income	251,431	297,121	(45,690)	-15.4%
Gross Margin before provisions and expenses	778,836	890,584	(111,748)	-12.5%
Less Operating Expenses - before one-time Exceptional Costs	(808,267)	(769,079)	(39,188)	5.1%
Surplus for the year before provision and exceptional items	(29,431)	121,505	(150,936)	-124.2%
Provisions				
Allowance for loan losses	(91,324)	(56,036)	(35,288)	63.0%
Allowance for interest losses	9,875	(20,491)	30,366	-148.2%
Allowance for losses on other assets	(19,763)	732	(20,495)	-2799.9%
Total Provision	(101,212)	(75,795)	(25,417)	33.5%
Surplus/(Loss) for the year before exceptional items	(130,643)	45,710	(176,353)	-385.8%
Add share of profit of associate	664	2,454	(1,790)	-72.9%
Less: One-time exceptional costs - Bad debts written off				
Unrealised gains/(loss) on Financial Assets	(3,505)	4,244	(7,749)	-182.6%
Net Income/(Loss) for the year	(133,484)	52,408	(185,892)	-354.7%

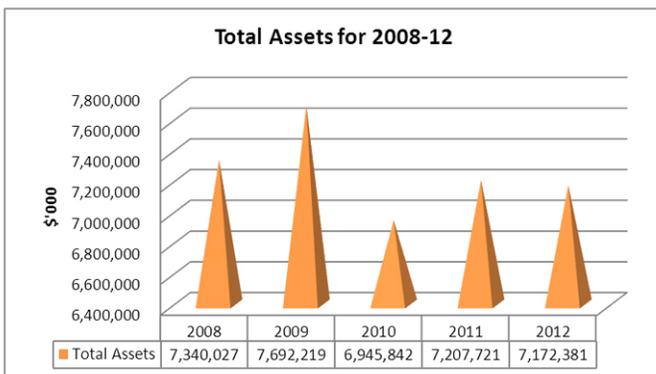
ANNUAL REPORT 2012



TREASURER'S REPORT

Growth

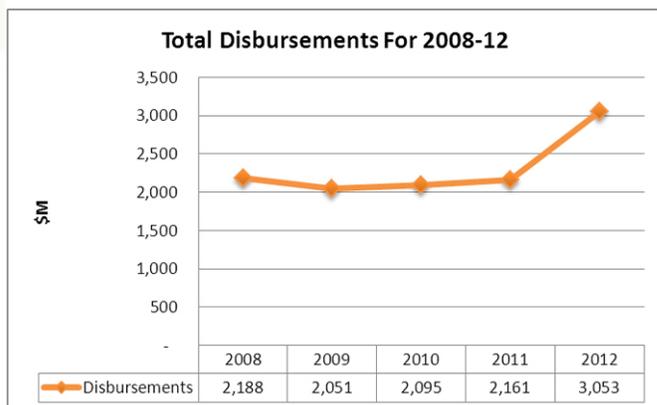
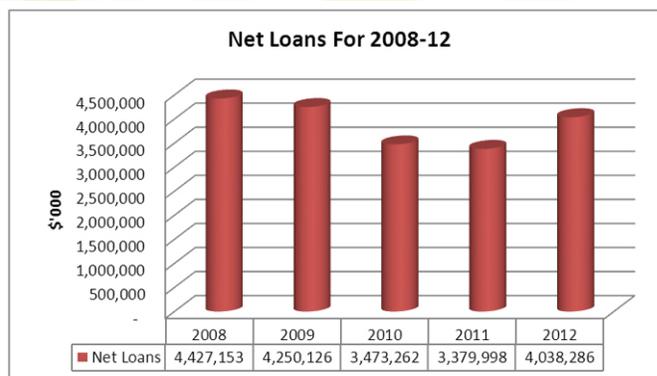
The Credit Union's balance sheet did not grow in 2012, as the primary focus shifted to loans growth to position the Credit Union for increased interest income in 2013. The Credit Union experienced significant increases in disbursements and loans, as well as increases in fees.



Loans

Gross loans increased significantly year over year by \$671M or 19% to \$4.126B, primarily due to several discounted offers in 2012. Disbursements for 2012 were \$3.0B or \$900M more than the previous year and highest for 5 years. Due to competitive and declining interest rate pressures, the Credit Union had to reduce its rates and, therefore, its yield. Additionally, more streamlined credit assessment and policies have resulted in the Credit Union obtaining better quality loans even as it exceeds the disbursement targets.

The Credit Union has experienced a gradual decline in the net loans since 2007. This is attributed to loan repayments being made at a higher rate than disbursements, early liquidation, delinquent loans, and lower demand for loans as members' disposable income was reduced as a result of the economic challenges. However, the Credit Union adjusted the loan portfolio mix to include longer tenures in secured mortgage type products, thereby, increasing the portfolio.

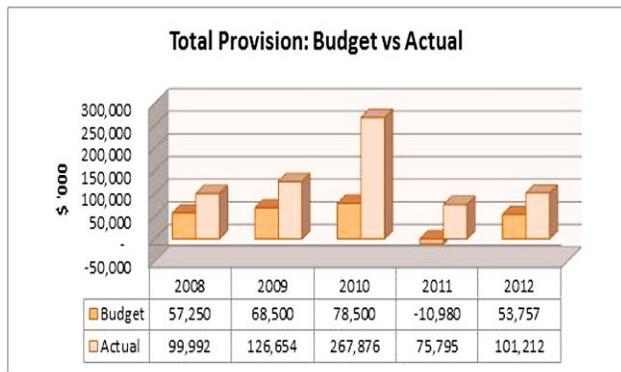


Provisions

Given the obvious challenges being faced in the economy, and increasing loan portfolio, the Credit Union ended the year with provision of \$101M compared to \$76M in the previous year. This was attributable to an increase in some unsecured and secured loan types being impaired. An example of secured loans becoming impaired is motor vehicle loans that became delinquent but the recovery and sale yielded less than the principal outstanding. The outstanding amount after sale becomes unsecured and impaired. Although the provision was much higher than planned, we believe it's a significant improvement attributable to the debt management's focus employed during the year. Similarly, the Credit Union was able to attain a 10.55%/5.74% delinquency level, the best rate achieved since 2007. While our eyes are set on ultimately achieving a target of 5% delinquency or less, we are aware that this will not be achieved overnight.

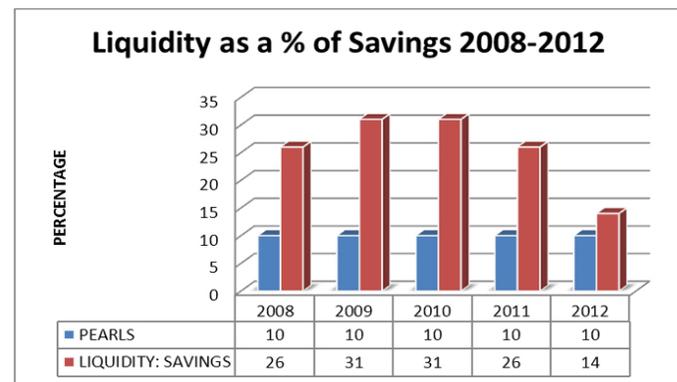
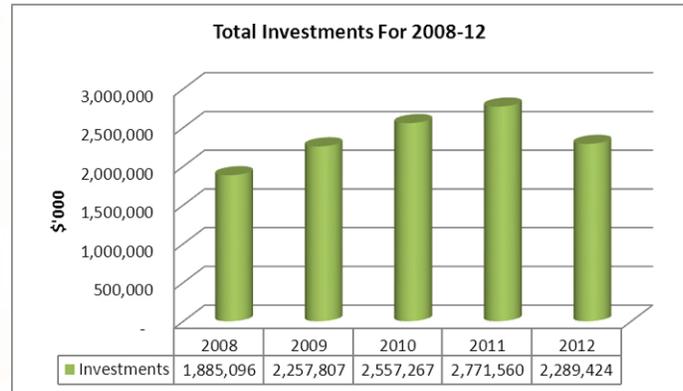
TREASURER'S REPORT

However, 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 5.0% by December 2013. We are hopeful that given our new initiatives in 2013 and beyond we will be able to arrest the monthly provisioning which has been impacting greatly on the society's bottom line.



Investments

As at December 2012, the investment portfolio of \$2.3B decreased by a net \$480M over 2011, primarily due to shift in the asset mix to loans meaning; liquidating lower yielding investments and converting to higher yielding loans. The portfolio was below budget, however, due to the record level of disbursement experienced during the year. Interest income was lower than planned, as investment rates, post JDJ, continued to experience steeper declines. Despite the asset shift into longer loan tenures and the 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. To further diversify its asset base, the Credit Union is also looking at medium risk structured financing projects that offset the impact of lower interest income. As mentioned above, the Credit Union did not realize any of the planned \$40M gains in 2012 due to an inactive bond market.

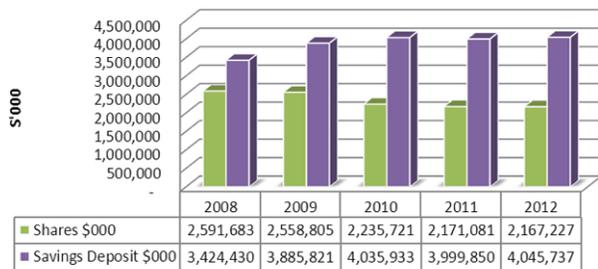


Savings & Deposits

The savings portfolio slightly increased in 2012 to \$6.21B compared to \$6.17B in 2011 or .68%, from normal course of savings. The savings and deposit portfolio increased by approximately \$46M, while the ordinary shares portfolio declined marginally by approximately \$4M when compared to the previous year. Similarly, interest expense on deposits marginally increased due to the increase in savings. Interest expense showed an increase even in a declining loans and investment rate environment due to competitive pressures in the market place to attract and retain savings. The credit union may have to take a hard look at interest expense in 2013 to align with falling investment rates. Most importantly though, is that an increase in year over year savings is a signal that our members continue to see the Credit Union as a safe and secure organization to do business.

TREASURER'S REPORT

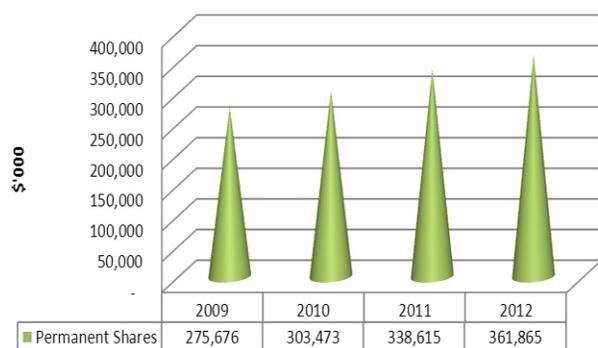
Comparison between Shares and Savings Deposit for 2008-12



Membership Permanent Share

The Credit Union's adult and CARES membership grew by an estimated 4,954 and 2,257 or 6% and 10% respectively, in 2012. Permanent shares increased by \$23M or 6.87% when compared to 2011. Similarly membership compliance increased from 55% in 2011 to 56.87% at the end of 2012. We now have over 141,000 members being fully compliant out of a total active membership of 249,424 adult members. Several initiatives were implemented in 2012 to encourage our members to come in and become permanent share compliant.

Permanent Shares for 2009-12



THE WAY FORWARD

The Jamaican economy experienced negative growth for 2012, as we saw poor growth records in many areas of the economy with just a few continuing to perform well including agriculture and tourism.

The economy is trying to extend the industries on which it historically depends, outside of alumina, bauxite and tourism, but is still highly responsive to external economic shocks and natural disasters. The uncertainty surrounding the IMF agreement has resulted in a deterioration of standard of living and employment. This has resulted somewhat in lower savings, presents continued challenges with loan defaults and falling incomes, leading to weak domestic demand in goods and services.

In 2013, we fully expect a continuation of the same, at least, through the 1st quarter until an IMF agreement can be secured. We anticipate some improvement in investor and consumer confidence, assuming a new IMF programme can be inked and if the fragile growth in the United States were to continue. The economic growth will be slow, but the organization, having addressed the internal weaknesses of the past, has positioned itself for growth, through improved efficiencies, cost management, improved product offerings and improved member service delivery in all areas of operations.

Growth Income

The primary focus of the Credit Union in 2013 is the growth in savings and by extension growth in assets. Additionally, the Credit Union will continue to grow and balance the risk profile of the loan portfolio and by extension growth in loan income. We will be introducing several new products in a number of areas including culture, agriculture, tourism, micro financing and small and medium business loans to complete the suite of offerings. Additionally, the Credit Union will seek to become more competitive on selective loan rates to drive volumes. This will be accomplished with a streamlined credit assessment process within a restructured Credit Origination department to ensure better quality loans. 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

Despite achieving this reduced level of delinquency over the past two years, the Credit Union will seek to achieve a target of 8% for 2013 based on the new calculation of 31 days. 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.

TREASURER'S REPORT

The Credit Union will continue working with its membership through, information, education and other initiatives. Where necessary, however, the Credit Union will more 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 recognize that there are several neglected charged-off accounts that, if given the necessary attention, we should be in a position to increase our overall collections. The Credit Union will also explore and apply more innovative means of collecting on debt in 2013. We intend to continue our aggressive approach of asset recovery and liquidation. Additionally, we recognize the necessity to improve the turnaround and efficiency within the Debt Management unit and this will also be addressed.

Cost Management

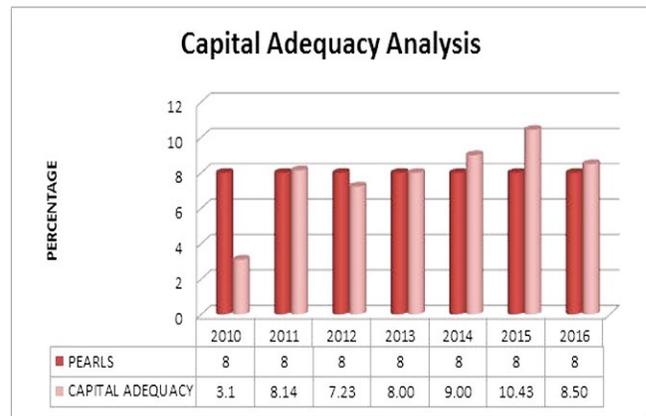
COK Sodality will continue to make cost containment a culture within the Credit Union with emphasis on efficiency management. We believe that an efficient COK Sodality will ultimately lead to world class customer service and service delivery which eventually leads to volume growth. In 2013, we will continue to partner with the top 10 major outside companies, to automate the salary deduction process. We will also streamline and automate the credit origination and securities processes, as well as, embark upon ways to improve the branch experience. These initiatives, we believe, will improve our time to market with products and a faster turnaround for loans, as well as, give our membership an enhanced in-branch service. This will also involve a visible improvement in ATM and on-line services. We continue to look at resources and where necessary ensure that COK Sodality will have the right fit to deliver upon our objectives.

The Credit Union will also embark upon an energy reduction programme along with other cost reduction initiatives such as outsourcing in order to bring operating expenses within the 8% expense to average assets Pearls standard.

Capital Adequacy

In 2013, the Credit Union will boost its capital adequacy ratio by implementing a permanent share programme, together with an anticipated increase in permanent share attributable to loans growth in the amount of \$35M.

This added to the planned contribution from surplus of \$40M, constitute the capital management plan to achieve \$75M of capital or 8.00% capital adequacy ratio in 2013. The below plan constitute the capital management plan for the next 4 years through to 2016 when the Deferred Share capital is repaid.



ANNUAL REPORT 2012



TREASURER'S REPORT

The table below summarizes the Budget of the Credit Union's operations for 2013 as compared to 2012.

2013 BUDGET REVENUE AND EXPENDITURE STATEMENT

2012				2013	
<u>BUDGET</u>	<u>ACTUAL</u>	<u>+ / (-)</u>	<u>%</u>		<u>BUDGET</u>
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>			<u>\$'000</u>
638,939	564,577	(74,362)	-12%	INTEREST INCOME	638,007
210,236	196,507	(13,729)	-7%	INTEREST ON MEMBERS' LOANS	131,105
849,175	761,084	(88,091)	-10%	INTEREST ON INVESTMENTS	769,112
				FOR WHICH OUR INTEREST AND OTHER EXPENSES WERE	
211,617	172,446	(39,171)	-19%	INTEREST ON MEMBERS' DEPOSITS	184,707
4,137	14,259	10,122	245%	INTEREST ON EXTERNAL CREDITS	2,070
23,615	23,795	-	0%	INTEREST ON MEMBERS' SHARES (DEFERRED)	24,567
38,553	23,179	(15,374)	-40%	OTHER FINANCIAL COSTS	42,660
-	-	-	-100%	BAD DEBTS WRITTEN OFF	-
53,759	101,212	47,453	88%	LOANS AND OTHER PROVISIONS	59,798
331,681	334,891	3,210	1%		313,802
517,494	426,193	(91,301)	-18%	LEAVING A NET INTEREST OF	455,310
				AND WE ADD NET EARNINGS FROM NON-INTEREST SOURCES	
23,310	18,508	(4,802)	-21%	CREDIT CARD	23,013
5,753	5,016	(737)	-13%	REMITTANCE SERVICES	4,582
9,020	8,258	(762)	-8%	CAMBIO SERVICES	11,167
268,930	219,649	(49,281)	-18%	FEES AND OTHER INCOME	313,597
307,103	251,431	(55,582)	-18%		352,359
824,507	677,624	(146,883)	-18%	MAKING OUR GROSS MARGIN BEFORE OPERATING EXPENSES	807,669
				FROM WHICH WE DEDUCT OUR OPERATING EXPENSES	768,327
782,387	808,267	25,880	3%	LEAVING AN OPERATING INCOME / (LOSS)	39,342
42,120	(130,643)	(172,763)	-410%	ADD SHARE OF PROFIT OF ASSOCIATES	1,000
-	664	664	100%	LEAVING A NET INCOME/(LOSS)	40,342
42,120	(129,979)	(172,099)	-409%	THEN WE TRANSFER 20% TO STATUTORY RESERVE	8,068
8,424	-	(8,424)	-100%	LEAVING A NET SURPLUS/(LOSS) OF	31,274
33,696	(129,979)	(163,675)	-486%		

ANNUAL REPORT 2012



TREASURER'S REPORT

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 losses experienced in 2012, 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 Co-operative 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 the members for your continued support of the Credit Union and the opportunity to have served in this capacity.



Christopher C Robinson
Treasurer

Proposal for the fixing of Maximum Liability To 31st December 2013

In keeping with Rule 70, it is proposed that Maximum Liability to 31 December, 2013 be set at \$8.4 billion, being 12 times the 2012 total capital, inclusive of Deferred Share of \$300 million, projected at \$700 million

For and behalf of the Board of Directors



Christopher C Robinson
Treasurer



TREASURER'S REPORT

<u>PRUDENTIAL INDICATORS</u>	<u>PEARLS</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
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	56.27	47	50	55	60
Liquid Assets/Total Assets	max 20	13.54	23	28	26	21
Financial Investments/Total Assets	max 10	18.82	16	9	4	4
Total Savings / Total Assets	70-80	87.53	86	90	84	82
Shares / Total Assets	10-20	30.20	30	32	33	35
Institutional Capital / Total Assets	min 8	7.23	8.14	3.1	8.9	7.4
ASSET QUALITY						
Delinquency (>1 mth) / Gross Loan Portfolio	<=5	10.51	7	11	9	7
Non-Earning Assets/Total Assets	<=7	10.28	15	11	14	14
RATES OF RETURN AND COSTS						
Net Loan Income / Average Net Loan	mkt rates	15.02	18	18	10	20
Operating Expenses / Average Assets	<=8	11.37	10.9	10.2	10.5	10.5
Net Margin / Average Assets	>5	-1.83	0.74	-6.6	-0.5	-0.3
Loan Loss Provision / Average Assets	cover loss	1.7	1.50	2.7	2.5	2.4
LIQUIDITY						
Liquidity Reserves / Total Savings Deposits	10	14.14	26	31	31	26
Non-Earning Liquid Assets / Total Assets	<1	1.16	2	1.5	1.2	2.0
SIGNS OF GROWTH (YTD)						
Loans (Gross)		19	(5)	(18)	(4)	(2)
Savings Deposits		3	0	4	13	21
Shares		0	(3)	(13)	(1)	7
Institutional Capital		-	7	59	24	9
Membership	5%	3%	3%	6%	7	5
Total Assets	>= inflation	0.47	4.00	-10	5	10

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COK MANAGEMENT TEAM



Jacqueline Mighty
CEO



Courtney Wynter
CFO



Desmond Foster
Strategic & Business Development
Manager



Shaun Barrett-Radcliffe
MIS



Dianne Bolton
Credit Origination



Vevine Cameron
Credit



Hugh Campbell
Credit



Rexona Christie
Facilities & Procurement



Juliet Henry
Branch Operations



Millicent Isaacs
Human Resource & Learning



Anthony Morris
Internal Audit



Emma Thomas
Member Relations



Trisha Williams
Accounts



Stanford Hastings
Mandeville



Morris Livingston
Half Way Tree



Tina Livingston
Cross Roads



Oral Sewell
Portmore



Roger Shippey
Montego Bay

TEAM MEMBERS

FRONT ROW (L – R): Keneisha Goulbourne, Tanyshé Rhoden, Shelly-Ann Cargill-Brooks, Horane Plunkett, Winsome Whyllie-Tai
BACK ROW (L – R): Vevine Cameron (Manager), Junior Pearce, Erell Crooks, Taffar Simpson, Latoya Linton

Front Row (L – R): Diane Bolton (Manager, Credit Origination), Ramonia Brown, Antoinette Lynch, Christina McCarty
Back Row (L – R): Vevine Cameron (Manager), Antonette Samuels, Shellika Duncan, Ann-Marie Francis, Derrick Heslop
MISSING: Curven Whyte, Kevin Dalberry

SECURITIES ADMIN



CREDIT



MIS



HUMAN RESOURCE & LEARNING



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

L-R: Shaun Barrett-Radcliffe (Manager), Delecia Mair-Grizzle, Omar Morgan, Claudette Seballo-Myrie, Shanice Hamilton
MISSING: Andre Stevens

INTERNAL AUDIT



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

Racquel Williams, 2012 Employee of the Year, Portmore Branch



Clive Thompson, 2012 Employee of the Year, Cross Roads Branch



L-R: Haleem Anderson, Anthony Morris (Manager), Jodi-Ann Henderson, Michael Forrester, Richardo Jones

ANNUAL REPORT 2012



TEAM MEMBERS

L – R: Wayne Johnson, Valrie Coley-Walace, Amoi Patrick-Tucker, Joan Davidson

MARKETING



L – R: Emma Thomas (Manager), Paul-Ann James, Juliet Henry (Manager, Branch Operations)

BRANCH OPERATIONS



FACILITIES & PROCUREMENT



L-R: Richard Maye, Winston McKenzie, Rexona Christie (Manager), Ryan Garvin, Sandra Hibbert-Facey, Andrew Kirkland
MISSING Lorina Hastings

CSU



L-R: Desmond Foster (Manager), Janet Tate



FRONT ROW (L – R): Stacy-Ann Grant, Jessica Williams, Charlene Campbell, Odette Thomas, Desmond Henry
BACK ROW (L – R): Juliet Henry (Branch Operations Manager), Yanique Henry, Renee Rattray, Natalee Hall
MISSING: Ewart Patterson & Juanique Holmes

Colin Cotterell, 2012 Employee of the Year, Mandeville Branch



Beneve Griffiths, 2012 Employee of the Year, Montego Bay Branch



TEAM MEMBERS

FRONT ROW (L – R): Suisjaila Wilson, Angella Brown, Shayon South, Kayla Dennis || 2nd ROW (L- R) : Karlene Brown, Tanisha Jarrett, Yashema Berdoe, Vivienne Plummer, Deidre Daley
BACK ROW (L – R): Melecia Tait, Racquel Williams, Hugh Campbell (Manager), Donzalee Johnson, Julie-Ann McEwan

L – R: Trisha Thompson-Williams (Manager), Patricia Edwards, Christopher Richards, Trisann Dumay.
FRONT Row (L - R) Yashica Byroo, Tamika Farquharson, Trisann Dumay, Christopher Richards,
MISSING: Kadian McDonald

DEBT MANAGEMENT UNIT



ACCOUNTS



CAMBIO & REMITTANCE



RECORDS



L-R: Heather Wong, Courtney Wynter - CFO

L – R: Marlet Fender, Patrice Thomas-Hinds, Nadine Matthews, Nateisha McDonald-Lawrence

FINANCIAL SERVICES



L – R: Lorraine Broderick, Kevin Graham, Donica Bryan, Althea White, Dean Nelson
MISSING: Angela Walker-Carby, Dwayne Smith

Pierre Davis, 2012 Employee of the Year, Half Way Tree Branch



Paul-Ann James, 2012 Employee of the Year



L-R: Andrew-Paul Royes, Sharna Ramsay, Terry-Melissa Ballin, Teasha Fraser (Asst. Treasury Manager), Kimor Ritchie, Selvina Waite
MISSING: Sheryl Williams-Gordon

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TEAM MEMBERS (BRANCHES)



HALF WAY TREE

Back Row (L – R): Khalilah McKellar, Lidice Ferguson, Ineeka Anderson, Charmaine Changoo-Headley
 3rd Row (L – R): Nadine Chin, Venese Wright-White, Dionne Johnson-Roberts, Pierre Davis, Shelly-Ann Wint
 2nd Row (L – R): Clifford Brown, Sanden Francis-Bryan, Marie Robinson
 Front Row (L – R): Morris Livingston (Branch Manager), Kadian Tullonge, Philicia James, Keron Brown, Casmarie Sherwood, Roger Lim-Sang



PORTMORE

Back Row (L – R): Tracy-Ann Gordon, Famar Edwards, Nicholas Clarke, Troy Powell, Oral Sewell (Branch Manager), Camian Williams
 Front Row (L – R): Temoy White, Shoshana Johnson, Shaniqua Smith, Crystal Burnett, Lamar Virgo, Gillian Gordon, Kaydian Malcolm, Patricia Jones



CROSS ROADS

Back Row (L – R): Jermaine Parkes, Clive Thompson, Joevan Duhaney, Anthony Fagan, Sheldon Jones, Sheena Watson, Marcia Anderson, Ricardo Cassanova, Karen Ffrench || Middle Row: (L – R): Peter Downey, David Duval, Allison Morrison, Trudy-Ann Valentine, Krystal Raphael, Shana-Lee Hewitt, Tina Livingston (Branch Manager) || Front Row (L – R): Karen Maylor-Graham, Renae Burgess, Karen Ramsay, Nkachi Reeves, Floreta Bowen, Jason Leach, Mecadian Lattibeaudiere, Kerisha Linton, Nicole Smith, Anneta Mattocks-McLean, Nicole Shim, Claudette McPherson, Rosalie Johnson



MANDEVILLE

Back Row (L – R): Stanford Hastings (Branch Manager), Sutania Morgan, Letisha Williams, Allison Gordon, Amanda Heron, Marlan Vickers, Simone Reid Windeth
 Front Row (L – R): Colin Cotterell, Debbie James, Peta-Gay Bryan, Jennifer Thomas, Lashauna McKenzie, Nadine Hutchinson, Sasha Hunt



MONTEGO BAY

Back Row (L – R): Samora Roper, Dorival Hylton, Roger Shippey (Branch Manager), Melodean Cousley, Beneve Griffiths, Geraldine Smith, Sheleca Fowler || Front Row (L – R): Fitzroy Sanderson, Khalfani Stoddart-Kerr, Simone Case, Orpah Dawkins, Alecia Wynter, Pamela Madden, Christina Yapp

EVENTS OF 2012

Events 2012



COK Sodalities Branch Activities 2012



Opening of the Portmore Full Service ATM



Signing of MOU with National Parent Teacher Association



COK Sodalities Team at Sigma 2012



Nathan Ebanks

CEO Jacqueline Mighty At



COK Pension AGM

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REPORT OF THE CREDIT COMMITTEE

The year 2012, was one filled with grave recessionary effects and increased competition in the financial sphere. Despite all this, we performed well in comparison to the previous year with an increase of 41% in disbursements.

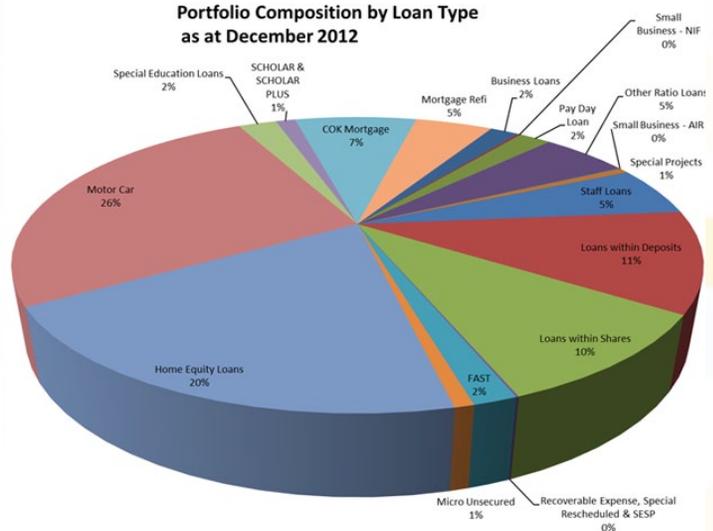
The Credit Committee continued to exercise oversight responsibility for all loans approved at the Credit Union and as such met fortnightly to consider, discuss and approve loans as well as randomly selected and reviewed several loan accounts from a wide cross section of the portfolio, including those for volunteers and staff. In the latter part of 2012, it necessitated a few weekly meetings to review loan applications as the Management/Credit Administration department embarked on a 'special loan promotion' which received tremendous response and proved to be a great success.

One such product introduced in the 'special loan promotion' was a Mortgage Refinancing Loan, for members who were paying high interest rates on their existing mortgages to transfer them to COK at a low rate of 9%. This product generated a lot of buzz in the market place and was very successful. As at the end of December 2012 disbursements totalled \$195.4M with approximately \$100M in the pipeline for disbursement in 2013. Although the special promotion is now over the product is still being offered with different terms.

The total loans disbursed for 2012 was \$3.053B, an increase of 35% when compared to the previous period.

TOTAL PORTFOLIO

As at December 2012 the loan portfolio of the Credit Union had loans totalling \$4.125B distributed as indicated below:



The Serving members of the Committee and attendance record are indicated below:

Messrs:

Errol Beckford
Irwin Errol Gregory
Ralston Hyman
Clifton Williams
Joscelyn Richards
(Resigned-October 2012)
Edward Chin-Mook
(Resigned-May 2012)

Mesdames:

Carol Williams
Lisa Campbell
Catherine Gregory -Secretary
Donna Pommells – Chairman

REPORT OF THE CREDIT COMMITTEE

CREDIT COMMITTEE ATTENDANCE 2012		
VOLUNTEER	# MEETING	# ATTENDED
Carol Williams	29	22
Catherine Gregory	29	13
Clifton Williams	29	5
Donna Pommels	29	20
Edward Chin-Mook	11	8
Errol Beckford	29	19
Errol Gregory	29	8
Joscelyn Richards	12	8
Lisa Campbell	29	11
Ralston Hyman	29	17



BACK ROW (L - R) Errol Gregory, Clifton Williams
FRONT ROW (L - R) Donna Pommels, Lisa Campbell

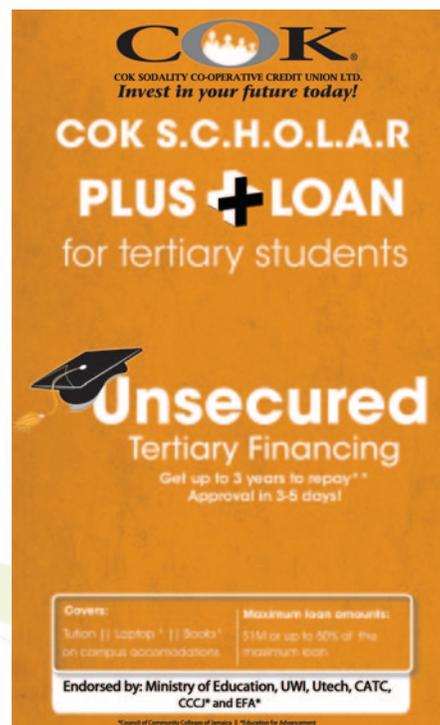
The members of the Credit Committee stand committed to you our members and express our thanks for the confidence placed in COK Sodality. In addition we take this opportunity to encourage all, to help in our growth as we continue to diligently repay loans and save systematically and consistently, even in these harsh economic times.

To the Board of Directors, Supervisory Committee, Management and staff, we express our gratitude for your co-operation and assistance that resulted in a year of success and growth; and we look forward to a mutually beneficial relationship in 2013 and beyond.

Co-operatively yours,



Donna Pommels
Chairman





REPORT OF SUPERVISORY COMMITTEE

At the 45th Annual General Meeting held on May 9, 2012 the following members were duly elected and served on the Supervisory Committee in the following capacities:

Mesdames:	Herma Walker	- Chairman
	Jacqueline Daley	- Secretary
	Myrna Watts	- Member
	Beverly Haylett Smith	- Member
	Phillippa Edwards	- Member
	Vinnate Hall	- Member
Messrs:	Alston Reid	- Member
	Clive Medwynter	- Member
	Arnold Breakenridge	- Member

RECOGNITION

The Committee thanks Ms Arlene Miles who volunteered her services to the Supervisory Committee having served four years as a member of the committee from 2008 to 2012. We wish for her much success in her future endeavours.

AREAS OF FOCUS

During the period the Supervisory Committee reviewed and made reports to Management and the Board of Directors in the following areas:-

- Branch Audit
- Bank Reconciliations
- Review Of Fixed Deposit Accounts
- COK Cambio and FX Trading
- Audit Of ATM Access Plus Card Processing
- Audit Of Loans
- Accounts Payable Review
- Investments Portfolio Audit
- Proceeds of Crime Act (POCA)/Anti Money Laundering
- Audit Of COK/MML Arrangements
- Audit Of Fixed Assets
- Monthly Cash Audit Exercises
- Special Management Requests

The reviews were conducted in accordance with international auditing standards and best practices. There was 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. We were able to make recommendations, implementation of which resulted in improvements in the control environment, thus reducing the risk of loss to the organisation.

HIGHLIGHTS

Financial Performance

The group saw a decrease in its core revenue generating operations of interest income from loans to members and investments and deposits of \$81 million or 9.6%. The group's Loan Interest Income fell by 11.3 % or \$72 million while interest income from deposit fell by \$8.3 million or 4% when compared to the previous year's figures. The group's Interest Expense on members' deposits increased by \$4.8M or 2.5% when compared to the same period last year as interest rates continued its downward trend. Provision for Loan Losses to members was increased by \$35M or 62.97%. Non-interest income sources decreased by 17% when compared to the corresponding period of 2011. This has helped to reduce the group's Gross Margin position to \$678M, representing a decrease of 17% over the previous year.

Operating expenses grew by 5.1% or \$39M when compared to the corresponding period last year, despite the cost containment strategies implemented throughout the year. The group recorded total comprehensive loss of \$133.48M which represents a decrease of \$186M when compared to the corresponding 2011 period.

Loans to Members and Delinquency

The organisation had an increase of \$892M in loan disbursements when compared to the previous year as follows:

LOAN DISBURSED

2012 (\$'000)	2011 (\$'000)
\$ 3,053,324	\$ 2,161,292

REPORT OF SUPERVISORY COMMITTEE

The Supervisory Committee along with other volunteers We continue to encourage our members to make use of this participated in the deliberations regarding approval of facility, as this is the main avenue for members to provide these loans, and also assisted with random reviews of meaningful input to the service delivery aspect of the organisation.

The total portfolio balance at the end of year was \$4.13 billion, being \$671.5 million or 19% increase when compared to the previous year.

Delinquency as at year-end was 10.55%, giving the impression of a 3.7% increase over the previous year. This “increase” however, is mainly due to a change in the formula used for calculating delinquency as required by the Jamaica Co-operative Credit Union League.

We continue to remind the membership that once the loans go delinquent, there is a direct and negative impact on the surplus of the organisation. Delinquency must therefore be kept at minimal levels if the organisation is to record any meaningful surplus from its operations.

The Profile of Delinquent Loans is as follows:

Months in Arrears	Number in Arrears		Loan Arrears (\$)	
	2012	2011	2012 (\$'000)	2011 (\$'000)
2-6 Months	1,417	1,037	91,128	92,864
6 – 12 Months	794	801	63,891	68,396
Over 12 Months	429	523	55,174	91,013
TOTAL	2,640	2,361	210,193	252,273

SUGGESTION BOX

The suggestion box is one of the initiatives of the Supervisory Committee to garner feedback from the membership with regard to the service being offered by the Credit Union. Members are encouraged to continue to give their comments on their member service experience. During the year, commendations as well as issues pertaining to Teller services and branch logistics were among those concerns raised. Efforts were made to address these situations through contacts with the respective members. We were successful with some, whilst providing feedback to management for appropriate action.

COMMITTEE PERFORMANCE

The committee continues to bring to the attention of the Board of Directors and other volunteers, issues that impact the management performance during the past year. We participated in meetings such as Finance and Planning, Audit Risk & Compliance Committee, Debt Management Committee and Credit Committee deliberations which afforded us to make a significant contribution to the growth and development of the organisation.

ACKNOWLEDGEMENTS

The Supervisory Committee acknowledges the Board of Directors, Management, the Administrative support staff, Credit and other committees for their tremendous support during the year.

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, as you “*Invest In Your Future Today*”.



Herma Walker
Chairman - Supervisory Committee



BACK ROW: Clive Medwynter, Jacqueline Daley, Arnold Breakenridge, Vinnatte Hall
FRONT ROW: Phillippa Edwards, Herma Walker, Beverly Haylett-Smith
MISSING: Alston Reid, Myrna Watts

ANNUAL REPORT 2012



REPORT OF NOMINATING COMMITTEE

The members of the Nominating Committee were: **BOARD OF DIRECTORS**

- Mr. Christopher Robinson - Director of Board and Chairman
- Fr. Burchell McPherson - Member
- Mr. Garth O'Sullivan - Member
- Mrs. Jacqueline Mighty - Staff Liaison
- Mrs. Tina Livingston - Staff Liaison



BACK ROW (L - R) : Fr. Burchell McPherson, Tina Livingston, Christopher Robinson || FRONT ROW (L - R) Jacqueline Mighty, Garth O'Sullivan

Committee's Mandate

The mandate of the Committee is to act within the framework of the Rules of COK Sodality Co-operative Credit Union.

Article X111 Rule 65(a) provides:

"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.

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

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. Joscelyn Jolly	Mr. Terry Thomas Lecturer University of the West Indies, Mona, Kingston 7	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 Chief Business Officer University of Technology 237 Old Hope Road Kingston 6	2 Years
Mr. Trevor Blake	Mr. Trevor Blake Boss Furniture Co. Ltd 112c Church Street Kingston	2 Years
Mr. Steadman Pitterson*	Mr. Steadman Pitterson Management Consultant P.O. Box 449 Kingston 19	2 Years

*Served only one (1) year completing the term of Ralph "Jim" Parkes

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 consist 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 Clifton Williams	Mr Norman Francis Minister of Religion Meadowbrook United Church 2 Flemington Drive Kingston	2 Year
Mr. I. Errol Gregory	Mr. I. Errol Gregory Financial Analyst KLAS Sports Radio 17 Haining Road Kingston 5	2 Years
Mr. Ralston Hyman	Mr. Ralston Hyman Financial Analyst Power 106 FM 6 Bradley Avenue. Kingston 10	2 Years
Ms. Catherine Gregory	Ms Catherine Gregory Director Finance & Budget Manpower & Maintenance Services 1 Eureka Road Kingston 5	2 Years
Mr. Joscelyn Richards	Mr. Orville Christie Chartered Accountant Boldeck Jamaica, 3A Haughton Avenue Kingston 10, Jamaica	2 Years

SUPERVISORY COMMITTEE

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

The Supervisory Committee shall consist of not less than three (3) 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. “

SUPERVISORY COMMITTEE

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

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 Marketing Consultant 33 Hagley Park Road Kingston 11	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 Ardene Road, Kingston 10	1 Year
Mrs. Myrna Watts	Mr. Rohan Townsend Chartered Accountant 7 Favorita Avenue, Three Oaks Gardens Kingston 20.	1 Year
Mr. Alston Reid	Mr. Alston Reid HR Services Manager National Water Commission. 4 Marescaux Road Kingston 5	1 Year

ANNUAL REPORT 2012



REPORT OF NOMINATING COMMITTEE

SUPERVISORY COMMITTEE Cont'd..

RETIRING	RECOMMENDED	TERM IN OFFICE
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 Director Revenue Accounting Jamaica Customs Department 2-4 King Street, Kingston	1 Year
Mrs. Beverley Haylett-Smith	Mrs. Beverley Haylett-Smith Paralegal Secretary Betting, Gaming & Lotter- ies Commission, Building #2 17 Ruthven Road Kingston 5	1 Year

JAMAICA FISHERMEN CO-OPERATIVE UNION

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

JAMAICA CO-OPERATIVE CREDIT UNION LEAGUE

RETIRING	RECOMMENDED	TERM IN OFFICE
Delegates		
Mrs. Jacqueline Mighty	Mrs. Jacqueline Mighty	1 Year
Mr. Joscelyn Jolly	Mr. Steadman Pitterson	1 Year
Alternate Delegates		
Mr. Christopher Robinson	Mr. Christopher Robinson	1 Year
Ms. Carol Anglin	Ms. Carol Anglin	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
For & on behalf of the Nominating Committee

DELEGATES' REPORT JAMAICA CO-OPERATIVE CREDIT UNION LEAGUE

DELEGATES REPORT OF THE 71st ANNUAL GENERAL MEETING OF THE JAMAICA CO-OPERATIVE CREDIT UNION LEAGUE HELD AT THE RITZ-CARLTON GOLF & SPA RESORT, MONTEGO BAY, ST. JAMES MAY 24-27, 2012

The League's Convention and Annual General Meeting took place at the Ritz Carlton Hotel from May 24-27, 2012. The four-day event was held under the theme "Shared Efficiencies through Transformation and Innovation" and had as its features:

- 70th Anniversary Strategic Conference
- Trade Show
- Workshops
- 70th Anniversary Awards Banquet
- JCCUL's Annual General Meeting
- Ecumenical Service

The strategic conference was one of the activities to mark JCCUL's 70th anniversary and was the highlight of the Convention. Mr. Lincoln Bailey, an Energy Economist, who is a Jamaican now residing in the African Country of Malawi opened the conference. He was the League's guest, invited to Jamaica to speak on the topical issue of alternative energy sources.

Credit Union of the Year Awards

- JTA Co-operative Credit Union won the Mega Credit Union of the Year Award
- NCB Employees Co-operative Credit Union won the Large Credit Union of the Year Award.
- JDF won the Medium Credit Union of the Year Award.
- BJ Staff Co-operative Credit Union won the Small Credit Union of the Year Award

Sectional Awards

- Manchester Co-operative Credit Union took home the trophy for being the Most Outstanding Parish Credit Union.
- St. Catherine Co-operative Credit Union received the award for the highest loan growth
- First Regional Co-operative Credit Union won the award for the having the most improved solvency in 2011.

COK Sodality Co-operative Credit Union won the following awards and prizes:

- Top Producer for CUNA FIP
- Top Producer for CUNA Golden Harvest Plans
- 1st prize winner for CUNA FIP Jump Start for 2012
- JCCUL Award for highest volume & value P2P remittance transfers

Board Report

The President Johnathan Brown in his summary of the Board Report highlighted the achievements of JCCUL during the year. Among the achievements were:

- Upgrading of the electronic transaction switch.
- Establishment of the Centralized Strategic Services Company.
- The managed merger of two credit unions.
- Rebranding of the Movement and continuation of the lobbying efforts.

League's Performance 2011

- The League recorded a decline of 7.3% in assets for 2011. At the end of the year, assets stood at \$9.9B compared to \$10.7B recorded in the previous year.
- Net institutional capital to assets ratio improved to 11.34% in 2011 from 9.26% in 2010.
- A surplus of \$144.53M

The meeting recommended the establishment of 70th anniversary scholarships valued at \$70,000 each from the League's surplus. Forty-two (42) scholarships were to be awarded to tertiary level students, through each Credit Union.

Four congratulatory resolutions were passed on behalf of:

- Portland and St. Elizabeth Co-operative Credit Unions both celebrating their 40th anniversaries.
- Dr. Desreen Marquis, Manager of NAJ Co-operative Credit Union, on her achievement of the Doctor of Management in Organisational Leadership from the University of Phoenix and also being admitted as a member of the International Honour Society in Business Administration- Lambda Sigma Chapter and awarded the Delta Mu Delta Honour Award.

ANNUAL REPORT 2012



DELEGATES' REPORT

- Mrs. Aloun N'Dombet Assamba, former General Manager of COK Sodality Co-operative Credit Union, for being appointed Jamaica's High Commissioner to London.

Four condolence resolutions were passed on behalf of the late:

- Mr. Kurt Sheldon Tomlinson, son of the manager of Trelawny Co-operative Credit Union
- Audley Stubb, past volunteer on the Supervisory Committee of Trelawny Co-operative Credit Union
- Mrs. Enid Gonsalves- founder of Hanover Co-operative Credit Union
- Mrs. Vilma Armond –Founding member of JPS & Partners Co-operative Credit Union

The Delegates unanimously agreed to the League's support of the Caribbean Confederation of Credit Unions (CCCU) to host WOCCU's 2016 conference in Jamaica.

The executive team elected at the AGM for the 2012-2013 financial year were:

Johnathan Brown	President
Derrick Tulloch	1st Vice President
Carol Anglin	2nd Vice President
Ian McNaughton	Treasurer
Fay Davis	Assistant Treasurer
Rodcliffe Robertson	Secretary
Dorothy Raymond	Assistant Secretary

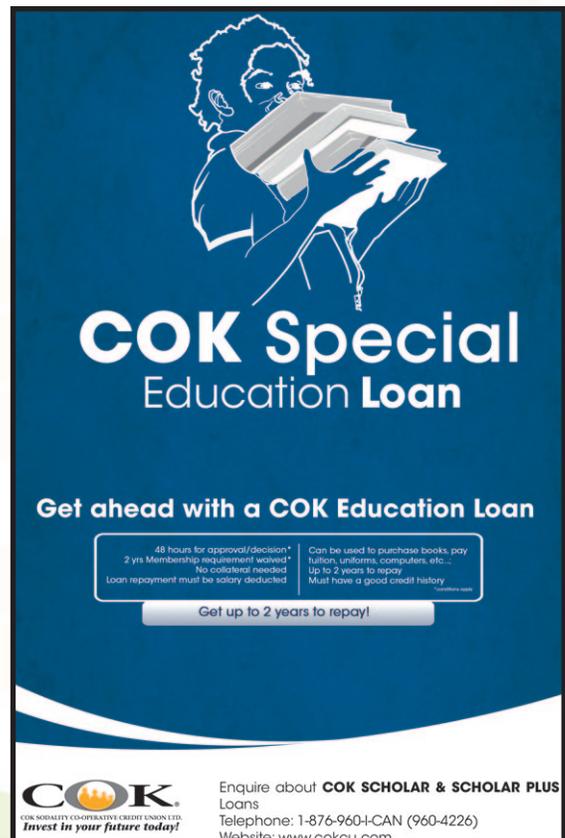
Delegates and alternates in attendance at the AGM were: Mr. Joscelyn Jolly, Mrs. Jacqueline Mighty, Mr. Christopher Robinson and Ms. Carol Anglin.



Jacqueline Mighty (Mrs.)
Delegate



CEO Jacqueline Mighty, collects one of the awards from Country Manager, CUNA Mutual Group, Mr. David Wan



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DELEGATES' REPORT JAMAICA FISHERMEN CO-OPERATIVE UNION

DELEGATES REPORT ON THE ANNUAL GENERAL MEETING OF THE JAMAICA FISHERMEN CO-OPERATIVE UNION LTD. HELD ON WEDNESDAY, FEBRUARY 27, 2013.

The Annual General Meeting (AGM) was held at the Knutsford Court Hotel on Wednesday, February 27, 2013.

The delegates in attendance were:

- Neville Rhone
- Michael Burke
- Jacqueline Mighty (Mrs.)

The Chairman, Mr. Havelan Honeyghan guided the meeting's proceedings.

The Board's Report, presented by the Secretary, Mr. Elliston Deleon, highlighted the following matters:

- The Society showed growth in Assets of 3.6% over the previous year
- Despite the growth, the Society reported a net loss of \$126,000.
- Sales for the year was \$115.0M compared to \$122.0M the previous year
- The Boat project made a surplus of \$1.1M
- The Branch Stores had mixed results with Oracabessa showing a surplus while Hampton Court was struggling to keep its doors open.
- International Fishermen's Day will be celebrated on June 29, 2013 with a Fisherman's Regatta at Rocky Point, Clarendon.
- As part of the celebration of the International Year of Co-operatives, the Gillings Gully Fishermen Co-operative was awarded the best run fishing co-operative by the National Union of Cooperative Societies and Mr. Havelan Honeyghan was honoured for his sterling service to the Co-operative Movement.

The Minister of Agriculture and Fisheries, the Honourable Roger Clarke, was the guest speaker and he congratulated the Society for their dedication and hard work despite the risk to their personal safety. He promised to address within the next year several outstanding matters as it relates to:

- Communication System for the fishermen while they are at sea
- A loan programme for the fishermen through the Fisheries Division
- The new laws governing the Fishing industry

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

Mr. Elliston Deleon	–	Calabash Bay Fishermen Cooperative
Mr. Keith Myrie	–	Rocky Point Fishermen Cooperative
Ms. Sandra McLeod	–	Old Harbour Bay Fishermen Cooperative

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

Mr. Havelan Honeyghan	–	Gillings Gully Fishermen Cooperative
Shawn Taylor	–	Calabash Bay Fishermen Cooperative
Glaston White	–	Half Moon Bay Fishermen Cooperative
Junior McDonald	–	Old Harbour Bay Fishermen Cooperative
Rudolph Stokes	–	Alloa Fishermen Cooperative
Ian Edwards	–	N.E. Island Fishermen Cooperative



Jacqueline Mighty (Mrs.)
Delegate



PAY ATTENTION TO YOUR PENSION!

**PEOPLE ARE LIVING LONGER AFTER NORMAL RETIREMENT.
HAVE YOU THOUGHT ABOUT HOW YOU WILL SURVIVE DURING YOUR
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OBITUARIES

List of Deceased Members For Whom Claims Were Settled in 2012

1. INA	ALLEN	47. JULIET	EDWARDS
2. MARIE	ANDERSON	48. KEISHA	ELLISON
3. DESMOND	BAILEY	49. GRACE	ENGLAND
4. ALOYSIUS	BARRACKS	50. GEORGE	EWING
5. SONIA	BARRETT	51. FITZROY	FARQUHARSON
6. LEONIE	BARRETT	52. DELROY	FARR
7. ANTHONY	BATTS	53. SOPHIA	FENNELL
8. BEVERLEY	BENT	54. OMETO	FINDLAY
9. ADRIAN	BERNARD	55. GEORGE	FORBES
10. GLORIA	BORELAND	56. EILEEN	FOSTER
11. ORVILLE	BOWRA	57. MAISIE	FREEMAN
12. KENRICK	BROWN	58. JANET	GAREL
13. LILLIAN	BROWN	59. JACQUELINE	GAYLE
14. ADOLPH	BROWN	60. OLIVE	GOULBOURNE
15. ALBERT	BROWN	61. RAYMOND	GRANT
16. OBEDIAH	BROWN	62. VERONICA	GRANT
17. LESLIE	BROWN	63. UNA	GRAY
18. BARRINGTON	BRYAN	64. GLASFORD	GREEN
19. DAISY	BRYAN	65. JOANNA	GREGORY
20. PHILLIP	BURRELL	66. DAVION	HALL
21. PAUL	CAMPBELL	67. ICEMA	HALL
22. EVADNEY	CAMPBELL	68. FERNANDO	HAMILTON
23. DEVON	CAMPBELL	69. ERROL	HAMILTON
24. FABIAN	CAMPBELL	70. MAXINE	HARTLEY
25. CHRISTOPHER	CAMPBELL	71. ANGELLA	HARVEY
26. WINSTON	CAMPBELL	72. DOREEN	HEADLAM
27. MELVIN	CAPLETON	73. ROSEMAIRE	HEMMINGS
28. NENITA	CATHCART-JONES	74. PHILLIP	HENDERSON
29. OMAR	CHATRAM	75. NORMA	HENRIQUES-DYCE
30. EUSTACE	CHIN	76. VENETA	HENRY
31. MAXINE	CHIN	77. RICHARD	HERON
32. PERCIVAL	CHRISTIAN	78. FRANK	HILL
33. FRANKLIN	CLARKE	79. ERROL	HILL
34. LESTER	CLARKE	80. BENETHA	HOLMES
35. ALENE	CLARKE-GRANT	81. DOREEN	HOWELL
36. DELROY	COKE	82. ASTON	HUNTER
37. HYACINTH	COKE	83. LORRETTE	HUTTON
38. VERONA	COLEMAN	84. ALVIN	HYDE
39. LLEWELYN	COOPER	85. CASTELLO	HYLTON
40. JEANE	CREARY	86. BRIAN	JACKSON
41. ADENIJAH	CUNNINGHAM	87. DOLRINE	JAMES
42. RACQUEL	CURTIS	88. CAROLA	JAMES
43. RALVIE	DALEY	89. AUBREY	JAMES
44. DAISY	DAWKINS	90. ETTA	JOHNSON
45. SYLVIA	DENNIS	91. GLORIA	JOHNSON-WEEKS
46. LLOYD	EDWARDS	92. MARTELLA	JONES

List of Deceased Members For Whom Claims Were Settled in 2012 Cont'd.

93. SYLVESTER	KENLOCKE	138. VIOLET	SHAKESPEARE
94. ELIZABETH	KHALEEL	139. BRIAN	SIBBLES
95. ANDREA	KING	140. DEVON	SIMPSON
96. EMILY	LAFAYETTE	141. BRODLEY	SINCLAIR
97. DOUGLAS	LAMONT	142. ERROL	SMALLING
98. IMOGENE	LAMONT-HALL	143. AVA	SMITH
99. OLIVE	LAWRENCE- GOULBOURNE	144. LEIGHTON	SMITH
100. WINSOME	LEWIS-DAVIS	145. CLIVE	SPENCER
101. DOUGLAS	LINDO	146. VERONICA	STERLING
102. ANGELA	LOGAN	147. WAYNE	STERLING
103. IRVING	LOVE	148. LEONARD	STEWART
104. PATRICK	LOWE	149. CORRINE	STEWART
105. VALENE	MALCOLM	150. RONALD	THOMAS
106. DENZIL	MANNING	151. PATSY	THOMPSON
107. MARCIA	MARSHALL (STAFF)	152. ERROL	THOMPSON
108. PHYLLIS	MARTIN	153. DWAYNE	TOMLINSON
109. DEAN	MARTIN	154. LORRAINE	TOMLINSON
110. NEIL	MCGILL	155. HOPETON	VAUGHN
111. MONICA	MCGOWAN	156. LOUISE	WALKER
112. EDWARD	MCINNIS	157. WINSTON	WALLACE
113. STEVE	MCINTOSH	158. LARRY	WARMINGTON
114. TERRENCE	MCKENZIE	159. CLIFF	WATKIS
115. TREVOR	MCKESSEY	160. LENROY	WEATHERLY
116. JUNIOR	MILLS	161. BEVERLY	WHITELOCK
117. CHARMAINE	MORGAN	162. DONNETTE	WHYTE
118. MITZIE	MURDOCK-WILLIAMS	163. CARLTON	WHYTE
119. CAMAL	NEIL	164. PAMELA	WILLIAMS
120. JACQUELINE	NEMBARD	165. GERTRUDE	WILLIAMS
121. DELROY	NOOKS	166. BARBARA	WILLIAMS
122. REUBEN	PALMER	167. GEORGE	WILLIAMS
123. PHILLIP	PARKES	168. PAMELLA	WILLIAMS
124. EVADNE	PEART	169. CHARMAINE	WILLIAMS
125. CHARLES	PINNOCK		
126. ALMANDO	REID		
127. IRA	REID		
128. PAULINE	REID		
129. JACQUELINE	RICHARDS-CHANNER		
130. GEORGE	ROBERTS		
131. THERESA	ROBINSON-JOHNSON		
132. JOAN	RUBIE		
133. ROSE MARIE	SAILSMAN		
134. SONIA	SAMUELS		
135. DAVID	SAMUELS		
136. CLAYTON	SANCHEZ		
137. DORIAN	SCOTT		



DEPARTMENT OF CO-OPERATIVES & FRIENDLY SOCIETIES (An Agency of the Ministry of Industry, Investment & Commerce)

ANY REPLY OR SUBSEQUENT REFERENCE
TO THIS COMMUNICATION SHOULD BE
ADDRESSED TO THE PERMANENT
SECRETARY AND THE FOLLOWING
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/-838/04/13

April 18, 2013

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, 2012.

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,


.....

E. GALLIMORE
REGISTRAR OF CO-OPERATIVE SOCIETIES
AND FRIENDLY SOCIETIES