2013
Annual Report


“Forging ahead with our nation’s Teachers and their families.”
AT THE FOREFRONT OF CHANGE

TEACHERS / PRINCIPALS / VICE PRINCIPALS

ADMINISTRATIVE STAFF
of educational institutions
their spouses, siblings and children

TRAINEE TEACHERS
their siblings, spouses and children

FORMER TEACHERS
their siblings, spouses and children

THE SIBLINGS
Brothers and sisters of any existing member

MISSION STATEMENT
The Mission of AAMM Co-operative Credit Union Limited is to maximize member satisfaction by encouraging thrift and providing quality financial services.
NOTICE is hereby given that the 55th Annual General Meeting of AAMM Co-operative Credit Union Limited will be held at the Jamaica Pegasus Hotel, 81 Knutsford Boulevard, Kingston 5 in the parish of Saint Andrew on Friday, April 25, 2014 at 3:00 p.m. to consider the regular business of the AGM and to consider, and if thought fit, pass the following resolution:

Whereas AAMM Co-operative Credit Union Ltd has 18,406 members and assets of $2,717,732,813.00 as at December 31, 2013 and
Whereas UWI (Mona) & Community Co-operative Credit Union Ltd has 13,286 members and assets of $2,049,077,898.00 as at December 31, 2013, and
Whereas both Credit Unions can benefit greatly from the pooling of resources and the resultant economies of scale.

Be it resolved that the Annual General Meeting of the AAMM Co-operative Credit Union Limited agrees that the Credit Union shall be amalgamated with the UWI (Mona) & Community Co-operative Credit Union Ltd.

Michael Brydson
Secretary to the Board of Directors

Agenda of the 55th Annual General Meeting
1. Ascertaining the Quorum
2. Call to Order
3. Opening Prayer
4. Authority to Convene and Notice of Meeting
5. Apologies for Absence
6. Welcome and Opening Remarks
7. Minutes of the last Annual General Meeting
8. Reports of the:
   - Board of Directors
   - Treasurer & Auditor
   - Credit Committee
   - Supervisory Committee
   - Nominations Committee
9. Fixing a Maximum Liability
10. Appropriation of Surplus
11. Presentation of the School Representative of the Year
12. Resolutions
13. Election to the:
   - Board of Directors
   - Credit Committee
   - Supervisory Committee
   - Jamaica Co-operative Credit Union League as Delegates
14. Any Other Business
15. Termination

CREDIT UNION PRAYER
Lord, make me an instrument of thy peace
Where there is hatred, let me sow love;
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light; and
Where there is sadness, joy.
O divine Master, grant that I may not
So much seek to be consoled as to console;
To be understood as to understand;
To be loved as to love;
For it is in pardoning that we are pardoned;
And it is in dying that we are born to eternal life.

Bless O Lord our deliberations, and grant that
Whatever we may say and do, will have thy Blessing and guidance
Through Jesus Christ Our Lord,

AMEN
Hector Stephenson began his professional career as a teacher of Integrated Science at St. George’s College in September 1983, after completing three years of training at the Mico College (now Mico University College). He then served as a grade Supervisor and Dean of Discipline before being awarded the Peter Hans Kolvenbach Scholarship to pursue further studies at Boston College University in Massachusetts, USA, where he completed a Masters Degree in Secondary School Supervision.

Mr. Stephenson returned to Jamaica in 1989 and was named Dean of Students at St. George’s College. He was promoted to the position of Vice-Principal in 1991 and was appointed Principal in 1992, becoming the first non-Catholic permanently appointed Headmaster of St. George’s College.

After resigning from the St. George’s College in 1998, Mr. Stephenson joined the staff at the Overseas Examinations Office as Deputy Director. He served as Acting Executive Director before he was appointed Executive Director and CXC Local Registrar in 2003.

Mr. Stephenson has served on several Boards and Committees. He is currently the Chairman of the Institute of Academic Excellence, member of the AAMM School Board, member of the Caribbean Examination Council (CXC) National Committee, President of the Kingston Chapter of the Edwin Allen High School Past Students Association and an active member of the AAMM Co-operative Credit Union League (AAMMCCUL). He has been the AAMM School Representative for over 20 years and a Volunteer for over 15 years.
Patricia Duncan holds a Bachelor of Science degree in Pure and Applied Chemistry from the University of the West Indies, Mona. In addition he holds a diploma in education (1980) and a Postgraduate degree in Business Administration (1992) both from the same University.

His professional experience includes time as a senior teacher in the 1970s at Wolmer's Boys' School teaching Chemistry and Physics to the secondary level.

Mr. Duncan has over twenty years' experience in the food processing industry (GraceKennedy and Company Limited and Cremo Limited) where he held senior management positions between 1980 and 1997.

Since 1997 he has owned and directed two small manufacturing plants, Jamaican Development Limited and Jam-Mar Processing Limited. He is also the managing Director of Tropical Foods Distributors Limited, a family-owned, fresh produce export business.

Over the past eight years he has served as a volunteer with AAMM as a Treasurer.

Mr. Duncan was a past student of both York Castle and Titchfield High schools, among others.

One Song”, has co-authored and directed two small manufacturing plants, Jamcol Development Limited, Jam-Mar Processing Limited. He is also the managing Director of Tropical Foods Distributors Limited, a family-owned, fresh produce export business.

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One Song”, has co-authored and directed two small manufacturing plants, Jamcol Development Limited, Jam-Mar Processing Limited. He is also the managing Director of Tropical Foods Distributors Limited, a family-owned, fresh produce export business.
Fellow members and shareholders, as AAMM Cooperative Credit Union ends its 54th year of serving its members, it is a pleasure for me to bring you greetings as President of this outstanding Jamaican Institution.

The year 2013 was for us at AAMM both challenging and exciting as your Credit Union was impacted by developments in the national economy, activities in the financial sector and consequently, in the fortunes of you our members. Despite these developments, AAMM experienced a year in which both savings and loans grew significantly, even as members adjusted their financial position to deal with the changing circumstances of their lives.

Despite the challenges faced, we are proud to inform you that, by any standards, your Credit Union enjoyed a very successful year in which both membership and assets also recorded significant growth. For this I would like to thank the management and staff for their dedication and hard work as they ensured that you, our members, continued to receive the excellent service that has become synonymous with AAMM in the industry. The talent and passion that they bring to serving our members is second to none in the industry.

My thanks must also go out to the members of the cadre of volunteers who during the year served on the Credit Committee, the Supervisory Committee and the Board of Directors. Words cannot express the level of appreciation I have for the commitment, sacrifice, the intellectual rigor and the integrity that they brought to bear in our meetings as we considered the business of AAMM during the year.

On behalf of the AAMM family I would like to express special thanks and appreciation to immediate Past President Lennox Deane for his outstanding contribution to the Credit Union, having led us for the past twelve (12) years. To former Directors Dr. Marlene Phillips and Fabian Vassel who for personal reasons, had to discontinue their service, we thank them both. We offer our best wishes to them as they pursue their individual goals.

We welcome the members of staff and volunteers who joined us during the year, including those volunteers who will be elected to join the family of volunteers for the 2014-2015 year. We look forward to your contribution, as together we continue to write the story of a successful AAMM.

We look forward to serving you, our members, in 2014, a year in which we anticipate that, through the merger of your Credit Union with -UWI and Community Cooperative Credit Union, we will significantly expand our asset base and thereby improve our ability to serve you our members.

The prospect of this merger has fostered a great sense of excitement among the leadership of both Credit Unions, and we look forward to leveraging our respective strengths and improving our ability to offer even greater opportunities for our members to achieve their dreams and ambitions. I invite you to join us as together we make this happen!

In closing I would like to wish for you God’s blessings as we work together to make a difference in the lives of our members.
We continue to be mindful of the challenges that you face and continue to strive to be the solution to your financial needs. Despite the economic challenges of 2013, your Credit Union continues to make significant strides as we strengthen our partnership with you to secure a successful financial future.

The long-term relationships that we have fostered with you, our members, will continue through the maintenance of excellent service standards, provision of innovative product solutions, a responsive business attitude and competitive rates on the varying products that are on offer. These strategic decisions will remain our main focus even as we continue to build and strengthen the organization.

Elvis King
General Manager
It may sound cliché to say that as leaders we are charged with the responsibility of motivating and inspiring others to achieve their greatest potential, but it is through the exemplary efforts of our staff and volunteers that we are able to achieve our vision and deliver exemplary service to you our members. To this end, we ensure that our employees are well informed and properly supported as we continue to provide a climate that is focused on the long term viability of your Credit Union. The drive to empower others by helping them to perform on their own in the face of challenging goals through empathy, support, and expressions of confidence, will therefore be maintained as we reflect on the tremendous benefits that our dedicated and committed team of volunteers and staff has brought us in 2013. This consistency throughout the year was achieved through a strong team oriented approach and an eye on service excellence, both designed to accomplish pre-determined objectives.

While it may not be our main priority, we will continue to focus on achieving and maintaining reasonable surplus to assure that the financial and human capital is available for sustained growth. Evidently, this means that the leadership will have to make strategic decisions that are geared towards a secure financial future for all our members. The leadership will continue to engage you in these conversations with a view to assuring you of the substantial benefits to be gained from these decisions.

Our strategic focus on growth has reaped the desired level of success, with membership growing by 15% above 2012. In order to ensure that there is a sustainable future, our efforts must not only be restricted to organic growth, but we must also take advantage of the global opportunities that are presented to us. These opportunities increasingly present themselves as the technology continues to improve. The advances that are being made and their increasing adaptation will continue to cause products to become obsolete with greater frequency. We are therefore cognizant that product life cycles will become much shorter and therefore we must continue to promote innovation among staff and invest in research so that as your needs change, we are in a position to provide products and services that are relevant to the membership. We are committed to exploring and presenting to you the endless possibilities that are available, as we seek to increase the value of your Credit Union for the benefit of each of you.

We are indeed mindful of the values that form the basis of our success and promise that these principles will be continuously present in a future that is filled with opportunities. Our internal strengths will be bolstered so that whatever challenges may lie ahead, will be handled by the organizational framework that is in place. We are encouraged by a future where we envisage that the successes currently enjoyed by you the members, will be shared not only with your family, but also with your friends too. Through our vision, we will continue to create and communicate a strategic image of the future that people can understand, accept, and get excited about.

We thank you for the confidence that you have placed in us to manage your resources and assure you that every decision that we make is done for the purpose of securing a stronger financial future for you all.
MINUTES OF THE 54TH ANNUAL GENERAL MEETING
OF THE AAMM CO-OPERATIVE CREDIT UNION LIMITED

Held Friday, April 26, 2013
At The Jamaica Pegasus Hotel
81 Knutsford Boulevard, Kingston 5

1.0 CALL TO ORDER
The meeting was called to order at 4:17 p.m. by the Chairman, President Lennox Deane.

2.0 OPENING PRAYER
The Chairman asked Mrs. Yvette Smith to pray; this she did and then invited the members present to read the Credit Union’s prayer.

3.0 AUTHORITY TO CONVENE AND NOTICE OF MEETING
Secretary Michael Brydson was invited by the Chairman to read The Authority to convene the Meeting and the Notice of the Meeting.

4.0 APOLOGIES FOR ABSENCES
Apologies for absence were tendered on behalf of the following persons:
- Ms. Thompson, Chief Operating Officer, The Jamaica Co-operative Credit Union League
- Mr. Walter Scott, Director
- Ms. Charles Reid, Director
- Mr. Denham Henry, member of the Supervisory Committee

5.0 WELCOME AND OPENING REMARKS
President Deane extended a warm welcome to the general membership, volunteers, Board of Directors, members of staff, friends and the extended family of the Credit Union. He stated that he was particularly pleased to do so in light of the success of the Credit Union in maintaining its financial viability despite the many challenges including stability / instability in the financial sector over the last couple of years. He referred to the seven cooperative principles by which AAMM Credit Union has operated under as being mainly responsible for its growth. President Deane further encouraged the members to facilitate the Credit Union’s growth path by “sharing” knowledge of its products and services with non-members who qualify under the bond. He concluded by inviting the participation of the members in the meeting and expressing a wish for a good evening.

Mr. Kirk Hickling, IT Administrator, was invited to make a presentation on one of the Credit Union’s products.

Mr. Hickling commenced his presentation by acknowledging that the new IT platform he was about to demonstrate was created in response to members’ requests. The new platform, he stated, would allow members to access the services of the Credit Union via the Internet using the Credit Union’s access card. Members, therefore would be required to obtain this card prior to accessing internet services, which included requests for Embassy letters, transfers, viewing account status, and loan applications.

At the end of the presentation, the Chairman informed the meeting that a booth had been set up in the room to facilitate members who needed to register for their access card.

President Deane paused to acknowledge the presence of the following persons:
- Ms. Melrose Clarke, Department of Co-operative Societies
- Ms. Vera Lindo, The Jamaica Co-operative Credit Union League
- Mr. Worrick Bogle, auditor, Bogle and Company
- Ms. Nadine McGlashan, Bogle & Company
- Mr. Oswald Parkes, CUNA Mutual
- Mrs. Barbara Gascoigne, JTA Co-operative Credit Union
- Mr. Raymond Eyttle, UWI and Mona Community Credit Union
- Ms. Andrea Whittaker, UWI and Mona Community Credit Union
- Mr. Robert Kerr, Jamaica Co-operative Credit Union League
- Representatives of M Squared Creative Studios

Secretary Michael Brydson guided the membership through this exercise.

Mrs. Sandra Samuels moved the motion for the minutes to be taken as read. This was seconded by Mrs. Gurleydean Watson and was unanimously carried.

The following corrections to the minutes were noted by the Secretary Brydson:

Page 10: Correction to the spelling of member’s first name. An ‘n’ was to be inserted to read Cynthia Cooke.

Page 12: The first sentence below the highlighted area, the sentence started with ‘second’. The word ‘the’ was to be inserted to read, “The second.”

Page 17: (The third name from the top). Correction to the spelling of member’s first name. The second “e” was to be deleted to read Merle Reid.
Page 17: The word “Mandeville” had an extra ‘l’ to be deleted.

Page 17: (Section 13.0; Line 3). An apostrophe was to be an inserted in St. Annes Primary to read St. Anne’s Primary.

Other corrections to the minutes were noted as follows:

Page 14: Correction to the spelling of member’s surname. This was spelt incorrectly; should read Sonja Vassall-Hurd

Page 12: Correction to the spelling of member’s first name. This was spelt incorrectly; should read Mrs. Merline Sewell-Sullivan

Page 14: (Section 9.2; Amendment 1). Correction to the spelling of member’s first name. Another ‘r’ was to be inserted to read Mrs. Marria Waysome

Page 17: (Section 13.0; Line 3). Correction to member’s name. The Anderson was to be removed from the name “Mrs. Stephanie Williams-Anderson” to read “Ms. Stephanie Williams”.

There being no other corrections, the minutes were accepted on a motion moved by Ms. Debbie Meek and seconded by Mrs. Vivie Mothersill and was carried.

President Deane identified three matters from the 2012 AGM Minutes which were earmarked for further action. He subsequently reported that the matters were addressed as follows:

- The membership was advised through the Report of the Board of Directors (Section 8.1) of the Credit Union’s intention to expand into Montego Bay. President Deane reported that the planned expansion into Montego Bay had occurred and the new Branch was doing quite well.

- Concerns were raised about the Credit Union’s limited use of information and communication technology (Website, Twitter and Facebook etc) to market the institution’s products. President Deane reported that the Information Communication Technology (I.C.T.) platform was now being used to enhance the Credit Union’s activities. He directed the meeting to Mr. Kirk Hickling’s presentation earlier in the evening as a point of reference.

- Under Section 14.0: Any other Business, concern was expressed by member, Ms. Raquel Phillips, regarding the lack of provision for the children of members who were attending the AGM. President Deane advised that a kiddies section had been set up for this AGM. He further stated that special effort had been made to ensure that communication went out to members with regard to the Meeting in a timely manner.

Member, Mrs. Patricia Reid-Waugh, in response to the call for Any Other Matters arising, stated her dissatisfaction with the Credit Union’s communication system. She reported that having submitted her email address to AAMM for over a year, she was yet to receive a correspondence from the Credit Union.

Mrs. Reid-Waugh was reassured by President Deane that this would be addressed.

There being no other matters arising, the membership was directed to the Report of the Board of Directors

8.0 REPORTS

Prior to commencing his report, President Deane paused to acknowledge the presence of the following persons:

- Mrs. Gloria Gordon-Henry and Ms. Josephine Harris, Stenographers
- Ms. Doreen Lewis, representative, U.W.I. and Mona Community Co-operative Credit Union
- Mr. Errol Gallimore, Registrar, Department of Co-operative Societies
- Mr. Michael David Webb, representative, Department of Co-operative Societies
- Mr. David Wan, Head, CUNA mutual

8.1 REPORT OF THE BOARD OF DIRECTORS

President Deane commenced his report with an introduction of his team of Directors who were as follows:

- Mr. Hector Stephenson, Assistant Secretary
- Mr. Leo Nesbeth, Vice President
- Dr. Marlene Phillips, Assistant Treasurer
- Mrs. Sonia Cunningham
- Mr. Patrick Duncan, Treasurer
- Mr. Michael Brydson, Secretary and; Mr. Elvis King, the Credit Union’s General Manager who also attends Board meetings

He subsequently indicated to the membership his intention to highlight briefly important aspects of the report. President Deane, while acknowledging the severity of the economic challenges facing the country for some time, remarked that there were some positive indicators, for instance, the relatively stable interest rate and an inflation rate which remained in the single-digit. He further stated that despite the economic environment, strategies were successfully implemented to grow the Credit Union and bring value to its members. He said that for 2012, AAMM Credit Union had surpassed two billion dollars in assets. Further, in terms of assets,
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President Deane remarked that going forward, the Credit Union must maintain its service excellence. He summarised that members needed to be more active savers and take advantage of the different kinds of saving products. The Credit Union, he said, must also always seek ways to improve upon its Information Communication Technology (I.C.T.) and place greater emphasis on accountability.

President Deane concluded by extending thanks to all the Credit Union’s external partners.

The Board of Directors’ report was accepted on a motion by Mrs. Patricia Reid-Waugh and seconded by Mrs. Yvette Smith and was unanimously carried.

8.2 TREASURER AND AUDITORS’ REPORT

The Treasurer, Mr. Patrick Duncan, presided over this section of the meeting.

Mr. Worrick Bogle, auditor, was invited to present the Auditors’ Report for 2012 which was found on pages 56 to 80 of the Annual Report. The Auditors’ Report, he stated, comprised the following sections:

- The Statement of Financial Position as at December 31, 2012
- The Statement of Comprehensive Income
- The Statement of Changes in Shareholders’ Equity
- The Statement of Cash Flows for the period ended and
- The Summary of Significant Accounting Policies and other Explanatory Notes.

Mr. Bogle continued by reading Management’s letter in the acronym P.E.A.R.L.S. measured a key area of the credit union operations and allowed for comparisons with previous years (2009-2012).

- P (Protection/ adequacy of Provision against loan losses): Relative to the World Standard, the Credit Union remained protected especially against loan losses.

- E (Effective Financial Structure): This is the single most important factor in determining growth potential, earnings capacity, and overall financial strength of the credit union. The 2012 ratio was within range.

- (1) Net Loans/Total Assets. This had increased from 71.11% in 2011 to 79.78% in 2012 representing a 32% increase in loans. The 2012 ratio was within the range.

- (2) Savings/Total Assets. Savings had increased by 16% for 2012. Although this was within range, it was lower than the budgeted figure. Members were to be encouraged to save more.

- (3) Institutional Capital/Total Assets. In 2012 this stood at 12.16%, which was an acceptable ratio for the Credit Union.
A (Asset Quality): The Credit Union boasted of having more than two billion dollars worth of assets. The delinquency ratio was 1.68%, which was well within internal targets of being less than 2%. The ratio of the non-earning assets to total assets bordered the top of the range.

R (Rates of Return and Costs): The first two ratios for this indicator reflected the Credit Union’s two main sources of income, the primary source being from loans to members. Given the financial market, investments in financial instruments such as fixed deposits, yielded only 5-6%. Net loan income when compared to average net loan portfolio, was down from 19.4% in 2011 to 17% in 2012. This was a good reflection of market rates. The Operating Expenses to Average Assets ratio was in acceptable range and will see a gradual reduction over the next couple of years as the investments in the Montego Bay Office and the new ICT system pay off.

L (Liquidity): This ratio measures the Credit Union’s ability to lend and meet the withdrawals of savings deposit. This ratio was excellent.

S (Signs of Growth): The signs were good. The Credit Union’s total asset grew by 18% and membership grew by 9%.

The second area of focus was the Operating Performance. Once again the figures indicated that the Credit Union was doing well. After the payment of interest to members, there was a surplus of over forty million dollars ($40 000 000.00) that was generated in 2012.

The third area of focus, Portfolio Performance, showed the loans and savings trend. Treasurer Duncan explained that the loans portfolio was increasing more rapidly than the savings portfolio and that this needed to be reversed.

Treasurer Duncan concluded by expressing appreciation to the auditors from Bogle and Company for their comments and suggestions. He further commended the General Manager and his management team for their astute leadership in difficult economic times and thanked the membership for giving him the opportunity to serve as a Director.

Member, Mrs. Patricia Reid-Waugh, commended the Board and members for an outstanding financial performance given the then economic climate. She subsequently sought clarification with respect to the calculation of figures appearing under Operating Performance (Loan Portfolio, page 26). Treasurer Duncan assured Mrs. Reid-Waugh that he would investigate and make the corrections if necessary. He nevertheless pointed out that the end figure (major earning) was correct. He also sought to correct the figure representing the net income for the year as being the net income before interest.

Mrs. Patricia Reid-Waugh also sought clarification regarding missing data for Net income for 2008. Treasurer Duncan responded that there was no omission and that the data was deliberately presented in that manner, stating the reason for so doing.

With no further questions, a motion for the acceptance of the Treasurer’s Report and Financial Statements was moved by Dr. Lorna Matthews and seconded by Mr. Godfrey Taylor and was carried.

Chairman Deane thanked Mr. Duncan for presenting the Treasurer’s and Auditors’ Report. He then extended the invitation for the report of the Credit Committee to be tabled.

8.3 CREDIT COMMITTEE REPORT

Mrs. Roselda Hall, Chair of the Credit Committee presented the report. Mrs. Hall commenced by acknowledging the other Committee members who were Mrs. Sandra Smith-Dockery (newest member, Secretary), Mrs. Sandra Samuels, Dr. Lorna Matthews and Professor Gossett Oliver.
She then highlighted that the Committee had approved loans totalling over 1.23 billion dollars, a 42.5% increase in value over the previous years.

Mrs. Hall further stated that most of the loans disbursed for this period were for consumption. August had the highest number of loan disbursements which was attributed to back-to-school expenses such as school fees.

The breakdown for total loans disbursed for 2012 showed that domestic and personal was 33%; motor vehicle and repairs, 27%; education, 11%; home acquisition, 2%; home improvement, 5% and others, 21%.

She then highlighted that the Committee had approved loans totalling over 1.23 billion dollars, a 42.5% increase in value over the previous years.

Mrs. Hall concluded by thanking the membership for the opportunity to serve in this capacity.

With no question from the floor, the report was accepted on a motion moved by Ms. Kadian Robinson and seconded by Ms. Panceta Walker. The motion was unanimously carried.

8.4 SUPERVISORY COMMITTEE

Chairman Deane invited Mr. Nedrick Young, Chairman of the Supervisory Committee, to present the Committee’s report.

Mr. Young introduced the other members of the Committee as Mrs. Sonja Vassall-Hurd, Mrs. Millicent Lamey-Barrett, Mr. Glenville Henry and Mr. Denham Henry (in absentia). He reported that the Supervisory Committee was regarded as the ‘members eyes and ears’ of the Credit Union and that each month the Committee was mandated to submit a report to the Board, highlighting issues relating to the general operations of the Credit Union.

Upon Mr. Young’s request, a motion for the acceptance of the report to be taken as read was moved by Mrs. Judith Heslop-Spence and seconded by Mrs. Anne Geddes Nelson, and was carried.

Mr. Young proceeded to highlight areas which were considered to be critical to the sustainability of the Credit Union. These were:

- Delinquency ratio. Mr. Young reported that between 2008 and 2011, the ratio decreased from 3.5% to 1.0%, with a slight marginal increase in 2012 to 1.68%, which was still well below the accepted 5% standard.
- Cash Verification. Cash balances for each of the four offices were physically counted and compared to the balance on the system offices on a monthly basis. No discrepancies were found during the year under review.
- Bank Reconciliation Statements and Members’ Loan Application: Mr. Young added that these were also scrutinised by the Committee on a monthly basis.

In concluding, Mr. Young affirmed that based on the Supervisory Committee’s checks, it was found that the management of the Credit Union continued to adhere to the rules and policies as set out by the Board of Directors and the Jamaica Co-operative Credit Union League.

He also expressed gratitude to the members of the Credit Union for their show of confidence in the Committee.

With no question from the floor, the Supervisory Committee’s report was adopted on a motion moved by Ms. Sandra Samuels and seconded by Mrs.
Arlene Brown-Bailey. The motion was unanimously carried.

At this point in the meeting, President Deane requested that a minute of silence be observed for those who had passed over the last year.

9.0 FIXING OF MAXIMUM LIABILITY

With respect to the fixing of the Maximum Liability, President Deane recommended that the ratio should remain at twelve times the capital of $281.3 million; bringing the Maximum Liability to $3.38 billion.

A motion for the acceptance was moved by Mr. Renville Jones and seconded by Ms. Josephine Harris and was carried.

10.0 REPORT OF NOMINATIONS COMMITTEE

Ms. Yvette Smith, who was deputising for Director Charles Reid in his absence, was invited to present the report. She introduced the members of the team as follows:

Mr. Charles Reid, Director (absent, due to illness)
Mrs. Yvette Smith, former Director
Mrs. Camille Drummond, Operations Manager
Ms. Mevonie Bramwell, to replace Mr. Henry.

Mrs. Smith reported that the Committee met several times during the year to carry out its mandate to nominate members who met the fit and proper criteria and who were willing and available to serve the Credit Union as volunteers. She further explained that in identifying suitable nominees, the Committee was also guided by the Credit Union’s need for special expertise as well as correspondence from the Registrar of Co-operative Society and Friendly Societies, which indicated the need for the Credit Union to comply with term limits for all volunteers.

Board of Directors

The following directors were retired at the 54th Annual General Meeting of the Credit Union: Mr. Clide Nesbeth, Mr. Charles Reid, Mr. Walter Scott, Dr. Marlene Phillips, and Mr. Patrick Duncan.

Mr. Clide Nesbeth, Dr. Marlene Phillips, and Mr. Patrick Duncan were nominated to serve for an additional two years. New nominees to the Board were Mr. Fabian Vassel and Mr. Godfrey Taylor.

Credit Committee

The retiring volunteers of the Credit Committee were Mrs. Sandra Samuels and Dr. Lorna Matthews.

Dr. Lorna Matthews was nominated for another term while Ms. Deloris Mollison was nominated to replace Mrs. Sandra Samuels.

Supervisory Committee

The retiring members of the Supervisory Committee were: Mr. Denham Henry, Mr. Nedrick Young, Mrs. Millicent Lamey-Barrett, Mrs. Sonja Vassall-Hurd, and Mr. Glenville Henry.

All except Mr. Denham Henry were re-nominated. There was a new nomination in the person of Ms. Mevonie Bramwell to replace Mr. Henry.

Retiring members, who would not be returned to the respective Committees, were acknowledged for their invaluable contribution and wished well in their future endeavours.

Ms. Smith, on behalf of the Nominations Committee, thanked the membership for the opportunity to serve.

A motion was moved for the acceptance of the report of the Nominations Committee by Ms. Debbie Meeks and seconded by Ms. Zamora Parnell and was carried.

Mr. Michael Webb, Registrar at the Department of Co-operatives and Friendly Societies, was invited to conduct the elections.

There being no nominations from the floor for the Board and Credit Committee, all previously named nominees were declared to be duly elected to serve on the respective Committees.

Mrs. Gurleydean Watson was the sole nominee from the floor for a position on the Supervisory Committee. The nomination was made by Paul Watson and seconded by Carlene Spence-Smart.

As a result of this nomination, members were asked to vote for the five members who would sit on the Committee.

There was a suspension of the Standing Order, to facilitate the counting of the ballots and allow for the continuation of the meeting.

11.0 APPROPRIATION OF SURPLUS

President Deane reported that the total surplus for the year was Forty-six Million Four Hundred Thousand, Two Hundred and eighty-one Dollars. He stated that the amount allocated to dividend was going to be put in regular savings.

Additionally, the following appropriation of surplus was recommended:

Unsecured Loan Reserve 5 million dollars
Outreach 3.5 million dollars
Honorarium 2.5 million dollars
Institutional capital 28.6 million dollars

The motion to accept the recommendation for appropriation of surplus was moved by Ms. Karen Minto and seconded by Ms. Nadia Guy and was carried.

The President paused to recognise specially invited guest, Ms. Joan Garfield from NCB Co-operative Credit Union.

12.0 SCHOOL REPRESENTATIVE OF THE YEAR AND OTHER PRIZES

Ms. Daidre Sloley, Marketing Manager, was invited to announce the winners in the School Representative of the Year competition. These were as follows:

**FIRST PLACE WINNER**

**SECOND PLACE WINNER**

**THIRD PLACE WINNER**

Ms. Deloris Mollison, Holy Childhood High School
Recruited 194 new members, with initial collections valued at four hundred and seventy thousand dollar ($470,000).

Mrs. Elaine Russell-King, St. Mary High School
Recruited 24 new members with initial collections valued at one hundred and seventy-eight thousand dollars ($178,000).

Ms. Petandra Timoll, Kemps Hill High School
Recruited 19 members with initial collections valued at eighty-seven thousand dollars ($87,000).

TOTAL SURPLUS FOR THE YEAR

$46,400,281
President Deane invited Mrs. Sandra Samuels to receive a gift of appreciation for her hard work as a volunteer over the years and, in particular, the arrangement for the décor of the 2013 AGM.

On a motion moved by Ms. Mevonie Bramwell, seconded by Mrs. Merline Sewell-Sullivan and carried by the membership, the meeting’s Standing Order was resumed.

13.0 RESOLUTION – AMENDMENTS TO THE RULES OF THE CREDIT UNION

President Deane informed that there were eleven resolutions for the evening, the first five of which had been presented last year; however due to an error, they were not carried as there should have been a vote count. The five Resolutions voted on were:

Amendment No. 1 - Requirement for membership to the Credit Union
Amendment No. 2 - Application for membership to the Credit Union
Amendment No. 3 - Certification of Identification
Amendment No. 4 - Passports, Receipts and Disbursements
Amendment No. 5 - Term Limits for Volunteers

With respect to Amendment No. 5, there was a further amendment. The previous year the resolution stated that Board members had a maximum tenure of four terms. The Registrar subsequently advised that this should be three terms President Deane suggested that someone move for the first five to be accepted since they were already approved from the year before; however, the members rejected the suggestion with a resounding “no”. The Chairman agreed the meeting would take each of them separately, starting with the first amendment. The Chairman then invited the Registrar to conduct that section of the meeting.

The Registrar, Mr. Errol Gallimore, stated that the resolutions were circulated, including the first five that were tabled at the previous AGM, and he was taking it that they were read; consequently, he invited members to state any concerns or queries they had with the resolutions.

The following concerns were raised or observations made by members with respect to the Amendments:

Amendment No.6 – Mrs. Patricia Reid-Waugh pointed out that in the third paragraph of the amendment the figures written in words (two hundred and fifty dollars) did not correspond with its numerical representation ($500).

Amendment No. 9 – Member, Patricia Reid-Waugh, indicated that the amendment was unclear. It was subsequently discovered that the resolution was misstated in the Annual Report and was corrected to read “The Supervisory Committee shall, at least once a year, verify a minimum of one hundred account balances with the use of the members’ statements.” The revised amendment was accepted on a motion moved by Mrs. Reid-Waugh and seconded by Mrs. Yvette Smith.

Mr. Gallimore then went on to explain to the meeting that 75% of the 384 members present (excluding children) would need to vote affirmatively in order for the resolutions to be passed. The resolutions were accepted by the membership based on the following headcounts:

331 - in favour of the resolution
4 - against the resolution
3 - abstention

The resolutions were carried.

The notice of Resolution regarding Astley Roy Hibbert, who was a founding member, Treasurer, Director, and former General Manager of the Credit Union, was taken separately. The resolution among other things, proposed that an annual scholarship be established in his memory. This resolution was unanimously carried.

14.0 DELEGATES TO THE LEAGUE

The Registrar explained that it was the normal custom and practice for the delegates of the Jamaica Co-operative Credit Union League and other affiliate bodies to be left to the new Board of Directors and therefore a motion was in order and requested that someone moved the motion. This motion was moved by Mrs. Merline Sewell-Sullivan and seconded by Mrs. Yvette Smith; the members voted to give the Board the authority to select the delegates and alternate delegates to the League.

Mr. Gallimore informed the meeting that the votes for the members of the Supervisory Committee were not yet tallied and suggested that in the interest of time, the names of the persons elected to serve on the Committee would be sent to the General Manager the following Monday.

Mr. Gallimore then congratulated AAMM Credit Union on its performance given the economic conditions. He admonished that while the implementation of term limits may create some challenges, the new volunteers, and in particular Board members, must be highly dedicated to the cause.

The Chairman thanked Mr. Gallimore for his continued guidance and support. He then asked the membership to take the report of the delegates to the Jamaica Cooperative Credit Union League as read.

15.0 ANY OTHER BUSINESS

Member Yvonne Henry expressed a concern regarding the miscalculation of interest being applied to a loan she had accessed in 2011. She further queried whether members could get half yearly statements instead of annual statements. Based on her experience, Ms. Henry recommended that members scrutinise their statements when received to ascertain their accuracy.

President Deane responded by stating that the Credit Union made its best efforts to ensure that the information sent to members was correct. He added that members’ statements were now accessible on the website.

Mr. Denville Davis asked whether the Credit Union would embark on offering to its members the option of investment in US currency. President Deane informed the meeting that currently the Credit Union was restricted by law, however this would change once the new Act was effected.

Ms. Carla Hall questioned why the Credit Union was willing to supply multiple car loans to an individual; however, this was not the case for members seeking...
to own multiple homes. In response, the meeting was informed that the mortgage facility was not directly sourced from AAMM Credit Union’s funds but was in fact made available through the League, which stipulated the conditions for accessing the mortgage loan. All other loans could be accessed once members were able to meet the repayment schedule within the maximum eight years.

16.0 ADJOURNMENT

There being no other business, the meeting was adjourned at 8:16 pm on a motion moved by Ms. Monique Anderson and seconded by Ms. Catherine Simpson, and was unanimously carried.
BOARD OF DIRECTORS’ REPORT
To the 55th Annual General Meeting for the year ended December 31, 2013
ECONOMIC AND SOCIAL OVERVIEW

The 2013 calendar year ended with the Statistical Institute of Jamaica (STATIN), reporting that inflation closed at 9.7%. While this represents a 1.70 basis points increase over the previous year’s 8%, the trends leading up to the end of the third quarter were indicating that it would have been difficult to keep inflation below double digit for the year.

The increased demand for foreign exchange along with the continuous speculations during the year, led to the Jamaican dollar depreciating by 13.6% for the year, to close at $105.70. Of all the economic variables being managed, this may be the most difficult because of our dependence on imports and tendency of investors to speculate on the appreciation of the US dollar.

Crime and violence showed mixed results for the year. Major crimes reduced by 11.5% of that which was reported for 2012, whereas murders increased by 9.4% above the figures reported in the statistics for the previous year.

Despite the obvious challenges of 2013, the Credit Union was able to provide the level of service it envisaged for its members and simultaneously met its financial targets.

INTERNATIONAL FORECAST

Emerging markets growth should pick up modestly, pulled along by better growth in the developed world and a continued re-engagement of global manufacturing and trade. China, the fastest growing economy, is likely to see minor moderation in its GDP growth from 7.7% in 2013 to 7.6% in 2014. It is expected that in the US, GDP growth will accelerate from an average of 2.2% in the last four years to 2.6% in 2014. The positive outlook for the United States is specifically welcome as we increasingly depend on remittance inflows and the tourism dollar from this country.

STRATEGIC OBJECTIVE

The primary strategic focus for the Credit Union for the year 2013 was to continue our focus on exceeding expectations in our service delivery, building relationships with our members and simultaneously growing the key indicators for financial success. A substantial part of the year was spent assessing the Movement and market growth can be organic - from our own business; or inorganic - from mergers, takeovers, and strategic alliances. AAMM continued to do well in its organic growth, as shown in our 15% growth in membership for the year under consideration. We are however mindful of the current and future challenges facing the Credit Union movement and are aware of the significant benefits that our members will be able to achieve by exploring inorganic growth. As a consequence, during the year, the Board began discussing the possibility of a merger with UWI (Mona) Co-operative Credit Union. The discussions intensified as the leadership is of the conviction that in partnering with this credit union, the membership will be rewarded with; operational efficiencies and greater product offerings. The new credit union’s stronger capital base, greater reach, and possibilities of a wider market are essential for a sustainable future.

In relation to 2013’s growth initiatives, these were realized through a focus on individual saving products. Special attention was placed on our Executive Plus and the Wealth Creator saving plans.

GROWTH

The overall savings growth of 20.1% above the 2012’s savings level is commendable, especially when compared to the Movement’s 7.3%.

The Montego Bay branch had its first year of operations and we commend the leadership for the work done in the western region.

The piechart above shows the membership growth at each location. As can be seen, Montego Bay, in its first year of operations, outperformed all of the other branches in membership growth.

As it relates to our service excellence strategy; continuous training, coaching and evaluation were consistent in our operations as we differentiate ourselves from the competition.
Savings in 2013 was 20.1% above that of 2012, with Shares, Executive Plus and the Wealth Creator showing the most substantial growth. The actual growth of 17% in Shares, 65% in Executive Plus and 30.4% in the Wealth Creator, confirms that the strategies that were utilized in the year in this critical area of our operations, were indeed successful. Total assets grew by 17.3% over 2012, resulting primarily from loans which saw an increase of 19.5% over the previous year. With inflation at 9.7%, this shows a real growth of 7.6%. The loan portfolio of the credit union continues to perform extremely well during 2013, closing the year with a Net Loan Portfolio to Total Assets ratio of 81.3 percent, meaning that the credit union invested over 81 cents out of every dollar in its core business.

The effect of this performance was that the credit union continues to add value to you the member. Operating Income for the period showed growth of 22.9% for the period under review. This growth in operating income must be considered in the context of a reduction in the interest rates on loans and a simultaneous reduction in earnings from our investments. The growth in our loans would therefore be the main contributing factor to this increase in operating income. Delinquency control is always critical to the attainment of targets for 2013, with our non-performing loans reducing from 1.68 percent in 2012 to 1.31 percent at the end of 2013. This is substantially below the 5 percent standard in the Movement and as such the Board extends its commendation to the Delinquency team.

### Operations
During the year the credit union continued to make improvements to all the offices, so as to provide a comfortable and relaxing atmosphere in which our members can do business. Member service training will continue to be integral to our success and the investment that we continue to make in this endeavour attests to our commitment to it. We implore you to use the suggestion box or online feedback mechanism to provide feedback and comments, as we continuously improve upon our service delivery.

### Marketing & Promotion
Our marketing effort has afforded us a membership growth of 15% for the year under review. We intend to double this effort in 2013 given our expanded reach and increased capacity. There is no marketing effort that can compete with the “word of mouth” that you our members are able to share with your colleagues and families who fall under the credit union’s bond. We therefore implore you to share your experience with your relatives and friends and encourage them to become a part of the AAMM family.

### Key Performance Indicators

<table>
<thead>
<tr>
<th>Key Performance Indicators</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>% Change “13” over “12”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings</td>
<td>1,953</td>
<td>1,626</td>
<td>1,399</td>
<td>20.1</td>
</tr>
<tr>
<td>Net Loans</td>
<td>2,313</td>
<td>2,313</td>
<td>1,953</td>
<td>17.3</td>
</tr>
<tr>
<td>Total Assets</td>
<td>365.4</td>
<td>298</td>
<td>272</td>
<td>22.0</td>
</tr>
</tbody>
</table>

### Non-Performing Loans

#### End of 2013

- **1.68%**

#### 2012

- **1.31%**

Delinquency control was critical to the attainment of targets for 2013, with our non-performing loans reducing from 1.68 percent in 2012 to 1.31 percent at the end of 2013. This is substantially below the 5 percent standard in the Movement and as such the Board extends its commendation to the Delinquency team.

### Growth in Total Assets Over 2012
- **17.3%**

### Increase in Loans
- **19.5%**

### Growth in Operating Income
- **22.9%**
We will continue to create awareness, build member loyalty, recruit new members, and share our successes among the stakeholders, as we continue to build on the past for a future that will be even brighter.

As previously highlighted, your Board recognizes that there are many potential members waiting in the wings to join the credit union, and we have therefore set ambitious targets aimed at increasing membership. We will first target the communities and neighbouring parishes in which there are existing branches (Mandeville, Portmore, Montego Bay, and Kingston); and also the family members of existing and potential members. We are firmly of the view that there is so much more that can be achieved with our expansion.

School Representatives will continue to be the foundation of our recruitment drive, and coupled with the direction of the credit union’s marketing resources, our efforts will be rewarded.

OUTREACH
In recognition of our commitment to being a good corporate citizen and the guidance of our policy focusing on assisting those who are in greater need, meaningful assistance was provided to a number of institutions and individuals during 2013. Some of these institutions are listed below:

1. Jamaica Government Pensioners Association
2. The Church Teacher’s College
3. Albert Street Basic School
4. Edwin Allen past Student Association
5. Naggo’s Head infant School
6. Boys Town All Age
7. Life Line Church of God
8. Christiana High School
9. Bog walk High School
10. Woodlawn School of Special Education
11. Cumberland High School
12. Western Caroline University
13. St. James 4-H Club
14. Montego Bay Learning Centre
15. Meadowbrook Preparatory School
16. Kiwanis Club Of Linstead
17. Mandeville Infant School
18. Broadleaf Primary School
19. Tivoli Gardens High School
20. Independence City Primary School
21. St. Andrew High School For Girls
22. Winston Jones High School
23. Excelsior Community College

LEGISLATION
The long awaited legislation that will allow the Ministry of Finance through the Bank of Jamaica (BOJ) to monitor credit unions is now more imminent. With this authority, BOJ will have the right to make decisions that may not be popular if the Credit Union is not operating at the requisite standard. Changes to the structure of the organization are inevitable as measures are put in place to ensure that we are compliant to the regulations.

PRODUCTS & SERVICES
During the year 2013, we launched our Internet Banking platform. With this service, members are now able to view their balances online, request statements, make transfers, and initiate loan applications. One of our strategic objectives is to encourage our members to make use of the technology and take advantage of the efficiencies that can be achieved from it. We therefore anticipate that this platform will increasingly be used to add value to you our members.

We also want to use this opportunity to remind you of the very competitive saving instruments that your Credit Union has on offer. It is imperative that you maximize the returns that you can get from your savings and therefore you should endeavour to be mindful of the rates that we offer before considering to invest elsewhere, with comparative risk. See below a list of our product offerings. Kindly use the opportunity to call and speak with one of our Member Service Representatives, go online or visit our office to learn more and benefit from these services.

SAVINGS PRODUCTS
• Permanent Share Account
• Regular Deposits
• Special/Fixed Deposits
• Wealth Creator
• Christmas Savings Club
• T.E.A.C.H.
• Y.S.C. (Youth Savers Club)

LOAN PRODUCTS
• Personal
• Easi-Loans
• Productive/ Business
• Educational
• Home Acquisition & Improvement
• Motor Vehicle

OTHER SERVICES
• Standing Order
• Family Indemnity Plan (F.I.P)
• Sagicor Health Plan
• Internet Banking
• Access Plus debit card
• Financial Counseling

VOLUNTEERS
The Board of Directors has nine members. The following table shows the attendance at meetings. The Board held 12 regular meetings in the year, four of which represented Joint Meetings which include members of the Supervisory and Credit Committees. The committees reported monthly on their activities and always provide useful suggestions for the development of the credit union.

ATTENDANCE OF BOARD MEMBERS - 2013

<table>
<thead>
<tr>
<th>NAMES</th>
<th>PRESENT</th>
<th>EXCUSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clide Nesbeth</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td>Michael Brydson</td>
<td>12</td>
<td>0</td>
</tr>
<tr>
<td>Marlene Phillips</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Lennox Deane</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>Hector Stephenson</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>Patrick Duncan</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Sonia Bennett</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Fabian Vassell</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Godfrey Taylor</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Walter Scott</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Charles Reid</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

SUPERVISORY COMMITTEE
The Committee comprised of; Mr. Glenville Henry, Mr. Nedrick Young, Chairman, Mrs. Sonja Vassali-Hurd, Mrs. Millicent Lamey-Barrett, and Ms. Melonie Bramwell fulfilled the demands of the committee for the year. The Committee met formally on twelve occasions.

CREDIT COMMITTEE
The Committee comprised of; Ms. Roselda Hall, Ms. Deloris Mollison, Professor Gossett Oliver, Mrs. Sandra Dockery, and Dr. Lorna Matthews, and meets weekly to approve loans.

APPRECIATION
The Board of Directors graciously uses this opportunity to place on record our appreciation to: the team of Management and staff, the members of the Supervisory and Credit Committees, School...
Representatives, and all the other volunteers for their hard work and commitment throughout the year. Your invaluable contribution did much to affect the credit union, how we operate and the successes achieved.

A number of persons, and organizations also supported us throughout the year, and we would like to say special thanks to the following:

- The Principals, Bursars and Head Teachers
- The Credit Union League and its subsidiaries
- Cuna Mutual Insurance Society
- Jamaica Co-operative Insurance Agency
- The Office of the Post Master General
- NCB Oxford Road
- Bogle and Associates
- The Registrar of Co-operative and Friendly Societies
- Messrs Anthony Williams and Lynden Wellesley, our attorneys
- Micros Software Designs Ltd, our software providers
- The NHT
- The Titles Office

For and on behalf of the Board of Directors

Clide Leo Nesbeth
President of the Board
AAMM CO-OPERATIVE CREDIT UNION LIMITED
TREASURER’S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013

It is an honour to present the Treasurer's Report to the fifty-fifth Annual General Meeting of our co-operative. This Credit Union continued to perform well in the main areas of its operations. Our performance met, and in most cases surpassed key assessment ratings as measured against the P.E.A.R.L.S.-M standard used by the Movement. Ratios of the past five years are presented on page 114. Our performance reflects an operating financial environment characterized by relatively low loan interest rates and single digit interest rates on fixed instruments, reduction in government spending and wage containment in the public sector.

OPERATING PERFORMANCE

The total gross earnings amounted to $383.3 million, a 24% increase over that of 2012. The loan portfolio contributed 91% to our total income (2012 - 89%), indicating that the Credit Union beneficially focuses on its core business of granting loans to meet the needs of its members. Our 2013 income from investments in financial markets fell by $3.8 million as fewer funds were available for investments throughout the year.

Operating expenses totaled $217.6 million; an increase of 14.5% over that of 2012. The main contributors to this increase were expenditures related to organizational changes, operating of the new Montego Bay branch and increased utility costs.

Operating profit for the year 2013, before taking interest on shares, amounted to $112.6 million (2012- $83.1 million), representing a 37% increase over the previous year. After interest payments of $52.8 million (2012-$35.8 million) to members for shares held, the net operating profit for 2013 is $59.8 million (2012-$47.3 million). During the year, there was a loss from our Retirement Benefit plan which resulted in total comprehensive income further reduced to $56.4M.

In an effort to meet the high demand for loans, we entered into a revolving loan arrangement with Jamaica Co-Op Credit Union League. The resulting external interest expense of $14.6M represents the interest charges for the year under review.

The following chart shows comparative results over the past five years of operations.
PORTFOLIO PERFORMANCE

Total assets grew by 17.5% totaling $2.72 billion at the end of 2013, while net loans grew by 19.5% and represents 81% of our assets. Loan demand for 2013 was very high and growth would have been greater had it not been for strategic decisions to control same in order to achieve the desired Net Loans/Total Assets ratio as seen in the P.E.A.R.L.S. Report on page 114.

The delinquency ratio for 2013 is 1.31% compared to 1.68% in 2012. This ratio is below the 5% standard and the internal target of 2% and represents an excellent performance!

Efforts by all involved have enabled us to maintain this performance level as we remain vigilant in monitoring and managing our loan portfolio.

Savings at the end of 2013 grew by 20.1% compared to the 19.5% growth in loans, but it should be noted that the need to satisfy our loan demand remained unfulfilled. We therefore continue to offer attractive rates on our saving instruments as we seek even greater growth in 2014. We will continue to offer these attractive and innovative instruments and opportunities, created to encourage savings and build individual wealth for our members.

The performance of the portfolio is captured graphically below illustrating the different rates in growth in loans compared to the growth in savings.

ACKNOWLEDGEMENTS:

I wish to express sincere appreciation to our auditors Bogle & Company for their comments and suggestions. Thanks to the members, for the opportunity to serve along with my fellow volunteers.

Members please continue to support and enjoy the services of your credit union. It pays!

Patrick Duncan
Treasurer
At the last Annual General Meeting, the following members were elected to serve on the Supervisory Committee.

Millicent Lamey- Barrett
Mevonie Bramwell
Glenville Henry
Sonja Vassall-Hurd
Nedrick Young

The Committee extends thanks to Mr. Denham Henry for serving the Credit Union for over ten years. At the first meeting of the Committee Mr. Nedrick Young was elected Chairman, and Mrs. Millicent Lamey-Barrett elected Secretary.

The Committee met at least once each month to discuss the business of the Credit Union.

Each month during the year ending December 31, 2013, the Committee prepared and submitted a report to the Board of Directors. The Committee conducted approximately 250 working sessions at the Head Office and at the three Branch Offices. This was done to ensure that the Credit Union complied with its policies and rules and those set by regulatory bodies, as well as to follow best practices in its operations. The objectives of these activities are to satisfy the members’ needs, to achieve fair play, transparency, wellness, soundness, and to ensure solvency.

OVERVIEW

2013 was another difficult year for the Jamaican people. The economic climate was challenging for everyone. Workers continued to experience job losses and at the same time face higher prices for goods and services. There was also high public debt and increased taxes, wage freeze for public servants, debt exchange for investors, rising poverty rates, fiscal deficit, low investor confidence and a declining dollar value. Inflation rate for the year was 9.7%. The country experienced growth of less than 1.0%. According to an International Monetary Fund (IMF) report, unemployment for the year was 15.4%. Some of these harsh economic conditions were impacted by conditions set out by the IMF, as well as conditions in international economies such as the United States of America. On the other hand the study also stated that economically 2013 was an improvement over the previous year.

In spite of the above challenges the financial sector of which the AAMM Credit Union is a part, showed resilience and determination to keep their doors open. Strategic measures to survive especially among credit unions included mergers, takeovers and rebranding. Aggressive borrowing and “belt-tightening” measures were adopted by consumers in order to ‘make ends meet’.

The IMF forecast for 2014 stated that the Jamaican economy will be in a better shape than it was in 2013. There are tentative signs for an economic recovery. Some indicators include the reduction of the debt to Gross Domestic Product (GDP) ratio from 146 to 138. This will help to increase investor confidence, higher GDP growth in the economy, reduce risk of crisis and provide policy space in case of natural disasters. Another indicator of hope for 2014 is a reduction of the primary surplus target to 7.5% over a four-year period, starting in 2014. This should lead to less tightening of the budget so that economic growth can take place. There are also plans to reduce the cost of electricity for the business sector as well as for consumers. The tax policy reform bill that will enable faster payments of taxes and a reduction in government bureaucracy will enhance

THE FOLLOWING TABLE GIVES A PROFILE OF MEMBERS’ ATTENDANCE AT MONTHLY MEETINGS DURING THE YEAR.

<table>
<thead>
<tr>
<th>Members</th>
<th>Regular Meetings</th>
<th>Special Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Possible</td>
<td>Present</td>
</tr>
<tr>
<td>M. Lamey-Barrett</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>M. Bramwell</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>G. Henry</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>S. Vassall-Hurd</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>N. Young</td>
<td>12</td>
<td>11</td>
</tr>
</tbody>
</table>

*Mr. Denham Henry was retired from the Committee at the end of April 2013. He was replaced by Mrs. Mevonie Bramwell.
growth in the business sector. Another important reform planned for 2014 is an effective fiscal rule to keep a tight rein on the annual budget and lock in the gains of fiscal consolidation.

The AAMM Co-operative Credit Union Limited continues to meet its obligation of serving teachers and their families, in spite of the economic difficulties during the period under review. This is due mainly to the commitment and trust, which the members have demonstrated over the past years, and an efficient administrative system that has been put in place. The Supervisory Committee is indeed grateful to the members, staff and fellow volunteers for another successful year of the Credit Union and look towards 2014 for another successful year.

**DELINQUENCY**

Delinquency is a standard, as well as a benchmark that is used to determine the level of loan repayments by members who borrow from the Credit Union. For the year under review the delinquency ratio for AAMM was well within the standard set for all credit unions by the League. To achieve this however the Committee was quite vigilant and had to keep a close watch in this area. The Delinquency Officer and Delinquency Committee must be commended for this achievement.

The Committee continues to be mindful of those members who continue to disregard their obligations of repaying their loans to the Credit Union. The Delinquency Ratio over the last five years (2008 - 2013) demonstrates a particular trend as shown in the table and graph below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1.40</td>
</tr>
<tr>
<td>2010</td>
<td>1.40</td>
</tr>
<tr>
<td>2011</td>
<td>1.00</td>
</tr>
<tr>
<td>2012</td>
<td>1.68</td>
</tr>
<tr>
<td>2013</td>
<td>1.31</td>
</tr>
</tbody>
</table>

The Delinquency Ratio over the last five years (2008 - 2013) demonstrates a particular trend as shown in the table and graph below:

**TABLE AND GRAPH SHOWING DELINQUENCY RATIOS FOR FIVE YEARS - 2008-2013**

<table>
<thead>
<tr>
<th>Months in Arrears</th>
<th>No. in Arrears</th>
<th>Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td>&gt; 12 Months</td>
<td>234</td>
<td>213</td>
</tr>
<tr>
<td>6-12 Months</td>
<td>94</td>
<td>42</td>
</tr>
<tr>
<td>3-6 Months</td>
<td>102</td>
<td>108</td>
</tr>
<tr>
<td>2-3 Months</td>
<td>38</td>
<td>42</td>
</tr>
<tr>
<td>No. in Arrears</td>
<td>2013</td>
<td>2012</td>
</tr>
</tbody>
</table>

**GRAPH SHOWING DELINQUENCY RATIOS FOR FIVE YEARS (2009-2013)**

a. The committee conducted approximately fifty (50) unannounced cash counts of the cashiers’ tills at Head Office and the three branch offices during the year.

b. The Committee verified cash balances held in the tills, and balances on the systems records.

This exercise is done to ensure compliance with the Credit Union’s rulebook and the regulations set by the League. We are satisfied with the measures being used regarding the disbursements and receipts of cash at all the offices. All measures were in compliance with the rules and policies of the Credit Union.

**TABLE SUMMARIZING THE DELINQUENCY LOANS PORTFOLIO FOR TWO YEARS - 2012-2013**

<table>
<thead>
<tr>
<th>Months in Arrears</th>
<th>No. in Arrears</th>
<th>Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td>&gt; 12 Months</td>
<td>234</td>
<td>213</td>
</tr>
<tr>
<td>6-12 Months</td>
<td>94</td>
<td>42</td>
</tr>
<tr>
<td>3-6 Months</td>
<td>102</td>
<td>108</td>
</tr>
<tr>
<td>2-3 Months</td>
<td>38</td>
<td>42</td>
</tr>
<tr>
<td>No. in Arrears</td>
<td>2013</td>
<td>2012</td>
</tr>
</tbody>
</table>

**MAJOR AREAS OF THE WORK COMMITTEE CASH VERIFICATION**

- The Committee conducted approximately fifty (50) unannounced cash counts of the cashiers’ tills at Head Office and the three branch offices during the year.
- The Committee verified cash balances held in the tills, and balances on the systems records.

This exercise is done to ensure compliance with the Credit Union’s rulebook and the regulations set by the League. We are satisfied with the measures being used regarding the disbursements and receipts of cash at all the offices. All measures were in compliance with the rules and policies of the Credit Union.

**BANK RECONCILIATION**

The statements were examined on a monthly basis. They showed no change in the format as set out in standard accounting practice. They were timely and complete. This is due to the competence of the management and staff as well as the new Information Management System of the Credit Union. This area of work continues to show improvement. The Committee commends the Accounting Staff for their effort.

**Bank Charges**

During the period the charges were within a tolerable range. The Accounting Staff has worked hard to keep these charges within the expected levels.

<table>
<thead>
<tr>
<th>BANK RECONCILIATION</th>
<th>2013 ANNUAL REPORT</th>
</tr>
</thead>
</table>
LOAN APPLICATIONS
Each month a sample of 6% of the personal loan files of the members were taken and examined for compliance. The Committee is pleased to report that there were no discrepancies nor suspicious transactions found in these files, and that the correct procedures for granting loans were being followed.

BRANCH OFFICES
During the year, the Committee made a total of twenty five (25) working visits to the Portmore, Mandeville and Montego Bay offices. During each visit we examined the personal loan files, counted the cash balances, as well as inspected the petty cash files and the debit card records. We also examined the fixed assets of the Credit Union at these offices. The Committee is pleased to report that the findings were in keeping with the rules set out by the Credit Union and the League.

MEMBERSHIP
In spite of the economic challenges during the period, the Credit Union continued to attract new members. There was an increased growth in membership at the Head Office as well as the Portmore and the Mandeville offices. The Montego Bay Office was opened in December 2012 and membership at that branch has been growing steadily.

EXTERNAL REPORTS
(a) Proceeds of Crime Act Report
Each month during the year the Risk Officer informed the Committee about any unusual transaction. There were no such transactions during the year.

(b) Bank of Jamaica Report
During the year the file was examined and reports were found to be sent on a timely basis.

(c) Customer Service
Suggestions from the suggestion box, as well as information from personal contact with members, have shown that customer service is improving, and that Management has taken steps to address the concerns of members. There is an ongoing staff training initiative to enhance this area of work.

OTHER ACTIVITIES
The Committee also completed the following activities during the year:
1) Prepared and presented a work plan to the General Manager.
2) Examined dormant account files.
3) Examined closed account files.
4) Examined files of deceased members.
5) Examined financial statements.
6) Ensured that the Credit Union’s Property Insurances were renewed and value reviewed periodically.
7) Examined daily lodgments.
8) Examined the files of new members.
9) Attended and participated in special events put on by the Credit Union.
10) Ensured that staff goes on leave as scheduled.
11) Examined fixed assets such as the car park.
12) Evaluated auditors’ reports.
13) Examined ledger files.
14) Examined purchase invoices and payment vouchers.
15) Examined accounts payable.

CONCLUSION
Safety, Soundness and Best Practices
The Committee assessed the Credit Union’s standard of operation and found that management continued to adhere to the rules and policies as set out by the Board of Directors and the Jamaica Cooperative Credit Union League (JCCUL).

Once again, the Committee wishes to express thanks to the Board of Directors, Staff and Volunteers for the support and cooperation given to us throughout the year. To all of our fellow members, we extend sincere thanks for the confidence shown by electing us to serve for another year, and wish for you a successful year.

Nedrick Young
Chairman, Supervisory Committee
THE CREDIT COMMITTEE’S REPORT 2013

The Credit Committee met for 52 scheduled meetings for the period under review. At the 54th Annual General Meeting, Ms. Deloris Mollison was elected to replace Mrs. Sandra Samuels and Dr. Lorna Matthews was re-elected to serve for another term. The other three (3) serving members were Mrs. Sandra Dockery, Professor Gossett Oliver and Ms. Roselda Hall. At the first meeting of the new committee, Ms. Roselda Hall was elected Chairperson and Mrs. Sandra Dockery as Secretary.

With the resignations of two Board Members, Professor Oliver and Dr. Matthews of the Credit Committee were appointed to the Board to serve during the first quarter of 2014.

Meetings were well attended except in instances where volunteers were absent for extenuating circumstances. In addition to the regular meetings, the committee attended quarterly meetings with the Board and the Supervisory Committee.

ANNUAL CREDIT COMMITTEE REPORT 2013

During the year, the Credit Committee processed loans to the value of $1.25B, which contributed to a net growth of 19.5% over the previous year. While this represented a decline from the 33% growth that we had the previous year, we can still boast of increasing effort to serve our members. The committee was pleased to offer financial counseling to some members as they chart their financial future.

ATTENDANCE RECORD FOR THE PERIOD UNDER REVIEW

<table>
<thead>
<tr>
<th>NAMES</th>
<th>TOTAL MEETINGS</th>
<th>NUMBER ATTENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roselda Hall</td>
<td>52</td>
<td>48</td>
</tr>
<tr>
<td>Sandra Dockery</td>
<td>52</td>
<td>47</td>
</tr>
<tr>
<td>Dr. Lorna Matthews</td>
<td>52</td>
<td>45</td>
</tr>
<tr>
<td>Deloris Mollison</td>
<td>52</td>
<td>39</td>
</tr>
<tr>
<td>Prof. Gossett Oliver</td>
<td>52</td>
<td>29</td>
</tr>
</tbody>
</table>

The graph below shows the monthly comparison for loan disbursed during the period 2011-2013. Notably is the summer period which continues to provide peak demand for our loans, with August showing a record demand of $157.4M.

The table below gives comparisons of the loans disbursed (by purpose), when compared to the previous year.

<table>
<thead>
<tr>
<th>PORTFOLIO</th>
<th>2013 $000</th>
<th>2012 $000</th>
<th>CHANGE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Productive</td>
<td>1,350</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>Motor Vehicle Purchase</td>
<td>279,054</td>
<td>335,191</td>
<td>(16.8)</td>
</tr>
<tr>
<td>Education</td>
<td>121,923</td>
<td>155,584</td>
<td>(10.2)</td>
</tr>
<tr>
<td>Home Acquisition</td>
<td>35,103</td>
<td>28,719</td>
<td>22.2</td>
</tr>
<tr>
<td>Home Improvement</td>
<td>54,731</td>
<td>60,563</td>
<td>9.6</td>
</tr>
<tr>
<td>Domestic &amp; Personal Needs</td>
<td>492,407</td>
<td>418,083</td>
<td>17.8</td>
</tr>
<tr>
<td>Other</td>
<td>263,515</td>
<td>265,426</td>
<td>(0.7)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,247,981</td>
<td>1,234,566</td>
<td>1.1</td>
</tr>
</tbody>
</table>
Though the amount disbursed was a mere 1% over that of last year, we can see that our members borrowed much more this year for housing purposes, which is indeed gratifying.

**APPRECIATION**

The Credit Committee graciously uses this opportunity to place on record our appreciation to Mrs. Sandra Samuels and Dr. Lorna Matthews for their years of sterling service to the Credit Committee, especially during the periods they served as Chairperson and the manner in which they assisted with the training of successive Credit Committee Members.

We also wish to commend Professor Oliver and Dr. Matthews on their elevation to the Board of Directors. The Committee wishes to express our sincere thanks and appreciation to the Board of Directors, members of the Supervisory Committee, Management and Staff for their unstinting support. Your contribution to the work of the committee is indeed invaluable as we continue to assist our members in making their dreams a reality.

*Roselda Hall*
Chairperson

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**REPORT OF THE NOMINATIONS COMMITTEE TO THE 55TH ANNUAL GENERAL MEETING OF AAMM CO-OPERATIVE CREDIT UNION LIMITED**

The Nominations Committee was chaired by Director Godfrey Taylor. The other members were Mrs. Sandra Samuels (former Credit Committee chair) and Mrs. Camille Drummond, (Operations Manager). The Committee met several times during the year to carry out its mandate to nominate members who met the “fit and proper” criteria and who were willing and available to serve the Credit Union as volunteers. The Committee was also guided by the Credit Union’s need for special expertise, as well as our recently passed rule related to term limits for all volunteers. After much deliberation, the Committee is pleased to report that these objectives were successfully achieved.

**BOARD OF DIRECTORS**

Persons are normally elected to serve the board for a two-year term, except where they are elected to complete the unexpired term of another member.

The following Directors retire at this AGM:

- Hector Stephenson
- Sonia Bennett-Cunningham
- Michael Brydson
- Lennox Deane

Directors Brydson and Deane, having served the maximum period allowed under the term limits clause are not eligible for nomination at this AGM. For their replacement, the committee recommends the following to serve for the next two years:

- Kenry Jackson
- Hilton Blenman

During the year, two of our directors (Marlene Phillips and Fabian Vassel) resigned and as a result we have identified two persons to complete the final year of the term of those two directors. They are:

- Yvonnette Marshall
- Mark Nicely
CREDIT COMMITTEE

Persons are normally elected to serve this committee for a two-year term, except where they are elected to complete the unexpired term of another member. The Nominations Committee is grateful for the dedication, purposeful and quality service provided by the members of this committee, who spend many hours each week, carrying out their duties. The retiring volunteers are:

Roselda Hall
Sandra Dockery

We are pleased to nominate the following retiring member to serve another two-year term:

Sandra Dockery

Supervisory Committee

Members of this committee are elected to serve one-year terms, therefore ALL members retire at each AGM. The Nominations Committee thanks all members of the Supervisory Committee who have given AAMM significant portions of their time and focused effort to carry out their duties. We are pleased to nominate the following retiring member to serve another one-year term:

Mevonie Bramwell

Retiring members Nedrick Young, Millicent Barrett and Sonja Vassall-Hurd, having served the maximum period allowed under the term limits clause are not eligible for nomination at this AGM and retiring member Glenville Henry is unable to serve on this committee due to other commitments. For their replacement, the committee recommends the following to serve a one-year term:

Beverley Peart-Richards
Claude Ellis

Committee member Lorna Matthews resigned during the year to fill a vacancy on the Board to complete the final year of her term, we recommend:

Elaine Russell-King

SUPERVISORY COMMITTEE

REPORT OF THE DELEGATES
FROM THE JAMAICA CO-OPERATIVE CREDIT UNION LEAGUE 72ND ANNUAL GENERAL MEETING

The 54th Annual General Meeting of AAMM Co-operative Credit Union Limited held on April 26, 2013 gave the Board of Directors permission to appoint the delegates and alternate delegates to the Jamaica Co-operative Credit Union League.

The JCCUL’s 72nd Annual General Meeting and Convention was celebrated from May 16 to 19, 2013 at the Ritz Carlton Hotel Rose Hall in Montego Bay. It was held under the theme: “Renewed Repositioned Reshaping the Movement for the Future.” The conference was the first AGM following the transformation of JCCUL into a consolidated entity and it generated much interest. Approximately one hundred and fifty (150) delegates and observers attended the meeting.

The Convention opened on Thursday, May 16, 2013 which ran simultaneously with a workshop. The workshop featured a Professional Development Session with Dr. N’Sombi Jaja entitled “Motivating the Inner You.” There was also the opening of the Trade Show which continued until Saturday evening.

The Convention continued on Friday May 17 with the Annual General Meeting of the Credit Union Fund Management Company and two other workshops:

• Dr. N’Sombi Jaja’s presenting “Delivery of Exceptional Customer Experience”

BANQUET AND AWARDS CEREMONY

The four credit unions won in the categories of Mega credit union, Large credit union, Medium-sized and Small credit union.

Before a large gathering of delegates and observers the OJ Thorbourne Trophy for Mega Credit Union of the Year presentation was made to JTA Co-operative Credit Union, the third year in a row, while Manchester Co-operative Credit Union was declared the runner-up in the category.

In the Large Credit Union Category, NCB Employees Credit Union again shot to the top and captured the Renford Douglas Trophy.
At the same time the Paul Thompson trophy for Medium-sized Credit Union of the Year was presented to Postal Co-operative Credit Union, a consistent winner, with JDF Credit Union taking home the runner-up award.

The final award, the John Peter Sullivan Award for Small credit unions, went to Church of the First Born Co-operative Credit Union, and PWD Co-operative Credit Union was declared the runner-up.

Six sectional prizes were awarded to credit unions that out-performed their peers in various aspects of their financial operations. The award for the credit union with the Most Improved Net Capital/Total Assets ratio went to JDF Credit Union. Lascelles & Partners Co-operative Credit Union won for achieving the Highest Asset Growth and D&G Employees Credit Union took the award for the Highest Solvency.

The three other credit unions that also won awards were: First Regional Credit Union for the Highest Return on Assets, Manchester Credit Union for the Highest Net Loan Growth and also for being the Most Outstanding Parish Credit Union.

ANNUAL GENERAL MEETING

The Annual General Meeting was chaired by President Johnathan Brown who did a multi-media presentation summarizing the Board’s report. All aspects of JCCUL’s operations were presented and examined. As part of the presentation, the meeting was also updated on the League’s transformation project and its new business model.

GOVERNANCE AND RULE AMENDMENTS

Governance was also another important element of the transformation process and a proposal for a new governance structure for the League was presented to delegates at the Annual General Meeting. After a lengthy discussion, the meeting asked for a review of the proposal to include representation from the four peer groups, based on asset sizes. A special general meeting was suggested for a decision to be made on this matter.

A number of amendments were also made to the existing rules in the wake of the transformation of the League.

NEW BOARD OF DIRECTORS

The following persons comprised the 2013-2014 Board of the Jamaica Co-operative Credit Union League.

Mr. Derrick Tulloch - President
Mr. Johnathan Brown - Immediate Past President
Ms. Carol Anglin - 1st Vice President
Mr. Winston Fletcher - 2nd Vice President
Mr. Ian McNaughton - Treasurer
Ms. Fay Davis - Asst. Treasurer
Mr. Rodcliffe Robertson - Secretary
Dr. Dorothy Raymond - Asst. Secretary
Mr. Jerry Hamilton - Director
Mr. Clide Nesbeth - Director
Mr. Courtney White - Director
Mr. Wilburn Pottinger - Director
Mr. Lambert Johnson - Director
Mrs. Yvonne Ridguard Harris - Director
Mr. Talbert Golding - Director
ACP Wray Palmer - Director
Captain Clifton Lumsden - Director
Ms. Natalie Sparks - Director
Rev. Dr. Glenroy Lalor - Director

ACKNOWLEDGEMENT

The delegates and alternate delegates sincerely appreciated the opportunity to serve in this capacity.

Clide Nesbeth
President

Michael Brydon
Secretary to the Board of Directors
**Accounts Department**

**HEAD OFFICE**

- Annette Green
  Accountant

- Merle Reid
  Financial Manager

- Melony Daye
  Member Service Representative / Cashier

- Tamara Bailey
  Accounting Clerk

- Nasufia Ellis
  Member Service Representative / Securities

**Accounts Department**

**HEAD OFFICE**

- Delford Sterling
  Accounting Clerk

- Nicole Sinclair
  Delinquency Officer

- Monique Liking
  Accounting Clerk
Accounts Department

HEAD OFFICE

Nicola Daley
Risk & Compliance Officer

Vivolyn Walker
Accounting Clerk

Shellique O’Gere
Member Service Representative / Delinquency

Credit Department

HEAD OFFICE

Natalie Edwards
Snr. Member Service Representative

Wendy Hutchinson
Credit Manager

Janice Fagan
Snr. Member Service Representative
ICT Department
HEAD OFFICE

Kirk Hickling
ICT Manager

Brendan Phipps
JNR System Administrator

Kevin Roberts
Member Service Representative / IT

Aziem Johnson
Filing Clerk

Simone Valentine
Filing Clerk

Camille Pottinger
Filing Clerk
Operations and HR Department

**HEAD OFFICE**

- **Camille Drummond**  
  Operations Manager

- **Judith Blake**  
  Human Resource Manager

- **Peta-Gay Forbes**  
  Member Service Representative / Telephone Operator

- **Georgiana Morgan**  
  Member Service Representative / Receptionist

- **Trishana Masters**  
  Member Service Representative / Assistant

- **Kerene Powell**  
  Member Service Representative / Telephone Operator

- **Kimberlee Salmon**  
  Member Service Representative / Operations

- **Velma Logan**  
  Filing Clerk
Operations and HR Department

HEAD OFFICE

Nichola Gilbert
Filing Clerk

Petula Fisher-Reynolds
Office Attendant

Andrew Martin
Filing Clerk

Brandon Kirlew
Member Service Representative / Cashier

Topaz Johnson
Member Service Representative / Receptionist

Tanesia Bandoo
Branch Officer

Lisa Bent
Business Development Officer

AAMM CO-OPERATIVE CREDIT UNION LIMITED
2013 ANNUAL REPORT
Regional
MANDEVILLE

Taneca Whyte
Acting Branch Officer / Member Service Representative

Totyana Insular
Member Service Representative

Shadé Parchment
Business Development Officer

Regional
PORTMORE

Ceraphia Roper
Branch Officer

Roshain Watson
Member Service Representative / Loans

Renee Liscombe
Member Service Representative / Cashier

Omar Hall
Member Service Representative / Loans
We value and care for EMPLOYEES, VOLUNTEERS AND OUR COMMUNITY
AAMM Celebrates Our Teachers

On Teachers’ Day, May 8, 2013, AAMM treated its members to health checks, lunch and special gifts. Over 1400 teachers were recognized by the Credit Union at its Head Office and branch locations. The day’s activities reaffirmed the institution’s commitment to forge stronger relationships with its valued members.

Community Involvement

In 2013, AAMM Co-operative Credit Union provided unwavering support for a number of social initiatives and sustained its long-standing partnerships with charitable organizations such as the United Way of Jamaica. For its contributions, AAMM was acknowledged for its support with the United Way’s prestigious Bronze Award, in July 2013.

The Credit Union handed over $3.6 million to Charity, which included funds earmarked for AAMM’s scholarship programme. In August 2013, the Credit Union awarded scholarships valued at approximately $700,000 to 29 deserving students from several schools across the island.
AAMM Partners with Jamaica Observer Meet the Schools for 2013

AAMM recognizes the pivotal role that Education plays in driving innovation and growth in every society. This is why the Organization has thrown its support behind educational initiatives, and participated as a major sponsor of the Jamaica Observers’ Meet the Schools Programme.

Vice President, Hector Stephenson presents Reuel Stewart with his certificate and cheque.

Vice-Principal Gillian Myers of Glowell Prep accepts a gift from AAMM Leighton Walker.

Business Development Officer, Shade Parchment shares lens time with the Head Boy and Head Girl of New Forest Primary in St. Elizabeth.

Grade 4 students at Avondale Prep proudly show off their prizes courtesy of AAMM and Jamaica Observer.

AAMM 2013 Scholarship Recipients and the Executive Team.
Staff Fun Day

As the year drew to a close the Credit Union feted its staff to a fun filled day at Chukka Adventures; Good Hope Estate in Falmouth, Trelawny on December 14, 2013.

AAMM Employees Giving Back To Their Communities

The Organization recognizes that Volunteering is an essential way for employees to connect and build solid relationships with people in surrounding communities. In 2013, AAMM employees were involved in various community outreach-projects which were specifically geared towards improving the lives of the less fortunate. Team members also participated in the Sigma Run 2013. The special, annual event is motivated by the desire to recognize and assist sick children. Employees put on their track shoes and walked and ran the 5 kilometre distance in unity.
Credit Union Week 2013 was celebrated from October 13 to 19. All the activities for this special week were held under the theme “Credit Unions: Unite for Good. A Better Way.” AAMM Co-operative Credit Union hosted a financial forum to kick start Credit Union Week. The forum sought to create awareness among members of the implications and possible solutions that will allow them not only to survive, but to overcome in these difficult times. The forum was held at the Knutsford Court Hotel on October 15. Claudette Crooks-Collie, President of Money Masters Ltd, presented on Wealth Management while Cherryl Hanson-Simpson, Business Mentor and Money Coach presented on Estate Planning.

The highlight of the week of activities was International Credit Union (ICU) Day which was celebrated on Thursday, October 17, 2013. Members of AAMM were treated at all branches to special gifts and refreshment. Megamart Wholesale Club also offered free membership cards and gift vouchers to AAMM members.
Business Development Officer, Peta Gay Campbell welcomes a member with a gift.

President Clide-Nesbeth and General Manager-Elvis King share a light moment with Forum Presenter – Claudette Crooks Collie.

Member fields question to the panel.

Forum Moderator – Sushil Jain and members discuss Wealth Management and Estate Planning.

Forum Presenter Cheryl Hanson-Simpson greets President, Clide Nesbeth. Looking on Marketing Manager, Daidre Sloley.

Mission Statement
The Mission of AAMM Co-operative Credit Union Limited is to maximize member satisfaction by providing quality financial service through motivated and empowered staff and volunteers.

Vision
the financial service of choice by those within our bond.
FINANCIALS

OVERVIEW

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Statement Of Profit Or Loss And Other Comprehensive Income 91
Statement Of Changes In Equity 92
Statement Of Cash Flows 93
Notes To Financial Statements 94
Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Credit Union as of December 31, 2013 and of the financial performance and cash flows of the Credit Union for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Co-operatives Societies Act.

Report on Other Legal Regulatory Requirements

As required by the Co-operative Societies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

[Signature]

WORRICK BOGLE, FCCA FCA CPA

Email: info@bogleandcompany.com
## Statement of Financial Position

**As At December 31, 2013**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Notes</th>
<th>2013</th>
<th></th>
<th>2012</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Earning</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial investments</td>
<td>4</td>
<td>54,356,577</td>
<td>52,785,953</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans, after provision for loan impairment</td>
<td>5</td>
<td>2,128,638,776</td>
<td>1,754,384,939</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td>2,182,995,353</td>
<td>1,807,170,892</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant &amp; equipment</td>
<td>6</td>
<td>70,045,370</td>
<td>61,389,468</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement benefit asset</td>
<td></td>
<td>22,034,310</td>
<td>24,461,310</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td>92,079,680</td>
<td>85,850,817</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Earning</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial investments</td>
<td>4</td>
<td>24,038,894</td>
<td>12,105,051</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquidity assets</td>
<td>7</td>
<td>266,847,933</td>
<td>261,500,937</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans, after provision for loan impairment</td>
<td>5</td>
<td>77,755,339</td>
<td>91,482,320</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>386,642,166</td>
<td>365,088,308</td>
<td></td>
<td></td>
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<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>2,569,637,519</td>
<td>2,172,259,110</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Equity & Liabilities**

<table>
<thead>
<tr>
<th>Equity &amp; Liabilities</th>
<th>Notes</th>
<th>2013</th>
<th></th>
<th>2012</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent shares</td>
<td>10</td>
<td>7,542,990</td>
<td>6,791,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutional capital</td>
<td>12</td>
<td>321,889,911</td>
<td>281,327,502</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-institutional capital</td>
<td>11</td>
<td>54,720,866</td>
<td>48,506,579</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undistributed surplus</td>
<td>13</td>
<td>203,648,759</td>
<td>206,299,780</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total equity &amp; liabilities</strong></td>
<td></td>
<td>587,800,527</td>
<td>542,927,861</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Non-current liabilities:**

| Interest bearing              |       |          |       |          |       |
| Members’ shares (voluntary)   | 14    | 1,284,384,038 | 1,073,552,052 |       |       |
| External credits              | 15    | 93,665,566  | 83,506,499   |       |       |
| **Total non-current liabilities** |       | 1,378,049,604 | 1,157,058,551 |       |       |

**Current liabilities:**

| Interest bearing              |       |          |       |          |       |
| Members’ shares (voluntary)   | 14    | 115,055,689 | 122,581,752 |       |       |
| External credits              | 15    | 20,838,554  | 16,492,502   |       |       |
| Savings deposits              | 14    | 553,681,683 | 429,656,419 |       |       |
| **Total current liabilities** |       | 695,575,336 | 568,731,670 |       |       |

**Total Equity & Liabilities**

| Total Equity & Liabilities    |       |          |       |          |       |
| Total current liabilities     |       | 750,867,509 | 610,430,893 |       |       |
| Total assets                  |       | 2,716,937,670 | 2,310,417,305 |       |       |

Approved by the Board of Directors on April 7, 2014 and signed on its behalf by:

[Signatures]

The accompanying notes form an integral part of these financial statements.
### AAMM CO-OPERATIVE CREDIT UNION LIMITED

#### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

**Year Ended December 31 2013**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on loans</td>
<td>347,172,918</td>
<td>276,231,953</td>
</tr>
<tr>
<td>Interest on investments</td>
<td>18,199,399</td>
<td>23,012,856</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>365,372,317</td>
<td>300,244,809</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>29,551,308</td>
<td>27,443,980</td>
</tr>
<tr>
<td>Shares</td>
<td>52,762,899</td>
<td>35,768,138</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>82,313,897</td>
<td>63,212,118</td>
</tr>
<tr>
<td>Other financial costs</td>
<td>(14,578,975)</td>
<td>(1,131,213)</td>
</tr>
<tr>
<td>Loan loss provision</td>
<td>(9,028,742)</td>
<td>(8,096,090)</td>
</tr>
<tr>
<td><strong>Net interest income after loan loss and financial cost</strong></td>
<td>258,450,703</td>
<td>224,805,388</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee income</td>
<td>14,540,820</td>
<td>10,728,622</td>
</tr>
<tr>
<td>Bad debt recovered</td>
<td>1,896,818</td>
<td>-</td>
</tr>
<tr>
<td>Dividend on shares</td>
<td>400,952</td>
<td>475,501</td>
</tr>
<tr>
<td>Rent</td>
<td>1,117,840</td>
<td>1,291,623</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>17,956,390</td>
<td>12,496,046</td>
</tr>
<tr>
<td>Less operating expenses (note 22)</td>
<td>277,407,093</td>
<td>237,301,434</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>217,595,046</td>
<td>190,010,152</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement benefit - remeasurement</td>
<td>(3,363,000)</td>
<td>2,662,000</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>55,449,047</td>
<td>49,353,332</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
AAMM CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

1 Identification & activities

A.A.M.M. Co-operative Credit Union Ltd is incorporated under the laws of Jamaica and is registered under the Co-operative Societies Act. The credit union's registered office is located at 10 Oxford Terrace, Kingston 5, Jamaica with branches in Portmore, Mandeville and Montego Bay.

The main activities of the credit union are to promote thrift among its members by affording them an opportunity to accumulate their savings and to create for them a source of credit for provident or productive purposes at reasonable rates of interest.

2 Reporting currency

The amounts stated in these financial statements are expressed in Jamaican dollars.

3 Principal accounting principles & basis of preparation & convention

(e) Basis of preparation & convention

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention as modified by the revaluations of available-for-sale investment securities, investments securities through profit and loss and investment property.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Credit Union's accounting policies.

New, revised or amended standards that became effective during the year or earlier

IAS 36 (Amendment) ‘Impairment of assets’ This amendment clarifies that the largest cash generating unit (or group of units) to which goodwill should be allocated for the purpose of impairment testing is an operating segment, as defined by paragraph 5 of IFRS 8, ‘Operating Segments’ (i.e. before the aggregation of segments with similar economic characteristics). The Credit Union does not currently have goodwill on its Statement of Financial Position.

IFRS 5 (Amendment), ‘Non-Current assets held for sale and discontinued operations’. The amendment clarifies that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, in particular paragraph 15 (to achieve a fair value and paragraph 125 (source of estimation uncertainty) of IAS 1.

IFRIC 19, ‘Extinguishing financial liabilities with equity instruments’. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured in difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.
Principal Accounting Principles (cont’d)

If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. The interpretation did not have an impact on the financial statements, as the entity has no debt for equity swap agreements.

IAS 24 (Revised), ‘Related Party disclosures’ (effective for annual periods beginning on or after January 2011). A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the ‘reporting entity’).

A person or a close member of that person’s family is related to a reporting entity if that person:

a. (i) has control or joint control over the reporting entity;
   (ii) has significant influence over the reporting entity; or
   (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

An entity is related to a reporting entity if any of the following conditions applies:

b. (i) The entity and the reporting entity are members of the same group (which means that at least one parent, subsidiary and fellow subsidiary is related to the others);
   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   (iii) Both entities are joint ventures of the same third party.
   (iv) One entity is a joint venture of a third entity and the other entity is an associate of that third entity.
   (v) The entity is a post-employment defined benefit plan for the benefit of employees of either the
      reporting entity or an entity related to the reporting entity. If the reporting entity itself is such a plan,
      the sponsoring employers are also related to the reporting entity.
   (vi) The entity is controlled or jointly controlled by a person identified in (a).
   (vii) A person identified in (a) has significant influence over the entity or is a member of the key
      management personnel of the entity (or of a parent of the entity).

IFRS 13 (Amendments) ‘Payments of a minimum funding requirement’ (effective for annual periods beginning 1 January 2011). The amendments correct an unintended consequence of IFRIC 14, IAS 19 - ‘The limit on a defined benefit asset, minimum funding requirements and their interaction’. Without the amendments, entities are not permitted to recognise as an asset any voluntary prepayments for a minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments corrected this.

IAS 19 (Amendment), Employee Benefits’ (effective for annual periods beginning on or after 1 January 2013). These amendments eliminate the corridor approach and calculate finance costs on a net funding basis. The significant changes affecting the Credit Union are that actuarial gains and losses are renamed ‘remeasurements’ and will be recognised immediately in other comprehensive income. Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in the profit or loss. Remeasurements recognised in other comprehensive income will be recycled through profit or loss in subsequent periods. These annual income or expenses for funded benefit plans will include net interest expenses or income, calculated by applying the discounted rate to the net defined benefit asset or liability. This will replace the finance charge and expected return on plan assets. Additional disclosures are required to present the characteristics of benefit plans, the amounts recognised in the financial statements and the risks arising from defined benefit plans and multi-employer plans.

Principal Accounting Principles (cont’d)

IFRS 19, ‘Fair Value Measurement’ (effective for annual periods beginning on or after 1 January 2013). The standard explains how to measure fair value for financial reporting. It defines fair value; sets out in a single IFRS a framework for measuring fair value; and requires disclosures about fair value measurements. This standard applies to those standards that require or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances.

New, revised or amended standards, and interpretations of standards, not yet effective


IFRS 9, ‘Financial Instruments’ (effective for annual periods beginning on or after 1 January 2016). This standard on classification and measurement of financial assets and financial liabilities will replace IAS 39, ‘Financial instruments: Recognition and measurement’. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortized-cost accounting for most financial liabilities. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

IAS 16, Property, Plant and Equipment, has been amended to clarify that the definition of property plant and equipment in IAS 16 is now considered in determining whether spare parts, standby equipment in determining whether spare parts, standby equipment and servicing equipment should be accounted for under the standard. If these items do not meet the definition, then they are accounted for using IAS 2, Inventories.

(b) Revenue recognition

i. Interest income and expenses Interest income and expenses are recognised in the profit and loss account for all interest-bearing instruments on an accrual basis using the effective yield method based on the actual purchase price. Interest income includes coupons earned on fixed income investments and accrued discount on Treasury Bills and other discounted instruments.

The regulations stipulate that where collection of interest income is considered doubtful or payment is outstanding for 90 days or more, interest should be accounted for on the cash basis,

IFRS require that when loans become doubtful of collection, they are written down to their recoverable amounts and interest income is thereafter recognised based on the rate of interest that was used to discount the future cash flow for the purpose of measuring the recoverable amount.

ii. Fee and commission

Fee and commission income are generally recognised on an accrual basis when the service has been provided.
### Principal accounting principles

#### III. Dividend Income

Dividend income is recognised when the right to receive payment is established.

#### (c) Depreciation

Property, plant & equipment are depreciated using the straight line method at rates designed to write off their cost over their estimated useful lives. However, depreciation is prorated on a monthly basis during the year of purchase, except for addition to building. Fixed assets are reviewed periodically for impairment. Where the carrying amount of an asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The rates of depreciation are as follows:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer &amp; equipment</td>
<td>20%</td>
</tr>
<tr>
<td>Furniture &amp; fixtures</td>
<td>10%</td>
</tr>
<tr>
<td>Building</td>
<td>2.5%</td>
</tr>
<tr>
<td>Computer software</td>
<td>33.33%</td>
</tr>
</tbody>
</table>

#### (d) Investments

Management determines the classification of investments at times of purchase into held to maturity and available for sale. Loans and advances which are provided directly to borrowers are classified as originated debts.

They are initially recorded at cost which is the cash given to originate the debt including any transaction costs and are subsequently measured at amortised cost. Investments purchased on the secondary market which are intended to be held for an indefinite period of time and may be sold in response to liquidity needs or changes in interest rate are classified as available for sale. These investments are initially recognized at cost but are subsequently re-measured at fair value. Unrealised gains and losses arising from changes in fair values of securities classified as available for sale are recognized in equity. When securities are disposed of or impaired, the related accumulated fair value adjustments are included in the statement of revenue and expenses as gains and losses from investment securities.

A financial asset is considered impaired if its carrying amount exceeds its recoverable amount. The amount of the impairment loss for assets carried at amortised cost is calculated as the difference between the asset’s carrying amount and the present value of expected future cash flows discounted at the original effective rate. The recoverable amount of a financial asset is the present value of expected future cash flows discounted at the current market interest rate for a similar financial asset. All purchases and sales on investment securities are recognized at settlement date.

#### (e) Foreign currency

Foreign currency transactions during the year are converted at the rates ruling on the transaction date while assets and liabilities at year end are translated at the rates ruling at the date of the statement of financial position date. Gains and losses arising from fluctuations are included in the statement of comprehensive income.

#### (f) Originating loans and allowance for impairment and losses

Loans are recognized when cash is advanced to borrowers. They are initially recorded at cost, which is the cash given to originate the loan including the transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

An allowance for loan impairment is established if there is objective evidence that the Credit Union will not be able to collect all amounts due according to the original contractual terms of the loans. The amount of the provision is the difference between the carrying amount and recoverable amount, being the present value of expected cash flows, including amounts from guarantees and collateral, discounted at the original effective interest rate of loans. When a loan is classified as impaired, recognition of interest in accordance with the terms of the original loan ceases, and interest is accounted for on the cash basis.

The Credit Union also adheres to the Jamaica Co-operative Credit Union League provisioning policy of making full provision for loans in arrears for over one year and general provision of 10%-60% in respect of loans in arrears 2-12 months.

#### (g) Institutional capital

Institutional Capital includes the Statutory Reserve Fund as well as various other reserves established from time to time as is deemed necessary by the Directors to support the operation of the credit union and thereby protect the interest of the members. These reserves are not available for distribution.

#### (h) Employee benefits

The credit union participates in a defined benefit scheme. The Pension scheme is funded mainly from payments by the employees and company. The credit union league administers the scheme with the recommendations of qualified independent actuaries. The credit union’s contributions to the scheme are charged to expenditure in the year to which they relate. The defined benefit obligation is calculated using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by the use of a discount rate which is comparable to the rate on government bonds for a similar amount and duration. (see note 21)

#### (i) Financial instruments

Financial instruments carried on the statement of financial position include loans, liquid assets, cash and bank balances as well as interest and other receivables. Currently all financial instruments are carried at cost and it is the opinion of management that the costs approximately equate with the fair value of such instruments.
5 Loans

Loans originated by the credit union

<table>
<thead>
<tr>
<th>Maturity schedule</th>
<th>Within 3 Months</th>
<th>3 to 12 Months</th>
<th>1 to 5 Years</th>
<th>Over 5 Years</th>
<th>Carrying Value</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans to individuals</td>
<td>10,350,848</td>
<td>77,341,090</td>
<td>1,201,666,266</td>
<td>926,972,510</td>
<td>2,216,330,714</td>
<td>1,855,786,530</td>
</tr>
<tr>
<td>Less provision for loan loss</td>
<td>9,936,599</td>
<td>9,936,599</td>
<td>9,909,271</td>
<td>9,909,271</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>10,350,848</td>
<td>77,341,091</td>
<td>1,201,666,266</td>
<td>926,972,510</td>
<td>2,206,384,115</td>
<td>1,845,877,259</td>
</tr>
</tbody>
</table>

The number of loan accounts are

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,521</td>
<td>8,099</td>
</tr>
</tbody>
</table>

Total non-performing loans

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>234</td>
<td>213</td>
</tr>
</tbody>
</table>

Allowance for loan loss at the beginning of year

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,909,271</td>
<td>5,085,245</td>
</tr>
</tbody>
</table>

Additional provision

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,098,742</td>
<td>8,096,090</td>
</tr>
</tbody>
</table>

Amount recovered during the year

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>(9,061,414)</td>
<td>(3,282,064)</td>
</tr>
</tbody>
</table>

Net provision at end of year

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,936,599</td>
<td>9,909,271</td>
</tr>
</tbody>
</table>

Loans to members

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summary</td>
<td>$</td>
</tr>
<tr>
<td>Balance at start of year</td>
<td>1,855,786,530</td>
</tr>
<tr>
<td>Loans granted</td>
<td>1,406,466,308</td>
</tr>
<tr>
<td>Loans repaid</td>
<td>3,262,252,838</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>1,045,922,124</td>
</tr>
<tr>
<td>2,216,330,714</td>
<td>1,855,786,530</td>
</tr>
</tbody>
</table>
## Notes to Financial Statements

**Year Ended December 31, 2013**

### 7 Liquid assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Carrying value 2013</th>
<th>Carrying value 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayberry Investment Ltd - term deposit</td>
<td>55,403,288</td>
<td>25,189,839</td>
</tr>
<tr>
<td>Jamaica Money Market Brokers Ltd - term deposit</td>
<td>61,440,419</td>
<td>65,963,314</td>
</tr>
<tr>
<td>Credit Union Fund Management Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Certificate of Deposits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- CU Cash</td>
<td>106,001,575</td>
<td>132,896,951</td>
</tr>
<tr>
<td></td>
<td>44,002,651</td>
<td>37,650,833</td>
</tr>
<tr>
<td></td>
<td>266,847,933</td>
<td>261,500,937</td>
</tr>
</tbody>
</table>

### 8 Other assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory</td>
<td>1,127,967</td>
<td>717,566</td>
</tr>
<tr>
<td>Withholding tax</td>
<td>2,451,988</td>
<td>5,256,013</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>32,246,888</td>
<td>22,368,542</td>
</tr>
<tr>
<td>C.U.E.T.S</td>
<td>7,830,068</td>
<td>1,861,011</td>
</tr>
<tr>
<td>Other receivables</td>
<td>2,590,258</td>
<td>1,866,187</td>
</tr>
<tr>
<td>Prepaid Insurance</td>
<td>751,504</td>
<td>483,924</td>
</tr>
<tr>
<td></td>
<td>46,998,583</td>
<td>32,573,143</td>
</tr>
</tbody>
</table>

### 9 Cash & bank balances

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Commercial Bank Jamaica Limited</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Current account</td>
<td>12,808,894</td>
<td>10,746,335</td>
</tr>
<tr>
<td>- Savings account</td>
<td>3,268,144</td>
<td>3,227,259</td>
</tr>
<tr>
<td>- Savings account denominated in US Dollar</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in hand</td>
<td>9,054,983</td>
<td>8,051,110</td>
</tr>
<tr>
<td></td>
<td>25,921,979</td>
<td>22,723,548</td>
</tr>
</tbody>
</table>

### 10 Permanent shares

This represents equity in the Credit Union which cannot be withdrawn or transferred to another member or purchased by the Credit Union through its permanent shares reserve fund.

### 11 Non-institutional capital

This represents amounts set aside to facilitate outreach and development activities of the credit union.

### 12 Institutional capital

(a) **Statutory Reserve**

Pursuant to the Co-operative Societies Act Credit Unions are required to transfer to a Statutory Reserve all entrance fees collected and a minimum of 20% of net surplus.

(b) **Special Reserve**

This reserve represents amounts appropriated by members to strengthen the capital base of the Credit Union and is not available for distribution.
13 Undistributed surplus
This represents amount available for distribution to the members of the Credit Union

14 Interest bearing liabilities

<table>
<thead>
<tr>
<th>Maturity schedule</th>
<th>3 to 12 Months</th>
<th>1 to 5 Years</th>
<th>Over 5 Years</th>
<th>Carrying value</th>
<th>Carrying value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>current</td>
<td>non-current</td>
<td></td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td>Members’ shares</td>
<td>$19,315,763</td>
<td>$9,739,920</td>
<td>$99,607,809</td>
<td>294,770,229</td>
<td>$1,399,436,727</td>
</tr>
<tr>
<td>Regular deposits</td>
<td>$553,621,093</td>
<td>-</td>
<td>-</td>
<td>572,996,656</td>
<td>429,656,419</td>
</tr>
<tr>
<td></td>
<td>$26,830,554</td>
<td>$93,885,995</td>
<td></td>
<td>120,724,150</td>
<td>100,000,000</td>
</tr>
</tbody>
</table>

Security:
(i) First legal mortgage stamped $76,900,000 over commercial property located at 10 Oxford Terrace, Kingston 5, registered at volume 956 Folio 140 in the name of AAMM Co-operative Credit Union Limited.

Perin insurance with sum insured of $70,000,000 to be assigned to the lender.

(ii) Charge over loan receivables in the amount of $200,000,000.
The loan interest rate is at 9.25% per annum with duration of sixty months.

16 Non-interest bearing liabilities

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Withholding tax</td>
<td>246,993</td>
</tr>
<tr>
<td>Audit &amp; accounting fees</td>
<td>852,389</td>
</tr>
<tr>
<td>Payables &amp; accruals</td>
<td>9,112,186</td>
</tr>
<tr>
<td>Standing order</td>
<td>4,422,555</td>
</tr>
<tr>
<td>Temporary collections</td>
<td>4,183,347</td>
</tr>
<tr>
<td>Prospective members’ savings</td>
<td>2,101,069</td>
</tr>
<tr>
<td>Interest payable *</td>
<td>33,095,538</td>
</tr>
<tr>
<td><strong>Total Non-interest bearing liabilities</strong></td>
<td>55,752,173</td>
</tr>
</tbody>
</table>

* interest payable includes interest on voluntary shares.

17 Financial risk management

(a) Fair values

Fair value amounts represent estimates of the arm’s length consideration that would be currently agreed upon between knowledgeable and willing parties who are under no compulsion to act. This is best evidenced by a quoted market price.

Many of the society’s financial instruments lack an available trading market. Therefore, these instruments have been valued using other valuation techniques and may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.

The fair values of cash resources, securities purchased under resale agreements, other assets, and other liabilities, are assumed to approximate their carrying values due to their short-term nature.

The fair value of the quoted equities is determined based on their quoted bid price at the statement of financial position date. The fair value of Government of Jamaica securities is estimated by discounting the future cash flows of the securities at the estimated yields at the date of the statement of financial position for similar securities. The estimated fair values of loans to members are assumed to be the principal receivable less any allowance for loan losses.

The fair value of external credits, deposits payable on demand or after notice, and deposits with a variable or floating rate payable on a fixed date are assumed to be equal to their carrying values.

The estimated fair values of fixed rate deposits payable within a year are assumed to approximate their carrying values, due to their short-term nature.

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

<table>
<thead>
<tr>
<th>2013</th>
<th>2013</th>
<th>2012</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair</td>
<td>Carrying</td>
<td>Fair</td>
<td>Carrying</td>
</tr>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Financial assets:

- Loans and advances: $2,206,394,115, $2,206,394,115, $1,845,877,259, $1,845,877,259
- Liquid assets: $292,769,812, $292,769,812, $284,224,482, $284,224,482
- Non-earning assets: $165,300,152, $165,300,152, $142,300,045, $142,300,045

Financial liabilities:

- Savings deposits: $553,681,063, $553,681,063, $429,656,419, $429,656,419
- Members’ share capital: $1,389,436,727, $1,389,436,727, $1,196,133,804, $1,196,133,804

(b) Insurance

The Credit Union has in place the following insurance coverages which are deemed adequate:
- Fidelity Bond
- Life Savings & Loan Protection
- General all risks
(iv) Exposure to credit risk
The carrying amount of financial assets represents the maximum exposure to credit risk (before application of collateral held) which at the statement of financial position date was:

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans to members, net</td>
<td>2,206,394,115</td>
<td>1,845,677,289</td>
</tr>
<tr>
<td>Liquid assets - earning</td>
<td>206,847,933</td>
<td>261,500,937</td>
</tr>
<tr>
<td>Financial investments</td>
<td>54,356,577</td>
<td>52,785,953</td>
</tr>
<tr>
<td>Liquid assets - non-earning</td>
<td>25,921,879</td>
<td>22,723,545</td>
</tr>
<tr>
<td>Non-earning assets - other</td>
<td>139,378,272</td>
<td>116,792,960</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,692,898,776</td>
<td>2,301,080,054</td>
</tr>
</tbody>
</table>

There has been no change to the Credit Union’s exposure to credit risk or the manner in which it manages and measures the risk.

(v) The credit quality of loans is summarised as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neither past due nor impaired</td>
<td>2,192,061,414</td>
<td>1,830,166,675</td>
</tr>
</tbody>
</table>

Past due but not impaired:

<table>
<thead>
<tr>
<th>Period</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 to 3 months</td>
<td>4,296,080</td>
<td>6,473,081</td>
</tr>
<tr>
<td>3 to 6 months</td>
<td>8,306,489</td>
<td>7,479,340</td>
</tr>
<tr>
<td>6 to 12 months</td>
<td>11,696,751</td>
<td>11,623,226</td>
</tr>
<tr>
<td>Over 12 months</td>
<td>-</td>
<td>44,228</td>
</tr>
<tr>
<td>Less provision for loan losses</td>
<td>(9,936,599)</td>
<td>(9,009,271)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,208,384,115</td>
<td>1,845,677,289</td>
</tr>
</tbody>
</table>
Liquidity risk cont'd

<table>
<thead>
<tr>
<th>Within 3</th>
<th>3 to 12</th>
<th>1 to 5</th>
<th>Over 5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Months</td>
<td>Months</td>
<td>Years</td>
<td>Years</td>
<td>maturity</td>
</tr>
<tr>
<td>Cash resources</td>
<td>292,769,812</td>
<td>-</td>
<td>202,769,812</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Available for sale</td>
<td>24,038,894</td>
<td>14,719,403</td>
<td>39,640,084</td>
<td>78,395,471</td>
</tr>
<tr>
<td>Loans</td>
<td>10,350,849</td>
<td>67,404,676</td>
<td>1,201,666,256</td>
<td>926,972,510</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>303,120,660</td>
<td>91,443,385</td>
<td>1,215,328,759</td>
<td>1,105,990,867</td>
</tr>
<tr>
<td>Deposits</td>
<td>553,681,093</td>
<td>-</td>
<td>-</td>
<td>553,681,093</td>
</tr>
<tr>
<td>External credits</td>
<td>-</td>
<td>26,838,654</td>
<td>93,885,606</td>
<td>-</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>55,292,173</td>
<td>-</td>
<td>-</td>
<td>55,292,173</td>
</tr>
<tr>
<td>Members shares</td>
<td>19,315,763</td>
<td>95,739,926</td>
<td>989,607,809</td>
<td>294,770,229</td>
</tr>
<tr>
<td>Total</td>
<td>629,299,030</td>
<td>122,578,490</td>
<td>1,093,493,405</td>
<td>294,770,229</td>
</tr>
<tr>
<td>Total liquidity Gap</td>
<td>(325,168,370)</td>
<td>(31,135,095)</td>
<td>132,689,354</td>
<td>811,214,638</td>
</tr>
<tr>
<td>Cumulative Gap</td>
<td>(325,168,370)</td>
<td>(356,303,456)</td>
<td>(224,414,111)</td>
<td>587,800,527</td>
</tr>
</tbody>
</table>

The following table presents the undiscounted contractual maturities of financial liabilities, including interest payments, on the basis of their earliest possible contractual maturity:

<table>
<thead>
<tr>
<th>Within 1</th>
<th>3 to 12</th>
<th>1 to 5</th>
<th>Over 5</th>
<th>Carrying Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month</td>
<td>Months</td>
<td>Months</td>
<td>Years</td>
<td>Months</td>
</tr>
<tr>
<td>Savings deposits</td>
<td>553,681,093</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Members' share</td>
<td>19,315,763</td>
<td>95,739,926</td>
<td>989,607,809</td>
<td>-</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>55,292,173</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>55,292,173</td>
<td>572,996,856</td>
<td>95,739,926</td>
<td>989,607,809</td>
</tr>
</tbody>
</table>

For this purpose, liquid assets include cash and bank balances, deposits held with JCCUL and highly liquid investments which are readily converted into cash within three months. The liquid asset ratio at the end of the end of the year was 1:2.30 (2012: 1.2.54). There has been no change to the Credit Union's exposure to liquidity risk or the manner in which it manages and measures the risk.
(i) Liquidity risk cont’d

Members’ Voluntary share capital can be withdrawn at the option of the members, unless they are held as security for loans and guarantees, and will therefore affect the liquidity position of the Credit Union. These have no contractual maturity. The amounts included in the analysis are based on management’s estimate of flows on expected cash these instruments as determined by retention history. These may vary significantly from actual cash flows which are generally expected to maintain a stable or increasing balance.

(e) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. These arise mainly from changes in interest rate, foreign currency rate and equity prices and will affect the Credit Union’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Market risk exposures are measured using sensitivity analysis. There has been no change to the Credit Union’s exposure to market risks or the manner in which it manages and measures the risk.

(f) Currency risk

Currency risk is the risk that the market value of, or the cash flows from, financial instruments will vary because of exchange rate fluctuations. The Credit Union does not deal in foreign currencies but currently has a foreign currency savings account. There is therefore exposure to foreign currency risk at this time.

(ii) Interest rate risk

A summary of the Credit Union’s interest rate gap position is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Within 3 Months</th>
<th>Within 3 Months</th>
<th>Over 12 Months</th>
<th>Carrying Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>10,350,848</td>
<td>67,404,491</td>
<td>2,128,638,776</td>
<td>2,206,394,115</td>
</tr>
<tr>
<td>Liquid assets</td>
<td>286,047,933</td>
<td>-</td>
<td>-</td>
<td>286,047,933</td>
</tr>
<tr>
<td>Financial investments</td>
<td>24,038,984</td>
<td>-</td>
<td>54,356,577</td>
<td>78,395,471</td>
</tr>
<tr>
<td>Total</td>
<td>301,337,875</td>
<td>67,404,491</td>
<td>2,192,995,353</td>
<td>2,551,437,516</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings deposits</td>
<td>553,681,093</td>
<td>-</td>
<td>-</td>
<td>553,681,093</td>
</tr>
<tr>
<td>Loan</td>
<td>-</td>
<td>26,838,564</td>
<td>93,885,596</td>
<td>120,724,150</td>
</tr>
<tr>
<td>Members’ shares</td>
<td>19,315,763</td>
<td>95,739,926</td>
<td>989,607,809</td>
<td>1,104,563,498</td>
</tr>
<tr>
<td>Total</td>
<td>572,995,656</td>
<td>122,578,480</td>
<td>1,083,493,405</td>
<td>1,779,068,741</td>
</tr>
<tr>
<td>Total interest rate gap</td>
<td>(271,759,181)</td>
<td>(55,173,089)</td>
<td>1,099,501,948</td>
<td>772,568,778</td>
</tr>
<tr>
<td>Cumulative gap</td>
<td>(271,759,181)</td>
<td>(326,933,170)</td>
<td>772,568,778</td>
<td>-</td>
</tr>
</tbody>
</table>
21 Retirement benefit asset

The amounts recognised in the statement of financial position are determined as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>Restated 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present Value of obligations</td>
<td>$48,254</td>
<td>$42,397</td>
</tr>
<tr>
<td>Fair Value of Plan Assets</td>
<td>$(70,588)</td>
<td>$(63,888)</td>
</tr>
<tr>
<td>Asset recognised in the Statement of Financial Position</td>
<td>$(22,334)</td>
<td>$(21,491)</td>
</tr>
</tbody>
</table>

Changes in the Present Value of the obligation

<table>
<thead>
<tr>
<th>Component</th>
<th>2013</th>
<th>Restated 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present value of obligation at beginning of period</td>
<td>$42,397</td>
<td>$38,947</td>
</tr>
<tr>
<td>Employer's current service cost</td>
<td>$1,770</td>
<td>$1,899</td>
</tr>
<tr>
<td>Employer's contributions</td>
<td>$2,965</td>
<td>$2,459</td>
</tr>
<tr>
<td>Interest cost</td>
<td>$4,533</td>
<td>$4,240</td>
</tr>
<tr>
<td>Benefit paid</td>
<td>$(1,407)</td>
<td>$(381)</td>
</tr>
<tr>
<td>Actuarial gain experience adjustments</td>
<td>$(1,165)</td>
<td>$805</td>
</tr>
<tr>
<td>Actuarial (gain)/loss - changes in financial assumptions</td>
<td>$(839)</td>
<td>$(5,572)</td>
</tr>
<tr>
<td>Present Value of the obligation at end of period</td>
<td>$48,254</td>
<td>$42,397</td>
</tr>
</tbody>
</table>

Changes in the Fair value of the Plan Asset

<table>
<thead>
<tr>
<th>Component</th>
<th>2013</th>
<th>Restated 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present value of Plan Asset at beginning of period</td>
<td>$63,888</td>
<td>$54,207</td>
</tr>
<tr>
<td>Employer's contributions</td>
<td>$2,965</td>
<td>$2,459</td>
</tr>
<tr>
<td>Employer's contributions</td>
<td>$4,206</td>
<td>$3,568</td>
</tr>
<tr>
<td>Interest income</td>
<td>$7,011</td>
<td>$5,874</td>
</tr>
<tr>
<td>Benefit paid</td>
<td>$(1,407)</td>
<td>$(381)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>$(331)</td>
<td>$(296)</td>
</tr>
<tr>
<td>Actuarial (gain)/loss on Plan Asset</td>
<td>$(5,744)</td>
<td>$(1,544)</td>
</tr>
<tr>
<td>Present value of the obligation at end of period</td>
<td>$70,588</td>
<td>$63,888</td>
</tr>
</tbody>
</table>

Discount rate at beginning of period 10.5% 10.0%
Discount rate at end of period 9.5% 10.6%

The above figures are based on actuarial valuation.
### Administrative expenses:

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2012</th>
<th>Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, allowances &amp; statutory contributions</td>
<td>85,376,978</td>
<td>64,806,033</td>
<td></td>
</tr>
<tr>
<td>Staff benefits</td>
<td>20,376,603</td>
<td>16,952,226</td>
<td></td>
</tr>
<tr>
<td>Staff training</td>
<td>2,778,991</td>
<td>2,318,579</td>
<td></td>
</tr>
<tr>
<td>Travelling &amp; related expenses</td>
<td>2,192,560</td>
<td>1,079,000</td>
<td></td>
</tr>
<tr>
<td><strong>General overheads</strong></td>
<td><strong>110,725,132</strong></td>
<td><strong>85,154,838</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Audit & supervision:
- 2,431,380
- 17,550

### Bank charges:
- 305,746

### Cleaning & sanitation:
- 2,206,835

### Depreciation:
- 7,274,015

### Office rental:
- 4,169,486

### Insurance premiums:
- 9,619,912

### Office expenses:
- 2,857,808

### Printing & stationery:
- 5,092,711

### Professional fees:
- 3,444,921

### Repair & maintenance:
- 2,430,759

### Security:
- 5,897,260

### Telephone, cable, postage & telegram:
- 10,551,774

### Electricity:
- 7,388,439

### Rates & taxes:
- 602,865

### Marketing & promotion:
- 17,214,705

### Affiliation & representation:
- Stabilization dues: 5,690,266
- League fees: 4,582,000
- League meetings: 2,837,837
- Board & committee meetings: 6,990,728
- Annual general meeting: 6,263,010
- **Total operating expenses**: 217,595,046

---

### Net Loans/Total Assets
- 2013: 81.21%
- 2012: 79.78%
- Budget: 80%

### Net Loans/Total Savings
- 2013: 71.48%
- 2012: 70.28%
- Budget: 70%

### Risk Indicators
- Delinquency: 0.63%
- Zero-cost funds: ≥ 15%
- * Operating expenses: Enough to cover

### Rates of Return & Costs
- Net Loan Income/Avg. Net Loan Portfolio
- Financial Costs: Non-Earning Assets

### Asset Quality
- Non-Earning Assets/Total Assets
- Zero-Cost Funds/Non-Earning Assets

### Liquidity
- Total Liquidity/Total Savings
- Short-Term Payable/Total Deposit

### Signs of Growth
- Total Assets
- Membership

### Note: Inflation
- Annual inflation rate: 9.00%
RESOLUTION FOR AMALGAMATION OF AAMM CO-OPERATIVE CREDIT UNION LIMITED WITH THE UWI (MONA) & COMMUNITY CO-OPERATIVE CREDIT UNION LIMITED

Whereas AAMM Co-operative Credit Union Ltd. has 18,406 members and assets of $2,717,732,813.00 as at December 31, 2013 and

Whereas UWI (Mona) & Community Co-operative Credit Union Ltd. has 13,286 members and assets of $2,049,077,898.00 as at December 31, 2013, and

Whereas both Credit Unions can benefit greatly from the pooling of resources and the resultant economies of scale.

Be it resolved that the Annual General Meeting of the AAMM Co-operative Credit Union Limited agrees that the Credit Union shall be amalgamated with the UWI (Mona) & Community Co-operative Credit Union Ltd., as long as the members of that Credit Union agree on the following conditions:

The name of the amalgamated Society shall be decided by both Credit Unions

The effective date of amalgamation and registration of the amalgamated Society shall be the 1st of April 2015.

The Registered Head Office of the amalgamated Society shall be decided on by both Credit Unions and included in the new Rules.

The Rules of the amalgamated Society shall be decided on by both Credit Unions and approved by the Registrar of Co-operative Societies and Friendly Societies.

All members of each of the amalgamating societies AAMM Co-operative Credit Union Limited and UWI (Mona) & Community Co-operative Credit Union Limited when the resolution of amalgamation is registered, shall be members of the amalgamated society, each of whom respectively shall have recorded in the books of the amalgamated society the like amounts of shares, loans, deposits, dividends and interest as are shown in his/her account in the books of the society of which he or she is a member at the date of such registration.

The amalgamated society shall be credited with all the assets of the AAMM Co-operative Credit Union Limited and UWI (Mona) & Community Co-operative Credit Union Limited at the date of registration and shall undertake all the obligations affecting both of the said Credit Unions at such date.

The Board of Directors of AAMM Co-operative Credit Union Limited, duly appointed by its members, shall be given the right to assume all responsibilities to ensure that the regulatory, financial, accounting and operating standards of the Co-operative Movement are duly adhered to, in discharging this obligation.

The interim Board of Directors, Supervisory and Credit Committee shall be decided by both Credit Unions and approved by the Registrar of Co-operative Societies and Friendly Societies until the first Annual General meeting of the amalgamated Credit Union.

Moved By

Michael Brydson
Secretary to the Board of Directors

Seconded By

Clide Leo Nesbeth
President of the Board

LIST OF DECEASED MEMBERS

Thelma Samouge
Nerrica E. Bartley
Dahlia Repole
Monica Green
Beverley Campbell
Janice Dias
Paulette Clue
Denver Housen
Raymond O. Whitely
Deborah Campbell
Claudette E. Lewin
Rhodan J. Rainford-Hall
Leca Fagan
Willard A. Gordon
Veronica Williams
Karen U. Foster
Earl Samuels
Leslie Wisdom
Oswald D. Baker
Murron A. Gayle-Lindo
Stanley Williams
Manya Mattis
Stephen Brown
Andrew L. Brown
Lisa L. Elliott
Joslyn Thomas
Lisa N. Clough
Novlette Kelly
Kirk O. Thomas
Are you retired or nearing retirement? Then the Diamond Reserve Club is for you.

The Diamond Reserve Club is a flexible savings account with great interest rates, tailored exclusively for persons 60 years and older. It's never too late to start planning and with the help of the Diamond Reserve Club, the future can be whatever you desire.

- Earn great returns on your savings, so your money grows faster.
- No Fees! So your money, stays your money.
- With a minimum deposit of only $5,000 it’s an account for everyone.

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