

BOARD OF DIRECTORS REPORT 60TH ANNUAL GENERAL MEETING June 12th, 2009

Greetings and Welcome to all members and invited guests of the St. Martin's Credit Union to this year 60th Annual General Meeting. This report covers the period April 1st 2008 to March 31st 2009. This year has been especially challenging and your Board of Directors has had to really persevere and confront these challenges in order to effectively manage the Credit Union and to announce that we have once again registered another successful year. Let us applaud the hard work of the Management, Staff and Members of the Credit Union for their hearty support in making this year a good one.

How do you measure the performance of a Credit Union? Do we look at asset growth, increase in membership, net income, or the many categories that the PEARLS system utilizes to gauge a Credit Union performance. Well let us examine our Credit Union. Currently our assets stand at (\$12,200,000), which is an impressive 11.6% over last year figures. As I normally point out this is a remarkable achievement given the level of competition we face in our local market area especially from the banks, and as I understand Alliance Bank has also opened an office in downtown San Ignacio. But St. Martin is strong enough to compete and be successful. This remarkable growth can be attributed to the belief the members have in their own institution. And to effectively prove the point the fact that our Credit Union recorded a net profit of over \$607, 628 dollars is also testimony to the credibility of Credit Unions in the face of competition in the financial markets.

Highlights for this year at our Credit Union include major infrastructural developments, acquiring additional staff, significant increases in our net income; substantial increases in loan applications, loan approvals and loan disbursements, training sessions for both Staff and Joint Officers which led to a high degree of professionalism, better customer care, efficiency, and ultimately a successful year. The St. Martin Credit Union has experienced a positive asset growth of 11.6%. Once again we attracted over five hundred new members (557) that opened substantial accounts and therefore shares growth was 14.2%. There was over one million dollars in savings deposited into St. Martin Credit Union this year; and this increase in savings has allowed us to service and provide loan funds for our members. So definitely we need to continue the practice of saving generously.

With regards to our staff, this year we have increased the number with the addition of two new tellers; Diana Gregorio and Jarvin Ojeda. This was done to accommodate a larger workload caused by increased business and to maintain the effectiveness of service to you the members. The Board of Directors also restructured our management and staff. We now have two full time loan officers, who also deal with delinquency. Mrs. Maureen Reyes was promoted to Assistant Accountant to help with the increased demand for financial information by the Central Bank and to assist with CUMIS. Other staff members were assigned key positions to ensure transparency and efficiency. In order to make the Credit Union a more pleasant environment for our customers we embarked on a renovation project that witnessed the remodeling of the upstairs portion of the Credit Union. The Accounts and Loans personnel occupy these offices and now members can conduct their business with a greater degree of privacy. The Collective Bargaining agreement signed last year with Christian Workers Union on behalf of the staff will also be renegotiated this year.

St. Martin Credit Union continues to build goodwill and credibility within the community by assisting High School children with financial aid and scholarships. We assist with the Elementary School feed the children program; we give donations for sports, to schools for miscellaneous items such as fans, desk, honor plaques, amongst other items. Our program to assist Sixth Form students with loans continues to be an unqualified success. In fact the Belize Natural Energy Trust Fund lauded our program and decided to invest by putting up \$100,000 that we can use to lend to students for tertiary education, especially those attending Sacred Heart Sixth Form, Galen University and the University of Belize, at the Associate and Bachelors level.

This year we have witnessed the failure of many financial institutions in the world. The mega-finance engine Wall Street collapsed!!! There has been a major global meltdown of financial institutions such as banks, loans and savings, and companies going under and many people have lost their hard earned savings. In Belize we have heard of the failure of CLICO, a large insurance agency, we have heard of bank failures in Trinidad and Jamaica amongst others. These events and incidents affect our economy, they affect investor confidence, they usher in loss of employment as companies fold and ultimately they affect our abilities to provide for our families. Therefore to combat these travails we need to ensure that our Credit Union is strong, in governance, in financial management and in membership growth. And as the caption on the credit union symbol represents "save for a rainy day" and at St Martin Credit Union that is what we do. At the end of the day when the economy is underperforming, when there is great need for assistance, we have to be there for our members, and they in return must believe that their union is strong enough to prevail in the face of adversity and be able to overcome these problems. The Credit Union must always focus on what is best for our members and work together because as your able Vice- President often reminds me, "Our members are most important and it is people who help people".

So what do families need? Obviously we need the basics; housing, food, education, transportation and health. But spiraling costs for education and health threaten to overwhelm us. SMCU has a program to help with the education and we will commence to build a health fund. Our community also has other needs; better streets, more clinics, more schools and other pressing concerns, not to mention a reduction in crime and help for our teens. Is it solely the government responsibilities? Definitely not!!! How do we as a Credit Union help our people to combat these ailments? We need to pool together our resources to provide for those among us less fortunate? How do we prepare for an uncertain financial future? We plan and work together to bring these plans to fruition. Strategic Plans to help guide the current and future activities of the Union are in process. The BCUL has engaged several consultants to assist us in ensuring that Credit Unions are strong. There have been several meetings and workshop sessions conducted and currently we are working with the Belize Credit Union League to complete the strategic plans. Some of the areas where we are concentrating on are in increased services to be offered, improvement of staff, developing a St. Martin Credit Union Foundation Fund and better infrastructure (improved lobby space) to provide a more aesthetic and pleasant environment to conduct business.

St. Martin Credit Union has embarked on several new initiatives, particularly on the financial front. We have completed our negotiation with Belize Electricity Board to have our members pay their bills at St. Martin Credit Union. By the end of June we will be able to pay some of our utility bills here at the Credit Union. Additionally, the BCUL insurance program which took effect on July 1st 2008 is working well. No longer do we have to pay CUNA the exorbitant costs for our LP and LS programs. We will have our own home grown insurance scheme and very soon we will be able to offer other types of

insurance such as car, housing, and life at very affordable rates. The profits derived from these activities will also accrue to the Credit Union memberships in the form of increased dividends. Funds and technical assistance from the IFAD and the European Union Belize Rural Development Project for small and micro enterprise businesses in this Cayo area is available. I must admit that getting an ATM machine has been problematic. Last year I promised that it would be done but the complexity of it which involves not only costs for the equipment and operation, but the purchase of a "SWITCH" has not allowed us to purchase one; this "SWITCH" is needed to communicate electronically with other financial institutions. Therefore we are still in negotiation with BCUL, other Credit Unions, and CUMIS on a package to integrate all Credit Unions with similar ATM's so that if a member of St. Martin visited La Inmaculada Credit Union in Orange Walk or Toledo Teachers Credit Union they could also access their funds. I reiterate and sincerely believe that this year we will have this service for our membership. Apart from the ATM this year we also need to invest in much added security, such as electronic surveillance equipment and alarms; in addition we will have to purchase and install a major vault to safeguard our securities, mortgages and financial accounts.

I want to take this opportunity to encourage our young people to take advantage of the many opportunities for education that exist today. There is a tremendous amount of knowledge today at our fingertips, especially given that we are in the INTERNET age. But we must harness this knowledge and put it to good use. Teenagers, I say to you stay in school, get an education, it will pay dividends and most importantly SAVE. Because when it is done at an institution like St. Martin Credit Union, where we encourage young members to save, an education, a home and a family is not only a dream but a reality.

Therefore I challenged the young people here tonight to go out and bring a friend to join the Credit Union.

Finally, I want to thank my fellow Board members. Mrs. Sanchez our able Vice President has introduced many new initiatives especially those that provide training and investments in our staff; She has informed me that due to family and school commitments she will have to resign her position but has assured us that she will forever be available to assist in any way she can. We will miss her clarity of thought and words of wisdom. The Treasurer, Mr. Tzul, who will deliver his report later this evening, has also been responsible for ensuring that our budgets and revenue projections are realistic and that we maintain good business practices. Mr. Raymond Morris, our Secretary has been very instrumental in guiding us and essentially re-focusing the Board on the steps and way forward necessary for us to accomplish our goals; halfway through our term Mr. Ian Segura, our Education Director left for supposedly greener pastures in the USA. We have been fortunate that a past president and no stranger to St. Martin Credit Union, Mr. Domingo Pacheco heeded our call and joined the Board to finish out Mr. Segura's term. He has been very active in implementing the many initiatives that the Credit Union has embarked upon. I also want to express a great many thanks to the Supervisory Committee, especially Mr. Carlton Mckoy who brought a wealth of experience gained at Social Security especially where it concerns financial audits, transparency, and efficient accounting principles. He and his team of Margaret Lotiff and Alfred Serrano have done an admirable job in ensuring that the practices of managing the Credit Union remain transparent, honest and viable. Their diligence has ensured that the membership of St. Martin Credit Union can with certainty have great faith in their institution.

The Credit Committee who is charged with ensuring that loans are given within the prescribed policies have done a remarkable job their year and I would like to express a sincere gratitude to them for carrying out their duties effectively and prudently. Mr. Habet, Mr. Balan and Mr. Torres deserve a round of applause for their efforts. These officers have given of their time and energy to ensure that the Credit Union is successful. They also assisted in the upgrading of the loan policies so that we can be consistent in how we service our membership. Tonight we have a few vacancies and I urged all who accept to volunteer as officers to do so with the idea that service to the Credit Union is one of dedication, hard work and sacrifice with no returns except the satisfaction of a job done well.

Finally where would the Credit Union be without our members who with patience and loyalty allowed the staff and management to carry out their functions? The membership commitment to saving has also yielded positive growth and therefore a special thanks is due for their contributions.

May God bless us all

Your Board of Directors

Dr. John Morris	President
Mrs. Irma Sanchez	Vice President
Mr. Raymond Morris	Secretary
Mr. Raymond Tzul	Treasurer
Mr. Ian Segura	Education Director
Mr. Domingo Pacheco	Education Director