

SAINT MARTIN'S CREDIT UNION

MINUTES OF THE 61st ANNUAL GENERAL MEETING

Date: 21st May, 2010
Venue: Macal River Park, San Ignacio Town, Cayo
Present: Joint Officers and Members of St. Martin's Credit Union
Mistress of Ceremonies: **Ms. Christina Velasquez**
Entertainment: Pandy Productions

The President of the Board, Dr. John Morris called the 61st Annual General Meeting to order at 7:10pm on 21st May, 2011. Mr. Anthony Hulse led everyone with the Belizean National Anthem. Thereafter, Ms. Velasquez, Mistress of Ceremony, called all to join in the Credit Union Prayer.

The Welcome Address was delivered by Mr. Raymond Morris, Vice President of the Board.

An Early Bird Raffle was conducted by Manager, Mr. Ronald Hulse and Ms. Christine Velasquez. Mr. Ignacio Moh the winning ticket number 372225.

Ms. Christine invited Mr. Domingo Pacheco, Secretary, to read the minutes from the 60th Annual General Meeting. Matters arising from the minutes were done by the President and Treasurer, after which, Mr. Pacheco asked for acceptance of the minutes as read, which was accepted by, member, Mr. Kent Pandy and seconded by Mrs. Petrona Thompson.

Reports on Various Committees were then followed

Board of Directors Report

President, Dr. John Morris delivered the BOD Report for the year 1st April 2009 to 31st March 2010. He warmly welcomed all members to the 61st Annual General Meeting and cognizant of invited guests, such as Ms. Angela Reneau and Mr. Brian Duncan both from the Central Bank of Belize, Belize Credit Union League and fellow colleagues from , La Immaculada, Toledo Teachers Credit Union and Mount Carmel Credit Union and St. Johns Credit Union.

He applauded another successful year for St Martin's Credit Union, despite the year being a challenging one, making mentioned that to effectively manage the affairs of the credit union the Board of Directors had to preserve and confront these challenges. He then proceeded to highlight the current status of the credit union finances stating St. Martin Credit Union assets at (\$13,900,000), being an impressive increase over last year figures, with asset growth of 11.9%. Attracting, Six hundred new members (670) that opened substantial accounts contributing to shares growth of over 14%. He noted that over one million dollars in savings was deposited into the Credit Union this year as shares grew from 8.8 million to 9.9 million dollars. As a general remark he stated that this is a substantial achievement given the level of competition we face in our local market, especially from the banks, including Heritage Bank which also opened an office in downtown San Ignacio and DFC since they commenced lending, however, St. Martin is strong enough to compete and be successful. This remarkable growth can be attributed to the faith that the members have in their own institution. The Credit Union recorded a net profit of over \$575,000 dollars

which attested to the credibility of Credit Unions in the face of competition within the financial markets. The Credit Union success, was tempered by several factors such as a downturn in the economy, shares withdrawals, and a rise in delinquency. Credit is becoming expensive and despite good performance in asset growth, increase in membership, and net income our ratings by the Central Bank is still low and leaves room for substantial improvements. In using the PEARLS system there is a need to account for loan loss provisioning from our profits. The cost of conducting business increased as a result of the augmentation of utilities, printing and raising cost .

In Highlighting the Credit Union's major infrastructural development; Dr. Morris mentioned the construction of a fire proof vault which was completed despite the fact that, it required major changes to the building. An investment was made in a heavy duty generator to improve our business transactions. Notwithstanding that, the housing and purchase of the ATM was done and currently testing is been conducted, included was the futuristic plan to renovate the lobby area to increase waiting area space for our members so that they can be more comfortable when conducting business.

With regards to staff, a significant increase in loan applications and BEL collection required the hiring of additional staff. Negotiations with BTL and WASA were on going in order to provide these services. Reported was the ongoing negotiation with the Christian Workers Union on the Collective Bargaining agreement as it was unsigned as there was issues to be resolve. Nevertheless, staff member received raises and cost of living adjustments.

In discussing economic decline, Dr. Morris announced that we have been tasked and have signed an agreement with the Central Bank to administrate our sister Credit Union, Mount Carmel located in Benque Viejo Del Carmen. Which meant, the credit union will be in charge of the daily operations of the institution an implementing the necessary financial controls to regulate their operations. The hiring of an Assistant General Manager would be done in order to effectively manage both institutions. It is with the intention to restore Mount Carmel Credit Union to its prominent state that it once held in the community and in doing so strengthen the credit union movement.

In an effort of goodwill to the community, St. Martin Credit Union continues to assist High School children with financial aid and scholarships, elementary School feed the children program, sports and other community events. The Belize Natural Energy Trust Fund has provided additional funds and the reflows have allowed us to continue providing students loans for tertiary education.

The president called on members to draw on all the new developments, to encourage young people to take advantage of our opportunities, challenging the young people to go out "tomorrow" and bring a friend to join the Credit Union.

The President recognized and thanked the other Board Members for their efforts over the past year. Other committee members were also renowned and thanked for the contribution.

Committee Reports

Credit Committee Report by Mr. Stanley Habet (Chairman of the Credit Committee)

The Chairman, Mr. Stanely Habet welcomed all members and invited guest to the 61st AGM, making mention that the Credit Union is growing continuously both in membership and in Shares, which is a

constant trend. Credit Committee meeting where held on bi-monthly basis to scrutinize loan applications. He affirmed that his committee members approved loan based on the member's good credit history and in accordance to the loan policy. He thanked the supervisory committee for ensuring that their jobs were done decisively and with fairness.

He noted that for the fiscal Year ending March 31st 2010, total of 4182 loans were approved totaling \$6,566,734.00, which amounted to 78% of Total Assets. Personal Loans were among the highest approved with \$995,959.00 or 16% seconded by Educational loans with \$801,061.00 or 15%. Vehicle/Repairs Loans, \$818,500.00 or 13% being the third highest. Other loans approved where BNE Loan portfolio and Student Loan Programmed which amounted to \$82,0710.00 and \$49,315.00 respectively.

In his closing remarks he thanked the Board for their encouragement to create an environment of innovation, flexibility and most important the quality services to members. He thanked his fellow officer for their time and effort. The chairman commended the loans officer, staff and the General Manager for the Credit Union's success and their continued support.

Supervisory Committee Reported by Mr. Carlton Mckoy(Chairman of Supervisor Committee)

The supervisory committee report was presented by Mr. Mckoy, warmly greeting everyone present at the 61st Annual General Meeting and made special recognition to all invited guest.

He mentioned that the role of the supervisory committee was to ensure that business practices are carried out in accordance to Credit Union Act and adherence to the Credit Union existing policies. In doing so suggestions were made to improve business practice in the most cost effective way. He affirmed that his committee carried out these responsibilities to the fullest capabilities and to the best interest of the credit union; as a result improvement were realize in the area of record management, loan processing and customer service.

The supervisory committee carried out audits by verifying Members Passbook, auditing of loans and expenses. They reviewed the processes in the Administration of the Credit Union. Furthermore, Credit committee and Board reports where completed and recommendation for improvement was done.

He noted that these achievements could not be realized without the support of the Joint Officers and Staff, and commended them for the tremendous support. He congratulated his fellow colleagues, Mr. Alfred Serano and Mrs. Estella Medina for their hard work and dedication in the past year.

Treasurer's Report by Mr. Raymond Tzul (Treasurer Board of Director)

Treasurer to the Board of Directors, Mr. Raymond Tzul, gave us the financial status of Saint Martin's Credit Union for the year 2009-2010. He expressed happiness in sharing a successful report and thanked the membership of St. Martin's Credit Union for making this institution a strong and stable one. A PowerPoint Presentation was used to clarify and enhance explanation of figures to members.

Balance Sheet

In the Balance Sheet, Assets grew to \$1,159,019, being a 9.5 growth over the last year. Member's Shares also grew to \$9,733,670 or 10.3% growth, more than last year's savings.

With regards to loans, the credit union lent members 10,411,813 dollars which is 8.4% increase from last year.

At the end of this fiscal year, our investments totaled 1.6 million dollars, keeping in compliance with what is required by our regulator the Central Bank with a liquid ration of 10% of total Assets.

Statement of Earnings

Our Total Income was recorded at little over 1.3 million dollars showing a 13.2% increase. Our Expenses totaled up to \$743,333, up by 31.9% from the previous year, keeping in mind that this figure seems high but is acceptable due to the inflated costs in our economy. Net Income/Operating Income for the fiscal year 2010 is \$582,926.

The “Bad Debt” provision, which is the Guaranty Fund, was met. This was 10% of Net Income as regulated by Central Bank. As well, our Educational Funds now stands at \$81,653 being that 29,146 or 5% of net income was allocated at the end of 2009/2010. The developmental Fund which was started a couple years ago now marks 2% of our net income and stands at \$25,000.

Other Projects

Mr. Raymond shared that major investment were done and they are proud to announce that our Atm Project has been completed. Investment of \$59,779 was done in the purchasing of the ATM and \$20,788 for the room and access point which totaled to \$80,567. In addition, an ATM Software was purchased, upgrading of CUMIS to the newer version - Emortelle and other software that facilitated interconnection. Total investment in software was \$66,607. It is also important that with our ATM coming online, our service is secure and hence the purchasing of a generator was done at a total cost of \$88,525. Being a part of this new Secure Debit Network, our members will be able access funds at SMCU and other credit unions countrywide and also able to make purchases at many business establishments with POS terminals. Other investment included a walk in vault.

Presently, we have seen more member and non member taking advantage of Bel Bill Pay service available; He invite members to use this service as it also generates income for the credit union that directly translates into dividends at the end of year.

SMCU’s Student Loan Program has also been a great success as more young members take advantage of this option to further their studies. Making mention that, currently there are two student loan programs, namely, Sacred Heart Junior College and the Belize Natural Energy Trust, both very successful programs. In conclusion, the treasurer thanked his fellow Joint Officers, staff of SMCU, the General Manager Mr. Hulse, the Accountant Mrs. Sabido and general membership for having faith in him to perform his duties as Treasurer.

Dr. Morris with the Assistance of the Treasurer Mr, Raymond Tzul and Vice President Mr. Raymond Morris called for the Discussion and Acceptance of the Reports and opened the floor for questions

Questions

Mr. Emil Rodriquez

What arrangements are in place between St. Martin's Credit Union Ltd and Mount Carmel Credit Union? Is there a signed agreement?

Mrs. Corine Fuller, was invited to answer and she made mention that St. Martin's Credit Union will act as the Administrator, to over view with loans and in the general management of the credit union. She mentioned that SMCU will serve as a technical support to Mount Carmel; with the intervention of Ms. Angela Reneau it was elaborated and explained to the General Membership as to what is meant by administration of another credit union.

Is there a signed agreement and If so was it in consultation with the General Membership

yes, there is a signed agreement and as Directors such decision can be done on behalf of members; however Ms. Reneau made mention that nothing binds smcu and they can still withdraw from such agreement.

Members requested that a resolution be passed because of the current dictatorship that exists with regards to such decision.

Giovanni Cambranes

Was concerned about not being able to close account Mount Carmel Credit Union

He was asked to visit the credit Union and assistance will be given

Irma Sanchez

Commented, to Clarify what is meant by Administration of another credit union

She made mention that SMCU will serve and help in their technical expertise to restore Mount Carmel Credit Union.

Francisco Tzec

Concern, Will there be time to manage both Credit Union it is contradictory to the information presented on the Delinquency Ratio and the issues with Christian Workers Union and the Collective Agreement.

Making mention, that before we must take care of our in house matters before we can manage another credit union.

Teresa Batty

We must show support for Mount Carmel Credit Union.

Ervin Cunil

The general Membership should be informed about things affecting the credit union example the crashing of the smcu vehicle , who was responsible for it and who will pay

The insurance will pay for it

Emil Rodriquez

We ask for election of a new Board of Directors

A resolution was already passed that they are to serve for three years for continuity and as such there will be no elections for Board of Directors until the year 2011when the three year term is completed.

Confirmation of Reports

Reports of the 61st A.G.M were confirmed by the General Membership, Dr. Morris asked for confirmation of reports and they accepted. He asked for approval once more and it was received by majority of the members present.

Declaration of Dividends

At this point in time the membership was asked to confirm the Declared dividends for 2009/2010 of 5% Member confirmed the declaration of dividends with a majority of votes.

Election of Officers

Mrs. Angela Reneau and Mr. Brian Duncan, the official from Central Bank conducted the election of officers for supervisor Committee and Credit Committee as Board of Direct are elected every three years.

Board of Directors : Term for 1more Year of Service

Dr. John Morris

Mr. Raymond Morris

Mr. Raymond Tzul

Mr. Domingo Pacheco- Elected for 3 Years of Service

Dr. Francis Morey

Credit Committee: Elected for 1 Years Service

Mr. Stanley Habet

Mr. Andy Bahadur

Mrs. Santos Tesecum

Supervisory Committee: Elected for 1 Years Service

Mr. Emil Rodriquez

Mr. Emir Quiroz

Mrs. Debbie Martinez

Approval of Auditors: Baker Tilly Hulse was approved as auditor for the next financial year.

Resolutions

A special Meeting will be held to vote yes or no on the administration of Mount Carmel Credit Union Ltd
A resolution was passed that to be a member of the credit union one must purchase 5 shares equivalent to \$25.00

Vote of Thanks:

The General Manager, Mr. Hulse delivered the heartfelt Vote of Thanks to everyone who came out to the Annual General Meeting. To all, he asked to encourage friends and family members to join the credit union and that “we look forward to see you all next year”.

Raffle Winner for AGM 2010 were:

Ignacio Moh	Ticket Number 3722525	\$300.00 Early Bird
Cecilio Torres	Ticket Number 802304	1 Phone
Jorge Tesecum	Ticket Number 802437	Toaster Oven
Maritza Ordinez	Ticket Number 802230	1 Phone
Ethel Garcia	Ticket Number 802444	1 Fan
Ellis Contreras	Ticket Number 802802	1 Fan
Tito R. Vasquez	Ticket Number 802273	1 Basket Grocery
Carlos Depaz	Ticket Number 802337	1 Blender
Jorge Mejia	Ticket Number 802117	1 Crock Pot
Anira Cowo	Ticket Number 802485	1 Bicycle
Yanely Roches	Ticket Number 802072	1 Iron

Refreshments and Food were served.

Respectfully yours

Secretary BOD
St. Martin’s Credit Union Ltd.