



AERO SERVICES CREDIT UNION 46TH AGM ADDENDUM

RECOMMENDATION

Rationale

Over the last twelve to eighteen months there has been an observation (the Board had mandated an analysis) that members are depositing large sums of monies to their Share Account. Many of these members are not taking loans and as such, are not significantly contributing to the overall income of the organization from which the dividend is derived. An analysis of our membership shareholding distribution revealed, ninety-nine point nine percent (99.9%) of our members have Shares below \$750,000 and a large proportion have loans which contribute to the "loan interest" item on our Income Statement. The "loan interest" item is the largest monthly contributor to the revenue. By comparison, the majority of members with shareholdings greater than \$750,000 are "Net Savers" and account for zero point one (0.1%) of the membership base.

ASCU continues to have high liquidity resulting in a Loans to Total Assets ratio of just 50% compared to the "Pearls" standard of 70-80%. In addition, the Board remains concerned about safe guarding members' assets given the current Investment climate and low interest rates on such investments.

Based on the afore-mentioned, the Board wishes to recommend that dividends be paid on Shares held by members up to a certain limit. The following recommendation is therefore put forward for your approval:

Be it resolved, that effective April 01, 2018, only Shares of \$750,000 and below will attract the dividend approved by the Annual General Meeting until further notice.