

TREASURER'S REPORT

67th ANNUAL GENERAL MEETING

A pleasant good evening to all our members, fellow officers from our sister credit unions, representatives from the Central Bank of Belize, the Belize Credit Union League and invited guests. It is my pleasure to present to you a summary of the financial affairs of St. Martin's Credit Union for the year ending 31 March 2017.

This year once again our credit union has recorded a surplus of income over expenditure. So I want to acknowledge you, our members who have made this possible.

BALANCE SHEET

At the end of the fiscal year 2016-2017 SMCU recorded an increase of \$2,349,622.00 in total assets representing a growth of 10%. This figure is less than the increase in the previous year however it still indicates that our members remain committed to SMCU.

The loans portfolio for the year in review grew by \$2,788,091.00 representing an increase of 16.40% over last year's figure. This demonstrates that there continues to be a high demand for our loans and that our members continue to view SMCU as a better source for borrowing.

Member shares now stand at over \$20.2 million dollars, which is an increase of \$1,268,707 or 6.7% over last year. Again this growth can be directly connected to the trust members have in our credit union and their recognition of the need to save. Our membership currently stands at 8,656 which show a decrease of -0.9% from last year. This was primarily due to the fact that we had to close member accounts that did not meet the minimum mandatory shares of \$50. These persons are no longer members of the credit union but can come in at any time and update their accounts and become members once again.

Term deposits held in commercial banks at the end of the year 2016-2017 stood at \$3,214,457 showing an increase of 1.3%. Interest rates on term deposits continue to be low, thus not encouraging SMCU to continue opening new term deposits.

Our Credit Committee and Loans Department continue to exercise due diligence on loan applications, however, there is still a small percentage of delinquency affecting our institution. It must be highlighted that when members borrow above their shares, they are actually obtaining money from shares deposited by other members. When loans are not repaid as promised it results in a larger provisioning in the loan loss reserve leaving less money available to return to our members as dividends.

SMCU has met and surpassed the minimum requirement for Net Institutional Capital and I am happy to inform the membership that as at 31 March 2017, we were at 11.1%. This is a significant step for as the stronger the overall capital position, the easier it is for SMCU to deal with any future uncertainties such as asset losses and adverse economic cycles.

STATEMENT OF EARNINGS

Income for the year ending 31 March 2017 amounted to \$2,733,247 indicating a growth of 14.3%. This increase is commendable as our credit union continues to compete with the commercial banks and other lending institutions.

Operating expenses for the same period stood totaled \$1,536,202. This represents an increase of 14%. Management continues to find ways to keep costs within manageable figures.

SMCU achieved a surplus of \$1,197,045; this indicates an increase of 14.6% over last year's figure. Our members must be commended for their continued support in doing business with SMCU. This is the second year in a row that we have exceeded the one million dollar mark in profits.

FISCAL MANAGEMENT

The Board of Directors continues to work hand-in-hand with management to implement policies and regulations that are necessary to ensure the growth and stability of SMCU. This year's success could not have been obtained without hard work and the valuable contribution of the management team, loan officers, tellers, support staff, board of directors and joint officers.

OTHER SERVICES

We continue to provide Bill Payment service where members can pay their BEL, BWS, BTL and Central Cable Vision bills; our Zitro Western Union Money Transfer Service continues to provide members and the general public access to a quick and safe manner to receive or send money; our Rural Finance service also continues to grow where every day we attract new members from rural communities. Our Fireball Business Loan Program continues in its pilot stage where opportunity is provided for young entrepreneurs to get financing for their business venture.

CONCLUSION

The Board of Directors, Joint Officers, Management and staff remain committed to serving our members by providing the best services possible. Our aim is to be the number one financial institution for our members.

Once again, a special thank you goes out to all those who continue to have contributed in some way or another to a successful year 2016-2017 for SMCU.

Debbie Martinez
TREASURER