

TREASURER'S REPORT FOR YEARS 2019-2022
71st ANNUAL GENERAL MEETING
MAY 27, 2022

A pleasant good evening to all our Members, Representatives from Central Bank, The Belize Credit Union League, other Credit Unions represented, and other invited guests. It is indeed my pleasure to present to you a summary of the financial affairs of the Saint Martin's Credit Union Limited for the year ending March 31, 2022.

BALANCE SHEET

After experiencing declining trends in both 2020 (3.89) and 2021 (-0.18) Total Assets for the year ending March 31, 2022, grew by 2.67% or \$919,800.00. Prior to covid the Credit Union saw Total Assets growth of 16.44% in 2019 and 10.78% in 2018, respectively. Shares grew by a modest 0.87% or \$206,599, after experiencing a negative growth -6.80% in 2021. This is testament that the Credit Union is on the rebound after two challenging years struggling with COVID 19 and its effects.

The loans portfolio was seriously affected when the labor force was reduced due to COVID-19. The reduced capacity by our members to finance loans resulting from loss of employment, or reduction in earnings, disabled many of our members from seeking additional finances. This impacted our Loan Portfolio significantly as total loans declined in 2021 by 15.08% and continued to further decline in 2022 by 2.58%. Your Credit Union continues to work along with its members to offer financial planning as we continue to rebound from COVID-19.

While members were unable to seek additional finances, I am proud to say that our Credit Union was able to find solutions for members not to fall delinquent, thus our delinquency rate continues to remain way below the accepted standard of 5%. Of course, it must also be noted that your Credit Committee and Loans officers continued to exercise due diligence when reviewing loans, to ensure that the right loan is issued to the right person. We must always remember that it is our brothers' and sisters' monies that we are borrowing, and it is important that we repay accordingly.

Our investments, particularly at the banks continue to decline, yielding very little interest rate. The Board of Directors along with Management and Staff continue to look for sound investment opportunities, so that our members can receive higher returns on their shares.

STATEMENT OF EARNINGS

Income for the year 2022 continued to decline, as the Credit Union saw a negative growth of -4.44% or (\$133,449). Interest from loans is the Credit Union's main source of income, and as expressed earlier, lending experienced unprecedented reduction in the past two years. However, due to necessary COVID-19 preventative measures that were mandated, expenses for the same period increased by \$173,410 or 11.17%. While we saw reduction in Income, and an increase in expenses in 2022, your Credit Union is pleased to inform you that we were still able to make a profit of \$921,059. This is an increase of 11.30% or \$93,543, as compared to 2021 when your Credit Union's Net Income or profit was \$827,516. We are clearly moving in the right direction, and we expect the Credit Union to perform even better this year, as the economy continues to rebound.

FISCAL MANAGEMENT

Your Saint Martin's Credit Union continues to work with the regulators to ensure that we remain compliant. It is our belief that a well-managed credit can only result from sound financial management and membership participation and compliance.

At the end of the financial year 2022, as well as in 2021 and 2020, your credit union met and surpass the Net Institutional Requirement of 10%. Our Education Fund of 5% of Net Income was allocated, and we are also in compliance.

While the credit union did not undertake any major investment, focus was on improving our services to our membership. We are please to introduce our ONLINE BANKING SYSTEM which could not have come at a better time. COVID-19 showed us the need to conduct business from home, or on the go, and the Credit Union is affording that to our membership.

CONCLUSION

The past two years were indeed challenging, not only to our membership, but to everyone both local and abroad. Businesses saw the need to be more innovative in serving their customers, and people in every walk of life had to make serious adjustments in almost everything they did. Belize saw many workers losing their jobs, or their working hours were significantly cut. For many of us, we experienced a complete shutdown of the entire country, something no one expected in their wildest dreams. We, however, were resilient, and we are now seeing the light at the end of the tunnel.

I would like to thank all my fellow Joint Officers, Management and Staff of SMCU, and in particularly the Finance Team, for their unwavering support during the past years. We (the JO) remain cognizant of the fact that what we do affect the lives of all our members and by extension their families, and for that reason we must always have the best interest of the Saint Martin's Credit Union at heart. I am happy to have been a part of a team that recorded yet another successful year, despite of COVID-19.

THANK YOU.

Carlton Mckoy

Treasurer

Saint Martin's Credit Union