

TREASURER'S REPORT
72nd ANNUAL GENERAL MEETING
May 26th, 2023

A pleasant good evening to all our members, representatives from Central Bank, the Belize Credit Union League, other Credit Union representatives, and invited guests. It is indeed my pleasure to present to you a summary of the financial affairs of Saint Martin's Credit Union Limited for the year ending March 31, 2023.

BALANCE SHEET

The Credit Union continues to rebound post covid as Total Assets for year ending March 31, 2023, grew by 7.23% or \$2.5M, as compared to year ending March 31, 2022, where growth was 2.67% or \$919,800.00. Of course, our goal is to reach growth rates similar to years prior to COVID when the Credit Union saw Total Assets growth of 16.44% in 2019 and 10.78% in 2018 respectively. The Credit Union also saw significant growth in Shares of 4.73% or \$1.13M. This is solid evidence that our members continue to maintain a high level of confidence in the Credit Union as a safety net for them.

COVID 19 had a serious impact on our loan portfolio in both 2021 and 2022, when the Credit Union experienced negative growth. We are proud to say however that this financial year 2023, the Credit Union catapulted to a 16.45% growth equivalent to \$3.3M in Loans Receivables. This is a direct result of the Credit Unions creativity and innovation in packaging loans to meet the needs of its membership, by the creation of a New Lending Policy.

I am also proud to say that along with our significant growth in the loan portfolio, the Credit Union was able to maintain its delinquency rate below the accepted standard of 5%, closing the year at 1.43%. Of course, your Credit Committee and Loan 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 in 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 2023 increased marginally by 2.17% or \$62,312.00. Interest from loans, the Credit Union main source of income, was \$2.5M, like the previous year 2022. However, the main cause for this was the reduction of interest rates for existing mortgages as well as a general reduction in lending rates across the board for new loans. In essence, to remain competitive with the major banks, and primarily to assist our membership, the Credit Union reduced interest in general. This directly impacted our interest income, and by extension the total operating income. Expenses for the same period increased by almost \$100,000 or 5%. Even though the Total Income for 2023 experienced marginal growth as compared to 2022, and Total Operating Expenses increased, your Credit Union is pleased to inform you that we were still able to make a profit of \$758,515. So, while reducing interest rates on mortgages, the Credit Union was still able to achieve a very modest profit.

FISCAL MANAGEMENT

The 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 2023, as well as in 2022 and 2021, your credit union met and surpassed the Net Institutional Requirement of 10%. Our Education Fund of 5% of Net Income was also allocated. While the credit union did not undertake any major investment, the focus was on improving our services to our membership. We introduced a new lending strategy with many attractive loan offers. We continue to improve our Online Banking System which could not have come at a better time. Members will soon experience a full-scale launch of our Online Banking in the next month or two.

CONCLUSION

The past few years were indeed challenging, not only for our membership, but for everyone both locally 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 do. Your Credit Union was no different and that is why we remain a viable option for meeting the needs of the membership.

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 affects the lives of all our members and by extension their families, and for that reason we must always have the best interests of Saint Martin's Credit Union at heart. I am happy to have been a part of a team that recorded yet another successful year.

Thank you.

Carlton Mckoy
Treasurer
Saint Martin's Credit Union