

# REPORT OF THE TREASURER

## INCOME AND EXPENDITURE

For the year 2023, the BJ Staff Credit Union Limited results were commendable with an improvement to the bottom line where the Surplus of \$17.97m for 2023 was above 2022 by \$3.62m (25.2%). The Summary of the Income and Expenditure Statement for the year ended December 31, 2023, detailed below, shows the performance of the Credit Union.

BJ STAFF CO-OPERATIVE CREDIT UNION LIMITED				
INCOME AND EXPENDITURE ANALYSIS				
JANUARY - DECEMBER 2023				
J\$000				
INTEREST INCOME	INT. EXPENSE-DEPOSITS	SURPLUS BEFORE OPERATING EXP.	OPERATING EXPENSE	SURPLUS FOR THE YEAR
\$97,612.29	(\$18,883.35)	\$78,051.01	(\$60,080.42)	\$17,970.59
↑ \$10,474.77 12.02%	↑ \$488.91 2.52%	↑ \$8,140.01 11.64%	↓ -\$4,523.46 -8.14%	↑ \$3,616.55 25.20%
DETAILS	31-Dec-23	31-Dec-22	CHANGE	% CHANGE
INTEREST INCOME	\$97,612.29	\$87,137.52	↑ \$10,474.77	↑ 12.02%
INT. EXPENSE-DEPOSITS	(\$18,883.35)	(\$19,372.26)	↑ \$488.91	↑ 2.52%
LOAN LOSS ADJUSTMENT	(\$2,073.04)	(\$41.75)	↓ (\$2,031.29)	↓ -4865%
NET INTEREST INCOME	\$76,655.91	\$67,723.51	↑ \$8,932.39	↑ 13.19%
OTHER INCOME	\$1,395.10	\$2,187.49	↓ (\$792.39)	↓ -36.22%
SURPLUS BEFORE OP. EXP.	\$78,051.01	\$69,911.00	↑ \$8,140.01	↑ 11.64%
OPERATING EXPENSE	(\$60,080.42)	(\$55,556.96)	↓ (\$4,523.46)	↓ -8.14%
SURPLUS FOR THE YEAR	\$17,970.59	\$14,354.04	↑ \$3,616.55	↑ 25.20%

Total Interest Income increased by 10.47m (12.02%) when compared to the comparative period in 2022. Both Interest from Loans to Members and Investments and Deposits contributed to this favourable movement in Interest Income. Interest from Loans to Members and Investments and Deposits increased by \$6.11m (8.3%) and \$4.37m (32.22%) respectively when compared to the comparative period in 2022. Other Income decreased by \$0.79m (36.22%) when compared to the prior year due to a reduction in Fair Value Gains. Overall, Total Gross Income increased by \$9.68m (10.84%) moving from \$89.33m to \$99.01m. The table below shows the movement in Income.

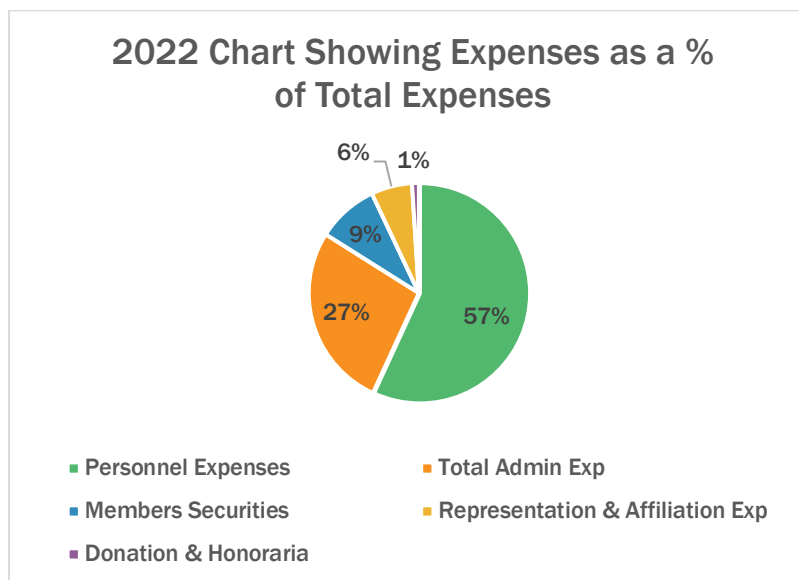
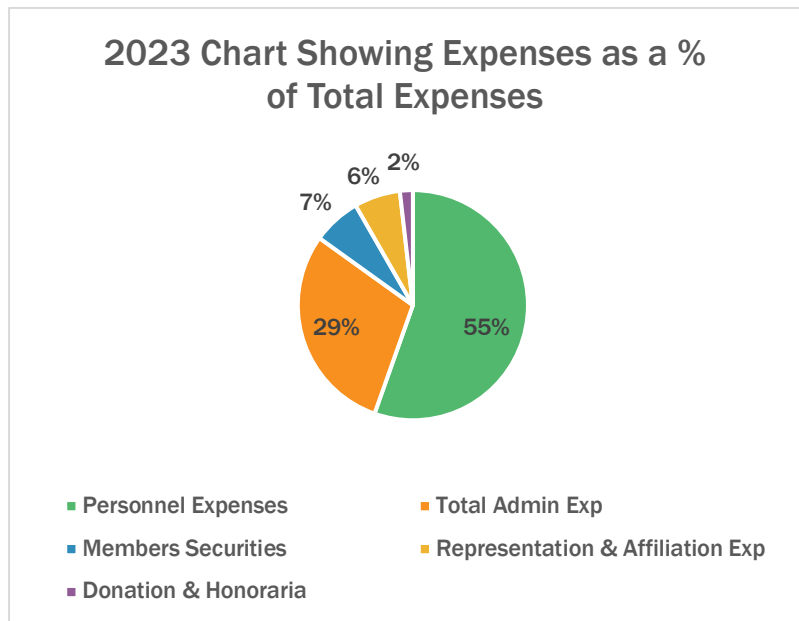
<b>BJ STAFF CO-OPERATIVE CREDIT UNION LIMITED</b>			
<b>GROSS INCOME COMPARITIVE ANALYSIS</b>			
	<b>J\$</b>	<b>J\$</b>	<b>J\$</b>
<b>MAJOR INCOME SOURCES</b>	<b>2023</b>	<b>2022</b>	<b>Change</b>
<b>Interest Income</b>			
Loans to members	79,698,996.00	73,589,328.00	6,109,668.00
Investments and Deposits	17,913,295.00	13,548,193.00	4,365,102.00
Total Interest Income	<b>97,612,291.00</b>	<b>87,137,521.00</b>	<b>10,474,770.00</b>
<b>Non Interest Income</b>			
Other Income	1,395,101.00	2,187,486.00	(792,385.00)
<b>Total Gross Income</b>	<b>99,007,392.00</b>	<b>89,325,007.00</b>	<b>9,682,385.00</b>

Total Operating Expenses for the year after accounting for Donations and Honoraria amounted to \$60.08m, an increase of \$4.52m (8.14%) over 2022.

The table below highlights the major drivers of expenses.

<b>BJ STAFF CO-OPERATIVE CREDIT UNION LIMITED</b>			
<b>MAJOR EXPENDITURE</b>	<b>J\$ 2023</b>	<b>J\$ 2022</b>	<b>J\$ Change</b>
<b>Personnel Expenses</b>	<b>33,292,231</b>	<b>31,615,374</b>	<b>(1,676,857)</b>
<b>Administrative Expenses</b>			
Auditors' remuneration	4,998,100	3,790,170	(1,207,930)
Repairs & maintenance	3,164,138	350,262	(2,813,876)
Subscriptions & other admin expense	2,077,570	2,665,445	587,875
Printing stationery & supplies	642,427	674,462	32,035
International Credit Union day expense	176,125	232,500	56,375
Other admin expenses	6,665,044	7,306,416	641,372
<b>Total Admin Exp</b>	<b>17,723,404</b>	<b>15,019,255</b>	<b>(2,704,149)</b>
<b>Members Securities -</b>			
Savings & Loan Protection	4,085,415	4,722,999	637,584
<b>Representation &amp; Affiliation Exp</b>			
JACCUL Fees	2,035,512	1,932,024	(103,488)
Stabilisation Dues	1,024,520	1,005,870	(18,650)
Meetings	827,337	462,940	(364,397)
	<b>3,887,369</b>	<b>3,400,834</b>	<b>(486,535)</b>
<b>Total Operating Expenses</b>	<b>58,988,419</b>	<b>54,758,462</b>	<b>(4,229,957)</b>
<b>Total Operating Expenses after Donations &amp; Honoraria</b>	<b>60,080,419</b>	<b>55,556,962</b>	<b>(4,523,457)</b>

The charts below highlight the broad category of expenses as a percentage of total expenses. It indicates that for 2023, Personnel Expenses as a percentage of total expenditure was 55%, which was a decrease by 2% when compared to 2022. Administrative Expenses for 2023 is 29% of the overall expenses which is above 2022 by 2%.



**Personnel Expenses** - Although personnel expenses as a percentage of total expenses decrease by 2%, overall, when compared to 2022 it increased by approximately \$1.68m (5.3%). This increase mainly represents an 8% movement in salaries.

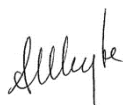
**Administrative Expenses** - is 29% (27%: 2022) of the Total Operating Expenses, increasing by \$2.7m (18%) over 2022. This is mainly due to an increase in Repairs and Maintenance due to new maintenance contracts to assist the efficiency of the operations.

## BALANCE SHEET

The Credit Union's assets reflected a net expansion of \$46.35m (4.69%) from \$987.90m to \$1,034.25m at 31 December 2023 when compared to 2022. The Comparative Analysis of Assets and Liabilities below reflects the movement in the balance sheet for the period. The analysis reflects growth in the Net Loans to Members by \$59.01m (9.33%) when compared to 2022. This is funded by the Members Saving Deposit which increased by \$33.63m (4.11%) over the comparative period. Total Equity has increased by \$11.78m (7.72%), moving from \$152.61m to \$164.39m.

BJ STAFF CO-OPERATIVE CREDIT UNION LIMITED					
COMPARATIVE ANALYSIS OF ASSETS & LIABILITES					
JANUARY - DECEMBER 2023					
J\$					
	2023	2022		Change	% Change
Net Loans to Members	\$691,783,959	\$632,773,867	↑	\$59,010,092	9.33%
Financial & Liquid Assets	\$336,734,755	\$341,513,301	↓	-\$4,778,546	-1.40%
Other Assets	\$5,726,309	\$13,609,692	↓	-\$7,883,383	-57.92%
<b>Total Assets</b>	<b>\$1,034,245,023</b>	<b>\$987,896,860</b>	↑	<b>\$46,348,163</b>	<b>4.69%</b>
Members Saving Deposits	\$852,380,184	\$818,751,854	↑	\$33,628,330	4.11%
Other Liabilities	\$17,471,696	\$16,534,750	↓	-\$936,946	-5.67%
Total Equity	\$164,393,143	\$152,610,256	↑	\$11,782,887	7.72%
<b>Total Liabilities</b>	<b>\$1,034,245,023</b>	<b>\$987,896,860</b>	↑	<b>\$46,348,163</b>	<b>4.69%</b>

The profitability of the BJ Staff Credit Union reflects the strong member support and the dedication of the staff of the Credit Union. The Credit Union remains robust and resilient and continues to be innovative in its efforts to satisfy the needs of its members as we strive for excellence.



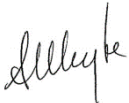
Suzette Whyte  
Treasurer

## **APPROPRIATION OF SURPLUS FOR YEAR ENDED DECEMBER 31, 2023**

The Board of Directors recommends that the surplus be distributed as follows;

Surplus available for distribution 2023	\$15,250,070
Institutional Capital	\$6,000,000
Education Reserve	\$1,000,000
General Reserve Fund	\$1,000,000
Loan Loss Reserve	\$1,000,000
Milestone Event	\$3,000,000
Honoraria	\$1,000,000
Donation	\$800,000
Retained Surplus	\$1,450,070
Total	<u>\$15,250,070</u>

On Behalf of the Board of Directors



Suzette Whyte  
Treasurer

### **The Fixing of the Maximum Liability for Loans;**

In keeping with Rule 70, it is proposed that the Maximum Liability, for which the Board of Directors may commit the Credit Union, shall not exceed a ratio of sixteen times the Credit Union's Capital.

On Behalf of the Board of Directors



Suzette Whyte  
Treasurer