



Treasurer's Report To The 74th Annual General Meeting For the year ended December 31, 2023

On behalf of the Board and management of PWDCCU, it gives me great pleasure to report on the Financial Performance of our Credit Union for the year ended 31st December 2023.

Operating Environment

In 2023 the performance of the Jamaican economy reflected the impact of higher levels of employment which drove firms to increase operations to meet the growth in demand. Growth in the service sector went up by 1.8%.

The war between Russia and Ukraine continued unabated; Guyana and Venezuela re-hashed their border dispute and the Prime Minister of St. Vincent and the Grenadines had talks with both sides to work out some solutions. Commodities prices had an adverse effect on the Jamaican economy. Climate Change also affected the country as we face higher temperatures.

Bank of Jamaica (BOJ) governor Richard Byles mentioned that domestic activities is estimated to have returned to pre-covid levels.

Policy Rate

Interest is paid on overnight balances in the current accounts of deposit-taking institutions at Bank of Jamaica. The applicable interest rate is the Bank of Jamaica policy rate.

Inflation Rate

Inflation is the rate at which the general price level of consumer goods and services in the economy changes over time. When inflation occurs, more money is needed to purchase the same quantity of goods and services.

Summary of Key Macro-economic Indicators as at December 2023

INDICATOR	2023	2022	VARIANCE
Inflation	6.30%	9.40%	3.10%
Policy Rate	7%	7%	0.00%
FX Rate (Weighted Rate)	\$154.99	\$152.05	(\$2.94)
Net International Reserves (NIR)	US\$4.7 B	US\$3.9 B	US\$0.8B
Unemployment Rate	4.40%	6.60%	2.20%
Consumer Confidence	174.4	165.5	-8.9

Way Forward

With the expansion of the Credit Union's membership bond to cover the Public Sector employees PWD is positioning itself to take advantage of the anticipated growth.

INDICATOR	2023	2022	CHANGE	
	\$MILLIONS	\$MILLIONS	\$MILLIONS	%
Total Assets	578.9	555.5	23.4	4.20
Net Loans	412.7	386.7	26.0	6.70
Voluntary Shares	308.1	287.1	21.0	7.30
Members Deposits	121.9	99.5	22.4	22.50
Total Capital	93.8	88.2	5.6	1.50

Operating Income

Net Operating Income for 2023 Financial Year was \$78.49M

For the year 2023, the Credit Union made a Net Surplus of 3.32M. This was an increase in return of \$13.43M in relation to the loss of \$10.11M in 2022. The growth in surplus was due to 11% increase in Revenues against a percentage (7%) decrease in Operating Expenses.

Revenue

For the year 2023, PWD earned total operating income of \$78.49M. This was \$7.69M more than 2022.

The Revenue Distribution was as follows:

Interest on Loans and Advances

For the year 2023 Loans and Advances were \$68.649M, which was \$1.792M more than 2022.

Non-Interest Income

For the year 2023, Non-Interest Income was \$2.625M or \$0.70M less than 2022. Non-Interest Income includes service charges, fees, commissions, and rental income.

Income from Financial Investments

There was a gain on the Investment portfolio of \$395,962. This was an increase in comparison to the loss of \$1,181,341 from the previous year.

Operating Expenses

The total expenses for the year 2023 was \$75.175M. This was \$5.231M less than 2022.

Interest Expense

Interest Expense for the year 2021 was \$9.455M. This was (\$0.796M) less than 2022.

Staff Expenses

Staff Expenses for the year 2023 was \$27.574M. This was \$1.2M or 4% less than the previous year.

Administrative Expenses

Administrative Expenses amounted to \$19.004M. This was \$5.1M or 21% less than 2022.

Balance Sheet**Assets**

At the end of 2023, the Credit Union had Total Assets of \$578.94M. This was an increase of \$23.44M or 4.00% in comparison to the previous year.

- **Non-Current Earning Asset** - \$515.06M. This is \$28.83M more than the previous year.
- **Non-Earning Asset** - \$15.98M. This is \$7.86M more than the previous year.
- **Total Current Asset** - \$47.90M. This is \$13.21M less than the previous year.

Liabilities

At the end of 2023, the Liabilities of the Credit Union were \$485.12M. This was an increase of \$17.88M in comparison to the previous year.

Non-Current Liabilities as of December 2023 were \$460.243M and was \$19.15M more than the previous year.

Current Liabilities were \$24.880M. This was \$1.27M less than the previous year.

Capital & Reserves

Capital and Reserves amounted to \$93.82M. This was \$5.6M more than 2022. The institutional capital was 8.28% which satisfied the regulatory requirement.

I would like to take this opportunity to thank the Assistant Treasurer, other members of the Board, Committee members, the Office Manager and staff, our Auditors Smith and Associates, and our valued members for your co-operation and support during the year. It was a pleasure serving you and the Credit Union and I look forward to continued good relationship in the Credit Union movement.



Karen Arscott
Treasurer