

# BOARD OF DIRECTORS' REPORT

exams, at the primary, secondary and tertiary level respectively. Two scholarships in honour of stalwart Mr. Ralph Boyce are available at the UWI, Cave Hill Campus.

In addition, a substantial number of educational grants were made available to assist with the cost of books, amenity fees and costs associated with educational pursuits. Ongoing sponsorships and donations are made to students and adult members to facilitate involvement in tours to sporting and educational events local and overseas.

## Community Involvement

The Credit Union continues to invest in its members and their social well-being. Annually for the past four years, the Credit Union has fully sponsored the Christmas Concert in Independence Square. This concert provides wholesome and uplifting entertainment for all. The Credit Union continues to support its surrounding community particularly at Christmas time where the children are invited to Brunch with Santa and gift giving initiative.

## CAPITA's Performance

Our subsidiary recorded a steady growth in assets and earnings during the year ended March 31, 2014. Total assets grew by \$23.5 million or 15.1 percent driven principally by a surge in demand for mortgages which recorded a 20 percent increase year over year. This performance was fuelled by the growth in deposits which moved from \$121.2 million at the end of the previous year to \$137.1 million at March 31, 2014. This represents an increase of \$15.9 million or 13.1 percent and though indicative of the excess liquidity in the financial sector, it is also a reflection of the increasing confidence in the CAPITA brand and the demand for its product offerings.

Earnings results are gradually assuming a measure of consistency as management explores various pricing options in the face of intense competition from banks and other financial institutions in the sector. As a result, there was some margin compression in the interest spread as rates trended down across the industry.

Notwithstanding these limitations, net interest income grew from \$4.3 million in 2013 to \$5.0 million in 2014, an increase of \$647 thousand or 15 percent. Net income of \$1.1 million represented a slight increase over the prior year as the top line earnings growth was offset primarily by an increase in occupancy costs associated with the relocation of the corporate offices to new expanded facilities in the Co-operators General Insurance building, Upper Collymore Rock, St. Michael.

In light of the current economic turmoil, the performance for 2014 reflects the results of a sound, measured and carefully modelled strategy to build the company's core business segments while efforts are redoubled to improve net interest

margin and also grow other income sources such as the Insurance brokerage in 2015 and beyond.

## Legacy Foundation, Registered Charity No. 978

The Board is pleased to report on another year of operations of Legacy Foundation. Legacy Foundation continues to be funded by appropriations from the Credit Union.

While Legacy's funding scope is broad, with the exception of a donation to Cancer Support Services, to date donations have been centred largely on children's educational and developmental needs. These included donations to the Special Unit Annex at Ellerton Primary School, the Inclusive Play Project; a unique play park project to accommodate children with special physical needs, and most recently, the outfitting of the Learning Resource Centre at the neighbouring Charles F. Broome Memorial Primary School.

It is anticipated that as needs surface in our society due to the prevailing economic conditions and with state agencies constrained in allocating funds towards developmental and sustainability projects, so too will the demand on that fund grow.

We would therefore like to place on record our appreciation to the volunteer Board of Trustees of Legacy for the work done so far and also challenge them to remain steadfast in their commitment in the face of all that lies ahead.

## Condolences

The Barbados Public Workers' Co-operative Credit Union Limited extends sincere condolences to all members who would have lost loved ones during the past year. Take time to reflect on the happy moments and memories with your loved ones.

## Looking ahead to 2014 – 2015

We recognize that the ensuing year will bring significant challenges and changes which will impact not only the Credit Union as an organization but its members as well. Notwithstanding increased scrutiny and regulation, this Credit Union remains committed to ensuring that we weather the storm as a cohesive unit fully focused on protecting the interests of members and organization alike.

A renewed focus on regulatory compliance coupled with continued fiscal prudence will augur well for our future sustainability and viability.

We fully expect that as always our members will continue to demand better, more efficient and more convenient services from the Credit Union executed in a timely fashion and in this regard, we are committed to retooling and furnishing our teams with the training, competencies and exposure through professional development necessary to realize these goals.