

# BARBADOS PUBLIC WORKERS' CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

(Expressed in Barbados dollars)

## 17. Loans Payable

Loans payable is comprised of the following:

	<u>2014</u>	<u>2013</u>
National Insurance Board (i)	\$ 32,429,384	40,785,133
Housing Credit Fund (ii)	<u>31,536,760</u>	<u>33,691,014</u>
	\$ <u>63,966,144</u>	<u>74,476,147</u>

- (i) During the year ended March 31, 2011, the Group borrowed \$15,000,000 from the National Insurance Board at a fixed interest rate of 8.25% payable over ten years to finance the purchase of Clico Mortgage and Finance Corporation (renamed Capita Financial Services Inc.) by its subsidiary BPW Financial Holdings Inc. This loan has been secured by a mortgage assignment over the property at Broad Street stamped to cover \$10,000,000 and an assignment of a treasury note for \$5,000,000 due to mature October 31, 2015. As at March 31, 2014, the remaining balance on this loan is \$3,657,080 (2013: \$12,217,257).

The other National Insurance Board loans amounting to \$26,272,304 (2013 - \$28,567,876), which were acquired prior to March 31, 2011, are repayable over an average period of twenty years and are secured by an equivalent value of first legal mortgages over residential properties funded by the loan proceeds. The interest rates on these loans ranged from 5.50% - 6.00% (2013 - 5.50% - 6.00%) at year end.

- (ii) The Housing Credit Fund loans are repayable over twenty-five years and are secured by an equivalent value of first legal mortgages over residential properties. The interest rate on all loans at year end was 4.25% (2013 - 4.25%).

The Group has not had any defaults of principal, interest or other breaches with respect to its loans payable during the years ended March 31, 2014 and 2013.