

# BARBADOS PUBLIC WORKERS' CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2019

(Expressed in Barbados dollars)

## 10. Financial Investments, continued

The average effective yield during the year on amortized cost (2018 – held to maturity) investments was 6.78% (2018 - 6.28%).

(i) This represents the Credit Union's investment in 500,000 (2018 - 500,000) common shares. As at March 31, 2019, the quoted bid price of these common shares was \$3.41 (2018 - \$2.94) per share.

The movement in expected credit loss allowance on instalments is as follows:

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Balance at beginning of year		\$ -	-
Impact of IFRS 9	2(b)	<u>2,293,851</u>	<u>-</u>
Balance at beginning of year <b>(adjusted)</b>		2,293,851	-
Derecognition of expected credit loss allowance	(ii)	(1,546,292)	-
Expected credit loss on investments		<u>(183,296)</u>	<u>-</u>
Balance at end of year		\$ <u>564,263</u>	<u>-</u>

(ii) On October 1, 2018, the Government of Barbados restructured all of its treasury notes and debentures and some state owned debt resulting in the derecognition of the existing debt securities given the contractual cash flows of the new debt securities were significantly different. The carrying value of those debt securities was \$17,456,920 (i.e. gross carrying value of \$19,003,212 net of expected credit allowance of \$1,546,292). The new series B and D bonds issued by the Government of Barbados effective October 1, 2018 was \$13,822,269, resulting in a derecognition loss on investments of \$3,634,651 which was recognized in the non-consolidated statement of income.

\$564,263 of the expected credit loss allowance at March 31, 2019 relate to debt securities classified as stage 3.

## 11. Loans and advances

(i) Loans and advances are comprised of the following:

	<u>2019</u>			
	<u>Consumer</u>	<u>Business</u>	<u>Mortgages</u>	<u>Total</u>
Gross loans	689,715,884	5,190,461	321,108,930	1,016,015,275
Less: ECL allowance ***	<u>(20,354,171)</u>	<u>(534,792)</u>	<u>(3,782,546)</u>	<u>(24,671,509)</u>
	\$ <u>669,361,713</u>	<u>4,655,669</u>	<u>317,326,384</u>	991,343,766
Add: interest receivable				<u>6,191,496</u>
				\$ <u>997,535,262</u>

\*\*\* Included in expected credit loss allowance as at March 31, 2019, is a provision for the undrawn loan commitments of \$219,860.