Financial Statements of

Eastern Caribbean Asset Management Corporation

March 31, 2020

Eastern Caribbean Asset Management Corporation

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INDEPENDENT AUDITORS' REPORT

To the Participating Governments of Eastern Caribbean Asset Management Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Eastern Caribbean Asset Management Corporation ("the Corporation"), which comprise the statement of financial position as at March 31, 2020, the statements of changes in equity, profit or loss and other comprehensive income and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Eastern Caribbean and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Participating Governments of Eastern Caribbean Asset Management Corporation

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

KPMG

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Participating Governments of Eastern Caribbean Asset Management Corporation

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

Chartered Accountants
St. John's, Antigua
October 18, 2021

EASTERN CARIBBEAN ASSET MANAGEMENT CORPORATION

Statement of Financial Position

As at March 31, 2020
With comparatives as at March 31, 2019

(Expressed in Eastern Caribbean dollars)

	Notes		2020	2019
Assets				
Cash and cash equivalents	8	$	24,161,965	24,682,109
Investments	9		13,209,819	14,151,314
Accounts receivable			5,870	-
Prepayments			37,506	37,360
Property and equipment	10		49,340	67,325
Right-of-use asset	11		46,737	-
Total assets		$	37,511,237	38,938,108
Liabilities and Equity				
Liabilities				
Accounts payable	12	$	449,774	748,297
Accrued expenses	13		378,765	228,270
Lease liability	11		47,439	-
Total liabilities			875,978	976,567
Equity				
Contributed capital	14 (a)		40,410,289	40,410,289
Accumulated deficit			(3,775,030)	(2,448,748)
Total equity			36,635,259	37,961,541
Total liabilities and equity		$	37,511,237	38,938,108

See accompanying notes to the financial statements.

Approved for issue by the Board of Directors on October 7, 2021 and signed on its behalf by:

Director **Director**

EASTERN CARIBBEAN ASSET MANAGEMENT CORPORATION

Statement of Changes in Equity

For the year ended March 31, 2020
With comparatives for the year ended March 31, 2019

(Expressed in Eastern Caribbean dollars)

	Notes		Contributed capital	Accumulated deficit	Total
Balance at March 31, 2018		$	12,000,000	(1,227,116)	10,772,884
Capital contributions	14		28,410,289	-	28,410,289
Comprehensive loss for the year			-	(1,221,632)	(1,221,632)
Balance at March 31, 2019		$	40,410,289	(2,448,748)	37,961,541
Capital contributions	14		-	-	-
Comprehensive loss for the year			-	(1,326,282)	(1,326,282)
Balance at March 31, 2020		$	40,410,289	(3,775,030)	36,635,259

See accompanying notes to the financial statements.

EASTERN CARIBBEAN ASSET MANAGEMENT CORPORATION

Statement of Profit or Loss and Other Comprehensive Income

For the year ended March 31, 2020
With comparatives for the year ended March 31, 2019

(Expressed in Eastern Caribbean dollars)

	Notes		2020	2019
Revenue:				
Receiver fees – ABI Bank Ltd.		$	360,000	360,000
Investment income			504,649	249,441
Total revenue			864,649	609,441
Expenses:				
Payroll and related costs	15		1,354,007	1,051,263
Interest expense – lease liability	11		3,700	-
Other expenses	16		683,454	706,182
(Recovery of) Provision for expected credit losses	9		(11,404)	51,819
Depreciation	10		20,964	21,809
Depreciation – right-of-use asset	11		140,210	-
Total expenses			2,190,931	1,831,073
Loss for the year, being total comprehensive loss for the year		$	(1,326,282)	(1,221,632)

See accompanying notes to the financial statements.

EASTERN CARIBBEAN ASSET MANAGEMENT CORPORATION

Statement of Cash Flows

For the year ended March 31, 2020
With comparatives for the year ended March 31, 2019

(Expressed in Eastern Caribbean dollars)

	Notes		2020	2019
Cash flows from operating activities				
Loss for the year		$	(1,326,282)	(1,221,632)
Adjustments for:				
Depreciation	10		20,964	21,809
Depreciation – right-of-use asset	11		140,210	-
Interest income			(504,649)	(249,441)
Interest expense – lease liability	11		3,700	-
Loss on disposal of property and equipment			4,583	-
(Recovery of) Provision for expected credit losses	9		(11,404)	51,819
Cash flows used in operating activities before changes in operating assets and liabilities			(1,672,878)	(1,397,445)
Change in accounts receivable			(5,870)	249,677
Change in prepayments			(146)	(4,486)
Change in accounts payable			(298,523)	(850,649)
Change in accrued expenses			150,495	113,360
Cash flows used in operating activities before interest			(1,826,922)	(1,889,543)
Interest received			483,286	196,184
Net cash used in operating activities			(1,343,636)	(1,693,359)
Cash flows from investing activities				
Purchase of property and equipment	10		(7,562)	-
Change in investments			974,262	(278,319)
Net cash from (used in) investing activities			966,700	(278,319)
Cash flows from financing activities				
Capital contributions	14		-	14,500,000
Payment of lease liability	11		(143,208)	-
Net cash (used in) from financing activities			(143,208)	14,500,000
Net (decrease) increase in cash and cash equivalents			(520,144)	12,528,322
Cash transferred from the RTC [Note 14 (b)]			-	215,132
Cash and cash equivalents at beginning of year			24,682,109	11,938,655
Cash and cash equivalents at end of year	8	$	24,161,965	24,682,109

See accompanying notes to the financial statements.

1. Reporting entity

Eastern Caribbean Asset Management Corporation ("the Corporation") was established under the statute of the Eastern Caribbean Asset Management Corporation Act, 2015 ("the Act") which was passed in each of the eight territories comprising the Eastern Caribbean Currency Union (ECCU). The eight ECCU territories are Anguilla, Antigua and Barbuda, Commonwealth of Dominica, Federation of St. Christopher and Nevis, Grenada, Montserrat, Saint Lucia and St. Vincent and the Grenadines.

The purpose of the Corporation is to

a) Carry on the business of asset management including acquiring the whole or any part of, dealing with, managing, and disposing of assets or liabilities of approved financial institutions in an expeditious manner; and

b) Act as the receiver of a financial institution whenever appointed by the Central Bank under the Eastern Caribbean Central Bank Agreement or the Banking Act.

The Corporation was established on July 22, 2016 in Antigua and Barbuda, in accordance with Article 105 of the Eastern Caribbean Asset Management Corporation Act, 2015 and commenced operations effective July 21, 2017.

Under Article 10 (6) of the Eastern Caribbean Asset Management Act, it states that the acquisition of assets under the Agreement is limited to a period of two (2) years from the date of commencement of operations. However, as at March 31, 2020, the Corporation had not acquired any assets from approved financial institutions.

At the 96th meeting of the Monetary Council held on July 24th, 2020, the Monetary Council approved an extension of the deadline for the ECAMC's acquisition of assets to October 31, 2021, and of its initial life to July 31, 2025.

The Corporation is domiciled in Antigua and Barbuda and its principal office location is Suite 6, 7 & 8, Woods Centre, Friar's Hill Road, St. John's, Antigua.

Prior to the establishment of the Corporation, there existed the Resolution Trust Corporation Limited which was established under the Companies Act of St. Kitts and Nevis and registered as an external Corporation under the Laws of Antigua and Barbuda. Upon the establishment of the Eastern Caribbean Asset Management Corporation, all the assets and liabilities of the Resolution Trust Corporation Limited, together with all its rights and obligations was to have been transferred to and vested in the Corporation. As at September 30, 2018, certain assets and liabilities of the Resolution Trust Corporation Limited was transferred to the Eastern Caribbean Asset Management Corporation, see note 14(b). As at March 31, 2020, and as at the date of approval of these financial statements, the Resolution Trust Corporation Limited has not been liquidated.

2. Basis of preparation

(a) ***Statement of compliance***

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements were approved by the Board of Directors on October 7, 2021.

(b) ***Basis of measurement***

These financial statements have been prepared under the historical cost convention.

(c) ***Functional and presentation currency***

These financial statements are presented in Eastern Caribbean dollars, which is the Corporation's functional currency. All amounts have been rounded to the nearest dollar unless otherwise indicated.

(d) ***Use of estimates and judgements***

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Estimated useful lives on property and equipment - Note 3 (c)

- Classification of financial assets: assessment of the business model within which the financial assets are held and assessment of whether the contractual terms of the cash flows from the financial assets solely represent payments of principal and interest (SPPI) on the outstanding principal amount - Note 6.

- Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward looking information into measurement of expected credit losses and selection and approval of models used to measure expected credit losses - Note 6.

2. Basis of preparation (continued)

(e) *Going concern*

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption were not appropriate, then adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and the balance sheet classifications used would be necessary.

During the year ended March 31, 2020, the Corporation recorded a loss of EC$1,326,282 (2019: $1,221,632) and as at March 31, 2020 had an accumulated deficit of EC$3,775,030 (2019: $2,448,748). As stated in Note 1, under Article 10 (6) of the Eastern Caribbean Asset Management Act, one of the Corporation's core planned activities for the acquisition of assets under the Agreement was limited to a period of two (2) years from the date of commencement of operations. However, as at March 31, 2020, the Corporation had not acquired any assets from approved financial institutions. This has therefore impacted its ability to generate related revenues, as this is expected to be the core revenue generating activity via receipt of principal and interest payments and proceeds from disposal of related collateral.

To provide sufficient time for the Corporation to commence this core function, at the 96th meeting of the Monetary Council held on July 24th, 2020, the Monetary Council approved an extension of the deadline for the ECAMC's acquisition of assets to October 31, 2021, and of its initial life to July 31, 2025. The Corporation is currently in the process of active negotiations with approved financial institutions to close on the purchase of delinquent loans and commenced this process in April and June 2021.

As at March 31, 2020 management has made an assessment and based on the cash and cash equivalents balance of EC$24,161,965, has concluded that the Corporation has adequate resources to continue in operation for at least the next 12 months from the end of the reporting period and to meet its current obligations as and when they fall due. In addition, the Corporation has received commitments relative to securing external financing to effect the purchase of additional assets.

Based on the above, management is not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Corporation's ability to continue as a going concern and has prepared the financial statements on a going concern basis as it has been determined that this basis remains appropriate.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) ***Foreign currency translation***

Assets and liabilities denominated in currencies other than Eastern Caribbean dollars are translated into the functional currency at the exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Eastern Caribbean dollars at the rates approximating those in effect at the transaction date. Exchange differences, if any, resulting from translation are generally recognised in profit or loss.

(b) ***Revenue recognition***

Revenue is income that arises in the course of the ordinary activities of the Corporation. The Corporation recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits associated with the item will flow to the entity.

(c) ***Property and equipment***

Recognition and measurement

Property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Initially, an item of property and equipment is measured at its cost, which comprises its purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use. Gains o losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property and equipment and are recognised in profit or loss.

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Corporation. Ongoing repairs and maintenance is expensed as incurred in profit or loss.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line basis over their estimated useful lives.

The estimated useful lives for the current and comparative periods of significant items of property and equipment are as follows:

Furniture and fittings	5 years
Equipment	5 years
Computer hardware	5 years
Computer software	3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3. Significant accounting policies (continued)

(d) ***Impairment***

The carrying amounts of the Corporation's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(e) ***Cash and cash equivalents***

Cash and cash equivalents comprise of cash at bank, non-mandatory deposits with the Eastern Caribbean Central Bank, treasury bills and other short-term highly liquid investments with a maturity within 90 days from the date of acquisition that are readily convertible into known amounts of cash.

(f) ***Prepayments***

Prepayments are stated at cost.

(g) ***Leases***

Policy applicable from April 1, 2019

At inception of a contract, the Corporation assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Corporation uses the definition of a lease in IFRS 16.

The Corporation as a lessee

At commencement or on modification of a contract that contains a lease component, the Corporation allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Corporation has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Corporation recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Corporation by the end of the lease term.

In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3. Significant accounting policies (continued)

(g) Leases, continued

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate. Generally, the Corporation uses its incremental borrowing rate as the discount rate.

The Corporation determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments;
– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
– amounts expected to be payable under a residual value guarantee; and
– the exercise price under a purchase option that the Corporation is reasonably certain to exercise, lease payments in an optional renewal period if the Corporation is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Corporation is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Corporation presents right-of-use assets and lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets
The Corporation has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and low-value assets. The Corporation recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policy applicable before April 1, 2019
Payments made under operating leases are recognised in profit or loss on a straight-line basis over the life of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the life of the lease.

4. Changes in accounting policies

Adoption of new or revised standards, amendments to standards and interpretations

Certain new and amended standards that were in issue came into effect during the current financial year. This is the first set of the Corporation's annual financial statements in which IFRS 16, *Leases* has been applied from April 1, 2019. A number of other new standards and interpretations are also effective for periods commencing on or after April 1, 2019 but they do not have a material effect on the Corporation's financial statements.

Except for the changes below, the Corporation has consistently applied the accounting policies as set out in note 3 to all periods presented in these financial statements.

The nature and the impact of adoption of IFRS 16 is described below:

IFRS 16 *Leases*

The Corporation has initially applied IFRS 16 *Leases* from April 1, 2019.

The Corporation applied IFRS 16 using the modified retrospective approach, under which the right-of-use assets are equivalent to the lease liabilities, thereby no adjustment was recognised in accumulated deficit at April 1, 2019. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

(a) *Definition of a lease*

Previously, the Corporation determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining whether an Arrangement contains a Lease*, issued by IFRS Interpretations Committee (IFRIC). The Corporation now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in note 3(g).

On transition to IFRS 16, the Corporation elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Corporation applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after April 1, 2019.

4. Changes in accounting policies (continued)

IFRS 16 *Leases* (continued)

(b) *As a lessee*

As a lessee, the Corporation leases office space. The Corporation previously classified leases as operating based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Corporation. Under IFRS 16, the Corporation recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Corporation allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

However, for leases of property, the Corporation has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating leases under IAS 17

Previously, the Corporation classified property leases as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Corporation's incremental borrowing rate as at April 1, 2019. The Corporation opted for the measurement of the right-of-use assets equivalent to the lease liabilities at transition date as permitted by IFRS 16 transition options.

The Corporation has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Corporation used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Corporation:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

(c) *As a lessor*

The Corporation does not act as a lessor in any arrangement.

4. Changes in accounting policies (continued)

IFRS 16 *Leases* (continued)

(d) *Impact on transition*

On transition to IFRS 16, the Corporation recognised additional right-of-use assets and additional lease liabilities, at the same amount, thereby, no adjustment was made to the accumulated deficit at transition. The impact on transition is summarised below.

	April 1, 2019
Right-of-use assets	186,947
Lease liabilities	(186,947)
Accumulated deficit	-

For the impact of IFRS 16 on profit or loss for the year, see note 11. For the details of accounting policies under IFRS 16 and IAS 17, see note 3(g).

When measuring lease liabilities for leases that were classified as operating leases, the Corporation discounted lease payments using its incremental borrowing rate at April 1, 2019. The weighted average rate applied is 3% which is based on the Corporation's borrowing rate.

	April 1, 2019
Operating lease commitments as at March 31, 2019	190,944
Weighted average incremental borrowing rate as at April 1, 2019	3%
Discounted operating lease commitments at April 1, 2019	186,947
Add: Lease payments relating to renewal periods not included in operating lease commitments as at March 31, 2019	-
Less: Commitments relating to short-term leases or low value assets	-
Lease liabilities as at April 1, 2019	**186,947**

5. New standards, amendments and interpretations not yet adopted

New standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Corporation are as follows:

- Amendments to References to Conceptual Framework in IFRS Standards – effective January 1, 2020
- Definition of a Business (Amendments to IFRS 3) – effective January 1, 2020
- Definition of Material (Amendments to IAS 1 and IAS 8) – effective January 1, 2020
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) – effective January 1, 2020
- COVID-19-Related Rent Concessions (Amendment to IFRS 16) – effective June 1, 2020
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) – effective January 1, 2021
- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) – effective April 1, 2021
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) – effective January 1, 2022
- Annual Improvements to IFRS Standards 2018-2020– effective January 1, 2022
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) – effective January 1, 2022
- Reference to the Conceptual Framework (Amendments to IFRS 3) – effective January 1, 2022
- Classification of liabilities as current or non-current (Amendments to IAS 1) – effective January 1, 2023
- Disclosure of Accounting Policy (Amendments to IAS 1 and IFRS Practice Statement 2) – effective January 1, 2023
- Definition of Accounting Estimate (Amendments to IAS 8) – effective January 1, 2023

6. Financial Instruments

Recognition, Initial Measurement and Derecognition

Financial assets and financial liabilities are recognised when the Corporation becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss, for which transaction costs are recognised in profit or loss as incurred. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

6. Financial Instruments (continued)

Non-derivative financial assets – Classification and subsequent measurement

The Corporation classifies its financial assets into the amortised cost category.

Financial assets measured at amortised cost
The Corporation's non-derivative financial assets measured at amortised cost comprise cash and cash equivalents, accounts receivable, term deposits and sovereign debt securities. The Corporation measures these assets at amortised cost as its business model is to hold them to collect contractual cash flows and the contractual terms give rise to the receipt of principal and interest on specified dates. These financial assets are not reclassified subsequent to their initial recognition unless the Corporation changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities are classified and measured at amortised cost. Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. These financial liabilities comprise of accounts payable and other liabilities.

Business model assessment
The Corporation makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Corporation's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed; and
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected).

6. Financial Instruments (continued)

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)
In assessing whether the contractual cash flows are SPPI, the Corporation considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Corporation considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Corporation's claim to cash flows from specified assets; and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

The objective of the Corporation's business model is to hold financial assets to collect the contractual cash flows rather than sell the instrument prior to its contractual maturity to realise its fair value changes and the related cash flows meet the SPPI criterion. It can therefore be determined that financial assets will be measured at amortised cost (net of any write down for impairment).

Non-derivative financial assets - Impairment

The Corporation's financial assets which are measured at amortised cost are evaluated for expected credit losses (ECL). A loss allowance is recognized on these financial assets at each reporting date with the amounts based on 12-months expected credit losses and lifetime expected credit losses using the three stage impairment models as follows:

- Stage 1, *12-months expected credit losses* if there is no significant increase in the credit risk since the initial recognition;
- Stage 2, *lifetime expected credit losses* if there is a significant increase in credit risk since the initial recognition; and
- Stage 3, *lifetime expected credit losses* if the financial asset is credit impaired.

The allowance of the ECL is shown net of the gross carrying amount of the related financial assets in the statement of financial position.

Significant increase in credit risk
The Corporation determines that there is significant increase in the credit risk of a financial instrument since initial recognition by incorporating quantitative and qualitative forward looking information in its assessment. The Corporation will use historical data, economic information, along with qualitative indicators and weighted probability scenarios to determine the ECL with the supporting information to assess credit risk being relevant and easily available by the Corporation. Professional judgement will be applied to determine how the economic variables will impact the financial assets. A backstop is applied when there is a significant increase in the credit risk of a financial instrument if a receivable is 30 days past due and the investment grade of sovereign/corporate debt has been downgraded more than one notch outside of the current grade.

6. Financial Instruments (continued)

Non-derivative financial assets - Impairment (cont'd)

Definition of default
Default is defined by the Corporation as any event that would cause a loss in the estimated cash flows of a financial instrument after its initial recognition date. The criteria that the Corporation will use to determine and reliably estimate the impact on the financial instrument includes the following events:

- A decrease in the estimated future cash flows from a receivable or its underlying security that could be reasonably measured;
- Delinquency or default in interest and/or principal payments;
- The borrower experiencing significant financial difficulty; and
- The likelihood that the borrower will enter bankruptcy or a financial reorganization.

Credit impaired financial assets
A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. For CDs and investments, the Corporation considers that a default has occurred and classifies the financial asset as credit impaired when the counterparty fails to pay principal and/or interest when payment falls due.

In addition, a receivable that is overdue for 90 days or more is considered credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

The Corporation considers the following when assessing whether sovereign debt is credit-impaired:

- The market’s assessment of credit worthiness as reflected in the yields;
- The rating agencies’ assessment of creditworthiness;
- The country’s ability to access the capital markets for new debt issuance; and
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.

Classification and subsequent measurement of financial liabilities:
The Corporation's financial liabilities include accounts payable and accrued expenses. These are measured at amortised cost.

The Corporation does not engage in any significant transactions which are speculative in nature.

7. Financial Risk Management

(i) Interest Rate Risk Exposure:
The Corporation does not have any significant exposure to interest rate risk.

(ii) Credit Risk Exposure:
Credit risk arises from the possibility that counterparties may default on their obligations to the Corporation. The maximum credit risk exposure of financial assets recognised in the statement of financial position is represented by the carrying amounts of the financial assets.

Concentration of credit risk exists if a number of clients are engaged in similar activities or are located in the same industry sector or have similar economic characteristics such that their ability to meet contractual obligations would be similarly affected in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Corporation's performance to developments affecting a particular industry or geographical location.

Maximum exposure

Credit risk exposures relating to on-balance sheet assets are as follows:

	2020	2019
Financial Assets:		
Term deposits	7,363,463	6,948,372
Treasury bills	15,251,789	15,270,946
Cash at bank	14,629,956	16,520,296
Accounts receivable	5,870	-

(iii) Fair Value:
Fair value amounts represent the approximate values at which financial instruments could be exchanged in current transactions between willing parties. However, many of the financial instruments lack an available trading market and, therefore, it is not possible to determine independently the estimated fair values. The fair values of financial instruments are considered to approximate their book values.

All non-financial instruments are excluded from fair value disclosure and, accordingly, the total fair value amounts cannot be aggregated to determine the underlying value of the Corporation.

(iv) Liquidity risk:
In order to manage liquidity risks, management seeks to maintain sufficient levels of cash and cash equivalents to meet reasonable expectations of its short-term obligations.

The table below analyses the Corporation's financial assets into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date:

7. Financial Risk Management (continued)

(iv) Liquidity risk (cont'd):

Financial Assets		Due within 1 Year	Total
Year ended March 31, 2020			
Cash and cash equivalents	$	24,161,965	24,161,965
Investments		13,250,234	13,250,234
	$	37,412,199	37,412,199
Year ended March 31, 2019			
Cash and cash equivalents	$	24,682,109	24,682,109
Investments		14,203,133	14,203,133
	$	38,885,242	38,885,242

The table below analyses the Corporation's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

		Due within 1 Year	1 Year to 5 Years	Over 5 Years	Total
Financial Liabilities					
Year ended March 31, 2020					
Accounts payable	$	449,774	-	-	449,774
Accrued expenses		367,155	11,610	-	378,765
	$	816,929	11,610	-	828,539
Year ended March 31, 2019					
Accounts payable	$	748,297	-	-	748,297
Accrued expenses		120,436	107,834	-	228,270
	$	868,733	107,834	-	976,567

(v) Capital management:

The Corporation's policy is to maintain a strong capital base to encourage investor, creditor and market confidence, and to sustain future development of the Corporation. There were no changes to the way in which the Corporation managed its capital during the year. Article 93 of the Eastern Caribbean Asset Management agreement requires at the end of each quarter the minimum capital to be greater than two percent (2%) of total assets.

8. Cash and cash equivalents

		2020	2019
Eastern Caribbean Central Bank ('ECCB')	$	12,301,971	14,884,603
Treasury bills *[maturing in April – June 2020]*		8,001,783	6,661,813
Eastern Caribbean Amalgamated Bank ('ECAB')		2,327,985	1,635,693
Term deposit *[maturing in April - June 2020]*		1,530,226	1,500,000
	$	24,161,965	24,682,109

Amounts held with the ECCB and ECAB are non-interest bearing. Interest rates on treasury bills and term deposit held during the year ranges from 1.9% to 3.5%.

9. Investments

	Nominal quantity	2020	2019
Amortised cost			
Government of St. Lucia Treasury bills:			
- Interest at 3.9226% maturing April 13, 2020	2,500,000	$ 2,451,640	2,466,093
- Interest at 3.9226% maturing July 21, 2020	1,350,000	1,323,886	1,330,318
Government of Antigua Treasury bills:			
- Interest at 4.8797% maturing June 14, 2020	2,250,000	2,195,856	2,217,197
- Interest at 3.5001% maturing October 28, 2020	1,325,000	1,278,624	1,271,996
Government of Grenada Treasury bill		-	1,323,529
St. Kitts-Nevis-Anguilla National Bank certificate of deposit:			
- Interest at 1.000% maturing July 13, 2020	1,642,355	1,642,355	1,327,587
National Bank of Dominica certificate of deposit:			
- Interest at 2.050% maturing February 26, 2021	1,243,860	1,243,860	1,218,940
Bank of St. Lucia certificate of deposit:			
- Interest at 1.750% maturing August 7, 2020	1,281,990	1,281,990	1,260,000
Bank of St. Vincent and the Grenadines certificate of deposit:			
- Interest at 1.500% maturing October 29, 2020	1,179,272	1,179,272	1,161,845
Antigua Commercial Bank certificate of deposit:			
- Interest at 1.200% maturing June 17, 2020	485,760	485,760	480,000
		$ 13,083,243	14,057,505

9. Investments (continued)

		2020	2019
	$	13,083,243	14,057,505
Interest receivable		166,991	145,628
Less: expected credit losses		(40,415)	(51,819)
Balance at end of year	$	13,209,819	14,151,314

The movement in the expected credit loss allowance is as follows:

		2020	2019
Balance at beginning of year	$	51,819	-
Change in ECL during the year		(11,404)	51,819
Balance at end of year	$	40,415	51,819

The Corporation's investment portfolio as at March 31, 2020 and March 31, 2019 is shown below in stages.

	Stage 1	Stage 2	Stage 3	Total
Certificates of Deposit	5,963,930	-	-	5,963,930
Treasury Bills	7,286,304	-	-	7,286,304
Gross Investments	13,250,234	-	-	13,250,234
Less: ECL Allowance	(40,415)	-	-	(40,415)
	13,209,819			13,209,819

	Stage 1	Stage 2	Stage 3	Total
Certificates of Deposit	5,448,372	-	-	5,448,372
Treasury Bills	8,754,761	-	-	8,754,761
Gross Investments	14,203,133	-	-	14,203,133
Less: ECL Allowance	(51,819)	-	-	(51,819)
	14,151,314	-	-	14,151,314

10. Property and equipment

Property and equipment comprise the following:

		Equipment	Furniture and fittings	Computer hardware	Computer software	Total
Cost						
Balance as at April 1, 2019	$	22,973	38,717	22,904	14,671	99,265
Additions		2,587	269	4,706	-	7,562
Disposals		-	-	(4,583)	-	(4,583)
Balance at March 31, 2020	$	25,560	38,986	23,027	14,671	102,244
Accumulated depreciation						
Balance as at April 1, 2019	$	6,389	10,963	7,253	7,335	31,940
Charge for the year		5,568	7,743	2,763	4,890	20,964
Balance at March 31, 2020	$	11,957	18,706	10,016	12,225	52,904
Net book value						
At March 31, 2020	$	13,603	20,280	13,011	2,446	49,340
At April 1, 2019	$	16,584	27,754	15,651	7,336	67,325

11. Leases

The Corporation mainly leases office space used in its operations. Rental contracts for these leases are typically made for fixed periods but may have extension options.

The Corporation assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Corporation reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

Set out below, are the carrying amounts of the Corporation's right-of-use assets and lease liabilities and the movements during the period:

	Right-of-Use Property $	**Lease Liability $**
Balance at April 1, 2019	186,947	186,947
Depreciation expense	(140,210)	-
Interest expense	-	3,700
Principal payments	-	(143,208)
As at March 31, 2020	46,737	47,439

Additions to the right-of-use asset during the period were $nil.

Supplemental balance sheet information as of March 31, 2020 is set forth below:

	March 31, 2020
Right-of-use assets	46,737
Lease obligations:	
Current	47,439
Non-current	-
Total lease obligations	47,439
Weighted-average remaining lease term (in years)	0.33
Weighted-average discount rate	3%

11. Leases (continued)

The following table provides details of our lease expense:

	March 31, 2020	March 31, 2019 *(a)*
Included in operating costs:		
Operating lease costs	-	143,208
Amortization of right-of-use assets	140,210	-
Short-term lease expense	-	-
	140,210	143,208
Included in finance expense – interest expense on lease obligations	3,700	-
Total lease expense	143,910	143,208

(a) Amounts reflect operating and finance lease expense recorded under IAS 17, *Leases*, prior to adoption of IFRS 16 on April 1, 2019. Accordingly, amounts are not necessarily comparable.

The following table provides supplemental cash flow information related to our leases:

	March 31, 2020
Total cash outflows from leases	**143,208**

Maturities of Leases
Maturities of our lease liabilities on an undiscounted basis as of March 31, 2020 are presented below along with the current and non-current lease liabilities on a discounted basis.

	Year ending March 31, 2020
2021	47,736
Thereafter	-
Total future payments on an undiscounted basis	47,736
Less: Present value discount	(297)
Present value of lease liabilities	47,439
Current portion	47,439
Non-current portion	-

12. Accounts payable

		2020	2019
Eastern Caribbean Central Bank	$	98,697	458,697
Directors' and Corporate Secretary fees		211,100	207,542
ABI Bank Ltd. in Receivership		138,715	82,058
Other		1,262	-
	$	449,774	748,297

13. Accrued expenses

		2020	2019
Gratuities	$	233,480	107,834
Vacation		34,476	49,381
Audit fees		75,500	59,100
Other		35,309	11,955
	$	378,765	228,270

14. Contributed capital

		2020	2019
Authorised Capital			
10,000 shares at $10,000 each	$	100,000,000	100,000,000

(a) Contributed capital consists of contributions from Participating Governments of the Eastern Caribbean Currency Union. Capital contributions comprise of the following:

		2020	2019
Amount at the beginning of the year	$	40,410,289	12,000,000
Contributions during the year		-	-
Contributions during the year – fiscal reserve allocation		-	14,500,000
Contributions in kind during the year		-	13,910,289
Amount at year end	$	40,410,289	40,410,289

14. Contributed capital (continued)

(b) During the previous year, the Corporation received a $14,500,000 contribution, representing an allocation from the fiscal reserve account of the Participating Governments. This allocation was divided equally amongst the governments (i.e. $1,812,500 was assigned to each government).

During the previous year, the Corporation also received a $13,910,289 contribution in kind which represents the fair value of the Resolution Trust Corporation Limited's (RTC) net assets acquired as at September 30, 2018.

The fair values of the assets and liabilities of the Resolution Trust Corporation Limited (RTC), as at September 30, 2018 that were transferred to the Corporation are as follows:

Cash at ECCB	$	215,132
Investments		13,871,557
Total assets		14,086,689
Directors' fees payable		(176,400)
Net assets	$	13,910,289

The net assets of $13,910,289 were allocated to the Participating Governments based on their contribution in the RTC as at September 30, 2018. Their contribution as at September 30, 2018 and the subsequent allocation was as follows:

	Percentage allocation	RTC contributed capital	Allocation of net assets
Anguilla	9.94%	1,250,000	1,382,360
Antigua and Barbuda	13.35%	1,679,065	1,856,858
Dominica	13.35%	1,680,104	1,858,007
Grenada	13.33%	1,676,801	1,854,354
Montserrat	13.35%	1,679,731	1,857,595
St. Lucia	13.35%	1,678,827	1,856,595
St. Kitts and Nevis	13.39%	1,683,859	1,862,160
St. Vincent and the Grenadines	9.94%	1,250,000	1,382,360
Total		**12,578,387**	**13,910,289**

14. Contributed capital (continued)

(b) *(cont'd)*

As at March 31, 2020, the amount of each Participating Government's contribution to the contributed capital of the Corporation is as follows:

		2020	2019
Anguilla	$	4,694,860	4,694,860
Antigua and Barbuda		5,169,358	5,169,358
Dominica		5,170,508	5,170,508
Grenada		5,166,854	5,166,854
Montserrat		5,170,095	5,170,095
Saint Lucia		5,169,094	5,169,094
St. Kitts and Nevis		5,174,660	5,174,660
St. Vincent and the Grenadines		4,694,860	4,694,860
	$	40,410,289	40,410,289

Article 95 of the Eastern Caribbean Asset Management Corporation Act, 2015 states that shares of the Corporation shall be allotted to the Participating Governments in proportion to their respective contribution to share capital. As at March 31, 2020, and as at the date of approval of these financial statements, shares have not been issued to the Participating Governments based on their aggregated contribution as at the reporting date.

15. Payroll and related costs

		2020	2019
Salaries	$	883,123	755,316
Allowances		159,451	151,533
Benefits		204,931	60,266
Statutory contributions		83,681	50,440
Vacation accrual		4,398	15,128
Other staff costs		18,423	18,580
	$	1,354,007	1,051,263
Number of employees		5	4

In accordance with Article 99 (4) (e) of the Eastern Caribbean Asset Management Corporation Act, 2015, no tax shall be levied on or in respect of salaries and emoluments, including pensions and gratuities, paid by the Corporation to the appointed directors, chief executive officer, officers and employees of the Corporation. However, management has elected to make social security and medical benefits contributions.

16. Other expenses

		2020	2019
Lease	$	-	143,208
Consultancy expenses		119,974	136,985
Directors' fees		108,400	97,700
Audit fees		77,293	59,631
Service agreements		48,000	48,000
Professional fees		132,996	36,909
Travel expenses		37,188	27,801
Corporate secretariat		1,785	25,555
Brokerage fees		45,985	24,382
Electricity		24,067	18,970
Software		7,740	18,737
Office expenses		10,811	17,244
Repairs and maintenance		19,454	13,745
Subscription		556	12,735
Cleaning		9,000	9,000
Bank charges		3,691	5,056
Sundry expenses		2,571	3,442
Internet		2,386	2,646
Telephone		2,034	2,170
Security expenses		1,604	1,679
Water		185	299
Postage expenses		194	175
Directors' expenses		16,192	113
Legal expenses		11,348	-
	$	683,454	706,182

17. Related party balances and transactions

Related party definition

A related party is a person or entity that is related to the Corporation.

(a) A person or a close member of that person's family is related to the Corporation if that person:

- (i) has control or joint control of the Corporation;
- (ii) has significant influence over the Corporation; or
- (iii) is a member of the key management personnel of the Corporation or of a parent of the Corporation.

(b) An entity is related to the Corporation if any of the following conditions applies:

- (i) The entity and the Corporation are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Corporation or an entity related to the Corporation.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Corporation or to the parent of the Corporation.

A related party transaction is a transfer of resources, services or obligations between the Corporation and a related party, regardless of whether a price is charged.

17. Related party balances and transactions (continued)

Related party transactions

Significant transactions with related parties during the year were as follows:

ABI Bank Ltd. in Receivership
The Corporation was appointed receiver of ABI Bank Ltd. with effect from July 21, 2017. Staff members of ABI Bank Ltd. in Receivership provide support to the Corporation in the administration of the finance and asset management functions.

		2020	2019
Due to ABI Bank Ltd. in Receivership	$	138,715	82,058

Directors' Fees
The Directors' fees for the year ended March 31, 2020 was $108,400 (2019: $97,700). Amounts payable at the reporting date are included in accounts payable in the statement of financial position.

Key management personnel compensation
Key management personnel compensation comprised of the following:

		2020	2019
Salaries and other short-term benefits	$	1,160,575	965,689

18. Commitments

Lease Commitments

The Corporation entered into a rental contract on July 24, 2017 with Vertex Holdings Limited, for a period of three (3) years, for the rental of its office space, which expires on July 23, 2020. The agreed monthly office space rental is $11,934 tax exclusive.

As at March 31, 2019, the future minimum lease payments under IAS 17 was as follows:

		2019
Less than a year	$	143,208
Between one and five years		35,802

19. Taxation exemption

The Corporation was granted an exemption from all taxes by virtue of Article 99. (4) of the Eastern Caribbean Asset Management Corporation Act, 2015.

20. COVID-19

The World Health Organisation declared COVID-19 to be a global pandemic on March 11, 2020. It has since spread rapidly around the globe and has impacted companies both directly and indirectly. Within the Eastern Caribbean Currency Union, cases of the virus were first reported from March 2020. While it is not possible to reliably estimate the duration and full consequences of this pandemic, at this stage, it can be determined that the ECAMC will not be severely impacted financially and there are no current threats to our ability to function and provide services. Management will continuously be monitoring this assessment for any changes during this crisis. Specific attention will be focused on the impacts on the financial markets, the overall economies of the shareholder governments and the various financial institutions across the ECCU which we serve, all of which are highly uncertain and cannot be predicted.

21. Subsequent events

During October 2020, the Corporation signed Purchase and Sale Agreements (PSAs) with St. Kitts Nevis Anguilla National Bank (SKNANB), Bank of St. Lucia (BOSL) and Bank of St. Vincent & the Grenadines (BOSVG) to acquire assets respectively therefrom. A further PSA was executed with National Bank of Dominica (NBD) in February 2021. The details of the four transactions are as follows:

- On October 6th, 2020 the Corporation executed a PSA with SKNANB, to acquire one non-performing loan (NPL) and this PSA was terminated in May 2021.

- On October 19th, 2020 the Corporation signed a PSA with BOSL to purchase a pool of NPLs therefrom at a total acquisition price of EC$3,800,000, which was subsequently amended on April 22nd, 2021 to reduce the value of the assets to be purchased to a price of EC$2,730,000. Closing on the transaction was effected on April 30th, 2021 and the Corporation paid a deposit in the sum of EC$2,184,000 for the purchase of six NPLs from BOSL. The balance of EC$546,000 will be paid following and subject to the completion of the requisite collateral due diligence which is ongoing.

- On October 20th, 2020 the Corporation signed a PSA with BOSVG to purchase the non-performing loans of eight debtors at an acquisition price of EC$4,110,000. Closing on the transaction was delayed by the agreement of the parties to allow for the passage of the Banking Amendment Bill in St. Vincent and the Grenadines to address certain issues in relation to the transaction. The Bill was passed in July 2021 and the Banking Amendment Act is now in force. The parties are presently finalising the pool of assets that will be acquired upon Closing.

- A PSA was originally executed on February 15th, 2021 with NBD to purchase a pool of assets at an acquisition price of EC$9,566,000, which was subsequently amended on June 30th, 2021 to reduce the value of the assets to be purchased to a price of EC$4,146,000. Closing on the transaction was effected on June 30th, 2021 and the Corporation paid a deposit in the sum of EC$2,694,900 for the purchase of six NPLs from NBD. The balance of EC$1,451,100 will be paid following and subject to the completion of the requisite collateral due diligence which is ongoing.

The Corporation continues to hold discussions with various Approved Financial Institutions (AFIs) to acquire additional assets.