

BARBADOS PUBLIC WORKERS' CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Consolidated Financial Statements

For the year ended March 31, 2016

(Expressed in Barbados dollars)

2. Accounting Policies, continued

2.4 Changes in accounting policy and disclosures, continued

IFRS 9 – Financial Instruments

In July 2014, the IASB released the final version of IFRS 9 *Financial Instruments*. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models for debt instruments in IAS 39, *Financial Instruments: Recognition and Measurement*, with a new mixed measurement model having only two categories: amortised cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are recognised either at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognised in profit or loss insofar as they do not clearly represent a return on investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in the statement of other comprehensive income. It also includes guidance on hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The Group is currently evaluating the impact of the standard on its financial statements.

3. Net Interest Income

	<u>2016</u>	<u>2015</u>
Interest income		
Loans and advances	\$ 85,361,672	76,893,379
Financial investments	1,915,658	1,676,025
Cash resources	<u>2,184,945</u>	<u>2,360,547</u>
	<u>89,462,275</u>	<u>80,929,951</u>
Interest expense		
Deposits	30,791,965	28,328,098
Loans payable	<u>2,185,721</u>	<u>2,847,879</u>
	<u>32,977,686</u>	<u>31,175,977</u>
Net interest income	\$ <u>56,484,589</u>	<u>49,753,974</u>