

# BARBADOS PUBLIC WORKERS' CO-OPERATIVE CREDIT UNION LIMITED

## Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2017

(Expressed in Barbados dollars)

### 2. Accounting Policies, continued

#### (e) Standards in issue but not yet effective, continued

IFRS 9 introduces a new single expected credit loss ("ECL") impairment model for all financial assets and certain off balance sheet loan commitments and guarantees. The new ECL model will result in an allowance for credit losses being recorded on financial assets regardless of whether there has been an actual loss event.

The ECL model requires the recognition of credit losses based on twelve months of expected losses for performing financial assets and recognition of lifetime losses on financial assets that have experienced a significant increase in credit risk since origination.

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 Credit Union is currently evaluating the impact of the standard on its non-consolidated financial statements.

### 3. Net Interest Income

	<u>2017</u>	<u>2016</u>
<b>Interest income</b>		
Loans and advances	\$ 77,932,795	72,886,997
Financial investments	2,065,837	1,915,658
Cash resources	<u>1,364,199</u>	<u>1,565,759</u>
	<u>\$ 81,362,831</u>	<u>76,368,414</u>
<b>Interest expense</b>		
Deposits	\$ 25,657,769	24,439,698
Loans payable	<u>514,656</u>	<u>1,477,049</u>
	<u>26,172,425</u>	<u>25,916,747</u>
<b>Net interest income</b>	<u>\$ 55,190,406</u>	<u>50,451,667</u>