

# BARBADOS PUBLIC WORKERS' CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2015

(Expressed in Barbados dollars)

## 24. Financial Risk Management...(continued)

### Credit risk...(continued)

*Exposure to credit risk before collateral held or other credit enhancements*

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

	<u>Maximum exposure</u>	
	<u>2015</u>	<u>2014</u>
Loans and advances to customers:		
Consumer	\$ 505,612,835	461,624,260
Mortgages	234,895,063	217,097,920
Business	2,763,033	2,829,672
Financial investments:		
Held-to-maturity	23,838,462	20,395,633
Cash resources	93,772,722	109,228,502

Credit risk exposures relating to off-balance sheet items are as follows:

Loan commitments	<u>52,655,950</u>	<u>43,347,383</u>
<b>Total maximum exposure</b>	<b>\$ <u>913,538,065</u></b>	<b><u>854,523,370</u></b>

The above table represents the maximum credit risk exposure of the Credit Union as of March 31, 2015 and March 31, 2014, without taking account of any collateral held or other credit enhancements attached. For on-balance sheet assets, the exposures set out above are based on net carrying amounts as reported in the statement of financial position.

### Credit quality by class of financial assets

#### *Loans and advances*

The credit quality of the loans and advances is managed through the prudent underwriting principles established by the Credit Union.

#### *Financial investments*

The Credit Union has principally invested in government bonds issued by the Government of Barbados which in the 2014 financial year was downgraded to a BB+ rating by Standard & Poors. During the year ended March 31, 2015, this rating was further downgraded to BB-.

#### *Cash resources*

The credit quality of financial institutions holding the Credit Union's cash resources is assessed according to the level of their credit worthiness and by comparison to other financial institutions. The Credit Union places its cash resources with reputable financial institutions.