

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)

24. Financial Risk Management, continued

Credit risk, continued

Exposure to credit risk before collateral held or other credit enhancements, continued

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 2016 financial year was downgraded to a BB+ rating by Standard & Poors. During the year ended March 31, 2017, this rating was further downgraded to CCC+.

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.

The tables below show the credit quality and aging analysis by class of financial assets.

	2017			
	Neither past due nor impaired	Past due but not impaired	Individually impaired	Total
Cash resources	\$ 94,019,618	-	-	94,019,618
Financial investments:				
Held-to-maturity	28,536,207	-	-	28,536,207
Loans and advances:				
Consumer	494,665,078	98,001,985	26,862,387	619,529,450
Mortgages	227,303,743	58,814,347	8,482,651	294,600,741
Business	<u>1,517,636</u>	<u>1,939,466</u>	<u>333,017</u>	<u>3,790,119</u>
Total	\$ <u>846,042,282</u>	<u>158,755,798</u>	<u>35,678,055</u>	<u>1,040,476,135</u>