

BARBADOS PUBLIC WORKERS' CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

(Expressed in Barbados dollars)

26. Financial Risk Management, continued

26.2 Credit risk, continued

The table represents the maximum credit risk exposure of the Group as of March 31, 2019 and March 31, 2018, 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 consolidated 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 Group.

Financial investments

The Group has principally invested in government bonds issued by the Government of Barbados which in the 2019 financial year was downgraded to SD (Selective Default) rating by Standard & Poor's. During the year ended March 31, 2019, this rating was B.

Cash resources

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

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

	2019			
	Neither past due nor impaired	Past due but not impaired	Individually impaired	Total
Cash resources	\$ 252,514,651	-	-	252,514,651
Financial investments:				
Amortized cost	23,227,755	-	-	23,227,755
Loans and advances:				
Consumer	565,629,572	131,040,076	47,934,852	744,604,500
Mortgages	338,357,236	109,054,907	28,774,354	476,186,497
Business	<u>23,701,240</u>	<u>9,742,220</u>	<u>1,168,161</u>	<u>34,611,621</u>
Total	<u>\$ 1,203,430,454</u>	<u>249,837,203</u>	<u>77,877,367</u>	<u>1,531,145,024</u>