



# Credit Risk Statement

## WHAT IS THE POLICE AND FAMILIES CREDIT UNION'S CREDIT RISK?

Deposits have risks. A key risk is that Police and Families Credit Union Incorporated (trading as 'Police Credit Union') does not meet its commitment to repay you or to pay you any interest that is due (credit risk).

### What is Police and Families Credit Union's Credit Rating?

A credit rating is an independent opinion of the capability and willingness of an entity to repay its debts (in other words, its creditworthiness). It is not a guarantee that the financial product being offered is a safe investment. A credit rating should be considered alongside all other relevant information when making an investment decision.

The Police Credit Union has been rated by Equifax Australasia Credit Ratings Pty Limited (Equifax). Equifax gives ratings from AAA through to D.

We have a long-term issuer rating of **BB with a stable outlook**, issued on 18 December 2025.

### Summary of the opinions reflected by Equifax's Rating

Rating	Default rates (5 years)	Classification	Risk Level
AAA	0.17	High Grade	Negligible
AA+	0.31		
AA	0.44		
AA-	0.55		
A+	0.76	Investment Grade	Very low
A	0.81		
A-	1.47		
BBB+	2.08		
BBB	3.19	Low	
BBB-	4.37		
BB+	7.13	Near Prime	Low to Moderate
BB	7.49		
BB-	10.52		
B+	16.34	Sub Prime	Moderate
B	22.21		
B-	24.16		
CCC+	28.16	Credit Watch	High
CCC	29.90		
CCC-	39.16		
CC	52.87	Distressed	Very High
C	55.00		
D	100.00		

An Equifax rating may also include a 'Rating Outlook' assessment. Equifax's forward estimates help ascertain the trajectory of ratings as well as the risks to ratings. Ratings with a positive trajectory are assigned 'Positive Outlooks'. Ratings with a negative trajectory are assigned 'Negative Outlooks'. Where Ratings are expected to remain unchanged, a 'Stable Outlook' is assigned.

Further information about the credit risk of Police Credit Union is provided in our latest Product Disclosure. This plus other information can be found on the Offer Register at <https://disclose-register.companiesoffice.govt.nz/>, from the Police Credit Union website [www.policecu.org.nz/about-us/investor-information/](http://www.policecu.org.nz/about-us/investor-information/) and free of charge on request at the Police Credit Union Branch Office or by calling 08000 429 000.