

SPBD Microfinance (Samoa) Ltd
Annual Financial Statements
for the year ended 31 December 2024

SPBD Microfinance (Samoa) Ltd

Annual Financial Statements for the year ended 31 December 2024

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SPBD Microfinance (Samoa) Ltd

Annual Financial Statements for the year ended 31 December 2024

Statement of the Board of Directors

The Board of Directors (“BOD”) submits its report and the audited financial statements of SPBD Microfinance (Samoa) Ltd. (“SPBD”) for the year ended 31 December 2024.

PRINCIPAL ACTIVITY

The principal activity of SPBD is to improve the quality of life of families living in poverty by providing unsecured credit, training, and on-going motivation and guidance to help them start, grow and maintain micro and SME businesses, build assets, as well as, finance home improvements and childhood education. Its corporate vision is to create a network of micro-enterprise development organizations in the South-Pacific and neighbouring regions to empower women through financial access and economic development to help lift themselves and their families permanently out of poverty and improve self-esteem.

SPBD also provides a comprehensive Financial Education program (FEP) to provide meaningful and practical financial education to all its clients. Currently more than 8,000 of its valued clients go through weekly financial education training. This training helps them to manage their economic life better.

RESULTS

The results of operation for the year ended 31 December 2024 are set out in the statement of financial performance. SPBD made a net loss after tax of WST \$989,331 (2023: WST \$1,844,640) for the year.

THE BOARD OF DIRECTORS

The members of the BOD during the period and at the date of the report are:

- | | |
|---|----------|
| • Gregory F Casagrande, USA | Chairman |
| • James Young, USA | Director |
| • Sandeep Lohani, SPBD Singapore Holdings | Director |

DIVIDEND

The Directors recommend that no dividend be paid on general stock.

OTHER DISCLOSURES

The Company is a limited liability company incorporated and domiciled in Samoa. The address of its registered office is 1st Floor A1.3, NPF Plaza, Savalalo, Apia, Samoa. The postal address is PO Box 1614 and it is located at Apia, Samoa.

SIGNIFICANT EVENTS DURING THE YEAR

There were no significant events noted during the year.

EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE

There were no significant events after the statement of financial position date.

SPBD Microfinance (Samoa) Ltd

Annual Financial Statements for the year ended 31 December 2024

Statement of the Board of Directors

RESPONSIBILITIES OF THE BOD IN RESPECT OF THE FINANCIAL STATEMENTS

The BOD is responsible to ensure that the financial statements are properly drawn up, so as to give a true and fair view of the financial position of SPBD as at 31 December 2024, and of the results of its operations for the period then ended. In preparing these financial statements, the BOD is required to:

- i. Adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and apply them consistently,
- ii. Maintain adequate accounting records and an effective system of internal controls;
- iii. Prepare the financial statements on a going concern basis unless it is inappropriate to assume that SPBD will continue operation in the foreseeable future;
- iv. Set overall policies for SPBD, ratify all decisions and actions by the management that have a material effect on the operation and performance of SPBD, and ensure they have been properly reflected in the financial statements.

The BOD confirms that SPBD has complied with these requirements in preparing the financial statements.

On behalf of the Board of Directors,

DocuSigned by:

554A5C428502490...
Gregory F. Casagrande
Chairman

Date: 21 May 2025

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of SPBD Microfinance Samoa Ltd Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SPBD Microfinance Samoa Ltd (the "Company"), which comprise:

- the statement of financial position as at 31 December 2024;
- the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year ended 31 December 2024; and
- notes to the financial statements, including material accounting policy information.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of SPBD Microfinance Samoa Ltd as at 31 December 2024, and of its financial performance and its cash flows for the year ended 31 December 2024 in accordance with IFRS Accounting Standards as issued by the international Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of SPBD Microfinance Samoa Ltd in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Samoa, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Net Asset Deficiency and Consecutive Losses

We draw attention to Note 20 of the financial statements, which discloses that the entity incurred net losses for the years ended 31 December, 2024 and 2023, and that its total liabilities exceeded its total assets as at 31 December 2024, resulting in a net asset deficiency of \$4,693,049 tala. These conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. As explained in Note 20, the Directors believe that they have appropriate arrangements and plans in place to successfully manage the company's operational risks and have a reasonable expectation that the company will have adequate funding to continue in operational existence for the foreseeable future. Furthermore, the Company relies on support from its shareholder to continue operating as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the requirements of Companies Act 2001 in all material respects, and;

- a) We have been given all the information, explanations and assistance necessary for the conduct of the audit; and
- b) The company has kept financial records sufficient to enable the financial statements to be prepared and audited.

**BDO**

Chartered Accountants



Hanalei Betham

Apia, Samoa

21st May 2025

SPBD Microfinance (Samoa) Ltd

Financial Statements for the year ended 31 December 2024

Statement of Financial Position

Figures in WST

	Notes	2024	2023
Assets			
Cash and cash equivalents	4	698,351	2,419,246
Loans receivables	5	7,620,989	10,059,556
Other receivables	6	10,000	24,615
Goodwill	7	979,183	979,183
Property, plant and equipment	8	328,870	460,636
Income tax receivable	9	2,248,467	2,248,467
Deferred tax assets	9	4,998,577	3,194,258
Inventories		6,985	-
Total Assets		16,891,422	19,385,961
Liabilities			
Other creditors and accruals	10	1,515,534	767,994
Reserve for member death benefit	11	30,000	30,000
Reserve for spousal death benefit	11	30,000	30,000
Member savings deposits	12	1,871,866	1,749,393
Borrowings	13	17,753,572	20,041,442
Leases	14	395,489	482,840
Total liabilities		21,596,461	23,101,669
Equity and reserves			
Paid-in-capital	15	303,972	303,972
Retained earnings	15	(5,009,011)	(4,019,680)
Total equity and reserves		(4,705,039)	(3,715,708)
Total equity and liabilities		16,891,422	19,385,961

SPBD Microfinance (Samoa) Ltd

Financial Statements for the year ended 31 December 2024

Statement of Profit or Loss and Other Comprehensive Income

Figures in WST	Notes	2024	2023
Financial income			
Interest income from MF loans		3,608,405	4,752,045
Loan security fee (LSF)		278,301	375,907
Death benefit fee (DBF)		32,952	40,806
Spouse death benefit fee (SDBF)		8,040	9,195
Savings fees		7,160	10,575
Interest on bank accounts and term deposits		42,742	31,669
Loan recoveries	22	148,702	273,777
Development fees		417,454	479,434
Commissions		28,102	31,328
Miscellaneous income		15,577	11,982
Financial income sub-total		4,587,435	6,016,718
Financial expenditures			
Interest expense		(1,614,241)	(929,982)
Interest on overdraft facilities		(663,135)	(776,031)
Interest on client savings		(63,637)	(12,900)
Interest on lease		(3,912)	(21,156)
Guarantee fees		(96,500)	(50,000)
Foreign exchange (loss)/gain		18,050	(122,362)
Loss on disposal of assets		-	(98,987)
Financial expenditures sub-total		(2,423,375)	(2,011,418)
Net financial income		2,164,060	4,005,301
Loan loss provision	16	(1,749,491)	(3,708,612)
Member death provision	16	(27,402)	(15,000)
Spousal death provision	16	-	(3,000)
Net financial margin		387,167	278,688
Operating expense	17	(3,180,817)	(2,979,867)
Net operating loss		(2,793,650)	(2,701,178)
Non operating revenue	18	-	6,500
Net loss before tax		(2,793,650)	(2,694,678)
Less: income tax benefit	9	1,804,319	850,039
Net loss after tax		(989,331)	(1,844,640)

SPBD Microfinance (Samoa) Ltd

(Registration Number)

Financial Statements for the year ended 31 December 2024

Statement of Changes in Equity

Figures in WST	Issued and paid up Capital	Non-dilutive equity	Retained earnings/ losses	Total
Balance at 1 January 2023	88,094	215,878	(2,175,041)	(1,871,069)
Loss for the year	-	-	(1,844,640)	(1,844,640)
Balance at 31 December 2023	88,094	215,878	(4,019,680)	(3,715,709)
Balance at 1 January 2024 as previously reported	88,094	215,878	(4,019,680)	(3,715,708)
Loss for the year	-	-	(989,331)	(989,331)
Balance at 31 December 2024	88,094	215,878	(5,009,011)	(4,705,039)
Notes	15			

SPBD Microfinance (Samoa) Ltd

Financial Statements for the year ended 31 December 2024

Statement of Cash Flows

Figures in WST

	Notes	2024	2023
Cash flows from/(used in) operating activities			
Interest received		3,608,405	4,752,045
Fees received		979,030	1,264,673
Interest paid on loans		(2,344,925)	(1,740,069)
Cash paid to suppliers & employees		(3,564,143)	(6,655,245)
Other receipts		-	6,500
Cash flows used in operating activities		(1,321,633)	(2,372,096)
Cash flows from/(used in) investing activities			
Loans disbursement		(14,014,794)	(16,169,950)
Loans repayment		15,814,685	19,972,848
Payments for property and equipment		(33,757)	(16,970)
Net cash from investing activities		1,766,135	3,785,928
Cash flows from/(used in) financing activities			
Proceeds from long term borrowings		5,261,872	4,055,783
Repayments of long term borrowings		(7,549,742)	(4,942,998)
Member savings increase/(decrease)		122,473	(189,630)
Net cash from/(used in) financing activities		(2,165,397)	(1,076,845)
Net cash flow for the year		(1,720,895)	336,987
Cash and bank balance at beginning of year	4	2,419,246	2,082,259
Cash and bank balance at end of year	4	698,351	2,419,246

SPBD Microfinance (Samoa) Ltd

Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements

Figures in WST

1. General information

SPBD Microfinance (Samoa), Ltd. (“SPBD”), was incorporated under the Companies Act 2001 on the 13th day of December 2010 with the Ministry of Commerce, Industry, and Labour (MCIL) of Samoa. SPBD took over the activities, assets, and liabilities of South Pacific Business Development Foundation via purchase agreement. The aims of SPBD are to improve the quality of life of families living in poverty by providing training, unsecured credit and on-going guidance and motivation to help them start, grow and maintain income generating micro-businesses, build savings, as well as, finance home improvements and childhood education.

With the incorporation of SPBD Microfinance (Samoa) Ltd the company is under the umbrella of a Holding Company called SPBD Microfinance Holdings (Singapore) Pte Ltd incorporated in Singapore which is its ultimate parent company. This transformation formally links SPBD Microfinance Ltd (Samoa), (Tonga), (Fiji), (Solomon Islands), and (Vanuatu) as a sister organization enables many efficiencies and operating improvements. Gregory F. Casagrande owns 100% of the Holding Company.

SPBD Microfinance (Samoa) Ltd is regulated under Samoa’s Companies Amendment Act 2006 and is subject to the prudential requirements of the Money Laundering Act 2007, at the discretion of the Central Bank of Samoa.

To comply with money laundering prudential standards, SPBD has:

- Internal systems and checks in place, such as “Know Your Customer” (KYC) procedures, record keeping, normal onsite inspections and the current monthly reports to the Central Bank.
- A full-time compliance officer.

SPBD as a non-bank financial institution empowers its members through financial access and economic development to help improve themselves and their families permanently. SPBD is operating in Upolu, Savaii and other islands.

SPBD acquired the business License Certificate Number 284551/99777 from the Ministry for Revenue Services, Government of Samoa to carry on the business or economic activity of financial leasing.

As at 31 December 2024, SPBD has 27 staff of whom 6 are assigned in Savaii office and 21 in the Head Office in Apia.

2. Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below:

a) Basis of Preparation

These financial statements have been prepared in accordance with the requirements of the Companies Act 2001 and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on the historical cost basis as modified by the revaluation of certain financial assets and liabilities. The principal accounting policies are stated to assist in a general understanding of these financial statements. The financial statements are prepared in Samoan Tala (WST).

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

SPBD Microfinance (Samoa) Ltd

Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements

Figures in WST

Significant accounting policies continued...

b) Changes in Accounting Policies

i. New standards, interpretations and amendments adopted from 1 January 2023

The following new standards and amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes); and
- International Tax Reform - Pillar Two Model Rules (Amendment to IAS 12 Income Tax)

The Company carried out an assessment of the new standards, interpretations and amendments and concluded that the adoption of the above new standards, interpretations and amendments has had no effect on the financial statements.

ii. New standards, interpretations and amendments effective from 1 January 2024:

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early as some of them may not be applicable. The Company is still reviewing the effect of these new standards for applicability and impact on its financial statements for the next financial year.

The following amendments are effective for the period beginning 1 January 2024:

- Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)
- IAS 1 Presentation of Financial Statements (Amendment - Classification of Liabilities as Current or Non-Current)
- IAS 1 Presentation of Financial Statements (Amendment - Non-current Liabilities with Covenants)
- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (Amendment - Supplier Finance Arrangements).

iii. New standards, interpretations and amendments effective from 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21)

The Company is currently assessing the impact of these new accounting standards and amendments. The Association will assess the impact of the final amendments to IAS 1 on classification of its liabilities once those are issued by the IASB. The Company does not believe that the amendments to IAS 1, in their present form, will have a significant impact on the classification of its liabilities.

The Company is currently assessing the impact of these new accounting standards and amendments.

The Company will assess the impact of the final amendments to IAS 1 on classification of its liabilities once those are issued by the IASB. The Company does not believe that the amendments to IAS 1, in their present form, will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability.

SPBD Microfinance (Samoa) Ltd

Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements

Figures in WST

Significant accounting policies continued...

Other

The Company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the company.

c) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency is the Samoan Tala (WST).

d) Foreign currency transactions

Transactions in foreign currencies have been converted into the functional currency at the rate of exchange ruling at the date of the transaction. Balances denominated in foreign currencies have been converted into the functional currency at rates ruling at the particular balance sheet date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the exchange rates ruling at the dates the fair value was determined. Year end exchange rates used are the Group exchange rates used by the parent entity, which are taken from www.oanda.com, as follows:

	TT BUYING RATE 31 DECEMBER 2024	TT BUYING RATE 31 DECEMBER 2023
USD	0.3677	0.3789
AUD	0.3530	0.5540
NZD	0.5904	0.6009
EURO	0.6511	0.3468

e) Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below.

Interest income

Interest income on investments, loans and advances is recognised as it accrues. Interest on impaired loans is recognised as income only when received.

Fees and charges

Fees and charges are brought to account when they are earned. Fees on impaired loans are recognised as income only when received.

Loan security fee income

SPBD charges and with-holds 2% of the principal amount on the loans approved for disbursement to the customers as security in case the customer dies before full payment of their loans. (This only applies to the group loans). This fee is treated as an income for SPBD as it is not refundable to the customer upon payment of the loan and is recognised when the loan disbursement occurs.

SPBD Microfinance (Samoa) Ltd

Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements

Figures in WST

Significant accounting policies continued...

Savings accounts withdrawal fees

A \$2 tala fee is charged by SPBD to its members when they withdraw from their savings account and is recognised in the period in which the fee is charged.

Member Death Benefit Fee

The fees revenue on the death benefit in the past offered by the company was recognised in the period in which the Fees were earned during the term of the contract. In this case the Fee is a one-off payment paid at the time the loan is disbursed to the customer. In 2015, it was decided to recognise the one-off payment fee in the year in which the payment occurred. Provisions for death benefit have been consistently accrued in the past years, thus the recognition of the Fee revenue should be recognised once the Fee is received.

Development Fees income

SPBD Samoa charges a development fee of 3% at the time of loan disbursement

f) Loans

Loans are disclosed net of lending provisions. Term loans are carried at principal balances outstanding plus interest earned on cash basis.

The Company adopts the Grameen Bank's group solidarity lending methodology which provides credit that is individually unsecured but secured by the group guarantee policy arrangements.

There are two group loan products 1) 52 week loan product and 2) 17 week loan product. The primary purposes of the loans are for establishing new or expanding of micro businesses.

g) Impairment of loans

The Company conducts loan loss provisioning every quarter to maintain an adequate reserve for doubtful loans. The reserve is determined by applying predicted loss percentages to aged loans grouped according to the age of the outstanding payment. The age of outstanding payment is analysed in three weekly bands from one week to greater than twenty-one weeks. 100% provision is automatically assessed for loans whose repayments are more than 21 weeks overdue.

When a loan is uncollectible, it is written off against the related provision for bad and doubtful loans. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

If, in a subsequent period, the amount of the provision decreases and the decrease can be related objectively to an event occurring after the provision was recognised (such as an improvement in the debtor's credit rating), the previously recognised provision is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

Loan recoveries are cases of default loans which have been written off during previous year's and subsequently recovered are credited to income as bad debts recovered in the period in which the recovery is made.

h) Property and equipment

Items of equipment, furniture and motor vehicles are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of assets. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

SPBD Microfinance (Samoa) Ltd

Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements

Figures in WST

Significant accounting policies continued...

The costs of the day-to-day servicing of the property, plant and equipment are recognized in profit and loss as incurred.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives at which depreciation is charged are as follows:

Computers	2-5 years	Straight line
Office equipment	2-5 years	Straight line
Furniture and fittings	2-5 years	Straight line
Leasehold improvements	4-5 years	Straight line
New/ Used motor vehicles	2-5 years	Straight line

The residual value is reassessed annually. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

i) Leases

The Company as a lessee

For any new contracts entered into on or after 1 January 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

SPBD Microfinance (Samoa) Ltd

Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements

Figures in WST

Significant accounting policies continued...

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Company as a lessor

The company does not lease any property as a lessor.

j) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances of cash on hand and at bank including short term deposits which are subject to an insignificant risk of conversion to cash. Cash and cash equivalents are stated net of bank overdraft. Bank overdrafts are shown within interest bearing borrowings in current liabilities in the statement of financial position.

k) Value added goods and services tax (VAGST)

As a financial institution, the company is exempt from VAGST. The company, however, is allowed to collect VAGST on rental income and claim VAGST on maintenance and other related costs of the building.

l) Income tax

Income tax comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

m) Accounts payable

Accounts payables are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services. Trade payables are recognised at cost which is the fair value of the consideration to be paid in the future for goods and services received. Given the short-term nature of most payables, the carrying amounts approximate fair value.

n) Employee benefits

The Company contributes towards the Samoa National Provident Fund, a defined contribution plan in accordance with local legislation and to which it has no commitment beyond the payment of contribution. Obligations for contributions to the defined contribution plan are recognised immediately in profit or loss.

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Significant accounting policies continued...

Liabilities for annual leave is accrued and recognised in the balance sheet. Annual leave are recorded at the undiscounted amount expected to be paid for the entitlement earned. Short term benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus if SPBD has a present obligation or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be measured reliably.

o) Comparatives

Where necessary, comparative figures have been adjusted to conform to representations adopted in the current year.

3. Critical accounting estimates/judgements

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a. Impairment losses on loans

The Company reviews its loan portfolios to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the income statement, the company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

b. Extension options for leases

When the entity has the option to extend a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

4. Cash on hand and at bank

Cash on hand

Petty cash	700	2,707
Savaii imprest	3,000	3,000
Upolu imprest	10,000	10,000
Sub total	13,700	15,707

Bank balances - unrestricted

United states dollars	27,037	264,609
Samoa tala	74,773	183,045
Sub total	101,810	447,654

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Cash on hand and at bank continued...

Bank balances - restricted to members savings

Samoan tala term deposits	149,086	355,704
Samoan tala current account	294,070	150,581
Samoan tala term deposit (ANZ OD facility)	-	1,173,167
USD term deposit - (OD facility - ANZ)	-	133,517
Sub-total	443,156	1,812,969

Bank balances - restricted for security for overdraft facilities

USD term deposit - (OD facility - SCB)	139,608	141,769
SPBD Samoan tala - BSP	77	1,147
Sub-total	139,685	142,916

Total cash on hand and at bank

698,351	2,419,246
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5. Loan receivables

Total disbursements (accumulative since inception)	279,191,730	265,176,936
Less: repayments (accumulative since inception)	(263,723,417)	(247,908,732)
Written off loans	(7,221,699)	(2,765,381)
Gross loan receivable	8,246,613	14,502,824
Less: loan contingency reserve	(625,625)	(4,443,268)
Total loans receivables	7,620,989	10,059,556

Provisioning ratios for group loans	Loan loss provision	Loan outstanding	Loan loss provision amount
<1 week aged (<7 Days)	1%	7,136,950	71,370
1 week to 4 weeks late (<30 days)	5%	381,555	19,078
5 weeks to 8 weeks late (30 to 60 days)	10%	85,690	8,569
9 weeks to 12 weeks late (60 to 90)	25%	63,885	15,971
13 weeks to 16 weeks late (90 to 120)	50%	108,484	54,242
17 weeks to 20 weeks late (120 to 140)	75%	54,624	40,968
21 weeks or more (150 + days)	100%	415,427	415,427
Total provisioning as of 31 December 2024			625,625

Types of loans

- i) 52-weeks Loan are loans granted in Samoan Tala to clients who belong to SPBD Centres. This type of loan is provided to clients at an interest rate of 24% for a loan cycle of 52 weeks. Principal and interest payment are made on a weekly basis. Loan amount ranges from a minimum of WST1,250 to WST12,000.
- ii) SME Loan was launched in August 2013, and the main focus is SPBD good clients who have maintained a very good business. Loan amount ranges from \$8,000 to \$32,000 at 21% interest. In 2017, SPBD has launched a phase 3 of its SME loan product where SPBD has extended its service to the public entrepreneurs, who operate and maintain a good business, but need further improvement on the business. In 2021, SME loans was reviewed by President, approved minimum from \$10,000 to \$50,000.

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Loan receivables continued...

- iii) OWL is Overseas Workers Loan Program, and this product was also launched in 2013, to assist men and women from Samoa who are selected to take up seasonal work in New Zealand and Australia. SPBD provides 4 months unsecured credit which ranges from \$1,500 to \$3,500 at 12% interest to seasonal workers to pay for visa fees, airfares, and all other related travel costs. The maximum amount of loan was reviewed and approved to increase to \$5,000, and the term to increase based on the term of their contract.
- iv) The Education Loan Product was launched in September 2014, to assist SPBD clients in financing their children school fees or tuition fees. SPBD cares about the children's education, thus the reason of introducing this new loan product. Loan ranges from \$300 to \$750 at 10% for 6 months education loan, and 12 months education loan ranges from \$800 to \$3,000 at 20% interest.
- v) The White Goods financing product was launched on 31 March 2019, to assist SPBD very good existing clients to purchase high quality but affordable white goods and other major appliances, which SPBD clients will need to increase productivity in their respective households and businesses. SPBD is partnered with SSAB in providing the high-quality white goods and other appliances to SPBD clients, and then SPBD issues a one lump sum payment directly to SSAB once received an invoice from SSAB. Loan ranges from \$1,250 to \$2,500 at 21% interest for a period of 1 year or 52 weeks.
- vi) The Restructured loan product was a short-term solution in response to COVID 19 impact. This new product gives SPBD existing eligible members another 52 weeks to repay back their loans with new terms and conditions. The final date of this short-term new product is 31 December 2020.
- vii) The Revitalisation loan product offers to SPBD existing members who really need financial help to assist in rebuilding their businesses affected by the COVID 19 crisis. This loan product allows SPBD affected members to improve their affected business. Loan ranges from \$1,250 to \$3,000 at 24% for 52 weeks or 12 months.
- viii) A new Restructured loan product was launched in October 2024 to provide members who have fallen in arrears on their loans an opportunity to rehabilitate their loan account over a period of 52 weeks and regain membership eligibility. This product remains active and available to SPBD Members.
- ix) The Aiga Loan Product was launched in January 2024 to provide SPBD Members financial flexibility to access financing for family obligations. The loan is offered for 3 and 6 months periods at interest rates of 6% and 12% respectively. Loans may range in size from \$1,000 to \$3,000.

6. Other receivables

Prepaid insurance	10,000	24,615
Total other receivables	10,000	24,615

7. Goodwill

The value of SPBD foundation over and above the value of its assets resulting from the reputation established with clients, lender, the government of Samoa and other stakeholders since its inception on 18 January 2000.

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8. Property, plant and equipment

Balances at year end and movements for the year

	Leasehold improvements	Vehicle	Fixtures and fittings	Office equipment	Computer equipment and peripherals	Right of use asset	Total
Reconciliation for the year ended 31 December 2024							
Balance at 1 January 2024							
At cost	17,175	1,337,301	62,729	33,008	67,700	469,516	1,987,429
Accumulated depreciation and impairment	(17,175)	(1,086,500)	(53,291)	(20,204)	(54,927)	(294,696)	(1,526,793)
Carrying amount	-	250,801	9,438	12,804	12,773	174,820	460,636
Movements for the year ended 31 December 2024							
Additions from acquisitions	-	13,932	9,631	2,297	7,897	-	33,757
Depreciation	-	(83,600)	(5,430)	(3,880)	(12,675)	(59,938)	(165,523)
Property, plant and equipment at the end of the year	-	181,133	13,639	11,221	7,995	114,882	328,870
Closing balance at 31 December 2024							
At cost	17,175	1,351,233	72,360	35,305	75,597	469,516	2,021,186
Accumulated depreciation and impairment	(17,175)	(1,170,100)	(58,721)	(24,084)	(67,602)	(354,634)	(1,692,316)
Carrying amount	-	181,133	13,639	11,221	7,995	114,882	328,870

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9. Income tax

Loss before tax	(2,793,650)	(2,694,678)
Add: adjustment for over-provision in prior years	-	(706,566)
Add: timing difference	(3,889,014)	252,951
Total taxable profit before tax	(6,682,664)	(3,148,293)
Income tax (benefit) expense @27%	(1,804,319)	(850,039)

Income tax reconciliation

Opening tax credit	2,248,467	1,683,666
Add: income tax paid	-	61,239
Add: provision tax paid	-	503,562
Total income tax credit	2,248,467	2,248,467

Deferred tax asset

Carried forward tax on losses and temporary differences	3,194,258	2,466,695
Add: deferred tax asset on losses	754,286	659,266
Add: deferred tax asset on timing difference	1,050,034	68,297
Deferred tax asset at year end	4,998,577	3,194,258

10. Other creditors and accruals

Accrued expenses and other payables	1,515,534	767,994
Total other creditors and accruals	1,515,534	767,994

11. Reserves

a) Reserve for Member Death Benefit

The reserve is calculated based on 2024 number of members passed away, to ensure that SPBD has enough provision to cover for 2024-member death benefit.

DB reserve	30,000	30,000
SDB reserve	30,000	30,000
Total reserve for member death benefit	60,000	60,000

b) Reserve for Spousal Death Benefit

This reserve is calculated based on 2024 number of spouses passed away, to ensure we provision enough to cover for 2024 Spousal death benefit.

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12. Members saving deposit

SPBD initially developed the micro-savings program in partnership with UNDP and WESTPAC Bank. SPBD formally launched the micro-savings program on October 7th, 2004 following a 3 months pilot-test period and required consultations with the Central Bank of Samoa. Any SPBD new member can open up a savings account with a minimum of \$10 deposit. SPBD also started its savings policy in 2007 whereby 5% loan retention (compulsory savings) goes into a member's Savings account. SPBD is not a regulated financial intermediary and does not use their client deposit for on-lending. Members can withdraw money with prior notice or anytime for emergencies. SPBD provides quarterly financial report, as well as an audited financial report to Central Bank of Samoa. The 5% retention can only be withdrawn by a member after the latest loan is paid off. SPBD deposits collected savings daily in a segregated bank account at Bank South Pacific (Samoa) Limited. Members saving deposits are supported by SPBD group and its related entities.

As part of its policy, SPBD may apply members' compulsory savings towards the adjustment of overdue amounts on identified loan accounts. This action is taken solely to address loan overdue and is reflected in the members' savings deposit balance when applied.

Opening balance	1,749,393	2,579,012
Add: movement in regular savings	122,473	(829,619)
Total members saving deposit	1,871,866	1,749,393

13. Borrowings

Bank overdraft	2,567,912	6,207,815
Bank borrowings	-	247,912
Non-banking borrowings:		
Secured	4,534,431	6,140,056
Unsecured	10,651,229	7,445,659
Total borrowings	17,753,572	20,041,442

*Unsecured borrowings consist of KIVA funds, Micro Dreams Loan and related party. Refer Note 25(b.) for details of Related Party borrowings.

The currency profile of the borrowings is as follows:

Samoa Tala - WST	5,824,123	11,987,927
US Dollar - USD	8,608,480	6,607,948
NZ Dollar - NZD	806,278	176,087
AUD Dollar - AUD	1,236,471	661,625
EURO Doller - EUR	1,278,220	607,855
Total borrowings	17,753,572	20,041,442

The bank loans and overdrafts are secured by the following:

- Assignment over Book/Debts loan portfolio in the name of SPBD Microfinance (Samoa) Ltd limited to the amount of \$6,000,000 plus interest and costs.
- The overdraft is secured by WST term deposit amounting to \$139,608.
- Corporate Guarantee and Indemnity limited to \$2,000,000 amount plus interest, costs and other amounts given by SPBD Microfinance Holdings (Singapore) Pte Ltd in favour of ANZ.

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Borrowings continued...

The non-bank borrowing is secured by loans portfolio assignment at up to 150% of the value of the loan amount.

14. Leases

The Company has a lease for its main office and parking space for a term of 5 years. The lease agreement contains an extension option for another 5 years. The Company has not included the extension option as part of the initial recognition of the lease liability. As at year end the remaining term on the lease is 2 years.

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

The company classifies its right-of-use assets in a consistent manner to its plant and equipment.

Right-of-use asset

The movement in the right-of-use asset as presented in the statement of financial position is as follows:

Buildings

As 1 January	174,820	234,758
Amortisation	(59,938)	(59,938)
At 31 December	114,882	174,820

Lease liabilities are presented in the statement of financial position as follows:

Current	72,687	72,687
Non-current	322,802	410,153
At 31 December	395,489	482,840

The movement in lease liability for the year is as follows:

At 1 January	482,840	377,603
Interest expense	134,679	62,083
New rental lease	-	234,758
Repayments	(103,112)	(191,604)
At 31 December	395,489	482,840

Lease liability includes lease liability on building premises and motor vehicle lease.

15. Paid in capital

SPBD Microfinance Holdings (Singapore) Pte Ltd, the parent company of SPBD Microfinance (Samoa) Ltd. invested ST\$88,094 in equity into SPBD Microfinance Samoa Ltd in 2011. Donated capital from TVLLC-IFC was also received in previous years, thus increasing the total capital to \$303,972.

Equity investment from SPBD Microfinance (Singapore)	303,972	303,972
Total paid in capital	303,972	303,972

Retained earnings

As at 31 December 2024, the company has accumulated losses of WST \$5,009,011 (2023: WST \$4,019,680).

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16. Loan loss provisioning

SPBD conducts loan loss provisioning every quarter to maintain an adequate reserve for doubtful loans. The reserve is determined by applying predicted loss percentages to aged loans grouped by lateness of payment. A loan becomes late as a weekly scheduled payment is missed.

Loan loss provision expensed	1,275,266	273,405
Shortfall in loan repayments	474,225	3,435,207
Total loan loss provisioning	1,749,491	3,708,612

b) Member death payments	27,402	15,000
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c) Spousal death payments	-	3,000
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d) Movement

i) Movement loan loss reserve

Loan loss reserve is increased by annual loan loss provisioning expense and decreased by loan write-offs.

Loan loss provision - Opening	4,443,268	4,194,152
Additional reserve (incl. staff fraud)	1,452,690	3,708,612
Loan loss expense for the year - deceased members	(27,402)	(38,857)
Members savings shortfall	-	530,410
Write off towards loan repayment	(474,225)	(3,435,207)
Loans written off in the year	(4,768,706)	(515,842)
Loan loss reserve 31 December	625,625	4,443,268

17. Operating expenses

Accident compensation board	6,172	14,870
Bank charges	20,506	10,233
Communications	125,103	191,011
Depreciation	165,523	164,880
Insurance	17,664	30,694
National provident fund	61,144	75,565
Office expense (including printing)	74,593	57,999
Other expenses	7,314	13,072
Professional services	1,196,333	1,075,623
Rental expenses	133,343	128,277
Repairs and maintenance	58,811	59,681
Salaries and wages	915,820	837,212
Taxes and fees	160,579	152,094
Training	6,350	-
Transportation	95,851	131,299
Travel	135,711	37,357
Total operating expenses	3,180,817	2,979,867

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18. Non-operating revenue

In 2023, the Company recognized non-operating revenue of \$6,500 from the Business Women of the Year Awards. No such revenue has been recorded for 2024.

19. Non-operating expenses

There is no more cost incurred under the non-operating expenses, unless we receive any grants in the future for any specific projects.

20. Going concern

The company made a loss during the year and has a deficiency in equity of \$4,745,148 at 31st December 2024. As a going concern, the company is dependent on the continuing support of its shareholder.

The Directors believe that they have appropriate arrangements and plans in place to successfully manage the company's operational risks and have a reasonable expectation that the company will have adequate funding to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements. In the event this basis were not appropriate, it would be necessary to write fixed assets down to realisable value, reclassify long term liabilities as current and provide for closure and shut down costs.

21. Financial risk management

The Company's activities expose it to a variety of financial risks: liquidity risk, market risk and credit risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's principal financial liabilities comprise borrowings and payables. The main purpose of these financial liabilities is to raise finance for Company operations. The Company has financial assets which mainly comprise cash and cash equivalents and receivables which are directly from operations. All financial assets are classified as 'loans and receivables and all financial liabilities are classified as 'held at amortised cost'.

The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

a) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet the payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through and adequate amount of committed credit facilities.

The Company has incurred significant amount of indebtedness and evaluates its ability to meet these obligations on an on-going basis. Based on these evaluations the Company devises strategies to manage liquidity risk. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of subordinated debt, bank overdraft facilities and borrowings to fund liquidity needs.

The Company's liquidity management process includes:

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Financial risk management continued...

- i) Maintaining a liquidity reserve in the form of cash and credit lines to ensure the solvency and financial flexibility at all times. For this purpose, the Company has net cash balances of \$0.7 million tala at 31 December 2024.
- ii) Managing the concentration and profile of the Company's debt maturities.
- b) **Market risk**

The Company takes on exposure to market risks, which is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis.

- i) **Currency risk**

Currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risks in connection with scheduled payments in currencies that are not their functional currencies. The payments relate mainly to overseas borrowings. The Company's income statement and statement of financial position can be affected materially by movements in the exchange rates between the US dollar and the Samoa tala. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Company manages its foreign exchange risk by ensuring that net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions.

- ii) **Foreign currency sensitivity**

The Company has 11,929,449 in foreign currency denominated borrowings as of 31 December 2024. If there was a material degradation of the Tala with all other variables held constant, profit before taxation would decrease.

- iii) **Interest rate risk**

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk.

The company's interest rate risk policy requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities. At 31 December 2024, none of the interests bearing liabilities were denominated in US dollars.

- c) **Credit risk**

Credit risk arises mainly from micro-credit loan provided to the Customers of SPBD. This can be described as potential loss arising from the failure of a counter party to perform as contractual agreement with the SPBD. The failure may result unwillingness of a counter party or decline in his/her financial condition in adverse environment. Therefore, SPBD's credit risk management activities have been designed to address all these issues.

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Financial risk management continued...

SPBD Centre Managers and the Team Leader have the proper introduction to the village chief before a new centre is opened. All interested women have to undergo a 6-session training to know about SPBD and the financial services offered. Potential clients must attend all sessions and has to undergo the final test to check their understanding of the SPBD Program. All potential clients must adhere to the five-point decisions that SPBD requires:

- They must be willing to start or operate a business/economic activity
- They must be willing to attend the weekly meeting
- They must be willing to pay the weekly payment
- They must be willing to form a group and
- They must abide by the group guarantee and group rules.

All loan applications must be endorsed by the Centre Chief and the Centre Secretary. The Centre Manager evaluates the loan application and submit to their Team Leader for endorsement. The Back-office checks the completeness and validity of the application and submits the loan application to the General Manager for approval. Once a loan has been approved a check for disbursement is prepared. During the disbursement clients are interviewed individually to check their identification, revalidate the information provided on the loan application and verify that the client fully understands the terms and condition of the loan

22. Loan recoveries

Loan Recoveries is the total amount of payments collected from loans that have already been written off in SPBD books of account. In 2024, SPBD was able to collect some payments from default loans and take into our Profit & Loss account.

23. Resignation fees

No resignation fees recognised in 2024.

24. Development fees

SPBD Samoa charges a Development Fee of 3% at the time of loan disbursement.

25. Money Transfer Operator (MTO)

SPBD Samoa has re-launched operation activities of money transfer sealing a partnership with KlickEx. This partnership was signed by SPBD Microfinance (Samoa) Ltd President, Gregory Casagrande and Ben Kealy Chief Executive Officer of KlickEx on 8th June 2023. An online website was also set up by Klick Ex for remittances.

26. Related party transactions

Transformer Ventures (TVLLC) provides executive management services to SPBD Microfinance (Samoa) Ltd. The amount chargeable per quarter were WST\$150,000 for quarter one and quarter two and WST\$190,000 for quarter three and quarter four totaling WST\$680,000 for 4 quarters in 2024.

SPBD Microfinance Holdings (Singapore) Pte Ltd provides general administrative services to SPBD Microfinance (Samoa) Ltd. The amount chargeable per quarter for administrative services remained at USD \$82,800 in 2024, totaling USD \$331,200 (equivalent to WST \$900,734) for the year. The fees for Q1 and Q2 have been waived and the remaining balance of WST\$450,367 remain payable to SPBD Microfinance Holdings (Singapore) Pte Ltd.

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Related party transactions continued...

a. Related party transaction:

Transformative Ventures (TVLLC)	680,000	520,000
SPBD Microfinance (Holdings) Pte Ltd	544,612	460,124
Total related party transaction	1,224,612	980,124

b. Intercompany Borrowings:

SPBD Microfinance (Holdings) Pte Ltd	6,734,073	3,762,093
Total intercompany borrowings	6,734,073	3,762,093

- a) The borrowing from SPBD Microfinance Holdings Pte. Ltd. was done in April, August and October 2024. Refer below for the loan detail:

Date of borrowing	Amount		Due for repayment
18 April 2024	AUD\$200,000	9%	30 June 2028
18 April 2024	NZD\$200,000	9%	30 June 2028
20 August 2024	AUD\$250,000	5%	30 September 2028
20 August 2024	NZD\$250,000	5%	30 September 2028
25 October 2024	USD\$800,000	8%	30 September 2028

27. Events after statement of financial position

There were no significant events after the statement of financial position date.

28. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on the date the financial statements were signed.