REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF

DEVELOPMENT BANK OF KIRIBATI FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2021

KIRIBATI AUDIT OFFICE

APRIL 2023

KIRIBATI AUDIT OFFICE

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Audit for an impact for the public

INDEPENDENT AUDITOR'S REPORT

To The Readers of
DEVELOPMENT BANK OF KIRIBATI FINANCIAL STATEMENT
For the year ended 31st December 2021

I have audited the Financial Statements of DEVELOPMENT BANK OF KIRIBATI for the year ended 31st December 2021 as required under sec 114 (2) of the Constitution, Part VII, Sec 42(4) of the Public Finances (Control and Audit) 1981, Part IV Sec 23 of the SOE Act, 2013 and Sec 22(1) of the Kiribati Audit Act, 2017. The Financial Statements comprise of the following:

- Statement of Financial Performance
- Statement of Financial Position
- Statement of Cash Flow
- Statement of Changes in Equity
- Notes to the Accounts

Adverse Audit Opinion

In my opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly (or *do not give a true and fair view of*) the financial position of Development Bank of Kiribati as at 31st December, 2021, and (*of*) their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards

Basis for Adverse Opinion

Based on my audit performed I found that the following deficiencies were not satisfactorily explained or had been agreed by DBK Management therefore formed the basis of my Adverse Opinion as follows:

- The audit notes of the total unpresented cheques as per Bank reconciliation (as of 31st December 2021) was \$540k. After the reconciliation, \$260k has been cleared/appeared in 2022. Hence, \$40k remain as the unpresented cheques not yet appeared to date. However, the other remaining \$240k as confirmed by DBK management response were disregarded as an outstanding cheque but account it for as batches/adjustment that still to be reconcile and adjusted to the appropriate accounts. The \$240k has been reduce to **\$125k** which simplified that \$115k had been reconcile and cleared off (as per revised management response).

    I. It is the auditor view and observation that these adjustment/batches have been erroneously posted under the Bank Reconciliation impact the balance sheet account. This error should be adjusted under the Prior Period Items (IAS8) and disclosed as form part of the notes in financial statement.

    II. Therefore, the audit concludes that because of the significant effect in the account of **\$125k** exceed the materiality of \$7k and performance materiality of \$3k respectively, thus formed the basis of my audit opinion.

- Audit reviewed the Outstanding Deposit as per Bank Reconciliation 31 Dec 2021 add up to \$233k. It was confirmed as per DBK management response that there is no outstanding deposit, but the amount reported as the outstanding deposited appeal to be the batches/adjustments which require clearance. The outstanding deposit of \$233k has been reduce to **\$175k** after the second reconciliation.

    I. It appears from the audit point of view that these adjustments/batches should not be reported in the Bank reconciliation while in actual fact, these adjustments should be reported as Prior Period Item (IAS8) under Profit and loss and disclosed as form part of the notes in the financial statement.

    II. Because of the effect in the account significant materiality of \$175k, surpassing the materiality threshold of \$7k (planning materiality) and \$3k (performance) therefore, the auditor was not satisfactory with the explanatory note provided in the account which result in issuing the audit opinion.

Emphasis of Matter:

The audit would like to draw the attention of the users of the financial statement to the following audit queries raised below:

- DBK had fail to provide list for Creditors to support the existence and valuation amount of $7,121 as this amount was brought forward from previous years. DBK management has confirm in the meeting that this matter has been raise to the board of directors for clearance (Write off).
- Unclaimed cheques of $207k brought up from 2020 to 2021 has been withhold awaiting the Board of Directors approval for write off.
- Unknown account of $50k under Suspense Account is known as unallocated repayment which also been taken into consideration to the board of directors for write off.
- Trade debtors composed of Suspense & Clearing Account which include in the following table below which require clearance from the board of directors except for the imprest as DBK management still working on the recovery process.

Suspence & Clearing A/c	2021 ($)	2020($)
Salary Clearing	$ 5.00	$ 5.00
Staff Imprest	$ 4,288.00	$ 5,258.00
Others	$ 149,057.00	$ 136,030.00
Interest on TDs	$ 66.00	$ 66.00
Renovation	$ 3,071.00	$ 3,071.00
Bounce Cheque	$ 4,552.00	$ 4,552.00
Staff Training	$ 13,270.00	$ 13,270.00
	$ 174,309.00	$ 162,252.00

Board's and Management's responsibilities for the Financial Statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 Authority'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 Authority'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 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion as required under the Public Finance (Control and Audit) Ordinance 1976 and Kiribati Audit Act, 2017. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA/ISSAI 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 & ISSAI, 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 in order 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

DBK lodged its Financial Statement 2021 on 1st April 2022 one day late after the closing date for all SOE submission to the Audit office required under Section.20 of SOE Act, 2013.

Independence

Section 114 (4) of the Kiribati Constitution stipulates that the Auditor General shall not be subject to the direction or control of any other person or authority.Other than the audit, we have no relationship with or interest in DBK.

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Mr. Eriati Tauma Manaima
Auditor General.

Date:20/4/2023

DEVELOPMENT BANK OF KIRIBATI

FINANCIAL STATEMENTS

FOR YEAR ENDED 31 DECEMBER 2021

DEVELOPMENT BANK OF KIRIBATI

DBK

P.O.Box 33, Bariki Tarawa, Republic of Kiribati
Phone: (686) 21345, 21916 *Fax:* (686) 21297 *e-mail:* dbk@tskl.net.ki

31/03/22

Auditor General
Kiribati National Audit Office
Bairiki Tarawa

Dear Sir,

Revised DBK ANNUAL ACCOUNT – 2021

Please find enclosed Revised DBK account for the year ended 2021 for your information and auditing purposes.

We are looking forward to hear from your end and for further information you may require, please contact the undersigned.

Thank you,

Tebeta Betero
Finance Manager
for General manager

DEVELOPMENT BANK OF KIRIBATI
BALANCE SHEET
AS AT 31 DECEMBER 2021

	NOTES	2021	2020
CURRENT ASSETS			
Bank & Cash	4	679,886	3,773,606
Current Loans	5	20,198,023	15,314,303
Debtors	6	177,950	162,252
Prepayments	6	17,922	17,922
		21,073,781	19,268,082
***less* CURRENT LIABILITIES**			
Creditors	14	126,600	-5,715
Revolving Fund - Agent's M/Cycle	15	0	0
Interest on ADB Loans	17	316,086	302,837
Loans Overpayments	18	542,049	546,813
ADB Loan - Current Portion	12	144,951	144,951
Unearned Interest	19	140,365	140,365
		1,270,052	1,129,251
WORKING CAPITAL		**19,803,729**	**18,138,831**
***add* NON CURRENT ASSETS**			
Non Current Loans	5	1,405,294	1,442,993
Motor Vehicles, Furniture etc.	3	329,285	369,767
		1,734,579	**1,812,760**
***less* NON CURRENT LIABILITIES**			
Government Loan ADB	12	1,180,070	1,180,070
KPF Investment	12	583,526	991,674
Tobwaan Tekrikirake Loan Scheme	12	20,000	20,000
Government Soft Loan	20	3,500,000	3,500,000
		5,283,596	5,691,744
NET WORTH		**16,254,712**	**14,259,847**
Represented by:			
Paid Up Capital		4,939,940	4,939,940
Assets Replacement fund reserve		177,785	164,989
Accumulated Profits	8	6,805,219	5,306,436
New Zealand Grant		66,082	66,082
Educational Loan Scheme	12	3,765,685	3,282,400
Artisianal Fisheries Project	12	500,000	500,000
		16,254,712	**14,259,847**

The accompany notes form part of these financial statements.

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Chairman

....
Director

DEVELOPMENT BANK OF KIRIBATI
INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
Income	3,413,727	2,982,641
Expenditure	1,903,979	1,627,632
Net Profit/(Loss) Before Prior Period Items	1,509,748	1,355,009
Prior Period Items	10,965	-32,069
Net Profit/(Loss) after Prior Period Items	1,498,783	1,387,078
Accumulated Profit/(Loss) at 1 Jan 2021	5,306,436	3,919,358
Accumulated Profit/(Loss) at 31 December 2021	6,805,219	5,306,436

DEVELOPMENT BANK OF KIRIBATI
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
Share Capital 1-1-21	4,939,940	4,939,940
Plus: Additional Capital		
New Zealand grant	66,082	66,082
Educational Loan scheme	3,765,685	3,282,400
Artisanal Fisherman Loan Scheme	500,000	500,000
Asset repalcement fund	177,785	164,989
Share Capital 31/12/21	9,449,493	8,953,411
Retained Earnings 1-01-21	5,306,436	3,919,358
Plus: net profit (total income) after tax	1,498,783	1,387,078
less: dividends paid	-	-
Retained earnings 31/12/21	6,805,219	5,306,436

The accompanying notes form parts of these Financial statements.

Development Bank of Kiribati
Cash Flow Statement for
Ended 31 December 2021

	(Notes)	2021	2020
Cash Flow from Operating Activities		$	$
Cash Received from Customers		1,734,497	274,334
Cash paid to suppliers & Emp		-1,386,761	-1,327,654
		0	-0
Cash received from operating activities		347,737	-1,053,321
Cash Flow from Investing Activities			
Net Loan issued from Covid-19		-3,474,073	0
KPF cash Loan repayment		-408,148	-345,144
Acquisition of Long-Term assets		-55,317	-47,629
Net Loan issued from ELS		483,286	662,196
Government soft loan			3,500,000
Cash used from Investing activities		-3,454,252	3,769,423
Cash flow from Financing			
Gain from replacement asset reserve		12,796	12,796
Cash received from Financing		12,796	12,796
Net increase/(decr) in Cash		-3,093,719	2,728,899
Add Cash 31/12/20		3,773,606	1,044,707
Cash held 31/12/21		679,886	3,773,606
RONPTCFOA			
Net Profit		1,498,783	1,387,078
Depreciation		95,799	138,026
Provision Loan		278,338	13,456
Interest ADB		13,249	13,250
Bank errors		4,267	78,563
Interest on Covid Stimulus Loan		-71,121	0
Loans - Commercial		-634,771	22,840
Loans - Staff House		-206,094	-460,227
Loans - Staff Personal		-28,100	-10,288
Loans -Housing		-119,877	51,730
Rural Support Loan		-298,664	-208,957
Tobwaan Te Rikirake Loan schem		1,278	-1,475
Loans - Social Development		8,296	-1,235,375
Student loan		-169,796	-519,740
Business Loan		-185,266	-108,833
Fisherman Loan Scheme		63	1,706
Non Commercial Loans		0	4,286
Suspense Re: Staff Imprest		-2,670	-990
Suspense Re: Others		-13,027	-155,784
Suspense Re: Loan Adjustment-overpayment		55,219	-228,574
Suspense Re: Xmas Branch Housing		0	0
Suspense Re: Staff Fund		7,956	-4,417
Suspense Re: Unknown Repayments		52,687	0
DBK Staff Deduction Clearing		10,460	2,488
Payroll Accrual		1,726	52,628
Suspense Re: Bounce Cheque			-2,844
Provision Hardcore		-592	0
Provision Past due		54,356	-3,697
Loan overpayments		-4,764	73,356
Suspense Re: Unclaimed cheques			48,471
		347,737	-1,053,321
Cash held 31 December 2021			
Petty cash		200	200
Bank account - No 1		7,511	3,423,674
Bank account - Kiritimati		101,707	45,276
Bank account - No 3		532,027	237,725
Cash in transit		38,441	66,730
		679,886	3,773,606

DEVELOPMENT BANK OF KIRIBATI
DETAILED INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

INCOME	NOTES	2021	2020
Interest - Commercial Loans		548,956.78	591,741.54
Interest - Housing Loan		35,846.98	36,593.87
Interest - Personal Loan		1,774,105.00	1,585,637.75
Interest - Bank Deposit		0.00	65.13
Interest - Staff House Loan		45,210.41	18,304.20
Interest - Staff Personal Loan		7,707.04	7,212.91
Interest - Penalty		0.00	0.00
Interest - Rural Support Loan		48,843.60	20,209.93
Interest - Tobwaan Terikirake Loan Scheme		139.92	159.56
Interest - Covid Stimulus Loan		71,121.01	0.00
Loan Fees		288,003.60	185,727.19
Application Fees		49,931.25	59,066.03
Registration Fees		26,182.90	23,760.00
KPF Pledge Fees		25,000.00	25,350.00
Refinancing Fees		47,854.35	75,917.85
Student loan commission		40,875.50	44,450.00
Loan Administration Fees		191,043.71	137,816.83
Arrears Fees		125,350.69	89,519.78
Recovery Cost		6,674.47	0.00
Government Grant		72,876.12	72,876.12
Gain on Disposal		0.00	0.00
Closing fees		2,900.00	4,600.00
Sundry Income		5,104.08	3,632.23
		3,413,727.41	2,982,640.92
EXPENDITURE			
Salaries & Staff Expense	9	869,091.72	856,828.47
Workmens Compensation		8,499.96	8,499.96
Leave Grant		162,750.00	72,465.00
Directors		81,214.54	60,423.13
Entertainment		0.00	2,000.00
Repair & Maintenance - Motor Vehicle		3,071.75	12,823.57
Repair & Maintenance - Office Equipment		5,148.17	2,463.67
Repair & Maintenance - Computer		1,754.43	957.63
Transportation		29,998.08	24,619.15
Office Rent	16	42,761.88	38,115.68
Electricity		31,875.33	31,545.30
Telephone, Fax and Emails		36,620.61	35,167.01
Postage & Telegram		4,653.46	6,406.65
Printing and Stationery		32,557.24	26,247.11
Overseas Travel		0.00	0.00
Subscriptions		2,003.08	4,319.34
Advertising		1,930.20	3,972.60
Bank Charges		5,166.68	5,764.49
Provision for Loans Specific	11	332,102.50	63,226.14
Depreciation	3	95,798.76	138,026.30
Outer Island Travel		41,192.46	57,232.27
Operating Cost - Outer Is, Agencies		0.00	-30.00
Interest on Borrowing	12	86,125.60	86,126.40
Loan Adjustments		-4,911.63	60,308.79
Audit Fees		0.00	0.00
Rebate Interest expense		0.00	0.00
Research and development		350.00	8,310.00
Silver Jubilee		0.00	0.00
Insurance Coverage		4,296.00	4,296.00

Sundry Expense	13	29,928.45	17,517.25
Total Expenditure		1,903,979.27	1,627,631.91
Operating Profit/(Loss) before Prior Period Items		1,509,748.14	1,355,009.01
Prior Period Items	10	10,965.00	-32,069.28
Net Profits / (Loss) after Prior Period Items		1,498,783.14	1,387,078.29

DEVELOPMENT BANK OF KIRIBATI
NOTES TO THE FINANCIAL STATEMENTS

1 The Development Bank of Kiribati was established by the Development Bank Act 1986 for the provision of long, medium and short term loans as well as the required technical assistance to promote the efficient organization and conduct of business undertakings.

2 Principal Accounting Policies

2.1 ACCOUNTING CONVENTION

The Financial Statements have been prepared under the historical cost convention.

2.2 CURRENCY

The Financial statements are expressed in Australian Dollars.

2.3 DEPRECIATION

Depreciation is calculated to write down fixed assets value in equal installments using the following rates:

Furniture & Fittings	20%
Computer Upgrade	20%
Office Improvement	33.33%
Motor Vehicle	20.00%
Fence security Area	33.33%
Land and Buildings	5%

2.4 INTEREST AND INVESTMENT INCOME

Interest on loans and income from investments are included in the income and expenditure statement in the accounting period in which they are due.

2.5 TURNOVER

Turnover comprises interests, fees and sundry income.

3 Fixed Assets	Motor Vehicle	Office Furn & Equip.	Fence Sec. Area	Computer Upgrade	Container	Land Buildings	Office Improvemen	Total
Cost at 1 Jan 2021	264,834	516,293	44,715	616,857	4,546	165,903	11,653	1,624,801
Additions	5,321	13,685	0	36,936	0	0	0	55,942
Disposal /Adjustme	0	0	0	0	0	0	0	0
	270,155	529,978	44,715	653,793	4,546	165,903	11,653	1,680,743
Depreciation								
At 1 January 2021	264,834	454,006	44,478	449,807	4,546	26,335	11,653	1,255,659
Charge	5,320	14,831	237	66,357	0	9,054	0	95,799
Disposal / Adjustme	0	0	0	0	0	0	0	0
	270,154	468,837	44,715	516,164	4,546	35,389	11,653	1,351,458
Book Value								
At 31Dec 2020	1	61,141	-0	137,629	0	130,514	0	329,285
At 01 Jan 2021	0	62,287	237	167,051	0	139,568	0	369,142

		2021	2020
Cash & Bank	Note 4		
Cash on Hand - Petty Cash		200.00	200.00
Bank Account - No. 1		7,511.01	3,423,674.4
Bank Account - Kiritimati		101,707.35	45,276.4
Bank Account - IBD		0.00	0.0
Bank Account -No 3		532,027.40	237,724.6
Electronic Clearing account		0.00	0.0
Cash in Transit		38,440.62	66,730.1
		679,886.38	3,773,606

	2021	2020
Cash in transit Break down		
Abaiang agency	13,810.77	3,651
Abemama agency	6,786.95	12,498
Beru agency	-967.73	-4,000
Nikunau agency	2,051.75	1,065
Onotoa agency	1,903.90	-1,284
Marakei agency	-1,770.60	856
Fanning agency	1,684.84	5,268
Tabnorth agency	3,306.70	5,818
Butaritari agency	5,461.10	7,200
Tamana agency	33.50	783
Nonouti agency	2,099.99	2,440
Maiana agency	-4,385.82	12,639
Arorae agency	2,342.55	4,193
Kuria agency	-2,967.20	7,599
Aranuka agency	5,531.28	3,048
Makin Agency	-1,157.46	6,906
Teraina Agency	710.00	-1,380
North Tarawa Agency	2,952.90	-570
TabSouth Agency	1,013.20	0
	38,440.62	66,730

	2021	2020
Current Loans (maturity beyond 12 months)		
Commercial	5,126,878.01	4,501,241
Staff House	819,995.38	613,901
Staff Personal	153,061.03	124,961
Social Development Loan	7,217,140.12	7,232,367
Housing	409,786.96	289,910
Student Loan	2,849,666.05	2,679,870
Non Commercial Loan	-56.46	-56
Business Loan	377,441.75	192,176
Fisheman Loan Scheme	90.56	154
Rural Support Loan Scheme	618,950.24	320,286
Tobwaan Terikikirake Loan Scheme	4,657.10	5,935
SOE Covid Stimulus Loan	3,545,193.70	0
Total Loans - Current Portion	**21,122,804.44**	**15,960,746**
less: Provision for Doubtful Loans	-924,781.12	-646,443
	20,198,023.32	**15,314,303**

	2021	2020
Non Current Loans		
Commercial	2,607,632.90	2,598,499
Staff House	1,188.88	1,189
Staff Personal	7,668.37	7,668
Personal	35,868.31	28,937

Housing	15,007.48	15,007
Student loan	0.00	
Non Commercial Loan	29,952.08	29,952
Total Loans - Non Current Portion	**2,697,318.02**	**2,681,253**
less: Provision for Pastdue & Harcore Loans	-1,292,024.18	-1,238,260
	1,405,293.84	**1,442,993**
Total Loans - Current and Non Current Portion	**21,603,317.16**	**16,757,296**

	2021	2020
6 Debtors		
Vinster	0	0
Loan Deposit	0	0
Unresolved Receivables	0	0
	0	0
less: Provision for Doubtful Debts	0	0
	0	0

Suspense & Clearing a/c		
Salary clearing	5	5
Staff Imprest	7,928	5,258
Others	149,057	136,030
Interest on TDs	66	66
Renovation	3,071	3,071
Bounce cheque	4,552	4,552
Staff Training	13,270	13,270
less: Provision for doubtful debts	0	0
	177,950	162,252
Prepayments		
Deffered Expenditure - Xmas Office Extension	17,922	17,922
Office Rent	0	0
	17,922	17,922
Trade Debtors	195,871	180,174

7 Long Term Loans to Subsidiaries		
OHL	0	0
	0	0

8 Accumulated Profits/(loss)		
Balance at 1 Jan 2021	5,306,436	3,919,358
Plus Profit/(loss) for the year	1,498,783	1,387,078
	6,805,219	5,306,436

9 Salaries & Staff Benefits		
Salaries & wages	717,468	695,122
Overtime	23,341	26,112
Staff allowances	58,830	61,623
Provident fund	49,969	48,356
Staff expense	0	3,000
House Rent subsidy	19,483	22,615
	869,092	856,828

10 Prior Period Items

	2021	2020
Application fees adjustment	10,965	-32,069
	10,965	-32,069

11 Provision for Doubtful Loans

Provision for Doubtful Loans				2021	2020
Active Loans					
Commercial, Personal, Home Loans.	17,106,277	@	5%	855,314	646,230
Student Loan	2,849,666	@	2%	56,993	53,597
Non Commercial	-56	@	0%	0	598
Fisherman Loan Scheme	91	@	2%	2	3
Rural Support	618,950	@	2%	12,379	6,406
Tobwan te Rikirake	4,657	@	2%	93	119
Total Provision Required	20,579,584			924,781	706,953
less Provision already provided				646,443	647,424
Write off					
additional provision required/(write back)				278,338.17	59,529
Past Due Loans					
Pastdue	2,555,080	@	45%	1,149,786	1,142,470
Total Provision Required				1,149,786	1,099,127
less Provision already provided				1,095,430	1,095,430
Write off				0	0
additional provision required/(write back)				54,355.97	3,697.10
Hard Core Loans					
Hard Core	142,238	@	100%	142,238	142,431
Total Provision Required				142,238	142,830
less Provision already provided				142,830	142,830
Write off				0	0
additional provision required/(write back)				-591.64	0.00
	23,276,902.34				
Total Provision Required for the Year				2,216,805	1,948,910
less Provision already provided				1,884,703	1,885,684
Additional Provision Required/(write back)				332,103	63,226

12 Long Term Loans

	2021	2020
Government Loan - ADB		
Balance 1 st January 2021	1,325,021	1,325,021
Payment to Government	-86,126	-86,126
Interest Due - 2019 (6.5%)	86,126	86,126
	1,325,021	1,325,021
Current Portion	144,951	144,951
	1,180,070	1,180,070
EIB Loan		
Balance at 1 st January 2015	-0	-0
Disbursement from EIB	0	0
Payment to EIB	0	0
Adjustments (Gain on Exrate write off to PPI)	0	0
Interest Due - 2015 (1% p.a)	0	0
	-0	-0
* *EIB loan fully repaid in January 2015*		
Fund Held in Trust		
KPF Investment		
Balance at 1 st January 2021	991,674	1,336,818
Disbursement from KPF	0	0
Payment to KPF	-408,148	-345,144
Interest charged cancelled	0	0
Ending Balance 31 Dec 2021	583,526	991,674
* No further interest on KPF Investment,		
Educational Loan Scheme	3,765,685	3,282,400
Artisanal Fisherman Loan Scheme	500,000	500,000
Tobwaan Terikirake Loan Scheme	20,000	20,000

13 Sundry Expense

	2021	2020
Training	7,883	7,798
Promotions	12,570	1,115
Janitorial	1,085	786
Loan adjustments-sundry expense	0	0
Bill of Sale	100	80
Pledge Expense	7,900	7,500
Sundry Expenses	290	238
Legal and Lawyer fees	100.00	0.00
	29,928	17,517

	2021	2020
14 Creditors		
Creditors	7,121	7,121
Term Deposits	549	549
Payroll Accruals Payable	54,354	52,628
DBK Staff Deduction Clearing	12,949	2,488
Audit fees Payable	0	0
	74,973	62,787
Suspense & Clearing a/c		
Suspense Re: H/Rent Clearence	0	0
Suspense Re: Xmas Branch H	8,948	8,948
Suspense Re: Bank errors	-9,464	-13,731
Suspense Re: Staff fund	-25,522	-33,478
Suspense Re: Unclaimed cheques	207,966	207,966
Suspense Re: Phone Clearence	0	0
Suspense Re: Loan Refund	14	14
Suspense Re: Missing Telmo	0	0
Suspense Re: Vinstar Expenses	0	0
Suspense Re: Commercialisation Project	7,647	7,647
Suspense Re: Project development	0	0
Suspense Re: Loan Adjustments	-188,896	-244,115
Suspense Re: Unknown	50,934	-1,753
	51,627	-68,502
Total Creditors	126,600	-5,715

15 Revolving Fund - Agent's M/ycle		
Abaiang agent	0	0
Abemama agent	0	0
Beru agent	0	0
Nikunau agent	0	0
Onotoa agent	0	0
Marakei agent	0	0
Fanning agent	0	0
Tabnorth agent	0	0
Butaritari agent	0	0
Tamana agent	0	0
Nonouti agent	0	0
Arorae Agent-	0	0
Aranuka Agent-	0	0
Maiana agent	0	0
Marakei agent	0	0
Nikunau agent	0	0
	0	0

	2021	2020

16 Office Rent		
Head Office & TabNorth ($50 Monthly)	42,762	38,116
Notional Rent - Xmas Branch	0	0
	42,762	38,116
17 Interest on ADB Loans	316,086	302,837
18 Loans Over Payments	542,049	546,813
19 Unearned Interest	140,365	140,365
20 Government Soft Loan	3,500,000.00	3500000