



NIUE DEVELOPMENT BANK FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

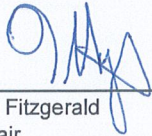
Niue Development Bank
STATEMENT OF RESPONSIBILITY
For the Year Ended 30 June 2024

The Niue Development Bank Board is pleased to present the Financial Statements for Niue Development Bank for the year ended 30 June 2024.

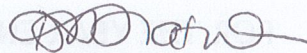
We hereby declare that:

- We have been responsible for the preparation of these Financial Statements and the judgements made in them.
- We are responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- In our opinion these Financial Statements fairly reflect the financial position and operations of the Niue Development Bank for the year ended 30 June 2024.

The Financial Statements of the Niue Development Bank were authorised for issue by the Chair of the Niue Development Bank on 14 May 2025.



Ian Fitzgerald
Chair



Doreen Siataga
Director

Niue Development Bank
STATEMENT OF FINANCIAL PERFORMANCE
For the Year Ended 30 June 2024

	Notes	2024 Actual \$	2023 Actual \$
Recurrent Income			
Rentals		85,602	90,535
Interest from Loans		967,673	922,845
Interest from Investments		100,422	84,385
Appraisal/Application Fees		38,729	30,403
LMS Arrears Fees		20,415	11,196
Miscellaneous		653	10,794
Other Income	4	0	1,750
Total Recurrent Income		<u>1,213,494</u>	<u>1,151,908</u>
Recurrent Expenditure			
Personnel Expenses		671,712	603,443
Depreciation & Amortisation	10, 11	115,527	112,101
Maintenance & Materials		56,733	45,862
Travel & Transport		48,523	41,052
Impairments of Financial Assets	5, 8.5	37,068	28,505
Other Expenses	5	301,471	247,491
Total Recurrent Expenditure	5	<u>1,231,034</u>	<u>1,078,454</u>
NET SURPLUS/(DEFICIT)		<u>(17,540)</u>	<u>73,454</u>

The accompanying notes form part of these financial statements.

Niue Development Bank
STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Notes	2024 Actual \$	2023 Actual \$
EQUITY			
Niue Government Investment	6.1	9,940,370	9,940,370
Accumulated Funds		2,966,340	2,975,111
Legal Reserve	6.2	2,177,618	2,186,387
TOTAL GOVERNMENT EQUITY		<u>15,084,328</u>	<u>15,101,868</u>
REPRESENTED BY:			
Current Assets			
Cash & Cash Equivalents	7	1,301,624	853,884
Loan Debtors - Current Portion	8	1,630,468	1,488,034
Investments		517,060	1,783,967
Debtors	9	24,940	50,607
Total Current Assets		<u>3,474,092</u>	<u>4,176,492</u>
Current Liabilities			
Creditors & Accruals	12	965,032	957,326
Staff Entitlements		57,706	46,534
Total Current Liabilities		<u>1,022,738</u>	<u>1,003,860</u>
Working Capital		<u>2,451,354</u>	<u>3,172,632</u>
Non Current Assets			
Loan Debtors	8	12,128,316	11,355,681
Property, Plant & Equipment	10	457,796	513,542
Software	11	46,862	60,013
Total Non Current Assets		<u>12,632,974</u>	<u>11,929,236</u>
TOTAL NET ASSETS		<u>15,084,328</u>	<u>15,101,868</u>

The accompanying notes form part of these financial statements.

Niue Development Bank
STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2024

	2024 Actual \$	2023 Actual \$
Niue Government Investment as at 1 July	9,940,370	9,940,370
Niue Government Investment as at 30 June	<u>9,940,370</u>	<u>9,940,370</u>
Accumulated Funds as at 1 July	2,975,111	2,938,384
Net Surplus/(Deficit) for the year	(17,540)	73,454
Additions to Legal Reserve	8,769	(36,727)
Accumulated Funds as at 30 June	<u>2,966,340</u>	<u>2,975,111</u>
Legal Reserve as at 1 July	2,186,387	2,149,660
Additions to Legal Reserve	(8,769)	36,727
Legal Reserve as at 30 June	<u>2,177,618</u>	<u>2,186,387</u>
TOTAL EQUITY AS AT 30 JUNE	<u>15,084,328</u>	<u>15,101,868</u>

The accompanying notes form part of these financial statements.

Niue Development Bank
STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2024

	2024 Actual \$	2023 Actual \$
Cash Flows from/(used in) operating activities		
Interest from Investments	116,878	61,475
Fees Received	38,729	30,403
Other Income	99,398	87,411
Personnel	(660,540)	(582,209)
Suppliers	(376,828)	(295,870)
NCT	(772)	(9,671)
Net Cash Flows from/(used in) operating activities	<u>(783,135)</u>	<u>(708,461)</u>
Cash Flows from/(used in) investing activities		
Loan Portfolio Collections (repayments of principal, interest, fees and rent)	5,307,621	4,051,089
Loan Advances	(5,297,023)	(3,853,532)
Purchases of Property, Plant & Equipment and Software	(46,630)	(183,298)
Investments/(divestments) in Other Investments	1,266,907	(8,967)
Net Cash Flows from/(used in) investing activities	<u>1,230,875</u>	<u>5,292</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	<u>447,740</u>	<u>(703,169)</u>
Cash & Cash Equivalents as at 1 July	853,884	1,557,053
CASH & CASH EQUIVALENTS AS AT 30 JUNE	<u><u>1,301,624</u></u>	<u><u>853,884</u></u>

RECONCILIATION FROM NET SURPLUS TO NET CASH FLOWS FROM OPERATIONS

	2024 Actual \$	2023 Actual \$
Net Surplus/(Deficit)	(17,540)	73,454
Add back Non-Cash and Non-Operating Items:		
Depreciation & Amortisation	115,527	112,101
Impairments/(Impairment Reversals)	27,377	28,076
Interest added to Loans	(967,673)	(922,845)
MRI/LMS Fees	(20,415)	(11,196)
Customer Related Write Offs and Discounts	9,691	429
Adjust for Working Capital Movements:		
(Increase)/Decrease in Other Debtors	29,599	(38,578)
(Increase)/Decrease in Prepayments	(3,932)	(7,103)
(Decrease)/Increase in Creditors and Accruals	33,059	35,967
(Decrease)/Increase in Staff Entitlements	11,172	21,234
NET CASH FLOW FROM OPERATING ACTIVITIES	<u><u>(783,135)</u></u>	<u><u>(708,461)</u></u>

The accompanying notes form part of these financial statements.

Niue Development Bank
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2024

1 REPORTING ENTITY

1.1 General

The Niue Development Bank was established under the Niue Development Bank Act 1993 as a bank with the objective to carry on general banking business in accordance with accepted international banking principles and procedures. It commenced operations on 1 July 1994 by taking over the assets and liabilities of the Development Finance Committee and the Housing Authority which were dissolved.

1.2 Objectives and Activities of the Niue Development Bank

The objectives of the Bank include providing finance for the establishment, development, extension or assistance of industry and economic development in Niue; encouraging and promoting investment in the economic development of Niue; providing finance for dwellings and improved housing and improved living conditions in Niue; providing technical assistance or advice and to generally foster economic development in Niue. In providing financial assistance the Bank will, as a principal objective, operate as a successful business, as profitably and efficiently as comparable businesses in the private sector.

The Bank's current operations see it providing financial support to a number of sectors in Niue, including tourism, agriculture and fisheries, retail, housing and small personal loans.

In addition to this the Bank lends its expertise to various steering committees and working groups when requested and which will benefit the wider community, but within the Bank's legislative mandate.

The Bank is also responsible for managing a number of commercial properties.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Preparation

These Financial Statements are prepared on a historical cost basis. All figures shown are in New Zealand dollars, and all monetary values are rounded to whole dollars, unless mentioned otherwise.

The Statement of Financial Performance, the Statement of Financial Position and the Statement of Changes in Equity are prepared on an accrual basis, and include non-cash items such as depreciation, accruals and provisions.

The Statement of Cash Flows shows the sources and uses of cash and cash equivalents during the year. Cash and cash equivalents comprise mainly cash at bank and call and short term deposits.

2.2 Statement of Compliance

The Financial Statements follow the legislative requirements of Section 26 of the Niue Development Act 1993, which requires the Bank to maintain accounts and transactions with which the Bank is concerned and be subject to an annual audit. The Financial Statements have been prepared in accordance with the Bank's significant accounting policies.

2.3 Cash & Cash Equivalents and Investments

Cash & Cash Equivalents comprise mainly cash at bank and call and term deposits. Term deposits which are invested for a term of more than 90 days, are classified as Investments. Investments with a remaining term of a year or less are classified as current assets, and investments with a remaining term of more than a year are classified as non-current assets.

2.4 Debtors

Debtors are measured at their expected realisable value, which is generally the original amount less an adequate provision for doubtful debts. Bad Debts are written off when this is approved by Niue Development Bank Board.

Debtors are assessed for impairment regularly. Management reviews all debts that are in arrears for possible impairment. Generally, balances that are more than six months overdue are considered impaired, and balances that are overdue for a lesser period are assessed on a case by case basis.

Until 2014 the Bank offered a Mortgage Repayment Insurance (MRI) scheme, which entitled the estate of deceased participants to repayments being waived. Some customers are still entitled to the scheme's benefits. An additional impairment to reflect these benefits is based on the estimated life expectancy of customers who are entitled to the scheme's benefits and on the value of their benefits if exercised.

2.5 Financial Instruments

Financial Instruments include bank accounts, investments, debtors, creditors and loans. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

2.6 Property, Plant & Equipment

Property, Plant & Equipment is stated at cost or valuation less accumulated depreciation and accumulated impairment losses (if any). Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives and resulting depreciation rates of currently held assets can be summarised as follows (these rates are not themselves part of this accounting policy).

Land	Indefinite
Buildings & Site Improvements	3-35 years
Vehicles	6-7 years
Electronic Equipment	5 years
Furniture & Fixings	5-10 years

2.7 Software

Computer software includes separately acquired software and the directly attributable cost of developing and implementing comprehensive computer-based information systems. The cost of hardware on which such computer software runs, is carried under Property, Plant & Equipment.

Software is stated at cost less accumulated amortisation and accumulated impairment losses (if any). Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets. The useful lives of software is estimated to be 5 years, with a resulting amortisation rate of 20%.

2.8 Employee Entitlements

The monetary value of benefits earned but not yet enjoyed by employees is recognised as a liability if employees are entitled to monetary compensation upon resigning or retiring. Employee entitlements comprise mainly accrued salaries and annual leave.

2.9 Revenue Recognition

Income from interest on loans, interest on investments and rent is recognised during the period in which it is accrued, whether or not it is received during the year.

Income from fees charged, such as application fees and arrears fees, is recognised in full in the year they are charged.

Other income is recognised in the year to which it relates, unless impractical.

2.10 Income Tax

In accordance with Section 37 of the Niue Development Bank Act 1993, the income and revenue of the bank is not subject to income tax.

2.11 Changes in Accounting Policies

Changes in accounting policies are applied retrospectively, and comparatives are restated. The effect of these changes, if any, is disclosed in Note 3.1, below.

New accounting policies may be adopted for types of transactions that have become material to the Financial Statements for the first time. These are not considered changes in accounting policies. Likewise, some accounting policies may be reworded to better reflect the treatment of transactions; such rewording is also not considered a change in accounting policies.

2.12 Material prior year errors

If errors are detected that have a material impact on prior years, then these are applied retrospectively, and comparatives are restated. The effect of such errors, if any, is disclosed in Note 3.3, below.

3 EVENTS AND DECISIONS WITH SIGNIFICANT ACCOUNTING IMPACTS

3.1 Changes in Accounting Policies

There were no changes in accounting policies during the year.

3.2 Changes in Accounting Estimates

There were no significant changes in accounting estimates during the year.

3.3 Prior year errors

No significant prior year errors were found.

3.4 Discussion of financial performance

The Bank suffered a deficit of \$17,540, compared to a surplus of \$73,454 in the previous year. This was despite a growing loan portfolio having resulted in an increase in loan interest income by \$44,828.

Expenditure increased by \$152,580 from \$1,078,454 to \$1,231,034. The main drivers were an increase in personnel expenses by \$68,269 and an operational grant to Niue Commercial Enterprises Ltd of \$ 60,612. This was partially offset by a decrease in ICT and related services by \$ 26,933.

3.5 Subsequent Events

No subsequent events occurred after balance date that have a significant impact on these Financial Statements.

3.6 Significant Events

No significant events occurred during the year that had a significant impact on these Financial Statements.

4 OTHER INCOME

	2024 \$	2023 \$
Reimbursement from Niue Commercial Enterprises Ltd for shared costs	0	1,750
TOTAL OTHER INCOME	0	1,750

5 EXPENSES

	2024 \$	2023 \$
Salaries & wages (employees)	572,194	494,753
Payments to contractors	22,400	23,280
Board fees	4,375	3,575
Pension premiums	21,692	20,802
Other staff benefits	51,051	61,033
Personnel Expenses	671,712	603,443
Depreciation & Amortisation	115,527	112,101
Repairs & maintenance	34,911	26,396
Other supplies	21,822	19,466
Maintenance & Materials	56,733	45,862
Travel	44,917	36,894
Fuel	3,606	4,158
Travel & Transport	48,523	41,052
Debtor impairments	27,377	28,076
Relief & discounts	9,691	429
Impairments of Financial Assets (Note 8.5)	37,068	28,505
Communication	49,772	52,147
Electricity	10,444	15,964
Professional fees	140,476	98,952
Rent	11,903	11,910
Other expenses	88,876	68,518
Other expenses	301,471	247,491
TOTAL EXPENDITURE	1,231,034	1,078,454

Other Operating Expenses include audit fees as follows. 75,840 66,785

The proposed audit fees for the years ended 30 June 2023 and 2024 have yet to be finalised.

6 EQUITY

6.1 Corporate Ownership

Under section 14 of the Niue Development Bank Act 1993, the Bank was to be set up by Cabinet with an initial authorised capital at \$5,000,000 in September 1996. The Niue Government transferred the various assets and liabilities of the previous DFC and Housing Authority.

After examination of Loan Portfolios and negotiations, the assets were accepted at a net realisable value of \$3,557,442. The amount of unissued share capital is valued at \$1,442,558. In terms of section 15 of the Act, the Bank shall not allot any of its unissued shares to any person other than Her Majesty the Queen, or nominees.

	2024 \$	2023 \$
Initial authorised capital	5,000,000	5,000,000
Less unissued share capital	(1,442,558)	(1,442,558)
Capital injections	6,382,928	6,382,928
TOTAL NIUE GOVERNMENT INVESTMENT	9,940,370	9,940,370

6.2 Legal Reserve

Under section 24 of the Niue Development Bank Act 1993, the bank is required to provide for any anticipated losses by establishing and maintaining a reserve fund to which shall be allocated:

(a) Not less than 50% of the net profit of the bank of that year until the sum standing to the credit of such reserve fund shall amount to the sum equal to the paid-up share capital of the bank: and

(b) Not less than 10% of the net profit of the bank in that year if the total sum standing to the credit of such reserve fund exceeds a sum equal to the paid-up capital of the bank.

The Bank considers that any funds or surplus from targeted donor-funded activities is not subject to this section of the Act, because such funds or surplus are subject to restrictions imposed by the donor.

7 CASH & CASH EQUIVALENTS

	2024 \$	2023 \$
Operational funds	183,708	105,280
Unspent donor funds	199,590	194,517
Call accounts	918,326	554,087
TOTAL CASH & CASH EQUIVALENTS	1,301,624	853,884

8 LOAN DEBTORS

8.1 Summary

	2024 \$	2023 \$
Due within one year from balance date	1,644,818	1,563,969
Provision for doubtful debts - current	(14,350)	(75,935)
Current Portion of Loan Debtors	1,630,468	1,488,034
Due after one year from balance date	12,270,461	11,471,864
Provision for doubtful debts - non current	(115,986)	(88,206)
Provision for MRI risk	(26,159)	(27,977)
Non Current Portion of Loan Debtors	12,128,316	11,355,681
TOTAL LOAN DEBTORS	13,758,784	12,843,715

8.2 Loan Debtors by Category

	2024 \$	2023 \$
Business loans	6,371,711	6,954,688
Housing loans	4,480,769	3,538,588
Microloans	464,033	418,075
Staff loans	0	5,917
Vehicle loans	623,671	367,503
Tourism development loans	149,204	140,475
Personal loans	1,778,500	1,552,536
Rent to own loans	47,391	58,051
Loan Debtors - Nominal Value	13,915,279	13,035,833
Business loans	(73,817)	(110,013)
Housing loans	(32,714)	(36,489)
Personal loans	(23,805)	(17,639)
Provision for Doubtful Debts	(130,336)	(164,141)
Provision for MRI Risk	(26,159)	(27,977)
NET LOAN DEBTORS	13,758,784	12,843,715

8.3 Provision for Doubtful Debts

	2024 \$	2023 \$
Opening balance	164,141	131,955
Additional impairments	45,508	65,706
Impairment reversals	(16,313)	(38,355)
Debts written back to/(off against) Provision	(63,000)	4,835
PROVISION FOR DOUBTFUL DEBTS AS AT 30 JUNE	130,336	164,141

8.4 Provision for MRI Risk

	2024 \$	2023 \$
Opening balance	27,977	39,990
(Releases from)/Additions to Provision	(1,818)	725
Relief provided against Provision	0	(12,738)
PROVISION FOR MRI RISK AS AT 30 JUNE	26,159	27,977

Until 2014 the Bank offered a Mortgage Repayment Insurance (MRI) scheme, which entitled the estates of deceased participants to repayments being waived. The potential costs of such waivers are recognised as an impairment, and are measured based on estimated future waivers.

If a balance of a qualifying loan is expected to remain when a debtor reaches the age of his or her life expectancy, then the remaining loan balance is impaired in full. This impairment test is based on an assumed life expectancy in Niue of 80 for females and 73 for males, as per the 2017 census.

Annually, a sensitivity analysis is performed to assess the impact that changes in life expectancy assumptions have on the impairment. The results of the sensitivity analysis can be summarised as follows.

	2024 \$	2023 \$
Increase in impairment resulting from reduction of life expectancy by 5 years	4,645	4,118
(Decrease) in impairment resulting from increase of life expectancy by 5 years	(3,223)	(2,186)

8.5 Impairment Expenses/(Gains)

	2024 \$	2023 \$
Additional impairments	45,508	65,706
Impairment reversals	(16,313)	(38,355)
(Releases from)/Additions to the Provision for MRI risk	(1,818)	725
Direct write-offs and other relief and discounts	9,691	429
IMPAIRMENT EXPENSES/(GAINS) ON FINANCIAL ASSETS (Note 5)	37,068	28,505

9 DEBTORS

	2024 \$	2023 \$
Accrued interest	7,084	23,540
Rent debtors	6,081	19,224
Prepaid expenses	11,775	7,843
TOTAL OTHER CURRENT DEBTORS	24,940	50,607

10 PROPERTY, PLANT & EQUIPMENT

10.1 Movements in Property, Plant & Equipment

	2024 \$	2023 \$
Gross carrying amount as at 1 July	1,597,277	1,526,416
Additions	45,480	119,183
Disposals	0	(48,322)
Gross carrying amount as at 30 June	1,642,757	1,597,277
Accumulated depreciation as at 1 July	1,083,735	1,030,697
Depreciation charge for the year	101,226	101,360
Disposals	0	(48,322)
Accumulated Depreciation as at 30 June	1,184,961	1,083,735
NET BOOK VALUE - PROPERTY, PLANT & EQUIPMENT	457,796	513,542

10.2 Asset Classes

	2024 \$	2023 \$
Land	100,500	100,500
Buildings and Leasehold Improvements	238,442	289,818
Plant and Equipment	20,918	26,462
Vehicles	26,909	36,728
Electronic Equipment	34,386	30,707
Furniture	36,641	29,327
TOTAL PROPERTY, PLANT & EQUIPMENT	457,796	513,542

10.3 Movements per Asset Class

	2024 \$	2023 \$
Land		
Gross carrying amount as at 1 July	100,500	100,500
Net Book Value Land	<u>100,500</u>	<u>100,500</u>
Buildings and Leasehold Improvements		
Gross carrying amount as at 1 July	1,219,279	1,151,906
Additions	13,920	72,871
Disposals	0	(5,498)
Gross carrying amount as at 30 June	<u>1,233,199</u>	<u>1,219,279</u>
Accumulated depreciation as at 1 July	929,461	873,140
Depreciation charge for the year	65,296	61,819
Disposals	0	(5,498)
Accumulated Depreciation as at 30 June	<u>994,757</u>	<u>929,461</u>
Net Book Value Buildings and Leasehold Improvements	<u>238,442</u>	<u>289,818</u>
Plant and Equipment		
Gross carrying amount as at 1 July	42,568	22,346
Additions	2,590	20,222
Gross carrying amount as at 30 June	<u>45,158</u>	<u>42,568</u>
Accumulated depreciation as at 1 July	16,106	9,081
Depreciation charge for the year	8,134	7,025
Accumulated Depreciation as at 30 June	<u>24,240</u>	<u>16,106</u>
Net Book Value Plant and Equipment	<u>20,918</u>	<u>26,462</u>
Vehicles		
Gross carrying amount as at 1 July	69,765	69,765
Gross carrying amount as at 30 June	<u>69,765</u>	<u>69,765</u>
Accumulated depreciation as at 1 July	33,037	22,572
Depreciation charge for the year	9,819	10,465
Accumulated Depreciation as at 30 June	<u>42,856</u>	<u>33,037</u>
Net Book Value Vehicles	<u>26,909</u>	<u>36,728</u>
Electronic Equipment		
Gross carrying amount as at 1 July	127,894	147,952
Additions	16,683	12,468
Disposals	0	(32,526)
Gross carrying amount as at 30 June	<u>144,577</u>	<u>127,894</u>
Accumulated depreciation as at 1 July	97,187	112,401
Depreciation charge for the year	13,004	17,312
Disposals	0	(32,526)
Accumulated Depreciation as at 30 June	<u>110,191</u>	<u>97,187</u>
Net Book Value Electronic Equipment	<u>34,386</u>	<u>30,707</u>

	2024 \$	2023 \$
Furniture		
Gross carrying amount as at 1 July	37,271	33,947
Additions	12,287	13,622
Disposals	0	(10,298)
Gross carrying amount as at 30 June	49,558	37,271
Accumulated depreciation as at 1 July	7,944	13,503
Depreciation charge for the year	4,973	4,739
Disposals	0	(10,298)
Accumulated Depreciation as at 30 June	12,917	7,944
Net Book Value Furniture	36,641	29,327
TOTAL PROPERTY, PLANT & EQUIPMENT	457,796	513,542

11 SOFTWARE

	2024 \$	2023 \$
Gross carrying amount as at 1 July	71,027	14,703
Additions	1,150	64,115
Disposals	0	(7,791)
Gross carrying amount as at 30 June	72,177	71,027
Accumulated amortisation as at 1 July	11,014	8,064
Amortisation charge for the year	14,301	10,741
Disposals	0	(7,791)
Accumulated Amortisation as at 30 June	25,315	11,014
TOTAL SOFTWARE	46,862	60,013

12 CREDITORS & ACCRUALS

	2024 \$	2023 \$
Creditors & accruals	587,081	554,022
Customer accounts in credit	377,951	403,304
TOTAL CREDITORS & ACCRUALS	965,032	957,326

13 COMMITMENTS

13.1 Operating Commitments

	2024 \$	2023 \$
Less than one year	30,560	29,000
One to five years	10,833	26,000
OPERATING COMMITMENTS	41,393	55,000

13.2 Loan Facilities Approved but not Disbursed

	2024 \$	2023 \$
Business loans	35,250	140,149
Housing loans	873,075	962,688
Business overdraft facility	622,382	493,072
Personal loans	2,668	54,437
LOAN FACILITIES APPROVED BUT NOT DISBURSED	1,533,375	1,650,346

14 CONTINGENCIES

There were no contingencies as at 30 June 2024 (2023: nil).

15 FINANCIAL INSTRUMENTS

15.1 Credit Risk

Financial instruments which subject the Bank to consist of debtors. The exposure is monitored by reviewing the amounts that individual debtors owe on a regular basis.

15.2 Currency Risk

The currency risk is the risk that the value of a financial instrument will fluctuate due to changes in a foreign exchange rate. All currency items in the financial statements represent NZ dollars.

15.3 Interest Rate Risk

The interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates.

15.4 Fair Value

The fair value of financial instruments is equivalent to their carrying value in the Statement of Financial Position.

16 RELATED PARTY TRANSACTIONS

A number of staff and directors have loans from the Bank. In all cases the loans have been disbursed under the Banks normal lending criteria.

The following table details loans advanced to Directors and entities that Directors are associated with and the interest earned on these loans.

Directors	Amounts Owning to NDB 2024	Amounts Owning to NDB 2023	Interest Recognised by NDB on Directors loans 2024	Interest Recognised by NDB on Directors loans 2023
Ida Talagi-Hekesi	72,118	72,495	3,058	2,953

The Bank regularly enters into transactions with the Government and other entities within the Group. These transactions are arms' length transactions, with the exception of operational grants. These receipts/(payments) can be summarised as follows.

	2024 \$	2023 \$
Purchases of electricity and services from Niue Power	(10,444)	(15,964)
Purchases of communication services from Telecom Niue	(49,772)	(52,147)
Payments of rent to the Niue Philatelic and Numismatic Corporation	(11,903)	(11,910)
Rent received from related parties	15,815	15,816

These purchases resulted in the following balances payable as at 30 June.

	2024 \$	2023 \$
NCT payable to the Tax Office	964	1,736
Contractor Withholding Tax payable to the Tax Office	856	750
Payable to Niue Power	6,568	237
Payable to Telecom Niue	223	0

The Bank provides lending to other subsidiaries of the Government of Niue.

	2024 \$	2023 \$
Telecom Niue	519,368	484,387

17 CAPITAL TO ASSET RATIO

	2024 \$	2023 \$
Equity	15,084,328	15,101,868
Assets	16,107,066	16,105,728
CAPITAL TO ASSET RATIO	0.94 : 1	0.94 : 1

Capital is defined as the total paid up capital plus surpluses and reserves.

Total Assets is defined as current and non-current assets as presented in the Statement of Financial Position which take into account the Board's estimated provision for doubtful debts and accumulated depreciation and impairment losses on fixed assets.

18 DIRECTORS FEES

The following fees were paid to Directors.

	Board Fees Payable for Year 2024	Board Fees Payable for Year 2023
Ida Talagi-Hekesi	1,575	1,350
Doreen Siataga	1,225	875
Ian Fitzgerald	1,575	1,350
	4,375	3,575

Director Ian Fitzgerald donates all his Board fees to the Bank's Social Club. Director Kevin Murphy receives no monetary remuneration.

