

# **SigniaGlobe Financial Group Inc.**

Financial Statements

**December 31, 2024**

(expressed in Barbados dollars)

# SigniaGlobe Financial Group Inc.

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## Independent auditor's report

To the Shareholder of SigniaGlobe Financial Group Inc.

### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of SigniaGlobe Financial Group Inc. (the Company) as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

### *What we have audited*

The Company's financial statements comprise:

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

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

### *Independence*

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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### 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.

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### **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. 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 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.

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**Other matter**

This report is made solely to the Company's shareholder, as a body corporate, in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law and subject to any enactment or rule of law to the contrary, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body corporate, for our audit work, for this report, or for the opinion we have formed.

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A handwritten signature in black ink that reads "PricewaterhouseCoopers SRL".

Bridgetown, Barbados  
March 27, 2025

# SigniaGlobe Financial Group Inc.

## Statement of Financial Position

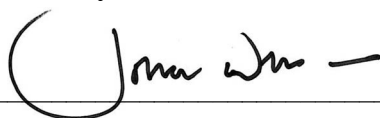
As at December 31, 2024

(expressed in Barbados dollars)

	Notes	December 31, 2024 \$	December 31, 2023 \$
<b>Assets</b>			
Cash resources	4	41,071,597	16,728,270
Restricted cash	4	11,231,186	11,566,331
Due from parent company	16	43,455	38,211
Financial investments	5	9,266,632	9,899,404
Loans and advances to customers	6	365,932,764	346,237,495
Property, plant and equipment	7	5,430,515	5,456,948
Intangible assets	8	864,420	900,527
Right-of-use assets	9	1,073,121	1,154,049
Operating lease assets	10	8,980	19,569
Other assets	11	2,076,123	3,593,552
Corporation tax receivable	12	—	146,722
Deferred tax asset	12	90,613	71,185
<b>Total assets</b>		<b>437,089,406</b>	<b>395,812,263</b>
<b>Liabilities</b>			
Due to customers	13	356,166,794	322,336,701
Other liabilities	14	9,578,389	4,646,050
Lease liability	9	1,109,672	1,209,603
Corporation tax payable	12	391,136	—
Asset tax payable	15	468,380	457,543
Shareholder loan	16	5,371,936	6,571,936
<b>Total liabilities</b>		<b>373,086,307</b>	<b>335,221,833</b>
<b>Equity</b>			
Share capital	17	9,210,857	9,210,857
Statutory reserves	18	9,210,857	9,210,857
Retained earnings		45,581,385	42,168,716
		<b>64,003,099</b>	<b>60,590,430</b>
<b>Total liabilities and equity</b>		<b>437,089,406</b>	<b>395,812,263</b>

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors on March 20, 2025



Chairman



Director

# SigniaGlobe Financial Group Inc.

## Statement of Changes in Equity

For the year ended December 31, 2024

(expressed in Barbados dollars)

	Share capital \$	Statutory reserves \$	Retained earnings \$	Total \$
<b>Balance at December 31, 2022</b>	9,210,857	9,210,857	37,894,925	56,316,639
Dividends declared (note 17)	—	—	(3,162,957)	(3,162,957)
Total comprehensive income for the year	—	—	7,436,748	7,436,748
<b>Balance at December 31, 2023</b>	9,210,857	9,210,857	42,168,716	60,590,430
Dividends declared (note 17)	—	—	(3,756,586)	(3,756,586)
Total comprehensive income for the year	—	—	7,169,255	7,169,255
<b>Balance at December 31, 2024</b>	<b>9,210,857</b>	<b>9,210,857</b>	<b>45,581,385</b>	<b>64,003,099</b>

The accompanying notes are an integral part of these financial statements.

# SigniaGlobe Financial Group Inc.

## Statement of Comprehensive Income

For the year ended December 31, 2024

(expressed in Barbados dollars)

	Notes	December 31, 2024 \$	December 31, 2023 \$
Interest income		24,972,809	23,769,610
Interest expense		(5,468,960)	(5,059,418)
<b>Net interest income</b>	19	<b>19,503,849</b>	18,710,192
Impairment losses on loans and advances	6	(1,154,143)	(1,462,224)
<b>Net interest income after impairment charges</b>		<b>18,349,706</b>	17,247,968
Fee and commission income	20	1,352,406	1,291,722
Fee and commission expense	20	(123,375)	(109,815)
<b>Net fee and commission income</b>		<b>1,229,031</b>	1,181,907
Net lease income	21	138,033	252,138
Other operating income	22	741,862	791,577
Foreign exchange and brokerage income	23	1,128,285	1,305,173
Asset tax expense	15	(1,372,773)	(1,359,116)
Operating lease expense	9	(206,156)	(205,213)
Operating expenses	24	(12,027,839)	(11,322,969)
<b>Profit before corporation tax</b>		<b>7,980,149</b>	7,891,465
Taxation	12	(810,894)	(454,717)
<b>Profit for the year</b>		<b>7,169,255</b>	7,436,748
<b>Total comprehensive income for the year</b>		<b>7,169,255</b>	7,436,748

The accompanying notes are an integral part of these financial statements.



# SigniaGlobe Financial Group Inc.

## Statement of Cash Flows

For the year ended December 31, 2024

(expressed in Barbados dollars)

	December 31, 2024 \$	December 31, 2023 \$
<b>Cash flows from operating activities</b>		
Profit before corporation tax	7,980,149	7,891,465
Adjustments for:		
Depreciation of property, plant and equipment and operating lease assets and amortisation of intangible assets	858,587	940,139
Depreciation of right-of-use leased assets	159,484	153,873
Impairment losses on loans and advances	1,154,143	1,462,224
Gain/(loss) on disposal of property, plant and equipment	(73,831)	1,792
Interest income	(24,972,809)	(23,769,610)
Fee income – credit related fees	(930,825)	(869,093)
Interest expense	5,468,960	5,059,418
Gain on sale of operating lease assets	(18,430)	(21,936)
Gain on right-of-use assets	(34,607)	—
	(10,409,179)	(9,151,728)
<b>Changes in working capital</b>		
Decrease/(increase) in restricted cash	335,145	(1,243,918)
(Increase)/decrease in due from parent company	(5,244)	179,145
Increase in loans and advances to customers	(20,964,987)	(8,477,944)
Net change in operating lease assets	18,430	92,317
Decrease/(increase) in other assets	1,517,429	(91,741)
Increase/(decrease) in due to customers	33,543,362	(14,944,309)
Increase/(decrease) in other liabilities	4,932,339	(2,609,187)
Increase in asset tax payable	10,837	7,612
Fees received	849,601	712,087
Taxation paid	(292,460)	(205,929)
Interest paid	(5,182,228)	(5,496,756)
Interest received	24,992,955	23,939,576
<b>Net cash generated from/(used in) operating activities</b>	<b>29,346,000</b>	<b>(17,290,775)</b>
<b>Cash flows generated from investing activities</b>		
Purchase of property, plant and equipment	(436,435)	(306,289)
Purchase of intangibles	(350,635)	(90,463)
Proceeds from the sale of property, plant and equipment	75,441	491
Proceeds from principal payments on financial investments	809,422	779,505
<b>Net cash provided by investing activities</b>	<b>97,793</b>	<b>383,244</b>
<b>Carried forward</b>	<b>29,443,793</b>	<b>(16,907,531)</b>

# SigniaGlobe Financial Group Inc.

## Statement of Cash Flows ...continued

For the year ended December 31, 2024

(expressed in Barbados dollars)

	December 31, 2024 \$	December 31, 2023 \$
<b>Brought forward</b>	<b>29,443,793</b>	<b>(16,907,531)</b>
<b>Cash flows from financing activities</b>		
Payment of dividends	(3,756,586)	(3,162,957)
Payment of shareholder loan	(1,200,000)	(1,200,000)
Principal payment of lease liabilities	(143,880)	(135,607)
<b>Net cash used in financing activities</b>	<b>(5,100,466)</b>	<b>(4,498,564)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>24,343,327</b>	<b>(21,406,095)</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>16,728,270</b>	<b>38,134,365</b>
<b>Cash and cash equivalents - end of year</b>	<b>41,071,597</b>	<b>16,728,270</b>
<b>Represented by:</b>		
Cash at bank (note 4)	23,106,941	10,271,415
Short term deposits (note 4)	17,964,656	6,456,855
	<b>41,071,597</b>	<b>16,728,270</b>

The accompanying notes are an integral part of these financial statements.

# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

### 1 Incorporation, ownership and principal activities

Signia Financial Group Inc. was incorporated under the Laws of Barbados on September 13, 1996. The Company is licenced under the Financial Institutions (Amendment) Act 2018 to carry on business as a finance company. On September 4, 2018 Signia Financial Group Inc. acquired Globe Finance Inc. a company incorporated under the Laws of Barbados, licensed under the Financial Institutions Act and engaged in lending, motor vehicle leasing and deposit taking. The operations of the two businesses were amalgamated and was registered as SigniaGlobe Financial Group Inc. (the Company).

The Company's principal activities are the provision of term finance, motor vehicle leasing and the acceptance of deposits. The Company is also an authorised foreign exchange dealer and custodian service provider as well as a licensed stock broker.

The Company is wholly-owned by CSGK Finance Holdings Limited (CSGK), which is a company incorporated under the Laws of Barbados and is a joint venture between Cave Shepherd & Co. Limited a company incorporated under the Laws of Barbados, and First Global Holdings Limited, a subsidiary of Grace Kennedy & Company Limited, a company incorporated in Jamaica.

The Company's principal place of business is 'Shirley House', Hastings Main Road, Christ Church, Barbados.

The Board of Directors has the power to amend and reissue the financial statements.

### 2 Summary of material accounting policies

These financial statements are prepared in accordance with IFRS Accounting Standards, ("IFRS"). Material accounting policies are set out below and have been consistently applied to all the years presented, unless otherwise stated.

#### a) Basis of preparation

The financial statements comprise the statement of financial position, the statement of changes in equity, the statement of comprehensive income, the statement of cash flows and the notes to the financial statements.

These financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets at Fair value through other comprehensive income (FVOCI).

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 2 Summary of material accounting policies ...continued

### a) Basis of preparation ...continued

#### *New standards and amendments adopted by the Company*

The Company applied amendments to published standards that became applicable for the 2024 financial year. These standards did not have an impact on the Company's financial statements.

- Amendments to IAS 1 - Non-current liabilities with covenants. The amendments clarify how conditions which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these amendments.
- Amendments to IFRS 16 - Leases on sale and leaseback. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

#### *New standards, amendments and interpretations to published standards that are not yet effective but have been early adopted by the Company*

There are no new standards that are not yet effective that have been early adopted by the Company.

#### *New standards, amendments and interpretations to published standards that are not yet effective but will be relevant to the Company*

- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments. These amendments:
  - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
  - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 2 Summary of material accounting policies ...continued

### a) Basis of preparation ...continued

*New standards, amendments and interpretations to published standards that are not yet effective but will be relevant to the Company...continued*

Annual improvements to IFRS. Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments which are relevant to the Company are to the following standards:

- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments; and
  - IAS 7 Statement of Cash Flows.
- IFRS 18 'Presentation and Disclosure in Financial Statements'. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
    - the structure of the statement of profit or loss;
    - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
    - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general

### b) Foreign currency translation

#### i) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the economic environment in which the Company operates. The financial statements are presented in Barbados Dollars which is the Company's functional and presentation currency.

#### ii) Transactions and balances

Foreign currency transactions are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 2 Summary of material accounting policies ...continued

### c) Financial assets

#### i) Financial assets

##### **Classification and measurement**

The Company classifies its financial assets in the following measurement categories:

- Amortised cost or
- Fair value through other comprehensive income (FVOCI).

##### **Debt instruments**

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on:

- the Company's business model for managing the asset; and
- the cash flow characteristics of the asset.

Business model test:

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets.

Solely Payments of Principal and Interest test:

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

Based on these factors, the Company classifies its debt instruments into one of the following two measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at Fair value through profit or loss (FVPL), are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is recognised in profit or loss using the effective interest rate method.

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 2 Summary of material accounting policies ...continued

### c) Financial assets ...continued

#### i) Financial assets ...continued

- Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. Interest income from these financial assets is recognised in profit or loss using the effective interest rate method.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the years ended December 31, 2024 and 2023.

### Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. The Company subsequently measures equity investments at fair value through profit or loss unless the asset is not held for trading purposes and the Company makes an irrevocable election to designate the assets as FVOCI. This election is made on an instrument by instrument basis. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

The Company has elected to irrevocably designate at FVOCI its existing non-trading equity portfolio.

### Recognition and measurement

Purchases and sales of financial assets are recognised on settlement date, the date on which the Company settles the purchase or sells the asset. Loans and receivables are reported in the statement of financial position as loans and advances to financial institutions or customers or as financial investments. Financial assets are initially recognised at fair value plus transaction costs for all financial assets.

After initial recognition, an expected credit loss (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at fair value through other comprehensive income (FVOCI).

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Company has transferred substantially all risks and rewards of ownership.

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 2 Summary of material accounting policies ...continued

### c) Financial assets ...continued

#### i) Financial assets ...continued

##### **Credit risk measurement**

IFRS 9 outlines a ‘three-stage’ model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in ‘Stage 1’. Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months.
- If a significant increase in credit risk (‘SICR’) since initial recognition is identified, the financial instrument is moved to ‘Stage 2’ but is not yet deemed to be credit-impaired. Instruments in Stages 2 have their ECL measured based on expected credit losses on a lifetime basis.
- If the financial instrument is credit-impaired, the financial instrument is then moved to ‘Stage 3’. Instruments in Stages 3 have their ECL measured based on expected credit losses on a lifetime basis.
- Purchased or originated credit-impaired (‘POCI’) financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis.

For debt securities, the Company examines the issuer’s capital adequacy, financial performance, and liquidity position, to assess whether the issuer has experienced a significant increase in credit risk since the origination of the assets. The Company also considers if there is any negative press or adverse market information that may indicate changes in credit risk.

For loans and receivables, delinquency status is utilised as the main indicator for changes in credit risk. Credit management actions are triggered by movement in days past due. Accounts that are 30 days past due are considered to have experienced significant increase in credit risk. This criteria is also a backstop prescribed by IFRS 9. Other qualitative factors are considered, which include but are not limited to:

- Early signs of cashflow/liquidity problems
- In short-term forbearance
- Known adverse change in financial conditions
- Known adverse changes in business or economic conditions in which the borrower operates

For debt securities, default is defined as the miss of contractual payment of principal or interests. For loans and receivables, the Company defines default based on the following criteria:

##### **Quantitative criteria**

- The borrower is more than 90 days past due on its contractual payments



# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 2 Summary of material accounting policies ...continued

### c) Financial assets ...continued

#### i) Financial assets ...continued

##### **Credit risk measurement ...continued**

###### Qualitative criteria

The borrower meets unlikelihood to pay criteria, which indicates the borrower is in significant financial difficulty. Examples of these instances are:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenants

The criteria above are consistent with the definition of default used for internal credit risk management purposes.

##### **Impairment measurement**

The Company assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and the exposure arising from loan commitments. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Company measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

PD represents the likelihood of a borrower defaulting on its financial obligation either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. PD is generated based on historical default data of each portfolio.

EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). EAD is assessed based on contractual terms of the debt instrument.

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 2 Summary of material accounting policies ...continued

### c) Financial assets ...continued

#### i) Financial assets ...continued

##### **Impairment measurement ...continued**

LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, availability of collateral or other credit support, and historical recovery information.

ECL is determined by projecting the PD, LGD and EAD for future periods and for each individual exposure or collective segment. These three components are multiplied together and adjusted for forward looking information. For expected credit loss provisions modelled on a collective basis, a group of exposures is assessed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

##### **Modification of loans**

The Company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. The Company does this by considering among others the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk.

If the terms are substantially different, the Company derecognizes the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including the purpose of determining whether a significant increase in credit risk has occurred. However, the Company also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition.

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 2 Summary of material accounting policies ...continued

### c) Financial assets ...continued

#### i) Financial assets ...continued

##### Write-offs

Write-offs are made when a loan is deemed uncollectible or is forgiven. Write-offs are charged against previously established provisions for credit losses and reduce the principal amount of a loan.

Recoveries in part or in full of amounts previously written-off are credited to provision for credit losses in arriving at net profit or loss.

##### Forward-looking information

When incorporating forward looking information, such as macroeconomic forecasts, into determination of expected credit losses, the Company considers the relevance of the information for each specific group of financial instruments. The macroeconomic indicators assessed include, but are not limited to, GDP growth, unemployment rate and inflation rate.

In addition to the base economic scenario, the Company also incorporated upside and downside scenarios. The economic scenarios have been translated to percentage variances on the default rates utilised. The best-case economic scenario is represented by a 10% decline in default rates across all categories, while the worst case is represented by a 10% increase in these rates. The attributes of scenarios are reassessed at each reporting date and are designed to account for the current economic conditions.

The final default rates utilized in the model are calculated as a probability-weighted average of the rates determined in each scenario. The scenario weightings are strategically determined after consideration of the take account of the range of possible outcomes each chosen scenario is representative of.

The table below shows the variance in the ECL as at December 31, 2024 that would result from these possible changes in economic outlooks from the actual assumptions used in the Company's economic variable assumptions:

	Default Rate Variance	Variance to Actual (Probability Weighted)
Base Case	0%	(61,433)
Worst Case	+10%	143,343
Best Case	-10%	(266,209)

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 2 Summary of material accounting policies ...continued

### d) Financial liabilities

Financial liabilities are initially measured at fair value and then subsequently at amortised cost, and are primarily deposits from customers or banks. The shareholder loan, trade payables and other liabilities are initially recognised at fair value and subsequently carried at amortised cost.

The Company derecognises a financial liability when its contractual obligations are discharged.

### e) Current and deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax is realised or the deferred income tax liability is settled.

The principal temporary differences arise from depreciation of property, plant and equipment and operating lease assets and the collective allowance for impairment losses.

Income tax payable on profits, based on the applicable tax law is recognised as an expense in the period in which the profits arise. The tax effects of tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available to utilise against these losses.

### f) Tax on assets

The Company is subject to a tax of 0.35% of its average domestic assets, which was enacted through the Banks (Tax on Assets) Act, 2017. Tax on assets expense is recognised in the statement of comprehensive income monthly based on the average of the domestic assets for three months. The tax on assets liability is settled quarterly. Where the final asset tax outcome is different from the amount initially recorded, such differences are recognised in the statement of comprehensive income.

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 2 Summary of material accounting policies ...continued

### g) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate. All other repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Depreciation is provided on the straight-line method at the following annual rates considered appropriate to write off the cost of the assets over their estimated useful lives as follows:

Buildings	- 2%
Leasehold improvements	- 20% or over the term of the lease
Computers	- 14% - 33%
Furniture and equipment	- 10% - 50%
Motor vehicles	- 20%
Leased vehicles and equipment	- Over the term of the lease agreement

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each statement of financial position date. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

### h) Intangible assets

Intangible assets acquired in a business combination are recognised at their estimated fair values at the acquisition date. The intangible assets have a finite useful life and are carried at estimated realisable value less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected useful lives of the intangible assets which is 15 years for the Globe Finance Brand and 8 years for Core Deposits.

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three years.

At each reporting date, as well as whenever a trigger event has been observed for impairment testing intangible assets acquired in a business combination are tested for impairment. Brands and trade marks are tested by comparing the present value of the expected future cash flows with the carrying value of its net assets. Core Deposits are assessed for impairment by comparing the retention rate of deposits over the prior reporting period.

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 2 Summary of material accounting policies ...continued

### i) Leases

#### iii) *The Company is the lessor*

##### Finance Leases

Leases in which a significant portion of the risks and rewards of ownership are passed on to the lessee are classified as finance leases. When assets are held subject to a finance lease, the present value of the minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

##### Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. Assets leased as operating leases are depreciated over their expected useful lives. Rental income is recognised on a straight-line basis over the lease term.

#### iv) *The Company is the lessee*

The Company leases an office space and various pieces of equipment. Rental contracts are typically made for fixed periods of 1 year to 5 years.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities are measured at the present value of the remaining lease payments discounted using the lessee's incremental borrowing rate. The weighted average lessee's incremental borrowing rate applied to lease liabilities is 4%. The incremental borrowing rate utilised represents the interest rate the Company would have to pay to borrow over a similar term.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability and
- any initial direct costs

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 2 Summary of material accounting policies ...continued

### i) Leases ...continued

#### ii) The Company is the lessee ...continued

Right-of-use assets are depreciated on a straight-line basis over the lease term.

Payments associated with the short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets are comprised of copiers and printers.

### j) Repossessed property

In certain circumstances, property is repossessed following the foreclosure on loans or leases that are in default. Repossessed properties are measured at the lower of carrying amount and fair value less costs to sell and reported within 'Other assets'.

### k) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and balances with three months or less maturity from the date of acquisition, including, amounts due from other banks.

### l) Shareholder loan

Shareholder loans are recognised initially at fair value, net of transaction costs incurred. Shareholder loans are subsequently carried at amortised cost.

### m) Share capital

#### i) Share issue costs

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax from the proceeds.

#### ii) Dividends

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's directors.

### n) Statutory reserves

In accordance with Section 33 of the Financial Institutions (Amendment) Act, 2018, 15% of the Company's annual net income is appropriated to a reserve fund until the balance of such fund equals the Company's share capital.

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 2 Summary of material accounting policies ...continued

### o) Fees and commission income

Fees and commissions primarily relate to transaction service fees and commissions, securities brokerage commissions and foreign exchange fees.

Commissions and fees related to securities brokerage commissions, transaction service fees/commissions and foreign exchange fees related to the provision of specific transaction type services are recognised when the service is fulfilled.

When service fees and other costs are incurred in relation to commissions and fees earned, these costs are recorded on a gross basis.

### p) Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income for all interest bearing financial instruments using the effective interest method. Income from leasing of motor vehicles and from term deposits and investments is recognised using the effective interest method.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- i) POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
- ii) Financial assets that are not 'POCI' but have subsequently become credit impaired, for which interest revenue is calculated by applying the effective interest rate to the net carrying amount of the financial asset (after deduction of the expected credit loss provision).

### q) Employee retirement benefits

The Company's employees are members of the Cave Shepherd & Co. Limited Group Defined Contribution Pension Plan. The plan is administered by Trustees and investments are held by an independent Custodial Trustee. Contributions to the plan are based on pensionable salary and are recognised as an employee benefit expense when they are due.

### r) Provisions

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events; if it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. The Company recognises no provisions for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.



# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 2 Summary of material accounting policies ...continued

### s) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquiree comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the company

Identifiable assets acquired and liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

### 3 Critical accounting estimates, and judgements in applying accounting policies

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 are 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 and advances

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires significant assumptions about future economic conditions and credit behaviour (e.g the likelihood of customers defaulting and the resulting losses). Explanations of the inputs, assumptions and estimation techniques used in measuring the ECL are detailed in note 2(c). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Choosing appropriate assumptions for the measurement of ECL including PD, EAD and LGD;
- Developing a range of unbiased future economic scenarios and relative weightings; and
- Establishing groups of similar financial assets for the purpose of measuring ECL.

Information about the judgements and estimates made by the Company in the above areas is set out in note 2(c).

The Company makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from loans and advances. This evidence typically presents itself as adverse changes in scheduled payments from borrowers.

The overall macroeconomic conditions as reported by the Central Bank of Barbados are also considered in formulating default rates. Various metrics such as economic growth, unemployment rates and inflation are holistically assessed to determine the extent of the potential variances that could be expected on baseline default rates calculated from the portfolio. 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.

# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

**December 31, 2024**

(expressed in Barbados dollars)

### 4 Cash resources

	December 31, 2024 \$	December 31, 2023 \$
Cash at bank	23,106,941	10,271,415
Short term deposits	2,000,602	2,000,594
US Treasury Bills	15,964,054	4,456,261
Total cash resources	41,071,597	16,728,270
Restricted cash	11,231,186	11,566,331
<b>Total cash resources and restricted cash</b>	<b>52,302,783</b>	<b>28,294,601</b>

The Company is required to maintain mandatory reserve deposits with the Central Bank of Barbados representing a percentage of deposit liabilities as cash or deposits. These funds are not available to finance the Company's day to day operations and as such, are excluded from cash resources to arrive at cash and cash equivalents. At December 31, 2024 the Company was required to hold **\$11,231,186** (2023 - \$11,566,331) in mandatory deposits.

### 5 Financial investments

	Treasury bills at amortised cost \$	Debt securities at amortised cost \$	Equity investments at FVOCI \$	Total \$
Balance, December 31, 2022	1,729,816	8,449,066	318,565	10,497,447
Principal repayment	—	(779,504)	—	(779,504)
Amortisation of interest on investments	—	181,461	—	181,461
Balance, December 31, 2023	1,729,816	7,851,023	318,565	9,899,404
Principal repayment	—	(809,422)	—	(809,422)
Amortisation of interest on investments	—	176,650	—	176,650
<b>Balance, December 31, 2024</b>	<b>1,729,816</b>	<b>7,218,251</b>	<b>318,565</b>	<b>9,266,632</b>

# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

### 6 Loans and advances to customers

	Corporate 2024 \$	Individual 2024 \$	Total December 31, 2024 \$
Gross loans and advances	103,085,522	277,393,167	380,478,689
Less: Expected credit losses	(6,995,552)	(7,550,373)	(14,545,925)
<b>Balance, end of year</b>	<b>96,089,970</b>	<b>269,842,794</b>	<b>365,932,764</b>

	Corporate 2023 \$	Individual 2023 \$	Total December 31, 2023 \$
Gross loans and advances	107,828,339	254,889,181	362,717,520
Less: Expected credit losses	(7,679,010)	(8,801,015)	(16,480,025)
<b>Balance, end of year</b>	<b>100,149,329</b>	<b>246,088,166</b>	<b>346,237,495</b>

#### Analysis of loans by industry sector

	December 31, 2024 \$	December 31, 2023 \$
Education	77,642	87,766
Financial corporations	4,979,457	4,011,179
Manufacturing	2,958,594	3,246,737
Transport, storage and communication	7,781,619	7,700,117
Hotels and restaurants	2,748,373	3,212,691
Agriculture	7,578,282	8,333,907
Health and social work	12,389,200	12,096,433
Construction	4,907,693	3,668,681
Real estate, renting and other business	48,037,299	53,939,988
Individuals and individual trusts	289,020,530	266,420,021
	<b>380,478,689</b>	<b>362,717,520</b>
Receivable 12 months or less after the reporting period	86,422,894	84,153,047
Receivable more than 12 months after the reporting period	294,055,795	278,564,473
	<b>380,478,689</b>	<b>362,717,520</b>

Loans and advances to customers are predominantly secured by the vehicles and title deeds relating to property financed under the individual contracts.

# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

### 6 Loans and advances to customers ...continued

#### Impairment losses on loans and advances

	December 31, 2024 \$	December 31, 2023 \$
Increase in impairment losses on loans and advances	1,189,077	1,753,363
Amounts written off during the year as uncollectible	429,432	410,435
	<b>1,618,509</b>	2,163,798
Amounts received on loans previously written off	(464,366)	(701,574)
	<b>1,154,143</b>	1,462,224

Loans and advances to customers include finance lease receivables as follows:

Gross investment in finance lease receivables:

	December 31, 2024 \$	December 31, 2023 \$
No later than 1 year	2,320,393	2,459,444
Later than 1 year but no later than 5 years	5,318,311	5,547,152
	<b>7,638,704</b>	8,006,596
Unearned future finance income on finance leases	(562,226)	(579,649)
Net investment in finance lease receivables	<b>7,076,478</b>	7,426,947

The net investment in finance lease receivables may be analysed as follows:

	December 31, 2024 \$	December 31, 2023 \$
No later than 1 year	2,208,900	2,365,608
Later than 1 year but no later than 5 years	4,867,578	5,061,339
	<b>7,076,478</b>	7,426,947

The carrying amount of finance lease receivables includes **\$2,684,594** (2023 - \$2,839,642) of unguaranteed residual value accruing to the benefit of the Company.

# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

### 7 Property, plant and equipment

	Land & buildings \$	Leasehold improvements \$	Computers \$	Furniture & equipment \$	Motor vehicles \$	Total \$
<b>Cost</b>						
January 1, 2023	5,400,393	74,306	1,214,905	1,227,632	632,635	8,549,871
Additions	—	60,640	225,374	20,275	—	306,289
Disposals	—	(9,750)	(413,498)	(78,057)	—	(501,305)
December 31, 2023	5,400,393	125,196	1,026,781	1,169,850	632,635	8,354,855
Additions	—	6,250	118,457	23,136	288,592	436,435
Disposals	—	(5,182)	(104,540)	(12,408)	(224,667)	(346,797)
<b>December 31, 2024</b>	<b>5,400,393</b>	<b>126,264</b>	<b>1,040,698</b>	<b>1,180,578</b>	<b>696,560</b>	<b>8,444,493</b>

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

## 7 Property, plant and equipment ...continued

	Land & buildings \$	Leasehold improvements \$	Computers \$	Furniture & equipment \$	Motor vehicles \$	Total \$
<b>Depreciation</b>						
January 1, 2023	533,177	42,434	1,069,590	919,409	318,808	2,883,418
Charge for the year	125,073	15,872	76,836	177,649	118,066	513,496
Disposals	—	(8,610)	(413,498)	(76,899)	—	(499,007)
December 31, 2023	658,250	49,696	732,928	1,020,159	436,874	2,897,907
Charge for the year	125,073	21,763	122,843	66,314	125,265	461,258
Disposals	—	(5,182)	(103,063)	(12,275)	(224,667)	(345,187)
<b>December 31, 2024</b>	<b>783,323</b>	<b>66,277</b>	<b>752,708</b>	<b>1,074,198</b>	<b>337,472</b>	<b>3,013,978</b>
<b>Net Book Value</b>						
December 31, 2023	4,742,143	75,500	293,853	149,691	195,761	5,456,948
<b>December 31, 2024</b>	<b>4,617,070</b>	<b>59,987</b>	<b>287,990</b>	<b>106,380</b>	<b>359,088</b>	<b>5,430,515</b>

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

**December 31, 2024**

(expressed in Barbados dollars)

## 8 Intangible assets

	<b>Brand</b> \$	<b>Core Deposits</b> \$	<b>Computer Software</b> \$	<b>Total</b> \$
<b>Cost</b>				
January 1, 2023	300,000	1,800,000	674,868	2,774,868
Additions	—	—	90,463	90,463
Disposals	—	—	(256,145)	(256,145)
December 31, 2023	300,000	1,800,000	509,186	2,609,186
Additions	—	—	350,635	350,635
<b>December 31, 2024</b>	<b>300,000</b>	<b>1,800,000</b>	<b>859,821</b>	<b>2,959,821</b>
<b>Amortisation</b>				
January 1, 2023	86,667	975,000	513,759	1,575,426
Amortisation charge for the year	20,000	225,000	144,378	389,378
Disposals	—	—	(256,145)	(256,145)
December 31, 2023	106,667	1,200,000	401,992	1,708,659
Amortisation charge for the year	20,000	225,000	141,742	386,742
<b>December 31, 2024</b>	<b>126,667</b>	<b>1,425,000</b>	<b>543,734</b>	<b>2,095,401</b>
<b>Net Book Value</b>				
December 31, 2023	193,333	600,000	107,194	900,527
<b>December 31, 2024</b>	<b>173,333</b>	<b>375,000</b>	<b>316,087</b>	<b>864,420</b>



# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

### 9 Right-of-use assets

	December 31, 2024 \$	December 31, 2023 \$
<b>Buildings</b>		
Beginning of year	1,154,049	1,307,922
Additions	78,556	—
Depreciation expense	(159,484)	(153,873)
End of year	1,073,121	1,154,049
	December 31, 2024 \$	December 31, 2023 \$
<b>Lease liabilities</b>		
Beginning of year	1,209,603	1,345,210
Additions	43,948	—
Interest	46,672	51,340
Lease payments	(190,551)	(186,947)
End of year	1,109,672	1,209,603
Current	152,545	141,132
Non-current	957,127	1,068,471
End of year	1,109,672	1,209,603

# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

### 9 Right-of-use assets ...continued

#### Amounts recognised in the statement of comprehensive income.

The statement of comprehensive income shows the following amounts relating to leases:

	December 31, 2024 \$	December 31, 2023 \$
Depreciation expense of right-of-use assets	159,484	153,873
Interest expense on lease liabilities	46,672	51,340
<b>Operating lease expense</b>	<b>206,156</b>	<b>205,213</b>
Expense relating to short-term leases (included in administrative expenses)	60,000	60,000
Expenses relating to lease of low-value assets (included in administrative expenses)	34,716	39,588
<b>Total amount recognised in statement of comprehensive income</b>	<b>300,872</b>	<b>304,801</b>

The total cash outflow for leases in 2024 was \$291,342 (2023 - \$293,463).

# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

**December 31, 2024**

(expressed in Barbados dollars)

### 10 Operating lease assets

Leased vehicles

	December 31, 2024 \$	December 31, 2023 \$
<b>Cost</b>		
Beginning of year	927,470	1,268,216
Additions	13,808	23,680
Transfer to end of lease stock	(212,043)	(192,255)
Disposals	(32,575)	(172,171)
End of year	696,660	927,470
<b>Accumulated depreciation</b>		
Beginning of year	907,901	1,004,487
Charge for the year (note 22)	10,587	37,264
Transfer to end of lease stock	(212,042)	(122,910)
Disposals	(18,766)	(10,940)
End of year	687,680	907,901
<b>Net book value</b>		
End of year	8,980	19,569
Beginning of year	19,569	263,729

### 11 Other assets

	December 31, 2024 \$	December 31, 2023 \$
Prepaid expenses	576,384	788,079
Other receivables	850,350	1,492,752
Repossessed or end of lease stock	649,389	1,199,697
VAT recoverable	—	113,024
	2,076,123	3,593,552
Receivable 12 months or less after the reporting period	2,027,985	3,545,414
Receivable more than 12 months after the reporting period	48,138	48,138
	2,076,123	3,593,552

# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

### 12 Taxation

	December 31, 2024 \$	December 31, 2023 \$
Current tax charge	830,322	413,581
Deferred tax credit	(19,428)	41,136
	<u>810,894</u>	<u>454,717</u>

The tax on the Company's profit before corporation tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	December 31, 2024 \$	December 31, 2023 \$
Profit before corporation tax	<u>7,980,149</u>	<u>7,891,465</u>
Corporation tax at a tax rate of <b>9%</b> (2023 - 5.5%)	718,213	434,031
Income not subject to tax	93,437	55,261
Expenses not deductible for tax	153,202	116,137
Tax effect of rate at which deferred tax is computed	<u>(153,958)</u>	<u>(150,712)</u>
Taxation charge for the year	<u>810,894</u>	<u>454,717</u>

The Company recognised a corporation tax payable of **\$391,136** and carried a receivable of \$146,722 in 2023, representing the tax refunds expected to be received due to overpayments in prior periods.

# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

### 12 Taxation ...continued

The movement on the deferred tax account is as follows:

	December 31, 2024 \$	December 31, 2023 \$
Asset - beginning of year	71,185	112,321
Deferred tax charge	19,428	(41,136)
	<hr/>	<hr/>
Asset - end of year	90,613	71,185

The deferred tax asset consists of the following components:

	December 31, 2024 \$	December 31, 2023 \$
Delayed tax depreciation	(1,205,762)	(1,115,817)
Collective allowance for impairment losses	2,212,573	1,906,761
	<hr/>	<hr/>
	1,006,811	790,944
	<hr/>	<hr/>
Deferred tax asset at corporation tax rate of 9% (2023 - 9%)	90,613	71,185

# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

### 13 Due to customers

	December 31, 2024 \$	December 31, 2023 \$
<b>Financial institutions</b>		
Payable with notice	168,870	6,778,547
Payable at fixed dates	66,598,227	48,500,080
<b>Individuals</b>		
Payable with notice	6,779,640	7,653,314
Payable at fixed dates	190,207,080	192,204,855
<b>Business and government</b>		
Payable with notice	33,925,923	10,295,302
Payable at fixed dates	55,545,340	53,729,560
<b>Other</b>		
Payable with notice	—	60,724
Payable at fixed dates	2,941,714	3,114,319
Deposits due to customers	356,166,794	322,336,701
Payable with notice	40,874,433	24,787,887
Payable at fixed dates	315,292,361	297,548,814
	356,166,794	322,336,701
Payable 12 months or less after the reporting period	232,317,845	195,388,457
Payable more than 12 months after the reporting period	123,848,949	126,948,244
	356,166,794	322,336,701

The rates of interest on fixed deposits vary in accordance with the length and value of the deposit from **1% to 3%** (2023 - 1% to 3%). **\$3,366,468** (2023 - \$3,397,842) of these deposits are held as security on loans and advances to customers.

# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

### 14 Other liabilities

	December 31, 2024 \$	December 31, 2023 \$
Due to brokers and related customers	4,485,108	3,189,079
Dividend payable	3,756,586	—
Other payables	1,336,695	1,456,971
	<u>9,578,389</u>	<u>4,646,050</u>
Payable 12 months or less after the reporting period	<u>9,578,389</u>	<u>4,646,050</u>

### 15 Asset tax payable

	December 31, 2024 \$	December 31, 2023 \$
Beginning of year	457,543	449,931
Asset tax expense	1,372,773	1,359,116
Asset tax paid	<u>(1,361,936)</u>	<u>(1,351,504)</u>
End of year	<u>468,380</u>	<u>457,543</u>

In accordance with Banks (Tax on Assets) Act, 2017, a bank asset tax is levied on the average domestic assets of a bank at a rate of 0.35% per annum, payable quarterly.

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

## 16 Related party transactions

A number of transactions are entered into with related parties in the normal course of business. These transactions are included in loans and advances to customers, due to customers, custodian and administrative services. The volume of related party transactions and outstanding balances at year end and related income and expenses for the year are as follows:

### a) *Loans and advances to customers*

	<b>Directors and key management personnel</b>	
	<b>December 31, 2024</b>	<b>December 31, 2023</b>
	<b>\$</b>	<b>\$</b>
<b>Loans and advances to customers</b>		
Loans and advances outstanding at beginning of year	<b>264,596</b>	270,928
Loans and advances issued during the year	<b>—</b>	20,451
Loan repayments during the year	<b>(64,642)</b>	(26,783)
Loans and advances outstanding at end of year	<b>199,954</b>	264,596
Interest income earned	<b>12,912</b>	16,495

Interest is payable on related party loans and advances at **5.5% to 6%** (2023 - 5.5% to 6%) per annum.

### b) *Amounts due from parent company*

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
	<b>\$</b>	<b>\$</b>
CSGK Finance Holdings Limited	<b>43,455</b>	38,211

Amounts due from parent company bear no interest and have no stated terms of repayment.



# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

## 16 Related party transactions ...continued

### c) Due to customers

	Directors, key management personnel and related companies	
	December 31, 2024 \$	December 31, 2023 \$
<b>Due to customers</b>		
Deposits at beginning of year	5,809,244	5,119,285
Deposits received during the year	3,174,197	5,168,882
Deposits repaid during the year	(2,130,046)	(4,478,923)
Deposits at end of year	6,853,395	5,809,244
Interest expense on deposits	49,793	59,383
Accrued interest on deposits	21,050	10,699

### d) Shareholder loan

During 2018, the Company entered into an agreement for an unsecured non-interest-bearing loan in the amount of \$11,371,936 with its parent company to finance the purchase of the net assets of Globe Finance Inc. The principal is repayable via semi-annual payments of \$600,000 beginning June 2020 until the principal loan amount has been repaid. At December 31, 2024 the balance outstanding was **\$5,371,936** (2023 - \$6,571,936).

The Company also entered into a five-year facility agreement with its parent company which stipulates that a facilitation fee is to be paid to the parent company for entering into a term facility agreement with a commercial bank. The fee is to be paid at a rate of 4% of \$12,000,000 per annum for the first three (3) years of the facility after which the facilitation fee shall be based on the Barbados lending rate less 4% per annum. The initial loan agreement expired on December 31, 2023 and was renewed under the same terms for an additional period of five years.

### e) Custodian services

Custodian services are currently being offered solely to a related company and the income generated from these services during the year was **\$637,111** (2023 - \$622,913).

# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

### 16 Related party transactions ...continued

#### f) Key management compensation

	December 31, 2024 \$	December 31, 2023 \$
<b>Key management compensation</b>		
Salaries	1,553,216	1,350,325
NIS contributions	63,648	54,835
Medical	9,166	7,770
Pension & Group Life	66,287	61,264
	<u>1,692,317</u>	<u>1,474,194</u>

#### Directors' remuneration

In 2024, the total remuneration to the directors was **\$201,000** (2023 - \$164,500).

### 17 Share capital

Authorised:

The Company is authorised to issue an unlimited number of common shares of no par value.

Issued:

	December 31, 2024 \$	December 31, 2023 \$
9,210,857 common shares issued (2023 - 9,210,857)	<u>9,210,857</u>	<u>9,210,857</u>

A dividend of \$0.4079 per share for the year ended December 31, 2023 was declared on December 10, 2024. A final dividend of \$3,756,586 was due for settlement on February 15, 2025.

For the year ended December 31, 2022 a dividend of \$0.3433 was declared on August 28, 2023, a final dividend of \$3,162,957 was paid on August 31, 2023.

# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

### 18 Statutory reserves

	December 31, 2024 \$	December 31, 2023 \$
Balance, beginning of year	9,210,857	9,210,857
Transfer from retained earnings	—	—
Balance, end of year	9,210,857	9,210,857

Section 33 of the Financial Institutions Act, 1996 requires that a minimum of 15% of annual net income be appropriated to a reserve fund until the balance of such fund equals the Company's share capital.

### 19 Net interest income

	December 31, 2024 \$	December 31, 2023 \$
<b>Interest income</b>		
Cash and other short term funds	1,451	982
Investment securities	1,026,384	1,012,996
Finance lease income	809,894	801,614
Loans and advances	23,135,080	21,954,018
	24,972,809	23,769,610
<b>Interest expense</b>		
Due to customers	(5,468,960)	(5,059,418)
<b>Net interest income</b>	19,503,849	18,710,192

# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

### 20 Net fee and commission income

	December 31, 2024 \$	December 31, 2023 \$
<b>Fee and commission income</b>		
Foreign exchange trading fees	107,299	148,338
Credit related fees	930,825	869,093
Other fees and commissions	314,282	274,291
	<u>1,352,406</u>	<u>1,291,722</u>
<b>Fee and commission expense</b>		
Dealer commissions	<u>(123,375)</u>	<u>(109,815)</u>
	<u>1,229,031</u>	<u>1,181,907</u>

### 21 Net lease income

	December 31, 2024 \$	December 31, 2023 \$
Operating lease income	148,620	289,402
Depreciation expense (note 11)	<u>(10,587)</u>	<u>(37,264)</u>
	<u>138,033</u>	<u>252,138</u>

### 22 Other operating income

	December 31, 2024 \$	December 31, 2023 \$
Profit on sale of lease assets and vehicle stock	585,896	711,311
Profit/(loss) on sale of fixed assets	73,831	(1,792)
Other income	82,135	82,058
	<u>741,862</u>	<u>791,577</u>

# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

### 23 Foreign exchange and brokerage income

	December 31, 2024 \$	December 31, 2023 \$
Foreign exchange transaction gains and losses	315,411	427,919
Custodian income	637,111	622,913
Stock brokerage income	175,763	254,341
	<u>1,128,285</u>	<u>1,305,173</u>

### 24 Operating expenses

	December 31, 2024 \$	December 31, 2023 \$
Staff costs (note 26)	6,449,010	5,959,091
Administrative expenses (note 27)	4,730,830	4,461,003
Depreciation/amortisation of property, plant and equipment and intangible assets	847,999	902,875
	<u>12,027,839</u>	<u>11,322,969</u>

### 25 Staff costs

	December 31, 2024 \$	December 31, 2023 \$
Salaries and wages	5,271,313	4,785,467
Management fees	336,000	336,000
National Insurance contributions	456,232	423,644
Pension costs:		
- defined contribution plan	129,391	122,577
Other	256,074	291,403
	<u>6,449,010</u>	<u>5,959,091</u>

# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

**December 31, 2024**

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(expressed in Barbados dollars)

### **26 Administrative expenses**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
	<b>\$</b>	<b>\$</b>
Advertising and marketing expense	<b>454,621</b>	453,151
Professional fees	<b>516,053</b>	569,226
Property and utilities	<b>735,379</b>	688,900
Licensing	<b>504,477</b>	432,076
Technology expense	<b>261,880</b>	194,167
Bank charges	<b>510,282</b>	425,818
Stationery expenses	<b>103,753</b>	101,333
Insurance expense	<b>308,806</b>	291,483
Irrecoverable VAT	<b>327,510</b>	330,501
Other expenses	<b>1,008,069</b>	974,348
	<b>4,730,830</b>	4,461,003

Professional fees incurred during the financial year include the following fees paid to the Company's auditor:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
	<b>\$</b>	<b>\$</b>
Audit fees	<b>228,900</b>	228,900
Non audit fees	<b>9,825</b>	9,825

# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

### 27 Contingent liabilities and commitments

#### a) *Legal proceedings*

No contingent liabilities associated with legal action have been disclosed as professional advice indicates that it is unlikely that any significant loss will arise.

#### b) *Commitments*

The Company had undrawn loan commitments as follows:

	December 31, 2024 \$	December 31, 2023 \$
Undrawn loan commitments	<b>16,606,458</b>	15,998,005

### 28 Financial instruments, financial risk and capital management

By its nature, the Company's activities expose it to a variety of financial risks such as credit risk, market risk (predominantly cash flow interest rate risk) and liquidity risk. The Company accepts deposits from customers at fixed interest rates over varying terms of maturity and seeks to earn the appropriate interest margin through lending to commercial and retail borrowers at fixed and variable rates over varying terms of maturity and by investing funds in high quality assets. This note presents information about the Company's exposure to each of the above financial risks, the Company's objectives, policies and procedures for measuring and managing these risks, as well as the Company's management of its capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Credit Committee and the Asset and Liability Committee ("ALCO") both of which include non-executive members and regularly report to the Board of Directors on their activities. In addition, the Board has established an Audit Committee to assist the directors in overseeing the reliability of the Company's financial statements, compliance with legal and regulatory requirements, external and internal auditor independence, as well as business practices and ethical standards. The Audit Committee also oversees compliance with the Company's risk management policies and procedures, as well as reviews the adequacy of the risk management framework in relation to the potential risks which the Company faces.

#### a) *Credit risk*

Credit risk arises from the possibility that counterparties may default on their obligations to the Company resulting in a financial loss to the Company. Credit risk is considered to be the most significant of the financial risks which the Company faces and as a result, the Company's financial risk management focuses heavily on managing its exposure to credit risk. Credit risk arises primarily from the Company's lending activities that result in loans and advances to customers, including finance leases, as well as investment activities that bring fixed income securities into the Company's investment portfolio.

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### a) Credit risk ...continued

The Board of Directors has delegated the oversight of credit risk management and control to the Credit Committee and the Senior Credit Committee. In addition, these Committees share the responsibility for:

- reviewing internal credit policies and establishing approval limits;
- establishing portfolio composition limits;
- monitoring and assessing the loan portfolio to ensure that the Company's lending policies and practices are adhered to;
- reviewing and vetting the Company's lending policies and procedures for submission to the Board of Directors;
- approving or declining loan applications submitted to the Committee;
- reviewing and analysing delinquency statistics; and
- providing general guidance on lending practices.

The Company has formulated commercial and retail lending credit policies and guidelines. These policies and guidelines measure, manage, limit and control credit risk and the potential for concentration therein. These policies also cover collateral requirements, credit evaluations and ongoing credit assessments, risk grading and reporting, documentary and legal procedures, as well as compliance with regulatory requirements.

Authorised lending limits are established by the Credit Committee and approved by the Board of Directors. The Chief Executive Officer assigns lending limits to selected credit officers within which they can approve loans that conform to the Company's credit policies and guidelines. Management closely monitors the composition of the loan portfolio by industry sector and potential concentration of credit risk therein on a monthly basis - see Note 7 for analysis of loans by industry sector as of December 31, 2024 and December 31, 2023. All loans and advances are made to customers located within Barbados and as a result, there is no need to monitor the loan portfolio by geographic sector.

Exposure to credit risk from loans and advances to customers, including net investment in finance leases, is further managed through the regular analysis of the ability of potential and existing borrowers to meet their contractual obligations.

The Company currently utilises the Central Bank of Barbados Asset Classification and Provisioning Guidelines rating system to assess its loan portfolio. Under this system, customers are segmented into the five rating categories, which reflect the full range of credit quality.



# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### a) Credit risk ...continued

The category of Pass typically includes loans where the financial condition of the borrower is generally sound. The Special Mention category includes loans which, although up to date, may present credit challenges in the future. This may be as a result of a potential deterioration in the borrower's ability to service the loan or the impairment of the associated collateral. Loans are assigned to the Substandard category when well-defined credit weaknesses exist, such as insufficient cash flow to service the loan. Loans are automatically assigned to this category once they have accumulated more than 90 days of arrears. The Doubtful category consists of loans where the collection of the full contractual amounts due is questionable or improbable. In this category, the possibility of incurring a financial loss exists but other factors may be present which could improve the current situation. Loans are automatically assigned to this category once they have accumulated more than 180 days of arrears. Finally, the category of Loss is used where the loan is deemed uncollectible and is utilized for facilities which have surpassed 365 days of arrears.

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Company's maximum exposure to credit risk on these assets.

Maximum exposure to credit risk before collateral held or other credit enhancements.

Credit risk exposures relating to on and off balance sheet as follows:

	<b>Gross maximum exposure 2024 \$</b>	<b>Gross maximum exposure 2023 \$</b>
Cash resources	<b>52,302,783</b>	28,294,601
Loans and advances to customers	<b>380,478,689</b>	362,717,520
Financial investments at amortised cost	<b>9,037,279</b>	9,670,051
Other assets	<b>1,887,458</b>	2,524,648
Total	<b>443,706,209</b>	403,206,820
Total credit commitments	<b>16,606,458</b>	15,998,005
<b>Total credit exposure</b>	<b>427,099,751</b>	387,208,815

The above table represents a worst case scenario of credit risk exposure to the Company at December 31, 2024, without taking account of collateral held or other credit enhancements attached. As shown above, **89%** (2023 - 94%) of the total maximum exposure is derived from loans and **2%** (2023 - 3%) represents securities held.

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### a) Credit risk ...continued

Total debt securities - amortised cost	2024 ECL Staging				Total \$
	Stage 1 12-month ECL \$	Stage 2 life-time ECL \$	Stage 3 life-time ECL \$	Purchased credit- impaired \$	
Credit grade:					
Investment grade	—	1,819,028	—	—	1,819,028
Non-investment grade	—	—	—	7,218,251	7,218,251
Watch	—	—	—	—	—
Default	—	—	—	—	—
	—	1,819,028	—	7,218,251	9,037,279
Loss allowance	—	(89,212)	—	—	(89,212)
Carrying amount	—	1,729,816	—	7,218,251	8,948,067

Total debt securities - amortised cost	2023 ECL Staging				Total \$
	Stage 1 12-month ECL \$	Stage 2 life-time ECL \$	Stage 3 life-time ECL \$	Purchased credit- impaired \$	
Credit grade:					
Investment grade	—	1,819,028	—	—	1,819,028
Non-investment grade	—	—	—	7,851,023	7,851,023
Watch	—	—	—	—	—
Default	—	—	—	—	—
	—	1,819,028	—	7,851,023	9,670,051
Loss allowance	—	(89,212)	—	—	(89,212)
Carrying amount	—	1,729,816	—	7,851,023	9,580,839

Included in the carrying amount of the purchased credit-impaired debt securities is **\$326,607** (2023 - \$326,607) in undiscounted credit losses.

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### a) Credit risk ...continued

Loans and advances to customers - amortised cost	2024 ECL Staging			Total \$
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	
	\$	\$	\$	
Credit grade:				
Pass	297,966,072	20,955,810	400,903	319,322,785
Special Mention	7,008,828	20,628,375	2,713,983	30,351,186
Substandard	—	—	7,153,313	7,153,313
Doubtful	—	73,480	3,245,343	3,318,823
Loss	—	—	20,332,582	20,332,582
Gross carrying amount	304,974,900	41,657,665	33,846,124	380,478,689
Loss allowance	(1,445,660)	(766,915)	(12,333,350)	(14,545,925)
Carrying amount	303,529,240	40,890,750	21,512,774	365,932,764

Loans and advances to customers - amortised cost	2023 ECL Staging			Total \$
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	
	\$	\$	\$	
Credit grade:				
Pass	263,211,847	15,042,021	—	278,253,868
Special Mention	19,901,252	22,813,424	—	42,714,676
Substandard	—	283,480	14,761,717	15,045,197
Doubtful	—	215,854	3,641,609	3,857,463
Loss	—	—	22,846,316	22,846,316
Gross carrying amount	283,113,099	38,354,779	41,249,642	362,717,520
Loss allowance	(1,134,453)	(772,309)	(14,573,263)	(16,480,025)
Carrying amount	281,978,646	37,582,470	26,676,379	346,237,495

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### a) Credit risk ...continued

#### Loss allowances

The allowance for ECL is recognised in each reporting period and is impacted by a variety of factors, as described below:

- Transfers between stages due to financial assets experiencing significant movement in credit risk or becoming credit-impaired during the period;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- Impact on the measurement of ECL due to inputs used in the calculation including the movement between 12-month and lifetime ECL;
- Impacts on the measurement of ECL due to changes made to models and model assumptions; and
- Foreign exchange retranslations for assets denominated in foreign currencies.

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Purchased credit- impaired \$	Total \$
<b>Total debt securities</b>					
<b>- Loss allowance</b>					
<b>Loss allowance as at</b>					
<b>January 1, 2024</b>	—	89,212	—	—	89,212
Transfers:					
Transfer from Stage 1 to Stage 2	—	—	—	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—	—
Financial assets fully derecognised during the period	—	(89,212)	—	—	(89,212)
New financial assets originated or purchased	—	89,212	—	—	89,212
<b>Loss allowance as at</b>					
<b>December 31, 2024</b>	—	89,212	—	—	89,212

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### a) Credit risk ...continued

#### Loss allowances ...continued

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Purchased credit- impaired \$	Total \$
<b>Total debt securities - Loss allowance</b>					
<b>Loss allowance as at January 1, 2023</b>	—	89,212	—	—	89,212
Transfers:					
Transfer from Stage 1 to Stage 2	—	—	—	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—	—
Financial assets fully derecognised during the period	—	(89,212)	—	—	(89,212)
New financial assets originated or purchased	—	89,212	—	—	89,212
<b>Loss allowance as at December 31, 2023</b>	—	89,212	—	—	89,212

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### a) Credit risk ...continued

#### Loss allowances ...continued

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Purchased credit- impaired \$	Total \$
<b>Loans and advances to customers - Loss allowance</b>					
<b>Loss allowance as at January 1, 2024</b>	<b>1,134,453</b>	<b>772,309</b>	<b>14,573,263</b>	<b>—</b>	<b>16,480,025</b>
New financial assets originated or purchased	<b>489,186</b>	<b>188,611</b>	<b>296,106</b>	<b>—</b>	<b>973,903</b>
Transfers:					
Transfer from Stage 1 to Stage 2	<b>(98,895)</b>	<b>98,895</b>	<b>—</b>	<b>—</b>	<b>—</b>
Transfer from Stage 1 to Stage 3	<b>(29,729)</b>	<b>—</b>	<b>29,729</b>	<b>—</b>	<b>—</b>
Transfer from Stage 2 to Stage 1	<b>253,679</b>	<b>(253,679)</b>	<b>—</b>	<b>—</b>	<b>—</b>
Transfer from Stage 2 to Stage 3	<b>—</b>	<b>(115,235)</b>	<b>115,235</b>	<b>—</b>	<b>—</b>
Transfer from Stage 3 to Stage 1	<b>740,539</b>	<b>—</b>	<b>(740,539)</b>	<b>—</b>	<b>—</b>
Transfer from Stage 3 to Stage 2	<b>—</b>	<b>572,824</b>	<b>(572,824)</b>	<b>—</b>	<b>—</b>
Financial assets fully derecognised during the period	<b>(94,292)</b>	<b>(60,054)</b>	<b>(2,299,639)</b>	<b>—</b>	<b>(2,453,985)</b>
Changes to inputs used in ECL calculation	<b>(949,281)</b>	<b>(436,756)</b>	<b>932,019</b>	<b>—</b>	<b>(454,018)</b>
<b>Loss allowance as at December 31, 2024</b>	<b>1,445,660</b>	<b>766,915</b>	<b>12,333,350</b>	<b>—</b>	<b>14,545,925</b>

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### a) Credit risk ...continued

#### Loss allowances ...continued

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Purchased credit- impaired \$	Total \$
<b>Loans and advances to customers - Loss allowance</b>					
<b>Loss allowance as at January 1, 2023</b>	1,278,768	332,340	18,658,926	—	20,270,034
New financial assets originated or purchased	370,803	283,023	503,947	—	1,157,773
Transfers:					
Transfer from Stage 1 to Stage 2	(145,633)	145,633	—	—	—
Transfer from Stage 1 to Stage 3	(61,561)	—	61,561	—	—
Transfer from Stage 2 to Stage 1	135,866	(135,866)	—	—	—
Transfer from Stage 2 to Stage 3	—	(78,794)	78,794	—	—
Transfer from Stage 3 to Stage 1	544,333	—	(544,333)	—	—
Transfer from Stage 3 to Stage 2	—	501,767	(501,767)	—	—
Financial assets fully derecognised during the period	(114,762)	(15,788)	(5,950,480)	—	(6,081,030)
Changes to inputs used in ECL calculation	(873,361)	(260,006)	2,266,615	—	1,133,248
<b>Loss allowance as at December 31, 2023</b>	<u>1,134,453</u>	<u>772,309</u>	<u>14,573,263</u>	<u>—</u>	<u>16,480,025</u>

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### a) Credit risk ...continued

#### IFRS 9 carrying values

The following tables explain the changes in the carrying value between the beginning and the end of the period due to these factors. The gross carrying amounts of financial investments below represent the Company's maximum exposure to credit risk on these assets.

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Purchased credit- impaired \$	Total \$
<b>Total debt securities - amortised cost</b>					
<b>Gross carrying amount as at January 1, 2024</b>	–	1,819,028	–	7,851,023	9,670,051
Transfers:					
Transfer from Stage 1 to Stage 2	–	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–	–
Financial assets fully derecognised during the period	–	(1,819,028)	–	–	(1,819,028)
New financial assets originated or purchased	–	1,819,028	–	–	1,819,028
Changes in principal and interest	–	–	–	(632,772)	(632,772)
<b>Gross carrying amount as at December 31, 2024</b>	–	1,819,028	–	7,218,251	9,037,279



# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

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## 28 Financial instruments, financial risk and capital management ...continued

### a) Credit risk ...continued

#### IFRS 9 carrying values ...continued

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Purchased credit- impaired \$	Total \$
<b>Total debt securities - amortised cost</b>					
<b>Gross carrying amount as at January 1, 2023</b>	—	1,819,028	—	8,449,066	10,268,094
Transfers:					
Transfer from Stage 1 to Stage 2	—	—	—	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—	—
Financial assets fully derecognised during the period	—	(1,819,028)	—	—	(1,819,028)
New financial assets originated or purchased	—	1,819,028	—	—	1,819,028
Changes in principal and interest	—	—	—	(598,043)	(598,043)
<b>Gross carrying amount as at December 31, 2023</b>	—	1,819,028	—	7,851,023	9,670,051

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### a) Credit risk ...continued

#### IFRS 9 carrying values ...continued

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Purchased credit- impaired \$	Total \$
<b>Loans and advances to customers - amortised cost</b>					
<b>Gross carrying amount as at January 1, 2024</b>	<b>283,113,099</b>	<b>38,354,779</b>	<b>41,249,642</b>	<b>—</b>	<b>362,717,520</b>
Transfers:					
Transfer from Stage 1 to Stage 2	(21,361,514)	21,361,514	—	—	—
Transfer from Stage 1 to Stage 3	(5,990,150)	—	5,990,150	—	—
Transfer from Stage 2 to Stage 1	13,314,223	(13,314,223)	—	—	—
Transfer from Stage 2 to Stage 3	—	(4,739,985)	4,739,985	—	—
Transfer from Stage 3 to Stage 1	4,961,421	—	(4,961,421)	—	—
Transfer from Stage 3 to Stage 2	—	3,248,416	(3,248,416)	—	—
New financial assets Originated or purchased	96,756,073	6,192,948	1,123,287	—	104,072,308
Financial assets fully derecognised during the period	(22,793,400)	(2,937,798)	(5,216,983)	—	(30,948,181)
Changes in principal and interest	(43,024,852)	(6,507,986)	(5,830,120)	—	(55,362,958)
<b>Gross carrying amount as at December 31, 2024</b>	<b>304,974,900</b>	<b>41,657,665</b>	<b>33,846,124</b>	<b>—</b>	<b>380,478,689</b>

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### a) Credit risk ...continued

#### IFRS 9 carrying values ...continued

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Purchased credit- impaired \$	Total \$
<b>Loans and advances to customers - amortised cost</b>					
<b>Gross carrying amount as at January 1, 2023</b>	284,868,702	25,573,298	49,236,242	—	359,678,242
Transfers:					
Transfer from Stage 1 to Stage 2	(26,331,292)	26,331,292	—	—	—
Transfer from Stage 1 to Stage 3	(9,423,179)	—	9,423,179	—	—
Transfer from Stage 2 to Stage 1	11,346,496	(11,346,496)	—	—	—
Transfer from Stage 2 to Stage 3	—	(5,104,956)	5,104,956	—	—
Transfer from Stage 3 to Stage 1	3,559,783	—	(3,559,783)	—	—
Transfer from Stage 3 to Stage 2	—	2,173,091	(2,173,091)	—	—
New financial assets Originated or purchased	83,767,963	8,782,187	1,877,806	—	94,427,956
Financial assets fully derecognised during the period	(26,592,567)	(2,679,837)	(11,231,022)	—	(40,503,426)
Changes in principal and interest	(38,082,807)	(5,373,800)	(7,428,645)	—	(50,885,252)
<b>Gross carrying amount as at December 31, 2023</b>	<u>283,113,099</u>	<u>38,354,779</u>	<u>41,249,642</u>	<u>—</u>	<u>362,717,520</u>

Movements in the carrying values noted in the tables above are influenced by contractual and non-contractual repayments to the facilities in question.

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements  
December 31, 2024

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(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### a) Credit risk ...continued

#### IFRS 9 carrying values ...continued

Expected credit losses are calculated under varying economic scenarios, captured through percentage variations in the probability of default rates on loans in the portfolio. Three scenarios are probability weighted using the table below, which was inspired by management’s opinion of the Central Bank’s outlook for the Barbadian economy in the coming year.

The scenario weightings assigned to each economic scenario at December 31, 2024 and 2023 were as follows:

	Base	Upside	Downside
SigniaGlobe Financial portfolio	50%	10%	40%

#### Purchased or originated credit-impaired financial assets

The Government of Barbados defaulted on its debt instruments on June 1, 2018 when principal and interest payments were suspended. On October 1, 2018 the debt exchange was completed with new instruments exchanged for the old instruments in Barbados dollars. 15% of these debt instruments held by the Company were converted to 90-day Treasury Bills, and the remaining were converted to Series B Government Bonds.

The restructuring triggered the derecognition of the old instrument and the recognition of the new instruments, which were considered as Purchased Originated Credit Impaired, as they were the result of a debt restructuring under default conditions.

Following the restructure the new instruments were initially recognised at their fair value of \$8,340,515 and an impairment loss of \$3,809,014 was also recognised. The fair value of the new instruments included an undiscounted ECL of \$326,607.

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### a) Credit risk ...continued

The Company's main source of credit risk arises from its loans and advances which are inclusive of net investment in finance lease receivables. As mentioned previously, the analysis does not take into account any security or collateral which is normally required by the Company on loans in an attempt to mitigate credit risk. The Company has specific policies in place detailing the requirement for acceptable collateral. Loans and advances to customers are typically secured by bills of sale on the underlying vehicles and mortgages over the underlying properties, as well as other forms of security such as stocks, bonds, mutual funds and the cash surrender values on borrower's life insurance policies. In order to further minimise credit risk, the Company may seek additional collateral from a borrower as soon as there is objective evidence of impairment or other similar indicators. The Company has not issued any financial guarantees.

Cash and cash equivalents as well as short term deposits are all placed with reputable financial institutions which have been pre-approved by the ALCO committee for periods up to 3 months. Additionally, under the guidance and supervision of the ALCO committee, a portion of foreign currency deposits have also been invested in US Treasury Bills. The level of credit risk arising from the remaining financial assets is not considered to be significant.

The Company currently utilises the Central Bank of Barbados Asset Classification and Provisioning Guidelines rating system to assess its loan portfolio. Under this system, customers are segmented into the five rating categories, as summarised in the table below, which reflect the full range of default probabilities. The Company assesses the probability of default of individual customers based on the aging of the portfolio of loans and advances which is then mapped to the Central Bank of Barbados' rating categories. This exercise is supplemented by the judgment of experienced credit officers within the Company. The table below shows the Company's internal rating and the associated impairment provision on loans and advances at December 31.

Company's rating	Description	Impairment allowance			
		2024 \$	2024 %	2023 \$	2023 %
1	Pass	1,871,056	13	1,397,090	9
2	Special mention	1,041,041	7	481,148	3
3	Substandard	1,632,546	11	2,987,363	18
4	Doubtful	1,698,610	12	1,696,195	10
5	Loss	8,311,672	57	9,918,229	60
		14,554,925		16,480,025	

The fair value of the collateral for individually impaired loans is as follows:

	December 31, 2024 \$	December 31, 2023 \$
Fair value of collateral	28,477,887	35,419,005

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### b) *Market risk*

Market risk is the risk that changes in market prices such as interest rates, equity prices and foreign exchange rates will affect the Company's income or the value of its financial instruments. The Company is not directly exposed to changes in foreign exchange rates given that the Company does not hold significant foreign currency denominated monetary assets or liabilities. The most significant type of market risk to which the Company is exposed is interest rate risk, which generally includes cash flow interest rate risk and fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates, whereas fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The majority of the Company's financial instruments are measured at amortised cost and as a result, the Company is not directly exposed to fair value interest rate risk. However, the Company is exposed to fluctuations in the prevailing levels of market interest rates whereby net interest margins may increase as a result of these changes or may be reduced in the event that unexpected movements take place.

#### Interest rate risk

Assuming that the interest-bearing financial assets and liabilities as at December 31, 2024 were to remain until maturity or settlement without any action by the Company to alter the resulting interest rate risk exposure, an immediate and sustained increase/decrease of 100 basis points in market rates across all maturities would result in an insignificant increase/decrease in the net income of the following year.

Management closely monitors net interest margins, as well as other related ratios such as interest earned to average loans and interest incurred to average deposits. The ALCO Committee's responsibilities include ensuring adherence to the Company's policies and procedures concerning asset and liability management, which in addition to liquidity risk, addresses interest rate risk.

Management reserves the right to adjust the Company's interest rate offerings on new and variable rate products to address negative interest rate exposure.

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### b) Market risk ...continued

#### Interest rate risk ...continued

The table below summarises the Company's exposure to interest rate risk. It includes the Company's financial instruments at carrying amounts categorised by the earlier of maturity or contractual repricing:

#### December 31, 2024

	Up to 3 months \$	3 - 12 months \$	1 - 5 years \$	Over 5 years \$	Non interest bearing \$	Total \$
<b>Assets</b>						
Cash resources	41,071,597	—	—	—	11,231,186	52,302,783
Financial investments	630,148	631,870	3,691,749	3,994,283	318,582	9,266,632
Loans and advances to customers	23,093,159	57,939,043	210,193,900	74,706,662	—	365,932,764
<b>Total financial assets</b>	<b>64,794,904</b>	<b>58,570,913</b>	<b>213,885,649</b>	<b>78,700,945</b>	<b>11,549,768</b>	<b>427,502,179</b>
<b>Liabilities</b>						
Customer deposits	90,841,626	140,580,915	124,744,253	—	—	356,166,794
Shareholder loan	—	1,200,000	4,171,936	—	—	5,371,936
<b>Total financial liabilities</b>	<b>90,841,626</b>	<b>141,780,915</b>	<b>128,916,189</b>	<b>—</b>	<b>—</b>	<b>361,538,730</b>
<b>Total repricing gap</b>	<b>(26,046,722)</b>	<b>(83,210,002)</b>	<b>84,969,460</b>	<b>78,700,945</b>	<b>11,549,768</b>	<b>65,963,449</b>

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### b) Market risk ...continued

#### Interest rate risk ...continued

The table below summarises the Company's exposure to interest rate risk. It includes the Company's financial instruments at carrying amounts categorised by the earlier of maturity or contractual repricing:

#### December 31, 2023

	Up to 3 months \$	3 - 12 months \$	1 - 5 years \$	Over 5 years \$	Non interest bearing \$	Total \$
<b>Assets</b>						
Cash resources	16,728,270	—	—	—	11,566,331	28,294,601
Financial investments	446,025	608,935	3,556,716	4,969,146	318,582	9,899,404
Loans and advances to customers	27,338,415	50,998,028	200,518,092	67,382,960	—	346,237,495
<b>Total financial assets</b>	<u>44,512,710</u>	<u>51,606,963</u>	<u>204,074,808</u>	<u>72,352,106</u>	<u>11,884,913</u>	<u>384,431,500</u>
<b>Liabilities</b>						
Customer deposits	67,427,243	127,162,295	127,742,158	5,005	—	322,336,701
Shareholder loan	6,571,936	—	—	—	—	6,571,936
<b>Total financial liabilities</b>	<u>73,999,179</u>	<u>127,162,295</u>	<u>127,742,158</u>	<u>5,005</u>	<u>—</u>	<u>328,908,637</u>
<b>Total repricing gap</b>	<u>(29,486,469)</u>	<u>(75,555,332)</u>	<u>76,332,650</u>	<u>72,347,101</u>	<u>11,884,913</u>	<u>55,522,863</u>



# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### b) *Market risk ...continued*

#### Foreign exchange risk

The Company is exposed to foreign exchange risk arising primarily from exposure to the United States dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Management manages this risk by limiting its exposure to the United States dollar which has a fixed parity to the functional currency of the Company. This fixed parity allows management to predict with relative certainty the potential outcome of foreign exchange transactions and the likely impact on the Company's performance. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. At December 31, 2024, all the Company's financial assets and liabilities are denominated in Barbados Dollars with the exception of **\$28.63 million** (2023 - \$13.58 million) in cash and **\$23.55 million** (2023 - \$6.86 million) in liabilities denominated in United States dollars.

#### Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The Company is exposed to price risk because of investments held and classified on the statement of financial position as FVOCI. The Company mitigates this risk by holding an equity security within specified limits set by the ALCO. An increase/decrease of +/-10.00% would result in an increase/decrease of **\$31,857** (2023 - \$31,857) in the carrying value of the equity investment.

### c) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations as they fall due.

The Board of Directors has delegated the responsibility for and oversight of liquidity risk management to the ALCO. The ALCO's responsibilities include but are not limited to:

- monitoring management's adherence to policies and procedures that are established to ensure adequate liquidity at all times;
- establishing asset and liability pricing policies to protect the liquidity structure, as well as to assess the probability of various 'liquidity shocks' and interest rate scenarios;
- ensuring compliance with the Company's asset and liability policies and procedures which address the management of liquidity, foreign exchange and interest rate risk;
- managing the statement of financial position and ensuring that business strategies are consistent with liquidity requirements; and
- establishing and monitoring relevant liquidity and prudential ratios, as well as specific statement of financial position targets.

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### c) *Liquidity risk ...continued*

The Company is exposed to daily requirements for its available cash resources arising from maturing customer deposits, the advancement of loans and other cash settled transactions. The Company does not maintain sufficient cash resources to meet all of these liquidity needs, as historical industry and company-specific experience has shown that a high level of reinvestment of maturing funds can be predicted with a high level of certainty. The Company, however, has two committed lines of credit in the amount of \$16 million upon which it can draw to meet unforeseen liquidity needs; the line of credit of \$6 million currently has an effective rate of 6.8% (2023 - 6.8%). The line of credit of \$10 million has an effective rate of **6.5%** (2023 - 6.5%).

The following table shows the undiscounted cash flows on the basis of their earliest contractual maturities. Expected cash flows from these instruments can vary significantly from this analysis. For example, customer deposits are expected to maintain a stable or increasing balance and unrecognised loan commitments are not all expected to be drawn down immediately.

Management prepares daily cash flow forecasts to assess liquidity needs in the period ahead. These cash flow forecasts report the current level of liquid resources along with customer deposits maturing within 90 days and after 90 days and maturing investments in the period ahead. Additionally, management closely monitors net free cash flows, as well as the concentration of customer deposits.

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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## 28 Financial instruments, financial risk and capital management ...continued

### c) Liquidity risk ...continued

The table below represents the Company's cash flows payable under non-derivative financial liabilities by remaining contractual maturities at the statement of financial position date and the assets held to manage liquidity risk.

	Up to 3 months \$	3 - 12 months \$	1 - 5 years \$	Over 5 years \$	Total \$
<b>December 31, 2024</b>					
<b>Assets</b>					
Cash resources	52,302,783	—	—	—	52,302,783
Due from parent company	—	43,455	—	—	43,455
Loans and advances to customers	28,416,486	58,006,409	212,579,844	81,475,950	380,478,689
Financial investments	2,026,989	631,870	3,691,749	3,994,284	10,344,892
Total financial assets	82,746,258	58,681,734	216,271,593	85,470,234	443,169,819
<b>Liabilities</b>					
Due to customers	90,976,500	142,419,394	130,053,134	—	363,449,028
Shareholder loan	—	1,200,000	4,171,936	—	5,371,936
Total financial liabilities	90,976,500	143,619,394	134,225,070	—	368,820,964
Undrawn loan commitments	16,606,458	—	—	—	16,606,458

# SigniaGlobe Financial Group Inc.

## Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

### 28 Financial instruments, financial risk and capital management ...continued

#### c) Liquidity risk ...continued

	Up to 3 months \$	3 - 12 months \$	1 - 5 years \$	Over 5 years \$	Total \$
<b>December 31, 2023</b>					
<b>Assets</b>					
Cash resources	28,294,601	—	—	—	28,294,601
Due from parent company	—	38,211	—	—	38,211
Loans and advances to customers	33,050,398	51,102,649	204,674,059	73,890,412	362,717,518
Financial investments	2,021,808	608,935	3,556,716	4,966,854	11,154,313
Total financial assets	63,366,807	51,749,795	208,230,775	78,857,266	402,204,643
<b>Liabilities</b>					
Due to customers	67,521,396	128,421,707	132,606,158	5,679	328,554,940
Shareholder loan	6,571,936	—	—	—	6,571,936
Total financial liabilities	74,093,332	128,421,707	132,606,158	5,679	335,126,876
Undrawn loan commitments	15,998,005	—	—	—	15,998,005

In addition to the contractual cashflows of the loan portfolio, the Company holds a diversified portfolio of cash and securities to support payment obligations and contingent funding in a stressed market environment. The Company's assets held for managing liquidity risk comprise:

- Cash resources
- Financial investments excluding equities

The Company's management notes that at December 2024 and 2023 there is a shortfall between the liquid securities held and the payment obligations due within 12 months. However, the historical performance has shown that the Company has maintained a deposit retention rate that is more than 80%. This figure indicates that less than 20% of the deposit portfolio is expected to be called upon over the coming financial year and as such, there is no expectation of significant withdrawals in customer deposits. Management customarily offers extensions on maturing customer deposits, while closely monitoring the pattern of deposit withdrawals. Additionally, customers making withdrawals from their call accounts are required to give three business days notice before the request is fulfilled. If this withdrawal exceeds \$100,000 this notice period is extended to five days.

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### d) Fair value

Financial instruments carried at fair value in the financial statements are measured in accordance with a fair value hierarchy based on the degree to which the fair values are observable as follows:

- Level 1 includes those instruments which are measured based on quoted prices in active markets for identical assets or liabilities.
- Level 2 includes those instruments which are measured using inputs other than quoted prices within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices).
- Level 3 includes those instruments which are measured using valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs).

The following table shows the financial assets carried at fair value at December 31 on a recurring basis by level of the fair value hierarchy.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>2024</b>				
<b>FVOCI:</b>				
Equity investments	—	—	318,565	318,565
<b>Total assets</b>	—	—	318,565	318,565
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>2023</b>				
<b>FVOCI:</b>				
Equity investments	—	—	318,565	318,565
<b>Total assets</b>	—	—	318,565	318,565

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### d) Fair value ...continued

The following table presents the movement in Level 3 instruments for the year.

	December 31, 2024 \$	December 31, 2023 \$
Beginning of year	318,565	318,565
Additions	—	—
End of year	318,565	318,565

The fair value hierarchy of other financial instruments not carried at fair value but for which fair value disclosure is required is set out below. Of the Company's financial assets amounting to **\$427,502,179** (2023 - \$384,431,500), \$427,183,613 falls within the IFRS 9 category of financial assets at amortised cost whereas \$318,565 falls within the category of FVOCI. The Company's financial liabilities amounting to **\$361,538,730** (2023 - \$328,908,637) all fall within the IFRS 9 category of financial liabilities measured at amortised cost.

The following table sets out the carrying value of the Company's loans and advances to customers and due to customers along with their estimated fair values:

	December 31, 2024		December 31, 2023	
	Carrying value \$	Fair value \$	Carrying value \$	Fair value \$
<b>Financial assets</b>				
Loans and advances to customers				
Individuals	269,842,794	272,231,513	246,088,166	249,220,160
Corporate and other entities	96,089,970	97,738,807	100,149,329	104,078,292
<b>Financial liabilities</b>				
Due to customers				
Financial institutions	66,767,097	66,095,140	55,278,627	55,074,221
Individuals	196,986,720	194,459,440	199,858,169	199,158,413
Business and government	89,471,263	88,842,491	64,024,862	63,625,034
Other	2,941,714	2,903,102	3,175,043	3,151,459

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### d) Fair value ...continued

The fair values of loans and deposits are estimated by applying current loan and deposit rates on the existing portfolio, while taking into consideration current payments and time to maturity. These fair values are classified within level 3 of the fair value hierarchy.

The following table analyses within the fair value hierarchy other assets and liabilities (by class) not measured at fair value at December 31, but for which fair value is disclosed.

	Level 1	Level 2	Level 3	Total
December 31, 2024	\$	\$	\$	\$
<b>Assets</b>				
Cash resources	52,302,783	—	—	52,302,783
Due from parent company	—	43,455	—	43,455
Financial investments	—	—	8,948,067	8,948,067
Other assets	—	850,353	—	850,353
<b>Total</b>	<b>52,302,783</b>	<b>893,808</b>	<b>8,948,067</b>	<b>62,144,658</b>
<b>Liabilities</b>				
Shareholder loan	—	5,556,907	—	5,556,907
Other liabilities	—	8,749,671	—	8,749,671
<b>Total</b>	<b>—</b>	<b>14,306,578</b>	<b>—</b>	<b>14,306,578</b>
	Level 1	Level 2	Level 3	Total
December 31, 2023	\$	\$	\$	\$
<b>Assets</b>				
Cash resources	28,294,601	—	—	28,294,601
Due from parent company	—	38,211	—	38,211
Financial investments	—	—	9,580,839	9,580,839
Other assets	—	1,605,778	—	1,605,778
<b>Total</b>	<b>28,294,601</b>	<b>1,643,989</b>	<b>9,580,839</b>	<b>39,519,429</b>
<b>Liabilities</b>				
Shareholder loan	—	6,637,655	—	6,637,655
Other liabilities	—	3,827,559	—	3,827,559
<b>Total</b>	<b>—</b>	<b>10,465,214</b>	<b>—</b>	<b>10,465,214</b>

# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### d) *Fair value ...continued*

The methods and assumptions used to estimate the fair value of each class of financial instruments for which it is practical to estimate fair value are as follows:

#### i) *Short-term financial assets and liabilities*

The carrying value of these assets and liabilities is a reasonable estimate of their fair value because of the short maturity of these instruments. Short-term financial assets and liabilities comprise cash and cash equivalents, short term deposits, treasury bills, amounts due from parent company, other assets and other liabilities.

#### ii) *Longer-term financial assets and liabilities*

The estimated fair value of loans and advances to customers represents the discounted amount of the estimated future cash flows expected to be received. Loans and advances are reported net of provisions for impairment losses.

The estimated fair value of customer deposits with no stated maturity, which includes non interest bearing deposits, is the amount repayable with notice. The estimated fair value of customer deposits represents the discounted amount of the principal and interest due to customers on fixed rate deposits using interest rates for new debt.

The estimated fair value of the shareholder loan was determined based on the future loan repayments required, using the interest rate a borrower would pay to an unrelated lender for a loan with otherwise similar conditions.

### e) *Capital management*

The Company's objectives when managing its capital are to:

- comply with the capital requirements established by the Central Bank of Barbados;
- safeguard the Company's ability to continue as a going concern so that it can continue to provide returns to its shareholder and benefits to other stakeholders; and
- maintain a strong capital base to support the growth and development of its business, as well as to maintain customer and market confidence.

Capital adequacy and the use of regulatory capital are reviewed and monitored monthly by the Company's management so as to ensure compliance with the capital requirements imposed externally by the Central Bank of Barbados. The required information concerning capital adequacy is reported to the ALCO and filed with the Central Bank of Barbados on a quarterly basis.



# SigniaGlobe Financial Group Inc.

Notes to Financial Statements

December 31, 2024

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(expressed in Barbados dollars)

## 28 Financial instruments, financial risk and capital management ...continued

### e) Capital management ...continued

The Central Bank of Barbados requires that the Company:

- hold no less than a minimum level of stated capital of \$2,000,000; and
- maintain a ratio of regulatory capital to risk-weighted assets at or above the prescribed minimum requirement of 8%.

The Company's regulatory capital consists entirely of Tier 1 capital, which is comprised of share capital, retained earnings and other reserves created by the appropriation of retained earnings. As at December 31, 2024, the Company's capital adequacy ratio was **19.17%** (2023 - 18.84%).

Throughout the current year the Company complied with the capital requirements relevant to its licensing and there has been no material change in the Company's management of capital during the year compared with the prior year.

The table below summarises the composition of regulatory capital of the Company.

	December 31, 2024 \$	December 31, 2023 \$
<b>Tier 1 Capital</b>		
Share capital	9,210,857	9,210,857
Statutory reserves	9,210,857	9,210,857
Retained earnings	45,581,385	42,168,716
Total qualifying Tier 1 capital	64,003,099	60,590,430
<b>Risk-weighted assets</b>		
On-balance sheet	316,835,953	305,533,353
Off-balance sheet	16,606,458	15,998,005
Total risk-weighted assets	333,442,411	321,531,358
Capital adequacy ratio	19.20%	18.84%