

**SPBD MICROFINANCE HOLDINGS (DELAWARE) LLC
AND SUBSIDIARY**

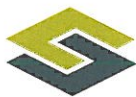
**CONSOLIDATED FINANCIAL STATEMENTS
AND CONSOLIDATING
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2012

**SPBD MICROFINANCE HOLDINGS (DELAWARE) LLC
AND SUBSIDIARY
FOR THE YEAR ENDED DECEMBER 31, 2012**

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Member
SPBD Microfinance Holdings (Delaware) LLC

We have compiled the accompanying consolidated statement of financial position of SPBD Microfinance Holdings (Delaware) LLC and Subsidiary (collectively, the "Company") as of December 31, 2012, and the related consolidated statements of operations, member's equity, and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements. During our compilation, we did become aware of departures from the International Financial Reporting Standards as issued by the International Accounting Standards Board that are described in the following paragraphs.

International Financial Reporting Standards require an entity to include, at a minimum, a complete set of prior year comparative financial statements with the financial statements of the current year. Comparative financial statements with respect to 2011 have not been presented.

As disclosed in Note 11 to the consolidated financial statements, International Financial Reporting Standards require certain information related to insurance contracts such as the recognition of assets, liabilities, income, and expense to be disclosed in the consolidated financial statements. Management has informed us that they believe it is impracticable to develop the information, and as such, this information has not been presented. The effects of the departure from International Financial Reporting Standards on financial position, results of operations, and cash flows have not been determined.

The consolidating supplementary information prepared in accordance with the International Financial Reporting Standards contained on pages 15-16, is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. The consolidating supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the consolidating supplementary information and, accordingly, do not express an opinion or provide any assurance on such consolidating supplementary information.

Citrus Coperman & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

Livingston, New Jersey
November 21, 2013

**SPBD MICROFINANCE HOLDINGS (DELAWARE) LLC
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012**

ASSETS

Current assets:	
Cash and cash equivalents	\$ 970,728
Borrowers' saving deposits	855,162
Loans portfolio	4,826,513
Prepaid expenses and other current assets	<u>219,118</u>
Total current assets	<u>6,871,521</u>
Non-current assets:	
Property and equipment - net	264,527
Goodwill	<u>407,438</u>
Total non-current assets	<u>671,965</u>
TOTAL ASSETS	\$ <u><u>7,543,486</u></u>

LIABILITIES AND MEMBER'S EQUITY

Current liabilities:	
Current portion of long-term debt	\$ 601,239
Bank overdrafts	1,376,642
Accounts payable and accrued expenses	180,628
Due to related parties	44,038
Borrowers' saving deposits	855,162
Income taxes payable	<u>197,996</u>
Total current liabilities	3,255,705
Non-current liabilities:	
Long-term debt	<u>4,237,284</u>
Total liabilities	<u>7,492,989</u>
Member's equity:	
Member's equity	83,871
Accumulated other comprehensive loss	<u>(33,374)</u>
Total member's equity	<u>50,497</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	\$ <u><u>7,543,486</u></u>

See independent accountants' compilation report and
accompanying notes to consolidated financial statements.

**SPBD MICROFINANCE HOLDINGS (DELAWARE) LLC
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Revenues	\$ 2,505,373
Financing expenses	<u>(532,744)</u>
Gross profit	<u>1,972,629</u>
Other income (expenses):	
Other operating income	182,568
Administrative expenses	(190,700)
Operating expenses	<u>(2,369,434)</u>
Other expenses, net	<u>(2,377,566)</u>
Loss before income tax expense	(404,937)
Income tax expense	<u>(201,142)</u>
Net loss	(606,079)
Foreign currency translation adjustments	<u>(17,726)</u>
COMPREHENSIVE LOSS	<u><u>\$ (623,805)</u></u>

See independent accountants' compilation report and
accompanying notes to consolidated financial statements.

**SPBD MICROFINANCE HOLDINGS (DELAWARE) LLC
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF MEMBER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Member's Equity</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Total</u>
Balance at January 1, 2012	\$ 549,950	\$ (15,648)	\$ 534,302
Member contributions	140,000	-	140,000
Comprehensive loss:			
Net loss	(606,079)	-	(606,079)
Foreign currency translation adjustments	-	(17,726)	(17,726)
BALANCE AT DECEMBER 31, 2012	<u>\$ 83,871</u>	<u>\$ (33,374)</u>	<u>\$ 50,497</u>

See independent accountants' compilation report and
accompanying notes to consolidated financial statements.

**SPBD MICROFINANCE HOLDINGS (DELAWARE) LLC
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Cash flows from operating activities:	
Net loss	\$ (606,079)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation of property and equipment	91,248
Loan loss provision	144,322
Interest expense	271,233
Income tax expense	201,142
	<u>101,866</u>
Changes in operating assets and liabilities:	
Loans portfolio	(872,536)
Prepaid expenses and other current assets	(169,588)
Due to related party	31,307
Other payables	35,563
	<u>(873,388)</u>
Cash generated from operations	(873,388)
Interest paid	(271,233)
Income tax paid	(50,090)
	<u>(50,090)</u>
Net cash used in operating activities	<u>(1,194,711)</u>
Cash used in investing activities:	
Purchase of property and equipment	<u>(176,623)</u>
Cash flows from financing activities:	
Member's contributions	140,000
Proceeds from debt	1,000,625
Bank overdrafts	385,764
	<u>385,764</u>
Net cash provided by financing activities	<u>1,526,389</u>
Effect of exchange rate changes	<u>(17,726)</u>
Net increase in cash and cash equivalents	137,329
Cash and cash equivalents - beginning	833,399
CASH AND CASH EQUIVALENTS - ENDING	<u><u>\$ 970,728</u></u>

See independent accountants' compilation report and accompanying notes to consolidated financial statements.

SPBD MICROFINANCE HOLDINGS (DELAWARE) LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying consolidated financial statements include the accounts of SPBD Microfinance Holdings (Delaware) LLC ("Delaware") and its wholly-owned subsidiary, SPBD Microfinance Holdings (Singapore) PTE. Ltd. ("Singapore"), hereinafter collectively referred to as the "Company". All significant intercompany accounts and transactions have been eliminated in consolidation.

Nature of operations

The Company provides financial services, training, on-going guidance and motivation to economically disadvantaged people in several third-world countries. These activities are conducted primarily through Singapore's four operating subsidiaries, as follows: South Pacific Business Development Microfinance Ltd. (located in The Kingdom of Tonga) ("SPBD Tonga"); SPBD Microfinance (Samoa) Ltd. (located in the Independent State of Samoa) ("SPBD Samoa"); South Pacific Business Development Microfinance (Fiji) (Ltd) (located in the Republic of Fiji) ("SPBD Fiji") and; South Pacific Business Development Microfinance (Solomon Islands) Limited (located in the Solomon Islands) ("SPBD Solomon").

Basis of accounting

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), which require use of the historical cost basis, except when otherwise noted, and are presented in the United States dollar (US\$), the functional currency of Delaware.

Use of estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Revenue recognition

Revenue consists primarily of interest on loans receivable, and loan and life insurance fees. Interest income on loans receivable is recognized using the interest method. Interest income on impaired loans is recognized as cash is collected or on a cost-recovery basis. Loan and life insurance fees are recognized as revenue upon receipt.

Cash and cash equivalents

Cash and cash equivalents consist primarily of cash on deposit and short term investments that are readily convertible into cash and purchased with original maturities of three months or less.

See independent accountants' compilation report.

SPBD MICROFINANCE HOLDINGS (DELAWARE) LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment whenever the circumstances indicate that the value of the asset may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the company sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units that are expected to benefit from the business combination in which the goodwill arose, identified accordingly to the operating segment.

Property and equipment

Property and equipment are carried at cost. Expenditures for maintenance and repairs are expensed currently, while renewals and betterments that materially extend the life of an asset are capitalized. The costs of assets sold, retired, or otherwise disposed of, and the related allowance for depreciation, are eliminated from the accounts, and any resulting gain or loss is recognized.

Except for leasehold improvements, depreciation is provided using the straight-line over the estimated useful lives of the assets. Leasehold improvements are depreciated over the shorter of the remaining lease term or the estimated useful lives of the assets.

Impairment of assets

During the reporting period, the Company evaluates whether there is any indication that an asset has been impaired. Should any such indication exist, the Company estimates the recoverable amount of that asset to determine the amount of impairment in each case. In the case of identified assets that do not generate cash flows independently, the Company estimates the recoverability of the cash generating unit to which the asset belongs, which is understood to be the smallest identifiable group of assets that generate cash inflows.

Loans portfolio

Loans, net of loan loss allowance and loan insurance loss reserve, include direct financial assistance provided to economically disadvantaged people, particularly women, who cannot easily access savings and loan products from traditional banks. They are carried at a recoverable amount represented by the gross value of the outstanding balance adjusted for loan loss allowance and loan insurance loss reserve.

See independent accountants' compilation report.

SPBD MICROFINANCE HOLDINGS (DELAWARE) LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans portfolio (continued)

The Company conducts a loan loss analysis quarterly to determine an adequate reserve for doubtful loans by applying predicted loss percentages to aged loans grouped by lateness of payment. A loan becomes late as a weekly scheduled payment is missed.

Foreign currency translation

Assets and liabilities of foreign subsidiaries are translated at the rate of exchange in effect on the consolidated balance sheet date; income and expenses are translated at the average rate of exchange prevailing during the year. Such foreign currency gains or losses are reflected in other comprehensive income.

Transactional foreign currency gains or losses are reflected in operations.

Income taxes

Delaware is a limited liability company and, at the election of its member, is treated as a corporation for federal and state income tax purposes. Singapore is a private limited liability company incorporated in Singapore and is subject to various taxes and fees imposed by the taxing authority of Singapore. Income tax is determined on the basis of tax effect accounting, using the liability method, and it is applied to all significant timing differences. A deferred tax asset is recorded only where there is a reasonable expectation of realization.

The Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change.

Delaware files income tax returns in the U.S. federal and certain state jurisdictions. Singapore and its subsidiaries file their income tax returns with various foreign taxing authorities. All income tax returns filed by the entities are subject to income tax examinations by their respective taxing authorities.

Subsequent events

The Company has evaluated all events or transactions that occurred through November 21, 2013, the date that these consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these consolidated financial statements.

NOTE 2. CONCENTRATION OF CREDIT RISK

Routinely throughout the year, the Company maintained certain bank accounts that are not insurable. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to such balances.

SPBD MICROFINANCE HOLDINGS (DELAWARE) LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 2. CONCENTRATION OF CREDIT RISK (CONTINUED)

Substantially all of the Company's program activities are provided to affiliates in the developing countries of Samoa, the Kingdom of Tonga, Fiji and the Solomon Islands. The Company's services are subject to various political, economic, and other risks and uncertainties inherent in the countries in which the Company operates. Among other risks, the Company's activities are subject to the risks and restrictions on transfer of funds, foreign exchange restrictions, political conditions and governmental regulations. The Company's exposures to changes in foreign currency rates relate primarily to its outstanding foreign currency bank balances, other receivables and other payables. The Company monitors foreign currency exchange fluctuations and takes the appropriate steps to minimize or reduce exchange losses.

NOTE 3. CASH, CASH EQUIVALENTS AND BORROWERS' SAVINGS ACCOUNTS

Cash and cash equivalents and borrowers' savings accounts at December 31, 2012, consisted of the following:

Cash and cash equivalents:	
Cash in banks	\$ <u>970,728</u>
Borrowers' savings accounts:	
Pledged	505,106
Unpledged	323,633
Other	<u>26,423</u>
	<u>855,162</u>
	<u>\$ 1,825,890</u>

The Company's cash and cash equivalents and borrowers' savings deposits at December 31, 2012 have been translated to the United States dollar and include the following amounts held in foreign bank accounts that were originally denominated in the following currencies:

Solomon dollars	\$ 75,439
Euro dollars	85,484
Fiji dollars	358,282
Samoa Tala	577,746
Singapore dollars	1,258
Tonga Pa'angas	259,443
United States dollars	188,494
Australian dollars	62,512
New Zealand dollars	<u>204,218</u>
Total held in foreign accounts	1,812,876
Total held in United States accounts	<u>13,014</u>
Total cash and cash equivalents and borrowers' savings accounts	<u>\$ 1,825,890</u>

See independent accountants' compilation report.

SPBD MICROFINANCE HOLDINGS (DELAWARE) LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 4. LOANS PORTFOLIO

Activity in the Company's loan portfolio during the year ended December 31, 2012, is as follows:

Balance at beginning of the year	\$ 4,084,837
Loans disbursed during the year	9,030,033
Loans repaid during the year	(8,236,497)
Write-offs against loan insurance loss reserve	(6,643)
Write-offs against loan loss allowance	<u>(89,739)</u>
Gross loans portfolio	4,781,991
Loan insurance loss allowance	(1,028)
Loan loss allowance	(76,812)
Currency translation adjustment	<u>122,362</u>
Loan portfolio, net	<u>\$ 4,826,513</u>

The Company's loan insurance loss and loan loss allowance are as follows:

Loan insurance loss allowance:

Translation adjustment	\$ 45
New subsidiaries acquired	1,660
Provision for the year	6,635
Loans written off	<u>(7,312)</u>
	<u>\$ 1,028</u>

Loan loss allowance:

Translation adjustment	\$ 708
New subsidiaries acquired	37,695
Provision for the year	128,148
Loans written off	<u>(89,739)</u>
	<u>\$ 76,812</u>

The Company's loan portfolio at December 31, 2012, has been translated to the United States dollar and was originally denominated in the following currencies:

Fiji dollars	\$ 625,864
Samoan Tala	2,247,867
Tonga Pa'anga	<u>1,952,782</u>
	<u>\$ 4,826,513</u>

See independent accountants' compilation report.

SPBD MICROFINANCE HOLDINGS (DELAWARE) LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2012:

	Leasehold improvements	Furniture and fixtures	Office equipment	Computer equipment and peripherals	Motor vehicles	Software and electronic systems	<u>Total</u>
Cost at January 1, 2012	\$ 20,701	\$ 51,669	\$ 31,824	\$ 121,484	\$ 323,667	\$ 12,660	\$ 562,005
Additions	2,324	27,927	12,520	28,244	77,085	18,407	166,507
Translation adjustment	<u>465</u>	<u>948</u>	<u>556</u>	<u>2,271</u>	<u>5,645</u>	<u>231</u>	<u>10,116</u>
Cost at December 31, 2012	\$ <u>23,490</u>	\$ <u>80,544</u>	\$ <u>44,900</u>	\$ <u>151,999</u>	\$ <u>406,397</u>	\$ <u>31,298</u>	\$ <u>738,628</u>
Accumulated depreciation at January 1, 2012	\$ 14,447	\$ 21,596	\$ 18,943	\$ 80,415	\$ 242,495	\$ 4,957	\$ 382,853
Depreciation expense	6,339	8,105	3,598	18,457	40,832	6,984	84,315
Translation adjustment	<u>365</u>	<u>396</u>	<u>335</u>	<u>1,522</u>	<u>4,200</u>	<u>115</u>	<u>6,933</u>
Accumulated depreciation at December 31, 2012	\$ <u>21,151</u>	\$ <u>30,097</u>	\$ <u>22,876</u>	\$ <u>100,394</u>	\$ <u>287,527</u>	\$ <u>12,056</u>	\$ <u>474,101</u>
Property, machinery and equipment, net	\$ <u>2,339</u>	\$ <u>50,447</u>	\$ <u>22,024</u>	\$ <u>51,605</u>	\$ <u>118,870</u>	\$ <u>19,242</u>	\$ <u>264,527</u>

See independent accountants' compilation report.

SPBD MICROFINANCE HOLDINGS (DELAWARE) LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 6. BANK OVERDRAFTS

Bank overdrafts consisted of the following at December 31, 2012:

Bank overdraft 1, secured by a term deposit of Nil and a standby letter of credit of GBP 10,000 or equivalent US\$16,153	\$ 11,938
Bank overdraft 2, secured by a term deposit of WST 1,000,000 or equivalent US\$423,700	1,131,842
Bank overdraft 3, secured by term deposit of US\$40,000	25,388
Bank overdraft 4, secured by the Company's term deposit of US\$75,000	<u>207,474</u>
	<u>\$ 1,376,642</u>

NOTE 7. CLIENTS' SAVINGS DEPOSITS

In accordance with each loan agreement, the borrower is required to establish a savings account with the Company for consideration of a loan. When the loan has been processed and approved, 2.5% to 5% of the loan amount is deducted and recorded in the borrower's savings account as a compulsory deposit. All borrowers with a current loan balance must have a minimum deposit of 2.5% to 5% of the original loan amount.

The Company is not a regulated financial intermediary and does not therefore use depositor's funds for on-lending. Borrowers can withdraw money with prior notice at any time for emergencies. The 2.5% to 5% loan retention can only be withdrawn after the latest loan is fully paid off.

NOTE 8. LONG-TERM DEBT

Long-term debt consists of the following at December 31, 2012:

Unsecured interest bearing loans	\$ 1,247,332
Unsecured interest bearing term notes	2,353,459
Unsecured non-interest bearing term notes	909,309
Secured interest bearing commercial term notes	<u>328,423</u>
	<u>\$ 4,838,523</u>

Unsecured interest bearing loans, bearing interest at the rate of 5% per annum are payable monthly through October 2015.

Unsecured interest bearing term notes, bearing interest at rates ranging from 5% to 9.25%, are due periodically through February 2014.

Unsecured non-interest bearing notes are due periodically through December 2015.

Secured interest bearing commercial term notes, bearing interest at rates ranging between 9.5% and 10.5%, are due periodically through January 2014 and are secured by a loan portfolio and a term deposit held at a local commercial bank in Tonga.

The Company incurred interest cost of \$271,233 in 2012, all of which were charged to finance expenses.

See independent accountants' compilation report.

SPBD MICROFINANCE HOLDINGS (DELAWARE) LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 9. INCOME TAXES

The liability for income taxes consisted of the following at December 31, 2012:

Balance at January 1, 2012	\$ 46,944
Income tax - current year	201,142
Income tax paid	<u>(50,090)</u>
Balance at December 31, 2012	<u>\$ 197,996</u>

At December 31, 2012, SPBD Fiji and SPBD Solomon has available unused net operating losses that may be applied against future taxable income. For financial reporting purposes, these subsidiaries have incurred losses in each period since their inception. Based on the available objective evidence, including the subsidiaries' history of losses, management believes its is more likely than not that the net deferred tax assets will not be fully realizable. Accordingly, the Company provided for a full valuation allowance against the deferred tax assets at December 31, 2012.

NOTE 10. RELATED-PARTY TRANSACTIONS

During the year ended December 31, 2012, the Company paid a director's fee of \$1,587. Management fees of \$86,469 were paid to an entity owned by director of the Company.

SPBD Samoa and SPBD Tonga have some loans which are guaranteed by a related party, a non-profit organization whereby the director of the Company is a board member. In addition, certain of the subsidiaries have \$930,601 of unsecured interest bearing term notes payable to this related entity at December 31, 2012.

NOTE 11. LIFE INSURANCE CONTRACTS

Life insurance fees are generated from life insurance contracts provided by three of Singapore's operating subsidiaries. SPBD Fiji utilizes a third party to underwrite the insurance policies while SPBD Samoa and SPBD Tonga is self-managed. IFRS 4, *Insurance Contracts*, requires certain information related to the recognition of assets, liabilities, income, and expense, insurance risk, and actuarial assumptions for the insurance contracts to be disclosed in the consolidated financial statements. Management has informed us that they believe it is impracticable to develop the information, and as such, this information has not been presented. If the omitted disclosures were included in the consolidated financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the consolidated financial statements are not designed for those who are not informed about such matters.

See independent accountants' compilation report.

SUPPLEMENTARY INFORMATION

**SPBD MICROFINANCE HOLDINGS (DELAWARE) LLC
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012**

	<u>SPBD Microfinance Holdings (Delaware) LLC</u>	<u>SPBD Microfinance Holdings (Singapore) PTE Ltd.</u>	<u>Eliminations</u>	<u>Total</u>
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 13,014	\$ 957,714	\$ -	\$ 970,728
Borrowers' saving deposits	-	855,162	-	855,162
Loans portfolio	-	4,826,513	-	4,826,513
Prepaid expenses and other current assets	760	218,358	-	219,118
Total current assets	<u>13,774</u>	<u>6,857,747</u>	<u>-</u>	<u>6,871,521</u>
Non-current assets:				
Property and equipment - net	-	264,527	-	264,527
Goodwill	-	407,438	-	407,438
Due from related parties	-	2,100	(2,100)	-
Investment in subsidiary	776,698	-	(776,698)	-
Total non-current assets	<u>776,698</u>	<u>674,065</u>	<u>(778,798)</u>	<u>671,965</u>
TOTAL ASSETS	<u>\$ 790,472</u>	<u>\$ 7,531,812</u>	<u>\$ (778,798)</u>	<u>\$ 7,543,486</u>
<u>LIABILITIES AND EQUITY</u>				
Current liabilities:				
Current portion of long-term debt	\$ -	\$ 601,239	\$ -	\$ 601,239
Bank overdrafts	-	1,376,642	-	1,376,642
Accounts payable and accrued expenses	-	180,628	-	180,628
Due to related parties	2,100	44,038	(2,100)	44,038
Borrowers' saving deposits	-	855,162	-	855,162
Income taxes payable	-	197,996	-	197,996
Total current liabilities	<u>2,100</u>	<u>3,255,705</u>	<u>(2,100)</u>	<u>3,255,705</u>
Non-current liabilities:				
Long-term debt	-	4,237,284	-	4,237,284
Total liabilities	<u>2,100</u>	<u>7,492,989</u>	<u>(2,100)</u>	<u>7,492,989</u>
Equity:				
Member's equity	788,372	-	(704,501)	83,871
Share capital	-	776,698	(776,698)	-
Retained earnings	-	(704,501)	704,501	-
Accumulated other comprehensive loss	-	(33,374)	-	(33,374)
Total equity	<u>788,372</u>	<u>38,823</u>	<u>(776,698)</u>	<u>50,497</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 790,472</u>	<u>\$ 7,531,812</u>	<u>\$ (778,798)</u>	<u>\$ 7,543,486</u>

See independent accountants' compilation report.

**SPBD MICROFINANCE HOLDINGS (DELAWARE) LLC
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	SPBD Microfinance Holdings (Delaware) LLC	SPBD Microfinance Holdings (Singapore) PTE Ltd.	Eliminations	Total
Revenues	\$ -	\$ 2,505,373	\$ -	\$ 2,505,373
Financing expenses	-	(532,744)	-	(532,744)
Gross profit	-	1,972,629	-	1,972,629
Other income (expenses):				
Other operating income	-	182,568	-	182,568
Administrative expenses	-	(190,700)	-	(190,700)
Other operating expenses	(8,721)	(2,360,713)	-	(2,369,434)
Other expenses, net	(8,721)	(2,368,845)	-	(2,377,566)
Loss before income tax expense	(8,721)	(396,216)	-	(404,937)
Income tax expense	-	(201,142)	-	(201,142)
Net loss	(8,721)	(597,358)	-	(606,079)
Foreign currency translation adjustment	-	(17,726)	-	(17,726)
COMPREHENSIVE LOSS	\$ <u>(8,721)</u>	\$ <u>(615,084)</u>	\$ <u>-</u>	\$ <u>(623,805)</u>

See independent accountants' compilation report.