

The E-Guardian

Quarterly e-newsletter of the Reserve Bank of Fiji Financial Systems Development & Compliance (FSDC) Group



Issue 2/Q2, 2012



KOROVOU MICROFINANCE EXPO

Korovou Town in the Tailevu Province was a hive of activity on Saturday 19 May, 2012 as the Reserve Bank of Fiji partnered with 24 stakeholders to host its first microfinance expo for 2012 at Gateward Park, Korovou.

The wet weather did not dampen the spirits of the people in Tailevu. There was an exceptional turnout from the residents of Korovou and children from nearby schools who had the opportunity to meet and access information from commercial banks, microfinance institutions, government organisations, insurance companies, unit trusts and other stakeholders. Fiji Revenue and Customs Authority reported 197 visits to their booth from which they recorded 94 TIN registrations.

Apart from the information available at the booths, financial literacy trainings were carried out throughout the day, fun activities planned for the children and giveaways for quizzes and dance competitions made the day an enjoyable one for everyone. The RBF also donated pre-owned computers to Lodon Primary School and Korovou Primary School during the Expo.

The financial inclusion expos organised by the RBF together with the National Financial Inclusion Taskforce have featured around the country since 2010 and have greatly assisted in raising awareness and creating exposure on financial services and products in traditionally underserved areas.



RBF officials donating computers to Lodon Primary School



Westpac staff serving customers

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Editor's Note

Welcome to the second edition of the E-Guardian for 2012.

The second quarter was another busy one for the Group. In May, we organised a RBF Microfinance Expo in Korovou Town. Despite the rainy weather, the expo attracted a large number of people from Korovou and the greater Tailevu community.

Also in May, a three Day Finance Master Class Workshop for Non-Financial Executives and Directors was organised. Twenty seven participants including Chief Executive Officers, Directors, Lawyers and Analysts attended the workshop.

In June, staff from the Group attended seminars in Malaysia and the Philippines.

Also during the quarter, three policy papers were drafted and presented to the RBF Policy Committee.

We thank all our partners and stakeholders for their support in making quarter 2 a successful one for us all and we look forward to continue working with you in the next quarter.

Vereimi Levula
Chief Manager, FSDC

SPSE INVESTOR EDUCATION BRIEFING



CEO of VB Holdings Limited (VBH) enlightening investors & potential investors on the financial performance of the company

The South Pacific Stock Exchange (SPSE) launched a new initiative called, "Investor Education Briefing" as part of its efforts to increase awareness and attractiveness of the Stock Market as an investment option.

According to SPSE Chief Executive Officer, Ms. Jinita Prasad, "these briefings will be different from the SPSE Lunch Hour Seminars where general information on market trends, investment risks and investing tips are disseminated by the SPSE". The briefings will feature company executives of a few listed companies on the SPSE who will share with investors and potential investors first hand information on the performance and the future outlook of their securities.

Stockbrokers will also be present at the briefings to answer queries and provide information on securities to help investors make an investment choice that is ideal for their needs and goals.

The first series of briefings was held on 27 June, 2012 at the Tanoa Plaza Hotel, in Suva and featured Future Forests (Fiji) Limited (FFF), VB Holdings Limited (VBH) and Fijian Holdings Limited (FHL).

Approximately 70 investors and potential investors attended the one and half hour session. They had the opportunity to mingle with company executives and senior management over a light lunch. The brokers were also present and were ready to answer queries on the securities and execute trades.

The public is encouraged to attend the free seminars, as information is presented by the listed companies' representatives who are also available to answer to queries about their company shares.

NEWS IN BRIEF

Company Briefings

The RBF hosted four broker briefings by Communications Fiji Limited (CFM), Pleass Global Limited (PBP), VB Holdings Limited (VBH) and Kontiki Growth Fund (KGF) during the quarter.

Company briefings are held following the financial year end of companies listed on the SPSE and provides an opportunity where company executives and senior management present the performance of their company over the last financial year and any future developments of the company.

The public is welcome to attend the briefing and can obtain the schedule of briefings for quarter three and four from the RBF.



Mr. Griffon Emose of KGF presenting during a briefing at RBF



Brokers and other attendees at morning tea provided after the briefings

SPSE Organises Corporate Governance Seminar for Listed Companies

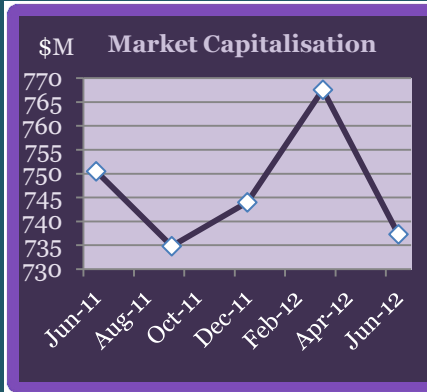
'Corporate Governance is one of the appropriate foundations that contribute towards increased investor confidence and enhances participation in the capital markets. As a Stock Exchange and capital markets-front line regulator, SPSE plays a vital role in enforcing the Code and ensuring good corporate governance by listed companies.' This was the comment made by the Mr. Vereimi Levula, Chief Manager FSDC in support of the Corporate Governance seminar organised by the SPSE on Tuesday, 5 June, 2012 at the Reserve Bank.

The workshop was specifically designed for the Executives and Board Directors of the 17 listed companies and was based on the requirements of the Code of Corporate Governance for capital market participants which were issued by the Reserve Bank in June 2008.

The SPSE's Compliance Officer, commented that the initiative was a success and generated meaningful discussion, including the possibility of reviving the Fiji Institute of Directors. There were a total of 51 participants that attended the seminar, reflecting the evident need for organising more seminars as such in the future. The seminar was facilitated by Ms. Glenis Yee, General Manager Legal and Compliance, BSP Life.

CAPITAL MARKETS UPDATE

MARKET STATISTICS



Q2 Market Capitalisation – \$737.3 million

A decrease of 3.9 percent from the previous quarter largely attributed to the decrease in the share prices of 5 out of the 18 listed securities, namely Atlantic and Pacific Packaging Limited (APP), Amalgamated Telecom Holdings Limited (ATH), Fosters Group Pacific Limited (FGP), FMF Foods Limited (FMF) and BSP Convertible Notes (BCN).

POLICIES

Capital Markets Supervision Policy Statement No. 11: *Guideline to Acquisition of Shares in Fiji's Capital Markets Regulated Entities* was presented to the RBF Policy Committee in May any will be sent for market consultation in quarter 3.

Capital Markets Industry Meetings

In enhancing communication and development of Fiji's Capital Markets, one consolidated meeting and two individual meetings with Capital Markets intermediaries were convened during the quarter.

These meetings provided a semi-formal forum for the RBF and Capital Market Intermediaries to engage in discussion on the performance of the intermediaries, challenges faced, supervision issues and any development initiatives to grow Fiji's Capital Markets.

Regional Workshop "Making Insurance Work for the Poor"

Staff of the RBF attended a three day regional workshop from 6-8 June, 2012 that was hosted by the Pacific Islands Working Group (PIWG) and facilitated by the Pacific Financial Inclusion Programme (PFIP) in Nadi, Fiji.

The workshop provided the participants an opportunity to network and strengthen the supervision of microinsurance in their countries, using underlying insurance core principles and international best practices from which they were required to develop action plans. Participants also got the opportunity to engage with microinsurance experts from Alliance of Financial Inclusion (AFI) and PFIP.

The workshop was attended by regional regulators from Samoa, Vanuatu, Papua New Guinea, Solomon Islands, Timor Leste, Federated States of Micronesia and Fiji. The Bank was represented by Christina Rokoua, Sailasa Vadiga and Sameer Chand.



Participants at the workshop

3 Day Finance Master Class for Non-Financial Executives & Directors

The RBF held its first Capital Markets Technical Workshop for 2012 from 16-18 May at the RBF Building. The three day workshop, titled "3 Day Finance Master Class for Non-Financial Executives & Directors" was specifically designed for Non-Financial Executives and Directors to help them better understand and interpret financial information provided by accountants for decision making.

A total of 27 participants from commercial banks, Fiji National Provident Fund, government departments, Fiji Development Bank and other private institutions attended the seminar.

The workshop was facilitated by Mr. Mesake Nawari, Senior Fellow, Graduate School of Business and Director, Commercial Operations of the University of the South Pacific who focused the workshop on analysing financial statements and financial forecasting. The Bank was represented by Pauline Wong and Jone Tikoiserene.



Participants at the workshop

FINANCIAL COMPLAINTS STATISTICS

Status of complaints received in the last three quarters

Industry Type	2012						2011	
	QTR 2			QTR 1			QTR 4	
	Received	Closed	Investigation	Received	Closed	Investigation	Received	Investigation
Banking & Credit Institutions	10	6	4	14	12	2	6	1
Insurance	9	3	6	2	1	1	4	0
Capital Markets	0	0	0	0	0	0	0	0
FNPF	0	0	0	0	0	0	0	0
NBFI's	5	0	5	1	1	0	0	0
TOTAL	24	9	15	17	14	3	10	1

Banking industry complaints

Nature of Complaint	2012		2011
	QTR 2	QTR 1	QTR 4
Lending & Mortgage Sale	4	3	1
Credit Cards	0	1	0
Interest Rates & Fees & Charges	1	5	4
Fraud & Forgery	3	4	2
Others	2	1	0
Total	10	14	7

The number of complaints received by the RBF on the banking industry was mainly on lending and mortgage sales, money laundering activity/fraud and fees and charges.

Insurance industry complaints

Nature of Complaint	2012		2011
	QTR 2	QTR 1	QTR 4
Fees & charges	1	0	0
Insurance agents	2	1	0
Insurance claims	5	1	3
Others	1	0	1
Total	9	2	4

Complaints received against the insurance industry were on refutation of insurance claims by the insurers due to non-payment of premiums, non-disclosure of material information, fees and charges and insurance agents.

For the Non-Bank Financial Institutions, the complaints received were on interest rate charges and credit card surcharges.

UPCOMING EVENTS

Agricultural Show: 6-12 August

RBF in partnership with financial institutions will host a Financing Day on 9 August at the Agricultural Show, at Churchill Park, Lautoka.

SiiA Securities & Licensing Exam: 17 August

This is an eight week self-study course that will assist candidates in their preparation for the Securities Licensing Examination. Successful completion of the exam meets part of the educational requirement to apply for a securities license. Registrations begin on 17 August, 2012. Examination will be held on 23 November, 2012.

RBF Hibiscus Festival Microfinance Expo: 18-25 August

The 2012 RBF Microfinance Village will house the commercial banks, insurance companies, credit and microfinance institutions, capital market intermediaries and selected micro-entrepreneurs. The expo will be held at the Albert Park, Suva.

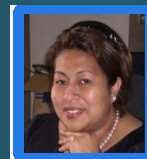
Valuation and Risk Management Workshop: 28-29 August

This is a two day Workshop which aims to enhance understanding of valuation, various risk measures, sources and model risk factors. Executive Officers, Chief Financial Officers, Finance Officers, Compliance Officers and Business and Financial Analysts are encouraged to register. The workshop will be held at the RBF Building.

FSDC GROUP CONTACT DETAILS



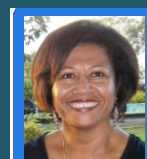
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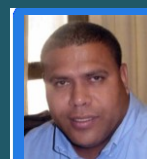
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