

RESERVE BANK OF FIJI



PRESS RELEASE

Press Release No. : 23/2019

Telephone : (679) 331 3611

Date : 05 December 2019

Facsimile : (679) 330 2094

E-mail : info@rbf.gov.fj

RESERVE BANK OF FIJI RELEASES FINANCIAL STABILITY REVIEW 2019

The Reserve Bank of Fiji (RBF) has released its Financial Stability Review (Review) for 2019. The Review provides an assessment of implications for stability of the Fijian financial system of risks and vulnerabilities arising from developments in the global and domestic economy.

In summarising the assessment, the Governor of the RBF, Mr Ariff Ali, noted that despite there being no change in the ratings of the broad Macroprudential areas monitored in 2019 compared to 2018, risks and vulnerabilities have elevated against a backdrop of challenging macroeconomic conditions primarily domestically but also globally.

The world economy is expected to grow at its slowest rate since the global financial crisis while the Fijian economy growth has been revised downwards to 1.0 percent in 2019 due mainly to persistently weak business confidence, spill-over from fiscal consolidation and generally subdued sectoral performances. Governor Ali stated that despite these headwinds, the financial system remained stable and functional in its role within the economy.

The Review noted continued growth in the system credit and that vulnerabilities stemming from leveraging of households and corporates are not of systemic concern at this time. However the level of non-performing loans (NPLs) has increased slightly and is being monitored closely.

Mr Ali also highlighted that the Fijian financial system continues to be assessed as sound and resilient supported by improved capital and liquidity ratios, however specific areas at institutional level will continue to be closely monitored by the Reserve Bank.

The Financial Stability Review can be viewed on the RBF's website at www.rbf.gov.fj

RESERVE BANK OF FIJI

For further details, please contact: -

Communications Office

Telephone: (679) 3223 381

Email: info@rbf.gov.fj

Mervin Singh – Manager Corporate Communications

Telephone: (679) 3223 229

Email: mervin@rbf.gov.fj