

RESERVE BANK OF FIJI

ANNUAL REPORT

AUGUST 2024 - JULY 2025

PARLIAMENTARY PAPER NO. 07 OF 2025

Our Vision

Progressive and Resilient Central Bank, Trusted by Our People

Our Mission

- Conduct monetary policy to foster sustainable and inclusive economic growth;
- Promote an internationally reputable financial system;
- Play an influential role in the development of the economy;
- Provide proactive and sound advice to Government;
- Disseminate timely and quality information to stakeholders;
- Enhance operational efficiency through innovation and risk management;
- and
- Develop, empower and retain a professional team.

Our Values (TRUST)

- **Teamwork** as the driver of our unity and having a common purpose
- **Respect** for each other and for all our stakeholders
- **Unwavering focus** on achieving our objectives and protecting our reputation
- **Stewardship** in the management of national and institutional resources under our care
- **Transparency & Integrity** in our operations and our undertakings.

The principal purposes of the Reserve Bank shall be

- To regulate the issue of currency and the supply, availability and international exchange of money,
- To promote monetary stability,
- To promote a sound financial structure,
- To foster credit and exchange conditions conducive to the orderly, and balanced economic development of the country,
- To regulate the insurance industry,
- To regulate the capital markets and the securities industry.

Section 4, Reserve Bank of Fiji Act (1983)

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OUR FUNCTIONS

The Reserve Bank of Fiji (RBF)¹ is the central bank of the Republic of Fiji established in 1984 through an Act of Parliament - the RBF Act (1983).

Article 153(2) of the 2013 Constitution states that “in pursuing its primary objects, the Reserve Bank of Fiji must perform its functions independently and without fear, favour or prejudice but there must be regular consultation between the Reserve Bank of Fiji and the Ministry responsible for Finance.”²

Monetary Stability

Under sub-section 4(b) of the Reserve Bank Fiji Act (1983) (RBF Act), the Bank is required to promote monetary stability through low and stable inflation and maintain an adequate level of foreign reserves. The Bank undertakes this responsibility through the formulation and implementation of monetary policy. Policy tools include the Overnight Policy Rate (OPR), Open Market Operations, Statutory Reserve Deposits (SRD) and other direct and indirect tools which have been used at various times.

In managing the country's foreign reserves, the Reserve Bank also administers exchange control policies under the Exchange Control Act (1950).

Financial Stability

Under sub-section 4(c) of the RBF Act, the Bank is mandated to promote a sound financial structure. In undertaking this function, the Bank licenses and supervises banking, insurance, superannuation, capital markets institutions, payment system providers, credit reporting agencies and foreign exchange dealers. The supervised institutions must comply with relevant legislative requirements as well as prudential policies and guidelines issued by the Reserve Bank. The Bank amended the Banking (Budget Amendment) Act 2025 to enable LFI to publish on their official websites unclaimed monies of their customers.

As part of its mandate to ensure financial stability, the Bank identifies and ensures that risks in individual institutions and the financial system are effectively managed. The Bank's supervisory role also includes the supervision of money laundering and terrorist financing risk mandated under the Financial Transactions Reporting (FTR) Act (2004) and the FTR Regulations (2007).

The Reserve Bank acts as the banker for the Government as well as commercial banks and provides payment and settlement services through FIJICLEAR. This is enabled through the National Payment System (NPS) Act (2021) and the NPS Regulations (2022). The NPS Act establishes the legal framework for the RBF to regulate and supervise Fiji's Payment System, foster

development and license industry players. The authority for the Bank to supervise the capital markets industry is provided under sub-section 13(1) of the Companies Act (2015), which also covers the administration of takeovers; regulation of securities exchanges & central depository; regulation of securities and industry licences; transactions involving listed securities; capital raising; debentures; managed investment schemes (MIS); insider trading; offences and investigations; and information gathering.

The Fair Reporting of Credit Act (2016), outlines specific responsibilities to the Reserve Bank to register, license, and regulate credit reporting agencies, credit information providers, and credit report recipients as well as to maintain proper standards of conduct and acceptable credit reporting practices.

Currency Management

Under sub-section 22(1) of the RBF Act (1983), the Reserve Bank is the sole entity responsible for the printing of notes, the minting of coins, and the destruction and disposal of used and unserviceable notes and coins. The Reserve Bank also determines the denominational structure, design, content, material and composition of Fiji's currency, subject to the approval of the Minister for Finance. In July 2025, the Bank amended the RBF (Budget Amendment) Act 2025 to prohibit all activities by Virtual Asset Service Providers (VASP) in Fiji. These include the trading of cryptocurrencies in Fiji.

Financial System Development

The RBF fosters the development of the financial system by implementing policies and initiatives in key areas such as financial inclusion, sustainable finance, micro, small and medium enterprise (MSME) finance, microinsurance and digital financial services.

The RBF also established the Financial Services Ombuds' Office (FSO) in August 2024 which handles complaints and resolves disputes concerning reputed financial service providers. Additionally, the RBF administers the Fiji Personal Property Securities Registry as its Registrar.

Other

The Bank provides banking, registry and foreign exchange services to the Government and is a lender of last resort to commercial banks. Policy advice is provided to the Government through participation in various committees and on request.

¹ Hereinafter, the Reserve Bank of Fiji, RBF, the Reserve Bank or the Bank may be used interchangeably when referring to the institution.

² This position is now referred to as the Ministry of Finance, Strategic Planning, National Development and Statistics.

LETTER TO THE MINISTER

**RESERVE BANK OF FIJI**

Progressive and Resilient Central Bank, Trusted by Our People

Governor

17 September 2025

The Honourable Professor Biman Chand Prasad
 Acting Prime Minister and Minister for Finance,
 Strategic Planning, National Development and Statistics
 Ministry of Finance
 Level 10 Ro Lalabalavu House
 Victoria Parade
SUVA

Dear Honourable Minister

Re: Reserve Bank of Fiji Annual Report and Accounts for the financial year ended 31 July 2025

In terms of sub-section 56(1) of the Reserve Bank of Fiji Act (1983) and on behalf of the Reserve Bank of Fiji (RBF), I submit the following:

- (i) A copy of the RBF Annual Accounts for the year ended 31 July 2025 certified by the Auditors; and
- (ii) A report on the RBF's Operations for the 2024-2025 financial year.

Yours faithfully

Ariff Ali
Governor

GOVERNOR'S FOREWORD



Fiji continues to navigate a global environment marked by volatility, uncertainty and constant change. The 2024-2025 financial year (FY) was impacted by heightened geopolitical and trade tensions including the escalation of trade barriers, particularly from the United States. Central banks responded to a complex mix of slowing growth, trade complexities and geopolitical uncertainty with a cautious and divergent approach to monetary policy.

Amid a challenging international environment, the Fijian economy remained resilient, supported by the Reserve Bank's accommodative monetary policy measures. Following a revised³ 9.4 percent growth in 2023 and a provisional growth of 3.5 percent in 2024, the domestic economy is projected to expand for the fourth consecutive year in 2025 by around 3.2 percent, primarily driven by economic activities in the services sector.

The RBF remained steadfast in achieving its core mandates of macroeconomic and financial stability. In July 2025, headline inflation rate was registered at -1.5 percent,⁴ compared to 6.1 percent in July 2024, underpinned mostly by easing energy and commodity prices, improved supply chains post COVID-19 pandemic, as well as the normalisation of tax adjustments from the National Budget of the previous FY. Government loan drawdowns,

grants and higher inflows particularly from tourism and remittances kept foreign reserves sufficient at \$3.8 billion, covering 6.0 months of retained imports, at the end of July 2025. As such, an accommodative monetary policy stance was maintained, with the overnight policy rate (OPR) unchanged at 0.25 percent throughout the FY.

Financial sector conditions remained conducive to growth with the financial system remaining sound, stable and competitive during the 2024-25 FY. This was evident by the expansion of private sector credit alongside a reduction in non-performing loans. These favourable outcomes were reflective of a low-interest rate environment, strong capital positions, and ample liquidity levels in the banking system. As of July 2025, the financial system's gross assets totalled \$34.2 billion, noting a growth of 11.4 percent from 2024.

The Bank's accommodative monetary policy stance and sufficient levels of foreign reserve holdings supported further relaxation of exchange controls effective 01 August 2024 to facilitate convenient foreign exchange payments and support economic activity as well as operational efficiency.

Net foreign exchange income for the 2024-25 FY also rose to an all-time high of \$140.9 million from \$124.7 million in the previous year, reflecting the robustness of the Bank's investment decisions amidst favourable global interest rates. The prudent management of the country's foreign reserves was a key driver of the Bank's strong financial performance, contributing to a record net profit of \$146.2 million in the 2024-25 FY and surpassing the previous year's profit of \$135.5 million. As required under the RBF Act (1983), a total of \$146.0 million was transferred to the Government in September 2025, inclusive of the net profit earned and \$0.8 million constituting one-fifth of the Revaluation Reserve Account, after a net transfer of \$1.0 million to the RBF's General Reserves.

During the year, the Bank officially launched its new Vision and organisational values as it rolled out its new Strategic Plan for 2024-2029, built around three key themes: safeguarding institutional resilience, promoting sustainability and inclusion, and enabling digital transformation with

³ Revisions under the 2019 rebase.

⁴ The inflation rate reported is under the 2019 base. Under the 2014 base, the July 2025 headline inflation rate was registered at -0.4 percent, much lower compared to the 6.8 percent recorded in July 2024.

safety. This forward-looking plan sets a strong foundation for the Bank's continued leadership in maintaining financial and economic stability, while embracing innovation and inclusivity. It reflects a strategic commitment to strengthening internal capacity, supporting sustainable growth, and harnessing technology responsibly to meet the evolving needs of the Bank and the Fijian economy.

Other initiatives undertaken included the launch of the Fiji Innovation Hub on 16 July 2025, a groundbreaking initiative designed to empower entrepreneurs in creating inclusive, locally relevant solutions that support Fiji's development goals.

The RBF continued its digital transformation journey towards the modernisation of Fiji's payment system. In October 2024, the Bank launched the third phase of the Automated Clearing House (ACH) component of the National Payment System (NPS), which introduced interoperability, enabling real-time fund transfers between banks and mobile wallets. In collaboration with the Asian Development Bank (ADB), the Reserve Bank has launched a national initiative to standardise QR codes for digital payments. This initiative establishes a unified framework for QR-based transactions, aiming to enhance interoperability among financial service providers and promote secure, seamless payment experiences. A key objective of the program is to advance financial inclusion, particularly by supporting merchants and consumers in underserved communities as well as consumer protection.

The RBF also commenced work on the development of the National Digital ID System for Fiji, which is key to Government's digital transformation vision. A key priority in this regard is the putting in place of the relevant legislation and securing the necessary approvals to support the implementation of the National ID, involving extensive stakeholder consultations. Ultimately the goal is to streamline essential services across the country and accelerate Fiji's transition into a modern digital economy.

The Reserve Bank of Fiji was awarded the *Nestor Espenilla Jr. Financial Inclusion Innovation Award* at the 2024 AFI Global Policy Forum in El Salvador, in November 2024. This

prestigious accolade, awarded by the Alliance for Financial Inclusion (AFI), recognises institutions that demonstrate outstanding innovation in advancing financial inclusion through technology and knowledge sharing. The Reserve Bank is proud to be the first Pacific Island central bank to receive the award, which reflects the Bank's commitment to building an inclusive and resilient financial ecosystem. This award is also a testament to the dedication of our team and partners in driving meaningful change, particularly for underserved communities. It reinforces our strategic vision to harness digital platforms in promoting equitable access to financial services for all Fijians.

In partnership with Tower Insurance and SUN Insurance, the Bank entered into a Grant Agreement with the InsuResilience Solutions Fund (ISF) to lead the expansion of parametric microinsurance products nationwide, targeting the poor and vulnerable communities. A new initiative titled *"Introducing New and Scaling Up Existing Climate Risk Parametric Insurance Products in Fiji,"* aims to provide access to climate risk insurance products for 5,000 climate-vulnerable households.

Environmental and social risks are increasingly influencing the stability of the financial system and the long-term sustainability of financial institutions. In response, the RBF has taken proactive steps to address these emerging challenges. As part of its broader action plan, the Bank engaged the International Finance Corporation (IFC) to provide technical assistance in the development of the Environmental and Social Risk Management (ESRM) Guidelines. These Guidelines are intended to equip financial institutions with clear and practical procedures for identifying, assessing, and mitigating risks associated with climate change, social disruption, and governance-related issues. The Bank also continued to increase holdings of ESG bonds in line with broader strategic endeavours. At the end of the FY, ESG bond holdings, namely green, social and sustainability bonds, comprised of 20.9 percent of the Bank's investible reserves.

The establishment of the Climate Change Unit (CCU) on 03 February 2025 marked a significant commitment by the Reserve Bank to climate resilience and sustainability.

The CCU is mandated to support the effective delivery of climate-related initiatives across the Bank and ensure compliance with the Climate Change Act 2021. It also serves as the central coordination point for all climate-related stakeholder engagement and awareness, both internally and externally.

With the launch of its new strategic plan, the RBF initiated a strategic shift in its approach to human resource management. This transition marked the elevation of the function to a more strategic, employee-centric focus on people and culture, aligning with the Bank's broader institutional priorities. Accordingly, the People and Culture Group was formally established in January 2025, drawing on the existing Human Resources unit and supplemented by secondees from other Groups to support the development of a comprehensive people and culture framework going forward. This transformation remains in

progress, with a series of strategic initiatives scheduled for implementation in the 2025-26 FY.

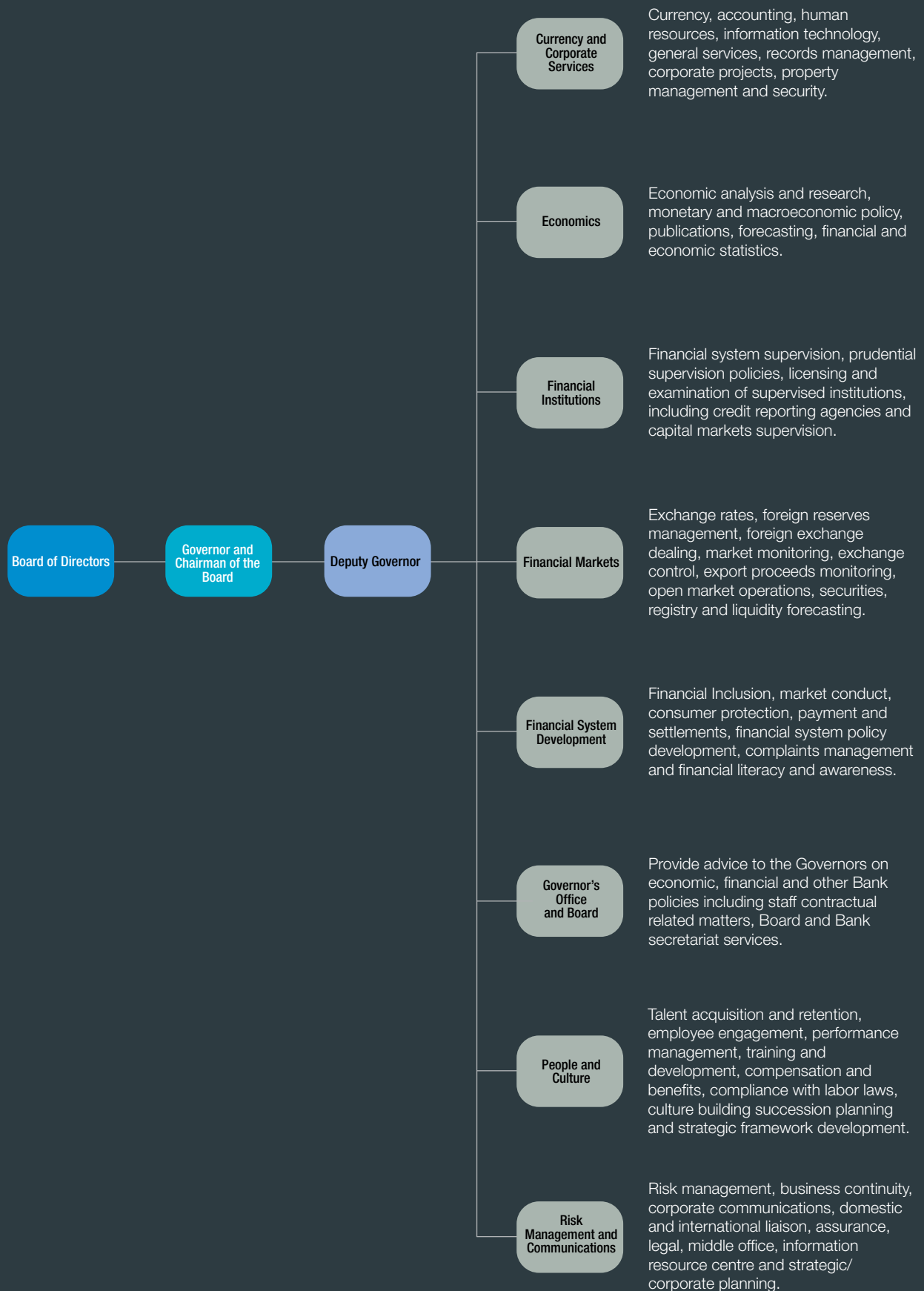
I wish to express my profound appreciation to the Board of Directors, the staff of the RBF, and our esteemed partners for their unwavering support and invaluable contributions throughout the FY.

The achievements during this FY would not have been possible without their engagement, support, and collaborative efforts.



Ariff Ali
Governor and Chairman of the Board

ORGANISATIONAL STRUCTURE



BOARD OF DIRECTORS



Shiri Krishna Gounder **Permanent Secretary,** **Ministry of Finance**

Appointed to the Board on 16 March 2021. Board Director of the Fiji National Provident Fund (FNPF) and Fiji Revenue and Customs Services (FRCS). Board Member of Fiji Airways and Energy Fiji Limited (EFL). Member of the Macroeconomic Committee. Alternate Governor for Fiji at the World Bank and the Asian Infrastructure Investment Bank.

Fantasha Lockington **Director**

Appointed to the Board on 9 June 2024 for three years. Chief Executive Officer of the Fiji Hotel and Tourism Association. Board Director of Tourism Fiji, Fiji Commerce & Employers Federation (FCEF) and Employment Relations Advisory Board (ERAB). Independent Director on the Solar Fund Charity Board and the NewWorld IGA Board. Member of the Australian Institute of Company Directors (AICD).

Bobby Naimawi **Director**

Appointed to the Board on 14 February 2021 for three years and reappointed in 2024 for another three years. Chair of RBF's Board Audit and Risk Committee (BARC). Chief Operating Officer for EFL and was Former Chief Financial Officer for EFL. Member of Fiji Institute of Chartered Accountants (FICA) and AICD. He is also a Board member of Counteruck Pte Ltd which is in charge of the Drua.

Ashnita Deo Kisun **Director**

Appointed to the Board on 1 April 2024 for three years. Member of the Board Governance Committee (BGC). Director/ Company Secretary for Shop N Save Group. Served as a Solicitor in law firms in Fiji and Australia between 2012 and 2016. She is a member of Fiji Law Society. Admitted as a Barrister & Solicitor to the High Court of Fiji in 2015. Admitted as an Australian Lawyer to the Supreme Court of New South Wales in 2009.

Peni Sikivou **Director**

Appointed to the Board on 4 February 2024 for three years. Consultant Policy Advisor, Strategic Planning Office, Ministry of Finance, National Development, Strategic Planning and Statistics. Member of RBF's BGC. Former Lecturer with the Fiji National University. Former Director at the Melanesian Spearhead Group Secretariat. Member of the Fiji Human Resources Institute. Chair of the Government Tender Board.

Ariff Ali **Governor and Chairman** **of the Board**

Appointed as Governor on 11 September 2017 and was reappointed in 2022 for five years. Alternate Governor for Fiji at the International Monetary Fund (IMF). Chair of the Board of Directors of the Alliance for Financial Inclusion (AFI). Chair of the Monetary Policy Committee. Chair of the Macroeconomic Committee (MC). Chair of the National Financial Inclusion Taskforce.

Nikita Patel **Director**

Appointed to the Board on 14 February 2021 for three years and reappointed in 2024 for another three years. Chair of RBF's BGC and Member of BARC. Chief Financial Officer for Vinod Patel & Company Pte Limited. Chartered Accountant, member of Chartered Accountants Australia & New Zealand and FICA.

EXECUTIVE MANAGEMENT



Shanil Totaram
Acting Chief Manager
Financial Institutions
Group

Acting as Chief Manager Financial Institutions Group from 1 July to 30 September 2025.

Jacinta Hesaie
Chief Manager
Economics Group

Appointed as Chief Manager Economics Group on 1 May 2025. Acting Chief Manager Economics Group (1 January 2023 to 17 December 2023 and from 8 April 2024 to 31 December 2024). Manager External Conditions (2021-2022). Manager Research (2020-2021). Seconded to the International Monetary Fund Resident Representative's Office (2017-2020). Senior Economist Prices and Wages Unit (2015-2017). Senior Economist Domestic Activity and Forecasting (2013-2015).

Susan Kumar
Chief Manager
Currency and Corporate
Services Group

Appointed as Chief Manager of Currency and Corporate Services Group in May 2011. Seconded as Chief Manager of Risk Management and Communications Group (2019-2020). Acting Chief Manager Currency and Corporate Services Group (2009-2010). Manager Accounting (2006-2008). Acted as Deputy Governor from 8 April 2024 to 27 September 2024.

Caroline Waqabaca
Chief Manager Financial
System Development

Appointed as Chief Manager of Financial System and Development Group in January 2023. Chief Manager Financial Markets Group (2018-2022). Chief Manager Economics Group (2011-2017). Seconded to the International Monetary Fund as an Advisor in the Southeast Asia Group in Washington, D.C. (2013-2015). Manager Financial Conditions (2009-2010). Manager Corporate Communications (2003-2006).

Ragni Singh
Chief Manager Risk
Management and
Communications Group

Appointed as Chief Manager of Risk Management and Communications Group in April 2022. Acting Chief Manager Risk Management and Communications Group (April 2021-March 2022). Manager Financial Institutions Supervision (2011-2021).

Petaia Tuimanu
Chief Manager
Financial Markets Group

Appointed as Chief Manager of Financial Markets Group in January 2023. Chief Manager Economics Group (2018-2022). Seconded to the International Monetary Fund as an Advisor in the Southeast Asia Group in Washington, D.C. (2015-2017). Manager External Conditions (2013-2014). Manager Financial Conditions (2010-2012). Acted as Deputy Governor from 30 September 2024 to 4 April 2025.

Vilimaina Dakai
Acting Deputy Governor

Appointed as Chief Manager People and Culture Group on 2 January 2025. Chief Manager of Financial Institutions Group (2014 – 2024). Seconded as Chief Manager of Risk Management and Communications Group (2018-2019). Manager Financial Institutions Supervision (2003-2013). Acting as Deputy Governor from 7 April 2025 to 31 October 2025.

Subrina Hanif
Board Secretary

Appointed as Board Secretary in April 2010. Acting Board Secretary (December 2009 to April 2010). Acting Manager in Economics Group (November 2008 to November 2009).

Esala Masitabua (Not in photograph) - Appointed as Deputy Governor in January 2018. Seconded to the IMF for 2 years, since November 2023.
Rohitesh Chand (Not in photograph) - Acted as Chief Manager Currency and Corporate Services Group from 8 April 2024 to 4 October 2024.
Sailasa Vadiga (Not in photograph) - Acted as Chief Manager Financial Institutions Group from 6 January 2025 to 31 March 2025.
Savaira Manoa (Not in photograph) - Acted as Chief Manager Financial Institutions Group from 1 April 2025 to 30 June 2025.

CORPORATE GOVERNANCE

The RBF is established under the Reserve Bank of Fiji Act (1983) and is fully owned by the Government of Fiji. The functions and duties of the Reserve Bank are specified in the RBF Act (1983), Banking Act (1995), Insurance Act (1998), Exchange Control Act (1952), Financial Transactions Reporting Act (2004), Fiji National Provident Fund Act (2011), Companies Act (2015) Fair Reporting of Credit Act (2016), Personal Property Securities Act (2017) and National Payment System Act (2021).

Article 153 of the 2013 Constitution of the Republic of Fiji states as follows:

(1) *The RBF is the central bank of the State, whose primary objectives are:*

- a) *To protect the value of the currency in the interest of balanced and sustainable economic growth;*
- b) *To formulate monetary policy;*
- c) *To promote price stability;*
- d) *To issue currency; and*
- e) *To perform other functions conferred to it by written law.*

(2) *In pursuing its primary objectives, the RBF must perform its functions independently and without fear, favour, or prejudice. However, there must be regular consultation between the RBF and the Minister responsible for Finance.*

(3) *The powers and functions of the RBF are those customarily exercised and performed by central banks.*

(4) *The Governor of the Reserve Bank shall be appointed by the President on the advice of the Constitutional Offices Commission, following consultation with the Minister responsible for Finance.*

(5) *A written law must provide for the composition, powers, functions*

and operations of the RBF.

(6) *The RBF must deliver quarterly and annual reports to Parliament and any other reports when required by law or requested by resolution.*

The RBF's performance is documented in an Annual Report and tabled in Parliament every year. Under sub-section 56(1) of the RBF Act, the Bank's Annual Accounts and a Report of Operations must be submitted to the Minister for Finance within three months after the end of the financial year.

The Bank's new Vision of a "Progressive and Resilient Central Bank, Trusted by our People" reflects the realignment of the Bank's aspirations in the next 5 years.

It builds on the last vision in acknowledging the new challenges currently faced by central banks. The Bank's values have also been reviewed while the missions have been retained reflecting the ongoing work that remain relevant to current challenges.

The Governor

The RBF Governor serves as the Bank's Chief Executive Officer and is responsible to the Board of Directors for the management of the Bank and the execution of its policies. Mr

Ariff Ali was initially appointed as the Governor of the Reserve Bank of Fiji on 11 September 2017 for five years. He was reappointed for another 5-year term with effect from 11 September 2022.

Board of Directors

The Governor serves as the Chair of the Reserve Bank Board with the Permanent Secretary for Finance (PSF), and five other non-executive members. Appointments to the Board are made by the Minister for Finance, as stipulated in the RBF Act. A Director may be appointed for a period not exceeding three years and is eligible for re-appointment.

As at 31 July 2025, Mr Shiri Krishna Gounder, (PSF) Ms Nikita Patel, Mr Bobby Naimawi, Mr Peni Sikivou, Ms Ashnita Deo Kisun and Ms Fantasha Lockington served as the Bank's Directors.

Board Meetings

Under the RBF Act, the Board is required to meet at least 10 times in a year. Four directors form a quorum for a meeting of the Board. In the absence of the Governor, the Deputy Governor participates in the Board meetings and is entitled to exercise a vote. Furthermore, in the absence of the Governor, another Director present shall be appointed by consensus of the Directors to chair

the Board meeting.

Board meetings are usually convened on the last Thursday of each month mostly in Suva.

During the 2024/2025 financial year, all meetings were held face-to-face. The Bank's Corporate Governance Charter does allow for entirely virtual Board and internal Committee meetings, if necessary.

As part of strengthening its relationship and engagement with the key stakeholders, the Bank often invites representatives of the business communities, financial institutions and Government ministries to the monthly Board lunches to share and discuss issues of mutual interest.

Each director is required under the RBF Act to sign a declaration to maintain confidentiality in relation to the affairs of the Board and the Reserve Bank upon appointment.

The Bank has a Conflict of Interest (COI) Policy and maintains a COI Register for its directors. Depending on the nature of matters discussed and the conflict declared, directors

may be excused from meetings. All COIs are minuted and noted in the COI Register.

During the financial year, the Board convened 11 meetings on the following dates:

29.08.24	31.10.24	27.02.25	26.06.25
19.09.24	27.11.24	27.03.25	31.07.25
26.09.24	30.01.25	24.04.25	

Attendance at board meetings including eligibility to attend are shown in Table 1.

Members of Executive Management are also invited to attend the Board meetings, as required, apart from the Deputy Governor. The substantive Deputy Governor was still away on a 2-year secondment to the IMF, hence longer-serving Chief Managers have been acting as Deputy Governor for six months each.

Board Committees

The RBF Board has two committees - the Audit and Risk Committee and the Governance Committee, which comprise non-executive members. Decisions of the committees are submitted to the Board for ratification. The Deputy Governor attends

meetings of both Committees regularly as the chief representative of the Bank's management. Other senior Bank executives are also invited to these meetings, if required.

The Board Audit and Risk Committee (BARC) monitors the adequacy of the audit function in the Bank and assists the Board in fulfilling the requirements of the RBF Act in relation to accounting and reporting practices. In carrying out its responsibilities, the Committee reviews and monitors the following functions:

- *external and internal audit;*
- *risk management and business continuity;*
- *statutory compliance; and*
- *internal accounting control.*

Mr Bobby Naimawi continued to serve as the Chair of the BARC since 9 June 2024 with Ms Nikita Patel and Ms Fantasha Lockington as members. Four ordinary and one special BARC meetings were convened during the financial year on the following dates:

12.09.24	28.01.25	25.03.25	29.04.25	12.06.25
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Table 1: Board Meetings August 2024-July 2025 Attendance by Members

Director	Board Meetings	
	Attended	Eligible to Attend
Ariff Ali	11	11
Shiri Krishna Gounder	7	11
Nikita Patel	11	11
Bobby Naimawi	10	11
Peni Sikivou	9	11
Ashnita Deo Kisun	10	11
Fantasha Lockington	8	11

Source: Reserve Bank of Fiji



11 RBF Board Meetings during the financial year

Eligibility and attendance by members at meetings of the BARC are shown in Table 2.

The role of the Board Governance Committee (BGC) is to oversee the effective governance of the Bank and to ensure the accountability of the Office of the Governor to the Board. The Committee oversees compliance with the Bank's Corporate Governance Charter and undertakes the bi-annual performance appraisal of the Governor and Deputy Governor based on agreed key performance indicators (KPIs). Board members who are not members of the BGC are also invited to assess the performance of the Governors. In addition, all staff related matters such as the review of the remuneration structure, terms and conditions of employment for staff and members of Executive Management, are reviewed and approved by the BGC.

Ms Nikita Patel has been serving as the Chair of the BGC since 3 March 2024 with Mr Peni Sikivou and Ms Ashnita Deo Kisun as members. During the review period, the BGC met four times on the following dates:

30.10.24	29.01.25	26.03.25	25.06.25
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Attendance by members at meetings of the BGC and their respective eligibility are shown in Table 3.

For continuous improvement, the Board undertakes an annual assessment of its own performance and that of its two committees. In addition, since 2017, members of Executive Management have also assessed the performance of the directors on an annual basis.

Annual assessments are conducted by the Bank's internal and external auditors. Results of the assessments are shared respectively by the auditors during the private meetings of BARC.

A quarterly report on all declared COI is provided to the BGC. Directors are also required to complete a Declaration of Compliance and COI at the end of the year. The Declaration of COI database is updated during the course of the year by the directors, as necessary.

Bank Management

The Executive Management of the Reserve Bank comprises the Governor, Deputy Governor and all Heads of Groups. The Governor

is advised by a number of internal committees within the Bank:

- the *Executive Management Committee* meets fortnightly to consider the management and day-to-day operations of the Bank;
- the *Monetary Policy Committee* meets monthly, or more often as necessary, to discuss economic and monetary developments;
- the *Market Operations Policy Committee* meets monthly to discuss the Bank's domestic markets operations;
- the *Financial System Policy Committee* meets monthly to review financial system soundness and stability;
- the *Financial System Development Policy Committee* meets monthly to discuss financial system development, issues including consumer protection;
- the *Investment Committee* meets monthly to provide strategic direction and oversight of the Bank's domestic and foreign investments;
- the *Payment Systems Policy Committee* meets monthly to

Table 2: BARC Meetings August 2024-July 2025 Attendance by Members

Director	Board Audit and Risk Committee Meetings	
	Attended	Eligible to Attend
Bobby Naimawi	5	5
Nikita Patel	5	5
Fantasha Lockington	4	5
Ashnita Deo Kisun*	2	2

*attended as an observer
Source: Reserve Bank of Fiji

Table 3: BGC Meetings August 2024-July 2025 Attendance by Members

Director	Board Governance Committee Meetings	
	Attended	Eligible to Attend
Nikita Patel	4	4
Peni Sikivou	3	4
Ashnita Deo Kisun	4	4

Source: Reserve Bank of Fiji

discuss payment and settlement issues, and the licensing, regulation and supervision of payment systems in Fiji, including the National Payment System (NPS) project and the new project on National Digital Identification (NDID);

- the *Human Resources Steering Committee* meets quarterly to discuss strategic matters relating to people and culture;
- the *Information Technology Steering Committee* meets quarterly to discuss IT development and operations;
- the *Risk and Business Continuity Management Committee* meets quarterly to discuss risks and their impact on the operations of the Bank, and
- the *Currency Technical Committee* meets monthly to discuss issues relating to currency management and numismatics;

The Governor (or in his absence, the Deputy Governor) chairs all management committees.

Other special and technical Committees of the Bank are chaired by the Deputy Governor for operational oversight and to create an independent channel for appeals or complaints, such as the Ethics Committee and Tenders Committee.

Delegation of Authority

All activities and expenditures of the Bank must be authorised in accordance with the respective delegations, policies and procedures. The Board receives monthly financial reports comparing the actual outcomes against the budget.

The Code of Conduct policy ensures

compliance with ethical standards.

The Declaration of Compliance, signed annually by all staff, provides assurance of understanding and compliance with the Code of Conduct, Delegation of Authority and all internal Bank policies.

The Delegation of Authority is updated regularly to ensure that it remains current. Respective stakeholders within Fiji and the overseas counterparties are provided with the updated lists, as necessary.

Risk Governance

The Bank's most significant risks are Strategic, Financial, Operational and Reputational risks. Macroeconomic Stability risk, Financial Stability risk, and Governance risk are subsets of strategic risk. The Bank has an established framework to ensure these risks are regularly evaluated and managed.

The framework has structures, policies, and procedures that set the delegation of roles and responsibilities, accountability and transparency in decision-making processes, management of conflict-of-interest situations, testing of fitness and propriety against benchmarked performance, and scrutiny of remuneration arrangements.

Conflict of Interest

It is a requirement of section 18 of the RBF Act (1983) that directors and staff fully disclose all COI to the Bank. All actual or perceived COI are resolved amicably and this includes disclosures of COI which avoids liability by the staff. All representatives of the Bank must conduct themselves with unwavering honesty and integrity in all their dealings. The Bank was able to automate the COI process

which will enable staff to efficiently update and resolve their COI.

Planning Cycle and Monitoring

Progress on the outputs for the first six months of the financial year (August 2025 to January 2026) was compiled and presented in a detailed report to the Board. Planning for the Bank's Work Plan for the upcoming financial year began in April, guided by in-depth discussions on new key priority areas. The Work Plan is carefully designed to align with the Bank's strategic direction and core missions. Each output is aligned with the relevant strategic priority and outcome, anchoring efforts to achieve the Bank's Vision. This structured process helps to maintain focus on the Bank's strategic objectives throughout the planning and implementation phases.

The Bank adopts a zero-based budgeting approach to allocate financial resources for the upcoming year, carefully evaluating plans submitted by the Groups. This process ensures that financial resources are allocated based on the specific needs and priorities identified in the Work Plan, fostering optimal resource utilisation.

With the Bank projecting an improved return on income, significant investments have been made to ensure the Bank has the best qualified talent and technology to carry out its mandate.

Administrative and other expenditure for the 2024-25 FY increased by \$5.3 million compared to the 2023-24 FY and by \$8.6 million in comparison to the 2022-23 FY. Similarly, capital projects that were delayed or on hold were recommenced to ensure continued efforts towards driving the

strategic theme of renewing ways of doing business and reinforcing a culture of innovation.

The final Annual Work Plan and Budget for the 2024-25 FY were presented and approved by the Board at its June meeting.

The Heads of Groups are accountable for ensuring the successful delivery of the objectives outlined in both the

Annual Work Plan and the Bank's five-year Strategic Plan. Progress updates for plans are provided to the Board every six months. This regular assessment has enabled the Bank to remain aligned with its strategic direction, identify potential risks early, and take timely corrective actions where necessary.

In the first year of implementing the 2024-2029 Strategic Plan, the

Bank has focused on laying a solid foundation, aligning work plans and fostering internal awareness to embed the strategic direction across all levels. As the Bank transitions into the new strategic cycle, its focus remains on delivering measurable outcomes that support Fiji's economic and financial stability, while adapting to emerging opportunities and risks in an increasingly complex environment.



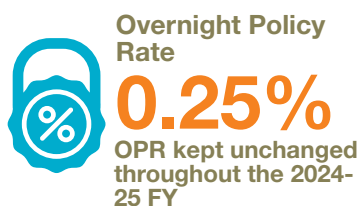
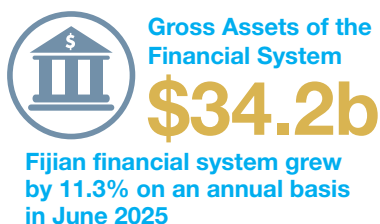
Box Item 1

The Reserve Bank of Fiji's Strategic Plan 2024-2029

The Bank's Strategic Plan 2024–2029 sets a clear and ambitious roadmap for the next five years, designed to strengthen the Bank's role as a guardian of macroeconomic and financial stability. Building on success and lessons learned from the previous plan, the new strategic plan prioritises three core themes: Safeguarding Institutional Resilience, Promoting Sustainability and Financial Inclusion, and Driving Digital Transformation with a strong emphasis on security. Through these focus areas, the Bank aims to enhance its capacity to respond to evolving challenges and opportunities, ensuring long-term benefits and sustainable national development.



2024-25 AT A GLANCE



ECONOMIC OVERVIEW

Global economic growth is projected to remain steady at around 3.0 percent in both 2025 and 2026, reflecting continued resilience across advanced and emerging economies despite ongoing trade tensions. Inflation is expected to moderate, largely driven by the gradual loosening of monetary policy as central banks respond to improving price stability. While global growth remains stable, Fiji's economy continues to demonstrate resilience, underpinned primarily by activities in the services sector.

International Economic Developments

Global economic conditions remained favourable in the second half of 2024, supported by easing monetary policy and sustained private and public sector spending. As 2025 unfolded, the global economy continues to show resilience despite escalating trade tensions and successive waves of United States (US) tariffs imposed on key trading partners since February. In its July 2025 World Economic Outlook, the International Monetary Fund (IMF) projects global growth at 3.3 percent for 2024 and 3.0 percent for 2025 (Figure 1). The projected slowdown in 2025 reflects mounting downside risks, including the possibility of further tariff hikes, heightened uncertainty, and persistent geopolitical strains.

Global headline inflation is projected to also ease from 5.6 percent in 2024 to 4.2 percent in 2025, driven by weakening demand, and falling energy prices. However, inflation in the US is expected to remain above the Federal Reserve's target. In other regions, the newly imposed tariffs are acting as a negative demand shock, contributing to the moderation of inflationary pressures.

Growth among Fiji's major trading partners while weak in the near-term, is expected to remain moderately positive over the medium-term. Meanwhile, inflationary pressures have largely subsided, aligning more closely with central bank targets, as monetary policy adjusts in response to evolving economic conditions.

The US economy is projected to grow by 1.9 percent in 2025, down from a 2.8 percent expansion in 2024. The growth forecast reflects the impact of higher effective tariff rates⁵ and anticipated inflationary pressures consequentially. Labour market conditions remained steady in July 2025, as the yearly unemployment rate stood at 4.2 percent, unchanged from the rate in July 2024. The annual inflation rate eased slightly to 2.7 percent in July 2025 (from 2.9% in July 2024). This outcome was driven by lower prices for shelter and declining prices for energy. However, since January 2025, the Federal Reserve had maintained a wait-and-see approach, citing concerns over inflationary risks through the implementation of import tariffs by the US.

Figure 1: World Gross Domestic Product (GDP) Growth Rates

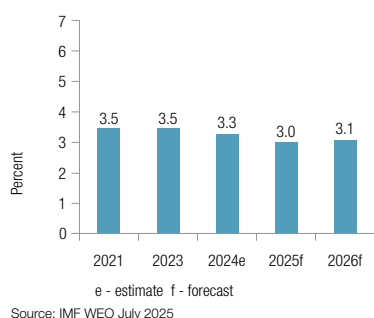
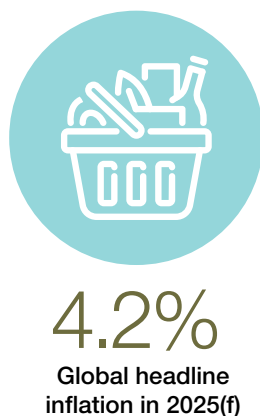
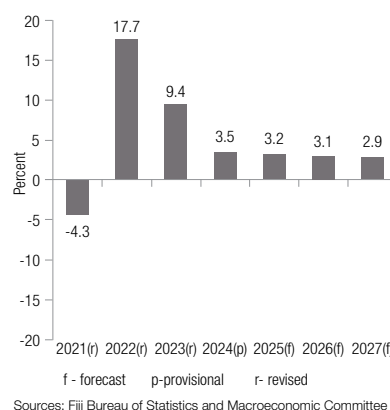


Figure 2: Fiji's GDP Growth Rates⁶



⁵ Compared to those in effect in 2024.

⁶ Growth rates for 2020-2023 were also revised under the new 2019 base. The 2025 growth rate will be reviewed in the Nov-2025 GDP forecasting round.

Euro Area growth is projected at 1.0 percent in 2025, up from 0.9 percent in 2024, largely due to Ireland's strong GDP performance in the March quarter despite its small share of the region's output. This was due to a sharp rise in pharmaceutical exports to the US, driven by the surge in front-loading of shipments ahead of anticipated tariff increases and the launch of new production facilities. The unemployment rate remained near historic lows, at 6.2 percent in July (from 6.4% in July 2024). The annual inflation rate stood at 2.0 percent in July, down from 2.6 percent in July 2024, as a slowdown in services inflation outweighed faster price increases for food, alcohol & tobacco, and non-energy industrial goods. The European Central Bank concluded its current easing cycle after seven rate cuts over the year, lowering the main refinancing rate from 4.25 percent in July 2024 to 2.15 percent, to stimulate the economy.⁷

Japan's growth is expected to rise from 0.2 percent in 2024 to 0.7 percent in 2025, driven by strong domestic demand, particularly in personal consumption and business investment, supported by real wage gains. The annual inflation rate rose to 3.1 percent in July (from 2.8% recorded in July 2024), driven by higher food prices, particularly sharp surge in rice prices despite Tokyo's efforts to stabilise stable food prices. The labour market remains tight with the unemployment rate at 2.3 percent in July (2.7% in July last year). To normalise monetary policy, and stabilise the Yen, the Bank of Japan raised its key interest rate twice during the fiscal year, reaching 0.50 percent in July 2025 from 0.25 percent a year earlier, and registering the highest level since 2008.

The Australian economy is forecast to strengthen further, from 1.0 percent in 2024 to 1.8 percent in 2025, supported by rising real household incomes as inflation eases, a recovering housing market, falling interest rates, and increased public investment. The seasonally adjusted unemployment rate in July 2025 stood at 4.2 percent, the same as last year. Annual inflation notably fell to 2.1 percent in the June quarter of 2025 (from 3.8% recorded in the same quarter last year), driven by a moderation in services inflation (insurance and rent costs) and goods inflation (food, alcohol & tobacco). To bring the inflation within the target range, the Reserve Bank of Australia lowered its cash rate during the year to 3.85 percent (from 4.35% in July last year - a rate maintained from November 2023 to January 2025).

The New Zealand (NZ) economy is projected to grow by 1.4 percent in 2025, rebounding from a contraction of 0.5 percent in 2024.⁸ This turnaround is driven by the resurgence in public consumption and investment, supported by a normalisation of monetary policy and net positive exports. However, the unemployment rate rose to 5.2 percent in the June quarter (up from 4.6% a year earlier), reflecting softening labour market conditions. Inflationary pressures have eased, with the annual inflation falling to 2.7 percent in the June quarter (from 3.3% in the same period last year), driven by local authority rates, rent and electricity prices. The Reserve Bank of NZ cut its official cash rate six times over the year, reducing it from 5.5 percent to 3.25 percent by July 2025, aiming to maintain inflation within its 1.0-3.0 percent target range.

Economic Developments in Fiji

The Fijian economy is projected to expand by 3.2 percent in 2025,⁹ following a growth of 3.5 percent in 2024 (Figure 2).¹⁰ Key drivers of growth are anticipated to be the services sector, with major contributions coming from the finance & insurance, public administration, wholesale & retail trade, and information & communication sectors. The primary sector, especially agriculture and the industrial sectors, are also expected to contribute to the growth outcome in 2025.

Going forward, the domestic economy is expected to return to its long-term trend and register a broad-based growth of around 3.0 percent in 2026 and 2027.

Sectoral performances recorded positive outcomes in the 2024-25 FY. The tourism sector continued its growth momentum with 980,524 visitor arrivals recorded in the 2024-25 FY compared to 963,892 in the previous FY. This represented an annual increase of 1.7 percent and was largely driven by higher arrivals from Australia (2.6%, 1.2pp), the US (7.6%, 0.8pp), Pacific Islands (13.2%, 0.8pp), Continental Europe (12.5%, 0.4pp), and the United Kingdom (10.8%, 0.1pp).

Data from the 2024-25 FY shows that electricity generation grew by 3.4 percent to 1,155,379 Megawatts per hour (Mwh), following a 7.4 percent increase in the previous FY. Renewable energy sources contributed 52.1 percent of the total electricity generated in the review period, compared to a 58.8 percent in the previous FY. In tandem, electricity consumption rose by 3.7 percent (to 1,110,573 Mwh), boosted by increased demand from the

⁷ Deposit facility rate stood at 2.0 percent in July 2025.

⁸ Growth projections from IMF April 2025 WEO.

⁹ The Macroeconomic Committee's forecast approved on 10th June 2025.

¹⁰ The provisional growth rate for 2024 (3.5%) was released by FBOS on 4 September 2025, slightly lower than the June MC estimate of 4.0 percent. This follows the upgrade to the 2019 base, which captures the latest price structure based on the 2019-2020 Household Income and Expenditure Survey and improved data sources/methodology.

commercial, domestic and industrial users.

The timber industry experienced a rebound in production, after subdued outcomes in the previous fiscal year. In comparison to the 2023-24 FY, woodchip (6.4% to 252,412 tonnes), sawn timber (19.2% to 31,288m³), and mahogany (17.8% to 38,410m³) production increased, attributed to smooth harvesting operations enabled by favourable weather conditions.

Over the 2024-25 FY, gold ore production increased by 1.6 percent to 27,862 ounces, mainly contributed by Tuvatu gold mine which benefitted from two high-grade stopes towards the end of the FY. During the same period, gold ore production by the Vatukoula Gold Mines Limited declined as the company shifted its priority to gold concentrates. Consequently, during February to July 2025, 6,410 ounces of gold concentrates were also produced. Furthermore, mineral water production increased by 8.0 percent (rebounding from a 16.3% decline in the previous FY), primarily attributed to the successful completion of the testing phase and execution of scheduled maintenance works by the largest water-bottling company.

In the sugar industry, the 2024 crushing season yielded 1,331,301 tonnes of cane and 126,184 tonnes of sugar. Cane and sugar production increased by 0.6 percent and 5.7 percent, respectively, due to favourable weather conditions. So far into the 2025 crushing season,¹¹ cane (-2.6%, to 586,157 tonnes) and sugar (-8.5%, to 48,974 tonnes) production declined amid the ongoing challenges faced by the industry including poor harvesting efforts, low quality cane

and increased amount of burnt canes supplied to the mills.

Partial indicators reveal that the labour market conditions have eased in the review period compared to the previous FY backed by a slowdown in resident departures as well as the importation of foreign workers. In terms of migration,¹² the FY trend showed an annual decline (-34.1%; to 10,177 people) in resident departures across all the categories including for employment (-37.9%), education/training (-32.8%) and emigration (-23.3%). In the same period, 2,116 citizens (-22.4%) left the country under various labour mobility schemes, largely attributed to the reduction in workers for PALM's¹³ long-term scheme¹⁴ (-53.7%) and Recognised Seasonal Employer¹⁵ (-25.4%) scheme which more-than-offset the expansion in PALM's short-term program¹⁶ expansion (19.1%). In addition, the number of foreign work permits approved also declined (-36.0%) in the same period. Combined, these indicators suggest an improvement in the labour supply. Consequently, demand for labour, proxied by the RBF's Job Advertisements Survey has been slowing since the past FY. The number of jobs advertised¹⁷ in the 2024-25 FY declined by 11.8 percent (to 13,587 vacancies), due to lower recruitment intentions in all sectors except in the mining & quarrying; construction; and the transport, storage & communication sectors.

Despite the easing job openings, wages paid to employees grew by 9.1 percent in the current FY, reaching \$4,626.7 million, reflecting strong wage compensation strategies aimed at employee retention and wage bargaining. The sectors that are the primary drivers include the

public administration and defence; compulsory social security, wholesale & retail trade; repair of motor vehicles & motorcycles, accommodation and food services, and the administrative & support service sectors. As a result, disposable incomes rose as reflected by the increase in the Pay As You Earn tax collections (18.3%).

Consumption activity stayed upbeat in the 2024-25 FY. Net Value Added Tax (VAT)¹⁸ collections grew (12.7% to \$1,542.8m), underpinned by higher customs import (8.6%) and domestic VAT (19.9%) collections, which more-than-offset the increase in refunds (17.6%). Moreover, commercial banks' new lending for consumption purposes (excluding refinancing)¹⁹ increased in the FY by 37.5 percent (to \$2,242.6m), supported by higher lending to the wholesale, retail, and hotels & restaurants (WRHR) and to households (HH) sectors. Similarly, the inflow of remittances rose (10.8 %), signifying a steady complement to the incomes of domestic beneficiaries for consumption purposes. Likewise, vehicle registrations by the Land Transport Authority improved by 20.9 percent (to 13,789 vehicles) during the review period, primarily driven by a rise in both new and second-hand vehicle registrations, particularly for private use.

Investment activity gradually improved, albeit at a slower pace during the FY, mirrored by the high-cost environment and regulatory delays. New loans for investment (excluding refinancing) purposes increased by 11.7 percent (to \$966.3m) in the 2024-25 FY following the 31.4 percent expansion noted in the previous FY. This was underpinned by higher lending to the real estate (6.7%) (RE) and the building & construction (4.2%)

¹¹ From 23 June to 18 August 2025.

¹² Resident departures for one year and above.

¹³ Pacific Australia Labour Mobility.

¹⁴ Major reduction in recruitment under meat processing industry (-48.0%).

¹⁵ This is a New Zealand scheme which entails recruitment in the agricultural sector only.

¹⁶ Increment in recruitment for agricultural sector (+20.0%).

¹⁷ According to the RBF's Job Advertisements Survey which is sourced from the Fiji Sun and Fiji Times.

¹⁸ The VAT rate on non-essential items increased from 9.0 percent to 15.0 percent since 1 August 2023.

¹⁹ The exclusion of refinanced loans is a way of gauging the appetite for purely new loans. However, by doing so, some portion of pure loans (such as loan top-up) that are believed to have a minimal value, are excluded.

sectors. Additionally, new loans to households for purchasing a second home (as investment properties) expanded by 56.7 percent (to \$157.7m) in the same period. However, domestic cement sales, a partial indicator of construction activity, weakened in the 2024-25 FY by 1.0 percent (to 108,451 tonnes), partly due to reduced sales by Pacific Cement Limited, owing to its brief closure for repair work. Furthermore, the estimated value of work put-in-place, a measure of construction activity, was higher (12.0% to \$273.8m) on an annual basis cumulative to June 2025 due to higher uptake of both public (13.8%) and private (10.6%) construction works. Building material prices²⁰ rose by an average 4.0 percent cumulative to June 2025, primarily driven by higher prices for cement and related materials (5.7%), wood and related materials (5.0%), electrical products (4.5%), door and window frames (7.6%) and floor and wall tiles (1.5%). Also, the number (15.9%) and value (2.8%) of permits issued rose in the review period, reflecting increased uptake of new projects.

In the 2024-25 FY (August-July),²¹ Government's fiscal balance narrowed

to a net deficit of 2.4 percent of GDP (or -\$338.5 million), from the 3.4 percent (or -\$443.7 million) net deficit noted in the in the last FY. This improvement in the fiscal balance is due to faster growth in revenue collections relative to expenditure growth.

For the 2025-26 FY, the net deficit is budgeted to increase further to \$886.0 million or 6.0 percent²² of GDP, as a result of higher budgeted government expenditure relative to its revenue forecast (Figure 3).

Additionally, Government debt stood at \$10,761.8 million or 77.1 percent²³ of GDP at the end of the 2024-25 FY, slightly lower than the 79.0 percent of GDP noted at the end of the previous FY. In terms of share, domestic debt accounted for 50.0 percent of the total Government debt portfolio while external debt made up the remaining 27.1 percent.

Inflationary pressures in the economy eased as headline inflation rate stood at -1.5 percent²⁴ in July 2025 compared to 6.1 percent in July 2024. The outcome was due to lower prices of food & non-alcoholic beverages, transport, clothing &

footwear and cooking gas and other fuels.

Financial conditions remained supportive of economic activity during the review period. Broad money growth accelerated (9.4%, \$1.1b) to \$12,877.4 million in July 2025, higher than a year ago (8.1%, \$877.5m), led by the increase in both Net Domestic Assets (NDA) (10.4%, \$894.2m) and Net Foreign Assets (NFA) (7.3%, \$236.8m). The annual expansion in NDA was primarily driven by an increase in net domestic credit (NDC) (8.8%, \$961.1m), particularly emanating from an increase in private sector credit (9.5%, \$927.8m) while the increase in foreign reserves (7.4%, \$266.8m) drove the growth in NFA. Robust expansion in credit to private sector business entities (PSBEs) (8.7%, \$579.3m) and HH (15.3%, \$441.9m) drove the increase in PSC. The rise in credit to PSBEs was underpinned by the real estate (RE) (13.3%, \$246.1m), wholesale, retail, hotels & restaurant (WRHR) (5.5%, \$117.5m) and the building & construction sectors (12.9%, \$114.6m) while credit to the HHS sector was predominantly influenced by housing loans (13.8%, \$314.7m) coupled with positive contributions

Figure 3: Government Balance

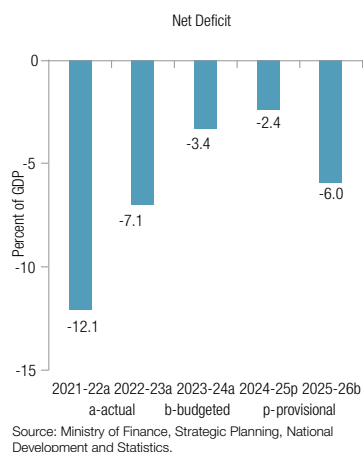
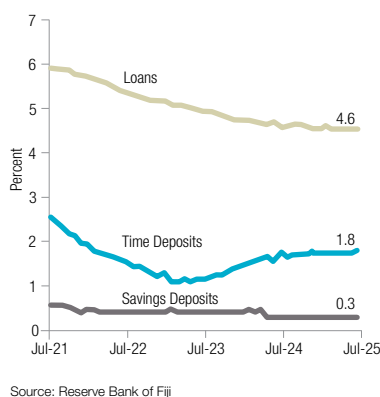


Figure 4: Commercial Banks' Outstanding Lending and Deposit Rates



980,524
Visitors in the 2024-25 FY

²⁰ Calculated on the new 2019 BMPI base.

²¹ Revenue and expenditure data reported is including Seg 13 (Government VAT).

²² Based on the 2025-26 FY Nominal GDP.

²³ Based on the revised 2024-25 FY Nominal GDP.

²⁴ The inflation rate reported is under the 2019 base. Under the 2014 base, the July 2025 headline inflation rate was registered at -0.4 percent, much lower compared to the 6.8 percent recorded in July 2024.

from unsecured lending and credit cards (18.7%, 476.4m) and motor vehicle (24.6%, \$50.5m) lending.

Commercial banks' new lending grew in the 2024-25 FY (24.4%) to \$5.2 billion, predominantly driven by increased credit to the WRHR (31.2%) sector, largely to the others²⁵ (34.3%) sub-component. The HHs (32.1%), transport & storage (26.7%) and utilities (27.0%) sectors also drove the overall growth.

Liquidity in the financial system was sufficient at \$2,180.7 million at the end of July 2025 and increased by 2.4 percent (\$52.1m) from a year ago, largely led by the upward movement in foreign reserves. As a result, the commercial banks' weighted average new lending rate fell to 4.53 percent in July from 4.56 percent in the comparable 2024 period. Similarly, the outstanding lending rate stood at 4.57 percent in July compared to 4.60 percent in the same period last year. The commercial banks' new time deposit increased to 2.16 percent (from 2.05%), while the existing time deposit rates rose annually to 1.77 percent (from 1.75%) in July. Additionally, the saving deposit rates rose marginally to 0.31

percent from 0.30 percent last year (Figure 4).

External Sector Developments

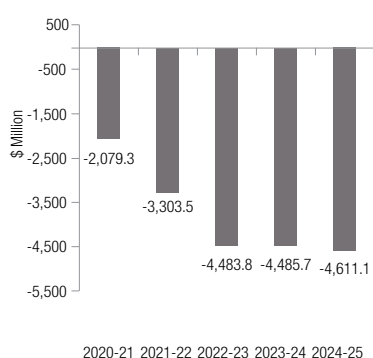
In the external sector,²⁶ the merchandise trade deficit widened by 2.8 percent to \$4,611.1 million (33.0% of GDP) in the 2024-25 FY, slightly higher than the \$4,485.7 million (34.4% of GDP) noted over the same period in the previous FY, as the nominal growth in imports (\$302.9m) surpassed the export growth (\$177.6m) (Figure 5). Merchandise imports growth in the review period (4.3% to \$7,289.9m; 52.2% of GDP) was led by increased payments for machinery & transport equipment, food & live animals as well as chemicals and related products. Meanwhile, merchandise exports grew in the same period (7.1% to \$2,678.8m; 19.2% of GDP), driven by exports of gold and other commodities, crude materials and re-export of machinery & transport equipment categories.

Tourism earnings totalled \$2,563.0 million between the September quarter of 2024 and June quarter of 2025,²⁷ reflecting a 0.4 percent decline compared to the same period in the previous fiscal year

(Figure 6). There were mixed market contributions, with the decline in tourism earnings mainly from NZ, China and Rest of Asia, and were partially offset by expansions in earnings from Australia, US and continental Europe visitors. Despite the increase in visitor arrivals by 1.1 percent and higher holiday per diems (10.5%) from the previous fiscal year (September quarter 2023 to June quarter 2024), tourism earnings fell on the back of lower average length of stay (-6.8% to 7.6 days).

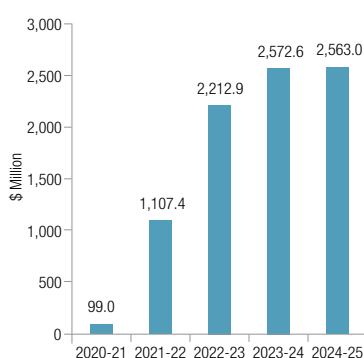
Inward personal remittances increased by 9.2 percent to \$1,391.4 million in the 2024-25 FY, following an 8.7 percent increase in the previous FY (Figure 7). In terms of transfer channels, inflows via mobile money operators remained the highest contributor (9.4 ppts or 21.1%), followed by commercial banks (1.2 ppts or 7.0%), whereas money transfer operators noted a decline (-1.4 ppts or -3.6%), validating mobile money as the dominant mode of remitting funds with a share of 49.2 percent.

Figure 5: Trade Deficit



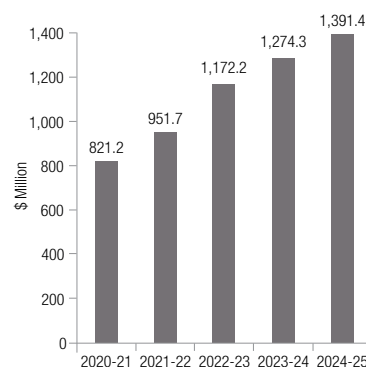
Source: Fiji Bureau of Statistics

Figure 6: Tourism Earnings²⁸



Source: Fiji Bureau of Statistics

Figure 7: Inward Personal Remittances



Source: Reserve Bank of Fiji

²⁵ Includes wholesale trade; agencies; exporters and importers; commission merchants; petroleum bulk stations; gas; scrap metal; waste and junk dealers. Retailing; selling for household use; shops engaged in selling to general public. Also, wholesale and retail sales of all kinds of machinery and automobiles.

²⁶ Excluding aircraft.

²⁷ The latest available data at the time of publication.

²⁸ For consistent comparison, the graph represents figures for the Sept-June quarters across all years.



MISSION

CONDUCT MONETARY POLICY TO FOSTER SUSTAINABLE AND INCLUSIVE ECONOMIC GROWTH

The Reserve Bank of Fiji under the RBF Act is entrusted with the conduct of monetary policy in Fiji aimed at maintaining price stability and adequate levels of foreign reserves.

Monetary Policy Formulation

Monetary Policy Actions

Throughout the 2024-25 FY, the RBF kept its Overnight Policy Rate (OPR) at 0.25 percent to support economic activity and maintain financial stability. The rate has remained steady since 2020, reflecting an accommodative monetary policy in fostering economic recovery while safeguarding macroeconomic stability.

Additionally, the RBF relaxed Fiji's exchange controls further effective 01 August 2024, to facilitate convenient foreign exchange payments and support economic activity as well as operational efficiency.

Monetary Policy Outcomes

Annual headline inflation stood at -1.5 percent in July 2025,²⁹ considerably lower than the 6.1 percent noted in July 2024 (Figure 8). At the beginning of the financial year, inflation remained persistently high, driven by an earlier VAT increase³⁰ and higher prices noted for food, utilities, healthcare, transport and alcoholic beverages. However, this upward trend gradually reversed, as inflation slipped into

negative territory since February 2025. Declines in prices for food & non-alcoholic beverages, transport, clothing & footwear, and cooking gas & other fuels categories mostly contributed to the negative inflation.

Prices are expected to moderate further in the remaining months of the year on account of the FY2025-26 national budget policies that became effective from August 2025.

Foreign reserves held by the RBF amounted to \$3,847.8 million at the end of July 2025, sufficient to cover 6.0 months of retained imports of goods and services (Figure 9). The annual increase of \$266.8 million in reserves from July-end 2024 was due to robust inflows, largely from tourism receipts, remittance inflows and commercial bank swaps, which outweighed overall outflows related to imports and profit and dividend repatriation.

Exchange Rates

In July 2025, the Fijian dollar (FJD) appreciated annually against the Australian dollar (AUD) (1.3%) but weakened against the Euro (EUR) (-5.4%), the Japanese Yen (JPY)

(-2.5%), United States Dollar (USD) (-0.2%), and New Zealand dollar (NZD) (-0.1%).

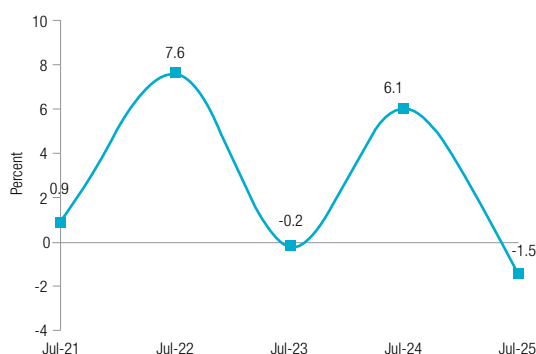
Monetary Policy Implementation

Foreign Reserves Management

The RBF Act (1983) entrusts the custody and management of the nation's foreign reserves to the Reserve Bank. Foreign reserves are held to meet the country's balance of payments financing requirements and to cushion against external vulnerability. In fulfilling this mandate, the Bank seeks to safeguard the capital value of the reserves whilst maintaining adequate liquidity. The Bank seeks to generate an optimal level of return only after these priorities have been secured.

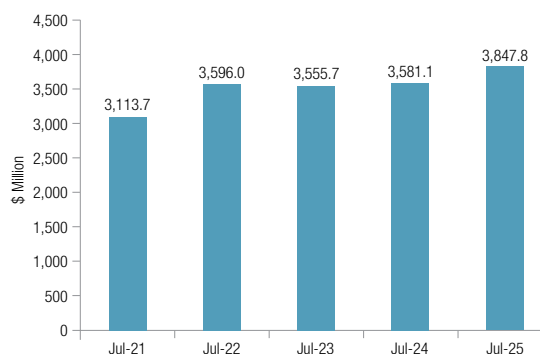
The management of foreign reserves is conducted within a robust risk management framework. When formulating and implementing investment strategies, the Investment Committee provides strategic oversight, while internal guidelines on credit risk, liquidity, duration and counterparty exposure ensure prudent risk-taking measures.

Figure 8: Inflation



Source: Fiji Bureau of Statistics

Figure 9: Foreign Reserves (RBF Holdings)



Source: Reserve Bank of Fiji

²⁹ The inflation rate reported is under the 2019 base. Under the 2014 base, the July 2025 headline inflation rate was registered at -0.4 percent, much lower compared to the 6.8 percent recorded in July 2024.

³⁰ VAT of 15% (from 9%) implemented on 1 August 2023.

Global Market Movements

Over the year, movements in global markets were influenced by uncertainties surrounding trade policy shifts and geopolitical tensions, which fuelled inflationary fears and amplified volatility across yields, equities, and currencies. Global sovereign yields swung sharply, with the MOVE Index³¹ surging to 139.8 in April 2025, the highest since October 2023. Currency markets were equally turbulent, with the 30-Day DXY Index Volatility³² reaching 12.6 in May 2025, marking its peak since December 2022. Nevertheless, the global economy experienced modest but steady growth driven by resilient demand and declining inflation. Central banks have cautiously normalised monetary policy amid uncertainty. At the same time, the markets have somewhat gained firmer footing as clarity begins to emerge on the trajectory of the US trade and fiscal policy.

Portfolio Composition and ESG integration

Gross foreign reserves (RBF holdings) averaged around \$3,691.0 million during the 2024-25 FY, higher than the \$3,355.1 million average of the previous financial year. The foreign

reserves level reached a historical high during the year, peaking in November 2024 at \$3,870.9 million but trended lower to \$3,847.8 million by the end of the FY.

Investible reserves, which represented 87.0 percent of gross foreign reserves, also increased, averaging F\$3,207.7 million compared to F\$2,882.1 million in the previous year (Table 4).

The Bank's foreign reserves are invested across a diversified portfolio of currencies in the basket, and high-quality instruments including sovereign bonds, supranational debt, and term deposits with top-tier institutions. The three largest portfolios of investible reserves are held in USD, AUD and NZD currencies, respectively. Their relative sizes closely align with the weighting of these currencies in the FJD basket. Notably, a sizable portion of the USD portfolio is allocated to short-term, liquid assets to assist with foreign reserve flows.

The Bank also continued to increase holdings of ESG bonds in line with its wider sustainable objectives. At the

end of the FY, ESG bond holdings - comprising green, social, and sustainability bonds - accounted for 20.9 percent of investible reserves (Figure 10), up from 17.6 percent the previous year.

Investment Performance

The Bank generally maintained a longer duration on most of its investment portfolios in anticipation of the fall in interest rates.

Net foreign exchange income for the 2024-25 FY rose to an all-time high of F\$140.9 million from F\$124.7 million in the previous year (Table 5). Although interest rates generally declined over the year, the higher income can be partly attributed to the increased foreign reserves level and the flow-on effects of investments executed at high yields in the previous FY, spilling over to the earlier parts of the current FY.

The Bank's foreign investment portfolio is regularly assessed against the approved benchmark to ensure performance alignment. In the reporting period, the RBF foreign reserves portfolio delivered a return of 4.74 percent, outperforming the

Table 4: Composition of Investible Reserves as at 31-Jul-2025

Portfolio	Cash and Deposits (%)	Other Fixed Income Securities (%)	Total (%)
USD	25.4	20.0	45.4
EUR	1.8	1.4	3.2
JPY	2.3	0.0	2.3
AUD	15.2	13.5	28.7
NZD	10.9	9.5	20.4
Total (%)	55.6	44.4	100.0

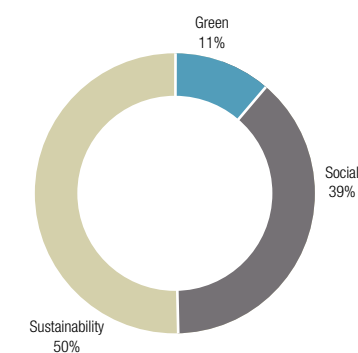
Source: Reserve Bank of Fiji

Table 5: Return on External Reserves

	Aug 2022-Jul 2023	Aug 2023-Jul 2024	Aug 2024-Jul 2025
Net Foreign Exchange Income (\$M)	86.1	124.7	140.9
Average Month-End Level of Investible Reserves (\$M)	2,950.2	2,882.1	3,207.7
Return on Investible Reserves (%)	2.92	4.33	4.39

Source: Reserve Bank of Fiji

Figure 10: Distribution of ESG Holdings as at 31-Jul-2025



Source: Reserve Bank of Fiji

³¹ The MOVE Index measures the US bond market volatility by tracking a basket of OTC options on US interest rate swaps.

³² The Bloomberg 30-Day DXY Index Volatility refers to the expected or realised fluctuations in the value of the US Dollar Index (DXY) over a 30-day period.

benchmark portfolio return of 4.43 percent. The active performance was largely due to the RBF portfolio's longer duration, which proved beneficial during a period of declining investment yields (Figure 11).

Exchange rate fluctuations impacting the value of foreign reserves are systematically recorded through the Revaluation Reserve Account (RRA), ensuring a transparent reflection of valuation changes in the Bank's balance sheet. To mitigate currency risk, the composition of foreign reserve holdings is broadly aligned with the currency weights of the Fijian dollar (FJD) basket, providing a natural hedge against exchange rate volatility. The RRA also captures the impact of exchange rate movements on the Bank's holdings of Special Drawing Rights (SDRs) allocated by the International Monetary Fund, as well as smaller exposures to gold and British pound sterling.

In accordance with the provisions of the RBF Act, one-fifth of the FY end RRA balance is transferred to the Government each year. As at the close of the 2024-25 FY, the RRA stood at F\$4.2 million, of which

F\$0.8 million was transferred to the Government. This represents a decrease from the F\$1.7 million transferred at the end of the 2023-24 FY.

Exchange Rates Setting

Fiji maintains a fixed exchange rate regime, under which the value of the Fiji dollar is anchored to a basket of currencies representing the country's major trading partners: USD, AUD, NZD, EUR and JPY. The RBF is responsible for determining the official exchange rate, a process conducted daily. The rates are published each business day on the RBF's website and are also disseminated through platforms such as Refinitiv and Bloomberg. These rates serve as the reference point for commercial banks in setting their own foreign exchange rates for daily transactions, subject to approved spread limits.

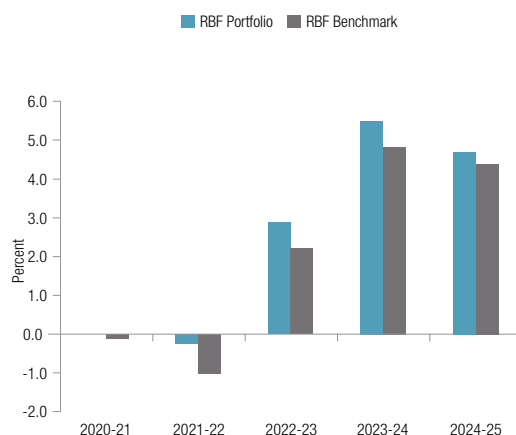
The composition of the currency basket is reviewed annually, with weights assigned based on the relative value of Fiji's merchandise trade, services, and debt servicing transactions. Figure 12 shows the exchange rate weights as per the most recent review.

Foreign Exchange Operations

The RBF transacted in the FX market on most business days. Over the year, the Bank also provided FX banking services to the Government, statutory bodies, supranational organisations, and other central banks.

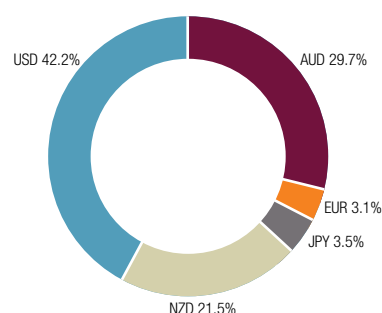
To support effective currency hedging and enhance risk management in the market, commercial banks are authorised to offer forward exchange and swap contracts to their clients. Option contracts, however, may only be offered upon formal application to the RBF. Throughout the year, the Bank maintained vigilant oversight of derivative transactions to ensure compliance with the Foreign Currency Derivatives guidelines. To better support market participants in managing exchange rate risks, the Bank continued to review and implement changes to its FX Forward facility. For instance, in July, the Net Derivative Sales Limit was increased from FJD50 million to FJD70 million, allowing banks to write sales contracts up to FJD70 million in excess of purchase contracts. On the other hand, while the FX Swap limit remained fixed at 25.0 percent

Figure 11: Performance of RBF Portfolio against Benchmark



Source: Reserve Bank of Fiji

Figure 12: Fiji's Exchange Rate Basket Weights



Source: Reserve Bank of Fiji

of a bank's total capital, the Bank exercised discretion by granting temporary exemptions on a case-by-case basis.

Exchange Control

Exchange control is administered under the Exchange Control Act, Cap. 211, Rev. 1985 and aims to safeguard one of the Bank's core objectives of maintaining adequate foreign reserves. Effective from 1 August 2024, the Bank increased the delegations to Authorised Dealers by raising the limits on capital transactions and certain current payments. In support of exporters and foreign income earners, the delegated limit for the opening of foreign currency accounts was

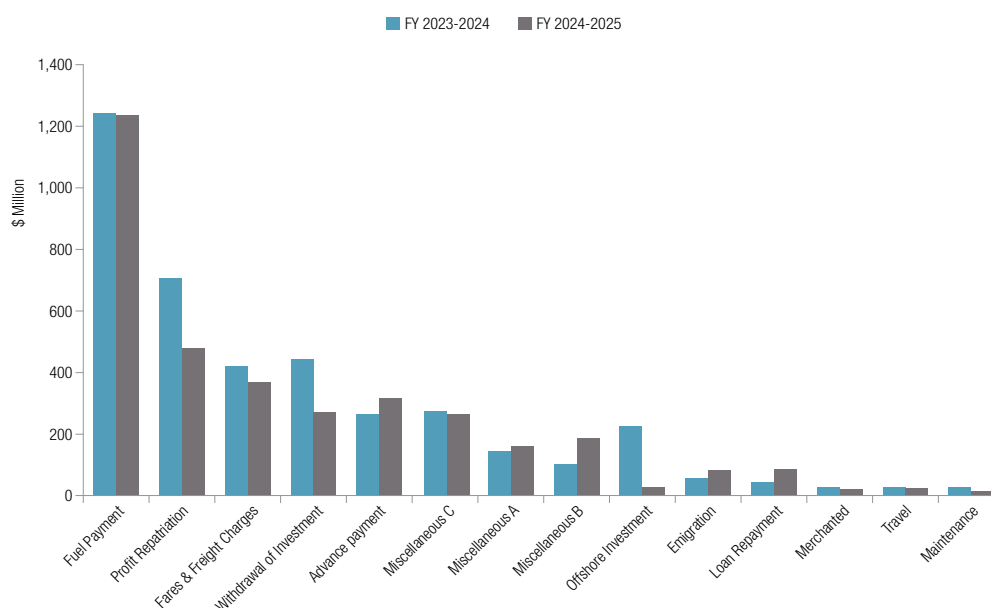
increased to \$250,000 per annum.

Collaboration with other Government agencies continued with the aim of improving foreign investment facilitation and ease of doing business. The Unit was actively involved with the businessNow Fiji project for "Starting A Business System", which went live on 27 September 2024. This initiative enabled the online submission of applications for the issue of securities and partnership interest to non-residents, via the businessNow Fiji platform.

The Unit maintained its focus on compliance by conducting several spot checks on the operations

of foreign exchange dealers and continued to process applications requiring exchange control approvals within the set timelines. Figure 13 shows the applications approved on the eService. Despite an increase in the volume of applications lodged between FY2023-2024 and FY2024-2025, the approved amounts remained relatively consistent.

Figure 13: Exchange Control Approvals (\$m)³³



Source: Reserve Bank of Fiji

³³ **Miscellaneous A:** Includes OET Payment codes:25[Advertising],29[Expenses of Office],30[Expenses of Embassies],31 [Fees], 36 [Movie/Cinemas/Films Video Tapes],37 [News Charges], 43 [Refunds]&44 [Subscription]
Miscellaneous B: Includes OET Payment codes: 26[Commission/Royalties] 41[Professional service charges] and 42[Professional Fees]
Miscellaneous C: Includes OET Payment code 32[Gift/Donation], 35[Medical], 38 & 39[Non-resident transfers] and 50 [Others]

Box Item 2

RBF ESG Indicators 2024-2025

Environment

Carbon Footprint

The RBF has initiated research on the framework for measuring and internal reporting of carbon emissions – Scope 1,2 and 3.



Energy Consumption

Work on the measurement, reporting and monitoring of energy consumption to Senior Management and Board, will be strengthened in the new FY.



Waste Management

Work on reviewing select consumption activities and waste practices, has been initiated, for rollout in the new FY.



Social

- **\$15,000** contributions to **10** charitable organisations.
- **78** PCs donated to **13** schools.
- **27** Financial Literacy trainings and Awareness sessions (**65%** - Females; **35%** - Males).



Employee Diversity

- **26.9%** - Generation X; **44.5%** - Generation Y; **28.6%** - Generation Z
- **50.3%** - Female; **49.7%** - Male *excludes EM & Security
- **49.3%** - I-Taukei; **33.3%** - Indo-Fijian; **17.4%** - Others *excludes EM
- **50%** female representation on the RBF Board. *excludes Governor



Employee Well-Being

- **4** LMCC meetings.
- **10** Staff Wellness and Wellbeing activities.
- **2** Governors' meeting with new staff.
- **2** Governors' meeting with middle management and functional groups.
- **4** Staff Briefings.
- **14** social club activities.



Governance

Accountability

- **11** Board meetings
- **5** Board Audit & Risk Committee meetings
- **4** Board Governance Committee meetings



Ethical Compliance

- **Quarterly Fraud Declarations** and Statutory Compliance Reports.
- Staff sign **Declaration of Compliance**



Transparency

- **Publications:** RBF Annual Report, Insurance Annual Report, Quarterly Review, Monthly Economic Review, RBF Monthly Balance Sheet in Government Gazette.
- **26** Press Releases.
- **3** Media Notes.
- **32** financial sector complaints handled by the RBF



Risk Management

- The RBF is reviewing its risk profile to integrate climate risk.



Capacity Building

- **44** Overseas and Regional Trainings
- **9** Local Trainings





MISSION

PROMOTE AN INTERNATIONALLY REPUTABLE FINANCIAL SYSTEM

Financial stability is a foundational prerequisite for sustainable economic development, as financial systems serve a critical role in facilitating payments, allocating capital, and intermediating savings and investments. In line with its core mandate, the Reserve Bank is responsible for the regulation and prudential supervision of financial institutions to promote the soundness and resilience of the financial system. Amid ongoing structural shifts and financial innovation, the Reserve Bank adopts a forward-looking, risk-based supervisory framework that supports market development while ensuring the integrity of the financial system. This approach is grounded in international best practices and seeks to safeguard public confidence, mitigate systemic risk, and preserve the stability of the Fijian financial system.

Financial System Regulation and Supervision

A risk-based supervisory framework is implemented by the Reserve Bank of Fiji to systematically identify, assess, and monitor inherent and emerging risks within the regulated financial institutions. This framework incorporates both onsite examinations and offsite surveillance to evaluate the effectiveness of supervised institutions' risk governance, legislative compliance, internal controls and capital adequacy. The objective is to ensure that financial institutions adopt prudent risk management practices commensurate with their risk profiles. Strengthening institutional resilience at the micro-prudential level ultimately reinforces the overall stability and soundness of the financial system.

The Reserve Bank regulates and supervises commercial banks, credit institutions, insurance companies and insurance intermediaries, the Fiji National Provident Fund (FNPF), the Fiji Development Bank (FDB), restricted foreign exchange dealers and money changers, payment service providers, the South Pacific Stock Exchange (SPX), stockbrokers, managed investment schemes, investment advisers, and the credit reporting agency.

Prudential Regulation

The regulation and supervision of financial institutions in Fiji are principally aimed at safeguarding the soundness and stability of the financial system, while protecting the interests of depositors, policy holders, members of the FNPF, investors and the general public.

In alignment with the Reserve Bank's mandate to foster a stable, efficient, and internationally reputable financial system, ongoing efforts are directed towards the modernisation of the regulatory framework. This includes the formulation of new prudential supervision policy statements and the periodic review and enhancement of existing policies, laws, and regulations to ensure continued relevance and alignment with international best practices.

Prudential Supervision Policy Development and Review

The Reserve Bank seeks to develop and implement effective prudential policies while aligned to international standards must also be applicable to the local environment. The policies provide the basis for supervising and enforcing financial system soundness.

During the August 2024 to July 2025 period, seven supervision policies were reviewed and implemented, while an additional four policies were issued for industry consultation (Table 6).

The Reserve Bank continued to advance key regulatory initiatives aimed at strengthening the financial system. Among these, PSPS No. 3 on Minimum Requirements for the Management of Culture and Conduct Risk for Supervised Entities, which was originally scheduled for full implementation in 2024/2025, however, following further assessment of stakeholder feedback and operational readiness, an extension has been granted, with the revised implementation deadline set for 30 September 2025. Similarly, the full implementation of the revised BSPS Nos. 9A & 9B on Liquidity Risk Management Requirements for

Banks and Credit Institutions was anticipated in 2024/2025 except for the liquidity coverage ratio (LCR) requirement for banks, which is being enforced in phases and transitional arrangements are in place for full compliance by 2028.

Work on integrating the International Financial Reporting Standard (IFRS) 17 on insurance contracts into prudential reporting continued during the review period, whereby the first set of IFRS 17 integrated quarterly prudential returns were issued for consultation in July 2025 with tentative finalisation by April 2026. In addition to the annual prudential returns, the ISPS Nos. 3A & 3B on Solvency Requirements for Insurers Licensed to Conduct Life and General Insurance Business in Fiji, is also under review to incorporate revisions brought about by the IFRS 17 standard. The annual reporting requirements will be reflected in the financial statements of the 2026 period, of which submission which will be in 2027.

Similarly, environmental and social risk considerations are exerting a growing influence on the stability of the financial system and the sustained viability of financial institutions. As part of the Reserve Bank's action plan to address this issue, technical assistance was sought from the International Finance Corporation (IFC) to develop the Environmental and Social Risk Management Guidelines (ESRM Guidelines), designed to provide financial institutions with clear procedures for assessing and mitigating risks related to climate change, social disruption, and governance challenges.

The Reserve Bank intends to issue the draft ESRM Guidelines for industry consultation in the 2025-26 FY.

Legislation Review and Developments

The Reserve Bank finalised several key legislative amendments to a number of legislations it administers as part of the 2025/2026 National Budget (Table 7).

The Reserve Bank also continued its review of the Insurance Act 1998 and Banking Act 1995, aiming at modernising these laws to ensure their relevance.

Similarly, the draft Credit Union Bill 2025 continued to be reviewed in consultation with the Ministry of Finance and the Solicitor General's Office. The proposed Bill embodies the characteristics that can develop and grow the credit union industry in

Fiji by strengthening governance and risk management practices therefore, effectively enhancing the ability of credit unions to serve their members. The proposed Bill is expected to be tabled in Parliament in the 2025-26 FY.

In terms of Fiji's credit reporting landscape, the Reserve Bank continued to pursue a policy strategy of broadening participation by encouraging potential credit information providers to be licensed.

Licensing

The Reserve Bank undertakes the assessment of licence and registration applications for relevant institutions and individuals upon submission. Annual licence fees for licence renewals were received from licensed commercial banks, credit institutions and insurance companies during the year.

Furthermore, the Reserve Bank conducted the assessment and renewal of licences, as applicable, for insurance intermediaries, foreign exchange dealers, securities exchange, managed investment schemes, stockbrokers, and investment advisers. Annual registration for credit information providers and credit report recipients was also carried out during the financial year.

In terms of new applications, the Reserve Bank granted a conditional approval to an insurance broker during the review year. Upon completion and satisfaction of the conditions of approval by the applicant, the Reserve Bank will then issue a licence to conduct insurance broking business, subject to the satisfactory meetings of relevant conditions of licence.

Table 6: Summary of Policy Review & Development in 2024/2025

Policy No	Policy Name	Status
Banking Supervision Policy Statement (BSPS)		
BSPS No.3 ³⁴	Minimum Requirements for the Management of Credit Risk	Industry Consultation
BSPS No.4	Revised Minimum Requirements for the Management of Foreign Exchange Risk for Licensed Commercial Banks	Issued for Implementation Effective – 01/06/2025
BSPS No.6	Revised Minimum Requirements for the Licensed Financial Institutions for the Management of Money Laundering and Terrorist Financing Risk	Issued for Implementation Effective -01/04/2025
Insurance Supervision Policy Statement (ISPS)		
ISPS No.13	Revised Minimum Requirements for Licensed Insurance Companies and Insurance Brokers for the Management of Money Laundering and Terrorist Financing Risk	Issued for Implementation Effective – 01/04/2025
Capital Markets Supervision Policy Statement (CMSPS)		
CMSPS No. 4	Minimum Requirements for Capital Raising through the Offer of Debt Securities	Industry Consultation
CMSPS No. 5	Minimum Requirements for Capital Raising through the Issue of Equity Securities	Industry Consultation
Payment Service Provider Supervision Policy Statement (PSPSPS)		
PSPSPS No. 1	Minimum Requirements for Risk Management Frameworks of Licensed Payment Service Providers in Fiji	Issued for Implementation Effective – 31/03/2025
PSPSPS No. 2	Minimum Requirements for the Management of Money Laundering and Terrorist Financing Risk	Industry Consultation
Restricted Foreign Exchange Dealers & Money Changers Supervision Policy Statement (RFEDMC SPS)		
RFEDMC SPS No. 2	Revised Operational Guidelines	Implementation Effective -01/04/2025
RFEDMC SPS No. 4	Revised Minimum Requirements for the Management of Money Laundering and Terrorist Financing Risk	Implementation Effective 01/04/2025

Source: Reserve Bank of Fiji

Table 7: Budget Amendment Acts (2025)

Act	Reason for Amendments
Reserve Bank of Fiji (Budget Amendment) Act 2025	Empowers the prohibition of carrying on the business of a virtual asset service provider in Fiji.
Banking (Budget Amendment) Act 2025	Enables the online publication of unclaimed moneys.
Insurance (Budget Amendment) Act 2025	Aims to address some key developments in the industry brought about by the new accounting standard (IFRS 17) and the need to elevate to a risk-based solvency methodology, of which the requirements have been in pilot implementation since 2015.
Fair Reporting of Credit (Budget Amendment) Act 2025	Amendment to the definition of "credit information" to include "any information that is publicly available with respect to the status of bankruptcy or insolvency of a person".

Source: Reserve Bank of Fiji

³⁴ Initially referred to as Guidelines for Loans Classification and Provisioning for Impaired Assets.

The Reserve Bank also received a licence application for a payment service provider licence, and this is currently under assessment.

Three payment service providers continued to operate under the restricted phase with full licences to be issued upon implementation of conditions of licence.

Prudential Supervision

The Reserve Bank of Fiji conducted 17 targeted risk based onsite examinations of supervised entities in the review period, which involved providing reports with on-site examination recommendations to the respective institutions. Subsequently, respective entities submitted periodic updates on the implementation of the recommendations to the Reserve Bank, a process that will continue into the new financial year.

Furthermore, the Reserve Bank prepared a total of 170 offsite examination reports, conducted 426 supervisory assessments, and held 92 engagements in the form of tri-lateral audit and actuarial meetings, and prudential consultations during the review period as part of its ongoing supervision.

Macroprudential Surveillance

The Fijian financial system has remained resilient despite substantial headwinds to the outlook in the form of the indirect impact of tariffs on Fiji's major trading partner economies that may carry greater risks to financial stability.

In response, the Reserve Bank's accommodative monetary policy stance has continued to stimulate credit growth within the economy by helping offset debt servicing costs, incentivising demand for credit, and

fostering economic activity. This is evidenced by the decline in NPLs and an increase in private sector credit, largely owing to an uptick in commercial banks' new lending activity.

Notwithstanding the notable improvement in NPLs ratio over the year, credit risk continues to emerge as the major risk for the banking industry attributed to the growth in lending.

Despite the robust economic performance on the domestic front supporting overall financial stability, downside risks persist, predominantly driven by external factors. These reflect the heightened global policy uncertainty, trade tensions, and softer global economic conditions, which add to the existing vulnerabilities, such as climate change, cybersecurity, and operational

Table 8: Licensed Financial Entities including Branches/Agencies (Number)

	2022	2023	Jun 2024(r)	2024	Jun 2025
Commercial Banks	6	6	6	6	6
- Branches	62	62	62	63	61
- Agencies and Agent Banking	126	123	123	123	123
- ATM	324	317	308	312	308
- EFTPOS	7,472	8,151	8,431	8,825	8,998
Credit Institutions	4	4	4	4	4
- Branches	19	20	21	17	17
- Agencies	0	0	0	0	0
Life Insurance Companies	2	2	2	2	2
General Insurance Companies	7	7	7	7	7
Insurance Brokers	5	5	5	5	5
Insurance Agents ¹	650	646	432	464	312
Foreign Exchange Dealers	9	9	8	8	8
Money Changers	0	0	0	0	0
Securities Exchange	1	1	1	1	1
Managed Investment Schemes (MIS)	2	2	2	2	2
Investment Advisers	10	10	10	8	8
Stock Brokers/Dealers	3	3	3	3	3
MIS Representatives	26	33	35	35	29
Stock Broker/Dealer Representatives	9	10	10	10	9
Investment Adviser Representatives	17	16	16	16	18
Credit Reporting Agency	1	1	1	1	1
Credit Information Provider and Credit Information Recipient	9	16	13	13	12
Payment Service Providers	2	5	5	5	5

¹ An agent may hold more than one licence to sell various classes of Insurance in a calendar year.

Source: Reserve Bank of Fiji

Table 9: Gross Assets of the Financial System (\$M)

	2022	2023(r)	Jun 2024(r)	2024	Jun 2025(p)
Regulated Financial Entities					
Commercial Banks	13,482	14,379	14,820	15,887	16,430
Credit Institutions	717	766	774	854	878
Insurance Companies	2,471	2,667	2,746	2,868	2,956
FNPF	9,051	9,912	10,740	11,225	12,101
Insurance Brokers	70	82	82	83	83
Capital Markets ¹	546	610	677	763	836
NBFIs ²	749	697	646	605	674
Total	27,086	29,113	30,485	32,285	33,958
Non-Regulated Financial Entities					
NBFIs ³	211	200	208	201	212
Total	211	200	208	201	212
Total Financial System⁴	27,297	29,313	30,693	32,486	34,170

¹ Includes MIS, SPX and Stock Brokers.

² Includes Fiji Development Bank (FDB).

³ Includes Housing Authority of Fiji (HA).

⁴ Excludes RBF.

r – revised

p – provisional

Source: Reserve Bank of Fiji

incidents. Consequently, if not mitigated, this may impact confidence in the financial system.

The Reserve Bank will continue to actively monitor these risks to ensure their impact to the financial system are managed.

National Risk Assessment

Countries are required to identify, assess and understand their money laundering (ML), terrorist financing (TF) and proliferation financing (PF) risks under the Financial Action Task Force (FATF) standards. In this regard, a National Working Group was established in November 2024 to oversee the 2026 Mutual Evaluation, as well as ML/TF/PF National Risk Assessment (NRA) process conducted with the technical assistance of the Asian Development Bank (ADB).

The NRA process began in November 2024 with data collection, followed by comprehensive consultations with relevant agencies and private sector representatives, after which a report will be provided all to all stakeholders detailing the key crimes that generate substantial illegal proceeds for laundering in Fiji, identify vulnerabilities and risks for ML/TF/PF across Fiji's

financial sector, and evaluate any weaknesses in Fiji's institutional systems.

As the NRA aims to help Fiji effectively identify and mitigate risks related to ML/TF/PF, the Reserve Bank being the mandated authority for financial sector supervision, will be implementing actions to effectively address the relevant recommendations in preparation for the 2026 Asia/Pacific Group (APG) Mutual Evaluation.

The Fijian Financial System

During the review year, the number of regulated entities in the financial system such as the commercial banks, credit institutions, insurance companies and brokers, managed investment schemes, investment advisors, stock brokers/dealers and payment service providers remained unchanged (Table 8).

Gross Assets of the Financial System

The financial system's gross assets expanded by 11.3 percent over the year to \$34.2 billion as at 30 June 2025, largely attributed to increases registered by commercial banks and the FNPF. In terms of composition, the banking industry continued to

dominate the financial system's gross assets at 48.1 percent, followed by the FNPF at 35.4 percent, and the insurance industry at 8.7 percent (Table 9).

Growth in the capital markets industry, over the year was noted in the Managed Investment Scheme funds under management by 25.0 percent, the market capitalisation of the securities market by 4.6 percent and value of outstanding bonds by 6.9 percent (Table 10).

The Commercial Banking Industry

The commercial banking industry registered a satisfactory performance during the year ending 30 June 2025, with all banks complying with the minimum capital adequacy requirement of 12.0 percent, and a combined capital adequacy ratio of 17.0 percent as at 30 June 2025.

Total assets of the commercial banking industry expanded by 10.9 percent on an annual basis to \$16.4 billion as at 30 June 2025, attributed to the increase in loans & advances (by \$948.9m), 'other' assets (by \$440.3m), and balances due from banks (by \$297.2m) (Figure 14).

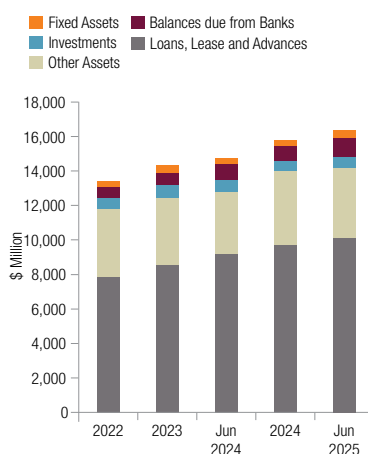
Table 10: Composition of the Capital Markets (\$M)

	2022 (r)	2023	Jun 2024 (r)	2024	Jun 2025 (p)
Securities Market ¹	3,135	3,338	3,458	3,658	3,617
Managed Investment Schemes ²	521.0	576	637	725	796
Bonds Market ³	5,787	6,187	6,343	6,557	6,779

¹ Based on the market capitalisation of the listed companies.
² Based on the funds under management.
³ Based on outstanding bonds.
r – revised
p – provisional

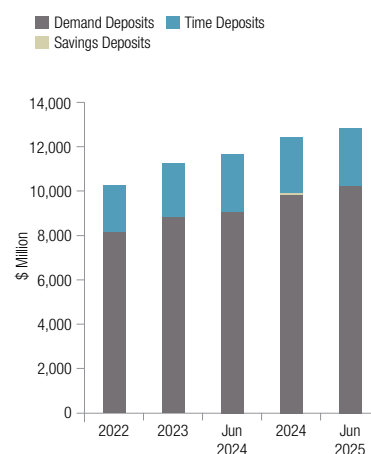
Source: Reserve Bank of Fiji

Figure 14: Commercial Banks' Assets



Source: Reserve Bank of Fiji

Figure 15: Commercial Banks' Deposits



Source: Reserve Bank of Fiji

Loans & advances continued to increase, backed by the accommodative monetary policy stance, and growing by 10.2 percent on an annual basis to \$10.2 billion as at 30 June 2025. This was largely contributed by private individuals and the private sector business entities sector.

Commercial bank lending remained concentrated in the private individuals sector at 29.1 percent, followed by wholesale, retail, hotels & restaurants, and real estate sectors at 21.3 percent and 20.0 percent, respectively.

Total deposits of commercial banks grew by 10.3 percent over the year to \$12.8 billion as at 30 June 2025, following the increase in demand and time deposits by \$1,153.0 million and \$49.6 million, respectively. On the

other hand, savings deposits fell by \$6.0 million (Figure 15).

Classified exposures of commercial banks declined by 11.2 percent to \$314.5 million as at 30 June 2025, further improving the classified exposures to gross loans ratio to 3.1 percent (30 June 2025: 3.8%), as borrowers continued meet repayment obligations (Figure 16).

Specific provisions held by commercial banks declined by 7.8 percent to \$101.8 million as at 30 June 2025, corresponding to the reduction in classified exposures, and accounted for 32.4 percent of classified exposures (30 June 2024: 31.2%), while general reserves for credit losses made up 1.2 percent (30 June 2024: 1.4%) of net loans.

Commercial banks' problem loans

continued to be dominated by the private individuals (32.0%), real estate (23.4%), wholesale, retail, hotels & restaurants (14.5%), transport & storage (13.0%), building & construction (4.7%), and professional & business services (3.8%) sectors.

Combined profit before tax of commercial banks for the first six months of 2025 declined to \$163.1 million, when compared to \$175.5 million for the same period in 2024. This was largely attributed to the rise in operating expenses and bad debts & provisions (Table 11).

Efficiency ratio stood at 48.7 percent, while return on assets was at 2.1 percent as at 30 June 2025 (Table 12).

Interest spread reported by commercial banks narrowed to

Table 11: Summary of Commercial Banks' Profitability (\$M)

	2022 ¹	2023(r) ¹	Jun-24(r) ²	2024 ¹	Jun-25(p) ²
Interest Income	415.5	441.9	229.1	472.7	245.9
Interest Expense	65.4	53.4	35.0	76.0	44.6
Net Interest Income	350.1	388.5	194.1	396.7	201.3
Add: Non Interest Income	208.5	257.2	133.1	278.6	138.7
Income from Overseas Exchange Transactions	80.2	108.6	58.0	124.9	60.0
Commission	13.2	15.9	7.0	12.9	6.2
Fee Charges	79.3	82.9	44.6	91.7	48.0
Other Income	35.8	49.8	23.5	49.1	24.6
Total Operating Income	558.6	645.8	327.1	675.2	340.0
Less: Operating Expenses	264.5	295.3	158.7	322.5	165.4
Less: Bad Debts and Provisions	-10.8	-19.6	-7.1	-14.0	11.5
Profit Before-Tax and Extraordinary Items	304.9	370.1	175.5	366.7	163.1
Less: Tax	57.8	78.8	41.2	85.4	35.4
Net Profit After-Tax	247.1	291.3	134.3	281.3	127.7
Add/Less: Extraordinary Items	0	0	0	0	0
Net Profit After-Tax and Extraordinary Items	247.1	291.3	134.3	281.3	127.7
Average Assets	12,483.3	13,454.3	14,046.4	14,509.2	15,609.4
After-Tax Return on Equity (%)	15.9	17.8	16.1	16.6	14.2
Efficiency (%)	47.4	45.7	48.5	47.8	48.7
Yield on Earning Assets (%)	3.8	3.7	1.9	3.7	1.8
Cost of Funding Liabilities (%)	0.6	0.5	0.3	0.6	0.3

¹ Calendar year profits for all commercial banks.

² 6 months of profits for all commercial banks.

r – revised

p – provisional

Source: Reserve Bank of Fiji

Table 12: Commercial Banks' Profitability (% of Average Assets)

	2022 ¹	2023 ¹	Jun-24 ²	2024 ¹	Jun-25 ²
Net Interest Income	2.8	2.9	2.8	2.7	2.6
Charges for Bad & Doubtful Debts	-0.1	-0.1	-0.1	-0.1	0.1
Non-interest Income	1.7	1.9	1.9	1.9	1.8
Operating Expenses	2.1	2.2	2.3	2.2	2.1
Net Profit Before-Tax	2.4	2.8	2.5	2.5	2.1
Net Profit After-Tax	2.0	2.2	1.9	1.9	1.6

¹ Calendar year profits for all commercial banks.

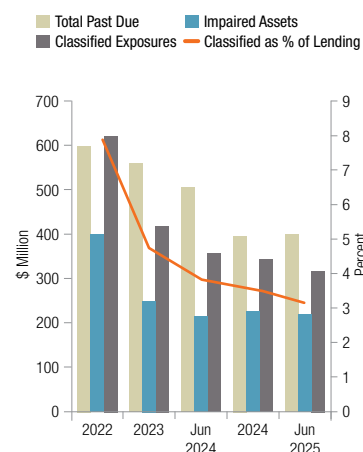
² 6 months profits for all commercial banks.

r – revised

p – provisional

Source: Reserve Bank of Fiji

Figure 16: Commercial Banks' Asset Quality



Source: Reserve Bank of Fiji

2.9 percent (30 June 2024: 3.1%), stemming from a slight decrease in yield on earning assets, coupled with an increase in cost of funding liabilities (Figure 17).

Commercial banks' liquid assets grew by 10.9 percent to \$4.0 billion as at 30 June 2025 and were concentrated in exchange settlement account balances (52.1%), followed by deposits with banks & at call (28.0%), investments (14.4%) and cash (5.4%).

Credit Institutions

The credit institution industry also registered a satisfactory performance in the review period, with the combined capital adequacy ratio of 26.4 percent as at 30 June 2025, above the minimum requirement of 15.0 percent.

Total assets of the credit institutions industry recorded an annual growth of 13.4 percent to \$878.2 million as at 30 June 2025, largely driven by the increase in balances due from banks (by \$56.9m), loans & advances (by \$47.7m) and investments (by \$9.0m) (Figure 18). The increase in loans & advances was attributed to the private individuals, real estate, others, building & construction, and transport & storage sectors.

Credit institutions' total deposits grew by 33.8 percent to \$598.5 million, largely attributed to placements by public enterprises, non-bank financial institutions, private individuals and private sector business entities sectors. Deposits held were mainly concentrated in the private individuals sector at 31.6 percent, followed by private sector business entities,

non-bank financial institutions and public enterprises at 24.3 percent, 19.9 percent and 19.8 percent, respectively.

Classified exposures of the credit institutions decreased over the year by 3.5 percent to \$55.9 million and represented 9.2 percent of the industry's gross loans (30 June 2024: 10.3%). The private individuals sector continued to represent the majority of the credit institutions' non-performing loans at 47.0 percent, followed by the transport & storage, and professional & business services sectors, at 16.4 percent and 13.2 percent, respectively.

Credit institutions' specific provisions grew over the review year by 10.5 percent, as individually and collectively assessed provisions

Figure 17: Commercial Banks' Annual Spread

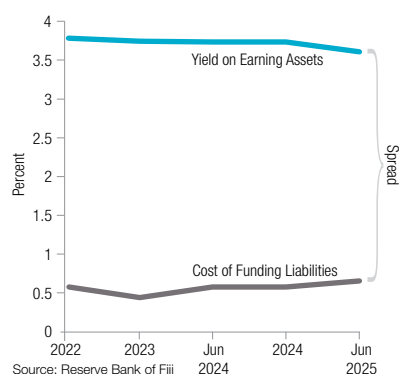


Figure 18: Credit Institutions' Assets

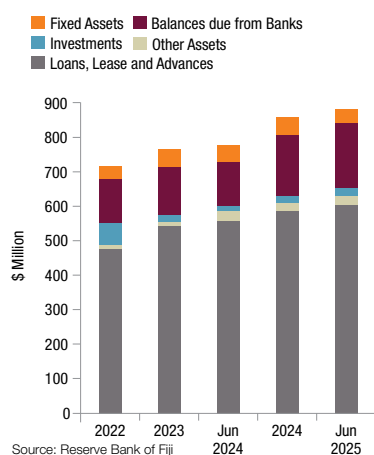


Table 13: Summary of Credit Institutions' Profitability (\$M)

	2022(r) ¹	2023(r) ¹	Jun 2024(r) ²	2024 ¹	Jun 2025(p) ²
Interest Income	81.4	82.8	46.0	96.9	50.0
Interest Expense	16.7	14.5	6.1	13.8	8.7
Net Interest Income	64.7	68.2	39.9	83.1	41.3
Add: Non Interest Income	5.6	12.5	1.9	4.6	6.7
Commission	0.3	1.0	0.7	1.0	0.3
Fee Charges	3.9	1.4	0.4	2.0	1.6
Other Income	1.4	10.1	0.8	1.6	4.8
Total Operating Income	70.3	80.8	41.8	87.7	48.0
Less: Operating Expenses	32.3	33.6	20.1	39.9	21.3
Less: Bad debts and Provisions	0.8	4.4	5.7	12.2	3.8
Profit Before-Tax	37.2	42.8	16.0	35.6	22.9
Less: Tax	7.2	5.7	4.2	8.5	4.5
Net Profit After-Tax	30.0	37.1	11.8	27.1	18.4
Earning Assets	616.1	655.2	683.9	761.9	795.3
Cost of Funds	456.8	486.8	522.2	585.7	598.5
Average Assets	673.7	692.8	723.8	756.6	824.7
After-Tax Return on Equity (%)	20.1	24.9	14.3	16.1	19.9
Before Tax Return on Assets (%)	5.5	6.2	4.4	4.7	5.6
Efficiency (%)	46.0	41.5	48.2	45.5	44.3
Yield on Earning Assets (%)	13.0	13.0	6.9	13.8	6.4
Cost of Funding Liabilities (%)	3.6	3.1	1.2	2.6	1.5

¹ Calendar year profits for all credit institutions.

² 6 months of profits for all credit institutions.

r – revised

p – provisional

Source: Reserve Bank of Fiji

accumulated to \$23.0 million as at 30 June 2025 and accounted for 41.2 percent (30 June 2024: 36.0%) of problem loans, while general reserve for credit losses to net loans ratio was recorded at 2.2 percent (30 June 2024: 2.3%).

Credit institutions' return on assets increased from 4.4 percent to 5.6 percent, driven by the rise in net profit before tax by \$6.9 million over the year, coupled with the growth in average assets by \$100.9 million. Combined efficiency ratio for credit institutions noted a slight improvement to 44.3 percent (Table 13).

Liquid assets of the credit institutions industry stood at \$210.8 million, recording a substantial growth of 45.5 percent from \$144.9 million in June 2024, mainly attributed to the increase in balances due from banks by \$56.9 million. Liquid assets represented 24.0 percent of credit institutions total assets as at 30 June 2025.

The Insurance Industry

The solvency surplus of the life insurance sector declined by 2.6 percent over the year to \$492.8 million, while the general insurance sector recorded a growth of 17.8 percent to \$209.4 million. All insurance companies maintained solvency surpluses above the minimum statutory requirements.

As at 30 June 2025, the insurance industry's combined total assets stood at \$3.0 billion, a 7.7 percent expansion over the year. Life insurers' assets grew by 5.3 percent to \$2.2 billion, primarily due to increases in Government securities, shares in related persons and bank deposits. General insurers' total assets also rose by 15.6 percent to \$718.6 million, emanating from growth in

bank deposits, amounts due from reinsurers on outstanding claims and land & buildings.

Total net premium income for the insurance industry expanded by 5.0 percent, to \$424.4 million driven by the general insurance industry, which recorded a notable increase of 13.9 percent to \$232.5 million. In contrast, the life insurance sector registered a contraction of 4.1 percent, with premium income declining to \$191.8 million.

For the year ending 30 June 2025, combined net policy payments and net claims paid for the insurance industry increased by 1.5 percent to \$248.5 million. Net policy payments by life insurers reduced by 0.4 percent to \$140.1 million, whilst the net claims paid by general insurers grew by 4.1 percent to \$108.4 million.

During the review period, the insurance broking industry processed 1,054 offshore placement applications, valued at \$95.2 million in premiums. In the prior period, 1,255 offshore placements were facilitated, totalling \$103.6 million in premiums. This reflects a 16.0 percent decrease in the number of offshore placements and \$8.4 million reduction in premiums.

The Fiji National Provident Fund

The FNPf continued to grow over the year, underpinned by increased member contributions and investments, contributing to economic growth. A record high interest rate of 8.75 percent was declared by the Fund for its financial year ending 30 June 2025 (2024: 8.0%), with a total of \$698.8 million (2024: \$561.5m) credited to members' accounts.

Total assets of the FNPf expanded to over \$12.1 billion as at 30 June 2025, largely underpinned by the

increases in equity investments to 52.0 percent, Government securities to 27.0 percent, commercial loans to 11.0 percent while property & other investments made up 10.0 percent. The Fund continued to meet the statutory solvency requirement of 110 percent, which is backed by the 125 percent risk-based capital coverage requirement under the FNPf Distribution Policy.

The transfer of entitlement savings became effective from 01 January 2025, which provides alternative approaches/options to members at an entitlement event, that is, when they cease being a member. The transfer involves an account-to-account transfer of funds only, to enhance the financial position of other members or non-FNPf members. Additionally, the Fund has restored the cap on voluntary contributions of \$250,000 maximum per year, effective from 01 February 2025.

As the single largest financial institution, the FNPf represented 35.4 percent of the Fijian financial system gross assets of \$34.2 billion, and given its systemic importance, the Fund continues to be closely monitored.

Payment Service Providers Industry

The growth in acceptance of digital payment platforms have resulted in the general uptake of payment service providers' payment solutions, which continued to be further supported by high volume of inward remittances.

Total value of e-money in circulation³⁵ is reported at \$118.5 million as at 30 June 2025 (30 June 2024: \$94.8m), with \$108.0 million circulating on average each month during the 12 month period. The number of registered e-money customers declined by 7.4 percent to 875,644

³⁵ Represents the total outstanding balance of all customer funds stored in e-wallet account(s) at a specific point in time.

in June 2025 compared to the same period last year, however the number of active e-money customers grew by 6.0 percent to 694,938.

Aggregate person-to-person (P2P) transfers significantly increased over the 12-month period from \$1.8 billion in June 2024 to \$2.4 billion in June 2025.

Similarly, international inward remittances received through mobile and digital wallets grew by 25.6 percent on a year-to-year basis, aggregating to \$692.5 million by 30 June 2025 (30 June 2024: \$551.2m). Key source countries were Australia, United States of America, New Zealand and United Kingdom.

Total transactions acquired via payment service providers' payment platforms significantly increased by 84.9 percent to \$990.5 million, whereby 55.1 percent of these transactions were acquired via QR codes.

The Fijian Government's regulated public e-Transport payment system continues to be operated by Vodafone Fiji Limited and has undergone significant reforms in 2025. Total value of e-transport transactions declined by 25.9 percent to \$261.3 million in the review period, of which, 53.1 percent were top-up transactions while 46.9 percent were bus card transactions.

Capital Markets Industry Securities Exchange

Trading activity in the stock market increased over the year to 30 June 2025, reflected by the higher volume and value of shares traded following the listing of Sun Insurance Company Limited (SICL). This was further complemented by additional quotation of shares by Kontiki Finance Limited and Pleass Global Beverages, as part of their dividend reinvestment schemes.

In terms of market capitalisation, SICL's listing coupled with the increase in share price of two of

the top five listed securities, and additional quotation of three listed companies' shares contributed to the increase in market capitalisation by 4.6 percent (or \$159.0m) to \$3.6 billion as at 30 June 2025, from \$3.5 billion in the prior year (Figure 19).

Amalgamated Telecom Holdings continue to dominate the stock market composition at 24.3 percent, followed by Vision Investment Ltd (12.3%), RB Patel Group Ltd (12.2%), Fijian Holdings Ltd (8.3%) and Toyota Tsusho (South Seas) Ltd (8.2%).

The SPX Total Return Index (STR), a measure of the stock market performance that indicates total returns, increased by 2.9 percent from 8,994.13 to 9,251.37 as at 30 June 2025.

A total of six special crossing transactions were carried out over the year, with a total volume of 11.8 million shares valued at \$20.8 million. Excluding the six special crossing transactions, the total volume and

Figure 19: Market Capitalisation

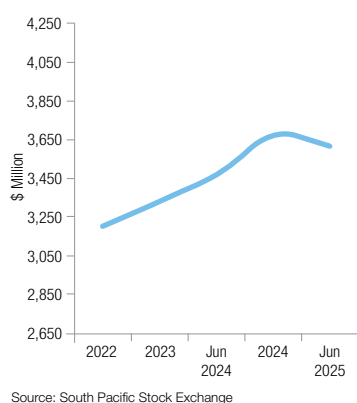
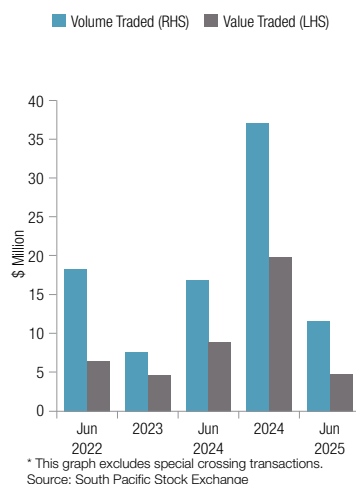


Figure 20: Volume and Value of Shares Traded*



e-money
circulation
\$118.5m
as at 30 June 2025

value of shares were reported at 4.6 million shares and \$11.7 million, respectively, which were transacted through 3,445 trades (Figure 20).

The stock market recorded a year-to-date average return of 3.0 percent as at 30 June 2025, consisting of an average yield³⁶ of 2.4 percent and capital gains of 0.6 percent.

As at 30 June 2025, the average buy-to-sell order ratio stood at 1:22 relative to 1:17 at the end of June 2024. The ratio is reflective of the high number of sell orders relative to buy orders in the stock market.

Managed Investment Schemes (MIS)

Funds under management of the MIS industry increased by 25.0 percent (or \$159.4m) from \$636.8 million to \$796.2 million as at 30 June 2025. This was largely driven by the increase in unitholders funds and reserves by \$142.6 million and \$16.8 million, respectively.

Total investments stood at \$723.0 million as at 30 June 2025, registering a growth of 32.8 percent (or \$178.7m) from \$544.3 million reported in the preceding year. Listed securities dominated the investment portfolio at 31.7 percent, followed by unlisted securities at 28.8 percent, term deposits (27.6%), Government bonds (6.6%), property (3.4%) and loans & receivables (2.0%).

The consolidated after-profit tax of the MIS market notably increased by 58.4 percent (or \$8.8m) to \$24.0 million for the year ended 30 June 2025, underpinned by the increase in investment income by \$10.7 million, which outweighed the \$1.9 million increase in investment expenditure.

Liquid assets held by the MIS industry stood at \$280.0 million, increasing by 44.1 percent from \$194.3 million reported in the prior year, mainly due to the increase in term deposits by \$99.4 million offsetting the \$13.7 million decline in cash on hand.

The number of unitholders grew by 7.4 percent (or 9,622) to 140,225 as at 30 June 2025. Private individuals comprised of 48.7 percent of total unitholders, with Tikina Trust & Companies making up the remaining 45.8 percent.

Complaints Management

The RBF is responsible for handling and managing customer complaints by regulated Financial Service Providers (FSPs) which ensures that grievances are addressed promptly and effectively to maintain trust, accountability and continuous development of the financial system.

Where customer complaints remain unresolved at the FSP level, customers are offered the option of escalating their complaints to the RBF.

During the review period, the RBF addressed a total of 42 complaints, which represented a 23.6 percent decline compared to the 2022-23 period. Around 86.0 percent of the complaints escalated to the RBF were successfully resolved.

19 complaints were carried forward from the previous FY and 6 complaints remained unresolved at the end of the 24/25 FY which will be carried forward to the next review period.

Additionally, out of the 42 new complaints recorded in the review period, four complaints were referrals

from the Consumer Council of Fiji and the Fijian Competition and Consumer Commission.

Majority of the new complaints were related to banking and insurance matters.

Moreover, complaints about poor customer service – such as the lack of response, discourteous conduct and miscommunication with FSPs remained among the top three complaint types in all the industries. Complaints on the banking industry were predominantly related to fees and charges.

Furthermore, the insurance industry recorded a marked improvement, with a 25 percent decline in complaints related to products and services.

Protection and Fair Treatment of Financial Consumers Policy

On 1 April 2024, the RBF issued the Financial System Development Policy Statement (FSDPS) No. 3 on the Protection and Fair Treatment of Financial Consumers.

The FSDPS No. 3, issued with six Guidelines, is a comprehensive framework designed to ensure fair and responsible treatment of financial consumers in their interactions with FSPs and applies to entities licensed or supervised by the Reserve Bank. These institutions include commercial banks, credit institutions, insurers and brokers, capital market entities and intermediaries, foreign exchange dealers, FNPF, payment service providers and supervised non-bank financial institutions.

The policy provides a transition period of 12 months from the date of issue to allow FSPs to gradually

³⁶ Average dividend/interest yield as per the companies' financial year.

implement changes, update their processes and take all necessary actions to ensure compliance with the policy requirements. With ongoing consultation, full implementation is expected to commence by the end of 2025.

Establishment of the Financial Services Ombudsperson Office

On 31 July 2024, the RBF officially launched the Office of the Financial Services Ombudsperson (FSO), marking a significant milestone in strengthening consumer protection within Fiji's financial sector. This new office provides a dedicated, cost-free and impartial mechanism for resolving disputes between consumers and

financial service providers FSPs regulated by the RBF.

The FSO enhances and elevates the RBF's existing complaints management function by introducing an independent arbiter focused solely on financial grievances. Consumers must first exhaust internal complaint procedures with their financial institutions before approaching the FSO, ensuring a structured and fair escalation process.

The FSO is tasked with:

- Investigating complaints;
- Facilitating mediation and resolution;
- Upholding principles of

independence, impartiality, accessibility, and accountability; and

- Promoting transparency and consumer confidence in financial services.

Although housed within the RBF, the FSO operates under a framework designed to ensure its independence. Funding is provided by the RBF, whose governance structure supports the Ombudsperson's autonomy in decision-making. This initiative reflects the RBF's commitment to fostering a robust, consumer-centric financial ecosystem which aligns with global best practices in financial dispute resolution.

CURRENCY

Under sub-section 4(a) of the Reserve Bank of Fiji Act (1983), the Bank is charged with regulating the issue of currency in Fiji. The RBF is responsible for maintaining an adequate supply of quality notes and coins in circulation. It issues notes and coins that are commensurate with demand for payment purposes and redeems any notes or coins that are mutilated or no longer fit for circulation and destroys them accordingly. The Bank also determines the denomination and design of Fiji's notes and coins, subject to the approval of the Minister for Finance, Strategic Planning, National Development and Statistics.

Currency in Circulation

As at 31 July 2025, total currency in circulation stood at \$1,128.0 million compared to \$1,061.7 million a year ago. The value of notes in circulation increased by 6.1 percent to \$1,043.1 million during the FY with the \$5, \$10 and \$100 denominations being the highest circulated notes (Table 14).

The value of coins in circulation increased by 7.6 percent to \$84.9 million during the financial year. The \$1 and \$2 coins registered a growth of 10.3 percent to \$22.4 million and 10.1 percent to \$26.2 million, respectively.

The Bank continued to accept demonetised currency in circulation

from the general public. Pre-decimal currency comprising of pounds, shillings and pence issued before 1969 continued to be received from the public.

Cost of Currency

For the financial year ending 31 July 2025, the cost of currency issued by the Bank increased by 39.5 percent to \$5.3 million (Table 15).

Table 14: Notes and Coins in Circulation (\$M)

Notes in Circulation			
Denomination	Jul 2023	Jul 2024	Jul 2025
50c	0.1	0.1	0.1
\$1	1.8	1.8	1.8
\$2	7.8	7.8	7.8
\$5	25.1	27.5	29.3
\$7	10.7	6.3	5.9
\$10	57.0	63.6	71.8
\$20	86.3	88.1	87.2
\$50	234.8	221.5	243.6
\$100	517.6	565.8	595.3
Pre-decimal Currency	0.3	0.3	0.3
Total	941.5	982.8	1,043.1
Coins in Circulation			
Denomination	Jul 2023	Jul 2024	Jul 2025
1c	1.3	1.3	1.3
2c	1.1	1.1	1.1
5c	5.7	5.9	6.2
10c	5.9	6.2	6.4
20c	8.5	8.9	9.3
50c	10.6	11.2	11.8
\$1	18.9	20.3	22.4
\$2	22.1	23.8	26.2
Pre-decimal Currency	0.2	0.2	0.2
Total	74.3	78.9	84.9
Notes & Coins in Circulation			
	Jul 2023	Jul 2024	Jul 2025
Notes	941.5	982.8	1,043.1
Coins	74.3	78.9	84.9
Currency in Circulation	1,015.8	1,061.7	1,128.0

Source: Reserve Bank of Fiji

Table 15: Cost of Currency Issued (\$M)

	Aug 2022- Jul 2023	Aug 2023- Jul 2024	Aug 2024- Jul 2025
Notes	3.7	2.4	4.0
Coins	0.9	1.4	1.3
Total	4.6	3.8	5.3

Source: Reserve Bank of Fiji

Banking Transactions

For the FY ended 31 July 2025, the value of currency issued to commercial banks was \$1,066.2 million, of which \$1,059.8 million was in notes and \$6.4 million in coins.

The \$100 and \$50 notes issued continued to be the highest in value, driven by its increasing usage in automated teller machines (Figure 21).

The \$2 and \$1 coins issued continued to be the highest in value, reflecting the shift in public demand from low to high-value coins (Figure 22).

Note Processing

The purpose of the note processing operation is to ensure that quality notes remain in circulation. A note-processing machine processes and sorts all redeemed notes through commercial banks and the general public for fitness.

For the financial year ending 31 July 2025, 30.1 million redeemed notes were processed, of which 7.7 million pieces were deemed fit for reissue while the balance was considered unfit and subsequently destroyed (Table 16).

Mutilated and Old Design Currency Assessments

A total of \$0.5 million in mutilated and old-design currency was reimbursed to commercial banks, businesses and individuals during the review period.

Counterfeit Notes

The volume of counterfeit notes discovered during the FY was negligible, at less than 0.1 percent of the value of the total currency in circulation (Table 17).

In its effort to address counterfeiting, the Bank continued to assist the Fiji Police Force with relevant investigations. The Bank also

distributed awareness materials to various organisations, schools and the general public.

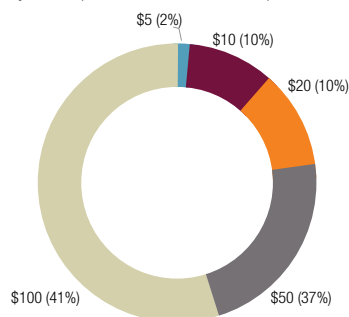
Numismatics

Numismatic is a niche market involving the study and collection of currency and includes both notes and coins. The Bank's numismatic operations remain strong and at the end of the FY, the Bank realised \$1.2 million in numismatic income.

During the year, the sale of existing silver and coloured coins, single, pairs and uncut note sheets including other collectible items continued.

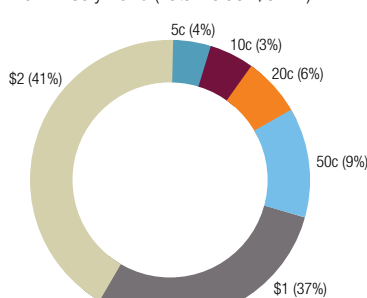
Several agreements with partner mints for various new numismatic currency programmes were also signed by the Bank.

Figure 21: Notes Issued from August 2024 - July 2025 (Total Value: \$1,059.8m)



Source: Reserve Bank of Fiji

Figure 22: Coins Issued from August 2024 - July 2025 (Total Value: \$6.4m)



Source: Reserve Bank of Fiji

Table 16: Notes Processed

	Aug 2023-Jul 2024		Aug 2024-Jul 2025	
	Value (\$M)	Pieces (Million)	Value (\$M)	Pieces (Million)
Notes Processed				
Notes Saved for Reissue	550.0	17.0	305.5	7.7
Notes Destroyed	465.8	11.8	728.5	22.4
Total Processed	1,015.8	28.8	1,034.0	30.1

Source: Reserve Bank of Fiji

Table 17: Counterfeit Note Summary

Denomination	Aug 2023-Jul 2024		Aug 2024-Jul 2025	
	Value (\$)	Number of Notes	Value (\$)	Number of Notes
\$5	-	-	-	-
\$7	-	-	-	-
\$10	10	1	90	9
\$20	-	-	480	24
\$50	150	3	550	11
\$100	900	9	600	6
Total	1,060	13	1,720	50

Source: Reserve Bank of Fiji

PAYMENT AND SETTLEMENT SYSTEMS

Domestic payments continued to grow during the review period due to improvements in infrastructure, market-led innovations and customer demand for efficient and convenient means of payment. The RBF continued to implement significant upgrades to its systems which are designed to support a secure, efficient and reliable national payment system.

Payments

The RBF operates and supervises the Automated Transfer System (ATS) named FIJICLEAR which houses the Real Time Gross Settlement (RTGS) and the Automated Clearing House (ACH). Whilst the ACH facilitates the low value, high volume payments through the Electronic Fund Transfer (EFT) and Instant Fund Transfer (IFT) payments, the RTGS supports large value and settles all payments processed in the ATS. IFTs allow customers to make payments that are processed and cleared within seconds and is available 24 hours, seven days a week.

Phase three of the National Payment System Project was launched in October 2024. This allowed the

inclusion of the two Mobile Network Operators (MNO) in the country as indirect Participants, enabling Bank to wallet transfers and vice versa, and transfers between the MNOs. As fund transfers are processed as IFTs, payments are cleared within seconds. MNO transfers and receipts have grown significantly reflecting the demand by customers to transact for their everyday expenses.

During the FY, the RTGS recorded 612,157 transactions valued at \$157.2 billion (Figure 23). While this represents a slight increase of 7.4 percent in value over the year, the total volume of RTGS payments decreased by 71.1 percent as commercial banks moved to processing payments through the

ACH as EFT and IFTs.

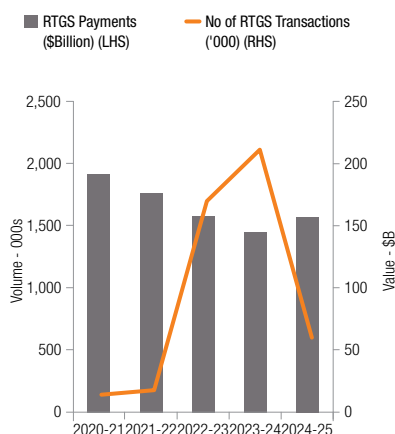
Furthermore, the monthly averages in RTGS payments showed an increase in transaction value but a decline in transaction volume (Table 18).

Since its establishment in November 2023 and with the inclusion of MNOs, the ACH has processed a total of \$6.6 billion through 0.2 million EFT bulk transfers. Additionally, IFTs amounted to \$2.7 billion which were made through over 7.5 million payments for the same period.

Settlements

The Settlement function is responsible for the accurate and timely settlement of all foreign currency transactions undertaken by the Bank as part of its

Figure 23: RTGS Transactions



Source: Reserve Bank of Fiji

Table 18: Monthly Average RTGS Transactions

Monthly Average*	2020	2021	2022	2023	2024	2025
Gross Payments (\$ Million)	13,450	15,990	14,760	13,224	12,194	13,099
Number of Transactions	12,495	12,332	16,297	142,330	176,375	51,013

Source: Reserve Bank of Fiji

reserves management function, and accounts for all such trades on the Hi-Portfolio Multicurrency Investment Accounting System. It maintains all processes that ensure all foreign currency transactions, currency and assets valuations and reconciliations are performed accurately and in a timely manner.

Through SWIFT – the global messaging network used for secure

and efficient international payments, the RBF manages accounts for other central banks in the region and international organisations, underscoring the interconnectedness between domestic payments and the global financial system.

During the review period, the RBF transitioned from the SWIFT on-premises system to a more advanced cloud portal. This strategic move

aims to enhance operational efficiency and resilience, mitigate risks and reduce costs.

In line with this transition, the Bank has moved to International Organisation for Standardisation (ISO) 20022 standards as required by the industry.



MISSION

PLAY AN INFLUENTIAL ROLE IN THE DEVELOPMENT OF THE ECONOMY

In addition to its core functions of conducting monetary policy, financial stability and the issue of currency, the Reserve Bank also implements various initiatives to develop the economy.

Special Lending Facilities at the RBF

In the 2024-2025 FY, the Import Substitution and Export Finance Facility (ISEFF) remained suspended while the Disaster Rehabilitation and Containment Facility (DRCF) was closed. The RBF's Board approved the rollover of existing ISEFF and DRCF loans on case-by-case basis when requested by the lending institutions. The RBF's Housing Facility remained open during the review period due to increased demand from first home buyers. Moreover, the Bank continued to manage the Micro, Small and Medium Enterprises Credit Guarantee Scheme (MSMECGS).

ISEFF

With lending under ISEFF remaining suspended during 2024-2025 FY, loan repayments continued, which more than offset the approved rollover of some of the loans. This resulted in the outstanding balances declining to \$335.8 million at the end of July 2025 from \$369.5 million compared to the same period a year ago. Consequently, the number of businesses that have accessed funding fell to 91 from 120 a year ago. Of the current outstanding balances, majority of the businesses were exporters followed by import

substitution related to businesses, renewable energy and public transportation (Figure 24).

DRCF Standard

Part of the Bank's effort to roll back measures that were implemented to assist in economic recovery during Covid-19 pandemic was to cease lending under DRCF. At the end of July 2025, the outstanding balance under the facility was \$254.7 million, a decline of 7.0 percent from a year ago largely due to loan repayments that were received during the review period (Figure 25).

DRCF Government Guaranteed

Similar to the DRCF standard, lending under DRCF Government Guarantee scheme also ceased to businesses in the 2024-2025 FY. Additionally, the interest subsidy offered by the Government for the first two years of the loan had ended during the fiscal year. Total outstanding loan balance under the facility fell to \$100.1 million from \$113.5 million in the previous fiscal year mainly due to loan repayments from 606 businesses (Table 19).

Housing Facility

The RBF Housing Facility continued to provide concessional lending to eligible first home buyers throughout

2024-2025 FY. First homeowners with a combined income of up to \$50,000 per annum are eligible to access funds under the facility from a total allocation of \$100.0 million. During the fiscal year, a total of \$29.3 million was disbursed to 238 first home buyers. As at end of July 2025, the total outstanding balance under the housing facility increase to \$90.1 million from \$79.8 million in the previous year.

MSMECGS

The RBF continued to manage the MSMECGS on behalf of the Government since the inception of the scheme in 2012. Funds under this guaranteed cover is accessible to commercial banks, licensed credit institutions and the FDB to cover for their default eligible MSME loans of up to \$60,000 per business or \$75,000 for women entrepreneurship. The guarantee claim payments from the DRCF Government Guarantee scheme are also paid from this MSMECGS allocation.

At the end of July 2025, a total of 648 business loans valued at \$10.7 million as well as 5,082 DRCF loans valued at \$100.1 million are covered under the Scheme. Since the establishment of the scheme, the Reserve Bank has paid out loss claims totalling \$1.1

Figure 24: ISEFF Outstanding Loans by Sector as at 31 July 2025

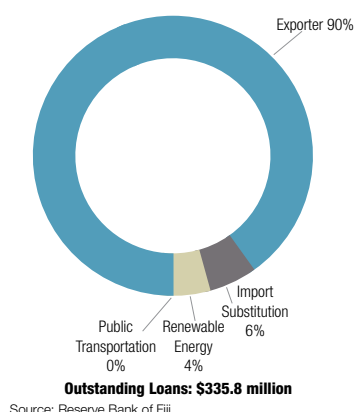


Figure 25: DRCF Outstanding Loans by Sector as at 31 July 2025

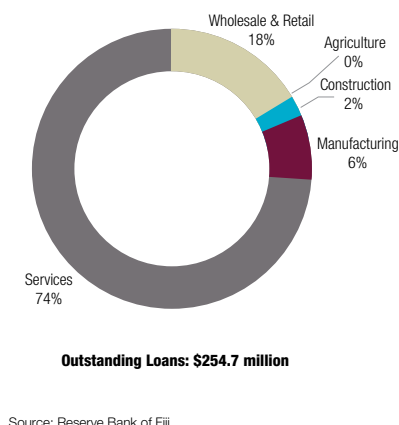


Table 19: DRCF Government Guarantee by Business Size

Business Size	Outstanding Loans as at 31 July 2025		Repaid 2024-2025	
	No.	Loan Value (\$m)	No.	Loan Value (\$m)
Micro	2370	16.7	134	1.2
Small	1594	22.3	152	1.9
Medium	618	26.3	148	4.0
Large	395	34.8	172	6.4
Total	4,977	100.1	606	13.5

Source: Reserve Bank of Fiji

million for 72 defaulted businesses. Of this payout, \$0.45 million was for 19 defaulted businesses and was paid out in 2024-25 FY, compared to \$0.13 million for 12 defaulted MSMEs in the previous year.

Secondary and Retail Bond Market

During the year, the \$10.0 million allocation for Viti bonds in the primary market was fully allotted. The outstanding value of Viti bonds at the end of July 2025 stood at \$72.3 million for 455 investors. In the secondary market, Viti bonds continued to be traded amongst retail investors and the Reserve Bank, whereby 64 parcels of Viti bonds valued at \$3.8 million were transacted, compared to 95 parcels of Viti bonds valued at \$1.9 million in the previous year.

Financial Systems Development

Personal Property Securities Registry (PPSR)

The RBF provides administrative and support services to clients on the PPSR which was established on 31 May 2019 as an online, publicly searchable registry for notices of security interests under the Personal Property Securities Act (PPSA) 2017.

During the twelve-month period ending 31 July 2025, a total of 17,653 notices were registered on the PPSR compared to 17,532 in the same period last year, a slight increase of 0.7 percent. At the end of July 2025, cumulative registrations on the PPSR stood at 147,542 (Table 20).

Six new registrants were onboarded during the period, bringing the total to 124 client accounts. Majority of notices registered to-date (43.0%) were made by banks (including the Fiji Development Bank), followed by credit institutions (40.7%).

Excluding client accounts and the RBF as its Registrar, the PPSR recorded over 90,677 public searches during the review period ending 31 July 2025, a slight decrease of 0.2 percent from 90,830 for the year ending 31 July 2024. Cumulatively, over 510,392 searches have been recorded by the PPSR since going online. Both registrations and searches remain free of charge to client accounts and the public.

Secured Transactions Reform

Since the enactment of PPSA 2017, work on Phases I and II have been successfully completed. Phases III and IV, which involve the development of suitable products that leverage the

reform while encouraging MSMEs to take up financing, continued during the year.

With technical assistance provided by the Asian Development Bank Private Sector Development Initiative, communications materials were developed and disseminated to a targeted cohort of MSMEs that constitute part of a randomised control test methodology for evaluating the impact of the reform. Further efforts towards creating more impact through the Secured Transaction Reform is expected to continue in the new financial year.

MSME Development

The RBF remains committed to supporting initiatives aimed at improving access to finance for MSMEs in collaboration with the Fiji Government, FSPs and other key stakeholders.

MSMEs in E-commerce

To enhance MSME participation in the digital economy, the RBF subsidised monthly registration fees for 202 MSMEs across three e-commerce platforms—VitiKart, Cyberfood, and My Fiji Store amounting to a total value of \$59,059 during the financial year. This initiative aimed to reduce entry barriers and encourage greater

Table 20: Cumulative Filings by Client Account

Client Account Category	Number of Client Accounts	Cumulative Number of Filings	Proportion of Total Cumulative Filings
Banking Industry	7	64,319	43.0%
Credit Institutions	4	60,092	40.7%
Finance Companies & Other Lenders	5	4,286	3.3%
Motor Vehicle Dealers	6	4,717	3.2%
Law Firms	54	3,533	2.4%
Credit Unions	4	380	0.3%
Other Entities & Individuals	44	9,675	6.6%
TOTAL	124	147,542	100.0%

Source: Reserve Bank of Fiji

0.7% 
PPSR Notices registered

adoption of online sales channels among MSMEs.

In addition, recognising the growing need for digitisation across the sector, the RBF invested in digital tools to support MSMEs actively transitioning to digital operations. This targeted support benefited 46 MSMEs, majority of which are micro businesses, enabling them to improve operational efficiency and competitiveness in an increasingly digital marketplace.

Business Development Services

In collaboration with the Market Development Facility, a comprehensive landscape assessment of accelerator and incubator programs was undertaken across the country. The assessment revealed that the business development services ecosystem in Fiji is predominantly influenced by international donor support and remains largely fragmented. Given the growing interest in such programs, the findings underscore the need for a more collaborative and coordinated ecosystem to foster peer learning, strategic partnerships and sustainable growth.

In line with its commitment to inclusive development, the RBF continued its support for accelerator programs, with a particular focus on strengthening and upskilling vulnerable segments such as Women-Owned and Led MSMEs (WMSMEs). Notably, the RBF contributed to the South Pacific Business Development (SPBD) Fiji Bloom Program, an initiative aimed at supporting women entrepreneurs through business formalisation and advisory services. The project provides targeted training across key business disciplines, equipping participants with essential skills to enhance their enterprise development

and long-term sustainability.

Access to Finance

The Access to Business Funding Implementation Taskforce made substantive progress in its mandate to transform MSME financing in Fiji, during the year. The Taskforce is currently focused on the development of practical frameworks for alternative finance, beginning with the design of the Small Offers regime. In parallel, the Taskforce is actively engaging key stakeholders to ensure that MSMEs are adequately prepared to leverage these emerging financial tools. These efforts represent a strategic shift toward a more inclusive and diversified financing ecosystem for MSMEs.

Data

A key milestone achieved during the review period was the development of a national draft definition for WMSMEs and Youth-Owned MSMEs (YMSMEs). With technical support from the ADB and the Women Entrepreneurs Finance Code, a draft national definition was formulated, considering the unique characteristics and needs of the MSME landscape in Fiji. This definition was endorsed by the National Financial Inclusion Taskforce and formally submitted to the Ministry of Cooperatives, Trade, MSMEs and Communications (MCTMSMEC) for consideration. The new definition is expected to be a key component of the Ministry's new MSME Strategy for 2025 - 2030. This progress marks a significant step towards more inclusive and targeted policy development for women and youth entrepreneurs.

Through the National MSME Statistics Taskforce, established by the MCTMSMEC, the RBF continued to provide strategic support towards the development of a comprehensive MSME database. This initiative

also includes the formulation of a framework to accurately assess and quantify the collective contribution of MSMEs to Fiji's GDP. This is a work in progress, and efforts are ongoing to refine the framework and data collection processes. These efforts are instrumental in strengthening evidence-based policymaking and enhancing the visibility of MSMEs within the national economic landscape.

FinTech Development

The RBF supports the development of the FinTech industry through dialogue and a facility for time-bound, controlled live tests for eligible solutions under the Financial Sector Development Policy No. 2: FinTech Regulatory Sandbox Guidelines ("Sandbox").

While there were no tests during the review period, the RBF continued to facilitate bilateral meetings with prospective FinTechs. Additionally, with the assistance of the ADB, work commenced on the review of the Sandbox with the aim of strengthening the framework with the evolving FinTech landscape, which is expected to be completed in the new financial year.

With the support of the UNCDF, the RBF also completed a FinTech Landscape Diagnostic Assessment in July 2025 while work commenced on the development of a National FinTech Strategy.

Financial Inclusion

National Financial Inclusion Strategy (NFIS) 2022-2030 Update

Fiji's NFIS 2022-2030 aims to empower Fijians to build resilient and sustainable livelihoods and businesses through financial inclusion.³⁷

The NFIS 2022-2030 includes Financial Inclusion Indicators aligned with international standards, focusing on access, usage, and quality. Key targets aim to increase overall financial inclusion to 90.0 percent, women's inclusion to 85.0 percent, insurance coverage to 50.0 percent, and digital payments (excluding mobile money) to 45.0 percent by 2030.

As a result of the concerted efforts of the RBF and key stakeholders in its implementation, significant progress was made in the following areas:

- Approximately 84.2 percent of adults are financially included, falling short of the short-term NFIS target of reaching 86.0 percent by 2024;
- The gender gap has widened from 9.4 percent in 2023 to 10.3

percent in 2024; and

- The share of adults engaging in digital payments (excluding mobile money) rose from 45.4 percent in December 2023 to 45.6 percent in 2024, surpassing the NFIS short-term target of 34.0 percent by 2024.

Further details of the NFIS progress under each target are provided in Table 21.

National Financial Inclusion Taskforce (NFIT)

The implementation of the NFIS is monitored by the NFIT and is supported by the following four working groups that meet quarterly with the RBF as secretariat: (i) Inclusive Finance, (ii) Digital Financial Services, (iii) MSME Finance, and (iv) Consumer Protection and Financial

Capability. The NFIT met twice during the year and its membership included representatives from the Fiji Government, statutory bodies, private sector institutions, and civil society organisations.

Alliance for Financial Inclusion (AFI) Annual Global Policy Forum (GPF)

The RBF is an active member of AFI, a policy leadership alliance owned and led by member central banks and financial regulators with the objective of advancing financial inclusion across country, regional and international levels.

In September 2024, AFI convened its Annual Global Policy Forum in San Salvador, El Salvador, under the theme "Innovation for an Inclusive World." The event brought together over 800 delegates from

Table 21: NFIS Implementation Progress 2022-2024

Indicators	Baseline (2020)	2021	2022	2023	2024	Short Term Target (2024)
1. % Adult population financially included (formal)	84	84.0	86.9	86.5	84.2	86
a. % Women financially included (formal)	78	78.1	81.7	81.9	79.0	80
b. % Youth financially included (formal)	71	68.6	68.7	67.2	67.8	75
2. % Adult population with a regulated savings account	5	1.7	1.6	0.2	0.2	TBD
3. % Adults with a regulated credit account	10	9.5	9.5	10.0	10.2	15
a. % Women with a regulated credit account	7	6.6	6.8	7.7	8.2	10
b. % Youth with a regulated credit account	8	7.6	7.4	8.4	8.7	12
4. % Adult population covered under an insurance policy	37	33.0	46.4	36.6	37.7	40
5. % Adult population with a superannuation account	71	70.4	63.6	64.9	67.1	73
6. % Adults with an active mobile money account	27	95.2	71.6	87.0	83.2	31
a. % Women with an active mobile money account	27	100	73.8	75.2	82.0	31
b. % Youths with an active mobile money account	23	85.2	62.5	83.2	75.6	30
7. % Adults making or receiving digital payments other than mobile money	30	33.3	38.5	45.3	45.6	34
a. % Women making or receiving digital payments other than mobile money	29	38.0	35.4	41.1	42.7	32
b. % Youth making or receiving digital payments other than mobile money	41	54.1	41.6	46.7	45.9	45
8. Number of DFS Transactions per account	22	23.2	28.7	25.8	31.0	30
9. Number of mobile money transactions per account	21	63.1	72.0	90.0	144.6	30
10. Share of MSME loans in business loans	14	17.7	15.5	TBD	TBD	16
11. % of complaints registered with						
12. LFI and resolved within 3 months.	95	94	97.9	99.3	95.6	98
13. % of children with savings account at a formal institution	4	7.7	7.7	0.4	0.3	8

Source: Reserve Bank of Fiji

³⁷ NFIS 2022-2030 is aligned to the Financial System Development Group's (FSDG) mandate of promoting financial inclusion under the Bank's Strategic Goal (e) Develop the Financial System directly linked to Theme 1: Strengthening our Central Banking Role via Strategic Priority 1.1 Macroeconomic Stability and Financial Stability.

74 institutions across 65 countries. Discussions centred on responsible financial innovation, gender-inclusive finance, and the role of digital tools in promoting employment and climate resilience.

Key outcomes included the endorsement of the San Salvador Consensus on Responsible Financial Innovation, emphasising consumer protection, financial education, cybersecurity, and green finance. The forum also launched the Policy Model for Gender Inclusive Finance, providing a framework for regulators to promote women's financial inclusion. The Reserve Bank received the Innovation Award for its leadership in the Pacific. Regional working groups convened to align priorities and strengthen collaboration across diverse financial inclusion agendas.

Governor Ariff Ali, who had been a Chair of AFI's Board of Directors since 2023, led Fiji's delegation, which comprised 9 representative members for each of AFI's working groups in various financial inclusion work streams. This included two pioneers in the financial inclusion initiatives, namely, Mr Isikeli Taoi of BSP Bank and Mr Sitiveni Marovia from ANZ Bank. The Bank of Namibia will host the next Annual GPF in September 2025.

Micro Parametric Insurance

In August 2024, RBF, in partnership with SUN Insurance and Tower Insurance, commenced a two-year project to scale up micro parametric across Fiji.

The project is supported by grant-based co-financing from InsuResilience Solutions Fund (ISF), an implementing programme of the InsuResilience Global Partnership, funded by the German Federal Ministry of Economic Cooperation and Development and managed by the Frankfurt School of Finance and Management.

To effectively reach climate-vulnerable communities, the project team formalised partnerships through supplementary agreements with the Sugar Cane Growers Council, Cane Farmer's Cooperatives Savings and Loans Association, Fiji Crops and Livestock Council, Nature's Way Cooperative, the Ministry of Women, Children and Social Protection, and the Pacific Disability Forum.

These partnerships enabled the project to reach a diverse range of beneficiaries, including farmers, women and PWDs, many of whom have been provided premium subsidies to improve affordability and accessibility.

The collaborative effort aims to expand micro-level parametric insurance products in Fiji, targeting 5,000 new policyholders covering an estimated 25,000 beneficiaries by 31 July 2026. Of this target, 45 percent were expected to be women.

By the end of the FY year, the project increased uptake of parametric microinsurance from 1,196 to 4,246, exceeding the 2,000 target set by the project for the first year.

In addition, over 10,258 Fijians were reached through community engagement, media campaigns and aggregator networks.

During the year, there were 8 excessive rainfall events which triggered payouts to 1,101 policyholders of a total of \$107,000 in overall payouts. These beneficiaries included 60 PWDs and 132 social welfare recipients. Around 85 percent of total payouts were disbursed through mobile wallets.

In the next FY, the project aims to onboard 5,000 new policyholders, enhance public engagement by reaching 10,000 Fijians through awareness initiatives and strengthening stakeholder capacity

through 28 demand and supply-side workshops.

The project continues to support its partners in several enhancements, including streamlining and accelerating payments to beneficiaries, refining data inputs to better capture weather calamities, and reinforcing communication and collaborative planning processes to ensure more effective execution and alignment across stakeholders.

Snapshot of Year 1 Achievements

Year 1 Challenges

Capacity for Project Management

The project initially planned for a consultant, through UNCDF, to support team formation from the beginning; however, this engagement was delayed until midway through implementation. This delay contributed to difficulties in navigating the project's complexities, particularly in the absence of structured support and consistent partner commitment. Their involvement has strengthened operational coordination and is expected to significantly improve the execution and timeliness of Year 2 activities.

Varying Commitments from Project Partners

The project faced challenges due to inconsistent commitment from partners, particularly in the allocation of dedicated full-time resources. This lack of engagement resulted in limited ownership and an incomplete understanding of the project scope, timelines, and budget utilisation. These gaps contributed to delays in implementing activities and submitting quarterly progress reports. To address this, the project team is working closely with insurers at the start of Year 2 to improve coordination and accountability.

Data Limitations

The project encountered challenges due to inconsistent and incomplete



climate and hazard data across certain regions, which affected the accuracy of product design. Specifically, stakeholders in the Western Division indicated that rainfall strike thresholds did not align well with local weather patterns. These data gaps limited the effectiveness of parametric insurance triggers and reduced stakeholder confidence in the product. Addressing these limitations is essential to improving the precision and relevance of future insurance offerings. Efforts are being made to refine data inputs and enhance regional calibration.

Digital Literacy and Connectivity Issues

The implementation of digital onboarding and mobile-based payouts introduced innovative service delivery methods. However, their effectiveness was hindered by low levels of digital literacy among target beneficiaries, particularly in rural areas. Additionally, poor network coverage in certain regions created barriers to registration and communication regarding payouts. These limitations affected user

experience and slowed the adoption of digital channels.

Delay in Payouts

One of the key challenges encountered was the delay in processing payouts by Sun Insurance following trigger events. These delays were primarily due to the limitations of their legacy claims system, which is over 20 years old and required manual reconciliation before payments could be made. Although payouts were eventually disbursed, the process took longer than expected, undermining the timeliness that is central to parametric insurance. Sun Insurance has since invested in a new system aimed at streamlining and accelerating bulk payments to aggregators.

Coordination Across Multiple Stakeholders

Coordinating timelines, activities, and priorities among diverse stakeholders including insurers, aggregators, government ministries, and development partners has proven to be a continuous challenge. The varying mandates and operational

approaches of each stakeholder group have required sustained effort to maintain alignment. These coordination complexities have occasionally led to delays and inefficiencies in implementation. Strengthening communication channels and collaborative planning processes is essential to improving overall project execution.

Year 2 Key Targets

In its second year of implementation, the project aims to expand its reach and impact through a set of ambitious targets. These include onboarding 7,000 new policyholders for climate risk parametric insurance products, enhancing public engagement by reaching 10,000 Fijians through awareness initiatives, and strengthening stakeholder capacity through 28 demand and supply-side workshops. Additionally, the project will convene four national-level events to foster dialogue, promote policy alignment, and reinforce the enabling environment for inclusive climate risk financing.

Box Item 3

Fiji Innovation Hub to empower entrepreneurs to co-design local solutions to meet development challenges



Stakeholders representing partners and donors, alongside key industry representations at the launch of the Fiji Innovation Hub on 16 July 2025

The Reserve Bank marked a pivotal moment in its innovation agenda with the launch of the Fiji Innovation Hub on 16 July 2025 – a transformative initiative aimed at empowering entrepreneurs to develop inclusive, locally tailored solutions that address Fiji's development priorities.

Established through a strategic partnership with the United Nations Pacific Digital Economy Programme, and supported by funding from the European Union, Australia, and New Zealand, the Hub seeks to cultivate a vibrant, tech-enabled entrepreneurial ecosystem. Its implementation will be led by Creative HQ, a leading New Zealand innovation agency, in collaboration with the MTCMSMEC, Mastercard, HFC Bank and Fiji Airways.

Conceived as a multi-year programme, the Hub will initially focus on financial technology and related sectors. In its first year, it will deliver an accelerator programme and host a national hackathon to support early-stage entrepreneurs tackling financial inclusion challenges. Over time, the Hub will expand into broader innovation domains aligned with Fiji's national development goals, with the ambition of becoming a regional innovation leader by 2030.

The initiative builds on extensive stakeholder engagement, including a joint scoping mission and validation workshop held in March 2025. Additionally, a physical hub is earmarked at a floor in the Reserve Bank building to foster dynamic collaboration among startups, regulators, private sector actors, and investors, with the overarching goal of catalysing technology-driven solutions that contribute to inclusive and sustainable economic growth.

RBF

IN THE COMMUNITY

The Bank remains committed to fulfilling its corporate social responsibility by actively engaging with the community. Throughout the FY these engagements encompassed donations to various organisations, community outreach initiatives and arrangements to facilitate school visits to the Bank.

The Bank facilitated refurbished computers to Ratu Filise Memorial School, Navuso Agricultural Technical Institution, Rewasau Kindergarten, Dilkusha Girls School, Tavea Kindergarten, Lekutu Secondary and Primary School, Koroikadi Primary School and Kavula Infant School.

The subsequent section outlines the Bank's community engagements for the year:

Corporate Donations to Organisations

The following charitable organisations received contributions of \$1,500.00 each from the Bank in December 2024:

- Suva Special Education School
- Frank Hilton Organisation (Fiji Crippled Children's Society)
- St. Christopher's Home
- Dilkusha Orphanage
- Fiji Disabled People's Association
- Fiji Society for the Blind
- Father Law Home
- Homes of Hope
- Foundation for the Education of Needy Children (Fiji) – FENC Fiji
- Fiji Association of the Deaf

Participation in the Community

Throughout the FY, RBF staff remained actively engaged in contributing to boards and committees established by the Government, international and regional organisations, school committees, religious and charitable entities, as well as professional associations.

The Bank's Quality Management through Teamwork (QMT) promotes collaboration,

accountability and ongoing improvement, encouraging employees to actively support the Bank's mission. As part of team-building efforts, QMT teams extend their impact by assisting community and charitable organisations. Throughout the year teams contributed through donations of cash and goods and by visiting groups such as WOWS, SPCA, Father Law Home, various schools and families in need. These initiatives reflect the QMT teams' commitment to strengthening community connections and making a positive difference beyond the workplace.

In a demonstration of our commitment to small and medium enterprises (SMEs), the Reserve Bank proudly was a support partner for the FDB National SME Awards as well as the Prime Ministers International Business Awards. The bank remains committed to developing the Primary Industries Sector. The Bank also provided support for the SPBD Microfinance Awards and the 2025 Women in Media Conference. A member of staff who celebrated long service to the Bank donated the funds to support a charity.

The Bank continued its commitment by sponsoring the University of the South Pacific (USP) gold medal awarded to the top Economics graduate in recognition of outstanding academic excellence

The RBF upheld its collaboration with the Fiji Broadcasting Corporation, culminating in the successful conclusion of Season 6 and ongoing recordings of Season 7 with 5 episodes being aired and 8 more remaining of the 'Noda i Lavo' TV program. This is a financial inclusion segment, conducted by the Reserve Bank in i-Taukei language, co-sponsored by the UNCDF. Throughout the season, key relevant stakeholders engaged in discussions and awareness-building around affordable financial products and services. Over the past six years, the program has produced a total of 78 episodes, featuring a diverse range of guests and expertise. The program

continues to receive overwhelming positive feedback, catalysing subsequent community-level financial literacy presentations and seminars. To amplify its outreach, the audio versions of 'Noda i Lavo' episodes were broadcasted on FBC Radio Fiji One station, serving the needs of residents in rural and maritime areas.

One of the key aspects of financial inclusion is the expansion of social media awareness using social media influencers to reach a wider audience. So far influencers have leveraged their platforms to promote key financial inclusion messages in partnership with the RBF and UNCDF.

School Visits

The RBF facilitated school visits as part of school's educational excursions, which not only enriches student's practical learning but also enables us to enhance awareness about RBF's role within the community. Throughout the year, the bank hosted visits from Rosmini College from New Zealand, Adi Moape Secondary School, Navesau Adventist High School, Vunisea Secondary School, Richmond Methodist High School, Niusawa Methodist High School, Totoya District School, Ratu Sauvoli Memorial School, Nabitu District School, Church College, Muaira District School, Naviti District School, Tovu Village School, LDS Primary School, Lutu District School Kindergarten, Kuku District School, Vatulele District School, Vakabuli Primary School, Nailagotabua Primary School, St. James Anglican Primary School, Namosi Secondary School, Lomary Secondary School, Wainimakutu Secondary School and International School Nadi. These engagements with schools provide a valuable opportunity to connect with our prospective leaders and raise awareness about the pivotal role of Fiji's central bank.



MISSION

PROVIDE PROACTIVE AND SOUND ADVICE TO GOVERNMENT

Policy advice to the Government is provided in many ways. During the 2024-25 FY, the Bank held several meetings to discuss matters pertaining to the economy. Presentations on the economy were made as and when requested.

Policy Coordination

Policy formulation is crucial for the Government's macroeconomic management and therefore, must be appropriately undertaken by relevant economic policymaking agencies. RBF continues to provide valuable advice to the Government through its participation in various Committees during the fiscal year.

The Macroeconomic Committee (MC) and its Technical Committees prepared forecasts on Fiji's GDP, trade, and balance of payments. These projections are critical inputs into monetary policy formulation and other national policy decisions.

The Governor continued to chair the MC, which included officials from the Ministry of Finance, Strategic Planning, National Development & Statistics ; Fiji Bureau of Statistics; Ministry of Trade, Co-operatives, Small and Medium Enterprises; Ministry of Tourism and Civil Aviation; Office of the Prime Minister; Investment Fiji; Fiji Revenue & Customs Service and the Reserve Bank. During the 2024-25 FY, there were two forecasting rounds, six Macroeconomic Technical Committee meetings and two MC meetings.

As part of the macroeconomic forecasting process, the Reserve Bank met with key industry groups during the year. The information gathered from

these meetings formed the basis for forecasting national macroeconomic indicators and providing advice to the Government through the MC reports and the 2025-26 FY National Budget submission.

Registry and Banking Services

The Reserve Bank is the registrar for securities issued by Government and statutory corporations. Registry services include bond issuance, redemption, transfer of securities and interest payments that are carried out through the Central Securities Depository (CSD), which is housed at the Reserve Bank. All securities information is stored securely in electronic format in CSD.

As a fiscal agent, the Bank also provides banking services, such as the "lender of last resort" facilities to the Government and commercial banks.

The RBF registry recorded \$6,764.9 million in bond holdings at the end of July 2025, compared to \$6,354.4 million in the same period in 2025 (Table 22). The net issuance of Government bonds totalled \$378.0 million, which led to an increase in the value of outstanding bonds by 6.0 percent to \$6,686.9 million. However, the outstanding balance for statutory corporation bonds increased by 71.0 percent to \$78.0 million.

At the end of July 2025, net bond interest and redemption payments decreased by \$181.6 million to \$571.5 million. This resulted in the overall registry payments decreasing by 20.3 percent to \$955.5 million. The value of all types of bonds maturing in FY 2024-2025 was lower compared to the previous year. In sync with bonds, Treasury bills redemptions also declined by \$12.1 million to \$384.0 million.

During the financial year, yields on Government bonds generally rose due to increased domestic funding requirement by Government (Figure 26). The rise in yields also reflects the lower liquidity level compared to the previous FY.

The Government continued to source funds through the issuance of Treasury bills to support its temporary financing needs. In the FY 2024-2025, the Government's Treasury bills issuance and redemptions totalled \$395.0 million and \$384.0 million, respectively (Table 23). The outstanding Treasury bills balance at the end of July 2025 stood at \$290.0 million compared to \$279.0 million in July 2024.

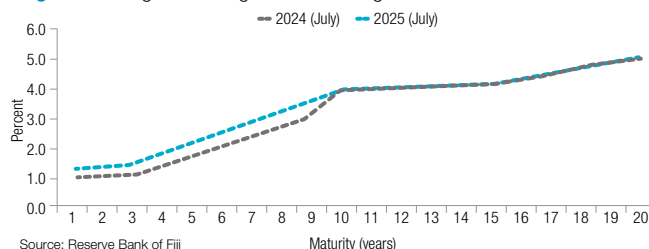
Yields on Treasury bills rose significantly during the year, largely reflecting the fall in liquidity conditions in the banking system compared to the previous fiscal year.

Table 22: Outstanding Bonds as at 31 July 2025 (\$M)

	Issued	Redeemed	Outstanding
Total Government	534.8	156.8	6,686.9
o/w Fiji Development Loan Bonds	-	15.9	861.6
o/w Fiji Infrastructure Bonds	524.8	133.4	5,562.9
o/w Fiji Green Bonds	-	-	80.0
o/w Fiji Sovereign Blue Bonds	-	-	20.0
o/w COVID-19 Response Bonds	-	-	90.0
o/w Viti Bonds	10.0	7.5	72.4
FDB	60.0	17.5	73.0
HA	-	10.0	5.0
Total	594.8	184.3	6,764.9

Source: Reserve Bank of Fiji

Figure 26: Weighted Average Yields on Long-term Government Securities



Source: Reserve Bank of Fiji

Table 23: Treasury Bills as at July 2025 (\$M)

	Aug 2021 - Jul 2022	Aug 2022 - Jul 2023	Aug 2023 - Jul 2024	Aug 2024 - Jul 2025
Flotations	543.5	384.1	559.0	469.0
Allotments	532.5	384.1	410.0	395.0
Redemptions	522.5	402.5	395.8	384.0
Outstanding	283.5	265.1	279.0	290.0

Source: Reserve Bank of Fiji



MISSION

DISSEMINATE TIMELY AND QUALITY INFORMATION TO STAKEHOLDERS

In line with the mission to disseminate timely and quality information to the public and relevant stakeholders, the Reserve Bank releases economic and financial information through major publications (monthly Economic Reviews, Quarterly Reviews and Annual Reports), press releases on the RBF website and social media.

Financial Performance

Income

The Reserve Bank's total income primarily comprises interest income from foreign currency investments and domestic securities.

For the financial year ended 31 July 2025, total income was \$201.4 million led by the high interest from foreign reserves held by the Bank and domestic interest income (Table 24).

Expenditure

Total expenditure incurred during the year was \$55.2 million (Figure 27). Administrative spending was \$29.1 million, with staff costs representing the single largest operating

expenditure for the Reserve Bank, accounting for over 68.4 percent of total operating costs (Figure 28). Other expenses for the year totalled \$9.9 million.

Assets and Liabilities

The Bank's total assets stood at \$5.7 billion as at 31 July 2025, representing an increase of 4.2 percent due to the increase in overseas Investments. On the liabilities side, the increase is mainly due to an increase in Statutory reserve deposits and Currency in circulation (Figure 29).

Operating Profit and Payment to Government

The operating profit for the year ended 31 July 2025 was \$146.2

million. The Minister for Finance approved the transfer of \$1.0 million from the operating profit to the General Reserve Account. As required under the RBF Act (1983), the balance of the operating profit was subsequently transferred to the Government at the end of September 2025.

The Act also requires the Reserve Bank to transfer one-fifth of the RRA balance to the Government, which amounted to \$0.8 million as at 31 July 2025. The amount transferred from the RRA was \$1.7 million in the previous financial period.

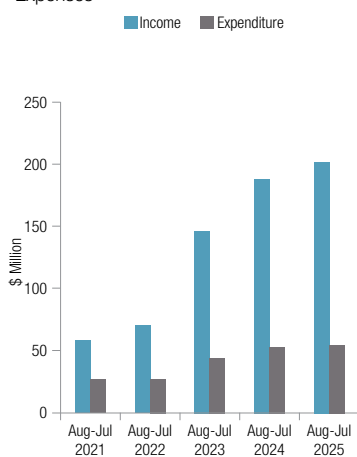
The Bank transferred \$146.0 million to the Government for the year ended 31 July 2025 compared to the \$136.2

Table 24: RBF Foreign and Domestic Income (\$M)

	Aug 2021- Jul 2022	Aug 2022- Jul 2023	Aug 2023- Jul 2024	Aug 2024- Jul 2025
Foreign Interest Income	19.9	97.9	141.4	152.9
Domestic Interest Income	39.6	43.0	42.8	41.9
Other Income	11.4	6.3	5.1	6.6
Total	70.9	147.2	189.3	201.4

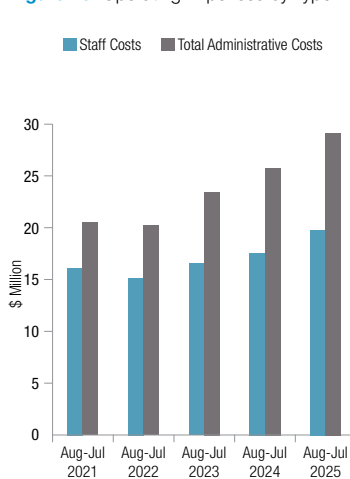
Source: Reserve Bank of Fiji

Figure 27: Total Income and Total Expenses



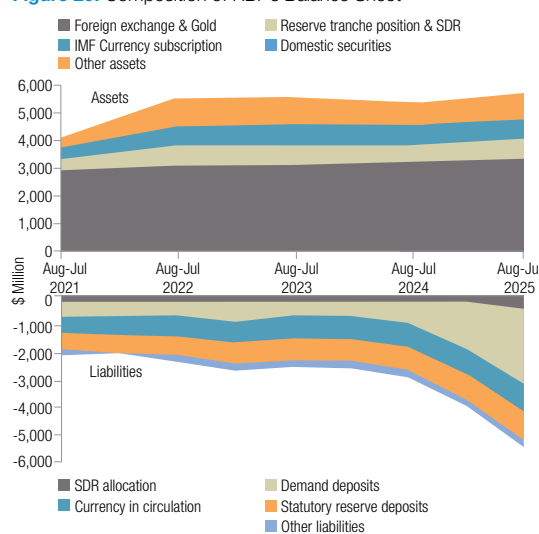
Source: Reserve Bank of Fiji

Figure 28: Operating Expenses by Type



Source: Reserve Bank of Fiji

Figure 29: Composition of RBF's Balance Sheet



Source: Reserve Bank of Fiji

million paid for the year ended 31 July 2024 (Table 25).

Records Management

The Bank continued with the streamlining and digitisation of records using Content Manager 10, an integrated Electronic Document Records Management System, for storing and retrieving indexed and digitised records.

The Bank's archives repository is located at the Bank's Business Resumption Site (BRS) and aligns with the requirement of good governance and the Public Records Act (2006) for proper recording and preservation of vital official records.

Domestic Relations

Throughout the 2024-25 FY, the Reserve Bank continued to conduct economic presentations to inform and strengthen its relationship with stakeholders. The Governor and senior staff made presentations and submissions to the Fiscal Review Committee and Parliamentary Standing Committees. Submissions on the past³⁸ Annual Reports were made in May 2025 to the Standing Committee on Economic Affairs. The RBF Insurance Annual Report 2024 and Annual Report 2023-24 were

respectively tabled in Parliament on 17 September and 6 December, 2024.

Throughout the 2024-25 FY, the Reserve Bank aimed to keep the public well-informed about the economy by conducting regular presentations on the latest economic developments for government officials, businesses, industry groups, community organisations, and educational institutions. Additionally, the Bank provided information through its website, and social media platforms (Facebook page and Linked-in account), as well as the NFIT and PPSR websites.

The Reserve Bank maintained its regular prudential consultations with supervised institutions in 2023-24 FY. It also engaged with industry stakeholders, including the Association of Banks in Fiji, the Finance Companies Association, the Insurance Association of Fiji, the NFIT, and the Foreign Exchange Dealers Association.

The Reserve Bank undertook various industry visits around the country and made several presentations on the economy while it convened several industry meetings to discuss

economic issues and provide economic updates to the business community.

International Relations

The Reserve Bank accorded high priority to nurturing its international relationships and actively participating in relevant global forums and initiatives.

Interactions with multinational institutions such as the IMF, World Bank Group, United Nations Capital Development Fund, Alliance for Financial Inclusion, ISF, the Asian Development Bank (ADB), International Finance Corporation, and Economic and Social Commission for Asia and the Pacific, continued throughout the year.

Furthermore, the Reserve Bank was represented at the 48th Annual Central Banking Seminar in October 2024, AFI Global Policy Forum in September 2024 and the AFI Board of Directors Meeting in May 2025. In addition, an IMF Article IV Visit was conducted, hosted by RBF from 12-25 March 2025.

The Bank also hosted the 39th meeting of the South Pacific Central Bank Governors which took place on

Table 25: RBF's Profit Payable to Government (\$M)

	Aug 2021- Jul 2022	Aug 2022- Jul 2023	Aug 2023- Jul 2024	Aug 2024- Jul 2025
Operating Profit	42.0	102.2	135.5	146.2
Less				
Transfer to General Reserves	1.0	1.0	1.0	1.0
Balance Paid to Government	41.0	101.3	134.5	145.2
One-fifth of RRA	3.4	2.1	1.7	0.8
Total Paid to Government	44.4	103.4	136.2	146.0

Source: Reserve Bank of Fiji

³⁸ Reserve Bank of Fiji Aug 2021 – Jul 2022, Aug 2022 – Jul 2023, and Aug 2023 – Jul 2024 Annual Reports.

28-29 November 2024 in Nadi, Fiji bringing together the Governors and senior representatives of the Reserve Bank of Australia, Reserve Bank of Fiji, Reserve Bank of New Zealand, Bank of Papua New Guinea, Central Bank of Samoa, Central Bank of

Solomon Islands, National Reserve Bank of Tonga, and the Reserve Bank of Vanuatu.

The RBF fosters stakeholder engagement by hosting seminars on key economic topics, encouraging

dialogue, collaboration and informed decision making. The Bank's collaboration with ADBI and APAEA continued, culminating in the 3rd Researchers Conference on 5 December 2024.



MISSION

ENHANCE OPERATIONAL EFFICIENCY THROUGH INNOVATION AND RISK MANAGEMENT

The Reserve Bank values and supports innovation and aspires for a culture that drives it to constantly explore new ideas and different approaches to meet its mandate while ensuring that risks are considered and mitigated.

Information Technology (IT)

Throughout 2024-25, the Reserve Bank of Fiji continued to strengthen its digital infrastructure, enhanced user experience and worked towards transformation initiatives aligned with its long-term strategic goals. Some of the key developments in the year aimed at strengthening document security management, improved data accessibility and governance were the development of a monolithic Information Security Policy aligned with ISO 27001 standards where the Bank successfully consolidated all IT-related policies, introduction of document labelling protocols and ongoing migration from legacy file systems to modern platforms.

To support innovation and further enhance operational efficiency in this digitally evolving era, the Bank began to cautiously embrace the use of the Generative AI tools for general-purpose applications and implemented a new service management system with integrated asset and change management capabilities, thus enhancing IT service delivery. Enhancements to digital workspaces including increased adoption of communication and collaboration platforms, digital forms and hybrid meeting room setups, enhanced the efficiency, productivity and flexibility of meetings.

The Bank continued its focus on disaster recovery and business continuity planning and operational resilience in the face of disruptions.

Cybersecurity and Infrastructure Modernisation

With cybersecurity risks remaining heightened, substantial progress has been made towards enhancing resilience, strengthening the Bank's cybersecurity posture and modernisation of its infrastructure. Some notable cybersecurity initiatives were rolled out and this

includes improved security controls, increased investment in a 24*7 Security Operations Center (SOC) and vulnerability management capabilities for critical systems and strengthened third-party risk assessments, access controls and governance over emerging technologies.

Furthermore, the Bank continued with its collaboration and participation in the Cybersecurity Working Group, fostering intelligence sharing with financial institutions. The Bank continues to provide support for national cybersecurity initiatives such as National Cybersecurity Strategy 2025–2030, Cloud policy consultations, Critical Infrastructure protection, Fiji Computer Emergency Response Team (CERT) collaboration and Cybersecurity Maturity Model (CMM) review.

The Bank also maintained its focus on cyber risk management and staff awareness training by increasing the complexity and relevance of its programs to match evolving threats.

Over the course of 2024-2025, work was completed on significant infrastructure upgrades with improvements in stability, resiliency and performance. The Bank successfully upgraded the internet link capacity to support increased usage, migrated to a new cloud-based email gateway, improving email security and reliability, implemented cloud backup solutions to support business continuity and deployed High Availability setup for databases, to reduce downtime and improve performance with load balancing and geographical failover capabilities.

Major Projects and Digital Innovations

In 2024-25, the Bank embarked on transformative projects and digital innovations with safety. The Bank's core Accounting System

was migrated to a modern platform. Digital transformation was enabled with the rollout of an Investor Portal to improve investor engagement and access to financial information, achievement of a virtualised library system with centralised access to thousands of internal and external knowledge resources and the launch of a Numismatic Sales Platform; a purpose-built eCommerce site aimed at modernising public access to Fiji's currency collectibles. The Bank also enhanced some of its current work processes with automation such as the digitisation of manual forms to streamline internal workflow of processes and automation of staff notifications to enhance staff engagement.

The Board and the Governor's continued commitment to investing in people and technology remains central to the Bank's strategic direction. As we look ahead to FY2025-26, the Bank will focus on aligning its operations with the new five-year strategic plan which reinforces innovation, resilience and digital transformation.

Recognising the evolving nature of the technology landscape, the Bank will continue to invest in the development of its Information Technology teams. Staff will be supported through access to modern tools, training and collaborative platforms to ensure readiness for emerging challenges and opportunities.

Risk Management

Risk management remains a cornerstone of the Bank's operations. To address risks effectively, a comprehensive risk management framework is being implemented, enabling the Bank to proactively anticipate and respond to emerging challenges. Particular emphasis is placed on managing risks directly linked to the Bank's core mandates

of maintaining financial and macroeconomic stability, ensuring these critical areas are safeguarded in an evolving economic environment.

The Bank continues to monitor emerging risks, taking necessary actions to mitigate potential threats and uphold system stability. In addition, recognising the critical role of foreign reserves in supporting the country's financial position, the Bank regularly reviews its investment strategies and associated risk parameters to ensure they remain aligned with the evolving economic landscape and safeguards its core objective of safety.

In addition to the measures outlined above, the Bank effectively managed risks across its key areas, including financial risks like liquidity, credit and market exposure and operational risks like cybersecurity, information technology, business continuity and people & culture. These risks were also addressed through targeted risk management practices.

Senior management is accountable for the ongoing identification and mitigation of risks within their respective areas of responsibility. The Bank maintains a structured framework supported by relevant policies, processes and systems to ensure effective risk management across its key functions.

With ongoing quality management initiatives and capacity building a key focus, the Human Resources Steering Committee continued to play a pivotal role in enhancing the effectiveness of the Bank's HR strategies and policies, contributing to the strengthening of its human capital and workplace culture. Concurrently, the IT Steering committee focused on ensuring that the Bank's technology infrastructure remains relevant, secure and aligned

with the Bank's strategic objectives.

The Bank's risk culture and overall risk management framework continues to be enhanced through regular review of policies and procedures, complemented by on-going staff awareness and training initiatives.

During the 2024-25 financial year, the Bank continued its comprehensive review of the Risk Management Framework to ensure alignment with evolving risk management practices and responsiveness to both global and domestic developments. As part of this process, the review of key policies commenced including those relating to social media, assurance, CCTV, conflict of interest, copyright, business continuity management while new guidelines were introduced for the QMT process and engagement of social media influencers. The Bank also progressed with the ongoing update of its risk registers to further strengthen its risk governance.

Incident reporting remains a critical component of the Bank's Risk Management Framework. A well-defined reporting structure is in place to ensure timely identification and documentation of incidents, with ongoing oversight supporting prompt and effective resolution of incidents. Internal controls and procedures are also reviewed periodically to mitigate emerging risks.

These efforts also inform the internal assurance process, whereby the Risk Management Team conducts in-depth reviews of specific Bank functions and processes, providing detailed findings and recommendations. Implementation of these recommendations together with recommendations from the Internal Audit and External Audit processes are closely monitored, with progress

updates reported quarterly to both the Risk and Business Continuity Management Committee and the Board Audit & Risk Committee.

In the event of an emergency or business disruption rendering the main RBF site inaccessible or systems inoperable, the Bank's BRS serves as the designated backup location for critical operations. The BRS is routinely utilised to test critical functions, including foreign settlement, selected domestic market operations such as the NPS system and the Central Securities Depository (CSD), together with internal systems important for smooth business operations, ensuring operational continuity and resilience.

In line with best practices, the Bank conducts regular testing of its business continuity procedures to ensure their effectiveness in the event of an emergency. In addition, emergency evacuation drills are carried out to enhance awareness among staff and RBF building tenants and awareness materials in the form of e-posters and videos are shared to reinforce understanding of the appropriate procedures to follow during emergency situations.

The Risk Management and Communications Group serves as the Bank's second line of defence in risk management. Notably, the Middle Office operates independently from the Front and Back Offices in overseeing foreign reserves management. Middle Office's primary responsibility is to monitor and report on any breaches of the investment guidelines related to the Bank's reserve management activities. The Investment Committee convenes monthly to review the compliance and performance reports prepared by the Middle Office, with these reports subsequently presented to the Board.

The Internal Assurance role supports management through the assessment of the adequacy and effectiveness of existing controls and procedures.

A key role of RMCG is to also safeguard the Bank's interests by managing legal risks. To mitigate these risks, a vetting process for all contracts is in place. The Bank provides feedback and responses to new and revised legislation, including submissions to the relevant Parliamentary Standing Committees.

Compliance with statutory obligations and significant developments in the legal landscape that may impact the Bank and its staff is also monitored. The Bank remains committed to strengthening its Anti-Corruption Framework, originally developed in collaboration with the Fiji Independent Commission Against Corruption (FICAC).

FICAC's Anti-bribery workshop, is held annually at the Bank, underscoring its ongoing commitment to combating corruption and unethical practices within the public sector. At the end of the year, there were no

active civil litigations pending against the Bank as a nominal or intended Defendant. Additionally, the Bank continued to support law enforcement agencies by providing evidence as required in various litigation matters.

Serving as the Bank's third line of defence, Internal Audit remained committed to providing independent and objective assessments to ensure effective risk management. To enhance the effectiveness and impartiality of this function, the Bank has outsourced internal audit activities. Through this multi-layered approach, the Bank reinforces its commitment to robust risk management practices.

There is monitoring and reporting to the Board Audit and Risk Committee (BARC) on areas identified for enhancement through internal and external audits. These matters are addressed as required. The Bank's continuous improvement efforts are supported by the Board, the Board Governance Committee (BGC), the Board Audit & Risk Committee (BARC) and the Risk and Business Continuity Management Committee

(RBCMC). These Committees actively review and strengthen the Bank's risk management framework, ensuring a comprehensive and robust approach through the engagement of these key governance bodies.

Property Management and Security

The Bank ensured that the main RBF building, Domodomo House and the BRS were well maintained. Repairs, maintenance and modernisation programmes continued to ensure the efficient operation of all building systems. This was possible through contractual agreements with reputable vendors for fixed durations. The Bank has contracted consultants to carry out a comprehensive assessment of the entire RBF building services. The objective of the exercise is to modernise the building services with intelligent systems and reduce its energy consumption.

The safety and security of the RBF building, BRS and the Governor's residence were well maintained throughout the year without any security breaches.



MISSION

DEVELOP, EMPOWER AND RETAIN A PROFESSIONAL TEAM

Effective people management is crucial for fostering a thriving, adaptable, and successful organisation.

The Reserve Bank took the important decision to elevate its human resource management function to a strategic focus on people and culture in January 2025. After 50 years of operations, the strategic realignment aims at enhancing the Bank's efforts to cultivate a thriving work environment that empowers employees to reach their full potential. It is envisaged through this change that when the Bank's 'people' strategies are aligned with its objectives, organisational success is achieved and sustained.

Elevation to a People & Culture Focus

Upon the celebration of its 50th anniversary in July 2023 and the approval of its Strategic Plan 2024-2029 in July 2024, the RBF undertook a shift towards a more strategic and employee-centric approach in the elevation of its human resource management function to a strategic people and culture focus.

The change sought to emphasise the importance of organisational culture, employee well-being, and talent development in achieving the Bank's strategies by moving beyond traditional administrative tasks to focus on creating a positive and engaging work environment that attracts, retains, and develops top talent.

The People and Culture Group was therefore established in January 2025, resourced by the existing human resources team and secondment from other Groups to assist in the building of an appropriate people and culture framework for the RBF. The transformation is still ongoing with relevant initiatives planned for the 2025-26 FY.

Workforce Profile

As of 31 July 2025, the Reserve Bank's staff complement stood at 227 full-time employees (Table 26).

11 employees exited the Bank's employment with the majority due to resignations on employment offers by other organisations (4) and migration (2), followed by retirement (2) and the take up of opportunity for full-time study leave (1), secondment (1) and death (1).

The Bank recruited 26 employees during the review period as it urgently engaged in ensuring that adequate human resources were available to fill vacancies and undertake planned special projects.

The Bank is cognisant of the expectation as a national agency to ensure gender balance and remains committed to maintaining gender equity within its workforce.

As of 31 July 2025, women accounted for 47 percent of RBF employees. Six of the eight positions on the RBF Executive Management Committee, and 32 per cent of management positions, were held by women.

Under the Bank's Internship Policy, which aims to provide capable candidates with exposure to the professional environment and practical work experience, the Bank continued to engage seven selected interns throughout the year.

The Bank maintains an agreement with the National Employment Centre (NEC) in accordance with the provisions of the NEC Decree 2011 under which the Bank is obligated to provide workplace attachments for a minimum of 11 suitable candidates registered with the NEC. The Bank remains committed to fulfilling these requirements and actively supports the objectives of the NEC.

Recruitment

Considered an Employer of Choice through the significant number of applications received for advertised positions, the Bank's recruitment process has been digitised, allowing for a more streamlined process through timely assessment of candidates, interviews, and confirmed recruitment mostly at the graduate trainee level.

New hires are taken through induction sessions, first by the People and Culture Group, then within their teams, and in groups via a combined session with the Executive Management Team. Mentoring by immediate supervisors is required for the first 12 months of joining the RBF under the Graduate Trainee Progression Guidelines, with outcomes required to be formally reported to the People and Culture Group to support recommendations for progression.

Table 26: RBF Employee Numbers

	Aug 21-Jul 22	Aug 22-Jul 23	Aug 23-Jul 24	Aug 24-Jul 25
Total Staff	196	207	208	227
Average Years of Service	11.6	11.2	10.6	10.1
Annual Staff Turnover (%)	9.7	8.4	13.0	5.1

Source: Reserve Bank of Fiji



Full-time employees

With 26 new recruits during the year, an increased number of induction sessions were conducted with ongoing mentoring throughout the review period.

Learning and Development

The Training and Development Policy, along with the Staff Training Needs Analysis (TNA), underpin the Bank's commitment to fostering a continuous learning culture. This is achieved through various initiatives, including on-the-job training, job rotations, full-time study leave (with or without pay), part-time studies, correspondence courses, and short courses through local and overseas training providers.

Throughout the year, various staff participated in a total of 15 locally provided workshops and conferences. These included various programs from technical areas such as climate change, organisational risk management, and workplace culture.

Furthermore, the RBF was represented in 87 regional and international training and conferences. This investment in staff capability ensures the Bank remains agile, informed, and responsive to evolving challenges.

The Bank continued to sponsor eligible employees for further studies to attain higher academic qualifications through full-time, part-time, correspondence, and short courses. One employee was on full-time study leave overseas, while three will be on study leave with pay from January 2026.

Being an established central bank amongst the South Pacific central banks, the RBF receives secondment opportunities from time to time. At the end of the review year, two employees were on secondment—one at the IMF

Resident Representative Office in Suva (Fiji), and the other at the IMF Headquarters in Washington DC.

Retention

In response to the significant increase in employee turnover post-COVID, which was exacerbated by the easing of visa requirements to Australia and New Zealand over 2022-2024, the Bank had to review retention strategies to ensure that technical position holders reconsider their positions in the Bank before seeking to leave.

Compensation levels were reviewed to match the upper expectations of the market. A progressive technical 'position in range' (PIR) was approved for relevant promotion of senior officers, and additional staff complements added to ease workloads in certain technical areas.

Retention continued to be supported by timely performance appraisals aligned to adequate compensation on 'over and above' performance assessments.

Culture

The Bank's culture has always been guided by its established organisational values. Under the Strategic Plan 2024-2029, the Bank's values have been slightly amended after 20 years, to emphasise the following:

- Teamwork
- Respect
- Unwavering Focus;
- Stewardship; and
- Transparency and Integrity.

As a central bank, the RBF considers a priority the maintenance of a culture that positively shapes both individual and organisational identity, influences behaviour, and provides a sense of belonging and purpose.

Workplace culture training has been revived with a 3-day session conducted by an Australian-based consultant during the year, with plans to conduct such awareness session every 6 months for selected groups of employees, and complement ongoing culture discussions at all levels.

Employment Relations

The Bank continues to maintain a cordial and constructive relationship with the Fiji Bank and Finance Sector Employees Union and remains actively engaged with Union representatives on matters pertaining to the Log of Claims.

Following collaborative discussions, the Salary Successor Agreement for the financial years 2025 to 2028 was formally signed in July 2025. The agreement has been registered with the Arbitration Court pursuant to Section 191v(6) of the Employment Relations Act, thereby affirming its legal validity and enforceability.

This outcome reflects the Bank's ongoing commitment to transparent dialogue, equitable employment practices, and long-term workforce stability.

Labour Management Consultative Cooperation

In accordance with Section 9(3) of the Employment Relations Promulgation No. 36 of 2007, the Bank is required to establish a Labour Management Consultation and Cooperation Committee, which serves as a formal platform for meaningful consultation, cooperation, and the exchange of workplace information, aimed at fostering good faith employment relations and enhancing productivity.

The Committee comprises of seven management and seven staff representatives and convened four meetings during the year.

Health & Safety in the Workplace

The Bank remains committed to providing and maintaining a safe and healthy working environment for all employees and visitors.

During the 2024-25 FY, the Occupational Health and Safety (OHS) Committee convened four times to review safety protocols, address workplace concerns, and oversee compliance with regulatory standards. The Bank continued to deliver targeted OHS-related training, including modules on Occupational Health and Safety awareness, First Aid certification, Fire Warden responsibilities, and emergency response procedures.

In addition, regular safety audits were supported by upgraded fire safety equipment, and enhanced workplace ergonomics within selected Groups. These initiatives reflect the RBF's proactive commitment to fostering a culture of safety and well-being across all operational areas.

Service Recognition

The Governor's Service Recognition and Long Service Loyalty Award honours dedicated, long-standing, and meritorious service to the RBF.

In the 2024-25 FY, ten employees marked 15 years of service, two achieved 20 years, two achieved 25 years, another two commemorated 30 years, and one employee celebrated 35 years of dedicated service.

In addition to these milestones, other awards recognising outstanding performance were presented by the Governor and Chief Managers during the year.

25 years

Mr Tevita Gade
Mr Paponi Kafoa

30 years

Ms Vilimaina Ketenilagi
Ms Lavenia Cocker

35 years

Ms Caroline Waqabaca

Management Remuneration as at 31 July 2025

Remuneration for the Governor is set and approved by the Constitutional Offices Commission. For the Executive Management and Managers, review and approval of the remuneration package is vested with the BGC. The Executive Management and other management staff are employed on an individual contract basis and are remunerated in line with the market (Table 27). This is determined by the annual PwC³⁹ Banking and Finance Sector Market Survey. The last market adjustments were made in August 2024.

Table 27: Management Remuneration as at 31 July 2025

Total Cash Remuneration	Staff Numbers
i. \$391,600	1
ii. \$332,097	1
iii. \$225,542	6
iv. \$76,594 - \$127,575	27
(i) - (iii) Executive Management. (iv) Other Management staff.	

Source: Reserve Bank of Fiji



³⁹ PwC in Fiji transitioned to Grant Thornton on 7 December 2024.

Box Item 4

Advancing Fiji's Digital Future – National Digital Identity (NDID) Initiative

Fiji is making substantial progress in its digital transformation journey through the development of the NDID initiative. Currently in its design and planning phase, NDID is a key component of the government's digital transformation vision. Its goal is to provide every Fijian, whether in urban centres or remote islands, with a secure and unified digital identity. This will make it easier, faster, and more inclusive for people to access government and private sector services.

The programme was formally endorsed by Cabinet on 18 June 2024, at which time RBF was selected as the lead implementation agency. With technical support from the Asian Development Bank, Fiji has developed a clear implementation roadmap and established a strong governance structure. This includes a four-tier framework led by a Steering Committee co-chaired by the Deputy Prime Ministers and the Governor of the Reserve Bank of Fiji, ensuring high-level oversight and accountability.

NDID is expected to bring real, everyday benefits to people across the country. It will help Fiji meet global security standards, boosting the country's digital reputation. For individuals, it means easier access to services such as social benefits, healthcare, education, banking, and government support. It will also simplify how businesses and service providers verify identities, making processes faster and more secure. Over time, NDID will support better data collection, helping improve service delivery and laying the foundation for a stronger digital economy.

Several high-impact use cases are already being prioritised. These include:

- **Electronic Know Your Customer (e-KYC):** Helping banks and service providers verify customer identities quickly and securely.
- **Social Protection:** Ensuring faster and more accurate delivery of welfare support.
- **Healthcare:** Enabling quicker access to health records and services from any location.
- **Education and Employment:** Speeding up ID checks for school enrolment and job applications.
- **Civil Registration Integration:** Linking NDID with the birth registration system to ensure secure and up-to-date identity records.

Fiji's efforts are part of a broader global movement. Over 90 countries have adopted foundational digital ID systems to improve service delivery and promote digital inclusion. In the Pacific and beyond, several countries have taken major steps, including Papua New Guinea, New Zealand, Samoa, Australia, Kiribati, and others. These developments reflect a growing recognition of digital identity as a key enabler of inclusive development, efficient governance, and a resilient digital economy. In addition, studies, including one by McKinsey Global Institute, demonstrate that well-implemented digital ID systems can increase a country's GDP by 3 to 7 percent, making Fiji's NDID a strategic driver of economic growth and global digital integration.

SELECTED EVENTS

AUGUST 2024 TO JULY 2025

01 AUG

The RBF in collaboration with SUN Insurance Company Ltd and Tower Insurance partnered with InsuResilience Solutions Fund to enhance financial resilience among vulnerable communities

27 AUG

The RBF with ADB hosted the code signing ceremony by Kontiki Finance, Home Finance Company and the Sugar Cane Growers Fund for WE-Fi

02-05 SEP

RBF officials attended the AFI Global Policy Forum in El Salvador

01-02 OCT

The RBF in collaboration with the Fiji Government and ADB hosted an Inception workshop for the National Digital Identification Project

04 OCT

The ADB partnered with the RBF to support the development and implementation of a National ID and eKYC Program

14 OCT

The RBF launched the integration of mobile money wallets with bank accounts and Mobile Network Operators into FIJICLEAR

21-26 OCT

RBF officials attended the 2024 Annual Meetings of the International Monetary Fund and the World Bank Group

05-11 NOV

2024 IMF Staff Visit to Fiji

18-21 NOV

RBF officials meet with the business community in the Western and Northern Division

28-29 NOV

The RBF hosted the 39th South Pacific Central Bank Governors Meeting in Nadi

30 NOV

The RBF sponsored the Excellence in Fisheries Award for the 2024 Prime Minister's Excellence Award

05 DEC

The RBF, ADBI and APAEA hosted the joint workshop on Monetary Policy and Central Banking Issues in Asia and the Pacific

18-21 FEB

RBF officials meet with the business community in the Western Division

05 MAR

The RBF collaborated with the UNCDF and PDEP to establish an Innovation Hub for local tech start ups

12-25 MAR

Article IV IMF Mission

28 MAR

AFI opened a Pacific Islands workspace hosted by the RBF

04 APR

RBF officials attended the Launch of Fiji's National Digital Strategy 2025 – 2030

04-07 MAY

RBF officials attended the 58th ADB Annual Meeting

03-06 JUN

RBF officials attended the 12th Pacific Islands Regional Initiative meeting in Samoa

28 JUN

Global Green Growth Institute (GGGI)'s Joint Peer Learning Experience - Study Tour

10-11 JUL

2025 Pacific Financial Technical Assistance Centre Meeting

THE YEAR AHEAD

The Reserve Bank is committed to delivering its strategic priorities as outlined in the 2024 - 2029 Strategic Plan to ensure that the Bank is Progressive and a Resilient Central Bank, Trusted by its people.

Strategic Direction

The Bank's Strategic Plan will continue to be rolled out during the FY ensuring alignment of all processes in the Bank to the themes and priorities of the plan to achieve the overall vision of the Bank.

Macroeconomic Stability, Financial Stability & Currency Management

The review of the monetary policy framework will be a major output in the next financial year including various aspects relating to strategy and monetary policy communication. In terms of foreign reserves management, the FX market conduct policy will be rolled out while market monitoring will continue.

Strengthening of the regulatory role of the RBF will continue, with the planned issuance of several prudential standards.

The readiness status of the insurance industry and the RBF will be finalised as IFRS 17 becomes effective in Fiji. Plans are also in place for the review of existing policies such as the fit and proper requirements for responsible persons of licensed entities while preparation for the APG Mutual Evaluation Exercise will be prioritised.

In ensuring that currency issued in Fiji is of high quality, work will continue towards the currency review exercise while continuing to meet all currency demands and efficient management of stock.

The Bank is expected to launch and release the banknotes into circulation by the end of this year.

Institutional Governance & Risk Management

The Bank will ensure that the robustness of its governance framework is maintained as it directly safeguards trust in the Bank's ability to undertake its central banking role in Fiji. Monitoring of risks arising from changes in the Bank's external and internal environment will continue. There will be review of internal policies and guidelines, quarterly testing of the Business Resumption Site and internal audit reviews will be facilitated together with internal assurance checks.

Mitigation against legal risks to RBF will continue as it is critical to the safeguarding of the Bank's reputation.

Communications & Relationship Management

Collaborative efforts with various Government agencies and other

stakeholders will continue particularly for the National Digital ID project. The Bank will ensure to create awareness about its role with innovative videos and will commence work on the upgrade of the RBF website.

People & Culture

Review of HR policies will be undertaken with a focus on supporting the establishment of a robust people and culture framework.

Talent retention is a key focus with relevant strategies put in place for critical roles and grades. Learning and development plans will be put in place and formalising a succession planning process for the Bank was initiated with further refinements to be made in the new year. More specific work is also planned for building the Bank's people and culture framework through the use of people analytics for informed decision making and strategies to manage the changing dynamics of the Bank's workforce.

Sustainable and Resilient Central Bank

In maintaining a safe and secure workplace, the Bank will invest in relevant upgrades for its buildings and infrastructure, such as the Bank's building services upgrade project. As it works on the visibility of its

commitment to sustainability and climate risk management, the Bank established the new Climate Change Unit to be the central point of liaison with development partners & relevant stakeholders and ensure the Bank's compliance with requirements of the Climate Change Act 2021.

Sustainable and Inclusive Financial Sector

Further work on development policy models for Fiji's financial system will be undertaken and the RBF will continue to advance the implementation of the NFIS 2022-2030, through the NFIT and its four working groups. This includes commitments made towards the We-Fi code, AFI's Maya Commitments and efforts towards achieving the objectives set under the Natadola Roadmap to Inclusive Green Finance in the Pacific.

IT & Cyber Risk Management

IT and cyber risk management will continue to be a key focus of the Bank and projects such as swift ISO migration, implementation of the Information Security Framework and annual VAPT.

While the Bank continues to reinforce a culture of innovation, it is also essential that various digital initiatives

are effectively assessed for risks. To manage IT risks effectively, the Bank's network systems and infrastructure will continue to be strengthened to mitigate vulnerabilities. The ongoing monitoring by the cybersecurity service provider is considered critical for the management of cyber risk at the Bank.

Technology Driven Processes and Outcomes

The Bank will continue with the automation of internal workflows in its efforts to streamline processes and improve operational efficiency. The Bank will prudently look towards operationalisation of AI use cases, including the exploration of Agentic AI, enhancing productivity and engagement across teams.

Work will also continue across the Bank's cloud ecosystem, including online email, information access, device compliance and cloud security enhancements, to ensure secure and scalable digital as well as strengthen the Bank's incident response capabilities.

In line with its data strategy, there will be work on data analytics and warehousing, leveraging modern tools and best practices to enhance analytical capabilities and

support evidence-based policy and operational decisions.

Operational efficiency will be further improved through the implementation of automated solutions for device setup, software deployment and system management.

Innovation with Risk Management

Work commenced on the National Digital ID and QR Code Standardisation projects. It is critical to build momentum in the next year to ensure successful completion of the project within the timelines. Drafting legislation and seeking relevant approvals to enable the National ID is a key priority and important milestones as such extensive consultations need to be achieved.

As part of its ongoing efforts to improve the national payment system, the RBF will continue to work towards achieving full interoperability for payments between accounts of banks and mobile money service providers over the ACH. Additionally, the RBF will also transition its SWIFT system to ISO 20022 standards, which conforms to global best practices for secure, adaptable and efficient international payments.

As part of Fiji's broader digital transformation efforts, the RBF, in partnership with the ADB, launched a national QR code standardisation initiative to promote seamless and secure digital payments. By establishing a unified framework for QR-based transactions, the program aims to ensure interoperability across financial service providers

while advancing financial inclusion, particularly for merchants and consumers in underserved communities. It also reinforces consumer protection and aligns with the objectives of the National E-Commerce Strategy 2025–2029.

Moving forward, the initiative will focus on expanding interoperability,

accelerating merchant adoption, strengthening cybersecurity, and integrating with national digital and e-commerce policies, laying the groundwork for a more inclusive and connected digital economy.

Box Item 5

Climate-Related Financial Risks

The Reserve Bank's Strategic Plan 2024-29, strategic theme no.2 of 'Promoting Sustainability and Inclusion' outlines two priority areas; to accomplish both a sustainable and resilient central bank, and a sustainable and inclusive financial sector. The deliverables within these priority areas include integrating climate-related risks into the Reserve Bank's mandate of maintaining price, economic, and financial stability.

On 03 February 2025, the Reserve Bank demonstrated its commitment by being visible with its efforts to ensure the resilience of the financial system, integrating climate risks into its macroeconomic modelling, greening its operations and promoting sustainability through the establishment of its Climate Change Unit (CCU). The CCU purports to support the effective delivery of climate-related Bank-wide outputs and ensure the Bank's compliance with the Climate Change Act 2021. Moreover, the CCU acts as the central coordinating point for the Bank in all internal and external stakeholder liaison and awareness.

The Reserve Bank Board noted the finalisation of the Bank's Climate Action Plan 2024-29 (CAP), outlining deliverables by priority and assigned completion timelines ranging from 3 to 24 months, beginning 01 August 2025. The CCU will prepare a six-monthly progress report on the CAP for the Executive Management and Board (beginning February 2026). The CAP outlines the development of the Green Finance Taxonomy and review of Fiji's Sustainable Finance Road Map, and the formulation of the Environmental, Social Risk Management Guidelines and Climate-Related Financial Risk Supervision Policy Statement for supervised entities. In terms of greening the Bank's operations, work on integrating climate risk analytics into its macroeconomic modelling has commenced, as well as strengthening its investments to ensure that they are sustainable and feature ESG characteristics. To support its commitment to being visible in its efforts, the Reserve Bank is also reviewing its operations, practices, processes, procedures and infrastructure.

To ensure the effective implementation of the CAP, 'Climate Co-ordinators' have been appointed, collectively forming the Bank's 'Climate Task Force', which holds meetings at least once every six months. To further support the roll-out of climate-related and sustainable initiatives and/or staff-related activities, each Group has an appointed 'Climate Champion'.

As the Reserve Bank remains committed to enhancing its response to the climate agenda and integrating comprehensive sustainability measures, work in this area is expected to continue evolving.

Financial Statements

For the year ended 31 July 2025

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Reserve Bank of Fiji Financial Statements For the year ended 31 July 2025

Directors' report

The Directors present their report together with the financial statements of the Reserve Bank of Fiji ("the Bank") for the year ended 31 July 2025 and the auditor's report thereon.

Directors

The Directors in office during the financial year and at the date of this report were:

- Ariff Ali (Chairman and Governor);
- Shiri Krishna Gounder;
- Nikita Patel (appointed on 14 February 2021 and reappointed on 14 February 2024);
- Bobby Naimawi (appointed on 14 February 2021 and reappointed on 14 February 2024);
- Peni Sikivou (appointed on 01 February 2024);
- Ashnita Deo Kisun (appointed on 01 April 2024); and
- Fantasha Lockington (appointed on 09 June 2024).

State of affairs

In the opinion of the Directors:

- there were no significant changes in the state of affairs of the Bank during the financial year under review not otherwise disclosed in this report or the financial statements; and
- the accompanying statement of financial position gives a true and fair view of the state of affairs of the Bank as at 31 July 2025 and the accompanying statement of comprehensive income, statement of changes in equity and statement of cash flows give a true and fair view of the results, changes in equity and cash flows of the Bank for the year then ended.

Principal activities

The Reserve Bank's role as a central bank, as defined in the Reserve Bank of Fiji Act, 1983, is:

- (a) to regulate the issue of currency and the supply, availability, and international exchange of money;
- (b) to promote monetary stability;
- (c) to promote a sound financial structure;
- (d) to foster credit and exchange conditions conducive to the orderly and balanced economic development of the country;
- (e) to regulate the insurance industry; and
- (f) to regulate the capital markets and the securities industry.

Operating results

The net profit of the Bank for the year ended 31 July 2025 was \$146.2m (2024: \$135.5m).

Reserves

In accordance with Section 8(1) of the Reserve Bank of Fiji Act, 1983, the Minister for Finance and the Board of Directors have agreed to transfer \$1.0m (2024: \$1.0m) to the General Reserves as at the end of the financial year.

External reserves

Under the provisions of Section 31 of the Reserve Bank of Fiji Act, 1983, the value of the External Reserves provided for in Section 30 shall not be less than 50% of the total Demand liabilities of the Bank. At 31 July 2025, the value of the External Reserves was 73% (2024: 71%) of total Demand liabilities.

**Reserve Bank of Fiji
Financial Statements
For the year ended 31 July 2025**

Directors' report - continued

Payable to the Fiji Government

In accordance with the Reserve Bank of Fiji Act, 1983, the following amounts totalling \$146.0m for the year ended 31 July 2025 (2024: \$136.2m) are payable to the Fiji Government:

- Section 8(3): Net profit after transfer to General Reserves - \$145.2m for the year ended 31 July 2025 (2024: \$134.5m); and
- Section 34(3): One-fifth balance of Revaluation Reserve account - foreign currency - \$0.8m (2024: \$1.7m).

Bad and doubtful debt

The Directors took reasonable steps before the financial statements of the Bank were prepared to ascertain that all known bad debts were written off and adequate allowance was made for doubtful debts. At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad debts, or the amount of the provisions for doubtful debts, inadequate to any substantial extent.

Provisions

In relation to allowance for impairment losses, an additional provision of \$1.0m was recorded during the financial year in accordance with the requirements of IFRS 9.

Significant events during the year

There has not arisen during the financial year any item, transaction or event of a material and unusual nature that significantly affected the operations of the Bank. The Bank has carefully considered the impact of global economic uncertainties in preparing its financial statement for the year ended 31 July 2025.

Assets

The Directors took reasonable steps before the Bank's financial statements were made out to ascertain that the assets of the Bank were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of business. At the date of this report, the Directors were not aware of any circumstances which would render the values attributable to the assets in the financial statements misleading.

Directors' benefit

Other than Directors remuneration and benefits disclosed in the financial statement, no Director of the Bank has, since the end of the previous financial year, received or become entitled to receive any other benefit by reason of contract made by the Bank with the Director or with a firm of which the Director is a member, or with a company in which the Director has substantial financial interest.

Events subsequent to balance date

There has not arisen in the interval between the end of the period and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the Directors of the Bank, to affect significantly the operations of the Bank, the results of those operations, or the state of affairs of the Bank, in future financial periods.

**Reserve Bank of Fiji
Financial Statements
For the year ended 31 July 2025**

Directors' report - continued

Other circumstances

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report, or financial statements which render the amounts stated in the financial statements to be misleading.

Dated at Suva this 17th day of September 2025.

Signed in accordance with a resolution of the Board of Directors:



Ariff Ali
Chairman of the Board and Governor



Bobby Naimawi
Director

**Reserve Bank of Fiji
Financial Statements
For the year ended 31 July 2025**

Statement by Directors

In the opinion of the Directors:

- (a) the accompanying statement of comprehensive income is drawn up so as to give a true and fair view of the results of the Bank for the year ended 31 July 2025;
- (b) the accompanying statement of changes in equity is drawn up so as to give a true and fair view of the changes in equity of the Bank for the year ended 31 July 2025;
- (c) the accompanying statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Bank as at 31 July 2025;
- (d) the accompanying statement of cash flows is drawn up so as to give a true and fair view of the cash flows of the Bank for the year ended 31 July 2025;
- (e) at the date of this statement, there are reasonable grounds to believe that the Bank will be able to pay its debts as and when they fall due;
- (f) all related party transactions have been adequately recorded in the books of the Bank; and
- (g) the financial statements have been properly prepared in accordance with the IFRS Accounting Standards ("IFRS") except as stated in Note 2(a) to the financial statements. In accordance with the provisions of Section 34 of the Reserve Bank of Fiji Act, 1983, foreign exchange gains or losses are credited or charged directly to the Revaluation reserve account - foreign currency and are not included in the computation of annual profits or losses of the Bank. This is incongruent with International Accounting Standard 21 ("IAS 21") *"Effects of Changes in Foreign Exchange Rates"* which requires that currency translation gains and losses be credited or charged to profit or loss.

In the opinion of the Directors, the accounting treatment adopted is appropriate in view of the requirement of Section 34 of the Reserve Bank of Fiji Act, 1983. Had the Bank adopted IAS 21 there would have been a net profit of \$143.7m, a decrease of \$2.5m being the currency translation loss for the year ended 31 July 2025.

For and on behalf of the Board of Directors by authority of a resolution of the Directors this 17 day of September 2025.



Ariff Ali
Chairman of the Board and Governor



Bobby Naimawi
Director

Independent Auditor's Report

To the Board of Directors of the Reserve Bank of Fiji Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of the Reserve Bank of Fiji (the 'Bank'), which comprise the statement of financial position of the Bank as at 31 July 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 July 2025, and of its financial performance and cash flows for the year then ended in accordance with the accounting policies described in Note 2 of the financial statements and in the manner required by the Reserve Bank of Fiji Act, 1983 ("the Act").

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.

Emphasis of Matter

We draw attention to Note 2 (a) of the financial statements which refers to the reporting framework and policy on the treatment of exchange gains and losses and its variance with IAS 21 "Effect of changes in Foreign Exchange Rates". Our opinion is not qualified in respect of this matter.

Independence

We are independent of the Bank in accordance with the ethical requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements in Fiji, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Other Information

Directors and management are responsible for the other information. The other information comprises the information included in the Bank's Annual Report for the year ended 31 July 2025 (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Fiji Partnership is an affiliate of Grant Thornton New Zealand Limited, a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. In the Fiji context only, the use of the term 'Grant Thornton' only refers to Grant Thornton Fiji.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard, except that not all other information was available to us at the date of our signing.

Responsibilities of Directors and Management for the Financial Statements

Directors and management are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards with the requirements of the Reserve Bank of Fiji Act, 1983, and for such internal control as the directors and management determine 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, the directors and management are responsible for assessing the Bank'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 the directors and management either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

The directors and management are responsible for overseeing the Bank's financial reporting process.

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 the 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 the financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism 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 Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors and management.
- Conclude on the appropriateness of the directors' and 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 Bank'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

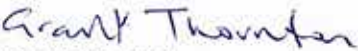
such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- 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 directors and management 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.

Restriction on Use

This report is made solely to the Board of Directors of the Reserve Bank of Fiji. Our audit work has been undertaken so that we might state to the Board of Directors 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, we do not accept or assume responsibility to anyone other than the Bank and the Bank's Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.


Grant Thornton
Chartered Accountants


Kaushick Chandra
Partner
17 September 2025
Suva, Fiji

Reserve Bank of Fiji
Statement of comprehensive income
For the year ended 31 July 2025

	Note	31 July 2025 \$000	31 July 2024 \$000
Income			
Interest income	4(a)	194,796	184,187
Other revenue	4(b)	6,557	5,070
Total income		201,353	189,257
Expenses			
Interest expense	4(c)	(16,187)	(20,008)
Administration expenses	4(d)	(29,094)	(25,902)
Other expenses	4(e)	(8,943)	(7,252)
Expected credit losses expense	4(f)	(963)	(541)
Total expenses		(55,187)	(53,703)
Net profit for the period		146,166	135,554
Other comprehensive income			
Amortisation of fair value reserve		(334)	(565)
Change in fair value of financial assets		10,033	28,930
Asset revaluation reserve movement	19	7,256	543
Currency translation losses		(2,513)	(125)
Total other comprehensive income		14,442	28,783
Total comprehensive income for the period		160,608	164,337

Reserve Bank of Fiji
Statement of changes in equity
For the year ended 31 July 2025

	Paid-up capital	General reserves	Revaluation reserve account -foreign currency	Fair Value reserve	Asset revaluation reserve	Retained earnings	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 August 2023	2,000	46,050	8,509	(24,910)	30,638	-	62,287
Total comprehensive income for the year							
Net profit	-	-	-	-	-	135,554	135,554
Transfer to General reserves (Note 19)	-	1,000	-	-	-	(1,000)	-
<u>Other comprehensive income/(losses)</u>							
Amortisation of fair value reserve	-	-	-	(565)	-	-	(565)
Change in fair value of financial assets	-	-	-	28,930	-	-	28,930
Asset revaluation reserve movement (Note 19)	-	-	-	-	543	-	543
Net losses arising from currency translation differences	-	-	(125)	-	-	-	(125)
Total other comprehensive income/(losses)	-	-	(125)	28,365	543	-	28,783
Total comprehensive income/(losses) for the year	-	1,000	(125)	28,365	543	134,554	164,337
	2,000	47,050	8,384	3,455	31,181	134,554	226,624
<u>Transactions with owners, recorded directly in equity</u>							
Payable to the Fiji Government (Note 13)	-	-	(1,677)	-	-	(134,554)	(136,231)
Balance at 31 July 2024	2,000	47,050	6,707	3,455	31,181	-	90,393

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 85 to 117.

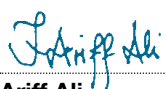
Reserve Bank of Fiji
Statement of changes in equity - continued
For the year ended 31 July 2025

	Paid-up capital	General reserves	Revaluation reserve account -foreign currency	Fair Value reserve	Asset revaluation reserve	Retained earnings	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 August 2024	2,000	47,050	6,707	3,455	31,181	-	90,393
Total comprehensive income for the year							
Net profit	-	-	-	-	-	146,166	146,166
Transfer to General reserves (Note 19)	-	1,000	-	-	-	(1,000)	-
<u>Other comprehensive income/(losses)</u>							
Amortisation of fair value reserve	-	-	-	(334)	-	-	(334)
Change in fair value of financial assets				10,033	-	-	10,033
Asset revaluation reserve movement (Note 19)	-	-	-	-	7,256	-	7,256
Net losses arising from currency translation differences	-	-	(2,513)	-	-	-	(2,513)
Total other comprehensive income/(losses)	-	-	(2,513)	9,699	7,256	-	14,442
Total comprehensive income/(losses) for the year	-	1,000	(2,513)	9,699	7,256	145,166	160,608
	2,000	48,050	4,194	13,154	38,437	145,166	251,001
<u>Transactions with owners, recorded directly in equity</u>							
Payable to the Fiji Government (Note 13)	-	-	(839)	-	-	(145,166)	(146,005)
Balance at 31 July 2025	2,000	48,050	3,355	13,154	38,437	-	104,996

Reserve Bank of Fiji
Statement of financial position
As at 31 July 2025

	Note	31 July 2025 \$000	31 July 2024 \$000
Foreign currency assets			
Short-term commercial paper and current accounts	5	855,181	859,698
Marketable securities	5	2,508,312	2,232,910
Gold	5	6,248	4,598
Accrued interest		23,599	27,676
International Monetary Fund			
- Reserve tranche position	5/20	77,945	75,670
- Special drawing rights	5/20	430,203	420,960
- PRGF - HIPC Trust	20	603	590
- Currency subscription	20	227,772	223,384
Total foreign currency assets		4,129,863	3,845,486
Local currency assets			
Cash and cash equivalents	17	4,351	3,134
Domestic securities	6	717,922	716,989
Financing facilities	7	781,411	836,878
Currency inventory	8	5,512	10,793
Other assets	9	15,369	15,371
Intangible assets	10	4,245	5,014
Property, plant and equipment	11	42,177	37,352
Total local currency assets		1,570,987	1,625,531
Total assets		5,700,850	5,471,017
Foreign currency liabilities			
Demand deposits	12	306	82
IMF - PRGF - HIPC Trust	20	603	590
IMF - Special drawing rights allocation	20	501,470	490,542
Total foreign currency liabilities		502,379	491,214
Local currency liabilities			
Demand deposits	12	2,264,963	2,251,977
Payable to the Fiji Government	13	146,005	136,231
Currency in circulation	14	1,128,028	1,061,693
Statutory reserve deposits		1,306,358	1,194,895
IMF - Notes currency subscription	20	227,008	222,641
Employee entitlements	15	4,266	3,851
Other liabilities	16	16,847	18,122
Total local currency liabilities		5,093,475	4,889,410
Total liabilities		5,595,854	5,380,624
Net assets		104,996	90,393
Capital and reserves			
Paid-up capital	18	2,000	2,000
General reserves	19	48,050	47,050
Revaluation reserve account - foreign currency	19	3,355	6,707
Fair value reserve	19	13,154	3,455
Asset revaluation reserve	19	38,437	31,181
		104,996	90,393

Signed in accordance with the resolution of the Board of Directors:



Ariff Ali
Chairman of the Board and Governor



Bobby Naimawi
Director

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 85 to 117.

Reserve Bank of Fiji
Statement of cash flows
For the year ended 31 July 2025

	Note	31 July 2025 \$000	31 July 2024 \$000
Operating activities			
Rental lease income		466	476
Numismatic sales		1,163	413
Interest received		183,290	174,550
Other income		3,666	3,893
Interest paid		(4)	(3)
New currency and numismatic payments		(25)	(1,582)
Administration and other expenses		(30,777)	(22,215)
Net movement of short-term commercial paper		129,688	(59,216)
Net movement in fixed term deposits		194,194	249,938
Net movement in International Monetary Fund accounts		(510)	(507)
Net movement of domestic securities		(2,337)	(19,180)
Cash flows from operating activities		478,814	326,567
Investing activities			
Proceed from disposal of property, plant and equipment		47	-
Payment for property, plant and equipment and intangibles		(1,257)	(1,991)
Net movement of bonds		(458,445)	(265,956)
Net movement in financing facilities		55,174	192,997
Cash flows used in investing activities		(404,481)	(74,950)
Financing activities			
Net movement in demand deposits		12,986	(323,488)
Payment to the Fiji Government		(136,231)	(103,363)
Net movement in currency in circulation		66,335	45,935
Net movement in statutory reserve deposits		111,463	58,600
Cash flows from/(used in) financing activities		54,553	(322,316)
Net effect of currency translation		(2,513)	(125)
Net increase/(decrease) in cash and cash equivalents		126,373	(70,824)
Cash and cash equivalents at the beginning of the period		283,378	354,202
Cash and cash equivalents at the end of the period	17	409,751	283,378

Reserve Bank of Fiji
Notes to and forming part of the financial statements
For the year ended 31 July 2025

1. Principal activities and principal place of operations

The Reserve Bank's role as a central bank, as defined in the Reserve Bank of Fiji Act, 1983, is:

- (a) to regulate the issue of currency and the supply, availability, and international exchange of money;
- (b) to promote monetary stability;
- (c) to promote a sound financial structure;
- (d) to foster credit and exchange conditions conducive to the orderly and balanced economic development of the country;
- (e) to regulate the insurance industry; and
- (f) to regulate the capital markets and the securities industry.

The Bank's principal place of operations is located at 1 Pratt Street, Suva, Fiji.

2. Statement of significant accounting policies and statutory requirements

(a) Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Reserve Bank of Fiji Act, 1983 and IFRS Accounting Standards (IFRS) except as detailed below.

The provisions of Section 34 of the Reserve Bank of Fiji Act, 1983 requires exchange gains and losses to be credited or debited directly to the Revaluation reserve account - foreign currency and not be included in the computation of annual profits or losses of the Bank. This is at variance with IAS 21 "*Effects of Changes in Foreign Exchange Rates*" which requires that currency translation gains and losses be credited or debited to profit or loss.

In accordance with Section 34, losses arising from exchange fluctuations are set off against any credit balance in the Revaluation reserve account - foreign currency; if such balance is insufficient to cover such losses, the Fiji Government is required to transfer to the ownership of the Bank non-negotiable non-interest-bearing securities to the extent of the deficiency. Any credit balance in the Revaluation reserve account - foreign currency at the end of each financial period is applied first, on behalf of the Fiji Government, to the redemption of any non-negotiable non-interest-bearing notes previously transferred to the Bank by the Fiji Government to cover losses and thereafter one-fifth of any remaining balance is paid to the Fiji Government.

In the opinion of the Directors, the accounting treatment adopted is appropriate in view of the requirement of Section 34 of the Reserve Bank of Fiji Act, 1983. Had the Bank adopted IAS 21 there would have been a net profit of \$143.7m for the year ended 31 July 2025 (2024: \$135.4m), a reduction of \$2.5m, being the net loss arising from currency translation differences (2024: a reduction of \$0.1m, being the net loss arising from currency translation differences).

2. Statement of significant accounting policies and statutory requirements - continued

(b) Basis of preparation

The financial statements have been prepared on a going concern basis. The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Bank’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements are disclosed in Note 3.

Reserve Bank of Fiji (“the Bank”) operates under the Reserve Bank of Fiji Act, 1983. The financial statements are prepared on the historical cost basis except for the following:

- those financial assets that are measured at fair value through other comprehensive income (FVOCI);
- financial assets are measured at amortised cost; and
- land and buildings are measured at fair value.

When estimating fair value, the Bank has considered the actual and potential impacts on the value of its investments from the global economic uncertainties. Where, in the judgement of the Bank, an investment has been temporarily impacted by this, the assessed value of the impact is deducted when deriving the fair value.

The accounting policies as set out below have been applied consistently and, except where there is a change in accounting policy, are consistent with those of the previous periods.

New Standards:

New and amended standards and interpretations

The Bank has adopted the following interpretations and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 August 2024: The adoption of the new amended standards and interpretations did not have a material effect on the Bank:

- Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates

Standards, amendments and interpretations issued but not yet effective

A number of new standards, amendments to standards and interpretations have been issued but not yet effective and have not been applied in preparing these financial statements.

New standards, amendments or interpretations	Effective date
<ul style="list-style-type: none"> Amendments to IFRS 9 - Financial Instruments and IFRS 7 Financial Instruments: Disclosures 	1 January 2026
<ul style="list-style-type: none"> IFRS 18 - Presentation and Disclosure in Financial Statements 	1 January 2027
<ul style="list-style-type: none"> IFRS 19 - Subsidiaries without Public Accountability: Disclosures 	1 January 2027

The Fiji Institute of Chartered Accountants (Regulatory Authority) has deferred the implementation of IFRS S1 and IFRS S2 in Fiji to 1 January 2026

The Bank does not intend to apply these standards, amendments, and interpretations until their effective dates as the impact of these standards, amendments, and interpretations on the financial statements of the Bank is not expected to be significant.

2. Statement of significant accounting policies and statutory requirements - continued

(c) Foreign currency transaction

Monetary assets and liabilities denominated in foreign currency balances have been translated to Fiji currency at rates of exchange ruling at period end. Transactions in foreign currencies are recorded in Fiji currency at the exchange rate applicable at the time of the transaction. As set out in Note 2(a) the gains or losses arising from foreign currency transactions are taken through other comprehensive income to the Revaluation reserve - foreign currency account.

(d) Functional currency

The financial statements are presented in Fijian dollars, which is the Bank's functional currency.

(e) Financial instruments

The Bank measures and classifies its financial instruments into three categories: amortised cost, fair value through other comprehensive income and fair value through profit or loss.

Valuation of financial instruments

All financial instruments are initially recognised at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the market at measurement date. The fair value of a financial instrument on initial recognition is the transaction price or the fair value of the consideration given or received. The fair value of financial instruments is measured on an individual basis.

(i) Financial instruments measured at amortised cost

Financial assets that are held to collect the contractual cash flows and which terms give rise on specified dates to cash flows that are solely payments of principal and interest are subsequently measured at amortised cost using effective interest method. Interest income and impairment are recognised in profit or loss. Any gains or loss on derecognition is recognised in profit or loss. Such financial assets include fixed deposits, financing facilities, discounted securities, domestic bonds, other assets, staff housing loans and cash at bank.

The carrying value of these financial assets at initial recognition includes any directly attributable transaction costs. If the fair value is less than the cash amount advanced, the difference is deferred and recognised over the life of the loan through the recognition of interest income and amortised over the life of the instrument using the effective interest method in profit or loss.

The Bank may commit to underwriting loans on fixed contractual terms for a specified period of time. When the loan arising from the lending commitment is expected to be held for trading, the commitment to lend is recorded as a derivative. When the Bank intends to hold the loan, the loan commitment is included in the impairment calculations set out below.

Non-trading reverse repurchase, repurchase and similar agreements

When debt securities are sold subject to a commitment to repurchase them at a predetermined price ('repos'), they remain on the balance sheet, as a liability is recorded in respect of the consideration received. Securities purchased under commitments to resell ('reverse repos') are not recognised on the balance sheet and an asset is recorded in respect of the initial consideration paid. Non-trading repos and reverse repos are measured at amortised cost. The difference between the sale and repurchase price or between the purchase price and the resale price is treated as interest and recognised as net interest income over the life of the agreement.

2. Statement of significant accounting policies and statutory requirements - continued

(e) Financial instruments - continued

(i) Financial instruments measured at amortised cost - continued

Non-trading reverse repurchase, repurchase and similar agreements - continued

Contracts that are economically equivalent to reverse repo or repo agreements (such as sales or purchases of debt securities entered in together with total return swaps with the same counterparty) are accounted for similarly to, and presented together with, reverse repo or repo agreements.

(ii) Financial assets measured at fair value through other comprehensive income

Financial assets held for a business model that is achieved by both collecting contractual cash flows and selling, which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at fair value through other comprehensive income ('FVOCI'). This comprises foreign bonds only. They are recognised at the trade date when the Bank enters into contractual arrangements to purchase and are derecognised when they are sold or redeemed. They are subsequently remeasured at fair value and changes therein (except for those relating to impairment and interest income) are recognised in other comprehensive income until the assets are sold. Upon disposal, the cumulative gains and losses in the comprehensive income are recognised in the income statement as 'Gains and losses from financial instruments'. Financial assets measured at FVOCI are included in the impairment calculations set out below and impairment is recognised in profit or loss.

(iii) Financial instruments designated at fair value through profit or loss

Financial instruments, other than those held for trading, are classified in this category if they meet one or more of the criteria set out below and are so designated irrevocably at inception:

- the use of the designation removes or significantly reduces an accounting mismatch;
- a group of financial assets or liabilities or a group of financial liabilities is managed, and its performance is evaluated on a fair value basis, in accordance with a risk management or investment strategy; and
- the financial liability contains one or more non-closely related embedded derivative.

Designated financial assets are recognised when the Bank enters into contracts with counterparties, which is generally on trade date, and are normally derecognised when the rights to the cash flows expire or are transferred. Designated financial liabilities are recognised when the Bank enters into contracts with counterparties, which is generally at settlement date, and are normally derecognised when extinguished. Subsequent changes in fair values are recognised in the income statement in "Net income from financial instruments held for trading on a fair value basis" or "Net income/ (expense) from assets and liabilities measured at fair value through profit or loss".

(iv) Financial assets: Business model assessment

The Bank makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities, or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management;

2. Statement of significant accounting policies and statutory requirements - continued

(e) Financial instruments - continued

(iv) *Financial assets: Business model assessment - continued*

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume, and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for recognition are not considered sales for this purpose, consistent with the Bank's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

(v) *Impairment of amortised cost and FVOCI financial assets*

Expected credit losses ('ECL') are recognised for staff housing loans, non-trading reverse repurchase agreements, other financial assets held at amortised cost and financial assets measured at FVOCI. At initial recognition, allowance (or provision in the case of loan commitments) is required for when there has not been a significant increase in credit risk since initial recognition. The ECL impairment provision is calculated from default events possible within the next 12 months. In the event of a significant increase in credit risk, allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument.

Measurement of ECL

The assessment of credit risk and the estimation of ECL are unbiased and probability-weighted and incorporate all available information that is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of the future events and economic conditions at the reporting date. In addition, the estimation of ECL should take into account time value of money.

In general, the Bank calculates ECL using three main components: a probability of default ('PD'), a loss given default ('LGD') and the exposure at default ('EAD'). The ECL is calculated by multiplying the PD, LGD and the EAD. The PD represents the probability of default occurring within the next 12 months over the lifetime of the instrument. The EAD represents the expected balance at default, taking into account repayment of principal and interest from the balance sheet date to the default event together with any expected drawdown of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The table below sets out how the value of the key drivers of the Bank's ECL model have been determined to meet the differing IFRS 9 requirements.

Reserve Bank of Fiji
Notes to and forming part of the financial statements
For the year ended 31 July 2025

2. Statement of significant accounting policies and statutory requirements - continued

(e) Financial instruments - continued

(v) Impairment of amortised cost and FVOCI financial assets - continued

Model	RBF	IFRS 9 Requirement
PD	<ul style="list-style-type: none"> Weighted average of global corporate bond annual default rates (35-year period) leveraged on the Bank's foreign investment portfolio. Sovereign ratings leveraged on the financial assets in the Bank's domestic portfolio. IMF financial assets categorised as extremely low risk foreign holdings. Staff loans and advance categorised as the riskiest of all the Bank's domestic holdings. Credit rating of the financial institution and the probability of defaults (PDs) associated with those credit rating is obtained from Standard & Poor's (S&P). The Bank identifies and calibrates the relationships between changes in default rates and changes in key macro-economic indicators. The key macro-economic indicators used are GDP growth rate, tourism earnings, Government debt and Government tax revenues published by the Bank, Fiji Bureau of Statistics and Government of Fiji. The Bank formulates three economic scenarios: a base case represents a most-likely outcome. The other scenarios represent more optimistic and more pessimistic outcomes. The scenario probabilities weightings applied to the PDs are as follows: <ul style="list-style-type: none"> Base – 60% Upside – 10% Downside – 30% 	<ul style="list-style-type: none"> Point in time (based on current conditions, adjusted to take into account future estimates that will impact PD).
EAD	<ul style="list-style-type: none"> Not lower than the carrying amount balance. 	<ul style="list-style-type: none"> Amortisation captured for financial instruments.
LGD	<ul style="list-style-type: none"> Basel III guidance assessments yielded rates of 10% - 30% for the financial assets in the Bank's foreign investment portfolio and 10% - 40% for the financial assets in the domestic commercial portfolios. LGDs for senior and subordinate exposures are extrapolated from the landed floor rates. 	<ul style="list-style-type: none"> Expected LGD (based on the estimate loss given default including the expected impact of future economic conditions such as changes in value of collateral). Discounted using the effective interest rate.

2. Statement of significant accounting policies and statutory requirements - continued

(e) Financial instruments - continued

(v) Impairment of amortised cost and FVOCI financial assets - continued

Period over which ECL is measured

Expected credit loss is measured from the initial recognition of the financial asset. The maximum period considered when measuring ECL is the maximum contractual period over which the Bank is exposed to credit risk. The total ECL is recognised in the loss allowance for the financial asset unless the total ECL exceed the gross carrying amount of the asset, in which case the ECL is recognised as a provision.

Derecognition of Financial Assets

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Financial liabilities

The Bank's financial liabilities are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of comprehensive income. The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Bank derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the statement of comprehensive income.

(f) Gold

Gold is valued at the market price ruling at period end. Revaluation gains and losses on gold due to change in fair value are transferred to asset revaluation reserve. Currency translation gains and losses on gold are transferred to the Revaluation reserve - foreign currency account.

(g) Numismatic items

The Bank sells or receives royalties on notes and coins which are specifically minted or packaged as numismatic items. These numismatic items have not been accounted for as currency in circulation as they are not issued for monetary purposes. In terms of Section 55(2) of the Reserve Bank of Fiji Act, 1983, the Minister for Economy has specified by notice made under the provisions of paragraph (b) of the provision to Section 31 of the Act that the Bank shall not be required to include the face value of these numismatic items in circulation in its financial statements. It is considered that no material liability will arise in respect of these numismatic items. All costs incurred in respect to production, other conversion and logistic costs are expensed when acquired and not capitalised as inventory.

(h) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, cash at bank or current accounts, and other short-term highly liquid investments with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in fair value and are used by the Bank in the management of its short-term commitments.

2. Statement of significant accounting policies and statutory requirements - continued

(i) Currency inventory

Currency inventory relates to notes and coins purchased for circulation and include the new notes and coins design series. The amount expensed in profit or loss is based on the cost of producing legal tender notes and coins that are issued for circulation and adjustments for write-offs relating to superseded design notes and coins series which are no longer considered to be legal tender. Currency costs is determined on a first-in, first-out basis. Costs include the cost of bringing inventories to their present location and condition.

(j) Demand deposits

Demand deposits representing funds placed with the Bank by financial institutions and other organisations are brought to account on a cost basis. Initially recognised at fair value minus incremental direct transaction costs, and subsequently measured at amortised cost using the effective interest method. These deposits are at call.

(k) Currency in circulation

The exclusive rights of national currency issue are vested with the Bank. Currency in circulation comprises notes and coins issued by the Bank and represent a claim on the Bank in favour of the holder. Currency in circulation relates to the issue of notes and coins and demonetised currency that has yet to be redeemed, less notes and coins redeemed. The liability for currency in circulation is recorded at face value in the statement of financial position.

(l) Property, plant and equipment

Recognition and measurement

Freehold land and buildings are measured at fair value, based on valuations by an independent registered valuer less subsequent depreciation and impairment losses. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation

Items of capital expenditure, with the exception of freehold land, are depreciated on a straight-line basis over the following estimated useful lives:

Buildings	50-60 years
Building improvements	5-15 years
Motor vehicles	6 years
Computers and equipment	4-5 years
Plant & machinery, equipment & furniture & fittings	5-10 years

Assets are depreciated from the date of acquisition. Expenditure on repairs and maintenance of property, plant and equipment incurred which does not add to future economic benefits expected from the assets is recognised as an expense when incurred.

Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Bank. Routine ongoing repairs and maintenance are expensed as incurred.

2. Statement of significant accounting policies and statutory requirements - continued

(m) Statutory reserve deposit

Under Section 40 of the Reserve Bank of Fiji Act, 1983, the Reserve Bank may specify the reserves required, by each financial institution, to be maintained against their deposits and other similar liabilities. The statutory reserve deposit is a direct monetary policy tool that is used from time to time to complement the RBF's market-based policy instrument. The last time the RBF changed the statutory reserve deposit was in 2010 when it was raised from 8.5% to 10%. These deposits are not at call.

(n) Intangible assets

Acquired intangible assets are initially recorded at their cost at the date of acquisition being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. Intangible assets with finite useful lives are amortised on a straight-line basis over the estimated useful lives of the asset being the period in which the related benefits are expected to be realised (shorter of legal duration and expected economic life). Amortisation rates and residual values are reviewed annually, and any changes are accounted for prospectively. The annual amortisation rate used for intangible assets is 25%.

(o) Impairment

The carrying amounts of the Bank's assets are reviewed periodically to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(p) Employee entitlements

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution pension plan

The Bank operates a defined contribution pension plan. The contribution payable to Fiji National Provident Fund is in proportion to the services rendered to the Bank by the employees and is recorded as an expense in profit or loss. Unpaid contributions are recorded as a liability.

Other long-term employee benefits

A liability for long-term benefit is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future salary increments, employee departures and periods of service. Expected future payments are discounted using interest rates on government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

2. Statement of significant accounting policies and statutory requirements - continued

(q) Income tax

The Bank is exempt from income tax in accordance with Section 57 of the Reserve Bank of Fiji Act, 1983.

(r) Revenue and expense recognition

Interest income and interest expense

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis.

Revenue from contracts with customer

Revenue from the sale of numismatic products is recognised at the point at which the product is accepted, and the contracted performance obligation is satisfied.

Income from financial instruments

Gains and losses realised from the sale of financial instruments are reflected in profit or loss at the time of transaction.

Other income

Rental income is brought to account as the performance obligations are satisfied over time. All rents are payable within a 30 day period.

All other income sources are generally brought to account as the performance obligations are satisfied at a point in time.

(s) Comparative figures

Where necessary, comparative figures have been reclassified or regrouped to conform to changes in presentation in the current period.

(t) Rounding

Amounts in the financial statements are rounded to the nearest thousand dollars unless otherwise stated.

3. Critical accounting estimates and judgements

Estimates and judgment are continually evaluated and based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Bank makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial period are as follows:

- Fair value measurement of financial assets accounted for at FVOCI – refer Note 22.
- Determination of expected credit losses for financial assets – refer to Note 2 (e) and Note 21(c).
- Valuation of properties – refer to Note 2 (l) and Note 11.

Reserve Bank of Fiji
Notes to and forming part of the financial statements
For the year ended 31 July 2025

4. Revenue and expenses	Note	31 July 2025 \$000	31 July 2024 \$000
(a) Interest income			
Overseas investments		136,808	121,550
International Monetary Fund		16,060	19,843
Domestic securities		39,919	40,634
Financing facilities		1,996	2,135
Staff loans		13	25
		<u>194,796</u>	<u>184,187</u>
(b) Other revenue			
Rent received		466	476
Numismatic sales		1,195	644
License and application fees		343	365
Foreign currency trading gains		3,078	3,262
Net gain on realisation of securities		1,110	52
Other miscellaneous income		365	271
		<u>6,557</u>	<u>5,070</u>
(c) Interest expense			
International Monetary Fund		16,183	20,005
Other		4	3
		<u>16,187</u>	<u>20,008</u>
(d) Administration expenses			
Staff costs		19,917	17,633
Other costs		9,177	8,269
		<u>29,094</u>	<u>25,902</u>
Total number of employees at period end		<u>227</u>	<u>208</u>
(e) Other expenses			
Depreciation	11	2,635	2,446
Amortisation of intangible assets	10	865	888
Auditor's remuneration			
- Audit fees		73	69
Board remuneration		59	31
Currency issue	8	5,295	3,796
Numismatic		16	22
		<u>8,943</u>	<u>7,252</u>
(f) Allowance for impairment losses			
Movement of the ECL provision during the year is as follows:			
<i>Foreign currency assets</i>			
Short term commercial paper and Current accounts		(15)	1
Marketable securities		(5)	(14)
Other assets		-	(3)
<i>Local currency assets</i>			
Domestic securities		679	399
Financing facilities		292	156
Other assets		12	2
		<u>963</u>	<u>541</u>

Reserve Bank of Fiji
Notes to and forming part of the financial statements
For the year ended 31 July 2025

5. External reserves	31 July 2025 \$000	31 July 2024 \$000
Short-term commercial paper	449,847	579,535
Current accounts	405,400	280,244
	855,247	859,779
Less: Allowance for impairment losses	(66)	(81)
	855,181	859,698
Marketable securities		
- Fixed term deposits	422,304	616,497
- Bonds	2,086,046	1,616,456
	2,508,350	2,232,953
Less: Allowance for impairment losses	(38)	(43)
	2,508,312	2,232,910
Gold	6,248	4,598
International Monetary Fund		
- Reserve tranche position	77,945	75,670
- Special drawing rights	430,203	420,960
	508,148	496,630
Total External reserves	3,877,889	3,593,836

Under the provisions of Section 31 of the Reserve Bank of Fiji Act, 1983, the value of the External reserves provided for in Section 30 shall not be less than 50% of the total Demand liabilities of the Bank. At 31 July 2025, the value of the External reserves was 73% (2024: 71%) of total Demand liabilities. The allowance for impairment losses is provided on the short-term commercial paper, current accounts, and marketable securities in accordance with the requirements of IFRS 9.

6. Domestic Securities

Domestic securities principally comprise of investment in the Fiji Government bonds and/or semi-governmental bonds.

During the year, \$0.7m was amortised (2024: \$0.9m) to interest income as per the Bank's policy in respect of securities held in the Domestic Bond Portfolio.

	31 July 2025 \$000	31 July 2024 \$000
<i>Movement of Hold-to-collect financial assets</i>		
Opening balance	718,053	699,745
Acquisitions	3,890	38,302
Redemptions	(1,553)	(19,122)
Amortisation	(725)	(872)
	719,665	718,053
Less: Allowance for impairment losses	(1,743)	(1,064)
Closing balance	717,922	716,989

An allowance for impairment losses has been provided on the Bank's domestic securities in accordance with the requirements of IFRS 9.

Reserve Bank of Fiji
Notes to and forming part of the financial statements
For the year ended 31 July 2025

7. Financing facilities	31 July 2025 \$000	31 July 2024 \$000
Import Substitution and Export Finance Facility (ISEFF)	335,835	369,600
Disaster Rehabilitation and Containment Facility (DRCF)	354,864	387,923
Housing Facility	91,473	79,824
	<u>782,172</u>	<u>837,347</u>
Less: Allowance for impairment losses	(761)	(469)
	<u>781,411</u>	<u>836,878</u>

The RBF has three financing facilities that have been approved by the Board with a total approved limit of \$1.2 billion as at 31 July 2025 (2024: \$1.2 billion) provided as back-to-back financing to various financial institutions at concessional rates of interest and varying maturities of up to 5 years. The aim of these facilities is to support import and export substitution businesses, assist businesses and homeowners affected by disasters, and COVID-19, and to assist first home buyers to own a home, respectively. Credit guidelines are determined by the financial institutions that tap into these facilities on behalf of their clients as ultimately, they bear the credit risk. The issue of new loans under the ISEFF is suspended and DRCF is closed. The allowance for impairment losses is provided on the Bank's financing facilities in accordance with the requirements of IFRS 9.

8. Currency inventory	31 July 2025 \$000	31 July 2024 \$000
<i>Movement of currency inventory</i>		
Opening balance	10,793	13,009
Consignments received	14	1,580
Currency issued	(5,295)	(3,796)
Closing balance	<u>5,512</u>	<u>10,793</u>

9. Other assets	31 July 2025 \$000	31 July 2024 \$000
Accrued interest	13,182	13,268
Prepayments and other receivables	1,910	1,812
Staff loans and advances	313	315
	<u>15,405</u>	<u>15,395</u>
Less: Allowance for impairment losses	(36)	(24)
	<u>15,369</u>	<u>15,371</u>

The allowance for impairment losses is provided on accrued interest and staff loan and advances in accordance with the requirements of IFRS 9.

10. Intangible assets	31 July 2025 \$000	31 July 2024 \$000
<i>Cost</i>		
Opening balance	10,764	10,544
Acquisitions	10	386
Disposals	-	(166)
Closing balance	<u>10,774</u>	<u>10,764</u>
<i>Accumulated amortisation</i>		
Opening balance	5,750	5,028
Amortisation charge for the period	865	888
Disposal	(86)	(166)
Closing balance	<u>6,529</u>	<u>5,750</u>
<i>Carrying amount</i>		
Opening balance	5,014	5,516
Closing balance	<u>4,245</u>	<u>5,014</u>

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10. Intangible assets - continued

Intangible assets include costs incurred in acquiring the Bank's computer software. Computer software is capitalised on the basis of costs incurred to acquire and bring to use the specific software.

11. Property, plant and equipment	Freehold land and buildings	Building Improvements	Motor vehicles	Computers and equipment	Plant & machinery, equipment & furniture & fittings	Work in progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cost/Valuation							
Balance at 1 August 2023	35,136	1,583	557	5,532	2,562	1,932	47,302
Additions	-	-	-	-	-	1,995	1,995
Transfers from work in progress	-	33	-	1,952	19	(2,004)	-
Transfer to intangible assets	-	-	-	-	-	(386)	(386)
Disposals	-	(62)	-	(430)	-	-	(492)
Balance at 31 July 2024	35,136	1,554	557	7,054	2,581	1,537	48,419
Balance at 1 August 2024	35,136	1,554	557	7,054	2,581	1,537	48,419
Additions	-	-	-	-	-	1,762	1,762
Transfers from work in progress	1,045	159	199	909	80	(2,392)	-
Transfer to intangible assets	-	-	-	-	-	(10)	(10)
Revaluation	6,226	-	-	-	-	-	6,226
Write-down on revaluation	(4,048)	(21)	-	-	(250)	-	(4,319)
Disposals	-	(10)	(160)	(252)	-	(442)	(864)
Balance at 31 July 2025	38,359	1,682	596	7,711	2,411	455	51,214
Accumulated depreciation							
Balance at 1 August 2023	1,837	1,262	397	3,631	1,986	-	9,113
Depreciation for the period	1,222	100	51	955	118	-	2,446
Depreciation on disposals	-	(62)	-	(430)	-	-	(492)
Balance at 31 July 2024	3,059	1,300	448	4,156	2,104	-	11,067
Balance at 1 August 2024	3,059	1,300	448	4,156	2,104	-	11,067
Depreciation for the period	1,321	83	61	1,046	124	-	2,635
Depreciation reversal-revaluation	(4,048)	(21)	-	-	(250)	-	(4,319)
Depreciation on disposal	-	(9)	(160)	(177)	-	-	(346)
Balance at 31 July 2025	332	1,353	349	5,025	1,978	-	9,037
Carrying amount							
Balance at 31 July 2023	33,299	321	160	1,901	576	1,932	38,189
Balance at 31 July 2024	32,077	254	109	2,898	477	1,537	37,352
Balance at 31 July 2025	38,027	329	247	2,686	433	455	42,177

In 2025, the Bank engaged independent registered valuers, Lomara Associates, to value its freehold land and buildings. A revaluation surplus of \$6.2 million was recognised as at 31 July 2025. The Level 3 valuations were based on the capitalisation of income approach using the Discounted Cash Flow method for the commercial properties, and the market approach for the residential property. In line with the Bank's policy, valuations are conducted every 3 years.

Reserve Bank of Fiji
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12. Demand deposits	31 July 2025 \$000	31 July 2024 \$000
Foreign		
International Monetary Fund	306	82
Local		
Banks' exchange settlement balances	2,180,700	2,128,567
Fiji Government	5,484	41,787
State NBF Trust account	1,180	1,180
International Monetary Fund	764	743
Other depositors	76,835	79,700
	<u>2,264,963</u>	<u>2,251,977</u>

State NBF Trust Account

In accordance with an agreement dated 12 September 1996 between the Fiji Government, the Reserve Bank of Fiji and NBF Asset Management Bank (NBF AMB), where the State established a trust account, known as the State NBF Trust Account, with the Reserve Bank of Fiji, on the basis, among other things, that all money in the trust account is the property of the Fiji Government at all times. The purpose of the State NBF Trust Account is to meet the obligations of the AMB.

The National Bank of Fiji Restructuring Act, 1996, provides that the State, the Reserve Bank of Fiji and AMB may at any time enter into one or more deeds, agreements, arrangements, and understandings relating to the performance by the State of its obligations under the guarantees of deposits with AMB. From 1 April 2007, under Section 30(2)(c)(i) of the Banking Act, 1995, Cabinet agreed that the Bank assume controllership and the ultimate winding down process of the AMB. It also permits the Bank to use money from the State NBF Trust Account to meet any controllership expenses.

13. Payable to the Fiji Government	31 July 2025 \$000	31 July 2024 \$000
Net profit for the year	146,166	135,554
Transfer to General reserve	(1,000)	(1,000)
One-fifth balance of 'Revaluation reserve account - foreign currency'	839	1,677
	<u>146,005</u>	<u>136,231</u>

The amount payable to the Fiji Government is made in accordance with Section 8(3) of the Reserve Bank of Fiji Act, 1983. The balance payable at 31 July 2024 was paid in full to the Fiji Government during the year.

14. Currency in circulation	31 July 2025 \$000	31 July 2024 \$000
Notes	1,043,165	982,795
Coins	84,863	78,898
	<u>1,128,028</u>	<u>1,061,693</u>

The exclusive rights of national currency issue are vested with the Bank. Currency in circulation comprises notes and coins issued by the Bank and represent a claim on the Bank in favour of the holder. Currency in circulation relates to the issue of notes and coins and demonetised currency that have yet to be redeemed, less notes and coins redeemed. The liability for currency in circulation is recorded at face value.

Reserve Bank of Fiji
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15. Employee Entitlements

Wages and Salaries, Annual and Long Service Leave

Liabilities for wages and salaries are recognised in Other Liabilities in respect of employee's services and are measured at the amounts expected to be paid when liabilities are settled.

Long Service Leave and Retirement Benefit

Long Service leave benefits apply to all staff while retirement benefits apply to only permanent non-contract staff members. These benefits are recognised in Other Liabilities in respect of employees' services and are measured at the present value of future payments expected to be made in respect of services provided by employees' up to the reporting date. This is calculated by using a discounted cash flow model. Expected future payments are discounted to their net present value using market yields at the reporting date on government bonds with terms that match as closes as possible to the estimated timing of future cash flows.

Changes in the value of the liability for long service leave and retirement benefits are included within the Statement of Comprehensive Income in staff costs within Administration Expenses. Movements in employee entitlements is analysed below:

	31 July 2025 \$000	31 July 2024 \$000
Opening balance	3,851	3,666
Net movement during the period	415	185
Closing balances	4,266	3,851

16. Other liabilities

	31 July 2025 \$000	31 July 2024 \$000
MSME Credit Guarantee Scheme	4,947	5,385
Contract Liability	10	17
Accruals	5,435	6,535
Payment Service Provider – Unclaimed Money	4,297	3,299
Others	2,158	2,886
	16,847	18,122

The micro small and medium enterprises (MSME) credit guarantee scheme is a government guarantee to pay up to 60% of the principal outstanding on defaulted MSME loans to a limit of \$60,000 per business. Government will also guarantee 75% of the principal outstanding on defaulted loans up to a limit of \$75,000 per business on all MSME loans to women entrepreneurs as well as to those involved in the agriculture, forestry, and fisheries sector. MSME scheme was established in 2012 is administered and managed by the Bank on behalf of Government with the total allocation of \$9.0m to cover lending to all sectors except for loans to sugar cane farmers and government-subsidised businesses. The Bank earns no income nor incur an expense in relation to MSME scheme. The Bank only facilitates payments on behalf of Government under this scheme.

The contractual liabilities relate to the advance consideration received from customers for production and delivery of numismatic or commemorative currency units, for which revenue is recognised point-in-time.

Pursuant to Section 26 of the National Payment System Regulations 2022, a sum of \$4.3m is currently held in the Payment Service Provider – Unclaimed account. This amount reflects unclaimed balances from dormant accounts maintained by the payment service providers.

Reserve Bank of Fiji
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17. Cash and cash equivalents	31 July 2025 \$000	31 July 2024 \$000
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Cash and cash equivalents included in the statement of cash flows comprise of the following:

Cash on hand - local currency	1,271	1,494
Cash at bank - local currency	3,080	1,640
Cash - foreign currency	405,400	280,244
	<u>409,751</u>	<u>283,378</u>

Cash - foreign currency forms part of short-term commercial paper and current accounts in Note 5.

18. Share capital	31 July 2025 \$000	31 July 2024 \$000
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Authorised capital	<u>5,000</u>	<u>5,000</u>
Issued and paid-up capital	<u>2,000</u>	<u>2,000</u>

The authorised capital established under the Reserve Bank of Fiji Act, 1983 is \$5,000,000 which may be increased from time to time by any amount proposed by the Board of Directors and approved by the Minister for Finance. Upon the establishment of the Bank, an initial amount of \$2,000,000 was issued by the Fiji Government as paid capital stock. Any subsequent amount of paid capital stock shall be proposed by the Board of Directors and approved by the Minister for Finance.

19. Reserves

Reserves are maintained to cover the broad range of risks to which the Bank is exposed.

General reserves

The General reserves provide for events which are contingent, and which are non-foreseeable. Transfers to this account is from the profit payable to the Fiji Government, can only take place following an agreement between the Minister for Finance and the Board of Directors, in accordance with Section 8(1)(c) of the Reserve Bank of Fiji Act, 1983.

At the end of the year, the Minister and the Board of Directors have agreed to transfer \$1.0m (2024: \$1.0m) into the General reserve from the profits that is payable to the Fiji Government. For detailed movement refer to Statement of changes in equity.

Fair Value reserve

This reserve records unrealised fair value gains and losses on the Bank's financial instruments measured at fair value through other comprehensive income. In 2011 certain domestic securities classified as Available-for-sale at that time, were reclassified to Held-to-maturity and subsequently measured at amortised cost. The fair value gains for these securities that were previously recorded in this reserve is being amortised from the reserve to interest income over the life of these securities. During the year \$0.3m (2024: \$0.6m) has been amortised to domestic interest income.

For detailed movement refer to Statement of changes in equity.

Revaluation reserve account - foreign currency

Currency translation gains and losses arising from revaluation of Bank's assets and liabilities in, or denominated in, gold or foreign currencies are transferred to the Revaluation reserve account - foreign currency (refer Note 2(a)).

Asset revaluation reserve

This reserve records movements between the carrying value and the fair values of the Bank's property and gold holdings. The Bank's freehold land and buildings were revalued in 2025 (refer to Note 11). As at 31 July 2025, the valuation movements of the Bank's gold holdings were captured in the Asset revaluation reserve.

Reserve Bank of Fiji
Notes to and forming part of the financial statements
For the year ended 31 July 2025

19. Reserves - continued

Asset revaluation reserve - continued

The Asset revaluation reserve comprises the following:

	31 July 2025 \$000	31 July 2024 \$000
Asset revaluation reserve		
<i>Property</i>		
Opening balance	28,866	28,866
Revaluation	6,226	-
Closing balance	35,092	28,866
<i>Gold</i>		
Opening balance	2,315	1,772
Revaluation	1,030	543
Closing balance	3,345	2,315
Total Asset revaluation reserve		
Opening balance	31,181	30,638
Net movement	7,256	543
Closing balance	38,437	31,181

Management of capital and reserves

The Bank's capital and reserves management focuses on the Bank's total equity reported in its financial statements. The main drivers of the reported equity are the reported results and the Bank's distribution to the Fiji Government. The Bank's distribution to the Fiji Government is determined under the provisions of the Reserve Bank of Fiji Act, 1983 referred to in Note 13.

The Bank's main capital management objective is to have adequate reserves to effectively carry out its statutory responsibilities. The Bank assesses the extent of the financial risks and the resulting potential for losses arising from its operation. These financial risks are assessed across the statement of financial position to determine the appropriate amount of equity. Such assessments are supplemented with analysis and judgement, where appropriate.

Reserve Bank of Fiji
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20. International Monetary Fund

The Bank was designated to serve with effect from 17 December 1976 as the Fiji Government's fiscal agent for the purposes of the International Monetary Fund, and assumed the Republic of Fiji's obligation of membership from that date.

As at 31 July 2025, the Republic of Fiji's membership subscription to the International Monetary Fund was \$305.7m (2024: \$299.1m). The asset subscription comprises the following:

	31 July 2025 \$000	31 July 2024 \$000
Reserve Tranche Position	77,945	75,670
Currency subscription	227,772	223,384
	305,717	299,054

The Currency subscription portion (asset) is held mainly in the form of non-interest-bearing notes payable on demand, which is subject to an expected credit losses provision. The Bank also records a Currency subscription liability which has a balance of \$227.0m (2024: \$222.6m).

Special drawing rights holdings ("SDR") is an interest-bearing international reserve asset created by the IMF and is allocated to members on the basis of their quotas in the IMF. The IMF approved a general allocation of Special drawing rights equivalent to SDR \$456 billion on the 2 August 2021, to boost global liquidity. From this approved allocation, Fiji received \$283.7m (SDR 94.3m) on the 25 August 2021. The SDR comprises the following:

	31 July 2025 \$000	31 July 2024 \$000
Foreign Currency Asset	430,203	420,960
Foreign Currency Liability	501,470	490,542

The Poverty Reduction and Growth Facility (PRGF) Trust was established by the IMF to meet the objectives of poverty reduction and growth more central to lending operations in its poorest member countries. The facility is administered in line with the Heavily Indebted Poor Countries (HIPC) Initiative, and at balance date this account had a balance of \$0.6m (2024: \$0.6m).

Reserve Bank of Fiji
Notes to and forming part of the financial statements
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21. Financial risk management policies

a) Introduction and overview

The Bank is involved in policy-oriented activities. The Bank identifies risks and implements controls in its operation and management of foreign reserves holdings. The main financial risks that the Bank faces include:

- liquidity risk
- credit risk
- market risk
- operational risk

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies, and procedures for measuring and managing risk.

Risk management framework

Like most central banks, the nature of the Bank's operations creates exposures to a range of operational and reputational risks. The Board of Directors has overall responsibility of the establishment and oversight of the Bank's risk management framework.

Bank management seeks to ensure that strong and effective risk management and controls systems are in place for assessing, monitoring, and managing risk exposures. The Board of Directors, the Governor and Senior Management are responsible for managing and monitoring the business, strategy, risks, and performance of the Bank. Internal Audit forms part of the Bank's risk management framework. This function reports to the Governor and the Board Audit and Risk Committee on internal audit and related issues. All areas in the Bank are subject to periodic internal audit review.

The majority of the Bank's financial risk arises from the management of foreign and domestic reserves. The Middle Office is responsible for monitoring and reporting compliance with various risk limits and policies. The Bank is subject to an annual external audit. Both external and internal audit arrangements are overseen by the Board Audit and Risk Committee comprising three of the Board's Directors. The Committee meets regularly and reports to the Board of Directors on its activities.

b) Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Management of liquidity risk

To limit the liquidity risk, the Bank maintains an adequate level of reserves and taking into consideration the transaction demand on foreign exchange, ensures that at least USD \$50m is maintained in current accounts at all times. The Bank invests in high quality instruments, including commercial paper and debt issued by Governments and Supranationals, all of which are easily converted to cash (refer to maturity analysis on liquidity).

Exposure to liquidity risk

The key measure used by the Bank for managing liquidity risk is the ratio of net Liquid assets to total Demand liabilities. The Bank's investment guidelines requires that minimum value of foreign currency assets to be held at any point shall not be less than 50% of the total Demand liabilities of the Bank. (Demand liabilities include currency in circulation but exclude non-interest-bearing notes issued to international financial institutions).

As at 31 July 2025, the value of External reserves was 73% (2024:71%) of the total Demand liabilities.

Reserve Bank of Fiji
Notes to and forming part of the financial statements
For the year ended 31 July 2025

21. Financial risk management policies - continued

b) Liquidity risk - continued

Maturity analysis as at 31 July 2025

The maturity analysis noted below includes all financial and non-financial assets and liabilities as at 31 July 2025.

	Contractual cash flows						
	Balance sheet total	Total	0-3 Months	3-12 Months	1-5 Years	Over 5 Years	No Specific Maturity
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Foreign currency assets							
Short-term commercial paper and Current accounts	855,181	861,898	639,766	222,132	-	-	-
Marketable securities ⁴⁰	2,531,911	2,661,001	134,501	991,095	1,535,405	-	-
Gold	6,248	6,248	6,248	-	-	-	-
IMF - Reserve tranche position	77,945	77,945	77,945	-	-	-	-
- Special drawing rights	430,203	430,203	430,203	-	-	-	-
- PRGF - HIPC Trust	603	603	-	-	603	-	-
- Currency subscription	227,772	227,772	-	-	-	-	227,772
	4,129,863	4,265,670	1,288,663	1,213,227	1,536,008	-	227,772
Local currency assets							
Cash on hand	4,351	4,351	4,351	-	-	-	-
Domestic securities	717,922	1,231,215	12,013	30,344	191,993	996,865	-
Financing facilities	781,411	785,695	83,626	35,000	667,069	-	-
Currency inventory	5,512	5,512	5,512	-	-	-	-
Other assets	15,369	2,222	476	64	-	246	1,436
Intangibles	4,245	4,245	-	-	-	-	4,245
Property, plant and equipment	42,177	42,177	-	-	-	-	42,177
	1,570,987	2,075,417	105,978	65,408	859,062	997,111	47,858
Total assets	5,700,850	6,341,087	1,394,641	1,278,635	2,395,070	997,111	275,630
Foreign currency liabilities							
Demand deposits	306	306	306	-	-	-	-
IMF - PRGF - HIPC Trust	603	603	-	-	603	-	-
IMF - Special drawing rights allocation	501,470	501,470	-	-	-	-	501,470
	502,379	502,379	306	-	603	-	501,470
Local currency liabilities							
Demand deposits	2,264,963	2,264,963	2,264,963	-	-	-	-
Payable to the Fiji Government	146,005	146,005	146,005	-	-	-	-
Currency in circulation	1,128,028	1,128,028	-	-	-	-	1,128,028
Statutory reserve deposit	1,306,358	1,306,358	-	-	-	-	1,306,358
IMF - Notes currency subscription	227,008	227,008	-	-	-	-	227,008
Other liabilities	21,113	21,113	16,166	-	4,947	-	-
	5,093,475	5,093,475	2,427,134	-	4,947	-	2,661,394
Total liabilities	5,595,854	5,595,854	2,427,440	-	5,550	-	3,162,864
Net assets	104,996	745,233	(1,032,799)	1,278,635	2,389,520	997,111	(2,887,234)

⁴⁰ Includes accrued interest

Reserve Bank of Fiji
Notes to and forming part of the financial statements
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21. Financial risk management policies - continued

b) Liquidity risk - continued

Maturity analysis as at 31 July 2025 - continued

The maturity analysis noted below includes all financial and non-financial assets and liabilities as at 31 July 2024.

	Contractual cash flows						
	Balance	Total	0-3	3-12	1-5	Over 5	No
	sheet		Months	Months	Years	Years	Specific
	total						Maturity
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Foreign currency assets							
Short-term commercial paper and Current accounts	859,698	891,970	442,356	449,614	-	-	-
Marketable securities ⁴¹	2,260,586	2,430,544	207,541	922,436	1,300,567	-	-
Gold	4,598	4,598	4,598	-	-	-	-
IMF - Reserve tranche position	75,670	75,670	75,670	-	-	-	-
- Special drawing rights	420,960	420,960	420,960	-	-	-	-
- PRGF - HIPC Trust	590	590	-	-	590	-	-
- Currency subscription	223,384	223,384	-	-	-	-	223,384
	3,845,486	4,047,716	1,151,125	1,372,050	1,301,157	-	223,384
Local currency assets							
Cash on hand	3,134	3,134	3,134	-	-	-	-
Domestic securities	716,989	1,268,263	11,988	29,674	183,056	1,043,545	-
Financing facilities	836,878	842,300	51,358	96,754	693,108	1,080	-
Currency inventory	10,793	10,793	10,793	-	-	-	-
Other assets	15,371	2,127	108	46	-	259	1,714
Intangibles	5,014	5,014	-	-	-	-	5,014
Property, plant and equipment	37,352	37,352	-	-	-	-	37,352
	1,625,531	2,168,983	77,381	126,474	876,164	1,044,884	44,080
Total assets	5,471,017	6,216,699	1,228,506	1,498,524	2,177,321	1,044,884	267,464
Foreign currency liabilities							
Demand deposits	82	82	82	-	-	-	-
IMF - PRGF - HIPC Trust	590	590	-	-	590	-	-
IMF - Special drawing rights allocation	490,542	490,542	-	-	-	-	490,542
	491,214	491,214	82	-	590	-	490,542
Local currency liabilities							
Demand deposits	2,251,977	2,251,977	2,251,977	-	-	-	-
Payable to the Fiji Government	136,231	136,231	136,231	-	-	-	-
Currency in circulation	1,061,693	1,061,693	-	-	-	-	1,061,693
Statutory reserve deposit	1,194,895	1,194,895	-	-	-	-	1,194,895
IMF - Notes currency subscription	222,641	222,641	-	-	-	-	222,641
Other liabilities	21,973	21,973	16,588	-	5,385	-	-
	4,889,410	4,889,410	2,404,796	-	5,385	-	2,479,229
Total liabilities	5,380,624	5,380,624	2,404,878	-	5,975	-	2,969,771
Net assets	90,393	836,075	(1,176,372)	1,498,524	2,171,346	1,044,884	(2,702,307)

⁴¹ Includes accrued interest

Reserve Bank of Fiji
Notes to and forming part of the financial statements
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21. Financial risk management policies - continued

c) Credit risk

Credit risk relates to the risk of loss to the Bank from the failure of a counterparty to a transaction to meet its contractual obligations and arises principally from the Bank's investments, and loans and advances to customers and other banks. For risk management purposes, the Bank prescribes minimum credit ratings acceptable for investment and specifies the maximum permissible credit exposure to individual banks and countries. The minimum credit ratings for investments are PI/A3 for short-term debt and PI/Aaa for long-term.

The Bank uses Standard and Poor's, Moody's, and Fitch credit ratings for assessing the credit risk of foreign counterparties. The credit ratings of counterparties, which are used in the calculation of the expected credit losses allowances, are closely monitored, and are updated as new market information such as external credit ratings become available. When external credit ratings are not published or available, the Bank monitors changes in credit risk by available press and regulatory information. Foreign exchange limits per bank are imposed for all currency dealings.

The Bank's maximum credit risk, excluding the value of collateral is generally reflected in the carrying value of financial assets. The Bank does not require collateral in respect of financial assets except in respect of loans to staff. The total exposure of credit risk in the Bank's portfolio is as follows:

	31 July 2025 \$000	31 July 2024 \$000
Foreign currency assets		
Short-term commercial paper and Current accounts	855,247	859,779
Marketable securities	2,508,350	2,232,953
International Monetary Fund	736,524	720,605
Gold	6,248	4,598
Accrued Interest	23,603	27,680
	<u>4,129,972</u>	<u>3,845,615</u>
Less: Allowance for impairment losses	(109)	(129)
	<u>4,129,863</u>	<u>3,845,486</u>
Local currency assets		
Domestic securities	719,665	718,053
Financing facilities	782,172	837,347
Other assets	13,495	13,582
	<u>1,515,332</u>	<u>1,568,982</u>
Less: Allowance for impairment losses	(2,540)	(1,557)
	<u>1,512,792</u>	<u>1,567,425</u>
	<u>5,642,655</u>	<u>5,412,911</u>

The Bank monitors credit risk by currency and sector. An analysis of concentrations of credit risk is shown below:

	31 July 2025		31 July 2024	
Concentration by currency	\$000	%	\$000	%
USD	1,530,480	27	1,352,754	25
YEN	77,138	1	74,473	1
GBP	16	-	95	-
EURO	108,321	2	85,370	2
AUD	988,803	18	926,648	17
NZD	684,965	12	680,717	13
SDR	740,249	13	725,558	13
FJD	1,515,332	27	1,568,982	29
	<u>5,645,304</u>		<u>5,414,597</u>	
Less: Allowance for impairment losses	(2,649)		(1,686)	
Total financial assets	5,642,655	100	5,412,911	100

Reserve Bank of Fiji
Notes to and forming part of the financial statements
For the year ended 31 July 2025

21. Financial risk management policies - continued

c) Credit risk - continued

	31 July 2025		31 July 2024	
	\$000	%	\$000	%
Concentration by sector				
Foreign currency assets				
Central banks	404,556	10	254,901	7
Commercial banks	883,372	21	1,237,881	32
Government	664,161	16	565,044	15
Semi Government	-	-	5,354	-
Supranational	1,437,598	35	1,056,865	27
International Monetary Fund	736,523	18	720,605	19
Others	3,762	-	4,965	-
Less: Allowance for impairment losses	(109)	-	(129)	-
	4,129,863	100	3,845,486	100
Local currency assets				
Government and statutory bodies	1,046,708	69	1,048,183	67
Commercial banks	468,311	31	520,484	33
Others	313	-	315	-
Less: Allowance for impairment losses	(2,540)	-	(1,557)	-
	1,512,792	100	1,567,425	100
Total financial assets	5,642,655		5,412,911	

Credit exposure by credit rating

The Bank averages the credit ratings provided by the above agencies, rounded down to the lower rating in case the composite is between two ratings. The rating agencies are evenly weighted when calculating the composite. An analysis of the credit quality based on Standard and Poor's, Moody's and Fitch credit ratings is as follows:

	31 July 2025		31 July 2024	
	\$000	%	\$000	%
Summary by major credit category				
<i>Foreign currency financial asset by major credit category:</i>				
Aaa	1,980,081	48	1,516,922	39
Aa1	313,346	8	64,832	2
Aa2	36	-	12	-
Aa3	555,499	13	847,949	22
A1	263,455	6	339,767	9
A2	83,264	2	72,947	2
A3	-	-	-	-
International Monetary Fund	736,523	18	720,605	19
Central Banks	167,917	4	250,303	6
Others and Not rated	29,851	1	32,278	1
Less: Allowance for impairment losses	(109)	-	(129)	-
	4,129,863	100	3,845,486	100
<i>Local currency financial asset by major credit category:</i>				
Others and Not rated	1,515,332	100	1,568,982	100
Less: Allowance for impairment losses	(2,540)	-	(1,557)	-
	1,512,792	100	1,567,425	100
Total financial assets	5,642,655	100	5,412,911	100

Reserve Bank of Fiji
Notes to and forming part of the financial statements
For the year ended 31 July 2025

21. Financial risk management policies - continued

c) Credit risks - continued

Credit exposure by credit rating - continued

Foreign currency assets under 'Others and Not Rated' includes Gold holdings, accrued interest on Financial Instruments & IMF Reserve Tranche & SDR Holdings. Local currency assets under 'Others and Not Rated' include financial instruments held with the Fiji Government, the local commercial banks, the Fiji Sugar Corporation Limited, the Fiji Development Bank and staff loans and advances.

d) Market risks

Market risk is the risk that relates to changes in market prices such as interest rates and foreign exchange rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

Interest rate risk management

The principal risk to which trading portfolio is exposed is the risk of loss from fluctuations in future cash flows or fair value of financial instruments because of a change in market interest rates. The Bank limits interest rate risk by modified duration targets. The investment strategy in relation to the duration for the total portfolio is six months. The duration of the portfolio is re-balanced regularly to maintain the targeted duration.

Sensitivity to interest rate risk

The Bank has invested in \$3.0 billion reserves with fixed interest rate. Given the fixed nature of these investments, the Bank uses modified duration target to manage the interest rate risk.

Foreign exchange risk management

Exchange rate risk relates to the risk of loss of foreign reserves arising from changes in the exchange rates against the Fijian dollar. The Bank has adopted a currency risk management policy, which maintains the Fijian dollar value of the foreign reserves and manages the fluctuations in the Revaluation reserve account - foreign currency.

The Bank's exposure to foreign exchange risk, based on notional amounts, was as follows:

Notional carrying amounts as at 31 July 2025

	USD \$000	YEN 000	GBP 000	EURO 000	AUD \$000	NZD \$000	SDR 000
Foreign currency assets							
Short-term commercial paper and Current account	100,467	3,529,138	5	400	237,376	162,263	-
Marketable securities	559,374	1,499,010	-	40,710	429,311	342,221	-
Gold	2,005	-	-	-	-	-	-
Accrued interest	4,876	504	-	301	3,227	2,321	1,199
International Monetary Fund							
- Reserve tranche position	-	-	-	-	-	-	25,088
- Special drawing rights	-	-	-	-	-	-	138,468
- PRGF - HIPC Trust	-	-	-	-	-	-	194
- Currency subscription	-	-	-	-	-	-	73,312
Total foreign currency assets	666,722	5,028,652	5	41,411	669,914	506,805	238,261
Foreign currency liabilities							
Demand deposits	-	-	-	-	-	-	(98)
IMF - PRGF - HIPC Trust	-	-	-	-	-	-	(194)
IMF - Special drawing rights allocation	-	-	-	-	-	-	(161,406)
Total foreign currency liabilities	-	-	-	-	-	-	(161,698)
Carrying amount	666,722	5,028,652	5	41,411	669,914	506,805	76,563

Reserve Bank of Fiji
Notes to and forming part of the financial statements
For the year ended 31 July 2025

21. Financial risk management policies - continued

d) Market risks - continued

Notional carrying amounts as at 31 July 2024

	USD \$000	YEN 000	GBP 000	EURO 000	AUD \$000	NZD \$000	SDR 000
Foreign currency assets							
Short-term commercial paper and Current account	51,663	4,977,008	32	2,269	257,920	204,071	-
Marketable securities	530,330	-	-	32,048	359,430	298,220	-
Gold	2,010	-	-	-	-	-	-
Accrued interest	7,285	-	-	199	2,114	1,780	1,630
International Monetary Fund							
- Reserve tranche position	-	-	-	-	-	-	24,898
- Special drawing rights	-	-	-	-	-	-	138,511
- PRGF - HIPC Trust	-	-	-	-	-	-	194
- Currency subscription	-	-	-	-	-	-	73,502
Total foreign currency assets	591,288	4,977,008	32	34,516	619,464	504,071	238,735
Foreign currency liabilities							
Demand deposits	-	-	-	-	-	-	(27)
IMF - PRGF - HIPC Trust	-	-	-	-	-	-	(194)
IMF - Special drawing rights allocation	-	-	-	-	-	-	(161,406)
Total foreign currency liabilities	-	-	-	-	-	-	(161,627)
Carrying amount	591,288	4,977,008	32	34,516	619,464	504,071	77,108

The following significant exchange rates were used at period end to convert foreign currency balances to the Fijian dollar equivalent.

Reporting date spot rate

	31 July 2025	31 July 2024
USD	0.4361	0.4371
YEN	65.190	66.830
GBP	0.3293	0.3406
EURO	0.3823	0.4043
AUD	0.6775	0.6685
NZD	0.7399	0.7405
SDR	0.3218	0.3290

Reserve Bank of Fiji
Notes to and forming part of the financial statements
For the year ended 31 July 2025

21. Financial risk management policies - continued

d) Market risks - continued

Sensitivity analysis for exchange rate

A 10% strengthening and a 10% weakening of the Fijian dollar against the above currencies at 31 July would have the following impact on equity as shown below.

Effect on equity - Increase in equity/ (Decrease in equity)

Period end	Strengthening by 10%		Weakening by 10%	
	31 July 2025	31 July 2024	31 July 2025	31 July 2024
	\$000	\$000	\$000	\$000
USD	(138,984)	(122,977)	169,870	150,306
YEN	(7,013)	(6,770)	8,571	8,275
GBP	(1)	(9)	2	11
EURO	(9,847)	(7,761)	12,035	9,486
AUD	(89,891)	(84,241)	109,867	102,961
NZD	(62,270)	(61,883)	76,107	75,635
SDR	(21,625)	(21,304)	26,430	26,038
FJD impact	(329,631)	(304,945)	402,882	372,712

e) Operational Risk Management

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology, and infrastructure and from external factors, other than liquidity, credit, and market risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risk arises from all of the Bank's operations.

Managing operational risk in the Bank is an integral part of day-to-day operations and oversight. This includes adherence to Bank wide corporate policies. There is also an active internal audit function carried out on a quarterly basis.

To reduce operational risks in foreign reserves operations there is a clear segregation of duties between the Front Office (dealing) and the Back Office (settlements function). The Front Office comprises teams of officers (dealers) who are duly authorised to transact on behalf of the Bank. The Back Office comprises officers who independently process and settle all the deals undertaken by the Front Office.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to Senior Management within each business group. This responsibility is supported by the development of overall and business group-specific policies and procedures. The Middle Office and Internal and External Audit functions also ensure that operational risk is effectively minimised and managed.

Reserve Bank of Fiji
Notes to and forming part of the financial statements
For the year ended 31 July 2025

22. Fair values of financial assets and liabilities

The fair value of an instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, and willing parties in an arm's length transaction. Quoted market values represent fair value when a financial instrument is traded in an organised and liquid market that is able to absorb a significant transaction without moving the price against the trader.

The valuation of the Bank's financial assets and liabilities are discussed below:

External reserves

The reported value of External reserves is considered to be its fair value due to the short-term nature of the financial assets except bonds. Bonds are however subsequently measured at fair value.

Domestic securities

The fair value of the Bank's Domestic securities is \$811.1m (2024: \$810.4m), based on quoted market prices.

Statutory reserve deposits

The carrying value of Statutory reserve deposits are considered to approximate their fair value.

Demand deposits

The carrying value of Demand deposits are considered to approximate their fair value as they are payable on demand.

Currency in circulation

The carrying value of Currency in circulation is reported at its fair value in the financial statements.

Other financial assets and liabilities

The reported values of other financial assets and liabilities is at fair value. Net gains/losses, including any interest, are recognised in the statement of comprehensive income.

Valuation of financial instruments

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted market prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Reserve Bank of Fiji
Notes to and forming part of the financial statements
For the year ended 31 July 2025

22. Fair values of financial assets and liabilities - continued

Valuation of financial instruments - continued

- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation techniques include inputs not based on observable data and the unobservable inputs have a significant impact on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments measured at fair value at the end of the reporting period.

	Level 1	Level 2	Level 3	Total
	\$000	\$000	\$000	\$000
31 July 2025				
<i>Local currency assets</i>				
Domestic Securities	811,135	-	-	811,135
Less: Allowance for impairment losses	(1,743)	-	-	(1,743)
	<u>809,392</u>	<u>-</u>	<u>-</u>	<u>809,392</u>
<i>Foreign currency assets</i>				
FVOCI financial assets at quoted market price	2,086,045	-	-	2,086,045
Gold	6,248	-	-	6,248
	<u>2,092,293</u>	<u>-</u>	<u>-</u>	<u>2,092,293</u>
Less: Allowance for impairment losses	(8)	-	-	(8)
	<u>2,092,285</u>	<u>-</u>	<u>-</u>	<u>2,092,285</u>
31 July 2024				
<i>Local currency assets</i>				
Domestic Securities	810,431	-	-	810,431
Less: Allowance for impairment losses	(1,064)	-	-	(1,064)
	<u>809,367</u>	<u>-</u>	<u>-</u>	<u>809,367</u>
<i>Foreign currency assets</i>				
FVOCI financial assets at quoted market price	1,616,456	-	-	1,616,456
Gold	4,598	-	-	4,598
	<u>1,621,054</u>	<u>-</u>	<u>-</u>	<u>1,621,054</u>
Less: Allowance for impairment losses	(6)	-	-	(6)
	<u>1,621,048</u>	<u>-</u>	<u>-</u>	<u>1,621,048</u>

During the period ended 31 July 2025, there were no transfers in and out of the fair value hierarchy levels mentioned above.

Sensitivity analysis

A 10% strengthening of the quoted market prices against the above foreign FVOCI financial assets at 31 July would have increased equity by the amounts shown below. A 10% weakening of market prices at 31 July would have had the equal but opposite effect.

Effect on equity

	31 July	31 July
	2025	2024
Period end	\$000	\$000
USD	92,590	61,376
EURO	6,934	6,690
AUD	61,153	53,767
YEN	2,299	-
NZD	46,252	40,273
FJD impact	<u>209,228</u>	<u>162,106</u>

Reserve Bank of Fiji
Notes to and forming part of the financial statements
For the year ended 31 July 2025

23. Related parties

Identity of related parties

The Bank has related party relationships with the Board of Directors, the Executive Management, and the Fiji Government and NBF AMB. The members of the Board of Directors during the year were:

- Ariff Ali (Chairman and Governor);
- Shiri Krishna Gounder;
- Nikita Patel (appointed on 14 February 2021 and reappointed on 14 February 2024);
- Bobby Naimawi (appointed on 14 February 2021 and reappointed on 14 February 2024);
- Peni Sikivou (appointed on 1 February 2024);
- Ashnita Kisun Deo (appointed on 1 April 2024); and
- Fantasha Lockington (appointed on 9 June 2024).

In April 2007 Cabinet agreed under the Banking Act for the Reserve Bank to assume controllership of the winding down process of NBF AMB.

During the period the following persons were the executives identified as key management personnel, with the greatest authority and responsibility for planning and controlling the activities of the Bank:

Ariff Ali	Governor
Esala Masitabua	Deputy Governor (seconded to IMF for 2 years from 1 November 2023).
Caroline Waqabaca	Chief Manager Financial System Development
Vilimaina Dakai	Chief Manager People and Culture Group from 2 January 2025, Chief Manager Financial Institutions up to 1 January 2025, acting as Deputy Governor from 7 April 2025 to 31 October 2025
Susan Kumar	Chief Manager Currency and Corporate Services and acted as Deputy Governor from 8 April 2024 to 4 October 2024
Petaia Tuimanu	Chief Manager Financial Markets and acted as Deputy Governor from 30 September 2024 to 4 April 2025
Ragni Singh	Chief Manager Risk Management and Communications.
Jacinta Hesaie	Chief Manager Economics from 1 May 2025 and acted as Chief Manager Economics from 8 April 2024 to 30 April 2025
Shanil Totaram	Acting as Chief Manager Financial Institutions from 1 July 2025 to 30 September 2025
Rohitesh Chand	Acted as Chief Manager Currency and Corporate Services from 8 April 2024 to 4 October 2024
Subrina Hanif	Board Secretary.

Transactions with related parties

In the normal course of its operations, the Bank enters into transactions with related parties identified above. The transactions with the Board of Directors and Executive Management include the payment of board remuneration and salaries, respectively, and certain benefits, including medical and insurance benefits.

The transactions with Fiji Government include banking services, foreign exchange transactions, registry transactions and purchase of Government securities. An analysis of transaction with Fiji Government is shown below.

	31 July 2025 \$000	31 July 2024 \$000
Interest and other income earned from Government securities	41,418	42,473
Interest income receivable from Government securities	13,032	13,071
Payable to Fiji Government	146,005	136,231
Bank's investment in Government securities	717,922	716,989
	918,377	908,764

Reserve Bank of Fiji
Notes to and forming part of the financial statements
For the year ended 31 July 2025

23. Related parties - continued

The Bank also provides an overnight standby facility to the Fiji Government. At the end of the year, the approved facility of \$50m (2024: \$20m) was not utilised.

The transactions with the respective related parties are carried out on normal commercial terms or in accordance with the legislative provisions.

During the year the following remuneration were made to board of directors and key management personnel:

	31 July 2025 \$000	31 July 2024 \$000
Board remuneration expenses and other benefits	100	89
Key management personnel:		
- Short-term employee benefits	1,923	2,020
- Long-term employee benefits	105	57
	2,128	2,166

24. Commitments

Commitments not otherwise provided for in the financial statements and which existed at 31 July 2025 comprise:

	31 July 2025 \$000	31 July 2024 \$000
Foreign exchange transactions:		
- Sales	174,825	88,746
- Purchases	12,289	11,404
Capital commitments		
- Other assets	314	571
Commitments to the Fiji Government		
- Overnight Standby Facility	50,000	20,000
Contractual currency obligations	12,086	-

The overnight facility was increased to \$50.0m during the financial year ending 31 July 2025, following Board approval granted on 27 June 2024. This represents an increase from the prior year's facility limit.

The contractual currency obligations were paid and delivered after financial year end.

25. Lease receivable

The Bank leases out certain floors of the Reserve Bank building. The operating lease rentals receivable are as follows:

	31 July 2025 \$000	31 July 2024 \$000
Receivable not later than one year	261	548
Receivable later than one year but not later than five years	295	602
	556	1,150

Reserve Bank of Fiji
Notes to and forming part of the financial statements
For the year ended 31 July 2025

26. Events subsequent to balance date

There has not arisen in the interval between the end of the period and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the Directors of the Bank, to affect significantly the operations of the Bank, the results of those operations, or the state of affairs of the Bank, in future financial periods.

FIVE-YEAR HISTORICAL INFORMATION

	Audited 2020-21	Audited 2021-22	Audited 2022-23	Audited 2023-24	Audited 2024-25
	\$000	\$000	\$000	\$000	\$000
Five Year Financial Position					
Assets					
Foreign Currency	3,349,072	3,824,861	3,814,722	3,845,486	4,129,863
Local Currency	767,053	1,730,739	1,804,570	1,625,531	1,570,987
Total Assets	4,116,125	5,555,600	5,619,292	5,471,017	5,700,850
Liabilities & Equity					
Foreign Currency	200,646	471,982	487,491	491,214	502,379
Local Currency	3,830,418	5,020,300	5,069,514	4,889,410	5,093,475
Net Assets/Equity	85,061	63,318	62,287	90,393	104,996
Total Liabilities & Equity	4,116,125	5,555,600	5,619,292	5,471,017	5,700,850
Five Year Financial Performance					
Income					
Interest Income	49,681	59,447	140,854	184,187	194,796
Other Income	9,100	11,432	6,321	5,070	6,557
Total Income	58,781	70,879	147,175	189,257	201,353
Expenses					
Interest Expense	153	1,454	14,582	20,008	16,187
Administration Expenses	20,583	20,362	23,487	25,902	29,094
Other Expense	6,354	7,056	6,870	7,793	9,906
Total Expenses	27,090	28,872	44,939	53,703	55,187
Net Profit for the year	31,691	42,007	102,236	135,554	146,166
Five-year Profit and One-fifth balance of Revaluation Reserve Paid to the Fijian Government (\$M)					
Net Profit after transfer to general reserves	30.7	41.0	101.3	134.5	145.2
One-fifth balance of RRA	2.2	3.4	2.1	1.7	0.8
Total Payment to Fijian Government	32.9	44.4	103.4	136.2	146.0

Notes:

Details of the financial year periods in the above 5-year historical information are outlined below:

- 2020-21: 1 Aug 2020 to 31 July 2021
- 2021-22: 1 Aug 2021 to 31 July 2022
- 2022-23: 1 Aug 2022 to 31 July 2023
- 2023-24: 1 Aug 2023 to 31 July 2024
- 2024-25: 1 Aug 2024 to 31 July 2025

FIJI: KEY ECONOMIC AND FINANCIAL INDICATORS

FIJI: KEY ECONOMIC AND FINANCIAL INDICATORS

	2020	2021	2022	2023	2024	2025
I. GDP¹						
GDP at Market Price (\$ Million)	9,169.1	8,611.5	10,958.3	12,323.2	13,537.5p	14,202.7f
GDP at Constant Price (\$ Million)	9,562.9	9,147.3	10,770.5	11,787.5	12,203.7p	11,647.4f
GDP at Constant Price (%)	-17.2	-4.3	17.7	9.4	3.5p	3.2f
II. LABOUR MARKET						
Labour Force ²	n.a	n.a	n.a	n.a	314,898	n.a
Wage and Salary Earners (mid-year) ³	137,496	113,898	n.a	n.a	n.a	n.a
III. INFLATION (year-on-year % change)⁴						
All Items	-2.0	5.6	4.3	4.8	-0.2	-1.5
IV. EXTERNAL TRADE⁵						
Current Account Balance (\$ Million)	-113.9r	-609.6r	-1,896.2r	-816.2p	-1,057.2r	-1,024.9f
Capital Account Balance (\$ Million)	7.7	6.6r	6.5r	7.5p	7.8r	8.1f
Financial Account Balance (\$ Million) ⁶	-790.6	-618.5r	-1,329.3r	-608.8p	-963.1r	-1,022.5f
Current Account Balance (% of GDP)	-12.1r	-7.1r	-17.3r	-6.6p	-7.8r	-7.2f
V. FOREIGN EXCHANGE RESERVES (\$ Million)⁹						
Foreign Reserves	2,192.5	3,201.4	3,430.6	3,361.3	3,707.7	3,462.3
VI. MONEY AND CREDIT (year-on-year % change)⁹						
Broad Money	1.0	11.4	5.1	9.1	7.7	9.4
Narrow Money	10.1	23.4	10.4	10.5	8.8	10.8
Currency in Circulation	4.9	8.7	3.5	4.5	3.2	14.1
Domestic Credit ⁷	2.3	3.9	5.2	9.2	7.3	8.8
VII. INTEREST RATES (% p.a.)⁹						
RBF OPR ⁸	0.25	0.25	0.25	0.25	0.25	0.25
Lending Rate	6.12	5.77	5.20	4.77	4.56	4.58
Savings Deposit Rate	0.54	0.42	0.39	0.42	0.30	0.31
Time Deposit Rate	3.16	1.99	1.22	1.40	1.71	1.77
Minimum Lending Rate	0.50	0.50	0.50	0.50	0.50	0.50
VIII. EXCHANGE RATES (mid rates, F\$1 equals: end of period)⁹						
US dollar	0.4904	0.4722	0.4511	0.4517	0.4517	0.4361
IX. Government Finance (\$ Million)¹⁰	2020-21a	2021-22a	2022-23a	2023-24a	2024-25a	2025-26b
Total Revenue and Grants	2,143.0	2,190.8	2,749.8	3,646.3	4,048.8	3,947.4
Total Expenditure (excluding interest repayments)	2,820.8	3,039.8	3,132.3	3,574.2	3,864.9	4,299.2

Sources: Commercial Banks, Fiji Bureau of Statistics, Ministry of Economy, Macroeconomic Committee and Reserve Bank of Fiji

Notes:

¹ GDP Figures from 2020 to 2024p are based on the new 2019 GDP base. Forecast for 2025 is reported under the 2014 base approved by the Macroeconomic Committee on 10 June, 2025. This will be reviewed in November 2025.

² Labour Force is sourced from the latest Employment & Unemployment survey 2023-2024.

³ Wage & Salary Earners (mid-year) are sourced from the 2021 Annual Paid Employment Survey.

⁴ 2025 – July inflation rate (2019 base).

⁵ Balance of Payments values include aircraft imports and financing.

⁶ "-" Indicates Net Borrowing i.e. the economy receives funds from the rest of the world.

⁷ Credit to the private sector is adjusted for AMB's non-performing loans and advances.

⁸ The RBF OPR came into effect in 2010.

⁹ Data for 2025 is July end.

¹⁰ Sourced from the National Budget Supplement and Government's fiscal performance report published by the MoF, and data includes Government VAT (Seg 13).

Key:

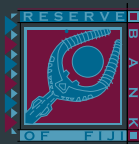
a – actual; b – budgeted; f – forecast; n.a – not available; p – provisional; p.a. – per annum r – revised

ABBREVIATIONS

ACH	Automated Clearing House	ESRM	Environmental and Social Risk Management
ADB	Asian Development Bank	ESG	Environment, Social and Governance
AFI	Alliance for Financial Inclusion	EUR	Euro
AI	Artificial Intelligence	FATF	Financial Action Task Force
AICD	Australian Institute of Company Director	FCEF	Fiji Commerce and Employers Federation
APAEA	Asia-Pacific Applied Economics Association	FDB	Fiji Development Bank
APG	Asia/Pacific Group	FHRI	Fiji Human Resource Institute
ATS	Automated Transfer System	FIA	Fiji Institute of Accountants
AUD	Australian dollar	FICA	Fiji Institute of Chartered Accountants
BARC	Board Audit and Risk Committee	FICAC	Fiji Independent Commission Against Corruption
BCP	Business Continuity Plan	FinTech	Financial Technology
BGC	Board Governance Committee	FJD	Fijian dollar
BRS	Business Resumption Site	FNPF	Fiji National Provident Fund
BSPS	Banking Supervision Policy Statement	FRCS	Fiji Revenue & Customs Service
CAP	Climate Action Plan	FSDG	Financial System Development Group
CCU	Climate Change Unit	FSDPS	Financial System Development Policy Statement
CEMC	Consumer Empowerment and Market Conduct	FSP	Financial Service Providers
CERT	Computer Emergency Response Team	FSR	Financial Stability Review
COI	Conflict of interest	FSO	Financial Services Ombudsperson's Office
CSD	Central Securities Depository	FTR	Financial Transactions Reporting
CMM	Cybersecurity Maturity Model	FY	Financial Year
CMSPS	Capital Markets Supervision Policy Statement	GDP	Gross Domestic Product
DRCF	Disaster Rehabilitation and Containment Facility	GRCL	General Reserves for Credit Losses
ECB	European Central Bank	HA	Housing Authority
EFL	Energy Fiji Limited	HH	Household
EFT	Electronic Fund Transfer	HR	Human Resources
EFTPOS	Electronic Funds Transfer at Point of Sale	IAC	Industry and Advisory Committee
ERAB	Employment Relation Advisory Board	IFC	International Finance Corporation
		IFRS	International Financial Reporting System

IFT	Instant Fund Transfer	NFA	Net Foreign Assets
IGF	Inclusive Green Finance	NFIS	National Financial Inclusion Strategy
IIA	Institute of Internal Auditors	NFIT	National Financial Inclusion Taskforce
IMF	International Monetary Fund	NPS	National Payment System
ISEFF	Import Substitution and Export Finance Facility	NRA	National Risk Assessment
ISF	InsuResilience Solution Fund	NZ	New Zealand
ISO	International Organisation for Standardisation	NZD	New Zealand dollar
ISPS	Insurance Supervision Policy Statement	OET	Overseas Exchange Transaction
IT	Information Technology	OHS	Occupational Health and Safety
JPY	Japanese Yen	OPR	Overnight Policy Rate
KPIs	Key Performance Indicators	P2P	Person-to-Person
LCR	Liquidity Coverage Ratio	PCL	Pacific Cement Limited
LFIs	Licensed Financial Institutions	PF	Proliferation Financing
LMCC	Labour Management Consultation and Committee	PFIP	Pacific Financial Inclusion Programme
MC	Macroeconomic Committee	PFTAC	Pacific Financial Technical Assistance Centre
MCTMSMEC	Ministry of Cooperatives, Trade, Micro, Small and Medium Enterprises and Committee	PICAP	Pacific Insurance and Climate Adaptation Programme
MIS	Managed Investment Schemes	PIR	Position in Range
ML	Money Laundering	PIRI	Pacific Island Regional Initiative
MNOs	Mobile Network Operators	PPSA	Personal Property Security Act
MSMEs	Micro, Small and Medium Enterprises	PPSR	Personal Property Securities Registry
MSMECGS	Micro, Small and Medium Enterprises Credit Guarantee Scheme	PSBE	Private Sector Business Entities
MWH	Megawatts per Hour	PSF	Permanent Secretary for Finance
NDA	Net Domestic Assets	PSPSPS	Payment Service Provider Supervision Policy Statement
NDC	Net Domestic Credit	QMT	Quality Management Teams
NDID	National Digital Identity Initiative	RBF	Reserve Bank of Fiji
NEC	National Employment Centre	RBCMC	Risk Business Continuity Management Committee
NEER	Nominal Effective Exchange Rate	RE	Real Estate
		RMCG	Risk Management and Communication Group

REER	Real Effective Exchange Rate	TF	Terrorist Financing
RFEDMC SPS	Restricted Foreign Exchange Dealers & Money Change Supervision Policy Statement	TNA	Training Needs Analysis
		UNCDF	United Nations Capital Development Fund
ROA	Return on Assets	US	United States
RRA	Revaluation Reserve Account	USD	US Dollar
RTGS	Real Time Gross Settlement System	USP	University of the South Pacific
SICL	Sun Insurance Company Limited	VASP	Virtual Asset Services Providers
SDG	Sustainable Development Goals	VAT	Value Added Tax
SDR	Special Drawing Rights	WEO	World Economic Outlook
SME	Small and Medium Enterprises	WMSMEs	Women-Owned Micro Small and Medium Enterprises
SPBD	South Pacific Business Development	WRHR	Wholesale, Retail, Hotel and Restaurant
SPX	South Pacific Stock Exchange	YMSMEs	Youth-Owned Micro Small and Medium Enterprises
SRD	Statutory Reserve Deposits		
STRI	SPX Total Return Index		
SWIFT	Society for Worldwide Interbank Financial Telecommunication		



RESERVE BANK OF FIJI

The great double-hulled, ocean-going canoes (Drua) of the ancient Fijians were remarkable crafts capable of long voyages. The tagaga (pronounced “tangaga”) or masthead, was crucial for holding in place the sails, woven from the leaves of the pandanus tree. It was the tagaga which enabled the navigators to keep their drua sailing towards their destinations.

For the Reserve Bank of Fiji, a logo based on the tagaga masthead, symbolises the Bank’s role in contributing towards a sure and steady course for Fiji’s economy.



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