

# SUSTAINABLE TRANSFORMATION AND PROGRESSIVE GROWTH



**FIJI DEVELOPMENT BANK  
ANNUAL REPORT 2024**

## VISION

FDB provides robust services to sectors and enterprises that contribute to the sustainable development of the Fijian economy.

## GOAL

To remain sustainable in servicing our customers while adapting to the changes in our environment.

## OBJECTIVES

Our objectives set the broad direction for FDB.

- To improve the socio-economic status of people by assisting them with their needs making the right development investments and financing; and
- To stay financially and economically stable.

## MISSION

To be a dynamic financial service provider in the development of Fiji.

## VALUES

FDB has a clear set of values to inform and guide its employees, as well as for engagement with our customers and communities. The most important feature is that these values are intentional and integrated into the business model to grow Fiji. The values are known by the acronym RAPID, and it stands for Respect, Accountability, Passion, Integrity, Development.

**Respect:** FDB encourages its staff to listen actively and respond appropriately.

**Accountability:** FDB acknowledges and assumes responsibility for its actions with the overarching obligation to report, explain and be answerable for resulting consequences.

**Passion:** FDB encourages staff to deliver outputs with the highest level of passion.

**Integrity:** FDB exhibits the highest levels of objectivity, honesty, transparency, fairness and responsibility at all times.

**Development:** FDB continually focuses on the economic development of our country, that is why we exist. We believe in the development of country, that is why we exist. We believe in the development of Fiji and bringing success to its entire people.

## ABOUT FIJI DEVELOPMENT BANK:

The Fiji Development Bank (FDB) was established under the Fiji Development Bank Act 1966 on 1 July 1967, sixteen years after development banking started in Fiji with the Agricultural and Industrial Loans Board.

FDB is an autonomous statutory body, the operations of which are controlled by a Board of Directors appointed by the Minister of Finance, Strategic Planning, National Planning & Development.

FDB provides financing that contributes to the development of the Fijian economy leading to the enhancement of the quality of life for all Fijians.

FDB has been in existence for more than 55 years now and remains Fiji's only national development financial institution to this date. It has contributed significantly to the success story of the Fijian economy across generations.

FDB is also the first development Bank in the South Pacific to be accredited to the Green Climate Fund (GCF), the world's largest climate fund, as a Direct (National) Access Entity.

The Financial Year of FDB starts every 1st of July and ends on 30th June.



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# CHAIRMAN'S Letter

18 January, 2025

**The Honourable Professor Dr. Biman Prasad,**  
Deputy Prime Minister and Minister for Finance, Strategic Planning, National Development  
and Statistics,  
Ro Lalabalavu House,  
Victoria Parade, SUVA.

Dear Minister,

**RE: 2024 Annual Report**

On behalf of the Fiji Development Bank (FDB), I am pleased to submit the enclosed 2024 Annual Report and Accounts for the Financial Year ending 30 June 2024.

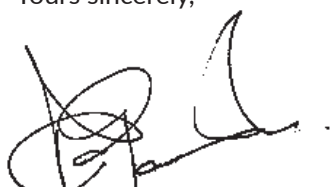
The number of accounts served by FDB increased by 3.66% during the financial year. The women's portfolio accounted for 30% of the total accounts, representing a 15.38% increase for the fiscal year, and the youth portfolio accounted for 17% of the total accounts, comprising 15% of the total portfolio value.

The 2024 financial year has been a successful one for FDB in terms of its performance. FDB achieved a net profit of \$5.60 million, reflecting an increase of \$1.77 million (46.21%) from the previous financial year.

This performance is attributed to prudent cost management and a decline in the borrowing expense by \$2.82 million (38.84%). During the year, FDB mitigated risk exposure on certain accounts, resulting in a reduction of the allowance for credit impairment by \$11.72 million. These results underscore FDB's position and its important role in supporting economic development and prosperity in Fiji.

Going forward, FDB will continue to implement policies aimed at strengthening recovery, building resilience, and driving sustainability towards initiatives that enhance financial performance.

Yours sincerely,



**Damend Gounder**  
CHAIRMAN OF THE BOARD



## CUSTOMER SUCCESS STORY

### QUEENS BULA MART: LIGHTING THE WAY IN VOTUALEVU—24/7



When Queens Bula Mart opened its doors in April 2022, it did more than launch a business—it answered a community’s call. Founded by Ratneshwar and Raveena Lata, the 24-hour supermarket and liquor store was built on a powerful idea: that essential goods should be accessible to everyone, any time of day or night.

Drawing on Raveena’s experience in retail and finance, the couple crafted a strategy rooted in service and local understanding. With the support of an SME loan from the Fiji Development Bank (FDB), they invested in high-quality inventory, modern security systems, and critical infrastructure to bring their vision to life.

Located along a busy corridor and next to a Public Rental Housing community in Votualevu, Queens Bula Mart quickly became a vital resource. It now serves shift workers from Nadi International Airport, elderly residents, and families with limited mobility—offering them reliable access to essentials without the need for long commutes or costly transport.

Beyond convenience, the store has become a symbol of inclusive growth and grassroots resilience. Its success has inspired other local entrepreneurs to think creatively about service delivery and community impact. Queens Bula Mart proves that powerful change can start with a single storefront—and a deep understanding of your neighbours.

#### Empowered by FDB

*“The SME loan from FDB wasn’t just funding—it was the foundation. It allowed us to invest in our vision and serve our community on their terms, not just business hours.”*

*— Raveena Lata, Co-founder, Queens Bula Mart*

## 2024 PERFORMANCE OVERVIEW



### Financial Highlights

- Total Assets: **\$529m**
- Loan Portfolio: **\$464.4m**
- Total Equity: **\$187.8m**
- Net Profit: **\$5.6m**



### Development Reach

- Rural Lending: 54% of total loans disbursed in rural areas
- Women Entrepreneurs: Represent 18% of total portfolio value
- Youth Loans: Increased by \$1.7m (46%) from FY2023
- New Clients: 37% of total loan accounts, up from 26% last year



### Strategic Impact

- Loan Disbursement: \$91.26m (114% of annual target)
- Loan Portfolio Coverage: 9,709 active accounts across Fiji
- Non Performing Loan Reduction: NPL reduced by \$11.72 million from FY2023



## CUSTOMER SUCCESS STORY

### GO DIRTY TOURS FIJI: PIONEERING ADVENTURE AND PURPOSE-DRIVEN TOURISM

Established in 1999, Westside Motorbike Rental (Fiji) Pte Limited, trading as Go Dirty Tours Fiji, revolutionised the tourism industry by becoming Fiji's first inland and coastal adventure tour operator. Founders Anand Kumar Achari and Beatrice Nast envisioned an experience that went beyond "sun and sand," unlocking the raw beauty of Fiji's interior and spotlighting lesser-known communities often overlooked by mainstream tourism.

What began with a passion for exploration has evolved into a thriving business offering quad bikes, ATVs, scooters, and motorbikes for exhilarating journeys across the islands. Through guided tours to the Nausori Highlands and other remote areas, Go Dirty Tours immerses guests in authentic Fijian culture—promoting sustainable tourism while injecting income directly into rural micro-economies.

Their unwavering commitment to eco-conscious and culturally respectful tourism earned them national recognition in 2023 when they were awarded "Adventure Tour Company of the Year." That same year, the Fiji Development Bank (FDB) approved a corporate loan to accelerate their next phase of growth. The funding enabled a strategic fleet

expansion, enhanced safety protocols, and improved tour infrastructure—further solidifying their status as an industry leader.

Crucially, the investment has deepened the company's community-centric model, generating employment for eight individuals (five men and three women) and strengthening local participation in tourism. The result is a powerful blend of adventure, empowerment, and environmental stewardship.

Today, Go Dirty Tours Fiji exemplifies how visionary leadership, coupled with strategic financing, can transform tourism into a force for inclusive growth, cultural preservation, and long-term sustainability.

#### Powered by Purpose, Backed by FDB

*"The corporate loan from FDB allowed us to elevate our operations —without compromising our values. It's helped us deliver unforgettable experiences while uplifting the communities we ride through."*

— Beatrice Nast, Co-founder, Go Dirty Tours Fiji



## CHAIRMAN'S MESSAGE



MR DAMEND GOUNDER

2024 was a year of purposeful transformation for the Fiji Development Bank as we deepened our commitment to sustainable finance, inclusive development, and national resilience. Our strategic direction remained firmly aligned with the Government's development priorities and the Sustainable Development Goals (SDGs), positioning FDB as a catalyst for meaningful progress.

At the heart of our journey were our core RAPID values—Respect, Accountability, Passion, Integrity, and Development. These values were not just words; they guided our decisions, shaped our partnerships, and defined how we served our clients and communities.

FDB disbursed \$91.26 million in new loans across priority sectors including agriculture, MSMEs, renewable energy, youth entrepreneurship and corporate loans. We maintained a strong portfolio of over 9,700 active accounts, reinforcing our developmental footprint across Fiji.

Agriculture continued to anchor our portfolio, representing 33.9% of total lending. This investment supported food security, rural livelihoods, and value chain development—areas critical to Fiji's economic sustainability and climate resilience.

With 15% of our portfolio in value and 17% in number directed toward youth, and a growing focus on women-led enterprises, FDB demonstrated its commitment to an inclusive growth agenda. These efforts were supported by initiatives in financial literacy, concessional financing, and advisory services.

Governance remained central to our oversight role. The Board ensured that institutional reforms, internal control enhancements, and risk frameworks were effectively implemented to uphold transparency, accountability, and operational excellence.

We acknowledge that true transformation is not just about numbers—it's about outcomes. From enabling rural entrepreneurs to helping MSMEs adapt to climate shocks, every success story reflects FDB's impact on people's lives and communities.

Looking ahead, the Board remains committed to steering FDB toward a more agile, innovative, and impact-driven future. We will continue to lead with integrity and respect, ensuring that every step we take fosters progress, equity, and sustainability for all Fijians.

## CUSTOMER SUCCESS STORY

### ROAD KING FARMS: TRANSFORMING RURAL AGRICULTURE INTO A GLOBAL EXPORT POWERHOUSE



production—ushering in a new era of climate-smart operations.

The results have been remarkable. Export volumes increased by 200 times, while over 300 local farmers now benefit from consistent income—selling taro at competitive prices of approximately \$4 to \$5 per kilogram. At the heart of Farm Road's operations is a deep commitment to inclusive employment, with 70–90% of processing staff being women from surrounding rural communities.

What began as a modest agricultural venture exporting just 5 tonnes of produce per year has grown into one of Fiji's most dynamic agribusiness success stories. Based in Taveuni, Farm Road has evolved into a sophisticated export hub, now shipping over 1,000 tonnes annually of fresh and frozen taro, cassava, chillies, and coconut products to 26 international markets, including Australia and New Zealand.

The transformation, however, was not without its challenges. Farm Road faced significant limitations in cold storage capacity and access to finance—barriers that constrained both the scale and quality of its exports. In 2023, the Fiji Development Bank stepped in with a corporate loan to support a comprehensive expansion. The financing enabled the installation of advanced cold chain systems, solar power infrastructure, and a biogas unit for organic fertilizer

More than just a business success, Farm Road has become a beacon of sustainable and inclusive agribusiness. It exemplifies how targeted financing can unlock rural potential, foster gender equity, and build resilient value chains that connect Fiji's heartlands to global markets.

#### Unlocking Agribusiness Potential

*"The FDB loan didn't just build infrastructure—it built confidence. We're now proving that sustainable, inclusive agribusiness is not only possible in Fiji but also thriving."*

— Farm Road Management Team

## EXECUTIVE REPORT



**MR SAUD A MINAM**

Chief Executive Officer (CEO)

The 2024 financial year marked a period of strategic evolution and impactful transformation for the Fiji Development Bank (FDB). In line with Fiji's National Development Plan (NDP), FDB continued to position itself as a critical enabler of inclusive, green, and resilient economic growth—prioritising interventions that address inequality, strengthen rural economies, support MSMEs, and promote climate-conscious investments.

### Enabling Inclusive Economic Participation

Increased demand from Micro, Small, and Medium Enterprises (MSMEs) throughout the financial year translated into a notable expansion in FDB's customer base. This growth—anchored in the NDP's pillar of "Inclusive Socio-Economic Development"—was primarily driven by clients from the Manufacturing, Professional & Business Services, and Wholesale, Retail, Hotels & Restaurants sectors. FDB's tailored product offerings, especially those targeting underrepresented groups such as women entrepreneurs, underscore its commitment to financial inclusion and align with national strategies to empower marginalised communities.

## WOMEN PORTFOLIO

 **30%**

Of Total No. of Accounts  
Up from 26% last FY

## YOUTH PORTFOLIO

 **17%**

Of Total No. of Accounts  
Represent 15% of Total  
Portfolio Value





FDB became the first financial institution in the Pacific region to sign the Asian Development Bank (ADB) Women Entrepreneurs Finance Initiative (We-Fi) Code. This commitment signifies FDB's dedication to advancing access to financial services for women and women-led micro, small, and medium-sized enterprises (MSMEs).

### Strategic Alignment with National Priorities

FDB's 2024–2028 Strategic Plan is deliberately aligned to the national priorities outlined in the NDP, including: MSME Development and Rural Empowerment, Youth and Gender Inclusion, Agriculture Modernisation, Climate Resilience and Sustainable Finance and Digital Transformation and Innovation. By advancing these development goals, FDB plays a central role in implementing Fiji's long-term vision for a diversified, sustainable, and inclusive economy.

### Navigating the Macroeconomic Landscape

While global growth in 2024 remained steady, the slowdown in disinflation and rising geopolitical tensions presented macroeconomic headwinds. Domestically, however, investment confidence improved, as evidenced by increased new credit approvals. High liquidity levels contributed to favourable financial conditions, with a stable low-interest environment supporting credit access. These conditions enabled FDB to pursue its transformation journey without compromising service delivery or financial performance.

### Strengthening Risk Governance and Regulatory Maturity

In recognition of its role as a public financial institution, FDB continued to enhance its risk management and regulatory compliance frameworks. FDB achieved compliance with 13 out of 18 Reserve Bank of Fiji (RBF) Supervision Policy requirements and enhanced its Compliance Management Framework. A Regulatory Compliance Register was introduced to monitor legal changes in real time, supporting alignment with prudential policies. These efforts advance the NDP's objective of strengthening public sector governance and accountability.

### Strong Financial Performance

FDB recorded a net profit of \$5.60 million, a 46.21% increase from the previous year, supported by:

- \$2.82 million (38.84%) reduction in borrowing expenses
- \$11.72 million decline in credit impairment allowance

This financial result affirms FDB's operational sustainability and supports national efforts to maintain a stable and resilient financial sector.

### Strategic Lending for Development Impact

FDB disbursed \$91.26 million during the year—114.07% of its \$80 million target, and a 105.97% increase over the prior year. Of this, 70.20% was directed toward key development sectors: Agriculture, Transport, and Wholesale/Retail—in line with NDP priorities to modernise agriculture and improve rural livelihoods.

These disbursements demonstrate how FDB is translating its mandate into tangible socio-economic progress across Fiji's regions.

### Leveraging Finance for Social Transformation

FDB continued to roll out inclusive and development-focused loan products, including Rice Mobility Package, SME Package, Ginger Loan Facility, Women Entrepreneurs Loan, Sugarcane Farmers Special Facility and Dairy Farming Loan. These products directly contribute to NDP targets on rural development, gender equity, and agricultural productivity.

| FDB Product                             | Number of Accounts disbursed for FY2024 | Loan Disbursed for FY 2024 (\$mm) | Year Launched | Number of accounts ending FY2024 | Portfolio value (\$mm) |
|-----------------------------------------|-----------------------------------------|-----------------------------------|---------------|----------------------------------|------------------------|
| AVCF Rice                               | 4                                       | 0.13                              | 2021          | 18                               | 0.42                   |
| SME Sustainability Package              | 143                                     | 8.80                              | 2022          | 293                              | 13.35                  |
| AVCF Ginger                             | 0                                       | -                                 | 2023          | 17                               | 0.19                   |
| FDB Loans for Women Entrepreneurs       | 524                                     | 1.61                              | 2023          | 1250                             | 3.16                   |
| Sugarcane Farmers Special Loan Facility | 74                                      | 1.54                              | 2023          | 266                              | 2.31                   |
| AVCF Dairy                              | 7                                       | 0.15                              | 2024          | 6                                | 0.08                   |
| <b>Grand Total</b>                      | <b>752</b>                              | <b>12.24</b>                      |               | <b>1850</b>                      | <b>19.51</b>           |

### Innovative Finance Mechanisms Supporting NDP Outcomes

To further support the objectives of Fiji's National Development Plan, FDB has employed Innovative Finance Mechanisms that de-risk lending, expand financial access, and stimulate inclusive economic participation across key sectors.

#### Equity Partnerships:

- Northern Development Program: 45% equity (Ministry), 45% FDB loan, 10% borrower's equity of the total project cost.
- IHRDP: 2/3 equity grant, 1/3 FDB loan (targeting community development) of the total project cost.
- Commercial Farmers Package: 20% equity (Ministry of Agriculture), 80% FDB loan of the total project cost.
- Women Entrepreneurs Loan: 10% grant (Ministry of Finance), 90% FDB loan of the total project cost.
- FNPF Housing Scheme: 20% FNPF equity, 80% FDB loan of the total project cost for the purchase or construction of farmhouse under agriculture leased land or freehold land for farming purpose.

#### Guarantee Facilities:

- RBF MSME Credit Guarantee Scheme: Up to 75% government-backed for women and agriculture-based MSMEs
- AFD EURIZ Guarantee: 70% portfolio guarantee supporting green and inclusive sectors (e.g., youth, health, digital economy)

#### Interest Subsidies:

Loans below \$100,000 in targeted sectors benefit from 4%–6% interest subsidy, supporting agriculture and rural MSMEs in line with Fiji's commitment to reduce poverty and stimulate local entrepreneurship.

### Recognising and Rewarding Enterprise – NSMEA 2023

FDB's National SME Awards (NSMEA) continued to elevate successful MSMEs, with the support of His Excellency, the President of Fiji, as Chief Guest. The event, aligned with national strategies to foster private sector innovation, recognised leading businesses such as:

- Agribusiness SME: Avish Poultry Farm (Labasa)
- Sustainable SME: Star Hospitality Co. Pte Ltd (Nadi)



Photo of the 2023 NSME Award Winners

- Empowerment Awardees: Youth – Futuristic Farm (Rakiraki); Women – The House of Beauty (Lautoka); Emerging – Ledua’s Art Collection (Suva); Best Businessperson – Essence Group Fiji (Nadi)
- Cooperative and Maritime SMEs: Tavoro Forest Park (Taveuni) and Saunitoga Enterprise (Levuka)
- Overall Winner: Essence Group Fiji Ltd

The NSMEA event supports broader NDP goals to promote entrepreneurship, reward innovation, and strengthen partnerships between public institutions and private sector actors.

### Accelerating Digital Transformation for Financial Inclusion

In line with NDP ambitions for a Digital Economy, FDB made significant progress in upgrading its ICT infrastructure. Process automation enhanced service efficiency, reduced turnaround time, and delivered a better customer experience. These reforms not only improve internal systems but enable FDB to scale its outreach to previously underserved areas.

### Outlook – Advancing the NDP Vision

Looking forward, FDB will continue prioritising sectors with high economic and social multiplier effects, including agriculture, renewable energy, and rural enterprise. FDB also remains committed to:

- Enhancing access to finance for disadvantaged groups
- Improving borrower capacity through training and financial literacy
- Collaborating with Government, development partners, and private sector stakeholders to deliver integrated development solutions

This approach reinforces FDB’s alignment with national priorities and cements its role as a catalyst for sustainable transformation and progressive growth.

### Acknowledgement

I wish to sincerely thank the Board of Directors for their unwavering support and guidance and commend the Executive Management Team and staff for their commitment and hard work. Together, we are realising Fiji’s development ambitions and building a more inclusive and resilient future.



## BOARD OF DIRECTORS



**MR DAMEND GOUNDER**

Board Chairperson

### Appointed January 2023

Chairperson of the Fiji Development Bank Board and a member of the Board Talent & Organisational Development Committee. A respected entrepreneur, he brings over 33 years of experience in business and tourism. He is the Founder and Managing Director of the Tour Managers Group and formerly served as Group Director/General Manager for Adventure/Endless Holidays and Hamacho Restaurants. He has held board positions with Air Pacific (now Fiji Airways), Fiji Sugar Corporation, and the Fiji Visitors Bureau (now Tourism Fiji) and has led various tourism industry bodies. Mr. Gounder is also widely recognised for his community service, having served as International President of Apex International, National President of the Apex Clubs of Fiji, and held leadership roles with TISI Sangam and FRIEND.



**MS EMELE DUITUTURAGA**

Board Director

### Appointed April 2023

Board Member of the Fiji Development Bank and serves on the Board Talent & Organisational Development Committee and the Board Risk Committee. She is a seasoned development specialist with over 30 years of experience across government, regional and international organisations, and civil society. She currently works as an independent consultant, focusing on gender, equity, disability, and social inclusion, and is also involved in business and private sector development. She is a Director of Lakeba Nawa Vision Company Ltd. Previously, Ms. Duituturaga served as Executive Director of the Pacific Islands Association of Non-Governmental Organisations (PIANGO) for ten years, where she led regional and global advocacy on climate change, gender equality, and the SDGs. She also held the role of Permanent Secretary for the Ministry of Women, Children & Poverty Alleviation, contributing to national policy and program delivery.



**MS MAIMUNA HANIFF**

Board Director

### Appointed February 2022

Chairperson of the Board Audit Committee of the Fiji Development Bank. She brings 18 years of leadership and financial management experience, primarily with British American Tobacco across Fiji, Australia, and New Zealand. As an Executive Finance Director, she has led strategic initiatives that drive commercial value, focusing on people development, revenue growth, cost efficiency, sustainability, and strong accountability. She is a Fellow of CPA Australia, a Chartered Accountant with the Fiji Institute of Accountants, and a Member of the Australian Institute of Company Directors (AICD). Ms. Haniff also serves as a Director for British American Tobacco Fiji and Future Farms Limited. She holds a Bachelor's Degree in Accounting from the University of the South Pacific.



**MR JAGDISH SINGH**  
Board Director

#### **Appointed January 2023**

Chairperson of the Board Talent & Organisational Development Committee and a member of the Board Risk Committee of the Fiji Development Bank. A qualified Civil Engineer, he brings over 31 years of experience in the engineering and infrastructure sector. He began his career with the Housing Authority, later spending a decade at the Suva City Council, including five years as Director of Engineering Services. Mr. Singh also held senior roles at the University of the South Pacific as Projects Manager and at Wood & Jepsen Consultants. He holds a Bachelor of Engineering (Civil) from the University of Wollongong, Australia.



**MR DAVID ROBERTSON**  
Board Director

#### **Appointed June 2023**

Chairperson of the Board Risk Committee of the Fiji Development Bank. He is a Suva-based businessman and capital markets professional with over 40 years of experience in senior executive roles across Fiji, New Zealand, and the Pacific. He is currently the General Manager of South Sea Towage Limited, a marine services company operating out of Suva and Lautoka. Mr. Robertson began his career in Fiji in 1970 as a banker with the Bank of New Zealand, later serving as General Manager of Investments for the Colonial (CML) Investment Fund from 1990 to 1999. He has held board positions in several capital-intensive industries in Fiji and brings extensive expertise in banking, investment management, governance, and regulatory oversight.



**MR SALESH KUMAR**  
Board Director

#### **Appointed March 2023**

Board Member of the Fiji Development Bank and serves on Board Audit Committee and the Board Risk Committee of the Fiji Development Bank. An academic with 30 years of experience in agriculture, he holds a PhD in Agricultural Economics and Agribusiness. He served 15 years with the Ministry of Agriculture, working across Ba, Lautoka, Vunidawa, Naqali, and Nausori, before moving into academia with Fiji National University and currently Pacific Polytech. Dr. Kumar has published extensively in Agribusiness and Agri value chains across Fiji and the Pacific and provides mentorship to emerging agribusinesses. He is also a committed social worker, actively supporting underprivileged children.



**MRS ASILIKA MUAVESI ROGERS**  
Board Director

#### **Appointed April 2022**

Board Member of the Fiji Development Bank and serves on the Board Audit Committee and Board Talent & Organisational Development Committee of the Fiji Development Bank. She is a practicing lawyer with Toganivalu Legal and has previously worked with Patel Sharma Lawyers and Amrit Chand Lawyers. Ms. Rogers holds a Bachelor of Law from the Fiji National University, a Graduate Diploma in Legal Practice from the University of Fiji, and postgraduate qualifications in International Relations and Diplomacy.

## OUR GOVERNANCE



FDB upholds the highest standards of corporate governance as a core pillar of its mission to drive sustainable economic and social progress in Fiji. Our governance framework ensures transparency, accountability, ethical conduct, and prudent risk management across all levels of FDB. Guided by the Fiji Development Bank Act 2004, the Code of Corporate Governance, and the Fiji Companies Act 2015, we ensure our operations are well-governed, compliant, and aligned with stakeholder expectations.

### Board of Directors

FDB is governed by a Board of seven Directors appointed by the Minister for Finance. Each Director serves a three-year term, with eligibility for reappointment. In the current financial year, there were no new appointments to the Board. The composition remained unchanged, ensuring stability and continuity in governance and strategic oversight. FDB's Board brings together diverse expertise in business, finance, law, engineering, agriculture, and development. The Board provides strategic direction, oversees financial and operational performance, and

ensures that internal controls and risk management systems are in place and effective.

### Board Committees and Oversight

To strengthen its oversight function, the Board operates through three permanent Sub-Committees:

- Audit Committee (BAC) – Oversees financial reporting, internal controls, and the independence of internal and external audits.
- Risk Committee (BRC) – Provides oversight of FDB's risk appetite, strategy, and management framework.
- Talent & Organisational Development Committee (BTOD) – Guides recruitment, staff development, succession planning, and workforce culture.

Each Committee reports directly to the Board and operates under defined charters, ensuring focused attention on critical governance areas.

### Meeting Attendance

The Board and its Sub-Committees met regularly throughout the financial year. The attendance of



each Director across Board and Sub-Committee meetings is presented below, reflecting strong commitment and engagement in fulfilling governance responsibilities:

**Table 1: Board & Sub-Committee Meetings and Attendance**

| Director              | Board |          | Special |          | BRC  |          | BAC  |          | BTOD |          |
|-----------------------|-------|----------|---------|----------|------|----------|------|----------|------|----------|
|                       | Held  | Attended | Held    | Attended | Held | Attended | Held | Attended | Held | Attended |
| Mr. Damend Gounder    | 4     | 4        | 6       | 6        | n/a  | n/a      | n/a  | n/a      | 4    | 2        |
| Mr. Jagdish Singh     | 4     | 4        | 6       | 6        | 7    | 7        | n/a  | n/a      | 4    | 4        |
| Ms. Emele Duituturaga | 4     | 4        | 6       | 6        | 7    | 6        | n/a  | n/a      | 4    | 3        |
| Ms. Maimuna Haniff    | 4     | 3        | 6       | 5        | n/a  | n/a      | 3    | 3        | n/a  | n/a      |
| Ms. Asilika Rogers    | 4     | 4        | 6       | 6        | n/a  | n/a      | 3    | 3        | 4    | 4        |
| Mr. Salesh Kumar      | 4     | 3        | 6       | 6        | 7    | 6        | 3    | 3        | n/a  | n/a      |
| Mr. David Robertson   | 4     | 4        | 6       | 6        | 7    | 7        | n/a  | n/a      | n/a  | n/a      |

### Executive Management and Internal Oversight

FDB's Chief Executive Officer leads the Executive Committee (EXCO), comprising senior management from key divisions. EXCO is responsible for operational execution, policy implementation, and strategic alignment, meeting fortnightly to review performance and risks. The CEO also acts as the main link between the Board and Management, ensuring timely, accurate, and complete reporting.

### Risk Management and Internal Audit

Effective risk management is central to FDB's governance. The Internal Audit Unit operates independently and reports to the Audit Committee. It undertakes risk-based audits across all departments and branches, assessing internal controls, regulatory compliance, and operational efficiency. The Office of the Auditor General performs the annual external audit in line with statutory requirements, while the Reserve Bank of Fiji provides ongoing prudential supervision.

### Ethics, Transparency and Compliance

All Directors are bound by a formal Code of Conduct and are required to declare any potential conflicts of interest at the start of each meeting. These are documented in the minutes and maintained in a Conflict-of-Interest Register by the Board Secretary.

FDB also maintains a Whistleblower Policy that ensures stakeholders can report suspected misconduct confidentially and without fear of retaliation. Reports may be submitted anonymously via FDB's dedicated channel at [Fraud.Alert@fdb.com.fj](mailto:Fraud.Alert@fdb.com.fj). No complaints were received during the reporting period.

Through these systems and structures, FDB continues to maintain a strong culture of governance, integrity, and accountability.

## EXECUTIVE COMMITTEE (EXCO) TEAM



**Mr Saud A Minam**

Chief Executive Officer (CEO)



**Mr Saiyad Hussain**

General Manager Finance and  
Administration (GMFA)



**Ms Titilia V Kamil**

General Manager Relationship and  
Sales (GMRS)



**Mr Bimal Sudhakar**

General Manager Risk  
(GMR)



**Mr Semisi Biumaiwai**

General Manager Talent and  
Organisational Development  
(GMTOD)



**Ms Priya Chand**

Manager Enterprise Risk  
Management (MERM)



**Ms Sheik Maizabeen Nisha**

Manager Finance (MF)



## CUSTOMER SUCCESS STORY

### LANDSCAPING SOLUTIONS FIJI: CULTIVATING GREEN INNOVATION, ONE GARDEN AT A TIME

From a \$1,000 savings pot and a borrowed family car, Landscaping Solutions Fiji (LSF) has grown into one of the country's most inspiring women-led green enterprises. Founded in 2017 by Salote Waqairatu-Waqainabete and her husband Vilimoni Waqainabete, LSF is now a leading provider of sustainable landscaping and soil health solutions in Fiji—dedicated to transforming everyday spaces into eco-friendly sanctuaries.

What began as a vision rooted in environmental stewardship and community well-being has blossomed into a business that now serves over 1,000 residential and commercial clients across Viti Levu, with growing interest from the Northern Division. The enterprise offers a full suite of services—landscape design and maintenance, nursery products, its own FijiGro compost and soil blends, and a growing agribusiness consultancy arm.

A turning point came in 2018 when the Fiji Development Bank (FDB) approved LSF's first business loan. This vital funding enabled professionalisation, expansion, and credibility in a market where innovative business models often struggle for traction. In 2023, a second loan from FDB supported the launch of their agribusiness venture and strengthened operations and marketing, helping them reach new customers and diversify their income stream.

LSF's commitment to environmental sustainability is matched by its inclusive approach to employment and empowerment. Each year, they recycle over 100 tonnes of green waste into chemical-free compost—some of which has reached as far as Tuvalu. Women, particularly in Suva, play a central role as customers, partners, and advocates—florists and small business owners using LSF's products to support their own livelihoods.

From pioneering sustainable gardening to fostering women's economic participation, Landscaping Solutions Fiji is cultivating more than just gardens—they are growing a resilient, greener Fiji.

#### Growth Rooted in Support

*"FDB didn't just provide capital—they gave us credibility and a chance to grow with purpose. Their support has helped turn a seed of an idea into a business that's making real impact."*

*— Salote Waqairatu-Waqainabete, Co-founder, Landscaping Solutions Fiji*



# AUDIT AND REGULATORY COMPLIANCE FRAMEWORK

## Internal audit

The internal audit function serves as a key component of FDB's governance structure, providing independent and objective assurance on the adequacy and effectiveness of internal controls, risk management practices, and governance frameworks. Reporting directly to the Board Audit Committee with full operational independence, the function applies a risk-based methodology to focus audit activities on areas of highest risk exposure and strategic significance. During the 2023/24 financial year, a comprehensive audit programme was executed, covering core business operations, financial management, support services, and governance functions. The work performed contributed to strengthening internal controls and enhancing organisational performance through actionable recommendations to Management and the Board.

In addition to the planned audit engagements, special investigations and independent reviews were undertaken in response to requests from the Board and Management. These included reviews into policy non-compliance, process breakdowns, and matters involving staff conduct. All significant audit findings were reported to the Board Audit Committee with specific recommendations designed to support timely corrective actions and reinforce oversight. In recognition of International Internal Audit Awareness Month, a series of audit awareness sessions were delivered across the Bank in May 2024, focusing on internal control principles, ethical conduct, fraud prevention, and governance responsibilities at all levels of the organisation.

Continuous enhancement of audit capability remained a key focus throughout the year. Investments were made in professional development through targeted training aligned with evolving global internal audit standards and emerging risk environments. Work commenced on exploring the integration of audit automation and data analytics to improve audit efficiency, expand coverage, and strengthen early risk detection. The Internal Audit function continues to deliver independent, objective, and value-adding assurance that supports

the governance responsibilities of both the Board and Senior Management while contributing to FDB's long-term sustainability and resilience.

## External Audit

FDB is subject to the FDB Act and the Financial Management Act of 2004, as well as the amendments made by the promulgation (no.21) of 2007, which mandate an annual external audit of FDB's financial statement. The Office of the Auditor General conducts the audit and issues the Auditor's Report, which evaluates the Bank's performance and verifies that the financial statement is accurate and free of significant errors.

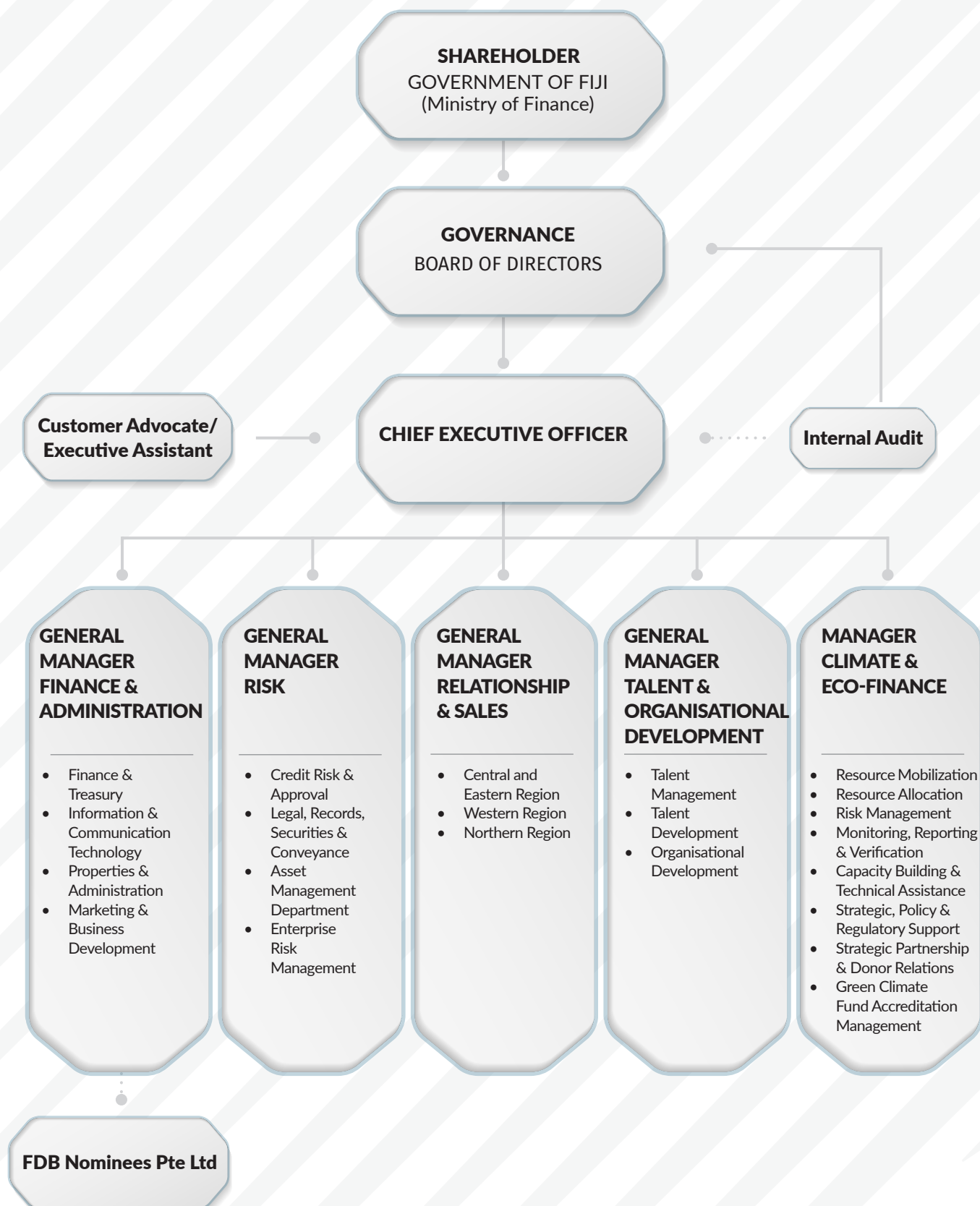
## Reserve Bank of Fiji

FDB is fully supervised by Reserve Bank of Fiji and adheres to the Banking Supervision Policy of the Reserve Bank of Fiji as a prudential requirement. The Bank communicates with RBF regularly and seeks RBF's guidance on policy amendments and new policy formulation. FDB also submits supervisory reports to RBF on a monthly and quarterly basis and engages in regular discussions on matters pertaining to the introduction of new products and revisions to the existing guidelines. FDB has also been updating RBF frequently on the issues and challenges encountered through quarterly meetings with the Governor and the Financial Institutions Supervision Team. RBF also keeps a close watch on the external audit updates of FDB by having opening and exit meetings with the Management and External Auditors of FDB.

## Risk Management

FDB depends on effective internal controls to manage risks and achieve its business objectives. A strong system of internal control safeguards both FDB's assets and the interests of its stakeholders. Fiji Development Bank encounters various risks in its operations, including credit risk, market risk, operational risk, strategic risk, and reputational risk. To effectively manage these challenges and meet its goals, FDB has implemented a robust internal control system that addresses these risks comprehensively.

# FIJI DEVELOPMENT BANK ORGANIGRAM



## FDB'S MARKET SHARE

|                                           | FDB<br>(\$mm) | Commercial Banks (CB)<br>(\$mm) | Credit Institutions (CI)<br>(\$mm) |
|-------------------------------------------|---------------|---------------------------------|------------------------------------|
| Agriculture                               | 71.2          | 118.1                           | 20.8                               |
| Sugarcane Growing                         | 16.2          | 2.6                             | -                                  |
| Forestry & Logging                        | 1.5           | 4.7                             | 3.9                                |
| Fisheries                                 | 5.3           | 16.5                            | 0.6                                |
| Others                                    | 48.2          | 94.3                            | 16.3                               |
| Mining & Quarrying                        | 1.9           | 31.0                            | 4.2                                |
| Manufacturing                             | 53.7          | 605.6                           | 14.0                               |
| Food, Beverages and Tobacco               | 2.4           | 210.6                           | 0.6                                |
| Textiles, Clothing and Footwear           | 1.9           | 63.3                            | 0.8                                |
| Metal Products and Machinery              | 1.3           | 54.6                            | 4.7                                |
| Others                                    | 48.1          | 277.1                           | 7.9                                |
| Building and Construction                 | 40.4          | 789.6                           | 45.5                               |
| Real Estate (Development)                 | 48.1          | 1,799.7                         | 3.4                                |
| Non-Bank Financial Institutions           | 2.5           | 7.3                             | 188.9                              |
| Public Enterprises                        | 94.3          | 10.1                            | 1.2                                |
| Wholesale, Retail, Hotels and Restaurants | 84.6          | 2,033.5                         | 46.8                               |
| Hotels and Restaurants                    | 47.7          | 568.2                           | 8.6                                |
| Other Commercial Advances                 | 37.0          | 1,465.3                         | 38.2                               |
| Transport, Communications and Storage     | 29.6          | 618.2                           | 90.0                               |
| Electricity, Gas and Water                | 1.9           | 196.3                           | 0.2                                |
| Professional Business Services            | 21.8          | 220.5                           | 39.3                               |
| Private Individuals                       | 7.1           | 2,508.7                         | 277.1                              |
| Housing                                   | 6.2           | 2,183.2                         | -                                  |
| Car or Personal Individual Transport      | 0.4           | 85.1                            | -                                  |
| Others                                    | 0.5           | 240.4                           | -                                  |
| Central and Local Government              | 7.2           | 4.0                             | 0.2                                |
| Other Sectors                             | -             | 141.9                           | 18.9                               |
| <b>TOTAL</b>                              | <b>464.4</b>  | <b>9,084.5</b>                  | <b>750.5</b>                       |

**NOTE:** Fiji total refers to total loans and leases advances outstanding by all commercial banks, licensed credit institutions and the Fiji Development Bank as at 30 June 2024. FDB's market share is highlighted.



| Fiji Total<br>(\$mm) | FDB as a % of Fiji Total | CB as a % of Fiji Total | CI as a % of Fiji Total |
|----------------------|--------------------------|-------------------------|-------------------------|
| 210.1                | 33.9                     | 56.2                    | 9.9                     |
| 18.8                 | 86.2                     | 13.8                    | -                       |
| 10.1                 | 15.1                     | 46.4                    | 38.5                    |
| 22.4                 | 23.5                     | 73.8                    | 2.7                     |
| 158.8                | 30.3                     | 59.4                    | 10.3                    |
| 37.1                 | 5.0                      | 83.7                    | 11.3                    |
| 673.3                | 8.0                      | 89.9                    | 2.1                     |
| 213.6                | 1.1                      | 98.6                    | 0.3                     |
| 66.0                 | 2.9                      | 95.9                    | 1.2                     |
| 60.6                 | 2.1                      | 90.1                    | 7.8                     |
| 333.1                | 14.4                     | 83.2                    | 2.4                     |
| 875.5                | 4.6                      | 90.2                    | 5.2                     |
| 1,851.2              | 2.6                      | 97.2                    | 0.2                     |
| 198.7                | 1.3                      | 3.7                     | 95.1                    |
| 105.6                | 89.3                     | 9.6                     | 1.1                     |
| 2,164.9              | 3.9                      | 93.9                    | 2.2                     |
| 624.5                | 7.6                      | 91.0                    | 1.4                     |
| 1,540.5              | 2.4                      | 95.1                    | 2.5                     |
| 737.8                | 4.0                      | 83.8                    | 12.2                    |
| 198.4                | 1.0                      | 98.9                    | 0.1                     |
| 281.6                | 7.7                      | 78.3                    | 14.0                    |
| 2,792.9              | 0.3                      | 89.8                    | 9.9                     |
| 2,189.4              | 0.3                      | 99.7                    | -                       |
| 85.5                 | 0.5                      | 99.5                    | -                       |
| 240.9                | 0.2                      | 99.8                    | -                       |
| 11.4                 | 63.3                     | 35.0                    | 1.7                     |
| 160.8                | -                        | 88.2                    | 11.8                    |
| 10,299.4             | 4.5                      | 88.2                    | 7.3                     |

## OUR OPERATIONS

In alignment with our 2024–2028 Strategic Plan, the Fiji Development Bank (FDB) continued its journey of sustainable transformation, adapting its operations to changing socio-economic and technological landscapes. Rooted in our mandate to serve Fiji's development needs, our 2024 operations reflect FDB's deep commitment to inclusive finance, digital innovation, climate resilience, and community empowerment.

### Lending Highlights: Surpassing Targets, Enabling Impact

During the financial year, FDB disbursed \$91.26 million, exceeding its target of \$80.0 million by 114.07%—a 105.97% increase from the previous year. This performance was bolstered by two major disbursements: \$20 million to Fiji Sugar Corporation and \$7 million to the Ministry of Finance.

Over 70% of total releases supported key sectors including agriculture, transportation, and wholesale/retail, reinforcing the FDB's role in strengthening economic resilience in Fiji's most vital industries.

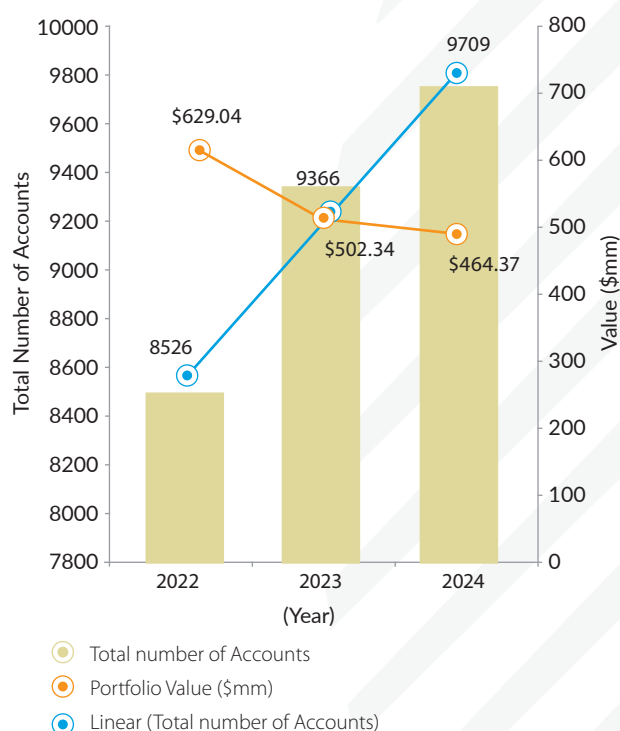
### Portfolio Growth: A Diversified and Impact-Oriented Approach

As at 30 June 2024, FDB's portfolio comprised 9,709 accounts valued at \$464.37 million, marking a 3.66% increase in account numbers. Despite a 7.56% portfolio contraction (due to early exits, refinancing by other financial institutions, and asset sales), overall portfolio quality improved, particularly through targeted recovery strategies.



(L-R) FCDCL CEO, Mr. Kushmendra Prasad, FDB CEO Mr. Saud Minam, Minister for Agriculture and Waterways Hon. Vatimi Rayalu, Permanent Secretary for Agriculture and Waterways, Dr. Andrew Tukana during the launching of the Dairy Farming Loan under the Agriculture Value Chain Financing (AVCF) model.

3 Years Portfolio Trend by Total number of accounts and Values



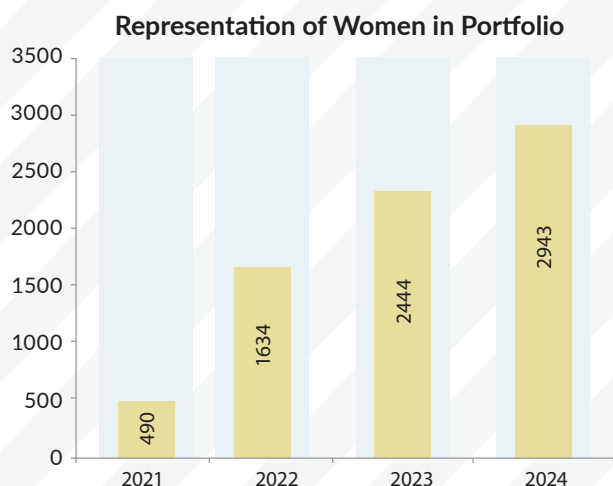
Performing Loans rose to \$381.95 million, improving the performance ratio to 82.25% (from 76.72% in 2023), while non-performing loans declined by \$34.51 million, down to 17.75% of the total.

Agriculture remained a strategic priority:

- Comprising 32.48% of total accounts
- Sugarcane accounted for 65.67% of agriculture loan value
- Agriculture Value Chain lending represented 23.55% of portfolio value

### Gender Equality and Inclusion: Scaling Women's Access to Finance

The women's portfolio rose significantly to 30.31% of the total value, up from 26.09% in 2023—aligned with SDG 5 (Gender Equality) and SDG 8 (Decent Work & Economic Growth). From just 490 accounts in 2021, the number of active women-led accounts reached a historic 2,943.



This growth is largely attributed to the continued success of the FDB Women Entrepreneur Facility, supported by a fully digital, paperless process since 2022.

- Digital Applications accounted for 63.81% of all 2,938 loan applications in 2024
- 60.60% approval rate across all applications
- 50.09% approval rate for online submissions
- 69.28% of approved applications were from women under the WEF

### Innovation: Digital Transformation and Product Development

FDB continued enhancing its digital onboarding systems, resulting in increased application volume, simplified forms, and broader accessibility. A new Dairy Farming Loan under the Agriculture Value Chain Financing (AVCF) model was launched, in partnership with Fiji Cooperative Dairy Company Limited, ensuring market access and supporting local production.

Further innovation came through the EURIZ Loan Guarantee Facility, in collaboration with the Agence Française de Développement (AFD) and the European Union, aimed at expanding MSME and SME access to finance with gender focus.

### Community Outreach and Financial Inclusion

Operating through 11 branches and an MSME Unit, FDB conducted 364 outreach activities nationwide, including roadshows, talanoa sessions, and expos.

These initiatives expanded access to financial literacy and banking services across maritime and rural communities.

### Key Highlights:

- Engagements with the Attorney General's Office, Ministry of Agriculture, and Ministry for Rural and Maritime Development
- Participation in Outer Island tours (Levuka, Lomaiviti, Koro)
- Financial Literacy workshops
- Participation in Women-led Expos, supporting grassroots entrepreneurship

### Internal Transformation: Strengthening Processes and People

In preparation for the upcoming Core Banking System, the Relationship & Sales Division led system specification design through active cross-departmental consultations. FDB's digital transformation remains central to enhancing operational efficiency and customer experience.

### Commitment to Community and Environment

FDB continued its Corporate Social Responsibility efforts through initiatives such as:

- Nationwide Pinktober Drive in support of breast cancer awareness
- Holiday season donations, including by FDB Taveuni to vulnerable families
- Participation in IUCN workshops, climate consultations, and green energy investments like the Mua Solar Grid

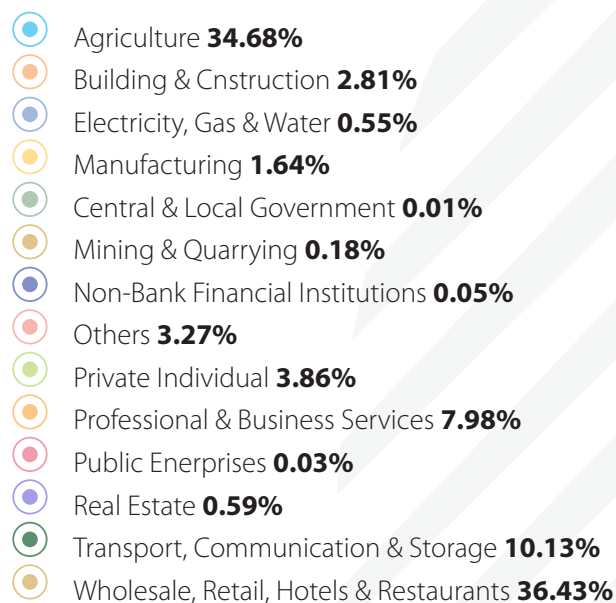
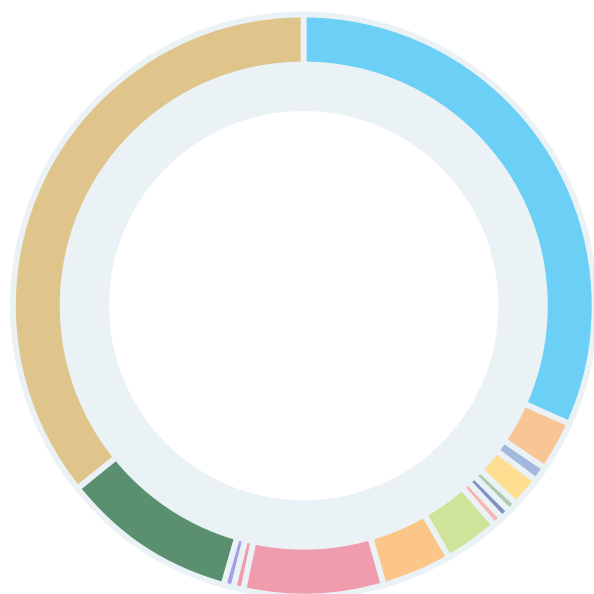
### Looking Ahead: Positioning for Sustainable Impact

The upcoming financial year will see the launch of FDB's new Core Banking System, positioning FDB to better meet the needs of a digital-first customer base. With expanded collaborations across the public and private sectors, FDB will continue designing inclusive financial products and leveraging data and partnerships for broader development impact.

As FDB accelerates its efforts to empower MSMEs, women entrepreneurs, and agricultural communities, it remains steadfast in delivering on its mandate—to be the financier of sustainable transformation and progressive growth for all Fijians.



### Portfolio by Number as at 30th June 2024

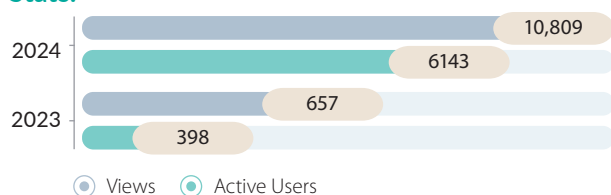


### Customer Satisfaction Index (CSI):

| Areas of Focus (Overall)         | CSI  | Benchmark |
|----------------------------------|------|-----------|
| Processes                        | 4.09 | 4.00      |
| FDB Products (Product & Service) | 3.95 | 3.80      |
| FDB Facilities                   | 4.09 | 4.00      |
| Communication                    | 4.13 | 4.00      |
| Customer Satisfaction            | 4.12 | 4.00      |
| Overall CSI                      | 4.09 | 4.00      |

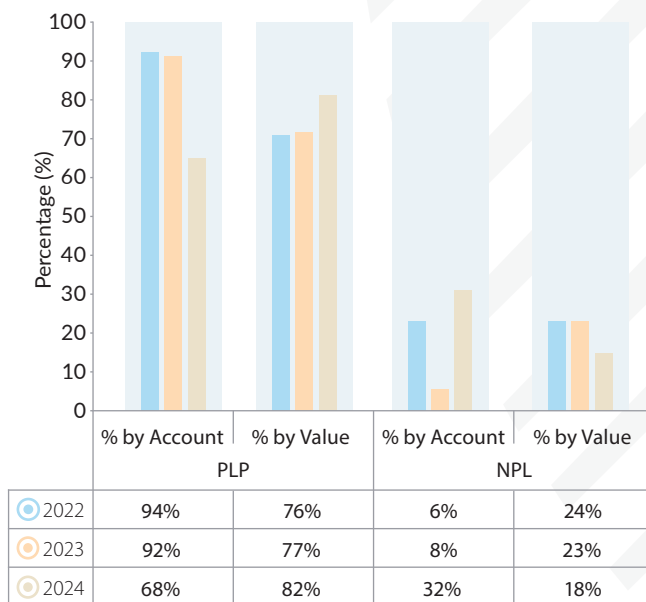
Note: An independent customer satisfaction survey was conducted by Maxumise to gain Insights into customer preferences and expectations. The Customer Satisfaction Index ranged from one (1 - high dissatisfaction) to five (5 - high satisfaction), with an overall score of 4.09. Scores across service dimensions suggest general satisfaction, with room for improvement in product offerings.

### FDB Digital Financial Literacy Program Outreach Stats:



Note:  
The Financial Year of FDB starts in July and ends in June.  
FY 2023 had low views because the agreement was signed September 2022 and was active in the Bank's website in January 2023.

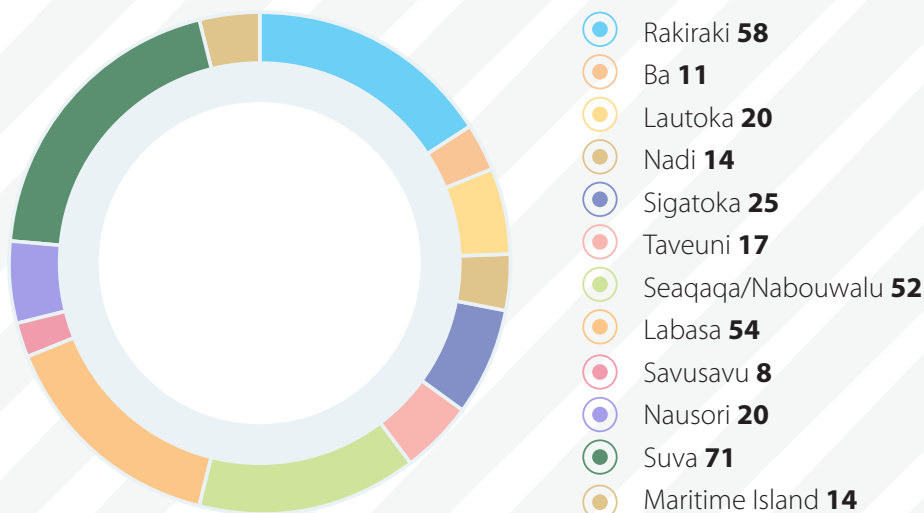
### FDB Portfolio Trend by Performing Loan Portfolio and Non-Performing Loan Portfolio



|                                  |      |
|----------------------------------|------|
| Number of Applications Received  | 2938 |
| Number of Applications Approved  | 1808 |
| Number of Applications Withdrawn | 1080 |
| Number of Applications Declined  | 122  |

Note: Application withdrawn is due to customers not submitting the loan required documents on time or the customer declining to take the business loan once the loan is approved.

### Community Outreach by Branches as at 30th June 2024



### Total FDB Portfolio by Province

| Province           | % by Account | % by Value  |
|--------------------|--------------|-------------|
| Ba                 | 22.7%        | 55.9%       |
| Bua                | 3.2%         | 1.5%        |
| Cakaudrove         | 12.5%        | 4.6%        |
| Kadavu             | 0.3%         | 0.04%       |
| Lau                | 0.1%         | 0.01%       |
| Lomaiviti          | 0.4%         | 0.3%        |
| Macuata            | 22.6%        | 8.9%        |
| Nadroga/Navosa     | 4.7%         | 5.5%        |
| Naitasiri          | 8.2%         | 4.0%        |
| Namosi             | 1.1%         | 0.9%        |
| Ra                 | 4.7%         | 1.6%        |
| Rewa               | 12.2%        | 12.8%       |
| Rotuma             | 0.03%        | 0.003%      |
| Serua              | 0.2%         | 0.04%       |
| Tailevu            | 7.1%         | 4.0%        |
| <b>Grand Total</b> | <b>100%</b>  | <b>100%</b> |

FDB actively participated in  
**364**  
community events,  
including networking,  
radio talkback shows,  
roadshows, and  
awareness sessions.

### Top Five (5) Sectors in Portfolio Value for FDB in 2024

**26.30%**

Wholesale, Retail,  
Hotels & Restaurants

**23.50%**

Agriculture

**20.30%**

Public Enterprise

**7.10%**

Transport, Communication & Storage

**6.90%**

Building & Construction

## Highlights

### 3 Years Portfolio Trend by Sectors

|                                         | 2022          |               | 2023          |               | 2024          |               |
|-----------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                         | % by Account  | % by Value    | % by Account  | % by Value    | % by Account  | % by Value    |
| <b>Focus Sector</b>                     |               |               |               |               |               |               |
| Agriculture                             | 37%           | 14.6%         | 35%           | 19.6%         | 33%           | 23.5%         |
| Electricity, Gas & Water                | 0.7%          | 0.5%          | 0.6%          | 0.5%          | 0.6%          | 0.6%          |
| Manufacturing                           | 1.4%          | 8.5%          | 1.4%          | 1.4%          | 1.7%          | 1.3%          |
| Mining & Quarrying                      | 0.1%          | 0.1%          | 0.1%          | 0.2%          | 0.2%          | 0.4%          |
| Professional & Business Services        | 7.7%          | 1.5%          | 7.6%          | 2.1%          | 8.2%          | 2.1%          |
| Public Enterprises                      | 0.0%          | 15.1%         | 0.0%          | 18.9%         | 0.0%          | 20.3%         |
| Transport, Communication & Storage      | 11.0%         | 7.0%          | 10.4%         | 7.0%          | 10.4%         | 7.1%          |
| Wholesale, Retail, Hotels & Restaurants | 28.5%         | 6.7%          | 33.3%         | 8.8%          | 37.3%         | 9.3%          |
| <b>Total Focus</b>                      | <b>86%</b>    | <b>54%</b>    | <b>88%</b>    | <b>59%</b>    | <b>92%</b>    | <b>65%</b>    |
| <b>Non-Focus Sectors</b>                |               |               |               |               |               |               |
| Building and Construction               | 2.8%          | 11.5%         | 2.9%          | 15.1%         | 2.9%          | 6.9%          |
| Central and Local Government            |               |               |               |               | 0.0%          | 1.6%          |
| Non-bank Financial Institutions         | 0.0%          | 0.2%          | 0.0%          | 0.4%          | 0.1%          | 0.5%          |
| Others                                  | 4.6%          | 1.1%          | 3.7%          | 1.0%          | 3.4%          | 1.2%          |
| Private Individual                      | 5.3%          | 1.8%          | 4.4%          | 2.0%          | 4.0%          | 2.1%          |
| Professional & Business Services        | 0.0%          | 0.3%          | 0.0%          | 0.2%          | 0.0%          | 0.2%          |
| Real Estate                             | 0.9%          | 8.9%          | 0.6%          | 7.6%          | 0.6%          | 5.9%          |
| Wholesale, Retail, Hotels & Restaurants | 0.3%          | 22.1%         | 0.2%          | 15.2%         | 0.2%          | 17.0%         |
| <b>Total Non-Focus</b>                  | <b>14%</b>    | <b>46%</b>    | <b>12%</b>    | <b>42%</b>    | <b>8%</b>     | <b>35%</b>    |
| <b>Total Portfolio</b>                  | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |





The successful development and launch of the Chatbot have been made possible through a partnership with the United Nations Capital Development Fund (UNCDF) and ITGalax.



Financial literacy awareness session with Business Assistance Fiji to the Cooperative businesses in Ba.



Financial literacy awareness session with the people in Rabi.  
The two-day event was facilitated in four (4) villages: Buakonikai village, Tabwewa village, Uma village and Tabiang village.

## OUR FINANCIAL AND ADMINISTRATIVE PROGRESS

The 2024 financial year marked a pivotal period of sustainable transformation and progressive growth for FDB, demonstrating strong financial performance, operational resilience, and continued investments in infrastructure and digital capabilities.

### Financial Performance

FDB recorded a net profit of \$5.60 million, a significant increase of \$1.77 million (46.21%) from the previous year. This performance was underpinned by strategic cost management and a notable \$2.82 million (38.84%) reduction in borrowing expenses. Improved credit risk mitigation efforts led to a substantial \$11.72 million reduction in credit impairment allowances, reinforcing FDB's robust financial foundation.

Despite an 11.69% decline in net revenue—from \$32.95 million to \$29.10 million—primarily due to market-wide low interest rates and heightened competition, FDB successfully disbursed \$91.26 million in new loans, surpassing its \$80 million annual target. This reflects a targeted focus on priority sectors such as agriculture, MSMEs, and women entrepreneurs. Interest income, which constituted 75.67% of total revenue, saw a marginal reduction attributed to market liquidity.

### Expense and Credit Risk Management

Operating expenses stood at \$15.54 million, a slight increase driven by maintenance costs for Bank properties and IT systems. However, expenses were diligently controlled within budgeted levels through cost-saving measures and proactive monitoring. FDB also maintained a cautious approach to provisioning, booking a net expected credit loss of \$5.70 million—down from \$17.42 million in the previous year—as recoveries on non-performing loans improved.

### Balance Sheet Review

FDB's total assets stood at \$529.01 million as at 30 June 2024, down from \$593.95 million. The reduction was driven by lower cash holdings and net

loans and advances, as FDB strategically reduced borrowing and relied on internal liquidity to fund operations. Increased competition further impacted loan volumes and interest margins.

Total liabilities declined by \$70.55 million to \$341.16 million, reflecting repayment of high-cost borrowings and minimal new debt issuance. Total equity improved to \$187.85 million, underscoring FDB's strong capital position and financial sustainability.

### Strengthening Infrastructure for Growth

Aligned with its commitment to sustainable service delivery, FDB invested \$1.75 million in property upgrades and staff well-being. Facilities across the network were brought up to a consistent FDB standard. Inclusive infrastructure, such as disabled assistance call systems in Nausori and Western Branches, and green initiatives like a Head Office recycling hub, highlighted FDB's dual focus on accessibility and environmental responsibility. Security enhancements, including CCTV and card access systems, further elevated operational safety and efficiency. These infrastructure developments have positioned FDB to meet evolving customer needs and support future growth over the next five years.

### Advancing Digital Transformation

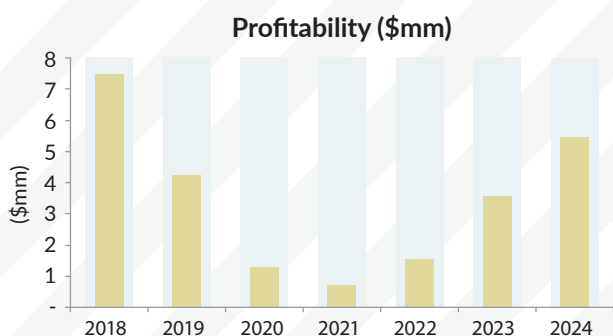
2024 saw continued implementation of FDB's ICT upgrade plan, reinforcing its commitment to automation and digital innovation. These advancements have improved process efficiency, enhanced user experience, and supported cost optimisation. Core Banking System implementation progressed to its final stages.

The digital transformation journey reflects FDB's long-term vision to embed resilience, agility, and sustainability into its operations. By integrating smart technologies and data-driven systems, FDB aims to strengthen financial inclusion and deliver long-term value to its stakeholders.



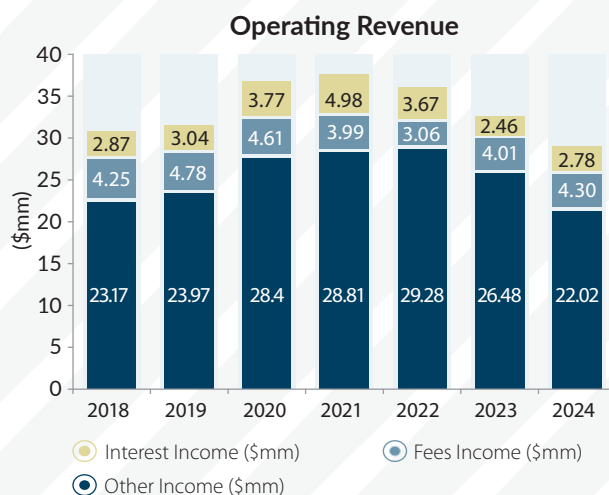
## Review of Financial Operations and Performance

The 2024 financial year has been a successful one for the Bank in terms of its performance. FDB has achieved an astounding net profit of \$5.60 million during the financial year, an increase of \$1.77 million (46.21%) from the previous financial year. This is attributed to prudent cost management and a decline in the borrowing expense by \$2.82 million (38.84%). The allowance for credit impairment also reduced by \$11.72 million as risk exposure on certain accounts has been mitigated during the year. FDB financial performance in 2024 highlights its solid financial stability and its essential contribution to promoting economic development and prosperity in Fiji.



## Income

FDB's contribution towards various sectors continued in 2024 with focus on agriculture and MSME including Women Entrepreneur Loans. The Banks overall net revenue recorded a decline of 11.69% over the year, from \$32.95 million to \$29.09 million. FDB disbursed new loans of \$91.22 million during the year, achieving its annual target of \$80.00 million. An increase was noted in the Banks other source of revenue while a slight reduction in fees income was noted. The slight reduction in the interest income from loans and advances was as a result of lower market interest rate due to high liquidity in the system and as a result of intense competition among financial institutions. This interest income comprised 75.67% of the total revenue.



## Interest and Borrowings Expenses

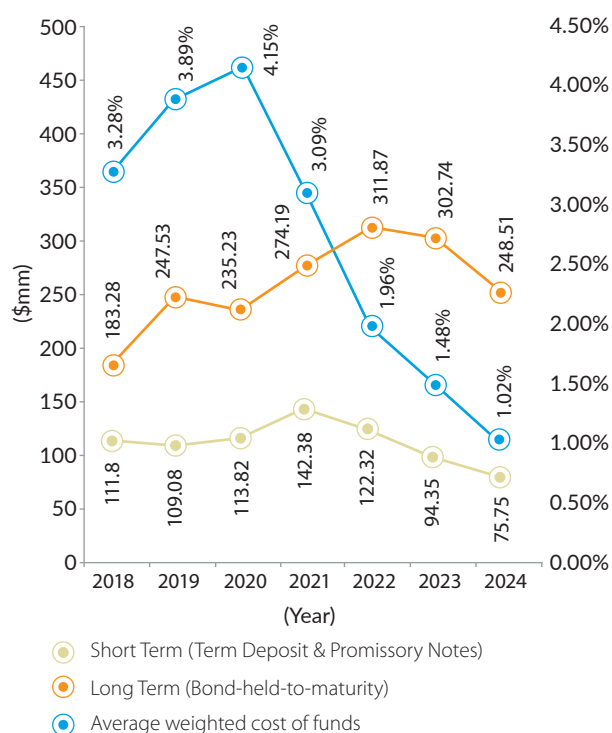
In the financial year ending 30 June 2024, FDB incurred a total of \$4.44 million in Interest and Borrowings expenses. To fund our lending activities, FDB has mostly borrowed through term deposits and RBF special facilities during the year. The excess liquidity in the banking system exerted a downward pressure on borrowing interest rates, resulting in lower borrowing costs compared to last year.

## Operating Expense

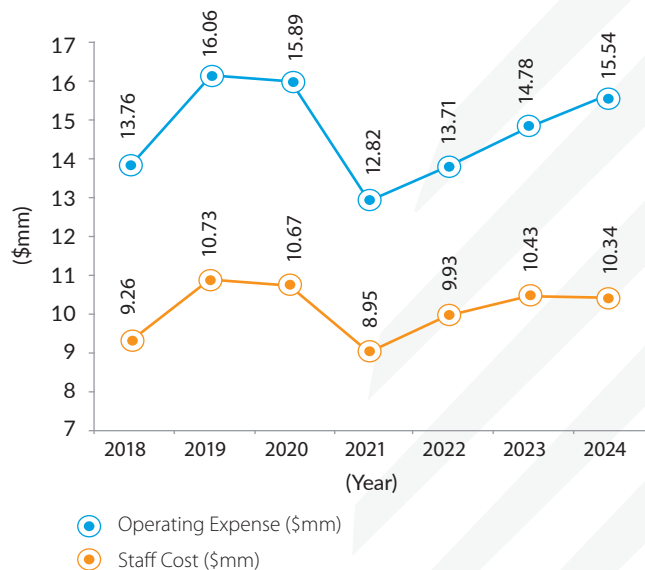
In the financial year ending 30 June 2024 FDB recorded \$15.54 million in operating expenses, resulting an increase of \$0.77 million when compared to 2023. The slight increase in the overall operating cost is a result maintenance of our Bank Properties and also maintenance of FDB IT System. Other operating expenditures were kept under effective control and within approved budget levels through cost-savings initiatives and monitoring of expenses on regular basis.



**Borrowings Portfolio/Average Cost of Fund**



**Operating Expenses and Staff Cost**



#### Allowance for Expected Credit Loss

FDB continued to take conservative approach to its provisioning requirements since the economy is steadily improving from the aftermath of COVID-19. However, large elements of risk and volatility were noted with small loans in MSME sector. In dealing with challenges on past due loans, FDB booked a net expected credit loss of \$5.70 million during the year, which represents 1.71% of the total loan portfolio compared to \$17.42 million in the previous year. The overall decrease in provisions for anticipated credit losses was a result of recoveries made on non-performing loans.

A summary of FDB's Income Statement as at 30 June 2024 is as follows:

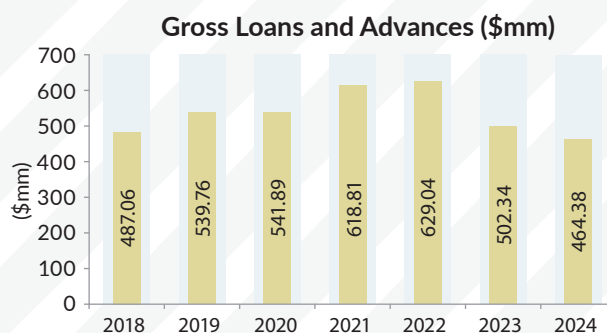
| Income Statement (\$mm)             | 2024 (\$mm)   | 2023 (\$mm)   | Change (\$mm)  | Change rate (%) |
|-------------------------------------|---------------|---------------|----------------|-----------------|
| Interest Income                     | 26.454        | 33.739        | (7.285)        | (21.60)         |
| Interest & Other Borrowing Expenses | (4.436)       | (7.263)       | 2.827          | (38.92)         |
| Net interest income                 | 22.014        | 26.475        | (4.461)        | (16.85)         |
| Net Fees Income                     | 4.300         | 4.014         | 0.286          | 7.13            |
| Other Income                        | 2.779         | 2.456         | 0.323          | 13.15           |
| <b>Total Operating Income</b>       | <b>29.096</b> | <b>32.945</b> | <b>(3.849)</b> | <b>(11.68)</b>  |
| Operating Expenses                  | (15.543)      | (14.775)      | (0.768)        | 5.20            |
| <b>Profit before Allowances</b>     | <b>13.553</b> | <b>18.170</b> | <b>(4.617)</b> | <b>(25.41)</b>  |
| Total Allowances                    | (7.948)       | (14.343)      | 6.395          | (44.59)         |
| <b>Net Profit</b>                   | <b>5.60</b>   | <b>3.83</b>   | <b>1.78</b>    | <b>46.37</b>    |

### Asset Structure

A summary of FDB's Asset Structure as at 30 June 2024 is as follows:

| Balance Sheet Review (\$mm)         | 2024          | Composition (%) | 2023          | Composition (%) |
|-------------------------------------|---------------|-----------------|---------------|-----------------|
| Liquid Assets/Debt Financial Assets | 118.34        | 22.37%          | 179.34        | 12.41%          |
| Investments                         | 11.02         | 2.08%           | 11.02         | 0.33%           |
| Net Loans and Advances              | 357.80        | 67.64%          | 367.80        | 81.45%          |
| Receivables                         | 6.47          | 1.22%           | 1.61          | 0.75%           |
| Right of Use                        | 1.81          | 0.34%           | 1.15          | 0.25%           |
| Fixed Assets with Intangibles       | 33.57         | 6.35%           | 33.04         | 4.81%           |
| <b>Total Assets</b>                 | <b>529.01</b> | <b>100%</b>     | <b>593.95</b> | <b>100.00%</b>  |

FDB's total assets reduced from \$593.95 million to \$529.01 million, noting a decline of \$64.94 million as a result of a decline in its cash holdings and net loans and advances. FDB undertook reduced levels of borrowing during the year and used its cash holding during the year to fund its operations. With the excess liquidity situation in the market; the Bank faced stiff competition on interest rates offered to customers for loans from commercial banks, resulting in a decline in Net Loans and Advances.



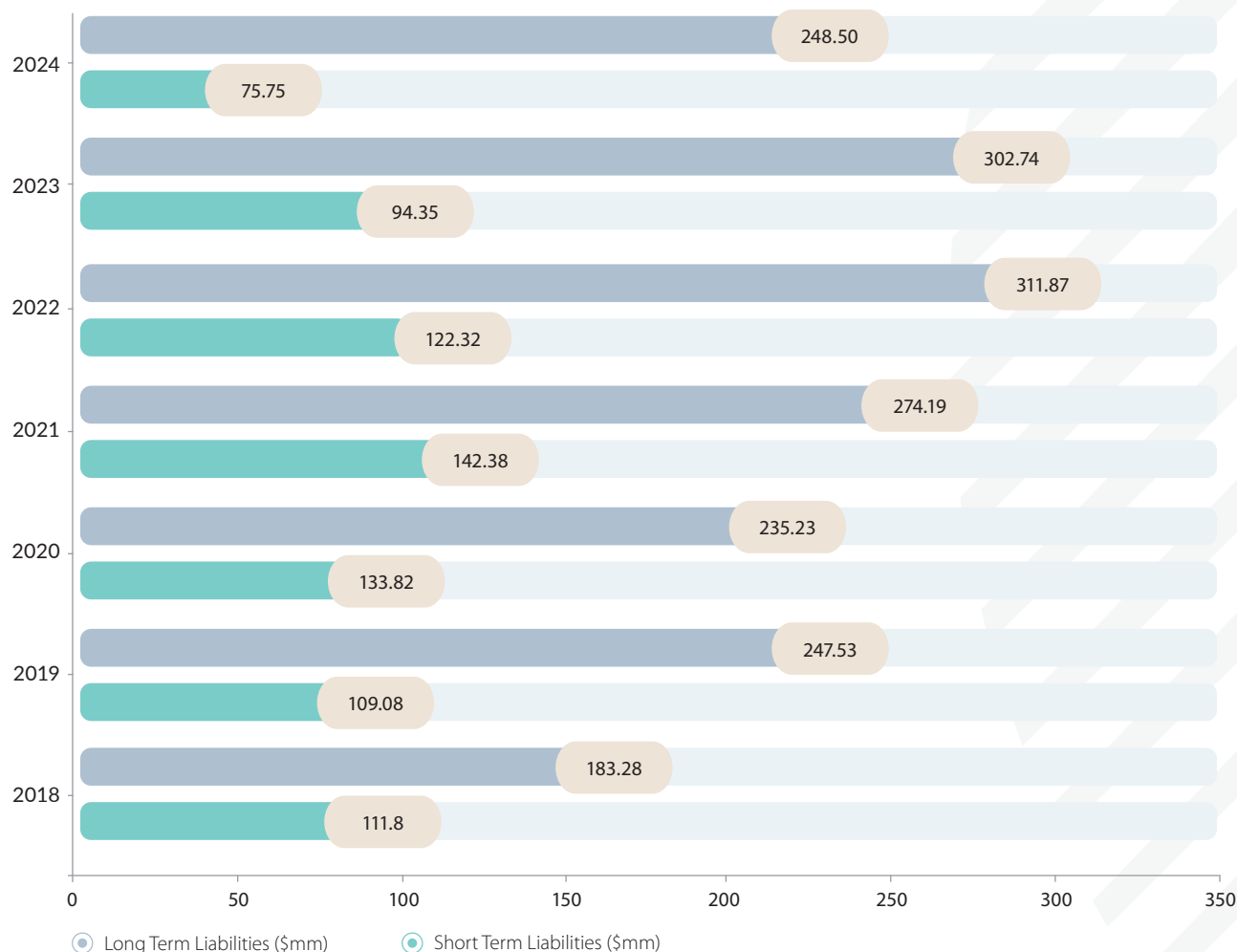
### Liabilities Structure

A summary of FDB's Liability as at 30 June 2024 is as follows:

| Balance Sheet Review (\$mm)         | 2024          | Composition (%) | 2023          | Composition (%) |
|-------------------------------------|---------------|-----------------|---------------|-----------------|
| Accounts payable & accruals         | 5.33          | 0.98%           | 7.50          | 1.26%           |
| Lease Liability                     | 1.84          | 0.34%           | 1.21          | 0.20%           |
| Short Term Borrowings               | 75.75         | 13.97%          | 91.71         | 15.44%          |
| Other Liabilities                   | 7.32          | 1.27%           | 2.86          | 0.48%           |
| RBF Facility including Term Deposit | 212.42        | 41.68%          | 232.44        | 39.13%          |
| Bond –held to maturity              | 38.50         | 7.10%           | 76.00         | 12.80%          |
| <b>Total Liabilities</b>            | <b>341.16</b> | <b>65%</b>      | <b>411.71</b> | <b>69.32%</b>   |
| <b>Total Equity</b>                 | <b>187.85</b> | <b>34.65%</b>   | <b>182.24</b> | <b>30.68%</b>   |
| <b>Total Liabilities and Equity</b> | <b>529.01</b> | <b>100.00%</b>  | <b>593.95</b> | <b>100.00%</b>  |

For the financial year 2024, total liabilities amounted to \$341.16 million, representing a decrease of \$70.55 million. FDB raises funds mainly through bonds and promissory notes in the domestic market. As at 30 June 2024, total borrowings decrease by \$70.55 million in comparison to June 2023. FDB reduced its borrowing portfolio by paying off most of its high-cost liabilities and there were a few new borrowings for the year due to FDB having adequate cash to manage its projected cash flow.

### FDB's Borrowings



### Capital Structure

A summary of FDB's capital structure as at 30 June 2024 is as follows:

| Balance Sheet Review (\$mm) | 2024   | 2023   |
|-----------------------------|--------|--------|
| Total Assets                | 529.01 | 593.95 |
| Total Liabilities           | 341.16 | 411.71 |
| Total Equity                | 187.85 | 182.24 |

FDB's capital base remained strong with an increase in total equity over the year. FDB's overall Liabilities also declined indicating a healthy position.



## CUSTOMER SUCCESS STORY

### SHAHIL'S PARTY ICE AND FROZEN SUPPLIES: EMPOWERING YOUTH FOR SUCCESS



At just 28 years old, Director Avishay Singh is proving that with determination, resilience, and a clear vision, young people can not only make a mark—they can transform entire communities.

Founder of Shahil's Party Ice and Frozen Supplies, Avishay began his entrepreneurial journey at just 22. What started as a small family business supplying ice to fishermen and corner shops has now grown into a thriving operation employing eight people —

five women and three men—and supplying frozen produce to major supermarkets across Fiji.

But success didn't come easy. In 2017, life threw him a curveball when his father fell ill. With no prior experience in the industry, Avishay left his mechanic job at Pacific Building Solutions to run the family business. What could have been a setback became a turning point. Driven by necessity and heart, he learned quickly, connected with customers, and steadily grew the business.

Shahil's Party Ice and Frozen Supplies has since expanded its product line to include frozen cassava and dalo, now neatly packaged in 1kg packs and available in top supermarkets in Suva and the Western Division. What's more inspiring is how this growth is rooted in community and in 2022, Avishay's company took home the FDB National SME Awards - Best Agri-business SME of the Year Award.

The idea to diversify came when Avishay saw farmers in Viria Village, Nausori—close family friends—struggling to sell their cassava and dalo. Seeing an opportunity to help, he began buying their crops, processing and packaging them, and bringing them to market. Today, he works closely with 24 farmers, creating a sustainable market for their produce.

#### Building Pathways for Youth Prosperity

*Thanks to an FDB loan and its collaboration with stakeholders such as the Ministry of Trade, BAF and BLP, I was able to grow my business sustainably while creating jobs and addressing unemployment. "Willpower knows no bounds," says Avishay. "With focus and belief in yourself, anything is possible."*

- Shahil's Party Ice and Frozen Supplies

# FINANCING FOR SUSTAINABLE DEVELOPMENT

## Performance Highlights

### Agriculture



- FDB's overall customer base is 32.47% in accounts and 23.52% in portfolio value which stood at \$109 million.
- Notable highest market share at 33.90% compared to other financial institutions and commercial Banks.
- Business projects financed ranged purchase of agriculture farms, land development, land sub-division, purchase of agricultural equipment's, machinery and vehicles including infrastructure support from various agricultural commodities farming business such as aquaculture, cattle, beef, goat, ginger, sugarcane, rice, dalo, yaqona, fruits & vegetables, fishing etc.

### Electricity, Gas & Water



- Holds a market share of 1% which recorded an increase in shares by 0.4%.
- Has 0.55% in accounts and 0.60% in portfolio value, which stood at close to 3 million.
- Business projects financed include working capital, purchase of electronic equipment, purchase of vehicles, renewable energy etc., for business installation services, electronic equipment manufacturing, sewerage and drainage services, gas supply, electricity supply and solar systems.

### Manufacturing



- The Bank's market share in this industry stands at 8.0%.
- The portfolio is valued at close to \$6 million, which accounts for 1.3% in portfolio value and 1.7% in accounts.
- Business projects financed are working capital, purchase of commercial land, equipment, machinery and vehicle, etc., for woodwork and furniture manufacturing, Soap & cosmetics, textiles, building materials, metal products and machinery and clothing businesses.

### Mining & Quarrying



- FDB's overall customer base is 0.2% in accounts and 0.4% in portfolio value, which stood close to \$2 million.
- Notable market share at 33.90% compared to other financial institutions and commercial Banks.
- Business projects financed ranged from working capital, debt takeover, and purchase of machinery, tractors, vehicles, land and building including maintenance.

### Professional & Business Services



- A total portfolio value of close to \$10 million, which accounted for 8.2% for portfolio value and 2.1% in accounts.
- The market share noted for this industry was 7.7% respectively.

- Business projects financed include working capital, business expansion, purchase of electronic equipment's, machinery, land & building, vehicle, furniture & fittings, infrastructure support, repair and maintenance for hairdressing & beauty salons, consultants, Health services, law firms, medical and dental services, travel agency, accountants and auditors, funeral services, real estate agents, surveyors, sports and support services, schools, universities and other educational institutions etc.

### Public Enterprise



- The portfolio stood at \$94 million, which accounts for 20.3% of the portfolio value, with the Bank's market share equating to 89.3%.
- Business projects financed include working capital and purchase of vehicles for public enterprises.

### Transport, Communication & Storage



- FDB's overall customer base is 10.4% in accounts and 7.1% in portfolio value, which stood at \$33 million with a market share at 4%.
- Business projects financed include working capital, repair and maintenance, development cost, business expansion, debt takeover, purchase of vehicle, outboard motor, vessel, heavy equipment's, machinery, land and building for business such as taxi, minibuss, bus transport, road freight transport, support service to road transport, land transport for tours, infrastructure construction, installation trade services, telecommunication services, sea transport for tours, coastal and other water transport, etc.,

### Building & Construction



- FDB's market share in this industry stands at 4.6%.
- The portfolio is valued at \$32 million, which accounts for 6.9% in portfolio value and 2.9% in accounts.
- Business projects financed are working capital, expansion of business, building erection, development cost, debt takeover, maintenance cost, purchase of vehicle, machinery, land and building, etc., for infrastructure construction, residential and commercial building for rental, building completion services, rental building construction, construction of hotels, motels and resorts and other building & construction services.

### Non-Bank Financial Institutions



- Holds a market share of 1.3% and has 0.1% in portfolio accounts and 0.6% in portfolio value, which stood at 2.5 million.
- Business projects financed include working capital for non-Bank Financial Institutions.

### Real Estate



- The portfolio stood at \$94 million, which accounts for 5.9% in portfolio value and 0.6% in portfolio accounts, with the Bank's market share equating to 2.6%.
- Business projects financed include working capital, land development, development cost, business expansion, building erection, debt takeover, purchase of land and buildings for real estate agents, land subdivision, apartments, hotels, motels, resort and camp accommodation, residential and commercial buildings for rental.



## MANAGING RISK

The 2024 financial year was a pivotal chapter for the Risk Division, marked by structural enhancements, digital advancements, and a reinforced risk governance framework to support FDB's strategic priorities. These efforts were central to ensuring sustainable transformation and progressive growth in an evolving financial landscape.

### Strengthening Risk Governance

Following a restructuring, the Risk Division now comprises five strategically aligned units: (i) Securities & Conveyance, (ii) Governance & Legal, (iii) Enterprise Risk Management (ERM), (iv) Asset Management & Special Projects (AMD/SP), and (v) Credit Risk & Approvals (CRA). Each unit is led by a manager under the oversight of the General Manager Risk (GMR), enabling better integration of risk oversight with business performance and operations.

With a recovering Fijian economy and growing interest from MSMEs, FDB saw an increase in active accounts—rising by 3.66% to 9,709 by year-end—despite a reduced portfolio value. This growth was driven by new products and expanded reach into sectors such as Manufacturing, Professional Services, and Hospitality.

### Enhancing Credit Quality and Recovery

A key highlight of the year was the decline in the value of Non-Performing Loans (NPL) despite an increase in the number of accounts. While NPL accounts rose from 450 to 590, their value dropped by 47%, reflecting successful rehabilitation and recovery efforts led by the AMD unit. Notably, \$2.48 million was recovered in bad debts.

At year-end, 82.25% of the portfolio was classified as Performing Loans (grades D, E, and F), while NPLs (grades G, H, and I) accounted for 17.75%—a marked improvement from the previous year's NPL value of \$116.94 million, which dropped to \$82.43 million (a 29.51% reduction). These results reflect FDB's effective credit risk strategies and a strong commitment to asset quality management.

### Optimising Internal Processes and Compliance

The Risk Division continued to improve internal efficiency and compliance processes. FDB aligned with 13 of the 18 Reserve Bank of Fiji's Banking Supervision Policy requirements and implemented a Compliance Management Framework. A comprehensive Regulatory Compliance Register was also introduced to ensure timely adherence to new regulations.

To strengthen its Anti-Money Laundering (AML) protocols, FDB adopted the Dow Jones Risk Screening platform, screening over 1,700 profiles. Credit decisions were further enhanced using the Credit Information Reporting Agency (CIRA), supporting more accurate credit assessments.

### Enabling a Risk-Aware Culture and Digital Maturity

To promote faster credit decision-making while preserving control, delegated credit discretion levels were introduced for branch staff. Risk Spot Awards and divisional recognitions were used to boost

employee morale and encourage accountability. Regular staff engagement through GMR branch visits ensured alignment on risk priorities and operational clarity.

As part of its digital transformation, the Risk Division played a critical role in preparing for the Core Banking System (CBS) upgrade. Teams contributed to process mapping, documentation, and requirement gathering to ensure a seamless transition. CBS testing is expected to commence mid-FY2025, promising a more integrated and paperless risk management environment.

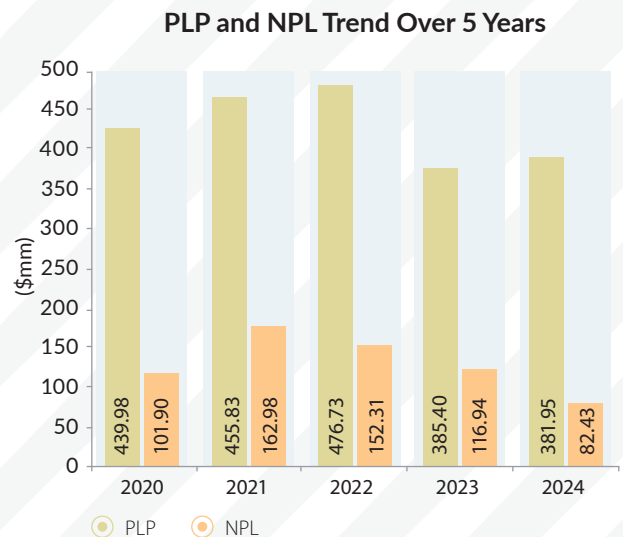
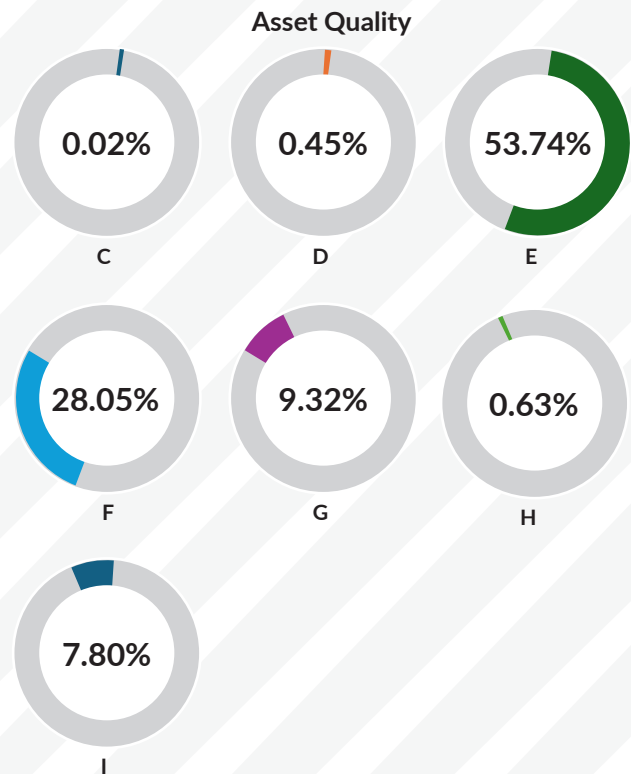
### Community Engagement and Values in Action

Beyond institutional improvements, the Risk Division actively championed FDB's social values. In 2024, the CRA team led a donation drive for the Fiji Society for the Blind and organized a gift-giving event at the CWM Hospital's Children's Ward—reaffirming FDB's commitment to community and inclusive development.

### Looking Ahead

The year ahead promises further consolidation of FDB's risk framework. The Risk Division will focus on improving incident management, refining risk appetite and tolerance thresholds, and embedding risk intelligence in strategic decisions. Branch-level empowerment through Personal Credit Approval Authority (PCAA) reviews, proactive customer engagement, and continuous staff development will remain top priorities.

With growing recognition from development partners such as UNICEF, ADB, and the World Bank, FDB's risk function continues to evolve as a driver of institutional resilience and sustainable development.



## OUR PEOPLE

The 2024 financial year presented both challenges and opportunities, which the Fiji Development Bank (FDB) met with a renewed focus on empowering its workforce and strengthening organisational resilience.

The Talent & Organisational Development Division (TOD) played a central role in advancing FDB's vision of sustainable development through people-centric strategies and inclusive growth.

A major milestone was the appointment of Ms. Titilia V. Kamil as General Manager, Relationship & Sales—the first woman in this role in FDB's history, reinforcing our commitment to gender equity in leadership.

### Driving Organisational and Digital Transformation

FDB made significant strides in transforming its internal processes and enhancing operational efficiency. Four key process improvements were successfully implemented, alongside the introduction of cost-effective digital tools. These changes were instrumental in building a future-ready workforce and fostering a culture of innovation.

Our training and development strategy saw strong uptake, with a 90% participation rate and positive return on investment. This included the launch of leadership programs designed to support continuous learning and promote diversity within the organisation.

### Promoting a Safe, Inclusive, and Engaged Workplace

FDB continued to prioritise the health, safety, and well-being of its people. This year saw a reduction in workplace incidents and an improvement in incident reporting, reflecting a proactive approach to work health and safety. Health and wellness initiatives—such as staff sporting events and wellness days—promoted a balanced lifestyle and reinforced employee engagement.

Employee retention remained strong, with fewer than 10% of staff departures attributed to migration to local employers. Most appointments to vacant roles were internal, affirming FDB's commitment to recognising and advancing talent from within.

In partnership with the Fiji Bank & Finance Sector Employees Union, a three-year cumulative Cost of Living Adjustment (COLA) agreement was secured. This initiative ensures that staff salaries retain their real value in the face of forecasted inflation, reflecting FDB's broader commitment to fair and sustainable compensation practices.

### Rewarding Performance and Supporting Fair Compensation

FDB undertook a comprehensive review of its staff benefits and policies to assess effectiveness, legal compliance, alignment with strategic goals, and opportunities for improvement. Concurrently, a Bank-wide Job Evaluation exercise was launched to ensure role clarity and fair compensation aligned with responsibilities, qualifications, and strategic priorities.

### Advancing Gender Equality and Diversity

As of 31 July 2024, FDB employed 169 staff—80 females (47%) and 89 males (53%)—demonstrating a strong commitment to gender balance. Gender representation across divisions remained relatively balanced, with some concentration in frontline operations such as Relationship and Sales.

At the executive and senior management levels, gender equity remained a strategic priority. The CEO's Office achieved full gender parity, and key divisions, including Risk and several operational units, are led by women. Internal promotions to



mid- and senior-level roles also reflect equitable practices in talent progression.

Institutional interventions have been embedded to support gender equality, including:

- Gender-neutral HR policies in recruitment, evaluation, and advancement
- Leadership development pathways with mentorship opportunities for female staff
- Monitoring and governance through workforce planning and strategic reporting

These practices reaffirm FDB's vision to create an inclusive and empowered workforce, aligned with national and global sustainability goals.

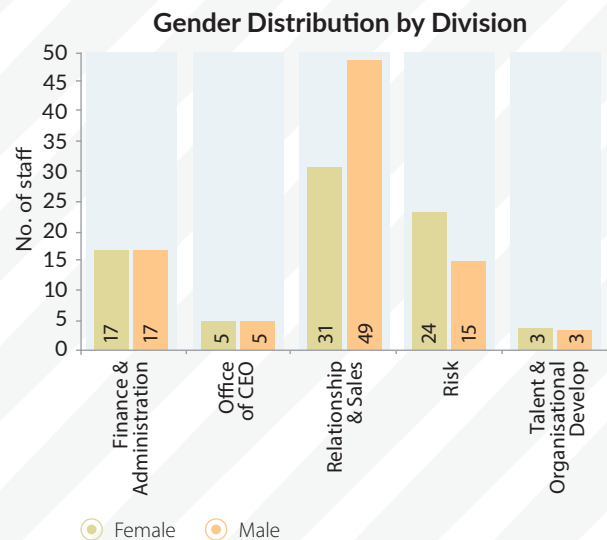
### Championing Corporate Responsibility and Social Impact

The TOD Division also spearheaded corporate responsibility initiatives that align with the Sustainable Development Goals (SDGs). Staff-led fundraising efforts raised \$10,000 for the Fiji Cancer Society through Pinktober and Movember events. Annual gift-giving programs at the CWM Children's Ward and contributions to the Samabula Old People's Home reflected FDB's enduring commitment to community welfare and inclusivity.

### Looking Forward

As FDB looks ahead to FY2025, the focus remains on enhancing its Employee Value Proposition to become an employer of choice. This includes expanding leadership development, modernising workforce policies, deepening staff engagement, and fostering a performance-driven and inclusive culture.

FDB recognises that a diverse, resilient, and well-supported workforce is essential to achieving its mission. Through sustainable transformation and progressive growth in people strategies, FDB is building the human capital needed to drive Fiji's economic development forward.



# CORPORATE SOCIAL RESPONSIBILITY

At the Fiji Development Bank (FDB), our commitment to corporate responsibility is deeply embedded in our values and operations. In 2024, we continued to strengthen our role as a responsible corporate citizen by advancing initiatives that deliver meaningful impact to our communities, promote environmental sustainability, and align with the Sustainable Development Goals (SDGs).

## Strengthening Community Engagement

FDB staff across all divisions actively contributed to various community outreach programs, reflecting FDB's culture of compassion and service. Key highlights for the year include:

- **Pinktober and Movember Campaigns**  
Staff-led initiatives raised \$10,000 for the Fiji Cancer Society, supporting cancer awareness, treatment, and support services.
- **Christmas Giving at CWM Hospital**  
Continuing a cherished tradition, FDB delivered gifts to children admitted at the Colonial War Memorial Hospital's Children's Ward, bringing joy and comfort during the festive season.
- **Support for Samabula Old People's Home**  
FDB donated beddings and other essential items to improve the well-being of elderly residents, underscoring our respect for and support of vulnerable groups in society.
- **Fiji Society for the Blind**  
The Risk Division led a coordinated fundraising and donation drive, providing furniture, groceries, and daily necessities to support visually impaired children and their caregivers.
- Other Sponsorship and donation initiatives that FDB has supported.

These initiatives demonstrate how FDB empowers its people to drive positive social change while deepening engagement with the communities we serve.

## Promoting Environmental Stewardship

In line with our commitment to sustainable transformation, FDB undertook green initiatives that promote environmental responsibility:

- **Recycling Hub Project**  
At Head Office, FDB launched a recycling hub in collaboration with tenants to encourage waste segregation and recycling practices.
- **Greening Bank Operations**  
Energy-efficient upgrades to bank facilities and the promotion of paperless processes contribute to reducing our carbon footprint while improving operational efficiency.

These projects are part of FDB's broader environmental strategy to integrate sustainability into our day-to-day operations.

## Embedding Responsibility in Our Culture

FDB's corporate responsibility efforts are not limited to charitable acts—they are institutionalised through staff participation, policy alignment, and leadership advocacy. These efforts help foster a workplace culture grounded in empathy, inclusivity, and purpose. Corporate responsibility is also woven into FDB's training and engagement programs, ensuring that every staff member plays a role in achieving impact beyond financial services.

## Looking Ahead

FDB remains committed to expanding its corporate responsibility efforts by integrating environmental and social goals across all areas of FDB. In FY2025, we aim to broaden our partnerships, amplify our community reach, and continue embedding SDG-aligned initiatives across our corporate and operational strategies.

By maintaining strong links with the communities, we serve and acting with care and accountability, FDB will continue to be a force for inclusive and sustainable progress in Fiji.





FDB Risk Representatives at the Children's Ward of the CWM Hospital handing over gifts to the children.



FDB Risk Representatives at the Fiji Society for the Blind School handing over sofa set, beddings, table covers and groceries to the students.



# TRANSFORMING FINANCE FOR CLIMATE ACTION

In line with our 2024–2028 Strategic Plan, the 2024 financial year marked a significant advancement in Fiji Development Bank's Climate and Eco Finance journey—deepening our commitment to climate resilience, equitable development, and sustainable finance. Building on lessons from the previous strategy cycle, FDB continued to scale up policy reforms, strategic partnerships, and investment readiness to accelerate the transition towards a low-emission, climate-resilient Fiji.

## Strengthening the Internal Enabling Environment

To embed sustainability across operations, FDB enhanced four key policy instruments:

- Environmental & Social Safeguards (ESS) Policy and Manual: Strengthened to meet Green Climate Fund (GCF) accreditation upgrade requirements and mainstreamed into FDB's lending cycle, reinforcing sustainable finance practices.
- Gender Equity & Social Inclusion (GESI) Policy & Action Plan (2024–2028): Updated to reflect Fiji's National Financial Inclusion Strategy and incorporated into 's Strategic Plan to ensure inclusive finance outcomes.
- GESI Communication Strategy: Developed in collaboration with Griffith University to expand reach among women, youth, and underserved communities and reposition FDB as an inclusive financial institution.

- Climate & Eco Finance Strategy & Pipeline: Reviewed with support from Agence Française de Développement (AFD) to align with Fiji's National Climate Finance Strategy, focusing on mitigation, adaptation, resource mobilization, and emissions tracking.

Staff capacity-building programs were conducted to deepen institutional understanding of ESS and GESI implementation.

## Sharing Knowledge, Building Networks

As a learning organization, FDB participated in national, regional, and global forums to strengthen its knowledge base and influence climate finance dialogue:

- Presented at the AFI Inclusive Green Finance Working Group hosted by the Reserve Bank of Fiji, sharing progress on sustainable finance initiatives.
- Shared best practices with the Bank of Cook Islands and contributed to the Melanesian Sub-Regional Private Sector Climate Finance Workshop.
- Engaged in discussions at UNFCCC COP29 in Dubai, helping shape negotiations that inform GCF strategic direction.
- Participated in the Pacific Islands Entrepreneurship Expo, fostering innovation in resource mobilization.



The Bank conducted a Private Sector Consultation on a Transformational Approach Towards Climate Resiliency, with the support from USAID Climate Ready. This milestone initiative aims to bridge sectoral gaps and identify the specific needs of private businesses in meeting climate resiliency requirements.



These platforms enabled two-way learning and reinforced FDB's leadership in the climate finance ecosystem of the Pacific.

### Accelerating Climate Finance Access

FDB's Climate & Eco Finance Team led several ground-breaking initiatives in FY2024:

- **Private Sector Engagement:** Partnered with USAID Climate Ready and the Fiji Commerce and Employers Federation to conduct Fiji's first private sector climate consultation. This "Transformational Approach Towards Climate Resiliency" helped define pathways for private sector inclusion in climate action.
- **GEF8 Decarbonisation Project:** Partnered with UN Environment Programme and Global Green Growth Institute to pilot electric taxi adoption, supporting Fiji's Low Emissions Development Strategy and complementing FDB's New Energy Vehicle Loan Facility.
- **GCF Project Development:** Co-designed three major proposals:
  - *Climate Smart Agriculture Guarantee Facility (FDB)*
  - *Forest Landscape Restoration Facility (with FAO and Ministry of Forestry)*
  - *Fiji Coral Reef Resilience Project (with WWF)*
 These projects aim to improve rural livelihoods, strengthen climate adaptation, and scale blended finance solutions.

- **Agrophotovoltaic Project, Ovalau:** A flagship initiative in renewable energy and sustainable agriculture, piloted with 200kW solar infrastructure and inclusive participation from women and the Bureta community. Despite environmental challenges, community engagement and stakeholder collaboration supported ongoing project viability.

### Regional Climate Action and Strategic Vision

Regionally, FDB advanced its role under the Regional Programmatic Approach for Climate Action (RPACA), pursuing the concept of a Pacific Climate Bank. As a GCF Direct Access Entity, FDB continues to champion locally led climate solutions across the region.

### Looking Forward

FDB's climate and eco finance journey remains rooted in the belief that financial institutions must lead the way in building resilience and enabling inclusive prosperity. By embedding climate-smart policies, cultivating partnerships, and scaling innovative finance, FDB is transforming its impact across Fiji and the region—ensuring no one is left behind on the path to sustainable progress.



Assessment team at the AgropV trial site comprising of Envelopes, the developer, independent engineer, the Department of Environment and Team FDB.

## FINANCIAL REPORT

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## FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2024

In accordance with the resolution of the Board of Directors, the Directors herewith submit the statements of financial position of the Development Bank ("the Bank") and of the Group, being the Bank and its subsidiary ("FDB Nominees Pte Ltd") as at 30 June 2024, the related statement of profit and loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date and report as follows.

### DIRECTORS

The following are Directors of the Bank at any time during the financial year and up to the date of this report:

#### Current Directors

|                       |                                               |
|-----------------------|-----------------------------------------------|
| Mr. Damend Goundar    | - Chairperson; appointed on 31st January 2023 |
| Mr. Jagdish Singh     | - Appointed on 23rd January 2023              |
| Ms. Emele Duituturaga | - Appointed on 18th April 2023                |
| Ms. Maimuna Haniff    | - Appointed on 24th February 2022             |
| Ms. Asilika Rogers    | - Appointed on 27th April 2022                |
| Mr. Salesh Kumar      | - Appointed on 30th March 2023                |
| Mr. David Robertson   | - Appointed on 30th March 2023                |

### PRINCIPAL ACTIVITIES

The principal business activities of the Bank and the Group during the course of the financial year were providing finance, financial and advisory services to assist in the development of agriculture, commerce and industry in Fiji. There were no significant changes in the nature of the activities of the Bank and the Group during the year.

### RESULTS

The consolidated profit for the year ended 30 June 2024 was \$5,604,064 (2023: \$3,829,601) after providing an income tax expense of \$137 (2023: \$393). The profit for the Bank for the year was \$5,603,366 (2023: \$3,828,028).

### DIVIDENDS

There were no dividends declared or paid for the year (2023: \$Nil).

### GOING CONCERN

The financial statement of the Bank and the Group have been prepared on a going concern basis. The Directors consider the application of the going concern principle to be appropriate in the preparation of these financial statement as they believe the plans and strategies put in place by the Bank and the Group, will generate and maintain the required funding to meet its liabilities and commitments as and when they fall due over the next twelve months. Accordingly, the Directors believe that the classification and carrying amounts of the assets and liabilities as stated in the financial statements to be appropriate.

### BAD AND DOUBTFUL DEBTS

Prior to the completion of the financial statements, the Directors took reasonable steps to ascertain that action had been taken in relation to writing off bad debts and allowance recorded by the Bank and the Group. In the opinion of the Directors, adequate allowance has been made for doubtful debts.

As 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 allowance for doubtful debts in the Bank and the Group inadequate to any substantial extent.

### UNUSUAL TRANSACTIONS

Apart from those matters and other matters specifically referred to in the financial statements, in the opinion of the Directors, the results of the operations of the Bank and the Group during the year were not substantially affected by any item, Transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Bank and the Group in the current financial year.



**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**NON-CURRENT ASSETS**

Prior to the completion of the financial statements of the Bank and the Group, the Directors took reasonable steps to ascertain whether any non-current assets were unlikely to be realized in the ordinary course of the business compared to the values as recorded in the accounting records of the Bank and its subsidiary. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realise. As at the date of this report, the Directors are not aware of any circumstances that will cause the value of non-current assets in the financial statements to be misleading.

**SIGNIFICANT EVENTS**

As at 30 June 2024, the Bank has written off loans receivable amounting to \$35.81m against allowances for impairment losses.

There were no other significant changes in the state of affairs of the Bank and the Group during the financial year.

**EVENTS SUBSEQUENT TO BALANCE DATE**

Loans of \$15.20m were written off subsequent to balance date, upon receiving the Ministers approval. Adequate allowances for doubtful debts were recorded to cater for these write offs as at 30 June 2024.

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

**OTHER CIRCUMSTANCES**

As at the date of this report:

- (i) no charge on the assets of the Bank and the Group have been given since the end of the financial year to secure liabilities of any other person;
- (ii) no contingent liabilities have arisen since the end of the financial year for which the Bank and the Group could become liable; and
- (iii) no contingent liabilities or other liabilities of the Bank and the Group have become or is likely to become enforceable within twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Bank and the Group to meet its obligations as and when they fall due.

As at the date of this report, the Directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Bank and the Group misleading or inappropriate.

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial statements or received as the fixed salary of a fulltime employee of the Bank and the Group or of a related corporation) by reason of contract made by the Bank and the Group or by a related corporation with the Director or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors this 9th day of January 2025.



Director



Director

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**DIRECTORS' DECLARATION**  
**FOR THE YEAR ENDED 30 JUNE 2024**

In accordance with a resolution of the Board of Directors of the Bank and the Group, we state that in the opinion of the Directors:

- (i) the accompanying statement of comprehensive income are drawn up so as to give a true and fair view of the results of the Bank and the Group for the year ended 30 June 2024;
- (ii) the accompanying statement of changes in equity are drawn up so as to give a true and fair view of the changes in equity of the Bank and the Group for the year ended 30 June 2024;
- (iii) the accompanying statement of financial position are drawn up so as to give a true and fair view of the state of affairs of the Bank and the Group as at 30 June 2024;
- (iv) the accompanying statement of cash flows are drawn up so as to give a true and fair view of the cash flows of the Bank and the Group for the year ended 30 June 2024;
- (v) at the date of these statement there are reasonable grounds to believe the Bank and the Group will be able to pay their debts as and when they fall due;
- (vi) all related party transactions have been adequately recorded in the books of the Bank and of the Group; and
- (vii) the financial statements of the Bank and of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and Fiji Development Bank Act (Cap 214).

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors this 9th day of January 2024.



Director



Director

## OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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P. O. Box 2214, Government Buildings  
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### INDEPENDENT AUDITOR'S REPORT

#### Fiji Development Bank and its Subsidiary Company

#### Report on the Audit of the Financial Statements

#### Opinion

I have audited the financial statements of Fiji Development Bank ("the Bank") including its subsidiary Company (collectively "the Group"), which comprise the Statement of Financial Position as at 30 June 2024, the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank and the Group as at 30 June 2024 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

#### Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing ("ISAs"). My responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Bank and the Group in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of Matter

I draw attention to Note 28 and 29 to the financial statements, which describes the significant write-off of loan receivables amounting to \$35.8m during the year ended 30 June 2024 and subsequent to balance date amounting to \$15.2m. These loans had been fully provided in prior years and write-offs were against the allowance for impairment loss on loan receivables as at 30 June 2024.

My opinion is not modified in respect of this matter.

#### Other information

The Management and Directors are responsible for the other information. The other information comprises the Directors Report but does not include the financial statements and the auditor's report thereon.

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



### **Other information (con't)**

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report the fact. I have nothing to report in this regard.

### **Responsibilities of the Management and those charged with governance for Financial Statements**

The Management and Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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 Management and Directors are responsible for assessing the Bank's and the Group'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 Management and Directors either intend to liquidate the Bank and the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's and the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud and 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 ISAs, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my 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 and the Group'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 and the Group's ability to continue as a going concern. If I conclude that material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the

### Auditor's Responsibilities for the Audit of the Financial Statements (con't)

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

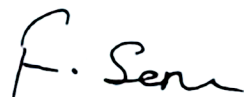
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank and the Group to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have been prepared in accordance with the requirements of the Fiji Development Bank Act 1966 in all material respects;

- a) I have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the Bank and the Group has kept financial records sufficient to enable the financial statements to be prepared and audited.



Finau Seru Nagera  
**AUDITOR-GENERAL**

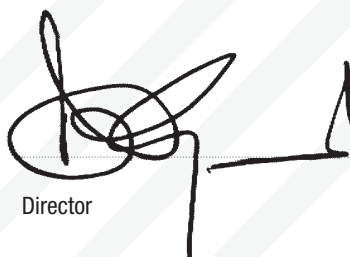


Suva, Fiji  
15 January 2025

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**STATEMENT OF FINANCIAL POSITION**  
AS AT 30 JUNE 2024

|                                         | Notes | CONSOLIDATED       |                    | THE Bank           |                    |
|-----------------------------------------|-------|--------------------|--------------------|--------------------|--------------------|
|                                         |       | 2024               | 2023               | 2024               | 2023               |
|                                         |       | \$                 | \$                 | \$                 | \$                 |
| <b>Assets</b>                           |       |                    |                    |                    |                    |
| Cash and cash equivalents               | 9     | 73,597,480         | 179,099,320        | 73,571,276         | 179,071,248        |
| Debt financial assets at amortised cost | 10    | 44,744,312         | 243,668            | 44,500,000         | -                  |
| Loans and advances                      | 11    | 357,802,014        | 367,797,120        | 357,802,014        | 367,797,120        |
| Other receivables                       | 12    | 6,469,527          | 1,606,273          | 6,467,277          | 1,606,063          |
| Investment in subsidiary                | 13    | -                  | -                  | 20,000             | 20,000             |
| Investments                             | 14    | 11,015,001         | 11,015,001         | 11,015,001         | 11,015,001         |
| Right of use assets                     | 18    | 1,817,413          | 1,152,323          | 1,817,413          | 1,152,323          |
| Property and equipment                  | 16    | 31,064,198         | 30,854,125         | 31,064,198         | 30,854,125         |
| Computer Software -Intangibles          | 17    | 2,502,272          | 2,185,264          | 2,502,272          | 2,185,264          |
| <b>TOTAL ASSETS</b>                     |       | <b>529,012,217</b> | <b>593,953,094</b> | <b>528,759,451</b> | <b>593,701,144</b> |
| <b>Liabilities</b>                      |       |                    |                    |                    |                    |
| Accounts payable and accruals           | 19    | 5,334,840          | 4,202,690          | 5,332,128          | 4,200,096          |
| Lease Liability                         | 18    | 1,844,096          | 1,211,328          | 1,844,096          | 1,211,328          |
| Debt securities issued                  | 20    | 324,256,033        | 397,096,132        | 324,256,033        | 397,096,132        |
| Other liabilities                       | 21    | 6,876,720          | 6,624,888          | 6,876,720          | 6,624,888          |
| Employee entitlements                   | 22    | 440,354            | 483,292            | 440,354            | 483,292            |
| Deferred income                         |       | 2,413,218          | 2,091,872          | 2,413,218          | 2,091,872          |
| <b>TOTAL LIABILITIES</b>                |       | <b>341,165,261</b> | <b>411,710,202</b> | <b>341,162,549</b> | <b>411,707,608</b> |
| <b>Equity</b>                           |       |                    |                    |                    |                    |
| Capital                                 | 23    | 56,050,636         | 56,050,636         | 56,050,636         | 56,050,636         |
| Reserves                                |       | 26,142,511         | 26,142,511         | 26,142,511         | 26,142,511         |
| Accumulated profits                     |       | 105,653,809        | 100,049,745        | 105,403,755        | 99,800,389         |
| <b>TOTAL CAPITAL AND RESERVES</b>       |       | <b>187,846,956</b> | <b>182,242,892</b> | <b>187,596,902</b> | <b>181,993,536</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b>     |       | <b>529,012,217</b> | <b>593,953,094</b> | <b>528,759,451</b> | <b>593,701,144</b> |

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors this 9th day of January 2025.



Director



Director

The statements of financial position are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 54 to 83.



**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2024**

|                                                      | Notes | CONSOLIDATED |              | THE Bank     |              |
|------------------------------------------------------|-------|--------------|--------------|--------------|--------------|
|                                                      |       | 2024         | 2023         | 2024         | 2023         |
|                                                      |       | \$           | \$           | \$           | \$           |
| <b>INCOME</b>                                        |       |              |              |              |              |
| Interest income                                      | 3     | 26,453,722   | 33,742,260   | 26,450,969   | 33,738,703   |
| Interest expense                                     | 6     | (4,436,482)  | (7,263,524)  | (4,436,482)  | (7,263,524)  |
| <b>Net interest income</b>                           |       | 22,017,240   | 26,478,736   | 22,014,487   | 26,475,179   |
| Fee income                                           | 4     | 4,299,719    | 4,014,097    | 4,299,719    | 4,014,097    |
| Other income                                         | 5     | 2,778,849    | 2,455,953    | 2,778,849    | 2,455,953    |
| <b>OPERATING INCOME</b>                              |       | 29,095,808   | 32,948,786   | 29,093,055   | 32,945,229   |
| <b>OPERATING EXPENSES</b>                            | 7     | (15,543,164) | (14,776,104) | (15,541,246) | (14,774,513) |
| <b>OPERATING PROFIT BEFORE ALLOWANCES</b>            |       | 13,552,644   | 18,172,682   | 13,551,809   | 18,170,716   |
| Allowance for Expected Credit Loss                   | 11    | (5,699,867)  | (17,416,402) | (5,699,867)  | (17,416,402) |
| Allowance for Interest and Fees                      | 8     | (2,248,576)  | 3,073,714    | (2,248,576)  | 3,073,714    |
| <b>PROFIT BEFORE TAX</b>                             |       | 5,604,201    | 3,829,994    | 5,603,366    | 3,828,028    |
| Tax expense                                          | 1(r)  | (137)        | (393)        | -            | -            |
| <b>PROFIT FOR THE YEAR</b>                           |       | 5,604,064    | 3,829,601    | 5,603,366    | 3,828,028    |
| <b>OTHER COMPREHENSIVE INCOME</b>                    |       |              |              |              |              |
| Items that will not be reclassified to Profit & Loss |       |              |              |              |              |
| Revaluation of Land and Building                     | 16    | -            | 2,050,058    | -            | 2,050,058    |
| <b>TOTAL COMPREHENSIVE INCOME</b>                    |       |              |              |              |              |
| <b>FOR THE YEAR</b>                                  |       | 5,604,064    | 5,879,659    | 5,603,366    | 5,878,086    |

The statements of profit and loss and comprehensive income are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 54 to 83.

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2024**

|                                   | Notes | CONSOLIDATED |                 |                     |                     | Total       |
|-----------------------------------|-------|--------------|-----------------|---------------------|---------------------|-------------|
|                                   |       | Capital      | General reserve | Revaluation reserve | Accumulated profits |             |
|                                   |       | \$           | \$              | \$                  | \$                  | \$          |
| Balance at 1 July 2022            | 23    | 56,050,636   | 8,064,000       | 16,028,453          | 96,220,144          | 176,363,233 |
| <b>Total comprehensive income</b> |       |              |                 |                     |                     |             |
| Net profit for the year           |       | -            | -               | -                   | 3,829,601           | 3,829,601   |
| Other comprehensive income        |       | -            | -               | 2,050,058           | -                   | 2,050,058   |
| Total comprehensive income        |       | -            | -               | 2,050,058           | 3,829,601           | 5,879,659   |
| <b>Balance at 30 June 2023</b>    |       | 56,050,636   | 8,064,000       | 18,078,511          | 100,049,745         | 182,242,892 |
| <b>Total comprehensive income</b> |       |              |                 |                     |                     |             |
| Net profit for the year           |       | -            | -               | -                   | 5,604,064           | 5,604,064   |
| Other comprehensive income        |       | -            | -               | -                   | -                   | -           |
| Total comprehensive income        |       | -            | -               | -                   | 5,604,064           | 5,604,064   |
| <b>Balance at 30 June 2024</b>    |       | 56,050,636   | 8,064,000       | 18,078,511          | 105,653,809         | 187,846,956 |

|                                   | Notes | THE Bank   |                 |                     |                     | Total       |
|-----------------------------------|-------|------------|-----------------|---------------------|---------------------|-------------|
|                                   |       | Capital    | General reserve | Revaluation reserve | Accumulated profits |             |
|                                   |       | \$         | \$              | \$                  | \$                  | \$          |
| Balance at 1 July 2022            | 23    | 56,050,636 | 8,064,000       | 16,028,453          | 95,972,361          | 176,115,450 |
| <b>Total comprehensive income</b> |       |            |                 |                     |                     |             |
| Net profit for the year           |       | -          | -               | -                   | 3,828,028           | 3,828,028   |
| Other comprehensive income        |       | -          | -               | 2,050,058           | -                   | 2,050,058   |
| Total comprehensive income        |       | -          | -               | 2,050,058           | 3,828,028           | 5,878,086   |
| <b>Balance at 30 June 2023</b>    |       | 56,050,636 | 8,064,000       | 18,078,511          | 99,800,389          | 181,993,536 |
| <b>Total comprehensive income</b> |       |            |                 |                     |                     |             |
| Net profit for the year           |       | -          | -               | -                   | 5,603,366           | 5,603,366   |
| Other comprehensive income        |       | -          | -               | -                   | -                   | -           |
| Total comprehensive income        |       | -          | -               | -                   | 5,603,366           | 5,603,366   |
| <b>Balance at 30 June 2024</b>    |       | 56,050,636 | 8,064,000       | 18,078,511          | 105,403,755         | 187,596,902 |

The statements of changes in equity are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 54 to 83

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

|                                                                  | <b>CONSOLIDATED</b>  |                     | <b>THE Bank</b>     |                     |
|------------------------------------------------------------------|----------------------|---------------------|---------------------|---------------------|
|                                                                  | <b>2024</b>          | <b>2023</b>         | <b>2024</b>         | <b>2023</b>         |
|                                                                  | <b>\$</b>            | <b>\$</b>           | <b>\$</b>           | <b>\$</b>           |
|                                                                  | <b>Inflows</b>       | <b>Inflows</b>      | <b>Inflows</b>      | <b>Inflows</b>      |
| <b>Notes</b>                                                     | <b>(Outflows)</b>    | <b>(Outflows)</b>   | <b>(Outflows)</b>   | <b>(Outflows)</b>   |
| <b>OPERATING ACTIVITIES</b>                                      |                      |                     |                     |                     |
| Interest and subsidy received                                    | 25,794,226           | 34,814,573          | 25,794,226          | 34,814,573          |
| Interest and other costs of borrowing paid                       | (4,436,482)          | (7,263,524)         | (4,436,482)         | (7,263,524)         |
| Net additional loans and advances provided                       | 1,603,011            | 95,337,395          | 1,603,011           | 95,337,395          |
| Fees received                                                    | 952,252              | 899,857             | 952,252             | 899,857             |
| Cash paid to suppliers and employees                             | (11,452,930)         | (13,454,157)        | (11,451,062)        | (13,452,336)        |
| Other receipts                                                   | 1,327,739            | 5,544,918           | 1,327,739           | 5,544,918           |
| Interest paid on leases                                          | (56,976)             | (74,888)            | (56,976)            | (74,888)            |
| <b>Net cash provided by/(used in) Operating Activities</b>       | <b>13,730,840</b>    | <b>115,804,174</b>  | <b>13,732,708</b>   | <b>115,805,995</b>  |
| <b>INVESTING ACTIVITIES</b>                                      |                      |                     |                     |                     |
| Net decrease in held to maturity Investment                      | (44,500,000)         | -                   | (44,500,000)        | -                   |
| Proceeds from the sale of property, plant and equipment          | 132,360              | 84,460              | 132,360             | 84,460              |
| Payments for property, plant and equipment, intangibles          | (1,686,206)          | (3,332,014)         | (1,686,206)         | (3,332,014)         |
| <b>Net cash used in investing activities</b>                     | <b>(46,053,846)</b>  | <b>(3,247,554)</b>  | <b>(46,053,846)</b> | <b>(3,247,554)</b>  |
| <b>FINANCING ACTIVITIES</b>                                      |                      |                     |                     |                     |
| Net increase in long-term borrowings                             | (43,994,991)         | (35,772,646)        | (43,994,991)        | (35,772,646)        |
| Net decrease in short-term borrowings                            | (28,845,107)         | (1,331,682)         | (28,845,107)        | (1,331,682)         |
| Payment for lease liability                                      | (338,736)            | (415,093)           | (338,736)           | (415,093)           |
| <b>Net cash used in Financing Activities</b>                     | <b>(73,178,834)</b>  | <b>(37,519,421)</b> | <b>(73,178,834)</b> | <b>(37,519,421)</b> |
| Net increase / (decrease) in cash and cash equivalent            |                      |                     |                     |                     |
| Cash and cash equivalents at the beginning of the financial year | (105,501,840)        | 75,037,199          | (105,499,972)       | 75,039,020          |
| <b>Cash and cash equivalents at the end</b>                      | <b>9 179,099,320</b> | <b>104,062,121</b>  | <b>179,071,248</b>  | <b>104,032,228</b>  |
| <b>of the financial year</b>                                     | <b>73,597,480</b>    | <b>179,099,320</b>  | <b>73,571,276</b>   | <b>179,071,248</b>  |

The statements of cash flows are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 54 to 83.



## FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Fiji Development Bank ("FDB or the Bank") is a fully owned Government of Fiji ("Government") entity domiciled in Fiji Islands. The address of the registered office is 360 Victoria Parade, Suva, Fiji. The financial statements of the Bank and the Group for the year ended 30 June 2024 comprise the Bank and its subsidiary company (collectively "the Group"). The Bank and the Group is primarily involved in the provision of finance, financial and advisory services to assist in the development of agriculture, commerce and industry in Fiji.

The financial statements were authorized for issue by the Board of Directors on 9th day of January 2025.

The material policies, which have been adopted in the preparation of these financial statements, are:

#### (a) Statement of compliance

The financial statements are presented in Fiji dollars, rounded to the nearest dollar. The financial statements have been drawn up in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and the requirements of the Fiji Development Bank Act.

#### (b) Basis of preparation

The measurement base adopted is that of historical cost as modified by the fair value through other comprehensive income measurement and financial instruments held at fair value through profit or loss. Loans and Advances are measured at amortised cost. In addition, land and buildings are carried at re-valued amount.

#### (c) Changes in accounting policies

The Bank and the Group have consistently applied the accounting policies to all periods presented in these financial statements.

#### (d) New standards and interpretations not yet adopted

The following accounting standards are available for early adoption but have not been applied by the Bank in this financial statement.

| Standard                                                  | Summary of requirements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Effective Date                                      |
|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| IFRS 17<br>(Insurance Contracts)                          | In May 2017, the IASB issued IFRS insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts, covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4). This standard is not applicable to the Bank and the Group.                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Annual periods beginning on or after 1 January 2023 |
| Definition of a Business<br>(Amendments to IFRS 3)        | In October 2018, the IAS issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Bank and the Group has not been affected by these amendments on the date of transition. | Annual periods beginning on or after 1 January 2023 |
| Definition of Material<br>(Amendments to IAS 1 and IAS 8) | In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial statements, which provide financial information about a specific reporting entity.<br><br>The Bank and the Group has adopted the change.                                                                           | Annual periods beginning on or after 1 January 2023 |

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) New standards and interpretations not yet adopted**

|                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                     |
|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| Definition of Supplier Finance (Amendments to IFRS 7) | In May 2023, the IAS issued amendments to IAS 7 and IFRS 7. The new definition describes the characteristics of an arrangement for which an entity is required to provide the information also should include the arrangements that are solely credit enhancements for the entity or instruments used by the entity to settle directly with a supplier the amounts owed are not supplier finance arrangement. The disclosures required by IFRS 7 are that information about the significance of financial instruments and information about the nature and extent of risks arising from financial instruments.                                                                                                                 | Annual periods beginning on or after 1 January 2024 |
| Lack of exchangeability (Amendments to IAS 21)        | On 15 August 2023, the IASB issued amendments to IAS 21 - Lack of Exchangeability to provide guidance to specify when a currency is exchangeable and how to determine the spot exchange rate when it is not.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Annual periods beginning on or after 1 January 2025 |
| IFRS S1 and IFRS S2                                   | <p>The following new standards are effective for the period beginning 1 January 2026 for Fiji:</p> <ol style="list-style-type: none"> <li>1. IFRS S1 - General requirements for disclosure of sustainability-related financial information. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across a Company's value chain.</li> <li>2. IFRS S2 - Climate-related disclosures. This standard sets out requirements for entities to disclose information about climate-related risks and opportunities.</li> </ol> <p>The Bank and the Group are currently assessing the impact of these new accounting standards and amendments.</p> | Annual periods beginning on or after 1 January 2026 |

**(e) Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- Note 1(l) and Note 11 – Impairment of Loans and advances
- Note 1(j) – Valuation of land and buildings
- Note 1(h) and Note 18 - Leases

**(f) Principles of consolidation**

**Subsidiary**

The consolidated financial statements of the Group include the financial statements of the Bank and the Group and its wholly owned subsidiary as disclosed in Note 13. Control exists when Bank and the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity as to obtain benefits from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that controls ceases. The investment in subsidiary is measured at cost less impairment loss in the financial statements of the Bank.

**Transactions eliminated on consolidation**

The balances and effects of transactions between the Group and the controlled entity have been eliminated in the consolidated financial statements.

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) Revenue recognition**

Under IFRS 15, revenue is recognised with reference to the satisfaction of performance obligation either at a point in time (when) or over time (as). Despite the level of costs incurred, revenue will only be recognised once performance obligation fulfilment can be assessed.

**Interest income**

Interest income on investments, loans and advances is recognised in profit or loss using the effective interest method. Unearned interest on lease finance is brought into account at the time of realization.

**Government interest subsidies**

Government provides interest subsidies on certain loans schemes. These interest subsidies are recognised as interest income in profit or loss using the effective interest rate method.

**Rental Income**

The Bank has applied IFRS 16 in terms of lessor accounting.

**Fees and charges**

**Lending fees**

Fees and direct costs relating to loan origination, financing or restructuring and to loan commitments are deferred and amortised to profit or loss over the term of the loan. Lending fees not directly related to the origination of a loan are recognised as and when the service has been renewed.

**Other fees and charges**

When other fees and charges relate to specific transactions or events, they are recognised in profit or loss over the period that the service is provided to the customer.

Fees on impaired loans are recognised as income and impaired as doubtful debts to profit or loss.

**(h) IFRS 16 Leases**

**Leases**

Under IFRS 16, the Bank and the Group assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 18. The Bank and the Group elected to apply the practical expedient to maintain the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 July 2019.

**(i) Lessee**

As a lessee, the Bank and the Group previously classified leases as operating, or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Bank and the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet. For leases of other assets, which were classified as operating under IAS 17, the Bank and the Group recognised right-of-use assets and lease liabilities.

**(ii) Lessor**

The Bank and the Group are not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. The Bank and the Group accounted for its leases in accordance with IFRS 16 from the date of initial application. Under IFRS 16, the Bank and the Group is required to assess the classification of a sub-lease with reference to the right of-use asset, not the underlying asset.

**(i) Debt securities issued**

FDB registered bonds and promissory notes are measured at fair value on initial recognition. Subsequent to initial recognition they are measured at amortised cost using effective interest method. Any discount on these bonds is amortized to interest expense on a straight-line basis over the term of the bond to which it relates.



# FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2024

## 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (j) Property and equipment

Items of equipment are measured at cost less accumulated depreciation and impairment loss. Items purchased at less than \$1,000 are expensed.

Land and buildings are measured at revalued amounts being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations reflect independent assessments of the fair market value of land and buildings based on existing use. Revaluation increments are credited directly to the revaluation reserve in equity via other comprehensive income. Revaluation decrements are debited directly to equity via other comprehensive income to the extent they reverse a previous revaluation surplus. Any remaining decrease is debited to statement of profit and loss and other comprehensive income.

The Directors have adopted a policy of obtaining regular independent valuations for all of the Bank's properties on an existing use basis of valuation. The Bank and the Group's land and buildings were last revalued by Lomara Associates and these valuations were adopted by Bank and the Group within the 2023 financial year. The next revaluation on land and building is expected to be conducted after three years.

All other items of property and equipment are carried at cost less accumulated depreciation and impairment losses.

#### Depreciation

Property and equipment with the exception of freehold land are depreciated over their expected useful lives using the straight-line method of depreciation at the following rates, whilst leasehold land and improvements are amortised over the shorter of their useful lives and the terms of their respective leases.

|                                   |                   |
|-----------------------------------|-------------------|
| Buildings and improvements        | 1-2%              |
| Equipment, furniture and fittings | 10%               |
| Motor vehicles                    | 20%               |
| Computer hardware                 | 20%               |
| Computer software                 | 20%               |
| Leasehold land                    | Term of the lease |

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the asset or cash-generating units are written down to their recoverable amount. The recoverable amount of property and equipment is the higher of fair value less costs to sell and value in use. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in profit or loss.

### (k) Intangible assets

The Bank and the Group recognises internally generated Banking Software (Bank Management System) and any other externally purchased software as intangible assets. Due to the finite life of the software, it is amortised on a straight-line basis at 20% per annum.

### (l) Financial assets and liabilities

#### i.) Recognition and initial measurement

The Bank and the Group initially recognised loans and advances, other receivables and debt securities issued on the date on which they are originated. All other financial assets and financial liabilities are initially recognised when the Bank and the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

## FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2024

### 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (l) Financial assets and liabilities (continued)

##### ii.) Classification and subsequent measurement (continued)

A financial asset is classified as measured at: amortised cost; FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and,
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and,
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is not held for trading, the Bank and the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

The Bank and the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### **Business model assessment**

The Bank and the Group 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 and the Group management;
- 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.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

#### **Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank and the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Bank and the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and,
- terms that limit Bank and the Group claim to cash flows from specified assets (e.g. nonrecourse features).

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(l) Financial assets and liabilities (continued)**

**iii.) Derecognition**

**Financial assets**

The Bank and the Group 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 and the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Bank and the Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

**Financial liabilities**

The Bank and the Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Bank and the Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in statement of profit and loss and other comprehensive income.

**Modifications of financial assets**

If the terms of a financial asset are modified, the Bank and the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Bank and the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in statement of profit and loss and other comprehensive income. If such a modification is carried out because of financial difficulties of the borrower 1(l)(iv), then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income 1(g).

**Deposits and other borrowings**

Deposits and other borrowings include certificates of deposits, interest bearing deposits and other related interest-bearing financial instruments. They are measured at amortised cost. The interest expense is recognised using the effective interest method.

**Debt financial asset at amortised cost**

Debt financial assets are those which carry fixed or determinable payments and have fixed maturities and which the Bank subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Amortisation is included as 'other income' in the income statement. The losses arising from impairment of such investment are recognised in the income statement line 'impairment losses on financial investments'.

**Other receivables**

Other receivables include interest receivable investments, interest subsidy receivable, deposits, prepayments and receivable from the subsidiary of the Bank and the Group. In the consolidation process, receivables from the subsidiary of the Bank and the Group in the Bank's book of accounts are eliminated against corresponding payables recorded in the subsidiary general ledger.

**Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank and the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2024

### 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (l) Financial assets and liabilities (continued)

##### vi) Impairment of assets (continued)

The Bank and the Group recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost.

The Bank and the Group measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and,
- other debt securities and Bank and the Group balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Bank and the Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date.

#### Measurement of ECL

ECLs are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank and the Group expects to receive);
- financial assets that are credit-impaired at the reporting date; as the difference between the gross carrying amount and the present value of estimated future cash flows; and
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank and the Group if the commitment is drawn down and the cash flows that the Bank and the Group expects to receive.

ECLs are discounted at the effective interest rate of the financial asset

#### Credit-impaired financial assets

At each reporting date, the Bank and the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due.
- the restructuring of a loan or advance by the Bank and the Group on terms that the Bank would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered impaired.

#### Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments: generally, as allowance for credit impairment;
- where a financial instrument includes both a drawn and an undrawn component, and the Bank and the Group;
- cannot identify the ECL on the loan commitment component separately from those on the drawn component, the Bank and the Group presents a combined loss allowance for both components.



**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(l) Financial assets and liabilities (continued)**

**vi.) Impairment of assets (continued)**

**Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Bank and the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank and the Group's procedures for recovery of amounts due.

Bad debts are written off against the allowance in the year in which the debt is recognised as being irrecoverable. Where not previously included in the allowance, bad debts are written off directly to profit or loss. Debts previously written off and subsequently recovered are credited to profit or loss in the year in which they are recovered.

**Individually assessed allowances**

Individually assessed allowance is maintained to cover identified impairment. The individually assessed allowance requirement (representing new and increased individually assessed allowances less individually assessed releases) is recorded in profit or loss. Individually assessed allowances are made against individually significant financial assets and groups of financial assets with similar credit risk characteristics for those that are not individually significant. The determination of the amount of specific allowance is based on many factors including credit evaluation of the borrowers, value of security and collateral held, current economic conditions and past experience.

Recoveries, representing excess transfers to the Individually assessed allowance (specific provision), are credited to the profit or loss.

**(m) Investments**

Investments are those securities that the Group has purchased with positive intent and ability to hold until maturity. These securities are initially recorded at fair value and subsequently adjusted for amortisation of premium or discounts. Premiums and discounts are capitalised and amortised using the effective interest method from date of purchase to maturity. Interest income is recognized using the effective interest method. Borrowing costs are recognised as expenses in the period in which they are incurred.

**(n) Land held for resale**

The cane estate and other land held for subdivision and resale are carried at the lower of their carrying amount and fair value less cost to sell.

**(o) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and at Bank and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

**(p) Accounts payable and accruals**

Accounts payable and accruals are stated at amortised cost.

**(q) Taxation**

The Bank has made no provision for taxation, as it is not subject to income tax in accordance with the Income Tax Act; 2015. However, the Bank's subsidiary FDB Nominees Pte Ltd adopts the principles of tax effect accounting and thus is the basis of recognition of tax expense in consolidated financial statements of the Group.

**(r) Employee entitlements**

**Annual leave**

The accrual for annual leave represents the amount which the Bank and the Group have a present obligation to pay, resulting from employees' services provided up to the balance date. The accrual is based on current wage and salary rates and includes related on-costs.

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(r) Employee entitlements (continued)**

**Long service leave**

The liability for employees' entitlements to long service leave represents the amount payable to employees, based on current wage and salary rates, for services provided up to balance date. The liability for long service leave increases according to the number of years of service completed by the employee.

**Gratuity**

The accrual for gratuity represents amounts payable to permanent employees who have achieved in excess of the minimum ten years of service on retirement and is based on current wage and salary rates.

**Triennial leave**

The triennial leave is payable to employees on completion of every three years of service and is based on staff grades.

**Number of employees**

The number of employees as at 30 June 2024 was 170 (2023:175).

**(s) Contingent liabilities and credit commitments**

The Bank and the Group is involved in a range of transactions that give rise to contingent and / or future liabilities. The Bank and the Group discloses a contingent liability when it has a possible obligation arising from past events that will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Bank and the Group control. A contingent liability is disclosed when a present obligation is not recognised because it is not probable that an outflow of resources will be required to settle an obligation, or the amount of the obligation cannot be measured with sufficient reliability.

The Bank and the Group issues commitments to extend credit, letters of credit, guarantees and other credit facilities. These financial instruments attract fees in line with market prices for similar arrangements. They are not sold or traded. The items generally do not involve cash payments other than in the event of default. The fee pricing is set as part of the broader customer credit process and reflects the probability of default. They are recorded as contingent liabilities at their face value. Information on the face value and credit equivalents of commitments and contingent liabilities is shown in note 24.

**(t) Deferred income**

Deferred income represents establishment fees charged and is deferred and amortised using the effective interest rates over the term of the loan.

**(u) Investment in Subsidiary**

The Bank has 100% beneficial interest in the ordinary share capital of the subsidiary company (FDB Nominees Ltd) which is incorporated in Fiji.

**(v) Share Capital**

The Bank was formed by an Act of Parliament and the contributed capital of \$56,050,636 consists of equity contribution from the Government of Fiji. Ordinary shares are classified as equity. Any incremental costs directly attributable to the issue of new shares will be shown in equity as a deduction (net of tax), from the proceeds.

**(w) Value Added Tax (VAT)**

The Bank is a VAT exempt entity. Revenues, expenses, assets and liabilities are recognised inclusive of the amount of Value Added Tax (VAT).

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**2. FAIR VALUE ESTIMATION**

Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank and the Group has access at that date.

When available, the Bank and the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The Bank and the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of relevant observable inputs and maximising the use of unobservable inputs. The different levels have been defined as follows:

- Level 1 fair value measurement are those instruments valued based on quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 fair value measurements are those instruments valued based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those instruments valued based on inputs for the asset or liability that are not based on observable market data (unobservable) inputs.

The following table analyses financial instruments measured at fair value at the reporting date by level in the fair value hierarchy into which the fair value measurement is categorised. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

|                    | Carrying amount                              |                    |            | Fair value |            |         |            |
|--------------------|----------------------------------------------|--------------------|------------|------------|------------|---------|------------|
|                    | Debt financial<br>asset at<br>amortised cost | Other<br>financial | Total      | Level 1    | Level 2    | Level 3 | Total      |
| <b>2024</b>        |                                              |                    |            |            |            |         |            |
| <b>Liabilities</b> | \$                                           | \$                 | \$         | \$         | \$         | \$      | \$         |
| Bonds              |                                              | 38,500,000         | 38,500,000 |            | 39,243,941 |         | 39,243,941 |
|                    | -                                            | 38,500,000         | 38,500,000 | -          | 39,243,941 | -       | 39,243,941 |
| <b>2023</b>        |                                              |                    |            |            |            |         |            |
| <b>Liabilities</b> |                                              |                    |            |            |            |         |            |
| Bonds              |                                              | 76,000,000         | 76,000,000 |            | 78,719,848 |         | 78,719,848 |
|                    | -                                            | 76,000,000         | 76,000,000 | -          | 78,719,848 | -       | 78,719,848 |

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

|                                                                          | <b>CONSOLIDATED</b> |                   | <b>THE Bank</b>   |                   |
|--------------------------------------------------------------------------|---------------------|-------------------|-------------------|-------------------|
|                                                                          | <b>2024</b>         | <b>2023</b>       | <b>2024</b>       | <b>2023</b>       |
|                                                                          | <b>\$</b>           | <b>\$</b>         | <b>\$</b>         | <b>\$</b>         |
| <b>3 INTEREST INCOME</b>                                                 |                     |                   |                   |                   |
| Interest Income (non – subsidised)                                       | 22,619,298          | 30,181,559        | 22,616,545        | 30,178,002        |
| Interest subsidies – (received /<br>receivable) from the Government for: |                     |                   |                   |                   |
| - Agricultural loans                                                     | 1,323,006           | 1,383,163         | 1,323,006         | 1,383,163         |
| - Commercial Loans to Fijians scheme                                     | 1,089               | 4,943             | 1,089             | 4,943             |
| - Small Business Scheme                                                  | 1,055,677           | 605,026           | 1,055,677         | 605,026           |
| - Northern Rehabilitation Package                                        | 1,454,652           | 1,567,569         | 1,454,652         | 1,567,569         |
|                                                                          | <u>3,834,424</u>    | <u>3,560,701</u>  | <u>3,834,424</u>  | <u>3,560,701</u>  |
|                                                                          | <u>26,453,722</u>   | <u>33,742,260</u> | <u>26,450,969</u> | <u>33,738,703</u> |

Interest income is recognised in the statement of profit and loss and other comprehensive income using effective interest method.

|                     |                  |                  |                  |                  |
|---------------------|------------------|------------------|------------------|------------------|
| <b>4 FEE INCOME</b> |                  |                  |                  |                  |
| Application fees    | 101,920          | 86,726           | 101,920          | 86,726           |
| Establishment fees  | 743,685          | 1,271,580        | 743,685          | 1,271,580        |
| Commitment fees     | 80,165           | 88,422           | 80,165           | 88,422           |
| Bank Service fees   | 2,057,442        | 1,596,833        | 2,057,442        | 1,596,833        |
| Arrears fees        | 466,175          | 157,405          | 466,175          | 157,405          |
| Legal fees          | 848,472          | 810,616          | 848,472          | 810,616          |
| Other fee income    | 1,860            | 2,515            | 1,860            | 2,515            |
|                     | <u>4,299,719</u> | <u>4,014,097</u> | <u>4,299,719</u> | <u>4,014,097</u> |

|                                                   |                  |                  |                  |                  |
|---------------------------------------------------|------------------|------------------|------------------|------------------|
| <b>5 OTHER INCOME</b>                             |                  |                  |                  |                  |
| The following items are included in other income: |                  |                  |                  |                  |
| Gain on sale of property, plant and equipment     | 132,360          | 84,460           | 132,360          | 84,460           |
| Bad debts recovered                               | 359,323          | 423,269          | 359,323          | 423,269          |
| Insurance commission                              | 142,659          | 149,929          | 142,659          | 149,929          |
| Rental income                                     | 1,120,356        | 1,018,361        | 1,120,356        | 1,018,361        |
| Other Income                                      | 1,024,151        | 779,934          | 1,024,151        | 779,934          |
|                                                   | <u>2,778,849</u> | <u>2,455,953</u> | <u>2,778,849</u> | <u>2,455,953</u> |



**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

|                                            | <b>CONSOLIDATED</b> |                    | <b>THE Bank</b>   |                    |
|--------------------------------------------|---------------------|--------------------|-------------------|--------------------|
|                                            | <b>2024</b>         | <b>2023</b>        | <b>2024</b>       | <b>2023</b>        |
|                                            | <b>\$</b>           | <b>\$</b>          | <b>\$</b>         | <b>\$</b>          |
| <b>6 INTEREST EXPENSES</b>                 |                     |                    |                   |                    |
| Interest paid - Bonds                      | 2,344,884           | 4,286,147          | 2,344,884         | 4,286,147          |
| Interest paid Call Advances                | 1,899,984           | 2,706,008          | 1,899,984         | 2,706,008          |
| Other administrative cost                  | 191,614             | 271,369            | 191,614           | 271,369            |
|                                            | <u>4,436,482</u>    | <u>7,263,524</u>   | <u>4,436,482</u>  | <u>7,263,524</u>   |
| <b>7 OPERATING EXPENSES</b>                |                     |                    |                   |                    |
| Items included in administrative expenses: |                     |                    |                   |                    |
| Auditors' remuneration                     | 68,712              | 39,996             | 68,712            | 39,996             |
| Directors' fees                            | 157,828             | 107,676            | 157,828           | 107,676            |
| Depreciation and amortisation              | 1,159,127           | 1,169,679          | 1,159,127         | 1,169,679          |
| Right of Use (ROU) Amortisation            | 306,414             | 420,368            | 306,414           | 420,368            |
| Employee costs                             | 10,341,289          | 10,430,324         | 10,341,289        | 10,430,324         |
| Finance Cost                               | 56,976              | 72,617             | 56,976            | 72,617             |
| Other Expenses                             | 3,452,818           | 2,535,444          | 3,450,900         | 2,533,853          |
|                                            | <u>15,543,164</u>   | <u>14,776,104</u>  | <u>15,541,246</u> | <u>14,774,513</u>  |
| <b>8 ALLOWANCE FOR INTEREST AND FEES</b>   |                     |                    |                   |                    |
| Allowance for Interest                     | 3,845,974           | 2,672,204          | 3,845,974         | 2,672,204          |
| Allowance for Fees                         | 434,035             | 329,830            | 434,035           | 329,830            |
| Doubtful Interest and Fees Recovery        | (2,031,433)         | (6,075,748)        | (2,031,433)       | (6,075,748)        |
|                                            | <u>2,248,576</u>    | <u>(3,073,714)</u> | <u>2,248,576</u>  | <u>(3,073,714)</u> |

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

|                                      | <b>CONSOLIDATED</b> |                    | <b>THE Bank</b>   |                    |
|--------------------------------------|---------------------|--------------------|-------------------|--------------------|
|                                      | <b>2024</b>         | <b>2023</b>        | <b>2024</b>       | <b>2023</b>        |
|                                      | <b>\$</b>           | <b>\$</b>          | <b>\$</b>         | <b>\$</b>          |
| <b>9 CASH &amp; CASH EQUIVALENTS</b> |                     |                    |                   |                    |
| Petty cash                           | 2,190               | 1,880              | 2,190             | 1,880              |
| Cashier Till Float                   | 1,100               | 1,100              | 1,100             | 1,100              |
| Short Term Deposit                   | 3,500,000           | 39,999,999         | 3,500,000         | 39,999,999         |
| Deposit accounts -Branches           | 6,713,863           | 12,175,342         | 6,687,659         | 12,147,270         |
| Bred Bank                            | 18,143,277          | 44,293,335         | 18,143,277        | 44,293,335         |
| Bank of South Pacific- Call account  | 16,906,005          | 18,378,543         | 16,906,005        | 18,378,543         |
| Bank of Baroda- Head office          | 361,396             | 9,081,291          | 361,396           | 9,081,291          |
| HFC Bank- Head office                | 25,494,314          | 51,726,354         | 25,494,314        | 51,726,354         |
| Westpac Bank- Head office            | 2,475,335           | 3,441,476          | 2,475,335         | 3,441,476          |
|                                      | <u>73,597,480</u>   | <u>179,099,320</u> | <u>73,571,276</u> | <u>179,071,248</u> |

Deposit accounts are maintained for the Bank and the Group's daily transactions with its customers. The short-term deposit accounts earn interest at floating market rates. The short-term deposits are at an interest rate of 1.25%.

**10 DEBT FINANCIAL ASSETS AT AMORTISED COST**

|                            | <b>CONSOLIDATED</b> |                | <b>THE Bank</b>   |             |
|----------------------------|---------------------|----------------|-------------------|-------------|
|                            | <b>2024</b>         | <b>2023</b>    | <b>2024</b>       | <b>2023</b> |
|                            | <b>\$</b>           | <b>\$</b>      | <b>\$</b>         | <b>\$</b>   |
| Investment in Term Deposit | <u>44,744,312</u>   | <u>243,668</u> | <u>44,500,000</u> | <u>-</u>    |

The Banks investments were with Bred Bank and HFC Bank for less than 4 months at interest rates ranging from 1.25% to 1.35%. There are three term deposits aggregating \$244,312 (2023:\$243,668) held by FDB Nominees Pte Limited in Home Finance Corporation Limited at 1.00% for a term of 24 months, and two term deposits at 1.75% at a term of 12 months at Kontiki Finance Pte Limited.

**11 LOANS AND ADVANCES**

|                                           |                    |                    |                    |                    |
|-------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Loans and advances                        | 464,377,301        | 502,338,457        | 464,377,301        | 502,338,457        |
| Allowance for interest and fees suspended | (12,375,365)       | (21,923,200)       | (12,375,365)       | (21,923,200)       |
|                                           | <u>452,001,936</u> | <u>480,415,257</u> | <u>452,001,936</u> | <u>480,415,257</u> |
| Allowance for Expected Credit Loss        | (94,199,922)       | (112,618,137)      | (94,199,922)       | (112,618,137)      |
| <b>Net loans and advances</b>             | <u>357,802,014</u> | <u>367,797,120</u> | <u>357,802,014</u> | <u>367,797,120</u> |

Loans and advances include finance lease provided to customers. There were no new finance leases granted in the current financial year.

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

|                                                                                                           | <b>CONSOLIDATED</b> |                    | <b>THE Bank</b>    |                    |
|-----------------------------------------------------------------------------------------------------------|---------------------|--------------------|--------------------|--------------------|
|                                                                                                           | <b>2024</b>         | <b>2023</b>        | <b>2024</b>        | <b>2023</b>        |
|                                                                                                           | <b>\$</b>           | <b>\$</b>          | <b>\$</b>          | <b>\$</b>          |
| <b>11 LOANS AND ADVANCES (continued)</b>                                                                  |                     |                    |                    |                    |
| The Bank's split for gross loans and advances to customers is represented as follows:                     |                     |                    |                    |                    |
| Current                                                                                                   | 200,847,430         | 197,731,208        | 200,847,430        | 197,731,208        |
| Non-current                                                                                               | 263,529,871         | 304,607,249        | 263,529,871        | 304,607,249        |
| <b>Total</b>                                                                                              | <b>464,377,301</b>  | <b>502,338,457</b> | <b>464,377,301</b> | <b>502,338,457</b> |
| <b>Allowance for credit impairment as per ECL (Expected Credit Loss) model is represented as follows:</b> |                     |                    |                    |                    |
| Balance at the beginning of the year                                                                      | 112,618,137         | 114,047,662        | 112,618,137        | 114,047,662        |
| Charge to the profit or loss                                                                              | 5,699,867           | 17,416,402         | 5,699,867          | 17,416,402         |
|                                                                                                           | <b>118,318,004</b>  | <b>131,464,064</b> | <b>118,318,004</b> | <b>131,464,064</b> |
| Bad debts written off against impairment allowances                                                       | (24,118,082)        | (7,191,133)        | (24,118,082)       | (7,191,133)        |
| Transfer to Other Receivables                                                                             | -                   | (11,654,794)       | -                  | (11,654,794)       |
| <b>Total allowance for credit impairment as per ECL (Expected Credit Loss) model</b>                      | <b>94,199,922</b>   | <b>112,618,137</b> | <b>94,199,922</b>  | <b>112,618,137</b> |
| <b>12 OTHER RECEIVABLES</b>                                                                               |                     |                    |                    |                    |
| Government guarantees and grants                                                                          | 5,499,216           | 5,499,216          | 5,499,216          | 5,499,216          |
| Impairment loss - government guarantee and grants                                                         | (5,499,216)         | (5,499,216)        | (5,499,216)        | (5,499,216)        |
|                                                                                                           | -                   | -                  | -                  | -                  |
| Government interest subsidies                                                                             | 1,573,517           | 916,774            | 1,573,517          | 916,774            |
| Bonds Prepaid                                                                                             | 4,000,000           | -                  | 4,000,000          | -                  |
| Others                                                                                                    | 896,010             | 689,499            | 893,760            | 689,289            |
| Receivable from related party                                                                             | 11,654,794          | 11,654,794         | 11,654,794         | 11,654,794         |
| Impairment loss – related party                                                                           | (11,654,794)        | (11,654,794)       | (11,654,794)       | (11,654,794)       |
|                                                                                                           | <b>6,469,527</b>    | <b>1,606,273</b>   | <b>6,467,277</b>   | <b>1,606,063</b>   |
| Impairment loss is represented as follows:                                                                |                     |                    |                    |                    |
| Total impairment at the beginning of the year                                                             | 17,154,010          | 5,499,216          | 17,154,010         | 5,499,216          |
| Charge to profit or loss – government guarantee and grants                                                | -                   | -                  | -                  | -                  |
| Transfer from Expected Credit Loss of loans and advances                                                  | -                   | 11,654,794         | -                  | 11,654,794         |
| <b>Total impairment at the end of the year</b>                                                            | <b>17,154,010</b>   | <b>17,154,010</b>  | <b>17,154,010</b>  | <b>17,154,010</b>  |

The amount receivable from Sequitur Resorts Pte Limited, a related party, is due in between 3 to 5 years.

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

|                                    | <b>CONSOLIDATED</b> |           | <b>THE Bank</b> |           |
|------------------------------------|---------------------|-----------|-----------------|-----------|
|                                    | <b>2024</b>         | 2023      | <b>2024</b>     | 2023      |
|                                    | <b>\$</b>           | <b>\$</b> | <b>\$</b>       | <b>\$</b> |
| <b>13 INVESTMENT IN SUBSIDIARY</b> |                     |           |                 |           |
| FDB Nominees Ltd                   | -                   | -         | 20,000          | 20,000    |

The Bank has 100% beneficial interest in the ordinary share capital of the subsidiary company which is incorporated in Fiji.

**14 INVESTMENTS**

|                                          |                   |                   |                   |                   |
|------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Shares in companies - at cost Impairment | 14,314,291        | 14,314,291        | 14,334,291        | 14,334,291        |
|                                          | (3,299,290)       | (3,299,290)       | (3,319,290)       | (3,319,290)       |
|                                          | <u>11,015,001</u> | <u>11,015,001</u> | <u>11,015,001</u> | <u>11,015,001</u> |

Equity securities are valued in accordance with Note(1)(l)(ii) of the financial statement

**Shares in subsidiary company**

|                      |   |   |        |        |
|----------------------|---|---|--------|--------|
| FDB Nominees Limited | - | - | 20,000 | 20,000 |
|----------------------|---|---|--------|--------|

**Shares in other companies**

|                              |                   |                   |                   |                   |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| Sequitur Resorts Pte Limited | 11,000,000        | 11,000,000        | 11,000,000        | 11,000,000        |
| South Pacific Stock Exchange | 15,000            | 15,000            | 15,000            | 15,000            |
| Adfip Trustees               | 1                 | 1                 | 1                 | 1                 |
| Total Investments            | <u>11,015,001</u> | <u>11,015,001</u> | <u>11,015,001</u> | <u>11,015,001</u> |

**Equity securities designated as at FVOCI**

The Bank designated the investments shown above as equity securities as FVOCI because these equity securities represent investments that the Bank intends to hold for the long term for strategic purposes. The Bank was issued 20% non-voting redeemable shares in Sequitur Resorts Pte Limited (SRPL) after a restructure of a related entity's debt held with the Bank. The shares are redeemable at fair value at the option of SRPL at any time from 1 July 2025 and up to the mandatory redemption date of 1 July 2027.

**15 LAND HELD FOR RESALE**

|                                         | <b>CONSOLIDATED</b> |           | <b>THE Bank</b> |           |
|-----------------------------------------|---------------------|-----------|-----------------|-----------|
|                                         | <b>2024</b>         | 2023      | <b>2024</b>     | 2023      |
|                                         | <b>\$</b>           | <b>\$</b> | <b>\$</b>       | <b>\$</b> |
| <b>Nasarawaqa Estate</b>                |                     |           |                 |           |
| Cost at beginning of the year           | 99,426              | 99,426    | 99,426          | 99,426    |
| Impairment at the beginning of the year | (99,426)            | (99,426)  | (99,426)        | (99,426)  |
|                                         | <u>-</u>            | <u>-</u>  | <u>-</u>        | <u>-</u>  |



**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**16 PROPERTY, PLANT AND EQUIPMENT**

**CONSOLIDATED AND THE Bank**

|                                  | <b>Land<br/>and Buildings<br/>\$</b> | <b>Plant and<br/>Equipment<br/>\$</b> | <b>Fixtures and<br/>Fittings<br/>\$</b> | <b>Work<br/>in Progress<br/>\$</b> | <b>Total<br/>\$</b> |
|----------------------------------|--------------------------------------|---------------------------------------|-----------------------------------------|------------------------------------|---------------------|
| <b>Cost or valuation</b>         |                                      |                                       |                                         |                                    |                     |
| Balance at 1 July 2022           | 28,580,385                           | 7,367,302                             | 118,202                                 | 811,974                            | 36,877,863          |
| Acquisitions during the year     | 74,648                               | 698,207                               | 580                                     | 670,265                            | 1,443,700           |
| Disposal                         | -                                    | (439,743)                             | (4,915)                                 | -                                  | (444,658)           |
| Transfer in (out)                | 983,857                              | 323,996                               | 1,288                                   | (1,309,141)                        | -                   |
| Revaluation                      | <b>(628,890)</b>                     | -                                     | -                                       | -                                  | <b>(628,890)</b>    |
| Balance at 30 June 2023          | 29,010,000                           | 7,949,762                             | 115,155                                 | 173,098                            | 37,248,015          |
| Acquisitions during the year     | -                                    | 403,268                               | -                                       | 957,408                            | 1,360,676           |
| Transfer in /(out)               | -                                    | 462,373                               | 7,000                                   | (471,873)                          | (2,500)             |
| Disposal                         | -                                    | (618,880)                             | (4,896)                                 | -                                  | (623,776)           |
| Balance at 30 June 2024          | <b>29,010,000</b>                    | <b>8,196,523</b>                      | <b>117,259</b>                          | <b>658,633</b>                     | <b>37,982,415</b>   |
| <b>Accumulated Depreciation</b>  |                                      |                                       |                                         |                                    |                     |
| Balance at 1 July 2022           | 2,125,764                            | 6,132,215                             | 90,354                                  | -                                  | 8,348,333           |
| Depreciation charge for the year | 603,062                              | 541,739                               | 5,140                                   | -                                  | 1,149,941           |
| Reversal upon revaluation        | (2,678,948)                          | -                                     | -                                       | -                                  | (2,678,948)         |
| Disposal                         | -                                    | (420,520)                             | (4,916)                                 | -                                  | (425,436)           |
| Balance at 30 June 2023          | <b>49,878</b>                        | <b>6,253,434</b>                      | <b>90,578</b>                           | -                                  | <b>6,393,890</b>    |
| Depreciation charge for the year | 615,132                              | 519,464                               | 3,240                                   | -                                  | 1,137,836           |
| Disposal                         | -                                    | (607,540)                             | (5,969)                                 | -                                  | (613,509)           |
| Balance at 30 June 2024          | <b>665,010</b>                       | <b>6,165,358</b>                      | <b>87,849</b>                           | -                                  | <b>6,918,217</b>    |
| <b>Carrying amount</b>           |                                      |                                       |                                         |                                    |                     |
| Balance at 30 June 2023          | <b>28,960,122</b>                    | <b>1,696,328</b>                      | <b>24,577</b>                           | <b>173,098</b>                     | <b>30,854,125</b>   |
| Balance at 30 June 2022          | <b>28,344,990</b>                    | <b>2,031,165</b>                      | <b>29,410</b>                           | <b>658,633</b>                     | <b>31,064,198</b>   |

The Directors have adopted a policy of obtaining regular independent valuations after every 3-5 years for all of the Bank's properties on an existing use basis of valuation. The land and buildings were re-valued by Lomara Associates and these valuations were adopted by the Bank within the financial year 2023.

**17 COMPUTER SOFTWARE - INTANGIBLES**

**CONSOLIDATED**

**THE Bank**

|                                      | <b>2024<br/>\$</b> | <b>2023<br/>\$</b> | <b>2024<br/>\$</b> | <b>2023<br/>\$</b> |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Balance at the beginning of the year | 2,566,998          | 659,026            | 2,566,998          | 659,026            |
| Acquisitions during the year         | 41,543             | 30,871             | 41,543             | 30,871             |
| Work in progress                     | 296,756            | 1,877,101          | 296,756            | 1,877,101          |
| Balance at the end of the year       | <b>2,905,297</b>   | <b>2,566,998</b>   | <b>2,905,297</b>   | <b>2,566,998</b>   |

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**17 COMPUTER SOFTWARE -  
INTANGIBLES (continued)**

|                                      | <b>CONSOLIDATED</b> |             | <b>THE Bank</b> |             |
|--------------------------------------|---------------------|-------------|-----------------|-------------|
|                                      | <b>2024</b>         | <b>2023</b> | <b>2024</b>     | <b>2023</b> |
|                                      | <b>\$</b>           | <b>\$</b>   | <b>\$</b>       | <b>\$</b>   |
| <b>Accumulated Amortisation</b>      |                     |             |                 |             |
| Balance at the beginning of the year | 381,734             | 361,561     | 381,734         | 361,561     |
| Amortisation charge for the year     | 21,291              | 20,173      | 21,291          | 20,173      |
| Balance at the end of the year       | 403,025             | 381,734     | 403,025         | 381,734     |
| <b>Carrying amount</b>               |                     |             |                 |             |
| Balance at the beginning of the year | 2,185,264           | 297,465     | 2,185,264       | 297,465     |
| Balance at the end of the year       | 2,502,272           | 2,185,264   | 2,502,272       | 2,185,264   |

**18 LEASE**

**Leases as Lessee**

Property, plant and equipment comprise of owned and leased assets. The Bank and the Group leases assets includes land, IT equipment and other leases. Leases of land and building generally have lease terms between 15 and 98 years, while IT equipment generally have lease terms between 1 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. However, at balance date the Bank and the Group did not have any leases meeting this exemption criteria. Information about lease for which the Bank and the Group is a lessee is presented below:

|                       | <b>Land</b>    | <b>IT Equipment and Other Leases</b> | <b>Total</b>     |
|-----------------------|----------------|--------------------------------------|------------------|
|                       | <b>\$</b>      | <b>\$</b>                            | <b>\$</b>        |
| As at 1 July 2022     | 780,917        | 791,774                              | 1,572,691        |
| Additions             | -              | -                                    | -                |
| Amortisation Expenses | (17,164)       | (403,204)                            | (420,368)        |
| As at 30 June 2023    | <b>763,753</b> | <b>388,570</b>                       | <b>1,152,323</b> |
| As at 1 July 2023     | 763,753        | 388,570                              | 1,152,323        |
| Additions             | -              | 971,504                              | 971,504          |
| Amortisation Expenses | (18,378)       | (288,036)                            | (306,414)        |
| As at 30 June 2024    | <b>745,375</b> | <b>1,072,038</b>                     | <b>1,817,413</b> |

Set out below are the carrying amounts of lease liabilities showing the movement during the year:

|                       |           |
|-----------------------|-----------|
| As at 1 July 2022     | 1,626,421 |
| Additions             | -         |
| Accretion of interest | 74,888    |
| Payments              | (489,981) |
| As at 30 June 2023    | 1,211,328 |
| As at 1 July 2023     | 1,211,328 |
| Additions             | 971,504   |
| Accretion of interest | 56,976    |
| Payments              | (395,712) |
| As at 30 June 2024    | 1,844,096 |

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**18 LEASE (continued)**

|                                                                                   | <b>CONSOLIDATED</b> |                  | <b>THE Bank</b>  |                  |
|-----------------------------------------------------------------------------------|---------------------|------------------|------------------|------------------|
|                                                                                   | <b>2024</b>         | <b>2023</b>      | <b>2024</b>      | <b>2023</b>      |
|                                                                                   | <b>\$</b>           | <b>\$</b>        | <b>\$</b>        | <b>\$</b>        |
| Lease liabilities included in the statement of financial position are as follows: |                     |                  |                  |                  |
| Current                                                                           | 408,083             | 214,893          | 408,083          | 214,893          |
| Non-Current                                                                       | 1,436,013           | 996,435          | 1,436,013        | 996,435          |
|                                                                                   | <u>1,844,096</u>    | <u>1,211,328</u> | <u>1,844,096</u> | <u>1,211,328</u> |

The Bank and the Group had total cash outflows for leases of \$395,712 (2023: \$489,981).

**Lease Liabilities**

|                            |                  |                  |                  |                  |
|----------------------------|------------------|------------------|------------------|------------------|
| Not Later than one year    | 461,317          | 264,961          | 461,317          | 264,961          |
| Between one and five years | 822,229          | 385,803          | 822,229          | 385,803          |
| More than 5 years          | 1,989,203        | 2,036,603        | 1,989,203        | 2,036,603        |
|                            | <u>3,272,749</u> | <u>2,687,367</u> | <u>3,272,749</u> | <u>2,687,367</u> |

**19 ACCOUNTS PAYABLE AND ACCRUALS**

|                   |                  |                  |                  |                  |
|-------------------|------------------|------------------|------------------|------------------|
| Interest accruals | 1,494,123        | 2,211,531        | 1,494,123        | 2,211,531        |
| Others            | 3,840,717        | 1,991,159        | 3,838,005        | 1,991,159        |
|                   | <u>5,334,840</u> | <u>4,202,690</u> | <u>5,332,128</u> | <u>4,202,690</u> |

**20 DEBT SECURITIES ISSUED**

**Short term borrowings**

|                                   |                   |                   |                   |                   |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Term deposits                     | 48,947,710        | 51,066,787        | 48,947,710        | 51,066,787        |
| RBF Export Facility               | 1,301,483         | 5,786,760         | 1,301,483         | 5,786,760         |
| FDB Registered bonds - face value | 25,500,000        | 37,500,000        | 25,500,000        | 37,500,000        |
| Total Short-term borrowings       | <u>75,749,193</u> | <u>94,353,547</u> | <u>75,749,193</u> | <u>94,353,547</u> |

**Non-current - Bonds**

|                                   |                    |                    |                    |                    |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|
| Term deposits                     | 10,864,150         | 37,590,180         | 10,864,150         | 37,590,180         |
| RBF Export Facility               | 224,642,690        | 226,652,405        | 224,642,690        | 226,652,405        |
| FDB Registered bonds - face value | 13,000,000         | 38,500,000         | 13,000,000         | 38,500,000         |
| Long term borrowings              | <u>248,506,840</u> | <u>302,742,585</u> | <u>248,506,840</u> | <u>302,742,585</u> |
| <b>Total borrowings</b>           | <u>324,256,033</u> | <u>397,096,132</u> | <u>324,256,033</u> | <u>397,096,132</u> |

The short-term borrowings have a repayment term of less than 1 year and have been guaranteed by the Government of Fiji. The interest rate for the short-term borrowing ranges from 0.8% to 4.6% (avg:2.09%) (2023:1% to 4.66%). The borrowings under RBF Import Substitution Export Finance Facility have term of 6 months to 5 years. The FDB registered bonds have a repayment term varying between 2 to 5 years and have been guaranteed by Government of Fiji.

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**21 OTHER LIABILITIES**

|                           | <b>CONSOLIDATED</b> |                  | <b>THE Bank</b>  |                  |
|---------------------------|---------------------|------------------|------------------|------------------|
|                           | <b>2024</b>         | 2023             | <b>2024</b>      | 2023             |
|                           | <b>\$</b>           | <b>\$</b>        | <b>\$</b>        | <b>\$</b>        |
| <b>Current</b>            |                     |                  |                  |                  |
| Seed Capital Fund         | 2,369,444           | 2,370,615        | 2,369,444        | 2,370,615        |
| Staff Savings account     | 3,309,557           | 3,048,358        | 3,309,557        | 3,048,358        |
| Export Facility           | 1,069,032           | 1,077,228        | 1,069,032        | 1,077,228        |
| Farmers Assistance Scheme | 128,687             | 128,687          | 128,687          | 128,687          |
|                           | <u>6,876,720</u>    | <u>6,624,888</u> | <u>6,876,720</u> | <u>6,624,888</u> |

Seed Capital Fund is a revolving fund from the Government of Fiji for lending to specialised business activities in forestry, fishing and eco-tourism. Principal repayments for the seed capital loans are added back to the initial fund for re-lending. Seed Capital Fund amounts that are not utilised are repayable to the Government.

Staff savings are stated at amortised cost and are repayable on demand at an average interest rate of 2.5% per annum.

**22 EMPLOYEE ENTITLEMENTS**

|                          |                |                |                |                |
|--------------------------|----------------|----------------|----------------|----------------|
| At 1 July 2023           | 483,292        | 587,321        | 483,292        | 587,321        |
| Utilised during the year | (572,818)      | (690,263)      | (572,818)      | (690,263)      |
| Arising during the year  | 529,880        | 586,234        | 529,880        | 586,234        |
| At 30 June 2024          | <u>440,354</u> | <u>483,292</u> | <u>440,354</u> | <u>483,292</u> |

The employee entitlement includes accrued leave and gratuity. The gratuity is accrued for all tenure staff after continuous service of 10 years and the staff is eligible for payment on retirement after reaching the age of 60 years.

The employee entitlement's is represented as follows:

|              |                |                |                |                |
|--------------|----------------|----------------|----------------|----------------|
| Current      | 319,660        | 339,035        | 319,660        | 339,035        |
| Non-current  | <u>120,694</u> | <u>144,257</u> | <u>120,694</u> | <u>144,257</u> |
| <b>Total</b> | <u>440,354</u> | <u>483,292</u> | <u>440,354</u> | <u>483,292</u> |

**23 CAPITAL**

|                     |                    |                    |                    |                    |
|---------------------|--------------------|--------------------|--------------------|--------------------|
| Authorised capital  | <u>100,000,000</u> | <u>100,000,000</u> | <u>100,000,000</u> | <u>100,000,000</u> |
| Contributed capital | <u>56,050,636</u>  | <u>56,050,636</u>  | <u>56,050,636</u>  | <u>56,050,636</u>  |

The Bank was formed by an Act of Parliament and the contributed capital of \$56,050,636 consists of equity contribution from the Government of Fiji.



**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**24 COMMITMENTS AND CONTINGENT LIABILITIES**

|                                      | <b>THE Bank</b> |             |
|--------------------------------------|-----------------|-------------|
|                                      | <b>2024</b>     | <b>2023</b> |
|                                      | <b>\$</b>       | <b>\$</b>   |
| (a) Commitments                      |                 |             |
| (i) Loans approved but not disbursed | 33,790,293      | 12,701,431  |
| (b) Capital Commitments              |                 |             |
| (i) Work In Progress                 | -               | 284,705     |
| (c) Contingent liabilities           |                 |             |
| (i) Guarantees                       | 682,860         | 54,516      |

**25 RELATED PARTY TRANSACTIONS**

**Government**

The related party transactions with the Government have been disclosed in the respective notes of the financial statements.  
This includes notes 1,3,12, 20, 21 and 23.

**Directors**

The following were Directors of the Bank and the Group during the financial year ended 30 June 2024 and up to the date of this report.

**Current directors**

|                       |                                             |
|-----------------------|---------------------------------------------|
| Mr. Damend Gounder    | Chairperson; appointed on 31st January 2023 |
| Mr. Jagdish Singh     | Appointed on 23rd January 2023              |
| Ms. Emele Duituturaga | Appointed on 18th April 2023                |
| Ms. Maimuna Haniff    | Appointed on 24th February 2022             |
| Ms. Asilika Rogers    | Appointed on 27th April 2022                |
| Mr. Satesh Kumar      | Appointed on 30th March 2023                |
| Mr. David Robertson   | Appointed on 30th March 2023                |

|                     | <b>CONSOLIDATED</b> |             | <b>THE Bank</b> |             |
|---------------------|---------------------|-------------|-----------------|-------------|
|                     | <b>2024</b>         | <b>2023</b> | <b>2024</b>     | <b>2023</b> |
|                     | <b>\$</b>           | <b>\$</b>   | <b>\$</b>       | <b>\$</b>   |
| Directors' expenses | 157,828             | 107,676     | 157,828         | 107,676     |

**Other related party transactions**

Loans amounting to Nil (2023: Nil) were advanced to a Company where a director has a related party interest and are included in "Loans and Advances" (refer note 11).

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**25 RELATED PARTY TRANSACTIONS (continued)**

**Key Management Personnel**

**Key Management Personnel Remuneration**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

During the year the following persons were the Executives identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the Bank and the Group.

| Name             | Current title                                       |
|------------------|-----------------------------------------------------|
| Saud Minam       | Chief Executive officer (Resigned on: 21.08.2024)   |
| Titilia Vakaoca  | General Manager Relationship & Sales                |
| Bimal Sudhakar   | General Manager Risk                                |
| Saiyad Hussain   | General Manager Finance and Administration          |
| Semisi Biumaiwai | General Manager Talent & Organizational Development |

The aggregate compensation of the above key management personnel (excluding Directors) comprises only short-term benefits and is set out below:

|                     | <b>CONSOLIDATED</b> |                  | <b>THE Bank</b>  |                  |
|---------------------|---------------------|------------------|------------------|------------------|
|                     | <b>2024</b>         | <b>2023</b>      | <b>2024</b>      | <b>2023</b>      |
|                     | <b>\$</b>           | <b>\$</b>        | <b>\$</b>        | <b>\$</b>        |
| Short-term benefits | <u>1,095,577</u>    | <u>1,218,256</u> | <u>1,095,577</u> | <u>1,218,256</u> |

The Key Management Personnel are contracted employees and are entitled to short term benefits only. The short term benefits reflect the full year payment to the Executive management team.

Loans amounting to Nil (2023: Nil) to Executives are included in "Loans and Advances" (refer note 11).

**26 RISK MANAGEMENT POLICY**

**Credit Risk**

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from loans and advances. The credit risk framework is in place across the organization with the end-objective of ensuring a structured and disciplined approach in pursuing the targets mutually set by the board and management. The framework focuses on corporate mission, policies, procedures, people, skills, values, controls and portfolio balance exposures. It is supported by regular portfolio analysis and detailed underwriting evaluation that identifies risk areas / concentrations, with recommended risk remedies and monitoring procedures in order to avert any probable negative impact of the account and of the portfolio. The authority to make credit decision is layered. The Board risk committee retains the authority to approve loan amounts above a threshold that is set by the board. On the other hand, the management (EXCO) has authority and discretion to delegate defined approving limits to Risk Officers under certain conditions. The delegated credit decision authority, particularly below the threshold level is reviewed from time to time in respect of each Officer's performance, exercise of delegated authority and changes to the Bank and the Group policy guidelines. Managers are also obliged to meet reporting and review requirements, to monitor credit risk exposure under their control and to report promptly any deteriorating situations that affect the Bank and the Group.

## FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2024

### 26 RISK MANAGEMENT POLICY (continued)

#### Credit Risk (continued)

The other component of the Bank and the Group's rating system for customers is a Client Quality Rating (CQR). This rating represents the Bank and the Group's view as to the "financial health" of the business during the past and in future. Furthermore, the Bank and the Group uses Credit Risk Rating (CRR) Systems, which were developed internally and integrates the different qualitative and quantitative variables of a borrower. The grading method takes into focus the history of the borrower, its financial performance, regulatory mandates (e.g. RBF regulations, Basel 2), industry/sectoral outlook, customer's liquidity to meet its contractual obligation and the probable loss in the event of default, a factor of the security value taken to support the facility. The credit risk grading system is robust and consistently applied on all borrowing customers. Any exceptions or variations on the risk grading for specific borrower is brought to EXCO or Board for final approval. The Bank and the Group considers and consolidates all elements of credit risk exposure (such as individual default risk, country risk and sector risk).

Forecasts are made using different statistical methodologies and pricing models in order to determine the relative volatility of the portfolios against market conditions. This includes forms of analysis such as duration of loan assets; interest rate elasticity and gaps, with the end-objective of maintaining a balance structure between the Bank and the Group's assets and liabilities; and a balance between developmental and commercial activities. As part of credit risk management process, portfolios are subjected to systematic stress tests in order to determine the probable loss of values due to changes in interest rates (financial market condition), default ratios and duration term structure. The stress testing also covers asymmetric risk-radicals that are unexpectedly sprouted on the portfolio thereby changing the estimated risk pattern previously established.

#### CREDIT RISK CONCENTRATION

The Bank lends to various industry sectors. The concentration of credit risk in relation to these industry sectors is set out below:

| Industry                                  | 2024<br>\$         | 2023<br>\$         |
|-------------------------------------------|--------------------|--------------------|
| Agriculture                               | 71,184,229         | 71,359,250         |
| Building and construction                 | 40,360,795         | 75,373,045         |
| Manufacturing                             | 53,721,667         | 43,304,126         |
| Mining and quarrying                      | 1,857,375          | 1,057,900          |
| Private individuals                       | 7,132,737          | 7,381,087          |
| Professional and business services        | 21,785,210         | 21,631,012         |
| Real estate                               | 48,068,799         | 66,300,002         |
| Transport, communication and storage      | 123,980,360        | 127,070,133        |
| Wholesale, retail, hotels and restaurants | 84,604,679         | 85,713,996         |
| Central & Local Government                | 7,236,456          | -                  |
| Others                                    | 4,444,994          | 3,147,906          |
| <b>Total gross loans and advances</b>     | <b>464,377,301</b> | <b>502,338,457</b> |

FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 JUNE 2024

26 RISK MANAGEMENT POLICY (continued)

|                                                                      | 2024<br>\$   | THE Bank<br>2023<br>\$ |
|----------------------------------------------------------------------|--------------|------------------------|
| <b>IMPAIRED AND PAST-DUE ASSETS</b>                                  |              |                        |
| <b>Non-accrual loans</b>                                             |              |                        |
| Gross                                                                | 82,101,006   | 117,086,447            |
| Less: Interest and Fees suspended                                    | (12,320,615) | (22,008,209)           |
|                                                                      | 69,780,391   | 95,078,238             |
| Less: allowance for expected credit loss                             | (34,269,005) | (57,852,011)           |
| Net non-accrual loans without allowance for expected credit loss     | 35,511,386   | 37,226,227             |
| <b>Restructured loans without allowance for expected credit loss</b> |              |                        |
| Gross                                                                | 185,252      | 52,284                 |
| Less: Interest and Fees suspended                                    | (2,927)      | (1,506)                |
| Net restructured loans without allowance for expected credit loss    | 182,325      | 50,778                 |
| <b>Restructured loans with allowance for expected credit loss</b>    |              |                        |
| Gross                                                                | -            | -                      |
| Less: Interest and Fees suspended                                    | -            | -                      |
|                                                                      | -            | -                      |
| Less: Allowance for expected credit loss                             | -            | -                      |
| Net restructured loans with allowance for expected credit loss       | -            | -                      |
| <b>Other impaired loans</b>                                          |              |                        |
| Gross                                                                | 313,080      | 403,817                |
| Less: Interest and Fees suspended                                    | (63)         | -                      |
|                                                                      | 313,017      | 403,817                |
| Less: Allowance for expected credit loss                             | 1,086        | -                      |
| Net other classified loans                                           | 311,931      | 403,817                |
| <b>Total impaired and past-due loans</b>                             | 36,005,642   | 37,680,822             |
| <b>Past-due loans but not impaired</b>                               |              |                        |
| Gross                                                                | 14,400,395   | 8,212,997              |
| Less: Interest and Fees suspended                                    | (46,053)     | -                      |
|                                                                      | 14,354,342   | 8,212,997              |
| Less: Allowance for expected credit loss                             | -            | -                      |
| <b>Total past-due loans</b>                                          | 14,354,342   | 8,212,997              |



**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**26 RISK MANAGEMENT POLICY (continued)**

**IMPAIRED AND PAST-DUE ASSETS (CONTINUED)**

Ageing analysis of financial assets that are past due but not impaired or restructured

| <b>2024</b>     |      | <b>1-3 months</b> | <b>3-6 months</b> | <b>6-9 months</b> | <b>9-12 months</b> | <b>More than 1 year</b> |
|-----------------|------|-------------------|-------------------|-------------------|--------------------|-------------------------|
| Loans & Advance | (\$) | 13,612,783        | 726,147           | 707               | 54,028             | 6,730                   |
| <b>2023</b>     |      | <b>1-3 months</b> | <b>3-6 months</b> | <b>6-9 months</b> | <b>9-12 months</b> | <b>More than 1 year</b> |
| Loans & Advance | (\$) | 7,837,214         | 321,077           | 44,779            | -                  | 9,927                   |

**Default Risk**

Default risk is a risk that some loans may not be repaid; implications of asset mix on risk-based capital and asset quality on ability to leverage the Bank and the Group's capital.

Credit risk details relating to the Bank and the Group are set out below:

Amounts arising from ECL inputs, assumptions and techniques used for estimating impairment.  
See accounting policy in Note 1(l).

**Significant increase in credit risk**

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank and the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank and the Group's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure.

The Bank and the Group allocates credit risk grades to each exposure based on certain data that is determined to be predictive of the risk of default and applying experienced credit judgment. A combination of qualitative and quantitative factors are used to assess risk of default. These factors vary depending on the nature of the exposure and the type of borrower. Customer accounts are graded internally and all existing customers are categorized A to F. Further, the individual accounts/customer groups are classified as Standard, Special Mention, Sub Standard, Doubtful and Loss for credit risk management purposes.

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data:

- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are gross profit margins, financial leverage ratios, debt service coverage and compliance with covenants;
- Payment record – this includes overdue status as well as a range of variables about payment ratios; and
- Existing and forecast changes in business, financial and economic conditions.

Generating the term structure of Probability of Default (PD) Credit risk grades are a primary input into the determination of the term structure of Probability of Default (PD) for exposures. The Bank and the Group collects performance and default information about its credit risk exposures by credit risk grading.

## FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2024

### 26 RISK MANAGEMENT POLICY (continued)

#### Significant increase in credit risk (continued)

The Bank and the Group employs statistical models to analyze the data collected and generate estimates of the remaining lifetime Probability of Default (PD) of exposures and how these are expected to change as a result of the passage of time. This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors as well as in-depth analysis of the impact of certain other factors (e.g. forbearance experience) on the risk of default. For all exposures, key macro-economic indicators used is GDP as the main indicator and other indicators such as percentage change in tourism arrival, unemployment rate, based on publications by the trading economics (Bureau of Statistics) and Reserve Bank of Fiji. Determining whether credit risk has increased significantly. The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency.

Using its expert credit judgment and, where possible, relevant historical experience, the Bank and the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. Renegotiation of loans to customers in financial difficulties is a qualitative indicator of a significant increase in credit risk. As a backstop, the Bank and the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

The Bank and the Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month Probability of Default (PD) (stage 1) and lifetime Probability of Default (PD) (stage 2).

#### Definition of default

The Bank and the Group considers loans and advances to be in default when:

- the borrower is unlikely to pay its credit obligations to the Bank and the Group in full, without recourse by the Bank and the Group to actions such as realising security (if any is held); or
- the borrower is past due more than 90 days on any material credit obligation to the Bank and the Group.

In assessing whether a borrower is in default, the Bank and the Group considers indicators that are: qualitative – e.g. breaches of covenant; quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to the Bank and the Group; and based on data developed internally and obtained from external sources. Inputs into the assessment of whether loans and advances are in default and their significance may vary over time to reflect changes in circumstances.

#### Incorporation of forward-looking information

The Bank and the Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of Expected Credit Loss (ECL). Based on consideration of a variety of external actual and forecast information, the Bank and the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by Reserve Bank of Fiji. The base case represents a most-likely outcome. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Bank and the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios. The Bank and the Group has identified and documented key drivers of credit risk and credit losses for each portfolio of loans and advances and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**26 RISK MANAGEMENT POLICY (continued)**

**Measurement of ECL**

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above. Probability of Default (PD) estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures.

Loss Given Default (LGD) is the magnitude of the likely loss if there is a default. The Bank and the Group estimates Loss Given Default (LGD) parameters based on the history of recovery rates of claims against defaulted counterparties. The Loss Given Default (LGD) model considers the structure, collateral, seniority of the claim and recovery costs of any collateral that is integral to individual loans and advances. Loss Given Default (LGD) estimates are recalibrated for different economic scenarios. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

Exposure at Default (EAD) represents the expected exposure in the event of a default. The Bank and the Group derives the Exposure at Default (EAD) from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The Exposure at Default (EAD) of loans and advances is its gross carrying amount. For lending commitments, the Exposure at Default (EAD) includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. As described above, and subject to using a maximum of a 12-month PD for loans and advances for which credit risk has not significantly increased, the Bank and the Group measures Expected Credit Loss (ECL) considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Bank and the Group considers a longer period. The maximum contractual period extends to the date at which the Bank and the Group has the right to require repayment of an advance or terminate a loan commitment. Loans and advances are grouped on the basis of shared risk characteristics that include loan purpose and credit risk grading. The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

| 2024                                   |                     |                                     |                                     |                                    |                     |
|----------------------------------------|---------------------|-------------------------------------|-------------------------------------|------------------------------------|---------------------|
|                                        | 12 months ECL       | Lifetime ECL not<br>credit impaired | Lifetime ECL not<br>credit impaired | Lifetime<br>ECL credit<br>impaired | Total               |
| <b>Loans and advances to customers</b> | <b>\$</b>           | <b>\$</b>                           | <b>\$</b>                           | <b>\$</b>                          | <b>\$</b>           |
| Grade-Standard                         | 251,700,978         | -                                   | -                                   | -                                  | 251,700,978         |
| Grade-Special mention                  | 130,245,585         | -                                   | -                                   | -                                  | 130,245,585         |
| Grade-Substandard                      | -                   | 43,301,582                          | -                                   | -                                  | 43,301,582          |
| Grade-Doubtful                         | -                   | -                                   | 2,908,056                           | -                                  | 2,908,056           |
| Grade-Loss                             | -                   | -                                   | -                                   | 36,221,100                         | 36,221,100          |
|                                        | <b>381,946,563</b>  | <b>43,301,582</b>                   | <b>2,908,056</b>                    | <b>36,221,100</b>                  | <b>464,377,301</b>  |
| Loss on Allowance                      | <b>(39,244,923)</b> | <b>(26,766,444)</b>                 | <b>(1,851,457)</b>                  | <b>(26,337,098)</b>                | <b>(94,199,922)</b> |
| Allowance for Interest and Fees        |                     |                                     |                                     |                                    | (12,375,365)        |
| Carrying amount                        | <b>342,701,640</b>  | <b>16,535,138</b>                   | <b>1,056,599</b>                    | <b>9,884,002</b>                   | <b>357,802,014</b>  |

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**26 RISK MANAGEMENT POLICY (continued)**

**Measurement of ECL (continued)**

|                                        | 2023                |                                  |                                  |                              | Total                |
|----------------------------------------|---------------------|----------------------------------|----------------------------------|------------------------------|----------------------|
|                                        | 12 months ECL       | Lifetime ECL not credit impaired | Lifetime ECL not credit impaired | Lifetime ECL credit impaired |                      |
| <b>Loans and advances to customers</b> | <b>\$</b>           | <b>\$</b>                        | <b>\$</b>                        | <b>\$</b>                    | <b>\$</b>            |
| Grade-Standard                         | 240,047,066         | -                                | -                                | -                            | 240,047,066          |
| Grade-Special mention                  | 145,353,011         | -                                | -                                | -                            | 145,353,011          |
| Grade-Substandard                      | -                   | 38,891,417                       | -                                | -                            | 38,891,417           |
| Grade-Doubtful                         | -                   | -                                | 4,425,121                        | -                            | 4,425,121            |
| Grade-Loss                             | -                   | -                                | -                                | 73,621,842                   | 73,621,842           |
|                                        | <b>385,400,077</b>  | <b>38,891,417</b>                | <b>4,425,121</b>                 | <b>73,621,842</b>            | <b>502,338,457</b>   |
| Loss on Allowance                      | <b>(34,435,221)</b> | <b>(25,698,121)</b>              | <b>(2,281,661)</b>               | <b>(50,203,134)</b>          | <b>(112,618,137)</b> |
| Allowance for Interest and Fees        |                     |                                  |                                  |                              | (21,923,200)         |
| Carrying amount                        | <b>350,964,856</b>  | <b>13,193,296</b>                | <b>2,143,460</b>                 | <b>23,418,708</b>            | <b>367,797,120</b>   |

**Liquidity Risk Management**

Liquidity risk involves the inability of the Bank and the Group to fund increases in assets, manage unplanned changes in funding sources and to meet obligations when required, without incurring additional costs or inducing a cash flow crisis. The Bank and the Group generates its funding through issuance of bonds, with one to seven years' maturities, term deposits and promissory notes of maturities less than a year. The Bank and the Group's strong and effective liquidity risk management policy and framework ensures that the Bank and the Group has sufficient liquid assets to meet liabilities that fall due in the short term and to meet any unexpected demands for funds by its depositors or creditors. The Bank and the Group's executive committee manages the Bank's liquidity and cost of funds. The Bank and the Group performs a daily cash forecast for the next three months (one quarter) to identify any probable liquidity stress points. In addition to this, the Bank and the Group performs a stress-test on its cost of funds twice a month to measure any probable deviation from its forecasted forward rates and cost benchmarks by:

- quantifying liquidity outflows in all scenarios for each risk driver;
- identifying cash flows to mitigate liquidity shortfalls identified; and
- determine net liquidity position under each scenario.

Since the Bank and the Group does not have trading activities or hedge facilities to cushion unexpected liquidity gaps, it retains a policy of maintaining 10% of its total liability position in liquid assets at all times. Fully aware of maturity mismatched between its assets and liabilities, the Bank and the Group places a heavy emphasizes on collection efficiency of its lending units. The determination of the adequacy of FDB's liquidity position depends upon an analysis of the Bank and the Group's position relative to the following factors:

- historical funding requirements;
- current liquidity position;
- anticipated future funding needs;
- present and anticipated asset quality;
- present and future earning capacity; and
- sources of funds.

All of the Bank and the Group's interest rates during the time of borrowing are fixed. Therefore, there is no material sensitivity to changes in interest rates.



**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**26 RISK MANAGEMENT POLICY (continued)**

**Liquidity Risk Management (continued)**

**Maturity Analysis**

The following analysis of financial liabilities is based on remaining contractual terms to maturity.

| <u>2024</u>                             | <b>At call</b> | <b>1 day to 3 months</b> | <b>Over 3 months to 1 year</b> | <b>Over 1 year to 5 years</b> | <b>Over 5 years</b> | <b>Specific provision</b> | <b>Total</b>   |
|-----------------------------------------|----------------|--------------------------|--------------------------------|-------------------------------|---------------------|---------------------------|----------------|
|                                         | <b>\$</b>      | <b>\$</b>                | <b>\$</b>                      | <b>\$</b>                     | <b>\$</b>           | <b>\$</b>                 | <b>\$</b>      |
| <b>Assets</b>                           | (000)          | (000)                    | (000)                          | (000)                         | (000)               | (000)                     | (000)          |
| Debt financial assets at amortised cost | -              | -                        | 44,500                         | -                             | -                   | -                         | 44,500         |
| Loans and advances                      | 9,165          | 7,961                    | 183,721                        | 187,784                       | 75,745              | (34,338)                  | 430,038        |
| Other Receivables                       | 4,894          | 1,573                    | -                              | -                             | -                   | -                         | 6,467          |
| <b>Total</b>                            | <u>14,059</u>  | <u>9,534</u>             | <u>228,221</u>                 | <u>187,784</u>                | <u>75,745</u>       | <u>(34,338)</u>           | <u>481,005</u> |
| <b>Liabilities</b>                      |                |                          |                                |                               |                     |                           |                |
| Other Liabilities                       | 6,877          | -                        | -                              | -                             | -                   | -                         | 6,877          |
| Accounts Payable                        | 5,332          | -                        | -                              | -                             | -                   | -                         | 5,332          |
| Borrowings                              | -              | 30,841                   | 44,908                         | 248,507                       | -                   | -                         | 324,256        |
| <b>Total</b>                            | <u>12,209</u>  | <u>30,841</u>            | <u>44,908</u>                  | <u>248,507</u>                | <u>-</u>            | <u>-</u>                  | <u>336,465</u> |
| <u>2023</u>                             |                |                          |                                |                               |                     |                           |                |
| <b>Assets</b>                           |                |                          |                                |                               |                     |                           |                |
| Debt financial assets at amortised cost | -              | -                        | -                              | -                             | -                   | -                         | -              |
| Loans and advances                      | 15,619         | 7,838                    | 174,275                        | 131,085                       | 173,521             | (57,575)                  | 444,763        |
| Other Receivables                       | 689            | 917                      | -                              | -                             | -                   | -                         | 1,606          |
| <b>Total</b>                            | <u>16,308</u>  | <u>8,755</u>             | <u>174,275</u>                 | <u>131,085</u>                | <u>173,521</u>      | <u>(57,575)</u>           | <u>446,369</u> |
| <b>Liabilities</b>                      |                |                          |                                |                               |                     |                           |                |
| Other Liabilities                       | 6,625          | -                        | -                              | -                             | -                   | -                         | 6,625          |
| Accounts Payables                       | 4,200          | -                        | -                              | -                             | -                   | -                         | 4,200          |
| Borrowings                              | -              | 29,641                   | 64,712                         | 302,743                       | -                   | -                         | 397,096        |
| <b>Total</b>                            | <u>10,825</u>  | <u>29,641</u>            | <u>64,712</u>                  | <u>302,743</u>                | <u>-</u>            | <u>-</u>                  | <u>407,921</u> |

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**26 RISK MANAGEMENT POLICY (continued)**

**Market Risk**

Market risk refers to the uncertainty of future earnings resulting from changes in interest rates, exchange rates, market prices and volatilities. Normally financial institutions assume market risk from consumer and corporate loans, position taking, trading and investment activities.

The impacts of market risks to the Bank and the Group are on three dimensions, namely:

- Interest rate movement as it impacts the overall weighted cost of funds;
- As it impacts the interest rate margin; and
- As it changes the value of the earning assets; or putting it in another perspective, as it changes the value-at-risk of earning assets.

The strategy for controlling the Bank and the Group's market risk involves:

- Investing surplus funds in other banks and financial institutions;
- Stringent control and limits;
- Timely Review of loan and deposit pricing;
- Regular independent review of all controls and limits; and
- Rigorous testing and auditing of all pricing, trading, risk management and accounting systems.

Market risk analysis is focused on the contemplated term of borrowing, which is then expressed by the rate offers of the Bond or Promissory Note buyers. In line with the term structure of interest rate defined by the financial market (investors or lenders), the Bank and the Group further consider the impact of such rates to its overall cost of funds. To achieve this, the Bank and the Group determines a benchmark on its weighted average cost of funds and stresses this benchmark by simulating different rate levels which the market may tender, when the Bank and the Group makes its offering.

In relation to overall cost of borrowings, the Bank and the Group re-calibrates its interest rate margin, which is the difference between the average interest yield of earning assets and the projected weighted average cost of funds. To cure the probable risk on margins, the Bank and the Group uses the reference curve approach where the durated term of groups of earning assets is matched with the durated term of group of fund sources. By matching the durated term and yield of earning assets with specific durated term and cost of borrowings, the target margin is often achieved under normal conditions. While the Bank and the Group's assets are of longer-term maturities, they are repriced after a certain period thereby enabling the Bank and the Group to change its pricing structure and protecting its target interest margins.

The volatility of market interest rates impacts the value of the Bank and the Group's earning assets (also known as value-at-risk). While loan assets carry a repricing provision, they are committed for a fixed and long term, thereby making the asset structure immobile for probable contraction when warranted. Given these conditionality's, the Bank and the Group forecasts the probable market interest rates and measures its value-at-risk on its assets under the forecast conditions. Historical value at risk is used to determine the relative depletion of asset value at existing conditions. Forecast value at risk is then computed based on simulated conditions, integrating thereto the other risk variables that would impact the value at risk.

The value-at-risk is analyzed based on "likelihood to happen" (very low, low, medium, high and very high) and the respective consequences of each likelihood which is then measured in terms of probable losses (dollar values – quantitative; and reputational impact - qualitative).

**Sensitivity Analysis**

**Market Risk**

Market risk sensitivity due to  $\pm 2.50\%$  fluctuation in weighted average lending rate

|                                   | As at June 2024 | Increase in Lending Rate (+2.50%) | Decrease in Lending Rate (-2.50%) |
|-----------------------------------|-----------------|-----------------------------------|-----------------------------------|
| Weighted Average Lending Rate (%) | 5.67            | 8.17                              | 3.17                              |
| Interest Income (\$)              | 26,450,969      | 11,609,433                        | (11,609,433)                      |
| Impact on profit or loss (\$)     | 5,603,366       | 11,609,433                        | (11,609,433)                      |

**FIJI DEVELOPMENT BANK AND ITS SUBSIDIARY COMPANY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**26 RISK MANAGEMENT POLICY (continued)**

**Operational Risk**

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. This definition includes legal risk but excludes strategic and reputational risk.

The Enterprise Risk Management department develops the risk policies governing the operations of the Bank and the Group and oversees the implementation of these policies and procedures across the organization. The Internal Audit Department, as the third line of defense, provides independent assurance that the risk management strategies are working as intended.

Most operational risks are best managed within the departments in which they arise. However, overall planning, coordination, and monitoring is provided by a centralized enterprise risk management function. The Enterprise Risk Management Department closely coordinate with market risk and credit risk management departments within an overall enterprise risk management framework.

**27 COMPARATIVES**

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

**28 SIGNIFICANT EVENTS**

There were no significant events during the year.

**29 SUBSEQUENT EVENTS**

Loans of \$15.20m were written off subsequent to balance date, upon receiving the Ministers approval. Adequate allowances for doubtful debts were recorded to cater for these write offs as at 30th June 2024.

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



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