

STANDING COMMITTEE
ON ECONOMIC AFFAIRS

CONSOLIDATED REVIEW
REPORT OF THE FIJI
DEVELOPMENT BANK
ANNUAL REPORTS 2022
and 2023

Appendices

ANNEX 1

WRITTEN SUBMISSIONS & POWERPOINT PRESENTATIONS

ANNEX 1 – LENDING ACTIVITIES DURING THE YEAR 2023

Lending Activities During the Year 2023				
PORTFOLIO				
	Number	Percentage	\$MM	Percentage
Sectors				
Agriculture	3248	34.68%	98.30	19.57%
Building and Construction	271	2.89%	76.07	15.14%
Electricity, Gas & Water	58	0.62%	2.41	0.48%
Manufacturing	132	1.41%	6.92	1.38%
Mining & Quarrying	14	0.15%	0.96	0.19%
Non- Bank Financial Institutions	4	0.04%	1.90	0.38%
Others	347	3.70%	5.27	1.05%
Private Individual	410	4.38%	9.82	1.95%
Professional & Business Services	713	7.61%	11.67	2.32%
Public Enterprises	3	0.03%	95.04	18.92%
Real Estate	58	0.62%	38.28	7.62%
Transport, Communication & Storage	973	10.39%	35.00	6.97%
Wholesale, Retail, Hotels & Restaurants	3135	33.47%	120.70	24.03%
TOTAL PORTFOLIO	9366	100.00%	502.34	100.00%



FIJI DEVELOPMENT BANK ANNUAL REPORTS 2022 & 2023 HIGHLIGHTS

Presenter:
Ms. Titilia Vakaoca
Acting Chief Executive Officer
Fiji Development Bank



PUBLIC PRIVATE PARTNERSHIP

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FIJI DEVELOPMENT BANK

Vision

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

Mission

- Providing finance, financial, and advisory services to support economic development, particularly in agriculture, commerce, and industry

Key Sectors

- MSMEs,
- SMEs,
- AGRICULTURE
- CORPORATE

Focus on Specific Areas



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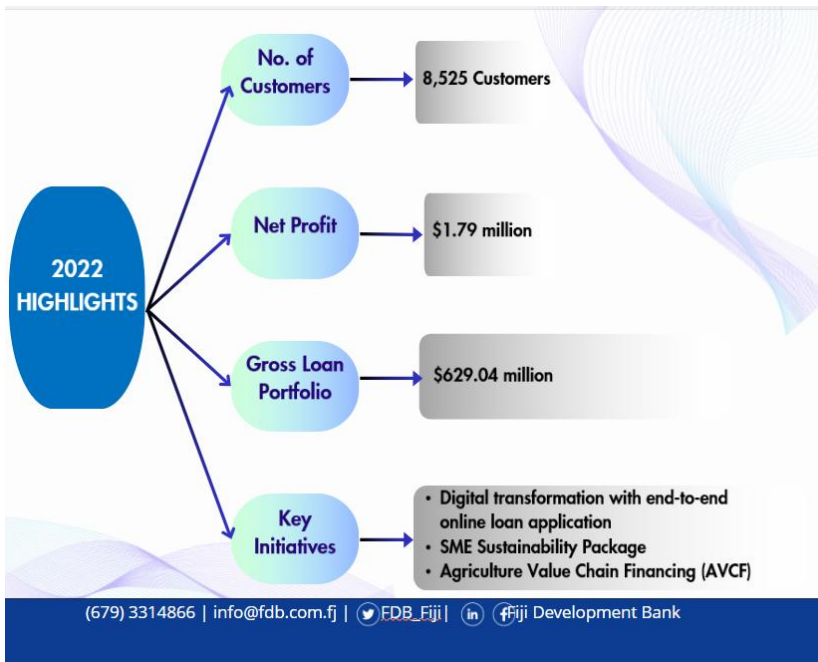
FDB TARGET SECTORS

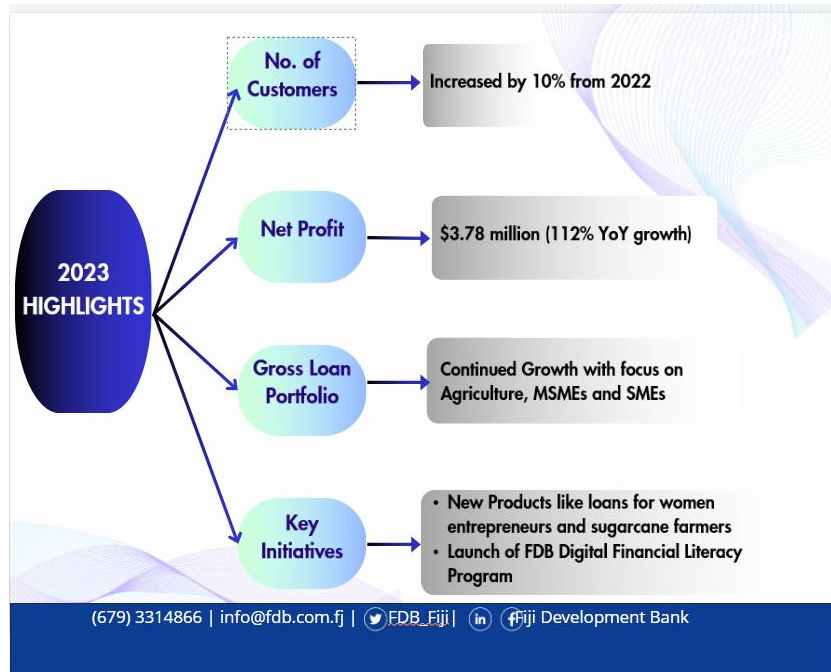
The Bank continues to provide debt finance to the following sectors:

- **Agriculture,**
 - Aquaculture and fishing;
 - Sugarcane, and cash crop;
- **SME & MSME;**
 - Manufacturing;
 - Wholesale, Retail, Hotels and Restaurants;
 - Professional and Business Services;
- **Infrastructure;**
 - Electricity, Gas and Water;
 - Transport, Communications;
 - Building and Construction Real Estate / Storage;



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Key Performance Indicators (KPIs)	
2022	2023
<ul style="list-style-type: none"> Gross Loan Portfolio: \$629.04 million Non-Performing Loans (NPLs): \$152.31 million (6.55% reduction) 	<ul style="list-style-type: none"> No. of Accounts increased by 9.85% NPLs reduced by 30.2% Loan Approvals: \$93.4 million

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Sustainable Development Goals Alignment



SDG 1: No Poverty - Financial inclusion for rural and underserved communities



SDG 5: Gender Equality - Loans for women entrepreneurs



SDG 8: Decent Work and Economic Growth - Support for SMEs and job creation



SDG 13: Climate Action - Funding for eco-friendly projects

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Digital Transformation

2022

- End-to-End online applications
- Infrastructure upgrades (WAN and Disaster Recovery)

2023

- Digital Financial Literacy Program with VISA
- Enhanced online services for rural and maritime customers

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Future Outlook

Focus Areas

- Continued support for agriculture, SMEs & MSMEs
- Expansion of digital services
- Strengthening partnerships and innovative financial products

Strategic Direction:

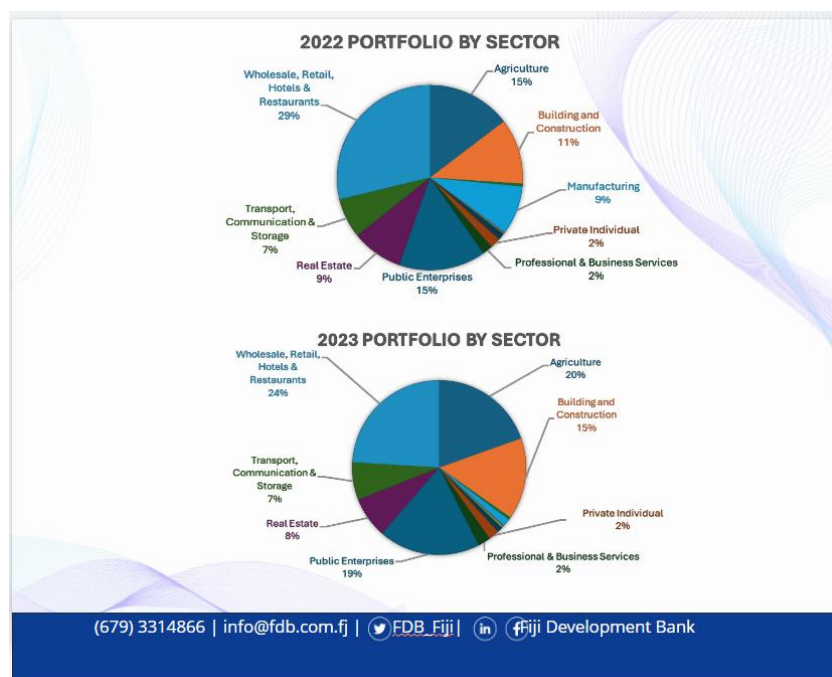
- Driving the Fijian Government's agenda on economic resilience and sustainability



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Sector	2022 SDGs met	2023 SDGs met
Agriculture (15 → 17) *The Bank is also working on developing more innovative financial packages under the AVC Concept		
Electricity, Gas & Water (5)		
Manufacturing (4)		
Mining & Quarrying (1)		
Professional & Business Services (9)		
Public Enterprise (1)		
Transport, Communication and Storage (5)		
Wholesale, Retail, Hotels & Restaurants (5)		
Building & Construction (2)		
Non-Bank Financial Institutions (4)		
Real Estate (2)		

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Key Performance Indicators (KPI)

FDB establishes a strategic workplan, which is communicated to its Management (General Managers). These managers then develop their own workplans, which are subsequently shared with Centre Operating Managers. Each Centre Operating Manager is responsible for creating specific workplans that cascade down to staff, enabling them to establish their own Key Performance Indicators (KPIs). This structured process ensures that employees at all levels understand the organization's strategic objectives and are aligned in working toward a common goal.



Strategic Themes (Pillars)	Result
Financial Thematic Area	Attain sustainable business growth in the new normal.
Customers Thematic Area	Offer solution based sustainable development financing and a seamless customer journey.
Internal Business Process Thematic Area	To improve operational efficiency.
Organization Capacity (or Learning and Growth) Thematic Area	Enhance FDB as a "knowledge-worker" development bank engaged in continuous learning.
Employee Engagement Thematic Area	Outperform competition.
Community and Environment Thematic Area	Enhance FDB's visibility as a community oriented and environmentally responsible Bank.

FDB Strategic Plan 2021-2023

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Province	No.	Expense (US\$)	%	% 1
BA	2,170	250,685,298	22.6%	55.1%
BUA	311	6,703,776	3.2%	1.5%
CAKADORA	1,207	21,363,657.24	12.6%	4.7%
KADAVU	28	153,962.81	0.3%	0.0%
LAU	14	59,174.65	0.1%	0.0%
LOMAVITI	34	317,534.08	0.4%	0.1%
MACUATA	2,167	39,798,868.26	22.6%	8.6%
NADROGA/NAVOSA	449	26,743,488.04	4.7%	5.9%
NAITASIRI	800	17,807,003.14	8.3%	3.9%
NI-MOSI	101	1,538,126.06	0.7%	0.0%
RA	165	7,464,953.92	4.2%	1.6%
REWA	1,159	63,178,885.08	12.1%	13.9%
ROTUMA	1	30,369.02	0.0%	0.0%
SERUA	20	312,518.82	0.2%	0.1%
TAILEVU	679	19,197,973.63	7.1%	4.2%
Grand Total	9,596	454,835,573.09	100%	100.0%



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HAPPY
TO
ANSWER
ANY
QUESTION



**MSME COUNCIL (Fiji Commerce Employers Federation)
presentation on Fiji Development Bank 2022 & 2023
Annual Reports from our customer experiences:**



Wednesday 26th February, 2025

MSME Thematic areas 2022 – 2023 reports:

1. Access to Finance and Loan Approvals;
2. Digital Transformation and Financial Inclusion;
3. Women Entrepreneurs and Microfinance Support;
4. Agriculture and Resource-Based MSMEs;
5. Tourism and Retail Recovery Post-COVID-19;
6. Non-Performing Loans (NPL) and MSME Sustainability;
7. Green and Sustainable Business Initiatives;
8. Expanding Market Access for MSMEs;



Discussion Questions

1. How can MSMEs be better prepared to qualify for loan approvals?
2. What strategies should be implemented to bridge the digital divide for MSMEs in remote areas?
3. How can financial programs for women entrepreneurs be expanded beyond urban areas?
4. Should Fiji's MSME sector diversify more from agriculture and tourism? If so, into what industries?
5. How can MSMEs reduce their risk of falling into Non-Performing Loan status?
6. What incentives should be provided for MSMEs adopting green and sustainable business models?
7. How can FDB and other financial institutions help MSMEs enter global markets?



Key Correlations Between the 2022 & 2023 Reports

Focus Area	2022 Report Findings	2023 Report Progress	Needed Improvements
Loan Approvals	Low approval rate (33%)	\$40M allocated to MSMEs	Financial literacy expansion
Digital Access	94% applications online	FDB-VISA Digital Literacy Program	Rural connectivity efforts
Women Entrepreneurs	\$1.5M allocated	700+ businesses funded (\$1.79M)	Expand to maritime areas
Agriculture MSMEs	48.62% of loans	Sugarcane Farmers Special Loan	Incentives for crop diversification
Tourism MSMEs	+2332.98% loan increase	Industry growth but vulnerability remains	Crisis management strategies
Non-Performing Loans	\$152.31M	-30.2% (NPL decrease)	Expand debt restructuring
Green Business	0.57% market share	First EV charging station, new financing	Increase renewable energy MSME loans
Market Access	MSMEs struggle to scale	FDB aims to expand markets	Training on exports and supply chains



1. How can MSMEs be better prepared to qualify for loan approvals?

Loan Education is key – the ins and outs! “BE LOAN READY!!!”

- ✓ Maintain Accurate and Transparent Financial Records
- ✓ Improve Creditworthiness
- ✓ Prepare a Strong Business Plan
- ✓ Demonstrate a Strong Track Record
- ✓ Maintain Sufficient Collateral
- ✓ Establish Strong Relationships with Lenders
- ✓ Ensure Legal and Regulatory Compliance
- ✓ Reduce Debt and Financial Liabilities
- ✓ Prepare for Due Diligence
- ✓ Explore Alternative Lenders or Government Programs



2. What strategies should be implemented to bridge the digital divide for MSMEs in remote areas?

Better Digital infrastructure (infrastructure sharing?) to be set in place by Telco's;

- ✓ Star link? Cost? Competition developments?
- ✓ TAF regulation fees?



3. How can financial programs for women entrepreneurs be expanded beyond urban areas?

EDUCATION SYSTEM – (What we teach?) NEEDS TO BE CHANGED RIGHT FROM PRIMARY AND SECONDARY LEVEL!! 😊

- ✓ More entrepreneurial education; “Business readiness!” “Loan readiness!”
- ✓ Public private partnerships;
- ✓ BE LOAN READY!! Programmes to be taken to the rural community areas
- ✓ SPBD model?
- ✓ FCEF, MSME COUNCIL, WEBC, TTFB, MINISTRY ITAUKEI, MINISTRY OF TRADE, MSME FIJI, BAF, FINANCIAL LITERACY AND BUSINESS READY programmes by banks;



4. Should Fiji’s MSME sector diversify more from agriculture and tourism? If so, into what industries?

- Creative Industries and Cultural Tourism
- Renewable Energy and Environmental Sustainability
- Logistics and Supply Chain Services
- Manufacturing and Processing
- Business Process Outsourcing
- Fishing Industry (FFIA position)



5. How can MSMEs reduce their risk of falling into Non-Performing Loan status?

- Focus on MSME incubators and accelerators;
- More investment from Government and private sector into these programmes – tax incentives for those that invest into this;
- Eg. TSLS incubator, FEE Business Accelerator Programme;
- “By entrepreneurs for entrepreneurs”;



6. What incentives should be provided for MSMEs adopting green and sustainable business models?

- Legislative barriers need to be removed (selling back to the grid) – EFL and the Electricity Act;
- Tax barriers on Electric vehicles/ charges need to be removed



7. How can FDB and other financial institutions help MSMEs enter global markets?

- Export ready trainings for foreign market requirements;
- Support for Digital Transformation (IPG);



2022 ANNUAL REPORT SUBMISSION

1.0 Introduction

The beginning of the 2022 Financial Year was marked by uncertainty. The spread of the Delta COVID variant considerably slowed down economic activity, which adversely affected the Bank's credit and collection activities. A slight improvement was noted towards the end of the first quarter of the Financial Year, as the socio-economic situation within the country started improving. This was due to businesses adapting to the COVID-19 environment and beginning operations under strict COVID-19 protocols. The economic situation was expected to further improve with the opening of international borders in December 2021. Hence, the Bank was optimistic that loan repayments from tourism and its related businesses would improve soon.

The Russia / Ukraine war in early 2022 further disrupted supply chains and caused an increase in food and energy prices, exerting additional pressure on local communities and businesses. This resulted in extension of repayment moratoriums for selected businesses on a case-by-case basis.

The health safety restrictions put in place to combat the spread of the virus led the Bank to re-evaluate how it delivered customer service, which served as the impetus for FDB's digital transformation. Digitalization of the Bank's processes greatly enhanced the customer experience during the COVID outbreak and for the first time, customers could lodge entire applications online.

Financial year 2022 saw FDB's product mix which comprised of lending and deposits. Under its lending products, FDB continued to provide working capital and syndicated loans to its Corporate, SME and Agriculture customers. Agriculture lending continues to be the Bank's priority. However, Public Enterprises lending ranked highest in the market share with Agriculture being second. The Bank also worked with support partners such as the Ministry of Agriculture, Ministry of Commerce, Trade, Tourism and Transport and formalised MoUs with relevant anchors such as Fiji Rice Limited for the Rice Mobility Package and Kaiming and Freshpac for the Ginger Loan Facility under the AVCF.

The Banks portfolio is represented by the following sectors.

Industry	2022	2021
	\$	\$
Agriculture	91,970,981	101,257,563
Building & Construction	72,097,630	72,194,421
Manufacturing	53,776,564	46,425,113
Mining & quarrying	920,396	709,117
Private Individuals	11,393,188	12,719,892
Professional & business services	11,285,060	3,579,212
Real estate	55,979,184	57,237,505
Transport, communication & storage	43,825,210	40,961,605
Wholesale, retail, hotels & restaurants	181,080,664	199,655,990
Others	106,711,386	84,066,997
Total gross loans and advances	629,040,262	618,807,415

The agriculture sector remains the Banks key focus area FDB holds a total market share of 48.62% in Fiji in the Agriculture sector. Also, the Bank continues to dominate the Sugarcane portfolio at 91.58%.

Lending Activities During the Year				
PORTFOLIO				
	Number	Percentage	\$MM	Percentage
Sectors				
Agriculture	3127	36.68%	91.97	14.62%
Building and Construction	235	2.76%	72.10	11.46%
Electricity, Gas & Water	60	0.70%	3.03	0.48%
Manufacturing	119	1.40%	53.78	8.55%
Mining & Quarrying	11	0.13%	0.92	0.15%
Non- Bank Financial Institutions	4	0.05%	1.31	0.21%
Others	388	4.55%	7.20	1.14%
Private Individual	455	5.34%	11.39	1.81%
Professional & Business Services	660	7.74%	11.29	1.79%
Public Enterprises	3	0.04%	95.16	15.13%
Real Estate	74	0.87%	55.98	8.90%
Transport, Communication & Storage	934	10.95%	43.83	6.97%
Wholesale, Retail, Hotels & Restaurants	2456	28.81%	181.08	28.79%
TOTAL PORTFOLIO	8526	100.00%	629.04	100.00%

2.0 Key Highlights for Financial Year 2022

- Despite the pandemic's challenges, FDB remained committed to implementing transformational ideas and practices for continuous operational excellence. The Bank had adopted the Agriculture Value Chain Financing (AVCF) method to improve access to financing, through tailor-targeted financial solutions.
- The milestone achievement for 2022 was the development of an end-to-end (E2E) process, enabling customers to access the loan facilities completely online through our website – from the application stage to receiving the outcomes in their emails.
- The Bank completed its new Lautoka Branch Office and has taken on board special facilities for disabled customers and a staff reflection room.
- The Network & Infrastructure team has successfully implemented and achieved several notable objectives. That is, COVID-19 Work-from-home Facilitation, Infrastructure Capacity Upgrade, Offsite DR Upgrade and Replication, Office 365/Cloud Computing Roll-out and New Firewall System. Core Banking Transformation Project is also one of the biggest ICT projects.
- The Bank signed a Memorandum of Understanding (MoU) with the Ministry of Agriculture on the 8th of October 2021 for the Commercial Farmers Equity Package (CFEP) program.
- In May 2022, the Bank launched the Ginger Loan Facility under AVCF, which ensured guaranteed market access to the customers.

- FDB assists in supplying access to more inexpensive and clean energy by identifying creative solutions and exchanging knowledge with the private sector and partner development organizations.
- While FDB is dedicated to helping Fiji become a manufacturing powerhouse for the Pacific, the Bank's market share in this industry further climbed to 11.46% in 2022 from 10.83% in 2021. At the end of the financial year, the manufacturing portfolio had a value of \$53.78 million. There were 119 loans in total, which represents 1.40% of all loans.

Key Financial Highlights for Financial Year 2022

- The Bank's lending portfolio grew to \$629.04M at the end of the Financial Year, an increase of \$10.23M or 1.65% from the previous year. The major driver of this increase was disbursements of \$118.51M. The total portfolio represents a customer base of 8,526 loan accounts.
- The Bank's Performing Loan Portfolio (PLP) was \$476.76 million, increased by 0.05%, representing a slight increase from the previous Financial Year. The Non-performing Loan (NPL) portfolio dropped by 6.55% from \$162.98 million to \$152.31 million.
- The Bank's longstanding strategy to remain sustainable while addressing the communities' unmet needs has seen the Bank recording a net profit of \$1.79M during the 2022 Financial Year. This is a 79.10% improvement in overall performance in comparison to the 2021 Financial Year.
- The Bank's revenue streams include Interest Income, Fee Income and Other Income and overall, all income streams recorded a decline of 3.25% over the year. The Bank disbursed new loans of \$118.51M during the year to assist customers throughout the pandemic period. A significant portion of these advances (\$81.36M) were facilitated through the RBF COVID-19 Recovery Credit Guarantee Scheme and the RBF ISEFF facilities to allow customers to maximize on the low interest rate of 3.99% offered under these facilities as a rehabilitation measure. Apart from the low interest rates, there were no fees and charges applied to these loans. Disbursing a significant portion of loans under this facility at concessional rates combined with the reduction in debt balances of certain large loans at higher interest rates contributed to an overall decrease in interest and fee income levels.

Profitability Structure

Income Statement (\$mm)	2022 (\$mm)	2021 (\$mm)	Change (\$mm)	Change rate (%)
Interest Income	40,090	45,202	(5,112)	(11.31)
Interest & Other borrowing expenses	(10,807)	(14,637)	3,830	26.17
Net interest income	29,283	30,565	(1,282)	(4.19)
Net Fees Income	3,639	3,994	(0,355)	(8.89)
Other Income	3,670	4,981	(1,311)	(26.32)
Total Operating Income	36,592	39,540	(2,948)	(7.46)
Operating Expenses	(13,709)	(12,816)	(0,893)	(6.97)
Profit before Allowances	22,883	26,724	(3,841)	(14.37)
Total Allowances	(21,098)	(25,728)	(4,630)	(18.00)
Net Profit	1,785	0,996	0,789	79.22

The Banks cost of funds decreased from 3.09% in June 2021 to 1.96% at the end of June 2022 while its interest expense stood at \$10.81M when compared to \$14.64M during the 2021 financial year. Market interest rates have been quite low during the year; due to the build-up of excess liquidity in the financial market. As a result of this, the Bank has been able to acquire new borrowings at low interest rates mostly through term deposits. All borrowing undertaken through the RBF COVID-19 Recovery Credit Guarantee Scheme and the RBF ISEFF facilities were at the set interest rate of 0.25%.

The Bank's operating expense increased by \$0.89 million (6.97%) in comparison to the prior Financial Year. The increase in total operating expenses is mainly attributed to the increase in employee costs by \$0.98 million. Key vacant positions, including the role of CEO and two General Managers, were filled during the year. The Bank also continued with 10% Employer FNPf contributions from April 2022. The pandemic also pushed the Bank to change its processes to manage costs efficiently, resulting in the Bank embarking on a digital journey.

Several of the Bank's customers were still under immense pressure within the first half of the 2022 Financial Year due to the second wave of the COVID-19 pandemic, the prolonged closure of the tourism industry and a slowdown in economic activity. This resulted in the Bank offering extended repayment moratoriums to assist customers to manage their loan obligations. Nevertheless, a significant increase in arrears ageing and non-performing loans were noted during the year despite all efforts to assist customers on a case-by-case basis. The deterioration in the status of these accounts resulted in the Bank booking net expected credit losses of \$21.10 million during the year; in line with IFRS 9 and RBF Credit Impairment guidelines.

The Banks financial position increased from \$607.24M to \$625.98M.

The Bank's total assets grew by 3.08%. This growth is mainly due to the increase in the Bank's liquid assets. Low investment prospects due to excess liquidity in the market and low demand for credit under normal loan facilities have resulted in a higher cash position. Nevertheless, the strong cash position was also used as a risk mitigation strategy to manage any sudden liquidity shocks that the Bank may face during the pandemic period.

Balance Sheet Review (\$mm)	2022	Composition (%) ²	2021	Composition (%) ²
Liquid Assets	104.032	16.62%	75.388	12.41%
Investments	0.035	0.00%	2.035	0.33%
Net loans and advances	488.775	78.08%	494.615	81.45%
Receivables	2.740	0.44%	4.554	0.75%
Right of Use	1.573	0.25%	1.521	0.25%
Fixed Assets with Intangibles	28.827	4.61%	29.182	4.81%
Total Assets	625.982	100.00%	607.245	100.00%

The Bank managed its borrowing portfolio well taking into consideration the economic situation and the maturity obligations of the Bank. There was an increase of \$16.90 million (3.90%) in the Bank's total liabilities for the 2022 Financial Year.

The Bank managed most of its funding needs through Term Deposits (\$93.86 million) and the RBF ISEFF / Covid -19 Relief facilities (\$88.83 million). Issue of longer-term bonds was minimal during the year.






Balance Sheet Review (\$mm)	2022	Composition (%)	2021	Composition (%)
Accounts payable & accruals	4.513	0.72%	4.836	0.80%
Lease Liability	1.626	0.26%	1.555	0.25%
Short Term Borrowings	122.332	19.54%	142.378	23.45%
Other Liabilities	9.527	1.52%	10.007	1.65%
RBF Facility & Term Deposit	235.869	37.69%	169.085	27.84%
Bond –held to maturity	76.000	12.14%	105.103	17.31%
Total Liabilities	449.867	71.87%	432.964	71.30%
Total Equity	176.115	28.13%	174.331	28.70%
Total Liabilities and Equity	625.982	100.00%	607.295	100.00%

3.0 KPI's

Gross Loan Portfolio: \$629.04 million

Non-Performing Loans (NPLs): \$152.31 million (6.55% reduction)

4.0 SDG's

Sector	2022 SDGs met
Agriculture (15 → 17) *The Bank is also working on developing more innovative financial packages under the AVC Concept	
Electricity, Gas & Water (5)	
Manufacturing (4)	
Mining & Quarrying (1)	
Professional & Business Services (9)	

Public Enterprise (1)	
Transport, Communication and Storage (5)	    
Wholesale, Retail, Hotels & Restaurants (5)	    
Building & Construction (2)	 
Non-Bank Financial Institutions (4)	   
Real Estate (2)	 



Fiji Fishing Industry Association

P O Box 178
The Empire
Suite 4, 32 Spring Street
Toorak, Suva
FIJI

20 February 2025

**The Chief Executive Officer
Fiji Commerce & Employers Federation
42 Gorrie Street
P O Box 575
Suva**

Attention: Watesoni Nata

Dear Sir

RE: Opportunity to contribute to a public submission on the Fiji Development Bank's 2022 and 2024 Annual Reports

I write in response to the Federation's notification on the above subject matter and would like to apologise for not following the instructions to the recommended reporting format.

Thanks so much for the opportunity to contribute to the upcoming Parliamentary Standing Committee on Economic Affairs, of which the fisheries sector comes under.

Since the establishment of the Association, none of our members have benefited from the lending facilities available at the Fiji Development Bank and would love to be considered in the future, thus providing some background information (as per attached) for your consideration and discussions at this upcoming important meeting.

Thank you, and I wish you all the best.

Yours sincerely,

**Radhika Kumar
President**

FCEF - General Comments on the Fiji Development Bank's 2022 and 2023 Annual Reports:

1. The Bank's portfolio concentration in cyclical sectors (61.92% in Agriculture 14.2%, Building/Construction 15%, Wholesale/Retail/Hotels 17%) highlights private sector vulnerabilities, particularly evident during post-COVID recovery.
2. Despite profit growth from \$1.78M to \$3.78M in 2023, market share declined from 7.35% to 5.5%, indicating growing challenges for private sector in accessing development finance against commercial bank competition.
3. While digital transformation achieved 94% online applications (14,000+ in 2022), businesses faced processing delays and documentation complexities, impacting timely access to finance.

FDB Strengths:

1. Dominant market position with 91.58% share in sugarcane portfolio and 48.62% in agriculture lending, supporting key private sector development.
2. Successfully implemented COVID-19 Recovery Credit Guarantee Scheme (\$62.33M disbursed to 4,000+ businesses) and Women Entrepreneurs Facility (\$1.79M to 700+ women-led businesses).
3. Significant improvement in portfolio quality with 30.2% reduction in NPLs from \$152.31M to \$116.94M, enabling more focus on new lending.

FDB Weaknesses:

1. High operational costs (7.77% increase in 2023) and funding costs (average 1.96%) resulting in lending rates of 5.38%, making credit expensive for private sector.
2. Expected Credit Loss remains high at \$112.62M (22.4% of portfolio), necessitating strict credit policies affecting business access.
3. Limited geographical diversification with concentrated exposure in main divisions, disadvantaging rural businesses.

4. Rigid collateral requirements and complex assessment processes (evidenced by only 37% approval rate of applications).

FDB Opportunities:

1. Expansion into emerging sectors like renewable energy (only 0.91% current market share) and climate-resilient projects.
2. Enhancement of Agricultural Value Chain Financing model, building on successful rice and ginger sector pilots.
3. Development of risk-sharing partnerships to reduce reliance on government guarantees (currently backing 88.30% of public enterprise lending).
4. Implementation of streamlined credit assessment for MSMEs to improve current 3-month average processing time.

Private Sector Challenges:

1. Limited access to affordable long-term financing with interest rates 150-200 basis points above commercial bank rates.
2. High collateral requirements (typically 150% coverage) restricting growth capital access for viable businesses.
3. Average processing time of 90+ days affecting business opportunities, especially for seasonal sectors.
4. Working capital constraints with only 15% of portfolio in short-term financing.
5. Innovation gap with less than 5% of portfolio in new/emerging sectors.

The above provides comprehensive statistical support while maintaining focus on private sector implications, offering both quantitative and qualitative insights for policy consideration.

Key Risks:

Based on the annual reports analysis, here are the 3 most significant risks:

1. Concentration Risk:

- 61.92% of portfolio concentrated in just three cyclical sectors.
- High geographical concentration in main divisions
- Over-reliance on government guarantees (88.30% of public enterprise lending).

2. Credit Risk:

- High Expected Credit Loss at \$112.62M (22.4% of portfolio).
- Non-performing loans at \$116.94M despite 30.2% reduction.
- Limited risk mitigation tools compared to commercial banks.
- Rigid collateral requirements restricting lending growth.

3. Funding Risk:

- High cost of funds (despite reduction to 1.96%) affecting lending competitiveness.
- Heavy reliance on short-term borrowings (term deposits) to fund long-term loans.
- Limited access to international funding sources for development projects.
- Dependence on government subsidies and guarantees affecting sustainability.

These risks are interconnected and have direct impact on FDB's ability to serve its development mandate while maintaining financial sustainability.

Fiji Development Bank

Fiji Fishing Industry Perspective

The Fiji Fishing Industry Association (FFIA) was established in 2016, and the only time we formally came into contact with the Fiji Development Bank (FDB) was in 2022. This was also when we had just come out of the two years of restrictions caused by the COVID-19 pandemic that affected the global community. This was also the time when, after two straight years of inactivity, most fishing vessels that had voluntarily withdrawn from fishing due to restricted market access and high costs of air and sea freight had opted to anchor their vessels in Suva Harbour. This prolonged idleness of the vessels had shown signs that urgently needed attention from the elements of the harsh marine environment to the hull, engine, and electrical and electronic appliances. Having them repaired or replaced will be very costly and the only preferred option was to have the aged vessels replaced with new and modern designed ones that are environment and social friendly through the usage of safe fuel and refrigerant gas and better and safer cabins for the crews. Further to this, by having modern machinery, for fuel and oil efficiency and improved cold storages to guarantee quality products.

During one of our discussions with the then Permanent Secretary for Fisheries, Pene Baleinabuli, in 2022 on this challenge, we were told that the FDB has a funding facility specifically to assist the fishing industry.

On 29 March of 2022, we met with the FDB Manager who looks after the agriculture sector of the Bank, which fisheries come under.

After explaining to him our situation and the advice given to us by the then Fisheries PS, we were sad to hear that there is no such funding facility with the Bank. At the same time, we were shocked to hear that the longline fishery is regarded as an unsustainable way of catching fish and that the Bank will not associate itself with such a sector. We told him we were surprised by the accusation and would write to the Ministry of Fisheries to correct how the Bank sees us. We did write to the Ministry but are not aware if they wrote to the Bank.

A year later, on 17 March 2023, we managed to meet with the then Bank CEO Minam and a senior officer by the name of Titilia. Again, we shared with them who we are, the Association's preference to modernise our aged fleet, and why companies have gone ahead to purchase new boats from abroad with outside funding. They were also told about the settlement of the sourcing of outside funds and that we prefer to continue with this manner rather than to go to local commercial banks. Up until today, nothing much has happened with the FDB.

Since then, we have approached the World Bank and the Ministry of Trade to identify funding facilities to assist the domestic fishing industry.

Affirmative Action Policies

In the early 2000s, there was an Affirmative Action Policy for indigenous Fijians to go into tuna longlining. Unfortunately, it did not go down well since it was not properly planned and implemented by the relevant government agency from the start, which is most probably why the FDB sees the sector as "not worth" assisting.

Things have changed, and companies can share with the Bank their payment performance in accessing funds from foreign Banks that were paid off before the agreed due date.

The Fishing Industry Preference

The fishing industry would like the government to take the fishing industry under its fold by allocating funds to FDB for its needs to expand and continue to employ our people – both seagoing and on-shore. It is also noted that some existing sectors that are going through difficulties due to multiple issues continue to be assisted by FDB, and we would love to be treated the same.

Price of Fully Fitted Longline Fishing Vessels to be Delivered to Suva

1. Small-sized tuna longline vessels (20m – 26m in length)
 - Targets the fresh/chilled tuna markets and stays out at sea for less than 3 weeks
 - Fish hold is 20mt
 - The main engine size is less than 450 kW
 - Estimated cost: USD600,000 FOB shipyard
 - Delivery cost inclusive with all associated costs: USD700,000
2. Medium-sized tuna longline vessels (30m – 36m in length)
 - Targets frozen fish exports and stays out at sea for less than 2 months
 - The main engine size is less than 750 kW
 - Fish storage less than 60mt
 - 2.1 Cost of vessel having cold storage at -35°C
 - Delivery cost inclusive of all other associated costs: USD1,150,000
 - 2.2 Cost of vessels having cold storage at -50°C
 - Delivery cost inclusive of all other associated costs: USD1,350,000
3. Large-sized tuna longline fishing vessels (50+m in length)
 - Targets frozen sashimi fish for export and stays out at sea for more than 3 months
 - The main engine size is less than 850 kW
 - Fish storage more than 120mt
 - 3.1 Cost of vessels with cold storage at -35°C
 - Delivery cost inclusive of all other associated costs: USD1,650,000
 - 3.2 Cost of vessels having cold storage at -50°C
 - Delivery cost inclusive of all other associated costs: USD1,850,000

ANNEX 2

SITE VISIT PROGRAMME

Recommended Businesses for Site Visitation

Standing Committee on Economic Affairs

Site Visit Programme in Relation to the FDB Annual Reports 2022 and 2023

7-12 April 2025

Date	Time	Venue	Recipient Selected by Committee		Confirmed - Replacement by FDB and business background (*SME, Agriculture, Fishing, etc.) – Declined, Non-Performing Loans and Performing Loans.	<ul style="list-style-type: none"> ▪ Customer contacted ▪ Venue ▪ Selected Customer's farm/business site to follow suit post-session.
Monday, 7 April 2025	9:30am-10.30am 11.00am-3.00pm Site Visit	Naitasiri	Reddy Vijay Anand <u>Declined</u> Other Business Services 9922866 ictss.support@gmail.com Applications Approved between 1/07/2022 and 30/06/2023		<p><u>Suva</u> Meesta Confectionary Pte Ltd PLP 9997642 Background – retail confectionary business, Loan of approved on 23/07/2020. Further loan approved on 30/07/2021 and Covid loan approved on 01/09/2021 Based in Sawani, Nausori</p> <p>Wainasasa Poultry Farm Pte Ltd PLP 9317008 Background - Poultry - Egg Production, Loan approved on 8/1/21,19/5/20, 18/05/23 Based in Bulevu, Nausori</p>	<p>✓ Customers contacted</p> <p><u>Venue – FDB Level 1 Training Room</u></p>

					<p>Leweni Evans PLP 2863038 Background - Agriculture- roots crops, dalo, Loan approved in 2021 Based in – Lot 5 Caqiri Road, Nasinu</p> <p>Seremaia Baieinuku PLP 9774752 Background - Agriculture- ginger</p> <p>Mataqali Rovadrau PLP 9433425 Background - Agriculture- roots crops, dalo, Loan approved on 23/6/2016</p> <p>Wong Investment Pte Ltd NPL 8605455/7840075 Background - Truck Hire, Non performing account due to delay in payment of proceeds from Contractor. Repayment arrangement in place Based in – Hercules Street, Suva</p> <p>Jekope Malonanovo NPL 8712479 Background - Dairy Farm</p>	
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					<p>Based in – Sereia, Naitasiri</p> <p>Ramesh T/A Dolphin Decline 9685421 Background - Kava & Retail Shop Based in – Narere, Nasinu</p> <p>Adi Verenika Delana Decline 898052 Background - Retail Shop Based in – Makoi, Suva</p> <p>RONAL AVENESH KARAN Decline 9572850 Background – Taxi Based in – Bureta, Samabula</p> <p>Maureen Singh Decline 9522493 Background – Agriculture Based in - Makoi</p> <p>Nausori Abdul Muzahar Rahiman Declined Root Crop Farming Naitasiri 9217829 Muzabarabdul57@gmail.com</p> <p>Kunal Prasad Approved loan</p>	
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					<p>Taxi Business Nausori Town 9076287 Kkunal6582@gmail.com</p> <p>Pranil Prakash Prasad Vuci Road Nausori 9332378 eadvdass@yahoo.com</p> <p>MSME Ilisaveci Viriki MSME Loan 9968247 Background – Handicraft business involves bulk purchasing of voivoi, somo, mats and oil from her village in the Lomaiviti group and selling it at the Market - Also took further loan Based at – Suva Market</p> <p>Shaleshni Wati MSME Loan 9966756 Background - Hair Saloon Business/Manufacture of jewelries and retail sales of new goods - also took further loan, business has been in operation since 2010 Based at - Shop 4 Fletcher complex, Nabua/MH Superfresh Outlet, Tamavua</p> <p>Adi Marica Lesikilomaloma</p>	
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					MSME Loan 2732272 Background - Was a casual vendor at Suva Market selling pastries, food parcel, beverages - Business no longer in operation has now found full time employment with FBD Based at – Suva Market Suliana Fesau MSME Loan 9892711 Background - Mixed Farming/Poultry/Piggery. Business has been in operation since 2020-during Covid Based at - Vuci South Nausori Mereoni Dufaki MSME Loan 9482889 Background - Does Catering, also has a food stall business - was also given further loan. Resides in Ovca, Tailevu. Based at - Nausori Town	
			Kitione Terotume Pauriasi Approved Loan Growing of Ginger 9249168 kitioneauriasi@gmail.com			
		Tailevu North	Radrodro & Emele Non-Performing Loan(As at 30.6.22) Dairy Farming Josateki Radrodro			

	4.30pm	Rakiraki	9318026 jatabua.j@gmail.com	Check-in at Tanoa Hotel Rakiraki		
Tuesday, 8 April 2025	9:30am-10.30am	Rakiraki	Sachindra Krishneel Mani Non-Performing Loan General Contracting 8680470 vailekacarthmovingworks@gmail.com Background – machinery contracting works like earthmoving, drainages, etc. Based at – Wairuku, Rakiraki		Yasin Hussain Musa Suleman Approved Loan SME 9773213 Background – operates a retail shop in Rakiraki Town. He also rents out shop/office spaces out of his commercial building to MSME's. Has had an established relationship with the Bank since 1979	✓ Customers contacted Venue – Ra Provincial Administrator's Office, Vaileka Parade, CBD Rakiraki Town.
			Reshmi Devi Prasad TA Radio Darpan Approved Loan Funeral Services deepakesh@gmail.com 9630575 Background – video live streaming for special occasions like weddings, funerals, etc. Also provide hearse and other funeral-related services like providing coffin, etc. Based at – Wairuku, Rakiraki		Rajesh Vikash Chand Approved Loan SME 8703800 Background – Market Vendor (Kava retail & others) Based at – Rakiraki Municipal Market Eloni Rateri Approved Loan Agriculture 8000254/8099416 Background – Farming business – major: Root Crops & Assorted Vegetables. Based in Nasavusavu, Nalawa, Ra. Eloni Salagi	

					<p>Approved Loan Agriculture 8420165 Background – farming business supplying to Suva Market (mainly fruits and vegetables). Based at – Nasevani, Ra</p> <p>Vereniki Vunibola Approved Loan Fishing 9548588 Background – fishing business Based at – Namuaimada, Ra</p> <p>Ganeshwar NPL Fishing 8487273 Background – fishing business of Volivoli, Ra</p> <p>Maria Asilika MSME Loan 9500551 Background - Mixed Farming/Piggery Based at - Narewa village Rakiraki</p> <p>Rajeshni Ranjana Singh Approved 9465750/9676605/8715552 Background - Sea Food Supplier Based at - Korowaqa Rakiraki</p>	
			BA			

	12:00pm-2.00pm	Koronubu, Ba	<p>Ritend Kumar Approved Loan Purchase of Sugarcane Farm 8747974 ritendkumar28@gmail.com</p>	<p>Ritend Kumar Approved 8747974 ritendkumar28@gmail.com Background - Mr. Ritend Kumar, a 32-year-old farmer from Koronubu, Ba, purchased an agricultural property through the Bank's private sale for \$40,000.00. He came from a strong farming background and was actively engaged in sugarcane farming, goat rearing (20 does), and the cultivation of cash crops and tobacco (suki). He was supported by his elder brother, a Field Officer with FSC, and was well familiar with the farm he acquired, having previously worked there during cane harvesting seasons. He was approved a loan of \$33,720.00, on 13/09/2021 to acquire property and assist with the remaining cost. Mr. Kumar resided full-time on his family farm and also earned seasonal income through cane harvesting.</p> <p>SITIVENI NASIGAYA 8769291 Approved Background - Sitiveni - a cane farmer of Tabataba- had applied a loan of \$15k in January 2022 and was approved in February 2022.</p>	<p>✓ Customer has been contacted</p> <p>Venue TBC Tentative venue – District Office, Koronubu House</p>
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					<p>Owens a cane farm, produces average of 300 tons per annum. Proven track record and established cane farmer.</p> <p>Tropic Forest Industries Pte 9995423</p> <p>Approved</p> <p>Background -</p> <p>Tropic Firest- is a family owned company that specialized in timber processing, it was approved a loan of \$100k on sept 2021, and has down paid that with satisfactory conduct to date</p> <p>HARSHKUMAR Trading As UPAL DISTRIBU 8423617</p> <p>Declined</p> <p>Background -</p> <p>Harsh kumar trading as Upal Distributors- small business operating in Ba Town, it had applied for a loan under the SMESP package, under account 202592, on 18/3/2022 but this was declined as application fell short of merits of application and therefore was declined.</p> <p>Abraham Dalip 8333893</p> <p>NPL</p> <p>Background -</p>	
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					<p>Abraham - is a small business operator, is a small printing press, that was approved a loan of \$20543 in 2022, however conduct slipped and later a restructure was provided to it. Client met all requirements at time of assessment, however business reasons have affected performance as such now in NPL status, as a restructured account</p>	
LAUTOKA						
	3.00pm-4.00pm	Lautoka	<p>Ashneel Mani and Simran Priyanka Narayan</p> <p>Declined Loan</p> <p>Freight & Other Land Transport</p> <p>9236897</p> <p>uniqueroadtransfers@gmail.com</p>		<p>Saras Chand</p> <p>Declined Loan</p> <p>9251710</p> <p>Background – Agriculture – Cane farm purchase</p> <p>Based at – Drasa, Lautoka</p> <p>Kamram Kasim Ali</p> <p>NPL</p> <p>8368520</p> <p>Background – SME – Car rentals</p> <p>Based at – Lot 10 Home Crescent, Lautoka</p> <p>Nukul Deo</p> <p>Approved PLP</p> <p>9928014</p> <p>Background – Agriculture – Cane farm</p> <p>Based at – Vitogo, Lautoka</p>	<p>✓ Customers contacted</p> <p>Venue – FDB Lautoka Training Room</p>

					<p>Nakelo Pte Limited Approved PLP 9999533 Background – Corporate – Tourism (Island Resort) Based at – Treasure Island, Mamanuca Group</p> <p>Winning Spirit Pte Ltd Approved PLP 9926615 Background – SME – Garment factory Based at – Nadi Town</p> <p>Ilisabeta Lewairoro Approved 95727999 Background - Market Vendor Based at - Lautoka Market</p> <p>Litiana Adisokobale NPL 8097534 Background - Catering and Canteen business Based at - Veiseisei, Lautoka</p>	
	4.30pm-5.00pm			Check-in at Tanoa Waterfront		
Wednesday, 9 April 2025	10:00am-11.00am	Nadi	<p>Abdul Faruk TA Faruk Hire Service Declined Loan Land & Sea Transport for Tours 8455752</p>		<p>Mohammed Sahik Khan Declined Loan 9248809 Background – SME Land Subdivision</p>	<p>✓ Customers contacted</p> <p>Venue – Jack's Corner Cafe Conference Room</p>

			abdufaruk1976@gmail.com		<p>Based at – Nausori Highland Road.</p> <p>King Khan Investment NPL 8661687 (Mrs. Khan) Background – Agriculture – Cane and harvester Based at – Ciri, Sigatoka</p> <p>Mohammed Jamal Approved PLP 9549078 Background – Cane farmer and logging business Based at – Tunalia, Nadi.</p> <p>Jiuta Naeco Cooperatives Limited Approved PLP (Jiuta Naeco – President) 9356762 Background – SME – Tractor contractor Based at – Nawaka, Nadi</p> <p>Mukesh Kumar T/A Run Safe Rental Approved PLP 9255891 Background – SME – Rental car business Based at – Malamala, Nadi</p> <p>Reshmun Nisha Approved 8457963/ 9287013</p>	
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				Background - Hair Saloon Business (Owner) - was also given further loan Based at - Anil Singh Building, Shop 5 Shortlane Street, Nadi. Sofiya Bi T/A Shalihah Minimart Approved 9258219 Background - Mini Mart Business Based at - Koromakawa Vuniyasi settlement, Nadi	
			Vimal Jeet Singh TA Ran Logistics P Non-Performing Loan Freight & Other Land Transport 7773903 vimalsingh787@yahoo.com.au		
	1.30pm-2.30pm	Sigatoka	Bhai Praneel Singh TA Bhais Farm Fresh Produce Non-Performing Loan SME Sustainability Package 9340782 praneelsingh114@gmail.com	Rupeni Masibalavu Declined 2842430 Background – Beef farm Based in – Keyasi Joana Lamai & Rovate Venaga Declined 2893724 Background - Beef farm Based in – Nabuyanitu , Navosa Prabhasini Singh TA Touch of Glamour Declined	✓ Customers have been contacted Venue – Provincial Administrator Office, Lawaqa

					<p>9799997 Background – Hair Salon Based in – Sigatoka Town</p> <p>Kali Goundar Approved 9912787 Background - Retail of savories, snacks - home made Based in – Nawaya</p> <p>Ahmad Approved 9216283 Background - Transport - Trucks for hire Based in – Sovi</p> <p>Muni Krishneel Approved 8471532 Background – Transport – Carrier Based in – Sigatoka Town</p> <p>Adish and Kanta NPL 9907770 Background – Mixed crop farm Based in – Nasau</p> <p>Bhai Praneel Singh NPL 9340782 Background – Mixed crop farm Based in - Kulukulu</p> <p>Tevita Kaidrega Approved</p>	
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					<p>9845834 Background – vegetables Based in – Nadrala</p> <p>Arbindra Prasad Approved 9380836 Background – fruits and vegetables Based in – Nasau</p> <p>Itiavi Saunibeci Approved 2197851 Background – root crop and vegetables Based in – Draiba Village</p>	
			Muni Krishneel Nand Approved Loan Support Services to Road Transport 8471532 krishneelnand871@gmail.com			
	4.00pm-4.30pm			Check-in Mercure Hotel, Nadi		
Thursday, 10 April 2025	<p>12.45pm – Departure (NadIntl-Lab)</p> <p>1.30pm – Arrival in Labasa Airport</p>					

	2.30pm-4.30pm	Labasa	<p>Narendra Prasad TA Galaxy Transport Approved Loan SME Sustainability Package</p> <p>8628188 galaxytransport1964@gmail.com</p> <p>Sera Velovelo Declined Loan Sugarcane Farmers Special Loan Facility 2511638 seravelovelo1953@gmail.com</p>	Morning Flight	<p>Kiran Chand Reddy t/a Kinis Allied Industries. NPL Commercial – Woodwork and Furniture makings) 9240657 kinisalliedindustries@gmail.com</p> <p>Meena Gounden t/a Gopals Poultry PLP SME – Poultry 8625363 gopalspoultryfarm@gmail.com</p> <p>Avinesh Chand t/a Raranibulu Shopping Centre PLP SME – Groceries Shop 9950755 Avineshchand062@gmail.com</p> <p>Kesh lal PLP Agriculture – Sugarcane Grower 9225360 Lal.kesh29@gmail.com</p> <p>Shiwagni Kumari Naresh MSME Loan 9388729/8811772 Background - Retail sale of clothes & specialized goods Based in - Local Timber Road - Wailevu Labasa</p>	<p>✓ Customers contacted</p> <p>Venue – FDB Training Room, Labasa</p>
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					<p>Karun Lata T/A Karuns option shop MSME Loan 9329061/9476886 Background - Retail of second-hand goods, footwear & leather articles Based in - Amrit Arcade, Labasa Town</p>	
	5.00pm-5.30pm			Check-in at Hotel North Pole, Labasa		
Friday, 11 April 2025	10:00am-1.30pm	Seaqaqa (Bua)	<p>Veenita Devi TA Veenitas Rentals Savusavu Declined Loan Other Business Services</p> <p>8648694 veenitaprise1989@gmail.com</p>		<p>Lekutu Training Company (Mr. Kuo Ping) 9316091 Approved Background – retail shop, Further loan approved dated 25/11/2024 for solar system Based in - Nakadrudru Lekutu</p> <p>Epeli Waqatabu & Makelesi Waqatabu Approved 2162691 Background – farmer, Loan approved dated 22/10/2024 Based in – Natua</p> <p>Alipate Radrdro</p>	<p>✓ Customers contacted</p> <p>Venue – Seaqaqa FDB Branch</p>

Start time (Savusavu) –	2:30pm-4.30pm	Savusavu		<p>Declined Loan 9998067 Background - Homestay, shop, rental, Based in – Nabouwalu Bua</p> <p>Satish Chand NPL Loan 8424250 Background – Transportation, Normal loan paid off dated 21/03/2025. Covid loan - paying \$500/month. Repayment rescheduled assistance Based in – Natua, Seaqaqa</p> <p>Sarju Singh T/A Singhs Kava Buyer Approved Loan 9266747 Background – Kava dealing. Approved loan on 13/12/21 and 29/10/24 Based at – Naqere, Savusavu</p> <p>Deepika Devi Maharaj T/A Deepika Quality Kava Investment Approved Loan</p>	Venue – FBD Savusavu Branch (Tentative)
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				<p>Background – Kava dealing & minimart. Approved loan on 30/05/24 Based at – Main Street, Savusavu</p> <p>Eveli Senicevuga Approved Loan Background – Fishing. Approved loan on 15/02/24 Based at – Urata Village, Cakaudrove</p> <p>Aisake Lovobalavu Approved Loan Background – Farmer. Approved on 06/09/21 Based at – Nakobo Village, Cakaudrove</p> <p>Alfred Lepper Approved Loan Background – Farmer. Approved on 27/09/24. Based at – Namawa Estate, Savusavu</p> <p>Levaci Cagilaba Declined Loan Background – Farmer Based at – Nasinu Village</p> <p>Mohammed Zariif NPL Loan Background – Retail trader (spare parts). Approved loan on 14/08/21 and 17/02/23</p>	
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					<p>Based at – Main Street, Savusavu</p> <p>Siteri Rosi Vulaono Roqo NPL Loan Background – Farm development. Approved on 03/01/20 Based at – Waisali S/D, Cakaudrove</p> <p>Emele Diwaqa TA Hour Daily Bread Shop MSME 9458647 Background - Bakery shop & has expanded to include pastries. Business has been in operation for more than 11 years Based in – Main Street, Savusavu Town</p> <p>Alena Etafolautayacokilakeba MSME 9677158 Background - Handicraft Business - client was also given further loan Based in - Savusavu Handicraft Market</p> <p>Iloi Droa Were NPL 8736182 Background - Was operating a Canteen business/Frozen goods</p>	
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	<p>9:30am-10.30am</p> <p>Site Visit</p> <p>1. Meri Daucina, Yunivutu Macuata, Rice Farming (Approved)</p> <p>2. Bucaisau Nagigi Cooperative, Bucaisau, Sugarcane Harvester. Approved & Further loan pending decision</p> <p>3. Yuo Supermarket, Nunikanyika,</p>	<p>Yunimoli, Macuata</p> <p>1. Meri Daucina</p>	<p>Mohammed Shafeer TA All Truck Hire Services Freight & Other Land Transport 9774031 altrackh@gmail.com</p>	<p>Return on the afternoon flight</p>	<p>Bank to confirm Macuata list of customers plus visitation.</p>	
	<p>3.50pm – Departure (Lab. Sav)</p> <p>4.30pm – Arrival at Nausori Intl Airport</p>			<p>Hon. Chair, Hon. Deputy Chair, Hon. Shalen Kumar and Hon. Alikia Bia.</p>		

	12.00am – Depart Nab-Nat			Secretariats, Police Office and Driver.		
	3.30am – Arrive at Natoli					

End of Programme

Standing Committee on Economic Affairs

Introduction

Consultations with FDB customers were held in the Central, Western, and Northern Divisions from 7th to 12th April 2025 to assess the effectiveness, accessibility, and responsiveness of FDB's service delivery across different regions

Suva Findings

1. Loans given to farmers without a farm road loans. This has significantly hindered their ability to fully utilize the land for farming activities, making it difficult to generate income and repay the loans. As a result, some farmers have been forced to seek alternative employment to meet their loan obligations, leaving their farms idle.
2. The interest rate was too high, making loan repayment burdensome for borrowers.
3. The prolonged processing time causes significant delays in loan approvals.
4. Existing customers with good records are facing frustrations due to being repeatedly asked to submit the same documents, despite already being in the system.
5. Market vendors are not being recognized as key stakeholders when applying for loans, resulting in limited access to financial support

Rakiraki Findings

1. A loan was approved for the purchase of a fishing boat; however, there was no accompanying insurance coverage provided for the vessel, exposing the borrower to significant financial risk.
2. Loan processing timelines are excessively long, resulting in considerable delays in both approval and disbursement.
3. Seasonal crop farmers are experiencing substantial delays in the release of funds, which affects timely planting and harvesting.
4. There is a need to restructure certain loans to better align repayment terms with the realities of borrowers' income cycles and changing circumstances.

Ba Findings

1. The client made a 20% deposit, yet it took six months for the loan processing to be completed.
2. The interest rate charged was excessively high, making the loan more burdensome for the client.
3. The prolonged processing time has led to significant delays in loan approvals, affecting borrowers' plans and operations.
4. Clients experienced inconsistent procedures and outcomes when applying for loans, which caused confusion and frustration.
5. There was a lack of clarity in the loan application process, leaving many clients uncertain about requirements and timelines.
6. Some clients who applied for the Covid Recovery Scheme have left the country without repaying their loans, while others have to pay.

Lautoka Findings

1. Clients are not aware of restructuring loans when they face hardship for better flexibility.
2. The loan approval process is hindered by excessive bureaucracy, causing unnecessary delays.
3. Five year loan term is too short.
4. Despite being a reliable customer with no history of default, the processing time for loan approval is excessively long.
5. The interest rate (11% to 12%) and insurance premium of \$23,000 per annum on loans for harvesters are too high, making it financially burdensome for them.
6. Agriculture loans should be handled by dedicated agriculture staff who can perform the necessary assessment duties effectively.

Nadi Findings

1. The insurance rate applied on harvestors is excessively high and only covers fire damage, and not accidents.
2. Loan repayment terms are too short; therefore, it is recommended that longer loan terms be provided to ease repayment burdens.
3. The interest rate is unreasonably high, ranging between 8% and 10%, which places a significant financial strain on borrowers.
4. The interest rate for harvesters is also too high, impacting their ability to repay loans effectively.
5. There is a lack of clarity in the loan process, causing confusion and hindering the overall experience for borrowers.
6. Clients need more land for cane farming

7. Machines were bought, but FDB stopped giving loans for logging.

Sigatoka Findings

1. A customer with a strong repayment history, having successfully cleared four previous loans from FDB, applied for her fifth loan in November 2024 to establish a salon business. Despite her good track record, the loan was only approved in late March 2025. The prolonged delay discouraged her from pursuing further financial assistance from FDB.
2. It was noted that FDB uses the same loan processing system for new applicants and existing clients with proven repayment records, which may contribute to unnecessary delays and frustrations.
3. Additionally, follow-ups are primarily initiated by clients, with minimal proactive communication from FDB staff.
4. FDB does not currently hold regular forums or consultations with its clients to gather feedback and improve its services, resulting in missed opportunities to address client concerns and enhance service delivery.

Labasa Findings

1. At the Labasa office, there was no dedicated cashier available to serve clients efficiently.
2. Many clients reported not being fully informed about the loan terms, conditions, and the approval process, leading to confusion and frustration.
3. In some cases, poor decision-making led to funds being disbursed in small, inconsistent amounts, delaying the start or smooth operation of businesses.
4. There was also a noticeable lack of systematic communication between FDB and other government agencies, which affected the coordination and timeliness of services. One client was denied a loan to purchase a tractor simply because another family member already owned one, despite the client operating a separate farm in a different location.
5. There appeared to be a gap in communication between the Suva and Labasa offices. Justifications and assessments of the economic viability of projects were not consistently or adequately relayed between the two offices. In one instance, a verbal approval was given by the Labasa office for a farmer to purchase a new tractor, prompting him to sell his existing one. However, the Suva office later declined the loan because the farmer already owned a harvester, despite his proven ability to repay a second loan.
6. A business owner reported having only eight years remaining on their land lease, which has become a barrier to securing additional financing from FDB for business expansion, despite having a viable plan.

7. Clients also highlighted the need for a clear and comprehensive checklist of required documents and processes to avoid repeated visits and unnecessary delays.
8. There is a strong demand for FDB to consider offering bridging finance options to support businesses during transitional periods or while awaiting full loan approvals when disaster strikes.

Seaqqa Findings (14 Attendees)

1. The Seaqqa FDB branch is currently understaffed, making it difficult to effectively serve clients in the area.
2. Clients expressed the need for loan restructuring to modify existing loan agreements.
3. Delays in loan approvals were a common concern, largely due to prolonged processing times.
4. Fees associated with loans were not disclosed to clients, leading to confusion and dissatisfaction.
5. Some clients noted that the online loan application and approval process was more efficient compared to in-person applications.
6. There were issues with clients not receiving their loan statements on time.
7. There is a need for greater financial literacy among clients, particularly landowners, to help them make informed financial decisions.
8. It was also highlighted that FDB should re-evaluate the travel costs faced by clients commuting from Nabouwalu to Seaqqa, as this poses a financial burden.

Savusavu Findings (14 Attendees)

1. There is a need for greater use of digital technology to improve the efficiency and accessibility of service delivery.
2. The loan assessment process should differentiate clients based on the scale of their project, their repayment capacity, and their history with the bank, especially for clients with a strong repayment record to enable faster approvals.
3. The loan approval process remains excessively long, causing unnecessary delays.
4. Clients are not receiving timely updates or feedback on the status of their applications.
5. Interest rates appear inconsistent and unpredictable, creating uncertainty for borrowers.

2023 ANNUAL REPORT SUBMISSION

1.0 Introduction

The 2023 Financial Year saw improvement to the last Financial Year as international borders opened and provided a boost to the Tourism industry. The improvement in the Tourism sector and its good momentum supported the growth in Fiji. The positive spillover effects from the Tourism sector and the supporting sectors such as the Agriculture, Transport and Wholesale and Retail also saw improvement as the supply chains began to recover and progress.

In the Bank's efforts to promote financial inclusion and improve financial literacy for farmers and micro, small and medium enterprise businesses – the Bank in partnership with VISA International launched its first-ever FDB Digital Financial Literacy Program on its website. This program has been made available through the FDB website and FDB teams across all branches and have also reached out to carry out the Financial Literacy Outreach Programs especially to rural and more remote vulnerable communities.

Financial year 2023 continue to have product portfolio comprising a mix of lending and deposits. Under its lending products, FDB continued to provide working capital and syndicated loans to both its Corporate, SME and Agriculture customers. Agriculture lending continues to be the Bank's priority.

The Banks portfolio is represented by the following sectors.

Industry	2023	2022
	\$	\$
Agriculture	98,296,428	91,970,981
Building & Construction	76,066,419	72,097,630
Manufacturing	6,918,618	53,776,564
Mining & quarrying	962,054	920,396
Private Individuals	9,817,945	11,393,188
Professional & business services	11,674,585	11,285,060
Real estate	38,281,852	55,979,184
Transport, communication & storage	35,002,416	43,825,210
Wholesale, retail, hotels & restaurants	215,733,883	276,245,051
Others	9,579,720	11,544,970
Total gross loans and advances	502,333,920	629,038,233

The agriculture sector remains the Banks key focus area. FDB holds a total market share of 34.20% in Fiji in the Agriculture sector. 90% of these loans are in the sugarcane growing category.

Lending Activities During the Year				
PORTFOLIO				
	Number	Percentage	\$MM	Percentage
Sectors				
Agriculture	3248	34.68%	98.30	19.57%
Building and Construction	271	2.89%	76.07	15.14%
Electricity, Gas & Water	58	0.62%	2.41	0.48%

Manufacturing	132	1.41%	6.92	1.38%
Mining & Quarrying	14	0.15%	0.96	0.19%
Non- Bank Financial Institutions	4	0.04%	1.90	0.38%
Others	347	3.70%	5.27	1.05%
Private Individual	410	4.38%	9.82	1.95%
Professional & Business Services	713	7.61%	11.67	2.32%
Public Enterprises	3	0.03%	95.04	18.92%
Real Estate	58	0.62%	38.28	7.62%
Transport, Communication & Storage	973	10.39%	35.00	6.97%
Wholesale, Retail, Hotels & Restaurants	3135	33.47%	120.70	24.03%
TOTAL PORTFOLIO	9366	100.00%	502.34	100.00%

2.0 Key Highlights for Financial Year 2023

- As of June 30th, 2023, the Bank's overall customer base is predominantly from the agriculture sector- total of 34.68%. Notable highest market share at 34.20% compared to other financial institutions and commercial Banks. Developed tailor-made financial packages for smallholder farmers through improving access to market under the agriculture value chain concept- (Rice, Dairy and Sugar) commodities. The Bank is also working on developing more innovative financial packages under the AVC Concept in the new FY.
- The Bank has also supported promoting a sustainable mining sector that has continue to provide employment, income, foreign exchange earnings and revenue for the government. This saw the portfolio stand at \$1.1 million for the 2023 Financial Year.
- A total value of \$21.6 million was recorded for Professional & Business Services which shows a significant increase as compared to the previous year of \$12 million. The market share noted for this industry was 8.40 respectively. Business projects financed include Projects in the health sector include but are not limited to, those in the areas of consulting, manufacturing/repair of machinery for manufacturing, wholesaling, and retailing, chiropractic and wellness, hairdressing and beauty salons, and medical and dental services.
- The Bank is devoted to the overall growth of the economy in terms of its efforts to create employment, boost transportation and support the more vulnerable segments in Fiji. The Non-Bank Financial Institutions portfolio increased by \$0.50million in value when compared to the last Financial Year- recorded a total of \$1.9million. Market share recorded 14.68% which is a constant from last Financial Year.
- The Bank in close collaboration with the Ovalau Agrosolar Pte Limited, the Bureta Development Committee (landowners) and the Fiji Government continue to pursue the implementation of Fiji's and the Pacific Region's first AgroPhotovoltaic project in Ovalau. The Fiji Government reaffirmed support whilst acknowledging the significant impact of the project in mitigating risks of climate change to the Ovalau community and Fiji as a whole.

- The Bank received a Merit Award at the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) Awards 2022 for its ‘COVID-19 Recovery Credit Guarantee Scheme’ under the Outstanding Development Project, Local Economic Development category.
- The Bank participated in the 1 million Mangrove Planting Initiative organized by Soroptimist International Suva, showcasing its commitment to environmental sustainability.
- The Bank also launched its first ever GESI inclusive lending facility for women– “The FDB Loan for Women Entrepreneurs”. This support reaffirms the Bank’s commitments to Gender Equity and Social Inclusion Policy (GESI) and its action plan.

Key Financial Highlights for Financial Year 2023

- The Bank’s lending portfolio stood at \$502.34M at the end of the Financial Year, a decrease of \$126.70M or 20.14% from the previous year. The total portfolio represents a customer base of 9,366 loan accounts.
- The performing loans portfolio amounted to \$385.40 million, while non-performing loans totalled \$116.94 million. The performing loan ratio to the total portfolio saw a slight uptake, rising from 75.79% in 2022 to 76.72% in 2023. Another noteworthy achievement was the reduction in non-performing loans, dropping from 24.21% to 23.28% amounting to \$35.37 million, primarily due to successful recovery efforts.
- Throughout this Financial Year, amidst the post-Covid recovery phase, the Bank realised a substantial surge of 10% in the number of customers it served from the previous year. The Net Profit was doubled, recording a 112% increase from \$1.78 million in 2022 to \$3.78 million in 2023. It disbursed \$46.10 million in loans, benefiting around 2,499 customers with a special focus on gender and social inclusiveness.
- Despite an overall increase in customer base, the Bank recorded a decrease of 9.97% in total operating revenue, from \$36.59 million to \$32.95 million. This was mainly driven by the decline in interest income from loans and advances because of tough competition amongst the financial institutions.
- The Bank’s operating expenses recorded a slight increase of \$1.06 million (7.77%) compared to the previous year. The increase in expenses was mainly driven by a general surge in prices of goods and services, additional employer FPNP contributions made for all staff and investments made in technology/ infrastructure to improve service delivery. However, the Bank managed to keep its operating expenses under budget by implementing cost-saving measures, such as reducing variable overhead expenses and re-negotiating contracts with suppliers.

Profitability Structure

Income Statement (\$mm)	2023 (\$mm)	2022 (\$mm)	Change (\$mm)	Change rate (%)
Interest Income	33.739	40.090	(6.351)	(0.16)
Interest& Other borrowing expenses	(7.263)	(10.806)	3.543	(0.33)
Net interest income	26.447	29.283	(2.836)	(0.10)
Net Fees Income	4.014	3.639	0.375	0.10
Other Income	2.456	3.670	(1.214)	(0.33)
Total Operating Income	32.945	36.592	(3.647)	(0.10)
Operating Expenses	(14.774)	(13.709)	(1.065)	0.08
Profit before Allowances	18.170	22.883	(4.713)	(0.21)
Total Allowances	(14.343)	(21.098)	6.755	(0.32)
Net Profit	3.828	1.784	2.044	1.15

The Bank incurred a total of \$7.264 million in Interest and Borrowings expenses. To fund our lending activities, the Bank 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.

To shape a better tomorrow and to properly recover from the lingering effects of the COVID-19 pandemic, the Bank took a conservative approach to its provisioning requirements. In dealing with challenges on past due loans, the Bank booked a net expected credit loss of \$17.416 million during the year, which represents 3.47% of the total loan portfolio compared to \$21.358 million in the previous year. Recoveries made via non-performing loans also contributed to the overall decline in allowances for expected credit losses.

The Banks financial position decreased from \$625.98M to \$593.95M.

The Banks Treasury function ensures that all current and projected cash inflows and outflows are monitored to enable the Bank to have access to sufficient cash resources to meet its financial obligations. Excess liquidity in the banking system during the financial year required the Bank to manage its cash resources effectively to remain yield bearing despite the downward pressure on interest rates.

Balance Sheet Review (\$mm)	2023	Composition (%)	2022	Composition (%) ²
Liquid Assets	179.10	30.15%	104.03	12.41%
Investments	11.02	1.85%	0.04	0.33%
Net loans and advances	367.80	61.92%	488.78	81.45%
Receivables	1.85	0.31%	2.74	0.75%
Right of Use	1.15	0.19%	1.57	0.25%
Fixed Assets with Intangibles	33.04	5.56%	28.83	4.81%
Total Assets	593.95	100.00%	625.98	100.00%

The Bank relied primarily on Term Deposits (\$88.656 million) and the RBF ISEFF / Covid-19 Relief facilities (\$146 million) to meet its funding needs during the year. There was no issuance of longer-term bonds during the year, indicating a cautious approach cost of fund and risk management. As a result of prudent management of its borrowing portfolio, a decline of \$37.70 million (8.39%) was recorded in the Bank's total liabilities. The Bank managed its operational needs through its own cashflow, thus achieving a reduction in interest expenses and demonstrating its commitment to responsible financial management.

Balance Sheet Review (\$mm)	2023	Composition (%)	2022	Composition (%)
Accounts payable & accruals	7.50	1.26%	7.63	1.22%
Lease Liability	1.21	0.20%	1.63	0.26%
Short Term Borrowings	91.71	15.44%	92.79	14.83%
Other Liabilities	2.86	0.48%	3.15	0.50%
RBF Facility & Term Deposit	232.44	39.13%	225.11	35.97%
Bond –held to maturity	76.00	12.80%	119.10	19.03%
Total Liabilities	411.71	69.32%	449.41	71.82%
Total Equity	182.24	30.68%	176.36	28.18%
Total Liabilities and Equity	593.95	100.00%	625.77	100.00%

3.0 KPI's

Digital Financial Literacy Program with VISA

Enhanced online services for rural and maritime customers

4.0 SDG's

Sector	2023 SGD's met
Agriculture (15 → 17) *The Bank is also working on developing more innovative financial packages under the AVC Concept	
Electricity, Gas & Water (5)	
Manufacturing (4)	
Mining & Quarrying (1)	
Professional & Business Services (9)	
Public Enterprise (1)	
Transport, Communication and Storage (5)	

Wholesale, Retail, Hotels & Restaurants (5)	    
Building & Construction (2)	 
Non-Bank Financial Institutions (4)	   
Real Estate (2)	 

ANNEX 3

VERBATIM REPORTS

[VERBATIM REPORT]

STANDING COMMITTEE ON ECONOMIC AFFAIRS

FIJI DEVELOPMENT BANK 2022-2023 ANNUAL REPORTS

SUBMITTEE: **Fiji Development Bank**

VENUE: **Big Committee Room, Parliament**

DATE: **Tuesday, 29th October, 2024**

VERBATIM REPORT OF THE PUBLIC SUBMISSION OF THE STANDING COMMITTEE ON ECONOMIC AFFAIRS HELD AT THE BIG COMMITTEE ROOM ON TUESDAY, 29TH OCTOBER, 2024 AT 9.15 A.M.

Interviewee/Submittee: Fiji Development Bank (FDB)

In Attendance:

1. Mrs. Titilia Vakaoca Kamil – Acting Chief Executive Officer
 2. Mr. Saiyad Hussain – General Manager Finance and Administration
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MR. CHAIRMAN.- Honourable Members, members of the public, the secretariat, ladies and gentlemen, *ni sa bula vinaka*. A very good morning to you all and it is a pleasure to welcome everyone especially the viewers who are watching this proceeding. For information purpose, pursuant to Standing Order 111 of the Standing Orders of Parliament, all Committee meetings are to be open to the public. Therefore, please note that this submission is open to the public and the media and it is also streamed live on Parliament's website and social media online platform and the Parliament channel on the Walesi platform. For any sensitive information concerning the matter before us this morning that cannot be disclosed in public, this can be provided to the Committee either in private or in writing.

Please be advised that pursuant to Standing Order 111(2), there are only few specific circumstances that allow for non-disclosure and these include:

- 1) National security matters;
- 2) Third Party confidential information;
- 3) Personnel or human resource matters; and
- 4) Committee deliberations and development of the Committee recommendations and reports.

I wish to remind honourable Members and our guests that all questions asked are to be addressed through the Chairperson. For those viewers watching live on *Facebook*, questions can be asked via comments and only relevant questions will be forwarded to the Committee to ask the submittees.

This is a parliamentary meeting and all information gathered here is covered under the Parliamentary Powers and Privileges Act. Please be reminded that we do not condone libel or slander of any sort, and any information brought before this Committee should be based on facts. In terms of the protocol of these Committee meetings, please minimise the usage of mobile phones and all mobile phones are to be on silent mode while the meeting is in progress.

(Introduction of Committee Members)

Today, the Committee will be hearing submissions to the Fiji Development Bank 2022-2023 Annual Reports. Ladies and gentlemen, before us this morning we have the team from the Fiji Development Bank to make a presentation, following that we can ask questions.

MRS. T.V. KAMIL.- Mr. Chairman and Members of the Standing Committee on Economics Affairs, thank you for the opportunity to present the Fiji Development Bank's 2022-

2023 Annual Reports. As alluded, we are committed to providing transparency and accountability, that is, clear in how our initiatives align with national priorities in economic development, finance and sustainable growth. Today, we look forward to sharing insights of our operational and financial performance as well as our contribution to the Key Performance Indicators (KPIs) and Sustainable Development Goals. Without further ado, we have shared a presentation as you can see. Please allow me to go through our presentation to just give overview and insights on Fiji Development Bank.

We will go straight to the target sectors. Our vision and mission are already provided. Our target sectors predominantly as under the Act is for agriculture, SMEs and MSMEs and also infrastructure. So, we provide finance along these key sectors. What I will do is, I will give a little bit of coverage on the 2022 insights. In 2022, we recorded an increase in our customer base from 4,000 to 8,525; that was a substantial increase. We also recorded a net profit of \$1.79 million and we had a gross loan portfolio of \$629 million. The key initiatives were basically our end-to-end process enabling customers to access loan facilities completely online through our website from the application stage to receiving the outcomes of their emails. On that note, we also entertain customers who do not access online. That is also accommodated in our various branches and is taken into account in our processes as well. One of the key packages as well was the SME sustainability package, then again because of our focus in SME and MSMEs - that is for 2022.

For the 2023 fiscal year, we saw a significant growth in our profitability and customer-base. There was a 10 percent increase in our customer base from 8,500 to around 9,000-plus in terms of customer-base. We also recorded a significance in terms of our net profit to \$3.78 million. So it was 112 percent increase from the 2022 financial year. The key initiative again on this, is basically our efforts were bolstered by introducing new lending products for women and sugarcane and our partnership in enhancing financial literacy and also promoting digital transformation. On that note as well, I want to acknowledge around this period, we were assisted or enhanced in our products through the Government initiative, that is from the Ministry for Trade, Ministry for Agriculture and Government itself through the Ministry for Women in terms of the women facility.

In terms of our overview or comparison, a snapshot of our Key Performance Indicators for 2022 and 2023, that is basically what I have just mentioned earlier were KPIs for 2022. The highlights were our portfolio, our Non-Performing Loans (NPL), we had a reduction in our Non-Performing Loans and in terms of 2023, the increase in accounts, number of customers, also and here/end year reduced significantly. When I talked about NPL and in terms of our loan approvals in 2023, we approved \$93.4 million in total.

One key information that we are supposed to also analyse or make prominence in this submission is Sustainable Development Goals (SDGs) alignment. As you would have read our annual reports for both periods, we have coverage specifically for SDGs. However, the key SDGs that were prominent through the sectors and our products are SDG1 - No Poverty, Financial Inclusion for Rural and Underserved community that has been the focus in terms of some of the products that we have introduced through Agriculture, MSME and SMEs as well.

In terms of SDG5 – Gender Equality, loans for women, we had to put that together through a proper Gender Equity and Social Inclusion Policy (GESI) and with that, we were very glad to be assisted by the Ministry of Women in terms of assisting us in a special package for some concession in equity in interest rates. We are very grateful for that as well. That has

enabled us to outreach to a lot of women especially, all throughout the regions. I could say at this stage that we have a fair proportion of number in terms of all the regions - Western, Central and Northern as well as our maritime, there are a few that are coming through the maritime in terms of value chain. They are sourcing from the maritime so are having an economic or ripple effect to the women in the rural areas as well. Those are things that we take into account. We are doing an assessment on SDGs as well.

SDG8, basically again that is job creation. A lot of our SMEs, those on the high-end, we see an intake of employment, casual and established as well. Those are figures that we take into account when we are taking a loan proposal or assessment.

In terms of climate action, we continue to pursue this because we want the business to transition into eco-friendly or adoption of some things like solarization or reduction in waste or improving waste disposal. Those are the things that we look at when we are talking about climate action as well. Not only in terms of business, we also try to see transition into the agriculture sector, that they promote sustainable and include some of the eco-practices in their cultivation and farming for that matter.

Maybe on digital transformation, that has been a key activity or focus for the banks post-COVID or I would say, during COVID and post-COVID. We continue to enhance this. In 2022, like I have already mentioned, we did an end-to-end online application, it was tested and was successful. We had to upgrade our infrastructure to support the online application and our disaster recovery upgrade as well was involved in that.

In 2023, we then enhanced the digital platform with the financial literacy programme with VISA. Also what we did is, we tried to enhance our online to the maritime customers. So rural areas do not have connection. We identify those areas that do not have connection, we pay special attention on them, so we could easily demarcate – “okay, this is the area that does serve us well through support of network communication, these are the areas that are not supported well in terms of communications. So we pay special attention on how we deliver so that they are not compromised.

In terms of our outlook, our focus area, like I said, we continue to support our agriculture, SMEs and MSMEs and expansion of digital services. We have seen growth in mode of payments coming through online - M-PAiSA and MyCash. Let alone, we still receive cash because we must not compromise what the customer can, the mode of payment they can entertain, or we should accommodate as well from the bank.

Also, we are strengthening partnership in innovative financial products locally with the Ministry and also with some international engagements with agencies. This has been an ongoing exercise, and we will continue to do that because there is a lot of interest coming from international agencies as well in terms of what we deliver and our coverage as the Fiji Development Bank.

The strategic direction remains, driving the Fijian government agenda on economic resilience and sustainability. The FDB will continue to expand its digital agenda, introduce innovative financial solutions and strengthen its support for key economic sectors to ensure sustainable growth. That is basically an overview of the two year's performance, and we are now open to questions. Thank you for your attention and we welcome any questions now.

MR. CHAIRMAN.- Thank you very much, Titilia, and we would like to thank you again for the presentation provided to the Committee. The Committee has formulated a number of questions, perhaps I will start it off because my area is in agriculture. One of the things that I always like to see that there is more involvement of focal sectors or target sectors so that there will be more smallholder farmers involved in the acquisition and access to finance. If you look at other countries where they have rejuvenated agriculture, basically where finance has been able to facilitate that. We see of cases in India and Bangladesh. This is where the funding goes directly to the smallholder farmers. Unfortunately, in Fiji we have not seen that, and this is an area that has to be addressed, particularly when you look at smallholder farmers, not many of them have access, given the challenges they face in terms of collateral and other issues such as accessing finance.

We noted when we were discussing last year 2019-2020 reports, 90 percent of the farmers who have access to FDB loans are sugarcane farmers. That leaves the other smallholder farmers planting other crops, such as ginger, *dalo*, turmeric and livestock, et cetera not accessing the funding? How can we rejuvenate agriculture when they do not have access to finance?

There have been some cases where works have already been done on the NDP in the Northern Division, we would like to thank the Bank for those things. When we are working out well in one area, we have to upskill in other areas so that other farmers such as fishermen can access finance. Those are my initial thoughts on the role of FDB in the future; catalysing smallholder farmers so that they can have access to finance.

HON. P.D. KUMAR.- Mr. Chairman, I have about three questions that I would like to ask. I will start off with the most important one. When we talk about annual reports, it is for the organisation to showcase their achievement for the year. To showcase that achievement, from the Committee's point of view, it is important that we understand what your targets are and what you have achieved against that target. Unfortunately, in the last two other reports that we had reviewed last year, we had made a recommendation that the reporting is not against the targets, and we maintain that even 2022 and 2023 reports are written, it is more of an activity rather than impact- based. I will give you an example, just now the KPIs were presented to us, but it did not say what was your target. Were you trying to increase the customer base by 10 percent or 20 percent, did you achieve that? So, that component is still missing, and it is becoming extremely hard for the Committee to really access the performance of FDB. That is one area that you need to improve and take the Committee's recommendations seriously, and we can have further discussions later on, on that matter.

My other question is, if you look at the amount of loan approved, it was about around \$93 million, but the disbursement of that loan was just around 50 percent; 50 percent loan was uplifted and utilised, but the other 50 percent was not utilised. Considering that FDB's role and it is an important arm where you are supposed to be realising the Government's development goals, when 50 percent of the loan is not uplifted, that means economic activities are not taking place. So, if you can explain this 50 percent loan which was not uplifted, what were some of the reasons why people applied for loan but they did not take the loan to really make an impact on the ground? What were some of those challenges?

MRS. T.V. KAMIL.- Through you, Mr. Chairman, thank you for your question, honourable Premila Kumar. I will focus on the conversions in terms of the utilisation of what was approved and the 50 percent that has not been realised.

Basically, when we approve proposals, it is a composition of different types of projects. We can have an SME that is, let us say, just taking a taxi permit and a vehicle for \$65,000, so we expect that to have a one-off disbursement. Then you have projects that we finance that will take a period of two to three years depending on the project that we finance, especially for constructions or installations of machines and things like that. We will approve it this financial year, we will get some kind of disbursement within that financial period but then it spills over to the next financial year. That is in terms of those that have been approved and all good.

However, in terms of applications we received which is going to be successful where we have a reject rate or they are not withdrawn or declined, basically some of the things that usually happen again are to do with some approvals, the local conditions that we put forward. They will have some conditions where a customer cannot fulfill because basically beyond control because we have to obtain statutory approvals. So we usually withdraw and we look at it later when they have the conditions ready. They come back and we look at it again because we cannot leave it too long in our database for that matter. Some lack of collateral, some in terms of compliance, business registrations, validity and all those things. Those are some of the key downside in terms of what happens to customers where conversion becomes not timely or where conversions had to be withdrawn or declined because of reasons really to do with compliance.

HON. S. KIRAN.- Mr. Chairman and honourable Members, now that tells me that exactly what the honourable Chairman had said earlier. Are we meeting the needs of the people, the grassroots, the smaller enterprises who need this assistance more than others? Because you talk about compliance, you talk about conditions, and you know, you say to them, “no, these will not be met.” That means FDB is very much aware that there are conditions we are putting that the smaller entrepreneurs cannot meet and business registrations and things have been made difficult. What are you doing to enable because that is the only bank people could turn to. And if there are people who need it the most are not able to access it, there is something you are not doing right. In line with what you are saying, do you have any plans to make it easier and more accessible to the grassroots or the smaller enterprises, micro-enterprises, who have nothing else to fall back on? Is there any plan or how to make it easier so that the loans, because the proposal looks good for you to approve it, but then you put conditions that they are not able to get through. Can you educate us on that?

MRS. T.V. KAMIL.- Through you, Mr. Chairman, we have taken on board exactly the downside for the 2021, 2022 and 2023. In 2023, we engaged with an agency to take on a guaranteed portfolio basically to address issues like collateral. So the agency has taken on to guarantee the portfolio to address shortfall in collateral.

In terms of compliance, business registrations and things, because we come under the regulation of RBF, we have to observe that all customers that operate businesses must have valid business registration. We do allow for flexibility, like let us say, if they come in, they have six months left in terms of re-registration in their business, we take it on board and tell them, “Okay, in the next six months, make sure this is updated as well, that you have it valid all the time.” Those are the things that we are looking at and also in terms of some of the condition of our loan, once we put a product and put planning outlines, after six months, we review to just ensure that, “okay, where are the (we test it) difficulties in terms of loan conditions, where we feel customers are finding difficulties. So, we try and improve on that.

Let us say, for the women facility, initially we gave two years in operation, so during the period of launching the women facility, we later looked at it, “okay this is a down-side, there are a lot of businesses here but they cannot prove that they are already two years.” They are already two years in operation but they did not register their business right there and then. So during the loan then they register their business just to make it formal, but they have been operating well before that. So that is where flexibility comes in, in terms of our review.

When we later reduce that to three months for them to find financials to us to prove that their business has been in operation, we just have to look at the three months results of business. Those are things that we continue to look into but yes, I do take on board the observation and the statement made by honourable Members in terms of how best we need to look at the downside in terms of compliance, how best we can look at certain sectors especially the rural sectors and we do understand that most of them find it difficult to just get business registration.

So, for agriculture in the semi-rural that are doing agriculture or cottage industry, we offer some flexibility as well when it comes to that. We give loans and sometimes we look at them, “okay, we will help you get your compliance in process.” It is easy to talk to rural members that have the government officials around that area that work with us on that. Those are some experiences that we can comfortably make a statement on at this stage.

HON. S. KIRAN.- Thank you. Very quickly when you say, “yes, business registration is an issue; is a compliance issue.” Do you partner in any way, do you connect with micro-enterprise in any way to make it easier, it does not have to be that difficult. When you talk about an agency doing collateral, we would like to know a little bit more about that. Can FDB consider other forms of collateral because right now it is quite rigid?

MRS. T.V. KAMIL.- Mr. Chairman, in terms of connection to business registration, of course, the Ministry for Trade is one that we work very well with in terms of ensuring that co-operatives for that matter, SMEs comply. So, we work very well with Ministry for Trade when it comes to that. We, ourselves through our internal team work directly with the Registrar of Companies when it comes to registration of business as well. We allow a platform where we can assist those that are coming in that do not have business registration, we offer that advice and that connection for registration online because everything is done online as well with the registrar of companies.

In terms of the guarantee, we have an existing guarantee arrangement with the RBF referred to as ISEFF facility; they offer guarantee on that as well, for those that do not need the full security collateral. That is the concession that is given to the bank through RBF. I will allow my General Manager Finance and Administration to talk on the guarantee portfolio – Agence Française de Développement (AFD).

MR. S. HUSSAIN.- Thank you Acting CEO. Good morning Mr. Chairman and honourable Members. Actually I want to talk about the SMEs and the women enterprise loans. These are guaranteed by AFD, a French company, so 70 percent of the loan has been guaranteed. Actually there is no collateral, so these unsecured loans, especially the women’s and most of the SMEs, they do not have collateral. So what we do, we apply the guarantee facility that is available through AFD. It basically covers when their loans are non-recoverable, it then becomes non-performing loans, they claim that guarantee from AFD.

MRS. T.V. KAMIL.- Through you, Mr. Chairman, just to add on to the guarantee. At the moment, for the last six months, we also have interested agencies that are coming on board. We want to focus on how they can assist us in terms of the outreach to help those that will not be able to, if we apply the current process and requirements right now, they do not really qualify. We are looking at areas or agencies that we can partner with to help manage that risk from the bank, especially in terms of, one of which is to guarantee the portfolio on the type of lending that we go into.

HON. P.D. KUMAR.- Mr. Chairman, just a question on what you have said about collateral. My question to you would be whether FDB considers movable assets under Personal Property Securities (PPSR) Act which you know was passed by Parliament. Have you started considering that as a collateral?

MRS. T.V. KAMIL.- Through you, Mr. Chairman, thank you honourable Premila Kumar. Sir, PPSR officiated in, the repeal of the Bill of Sale Act in 2017, if I can recall. Since that, we would say with RBF, one of the banks that adopted the PPSR through movable assets. When we talk about movable assets, we talk about, for us, we take into account assignment of a contract proceeds.

Let us say if a dairy farmer comes today for a loan, we will take assignment over the dairy milk proceeds with Fiji Dairy Co-operative Limited. So that becomes a security of the assignment. If we are talking about financing a public service vehicle business, taxi or minivan, we take over the vehicle. That also comes under PPSR in a form of security agreement. And then we also take over the lien, because that is currently entertained by LTA. There are other few forms of PPSR that we look into, one of which is mostly, we do finance those that are in the contract arrangement. They have been awarded a contract, and they want us to finance that contract, so we also take on that arrangement. We will take assignment of the contract proceeds with the contracting authority for that matter. So PPSR is something that we really focus on, that we take on board as a formal security base for the bank.

HON. T.N. TUNABUNA.- Mr. Chairman, let me declare my interest in agriculture, because I have served in the agriculture community. I have a question, the Ministry of Agriculture has been promoting the formation of farmers' co-operative.

Not only has some assistance been coming from the Ministry of Agriculture, but also from other ministries. As mentioned, a lot of the small farmers do not have security like land or big farms. Because of the formation of co-operatives, they have become engaged in a lot of cropping, livestock activities that provides more stable income for the co-operative, and often times they require developments that they cannot fund, or difficult to fund, like infrastructure development, or some facility that FDB can provide to assist the co-operatives in funding infrastructure development that cannot be funded by other government institutions.

MRS. T.V. KAMIL.- Through you, Mr. Chairman, thank you honourable Tomasi Tunabuna for your question. Yes, co-operative is just a customer type. We entertain a lot of co-operatives right now in our database. Yes, correct, co-operatives comes under the Ministry of Trade irrespective of the activities that the co-operative do whether it is agriculture or SMEs or cottage industries that they undertake. We have a lot of co-operatives in our database, most of them we finance them with mechanisation in terms of cane harvesters, tractors, few other farming implements that are shared amongst the co-operatives. That is one of the targets in most of our Northern, Western and even Central/ Eastern Divisions as well. We see a lot of

uptake in good co-operatives in our Northern and Western Divisions. We have just recently been working with the Ministry of Trade in terms of handout to a few co-operatives for that matter.

Mechanisation and infrastructure, I think it comes under the Commercial Equity Farmers Equity Farmers Package facility driven initiative set by the Ministry for Agriculture. The fundamental purpose of that equity package is to look at mechanisation and infrastructure support. Allow me to say right now, our focus is that when agriculture loans come to the bank, it comes with the Ministry for Agriculture report. We assess and we say, “this is okay, this is good, we will take on board this agriculture loan whether it is individual, partnership, company or co-operative.” From there then we go back to the Ministry for Agriculture and we tell them, “how can the Ministry assist on this in terms of mechanisation and infrastructure?” – because this particular proposal or this particular customer requires that based on their project outline that they provided to us.

I would say in terms of just an experience, a number of dairy farmers that we have assisted, quite a lot of them have identified infrastructure support in terms of access - road from the dairy farm to the main road where the collection of milk is taking place. I would say that that is one of the assistance that was very prominent in terms of infrastructure. Mechanisation, we have seen that a lot with multi-cropping and sugarcane and also a few other, those that are going from commercial scale farming that requires all the time mechanisation.

HON. T.N. TUNABUNA.- Mr. Chairman, through you, now this is the question on the provision of services from the Fiji Development Bank in terms of services to our farmers in the rural. I am led to believe that there are still a lot of farmers travelling long distances to access services from the bank. Is there some development in that area to service the growing agriculture into the rural?

MRS. T.V. KAMIL.- Through you, Mr Chairman, our General Manager Administration will also have to share my comment on this.

Our focus in terms of the outreach right now is, we have a branch in Seaqaqa. We used to have a branch in Nabouwalu, **we closed that branch because we were renting on that premises.** Our Seaqaqa branch, what they do is, have an agency arrangement with all the farmers in Bua based on their allocated boundary. They do agency trips, so the officers are out in a week throughout Bua to serve customers, to actually go to customers, farmers and assist. When I say assist, that is when they onboard application, when they look at the farm progress, they have already got notes in the bank, where disbursements have to be made – these are the arrangements that we have done for the moment. We also are the first ones to put our hands up when it comes to maritime arrangement when we get an invitation from the Government in their official trips, we want to maximise on that, and we have done that for the last two financial years. We go to the maritime area, and not only for loans booking, but also outreach in terms of understanding the community, see the potentials there and financial literacy for that matter. Those are the arrangements I can confirm right now in terms of outreach.

MR. S. HUSSAIN.- Just to add to that in terms of the arrangement for service of Nabouwalu area, as the Acting CEO has said, our officers from the Seaqaqa branch visit the area three times a week. They are stationed there the whole day to service the customers. Our customers are aware of that. In fact, there is a demarcation in terms of the Savusavu and

Seaqqa boundary. Savusavu and Seaqqa branches do service these areas in Nabouwalu and the Bua area.

HON. S. KIRAN.- Mr. Chairman, if I may add to the honourable Tunabuna's question. You talked about digital financial literacy. We do not necessarily see progress reported. I do understand, you are talking about the loan application of women. We do not really see effectiveness; those things are not reported.

Just a quick question, Fiji is covered almost 80 percent by internet coverage. Is there any thought about using AI, using social media in terms of coverage for education, for making products available easily so that there is much more awareness where people are able to access like the highlands on a regular basis? They come to you for basic information, and if basic information is readily available, then people have thought through before they come down to the office.

MRS. T. V. KAMIL.- Mr. Chairman, a very good observation, honourable Sashi Kiran. We had been engaged in a weekly (one day in a week) with the Ministry of Trade at the Suva Flea Market. What we have observed through that interaction, we have received people from the rural area as well coming through to Suva and they share the observation in terms of the service that we do in Fiji Development Bank. We explained to them to go online - this is how you do it and this is the requirements that you need to provide. So, from that observation, we actually improved or take on board that we need to better the way we put things on our social media platform through our *Facebook*, which we have done weekly on this engagement.

One of the activities that we are working on right now is to come up with a video, like infographic to showcase how people should apply to make it easier in the vernacular languages, and really showcase the things that you need to do when applying for the loan. Also through that engagement, we continue to see a lot of emails coming through our general inquiry email platform. We still see that as a very strong platform of feedback from the public, whether they are customers or whether they are seeking finance. That has been one of the areas that we also receive feedback on. Whether they are out in the maritime, they still send those kinds of information through email and text messages. We receive that quite a lot. We will try and better that arrangement, maybe we can come to the Ministry for Women to get a feedback on how it should be well presented rather than just looking at it from our angle and see from the Ministry – especially when it comes to women and agriculture as well will outreach to the Ministry to see how best we can do this video to tell people or the public on how they should apply better.

HON. P.D. KUMAR.- Mr. Chairman, if I may, in 2020, Fiji Airways had to borrow \$75 million and this was really to save the airline from collapsing. We would like to know whether that loan has been paid off.

MRS. T.V. KAMIL.- I will refer the comments through you, Mr. Chair. Thank you, honourable Premila Kumar. I can confirm that Fiji Airways was assisted through the COVID as part to rescue the national aircraft airline. The loan has not been paid off but they have actually commenced with full repayment of principal and interest for both accounts that are with the bank. In terms of the compliance, in terms of the audited reports, it is always submitted on time. So far, I can confirm that they have started with principal and interest arrangement, and that was through an on lend assistance from RBF facilities as well.

HON. P.D. KUMAR.- We have also noticed from the 2022 and 2023 reports that no dividend was paid to the Government. I would like to know when was the last time a dividend was paid to the Government and how much was that?

MR. S. HUSSAIN.- Honourable Member, I think when we look at the Fiji Development Bank, we are not there to make a lot of profit. And as per the Act, the Fiji Development Bank does not pay dividends to the Government. So, we have never paid dividend to the Government; never.

HON. T.N. TUNABUNA.- Through you, Mr. Chairman, I have a question on market scoping. We know of the agriculture focusing a lot on production and value adding. We have other government agencies that are normally engaged in scoping for markets, for what is available outside and how we get them. Is there a meeting place where the FDB, SMEs and Ministry of Agriculture sit and look at possible market outlets for the produce that we produce here in Fiji or look at the areas where we can reduce importation based on a very wide scope on what is available outside of Fiji.

MRS. T.V. KAMIL.- Through you, Mr. Chairman, when you talk about market readily available for farmers, sugarcane is one that is structured and we all know that. For us, we try with the Fiji Dairy, that is one. Our rice as well, the rice mobility with Fiji Rice. And then we have the ginger with the two exporters and processors plus the dairy as I already mentioned.

The aggregators or supply chain, when we look at the supply chain, we look at the farmers, we also look at the capacity of the aggregators. Like for ginger, we understood after we worked with the two processors which is, please allow me to share the two processors, Kaiming and Frespac, they also had capacity issues because they can only buy certain quota or volume when the ginger is harvested – whether it is baby or mature ginger.

So for us in the bank, we have to track that very carefully because we do not want to assist farmers to oversupply and then the two aggregators are not able to buy the ginger when it comes to harvesting.

With Fiji Dairy itself, they also provide assistance to farmers. So, we have to make sure what we provide does not repeat or similar to what Fiji Dairy is assisting them on. Our Nausori branch is trying to work with Agro-Marketing in terms of cassava and dalo and a bit on the food condiment as well because we see that there is a growth in food condiment, on how best we can work to assist farmers who have an interest in food condiments like herbs, et cetera. And also cassava in terms of cassava flour to value addition. So, we are looking into that at the moment. With the market, we must also then ensure that our farmers as a financier understand the market criteria or the conditions that are laid out by the market, especially if it is an export, they must cultivate or produce to the export level.

So, those are the things that we really ensure when it comes to having markets available that our farmers have a fair understanding of the whole process because we do not want to provide finance and when it is harvesting time, then the aggregator or the buyer says, “sorry, you have down-sized in this and that and that.” That is the risk that we cannot take from the outset.

I think another good example, we can say the ministry staff with the farmers in the Sigatoka Valley. That would be a good example if you want to work together with the ministry,

the farmers and the community that are in agriculture to better the delivery of the agriculture sector in the country because they produce to the export level for that matter. With our domestic market too, we understand from discussions that there would be a growth in nonsynthetic, in organic demand going forward even from the local sector going forward. Those are just some of the observations.

HON. P.K. RAVUNAWA.- Mr. Chairman, I noticed that there was a significant reduction from 2022-2023 in the manufacturing industry and it is concerning because we were out of COVID-19 in 2022 and then in 2023 there is a downward slope in the manufacturing industry. What are some of the mitigation strategies that the bank is looking at? Also if I may, Mr. Chairman, the social corporate responsibility of the bank in enticing farmers especially to gauge the market and the demand are out there for their produce.

MR. S. HUSSAIN.- Mr. Chairman, in terms of the reduction in the portfolio from 2022-2023, as stated by the Acting CEO when she did her presentation in terms of reduction, there were non-performing loans. What we did, there were some loans that have gone bad during COVID-19 and so what we did, I think there was a recovery on these loans and also some of the loans that have really gone bad were written off. Looking at that, there were a lot of loans that got bad in COVID, we tried to recover them beyond COVID. There were a lot of recoveries and also some of them were written off. You will see that there is a slight reduction in our portfolio because of that.

HON. P.D. KUMAR.- I am still not happy with the fact that FDB feels that they do not have to make big profits. The reason why, and I am sure you should be making big profits, but then you are also not providing a low interest rate. Your interest rate in certain areas is much higher and if you are charging high interest rate, it should be generating a lot more profit. So, it either tells us that your operational cost is extremely high and that is why you are not able to make profit because when you look at the revenue streams, your revenue stream is from various sources and we were talking about those sources the other day. – from the time they put in their application, you charge commitment fee, application fee, there are many other fees associated with that. So, if you can you tell us why FDB feels that they are not a profit-making organisation?

MR. S. HUSSAIN.- Madam, it is not that we do not make profit. If you look at our 2023 Annual Report, we made a profit of \$3.78 million. Now, if I may say, for 2024 we made a profit of \$5.5 million. It is only that we do not pay dividend as per our Act, , but having said that, we have reduced our interest rate on most of the loan packages. If you look at the Sustainable SME Loan Package, the interest is 3.99 percent and likewise if you look at other packages, our interest rate is quite low, it ranges from 3.9 percent to somewhere 4.5 percent. When you look at the current market situation, the interest rate in the market is quite low, when you look at it, it is a bit of high liquidity. We are trying to compete with other commercial banks because in terms of their costs as compared to ours, we are slightly higher than them. We borrow funds directly from the market and they lend to us obviously. So, overall if you look at our interest rate, we have reduced our interest rate quite substantially to compete with other commercial banks and to pass that benefit to our customers.

HON. P.D. KUMAR.- Good to hear that because my experience with the bank is not the same. I recall one of the municipal councils had to pay like 14 percent interest rate when they borrowed from the bank. There are many other cases when you talk to the people, they will tell you that the interest rate is much higher and of course, you are providing an alternative

service as compared to the banks because banks rely too much on heavy collaterals which FDB does not. So you provide a choice which is much appreciated.

My other question is related to the Photovoltaic Project under Green Climate Fund which FDB started. We had a lengthy discussion last year on this project and we were told that there were some difficulties in moving that project forward. We have read the report and I understand the CEO had a briefing with the Prime Minister. So, if you can tell us how far has that project moved?

MRS. T.V. KAMIL.- Through you, Mr. Chairman, both of us have to share in response to this.

Thank you, honourable Premila Kumar, I think it is a significant project because the bank was accredited under the Green Climate Fund around 2017 and this is one of the projects in Ovalau. Basically, the process internally is all okay because we deal with the developer. What happened, there is a change of site within the area that has being given by the people of Bureta to put up the Agrosolar Farm. Also the conditions, as we all know, no one is exempted from the Environmental Impact Assessment (EIA), procedures and conditions. They at the moment have finalized the site, they are working with the Department of Environment, the developer together with FDB to reconfirm that the new site will fulfill all the conditions set out by the environment for that matter. That is the update I can provide at this stage but if need be, we are most welcome to get more updated information and keep the Committee informed on this.

MR. CHAIRMAN.- Honourable Members, are there any more questions? Perhaps the last question. Years back, there was this initiative by the International Trade Centre (ITC) on value chain financing and honourable Tunabuna raised the issue on markets.

I think that was a very innovative approach where the project looks at the value chain and also where the aggregators provide the guarantee that they will purchase the commodities and that is the way to go with some of these commodities. We have been looking at trying to re-invigorate agriculture, et cetera, but I think that is one of the ways we can do it. Sometimes some of the interventions are done on a piece-meal basis but that looks at it overall from production right up to the market.

What have you done to upscale the success story that was done through ginger? I understand there was an oversupply again of ginger and the aggregators could not absorb all that was supplied. Has there been any other initiative undertaken apart from the one that was done with the International Trade Centre?

MRS. T.V. KAMIL.- Through you, Mr. Chairman, we refer to this as our agriculture value chain. What we have done is ginger and then we have onboarded the dairy and the rice. We have enhanced our sugarcane package as well because these are commodities that are well structured. We still are doing a lot of research on other emerging commodities out there. There was interest in coffee from Sigatoka, cocoa in terms of doing organic chocolate locally, even in the food condiments as well. We have seen are few especially in our Taveuni branch.

So, when you talk about market, there are compliance as well because for them it is not about locally sourced and locally sold, for them it will be locally sourced, locally produced, and they also want to get into export as well. It is all the requirements for export that the market

has to take on board, the processor or the buyer and then we have to pass that on to our producers as well.

Just on that too, we have also received a lot of interest in chillies in terms of processing chillies. I believe, Sigatoka Fresh Valley is the only one that is processing chillies at the moment. Those are things that our research, our marketing team have actually assessing at this stage, but there is a lot of work we have to do to make sure that all these emerging commodities take place and we assist; whether we assist the processor, the aggregator or we assist the farmers for that matter.

MR. CHAIRMAN.- If there are no further questions, I wish to sincerely thank you all for availing yourselves for this meeting. I would like to thank Mrs. Titilia Kamil and also Mr. Saiyad Hussain for availing themselves to come before the Committee this morning. We thank you for your time and hope that you will avail yourself for any further queries that the Committee may have on this matter.

The Committee adjourned at 10.15 a.m.