

30 September 2014

PRESS RELEASE

NATIONAL RESERVE BANK OF TONGA PAID \$3.55 MILLION TO GOVERNMENT



The Chairman, Mr. Steve Edwards and the Board of Directors of the National Reserve Bank of Tonga paid \$3,552,247 to the Minister for Finance and National Planning (Hon. Dr. 'Aisake Valu Eke) on behalf of the Government of Tonga in accordance with the National Reserve Bank of Tonga (Amendment) Act 2007 Section 8(3). This represents the Reserve Bank's entire net profit for the 2013/14 financial year which increased by 31% compared to the net profit of T\$2.72 million which was paid to the Government at the end of 2013 financial year. The income from the investment of Tonga's foreign exchange reserves is the primary source of this profit, as well as lower expenses from the accommodative monetary policy stance. The Reserve Bank uses some of the income to cover its operating expenses for the issuing of currency and the licensing and supervision of Banks and foreign exchange dealers.

Over the last ten years, the Reserve Bank has paid a total of T\$15.2 million to the Government of Tonga.

The objectives of the Reserve Bank are to maintain internal and external monetary stability and promote a sound and efficient financial system. In order for the objectives to be met, the Bank promotes Tonga's economic prosperity by the issuance of quality currency notes and coins, formulate and implement monetary policy, as well as hold and manage the external foreign reserves. Other functions of the Bank include serving as the principal banker, fiscal agent and depository agent for the Government, providing banking and monetary advice to the Minister of Finance. The Reserve Bank is also the regulator and supervisor for the licensed financial institutions under the Financial Institutions Act and is the Transaction Reporting Authority under the Money Laundering and Proceeds of Crimes Act. The Reserve Bank also administers the Foreign Exchange Control Act.

The Chairman and the Board of Directors would like to convey its appreciation to the staff of the National Reserve Bank of Tonga for this achievement. The Directors would also like to thank the Government of Tonga, Ministry of Finance, the Association of Banks in Tonga, stakeholders and counterparts in supporting the Bank to meet its objectives during the financial year 2013/2014.

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