Bred Bank Fiji

LIQUIDITY COVERAGE RATIO DISCLOSURE

For the year ended December 31, 2025

Introduction

BRED Bank (Fiji) Pte Limited is an "A" rated Bank and 100% owned subsidiary of BRED Banque Populaire, a member of the BPCE Group, the second largest banking group in France, serving more than 31.2 million customers, employing more than 100,000 people worldwide.

BRED Bank started its operations in Fiji since November 2012, our business development is based on building customer loyalty and attracting new customers. Our strategy is underpinned by the proactive approach taken by our staff and their ability to identify and provide solutions to customers' needs.

BRED Bank aims to offer banking without distance. A bank which combines the best human attributes with the best digital attributes. BRED Bank is reputed for its capacity to innovate.

Background

As a licensed commercial bank, we are subject to a minimum Liquidity Coverage Ratio (LCR) under the Banking Supervision Policy Statement No: 9A. The LCR Rule sets forth minimum liquidity standards designed to ensure that banking organizations maintain adequate liquidity under a period of market stress. The Reserve Bank of Fiji requires licensed commercial banks to provide quantitative information regarding its liquidity position that enables market participants to form a view of its liquidity risk. The policy also requires licensed commercial banks to disclose sufficient information regarding their liquidity risk management to enable relevant stakeholders to make an informed judgement on the ability to meet its liquidity needs. Such disclosure includes information on organizational structure and framework for the management of liquidity risk.

Liquidity risk involves the inability of banking entities to fund increases in assets, manage unplanned changes in funding sources and to meet obligations when required, without incurring additional costs or inducing a cash flow crisis. Primarily, an effective and strong liquidity risk management framework will ensure that a bank has sufficient liquid assets to meet its liabilities that fall due in the short term, as well as meet unexpected demands for funds by its depositors or creditors. The effectiveness of a bank's liquidity risk management framework will determine the extent to which the institution may be subject to cash flow crisis and additional costs.

This Liquidity Coverage Ratio Disclosure has been prepared by BRED Bank (Fiji) Pte Limited in accordance with the liquidity disclosure expectations under the Reserve Bank of Fiji's Banking Supervision Policy Statement No. 9A and should be read together with the Bank's most recent Key Disclosure Statement and General Disclosure Statement prepared under Banking Supervision Policy Statement No. 5A – Disclosure Requirements for Banks.

The purpose of this disclosure is to provide market participants, depositors and other stakeholders with relevant information on the Bank's position, liquidity risk management framework and ability to meet its obligations under normal and stressful conditions.

General Organization in BRED Bank Fiji

BBF manages liquidity risk through a framework approved by the Board and implemented through ALCO, Treasury, Finance and Risk functions. Liquidity is monitored through regulatory and internal indicators, including the Liquidity Coverage Ratio, local currency liquidity position, liquid asset holdings, funding concentration, contractual maturity gaps, deposit rollover profile and stress testing results.

ALCO reviews liquidity risk on a regular basis and recommends management actions where liquidity indicators approach internal limits or early warning thresholds.

The management and follow-up of balance sheet and treasury risk involve three operational departments (Finance Department, Treasury Department, and the Treasury Support Department) and one second level control department (Risk, Compliance and Permanent Controls Department).

Balance sheet and treasury risk management activities are supervised by the following committees:

- Asset and Liabilities Committee (monthly): The purpose of the Assets and Liability Committee (ALCO) is to monitor and manage market risk (including funding and liquidity risk) within the balance sheet structure of the Bank.

- The Board Audit, Risk and Compliance Committee ("BARCC") is a mandated by regulation sub-committee established by the Board of Directors that assists the Directors by providing an oversight and governance in relation to specific areas such as financial, audit, risk, permanent control, and compliance matters. In this role, the BARCC has no executive responsibility. It is responsible for performing its duties in accordance with this charter and making recommendations to the Board of Directors on the adequacy of external and internal audit, risk, permanent control, and compliance framework.

Liquidity Risk Measurement Tools and Metrics

Liquidity risk monitoring is carried out in particular, by means for the following indicators:

Name of indicator subject to limit	Description of indicator	Amount of the limit	Regulatory/Management indicator	Monitoring frequency
Liquidity Coverage Ratio (LCR)	The objective of the LCR is to ensure that banks maintain an adequate stock of unencumbered high quality liquid assets (HQLA) that consist of cash or assets that can be converted into cash at little or no loss of value, to meet its liquidity needs for a 30 calendar day time period under a severe liquidity stress scenario.	LCR % (minimum) 01/01/2024: 60% 01/01/2025: 70% 01/01/2026: 80% 01/01/2027: 90% 01/01/2028 and onwards: 100% RAF: - Operational: +10% - Resilience: +5%	Regulatory	Daily (EWI)
ESA balance/(Deposits-Loans)	The objective of this observation ratio is to ensure that the ESA respect a certain percentage of the commercial balance sheet funding excess.	Minimum: 50%	Management	Daily
ESA Balance	The objective of this Early Warning Indicators is to swiftly confirm the eventual vulnerabilities.	Minimum: 150M (based on 2022 observation and correlation with LCR estimation)	Management	Daily (EWI)
Loan to Deposit Ratio (LDR)	Provides a simplified indication on the commercial balance sheet gap.	Management target: 75%-85% in adequation with LCR target and current balance sheet structure. Optimal target 80%.	Regulatory indicator Management target	Daily (EWI)
Liquidity gap	Static liquidity gaps, which measure balance sheet in runoff circumstances	Minimum 85%	Management target	Quarterly
RBF Form ML-1: Maturity Profile	The purpose of RBF Form ML-1 – Maturity Profile is to compute the contractual maturity of cash flows of a licensed commercial bank and highlight the net funding gap	Banks must set internal limits to control the size of the cumulative net mismatch positions (ie. where cumulative cash inflows are exceeded by cumulative cash outflows). Such limits should be in line with the established liquidity risk tolerance and should take into account the potential impact of adverse market conditions on a bank's funding capacity. Maturity mismatch should also be imposed for individual foreign currency in which a bank has significant positions. The maturity mismatch limits should be properly documented in the liquidity risk management policy statement and should be reviewed regularly.		Monthly
Top 10 Depositors	BRED Bank accepts the funding concentration risk until a certain point.	60% (excluding pledged deposit)	Management target	Monthly

Internal Audit

Periodic control is carried out by the Group Audit, which covers all the BRED Group's activities, including those that are outsourced. This also includes subsidiaries.

Group Audit carries out assignments included in the annual audit plan, which is submitted in advance to the Group Audit of BPCE and validated by the General Management and the Risk Committee of the BRED Board. This plan is also presented to the Board of Directors for information.

Group Audit has as its priority objectives the evaluation of and reporting on the quality of the financial status of each audited unit, on the level of risk involved, the coherence, the adequacy and correct functioning of the valuation devices and of the control of risk, on the reliability and integrity of the accounting and management information, on compliance with procedures and regulations. Group Audit provides the executive body and supervisory bodies with reasonable assurances that BRED Group is functioning correctly, through periodic assignments conducted in the context of a four-year audit plan using a risk-based approach.

To achieve this objective, Group Audit makes use of its dedicated and specialist means and resources to conduct objective reviews and issue, in complete independence, its opinions, findings and recommendations.

BRED Group Audit, in accordance with Groupe BPCE's internal audit function charter, maintains a strong bond of functional authority with the internal auditing managers of the subsidiaries that have them.

If necessary, the Head of Group Audit may ask to consult the Board of Directors or any of its specialist committees without first seeking authorization from the accountable managers. The Head of Group Audit is invited to all meetings of the Risk Committee attached to BRED Group subsidiaries' Boards of Directors.

Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) measures a bank's ability to meet its liquidity needs under an acute liquidity stress scenario (prescribed by RBF), measured over a 30-day time frame. LCR is calculated as High-Quality Liquid Assets (HQLA) as a percentage of Net Cash Outflows (NCO).

BRED Bank Fiji's LCR for the year ended 31 December 2025 was 88% and continues to be above the regulatory requirement of 70% as detailed below:

Liquidity Coverage Ratio (In "000s unless otherwise stated)		31 December 2025	
		Market Value	Weighted Amount
1.00	**STOCK OF HIGH QUALITY LIQUID ASSETS (HQLA)**		**220,010**
1.10	HQLA 1	220,010	220,010
1.20	HQLA 2	-	-
2.00	**CASH OUTFLOW**		**271,457**
2.10	Retail Deposits	383,857	27,404
2.20	Unsecured wholesale funding	839,610	225,488
2.30	Secured Funding	-	-
2.40	Additional Requirements	177,451	18,566
3.00	**CASH INFLOW**		**21,624**
3.10	Maturing secured lending transactions backed by collateral	-	-
3.20	Credit or liquidity facilities provided to the reporting bank	-	-
3.30	Operational deposits held at other financial institutions	85,758	-
3.40	Other inflows by counterparty	34,825	21,624
3.50	Other contractual cash inflows	-	-
4.00	**CASH OUTFLOWS MINUS CASH INFLOWS BY CURRENCY**		**249,834**
5.00	**CALCULATION OF THE LIQUIDITY COVERAGE RATIO**		
5.10	Total HQLA		220,010
5.20	Total Cash Outflows		271,457
5.30	Total Cash Inflow after applying the inflow cap		21,624
5.40	Net cash outflows		249,834
5.50	**LCR = Stock of HQLA/total net cash outflows**		**88%**