

FY25 Work Plan - May 2024 to April 2025: Financial Sector Supervision (FSS) - BASELINE

| TA Area                      | Objective  | Country   | Outcome Targeted  | Activity   | May 2024 - April 2025<br>(in person-days) |            |                        | Number of Missions/<br>Activities  | Milestones   | Comments   | Planned Date                      | Experts    |
|------------------------------|--|---|---|--|---|------------|------------------------|--|--|------------|-----------------------------------|------------|
|                              |  |   |   |  | PFTAC resident advisors                   | ST experts | Total                  |  |  |            |                                   |            |
| Financial Sector Supervision | Develop/strengthen banking regulations and supervision frameworks  | Cook Islands  | Forward-looking assessment of banks' risk strengthened.   | Review of Bank Risk Rating Model   | 10  | -          | 10                     | 1  | FSC introduces the revised bank risk rating model.   |            | Sep 30 - Oct 9, 2024 (in-country) | Kumar      |
|                              |  | FSM   | Legal/ prudential regulations for risk management, governance framework and prudential ratios on consolidated basis, developed/ strengthened. | Review of prudential standards for banks   | 12  | -          | 12                     | 1  | FSMBB issues various prudential regulations for banks.   |            | Aug 12 - 23, 2024 (in-country)    | Kumar      |
|                              |  |   | Supervisors have the necessary capacity to upgrade banking regulations.   | Regulation of foreign operations of domestic banks   | 7   | -          | 7                      | 1  |  |            | May 13 - 17, 2025 (remote)        | Kumar      |
|                              |  | Kiribati  | Legal/ prudential regulations for risk management, governance framework and prudential ratios on consolidated basis, developed/ strengthened. | Development of prudential standards for banks  | 12  | 17         | 29                     | 1  | FSMBB issues various prudential regulations for banks.   |            | Jul 8 - 19, 2024 (in-country)     | Kumar/ STX |
|                              |  | RMI   | Institutional structure and operational procedures for RBS enhanced/developed.  | Development of Supervisory Manual for Credit Institutions  | 10  | -          | 10                     | 1  | MIBC finalizes and approves the supervisory manual.  |            | Mar 26 - Apr 4, 2025 (in-country) | Kumar      |
|                              |  | Palau   | Legal/ prudential regulations for risk management, governance framework and prudential ratios on consolidated basis, developed/ strengthened. | Review of Prudential Standards for Banks   | 10  | -          | 10                     | 1  | FSC issues revised prudential standards to banks.  |            | Feb 3 - 12, 2025 (in-country)     | Kumar      |
|                              |  | PNG   | Forward-looking assessment of banks' risk strengthened.   | Introduction to Pillar 2 and preparing guidelines for banks on ICAAP                                       | 10  | -          | 10                     | 1  | BPNG is able to assess bank-specific risks in a forward looking manner and reflect them in the minimum required levels of capital adequacy and liquidity buffers of banks. |            | Oct 14 - 23, 2024 (in-country)    | Kumar      |
|                              |  | Samoa   | Legal/ prudential regulations for risk management, governance framework and prudential ratios on consolidated basis, developed/ strengthened. | Review of prudential standards on capital and liquidity requirements for banks (LCR)                       | 12  | -          | 12                     | 1  | CBS issues revised prudential standards to banks.  |            | Sep 8 - 19, 2024 (in-country)     | Kumar      |
|                              |  | Solomon Islands   | Forward-looking assessment of banks' risk strengthened.   | Introduction to Pillar 2 and preparing guidelines for banks on ICAAP                                       | 12  | -          | 12                     | 1  | CBSI is able to assess bank-specific risks in a forward looking manner and reflect them in the minimum required levels of capital adequacy and liquidity buffers of banks. |            | Jul 22 - Aug 2, 2024 (in-country) | Kumar      |
|                              |  | Timor-Leste   | Legal/ prudential regulations for risk management, governance framework and prudential ratios on consolidated basis, developed/ strengthened. | Diagnostic Mission on Implementation of Basel III Standards and enhancements to RBS                        | 10  | -          | 10                     | 1  | BCTL draws a roadmap for upgrading prudential standards for banks.   |            | Sep 9 - 18, 2024 (in-country)     | Kumar      |
|                              |  | Tuvalu  | Institutional structure and operational procedures for RBS enhanced/developed.  | Implementation of Risk-Based Supervision -Follow-up of Previous Work and Review of Banks Risk Rating Model | 5   | -          | 5                      | 1  | 1. Finalization of financial risk analysis framework.<br>2. Development of upgraded Bank Risk Rating Model.  |            | Oct 14 - 18, 2024 (in-country)    | Kumar      |
|                              |  | Vanuatu   | Institutional structure and operational procedures for RBS enhanced/developed.  | Review of Bank Risk Rating Model   | 10  | -          | 10                     | 1  | RBV introduces the revised bank risk rating model.   |            | Jul 8 - 17, 2024 (in-country)     | Kumar      |
|                              |  |   | Institutional structure and operational procedures for RBS enhanced/developed.  | Development of Supervisory Manual for Banks  | 10  | -          | 10                     | 1  | RBV finalizes and approves the supervisory manual.   |            | Mar 3 - 12, 2025 (in-country)     | Kumar      |
| Regional                     | Supervisors are able to address at an early stage, unsafe and unsound practices or activities that could pose risks to banks or to the banking system. | Association of Financial Supervisors of Pacific Countries (AFSPC) Meeting | 10  | 7  | 17  | 1          | AFSPC Meeting is held. | To be held in FSM<br>STX to attend 3-day workshop only; no post days<br>Back to back with in-country mission | Aug 26 - 30, 2024 (in-person)  | Kumar/ STX |                                   |            |
| Financial Sector Supervision | Improve accounting and prudential provisioning regulatory guidelines   | PNG   | A framework for implementing IFRS 9 relating to expected credit loss (ECL) developed.   | Training in IFRS 9 implementation  | -   | 10         | 10                     | 1  | BPNG has the capacity to assess the implementation of IFRS 9.  |            | Jul 1 - 5, 2024 (in-country)      | STX        |
|                              |  | Timor-Leste   | A framework for implementing IFRS 9 relating to expected credit loss (ECL) developed.   | Training in IFRS 9 implementation  | -   | 10         | 10                     | 1  | BCTL has the capacity to assess the implementation of IFRS 9.  |            | Jul 8 - 12, 2024 (in-country)     | STX        |

| TA Area                      | Objective   | Country  | Outcome Targeted  | Activity   | May 2024 - April 2025<br>(in person-days) |            |            | Number of Missions/<br>Activities | Milestones   | Comments  | Planned Date                 | Experts         |
|------------------------------|---|----------|---|--|---|------------|------------|-----------------------------------|--|---|------------------------------|-----------------|
|                              |   |          |   |  | PFTAC resident advisors                   | ST experts | Total      |                                   |  |   |                              |                 |
| Financial Sector Supervision | Develop/ strengthen insurance companies' regulations and supervision frameworks | Fiji     | Supervisors can assess the prudential implications of the implementation of IFRS 17 | Training in IFRS 17 implementation   | -   | 10         | 10         | 1                                 | RBF has the capacity to assess the implementation of IFRS 17.        |   | Sep 1 - 5, 2024 (in-country) | STX             |
|                              |   | Regional | Effective RBS in place and being implemented.                                       | Working Group to develop IFRS-17 compliant Reporting formats for insurance companies | -   | 10         | 10         | 1                                 | IFRS-17 compliant reporting formats for lcs are adopted by the PICs. | This would be hybrid activity with 10 days remote mission and 5 days of in-person meeting of the working group. 10 participants including the STX. The meeting will be in Fiji. | TBC                          | STX             |
| Financial Sector Supervision | Develop/strengthen cybersecurity regulations and supervisory frameworks         | Regional | Sound policies & processes to identify, measure, monitor and control cyber risks.   | Workshop on Cyber Risk Regulation and Supervision                                    | 10  | 9          | 19         | 1                                 | Training on cyber risk regulation and supervision provided           | HQ led mission<br>STX - no post days  | Jul 8 - 12, 2024 (in-person) | Kumar/ STX/ HQX |
|                              |   | PNG      | Sound policies & processes to identify, measure, monitor and control cyber risks.   | Training in on-site examination of cyber risk supervision in a bank                  | -   | -          | -          | 1                                 | Training on cyber risk regulation and supervision provided           | HQ led mission. LTX will send 2 pre-mission and 1 post mission days on this activity. PFTAC will bear cost of participants. Therefore, it has been included in the work plan.   | TBD                          | HQX             |
| <b>Total Days:</b>           |   |          |   |  | <b>150</b>                                | <b>73</b>  | <b>223</b> | <b>20</b>                         |  |   |                              |                 |