

# Financial Performance

The gross income from operations for the year ended 30 June 2016 amounted to \$12.144 million, compared to \$7.375 million of the previous year. The 65% increase in gross income in 2015/16 was mainly due to the income on the sales of numismatic currency, the sale of the Reserve Bank's rental property to BSP, as well as the interest income from the investment of the higher than expected level of foreign reserves. Furthermore, the strengthening of the New Zealand and the Australian dollar against the Tongan pa'anga also amplified the increase in foreign investment income.

Interest expense, currency, administration and other costs totaled \$8.009 million compared to \$6.114 million in the previous year. The 31% increase in total expenditure was mainly due to the higher cost of currency issued during the year. This is a result of the recall of all the old coins from circulation and the issue of the new designed

notes to replace the old designed notes. Administration cost also increased due to the purchase of goods and services for operations of the bank including maintenance and staff cost.

The net profit for the year ending 30 June 2016 was \$4.135 million, compared to \$1.260 million of the previous year. The financial result for 2015/2016 surpassed the corporate plan's annual target of \$1 million net profit per year, reflecting the effective strategies implemented during the year which have improved the bank's investment income as well as boost the marketing and sales of numismatic currency. In accordance with section 8(1) of the NRBT (Amendment) Act 2014, 30 percent of the profit shall be transferred to the Bank's General Reserves and 70 percent of the profit for the year is payable to the Government. In this regard, T\$2.894 million will be transferred to the Ministry of Finance account.