



MERCHANT FINANCE

SUMMARY KEY DISCLOSURE STATEMENT for the financial year ended 30 June 2011

Introductory Statement

- The purpose of this information is to provide customers and potential customers with information about the financial condition of their credit institution.
- The explanation of the terms used in the Key Disclosure Statement is contained in the Reserve Bank publication "Your Bank's Disclosure Statement : What's In It For You". The terms used in the brochure are also applicable to credit institutions. The brochure can be obtained from the Reserve Bank of Fiji. Other information can be viewed at all branches of Merchant Finance & Investment Co Ltd.

Corporate Information

- The full name of the credit institution is Merchant Finance & Investment Co Ltd.
- The full name of the ultimate parent company of the Merchant Finance & Investment Co Ltd is Fijian Holdings Ltd, which is domiciled in Fiji.
- The names of the directors of the Merchant Finance & Investment Co Ltd are

Chairman	Pita Mawi (Acting from 5/10/11) Carl Ngamoki Cameron (Appointed - 19/07/11, Resigned 5/10/11) Michael Makasiale (Resigned - 27/06/11)
Deputy Chairman	Brig. Gen (Dr) Aziz Mohammed (Resigned - 18/01/11)
Members	Sereana Qoro (Resigned - 01/02/11) Ulaiasi Baya Nouzab Fareed Ilimo Cawi (Appointed - 19/07/11) Saimoni Lutu (Appointed - 19/07/11) Padam Raj Lala (Appointed 04/02/11, Resigned 19/07/11, Alternate - Appointed 28/09/11) Tevita Gonelevu (Alternate - Appointed 28/09/11) Napolioni Batimala (Alternate - Resigned 04/02/11) Aiyaz Musa (Alternate - Resigned 13/01/11)

	Audited Current Year	Audited Prior Period
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Profitability

<input checked="" type="checkbox"/>	Net operating profit/(loss) after tax (\$'000)	5,163	6,781
<input checked="" type="checkbox"/>	As a percentage of average total assets	4.22%	6.63%

Size - as at end of financial year

<input checked="" type="checkbox"/>	Total assets (\$'000)	125,130	119,569
<input checked="" type="checkbox"/>	The percentage change in total assets over 12 months	4.65%	40.84%

Capital Adequacy - as at end of financial year

<input checked="" type="checkbox"/>	Tier 1 Capital (\$'000)	26,568	25,291
<input checked="" type="checkbox"/>	Tier 1 capital to total risk-weighted assets ratio	26.37%	27.41%
<input checked="" type="checkbox"/>	Total Capital (\$'000)	27,827	26,445
<input checked="" type="checkbox"/>	Capital adequacy ratio	27.62%	28.66%

		Audited Current Year	Audited Prior Period
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Asset Quality - as at end of financial year			
<input checked="" type="checkbox"/>	Total impaired assets (on- and off-balance sheet) (\$'000)	36,509	18,951
<input checked="" type="checkbox"/>	As a percentage of total assets	29.18%	15.85%
<input checked="" type="checkbox"/>	Total individually assessed provisions (\$'000)	4,915	5,574
<input checked="" type="checkbox"/>	Total collectively assessed provisions (\$'000)	1,728	1,461
<input checked="" type="checkbox"/>	Total provisions as a percentage of total impaired assets	18.19%	37.13%
<input checked="" type="checkbox"/>	General reserves for credit losses (\$'000)	2,255	2,255

Peak Credit Exposure Concentrations - number of counterparties or groups of closely-related counterparties in relation to the total capital of the credit institution			
<input checked="" type="checkbox"/>	10% to 20% of total capital	1	3
<input checked="" type="checkbox"/>	20% to 25% of total capital	-	-
<input checked="" type="checkbox"/>	Over 25% of total capital	-	-

Peak Connected Persons Credit Exposures - for all connected persons			
<input checked="" type="checkbox"/>	Peak end-of-day credit exposure amount (\$'000)	154	83
<input checked="" type="checkbox"/>	As a percentage of total capital	0.55%	0.32%
<input checked="" type="checkbox"/>	Maximum peak end-of-day aggregate credit exposure to all connected persons as a percentage of total capital	-	-
		25.00%	25.00%

Balance Sheet

The Balance Sheet for the Fiji Operations as prepared under the IFRSs should be reported here and should include, but should not be limited to, the following:

Cash and liquid assets	25,815	28,323
Balance with the Reserve Bank of Fiji	-	-
Receivables due from other financial institutions	-	-
Securities held	6,506	10,509
Loans (including advances to customers and similar facilities)	94,759	84,105
Provision for doubtful debts	(6,642)	(7,036)
Fixed assets	2,407	990
Intangible Asset	0	0
Prepayment & Other Receivables	2,286	2,679
Total Assets	125,130	119,569
Deposits of Promissory Notes of statutory bodies	-	-
Payables due to other financial institutions	-	-
Deposits and borrowings	90,746	86,110
Amounts owed to other depositors	-	-
Certificates of deposits	-	-
Promissory Notes and other liabilities evidenced by paper	-	-
Other borrowed funds	-	-
Others	3,642	3,880
Issued and paid up or assigned capital	4,000	4,000
Capital reserves	-	-
Revaluation reserves	-	-
General reserves for credit losses	2,255	2,255
Other reserves	-	-
Retained earnings	24,487	23,324

		Audited Current Year	Audited Prior Period
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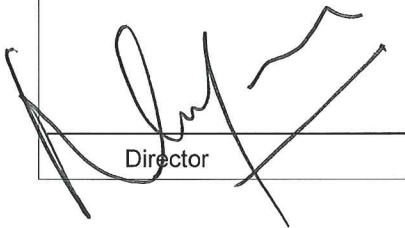
Income Statement

The Income Statement for the Fiji Operations as prepared under the IFRSs should be reported here and should include, but should not be limited to, the following:

Interest and similar income	18,339	16,782
Interest and similar expense	(5,828)	(5,373)
Dividend income	-	-
Fee and commission revenue	1,468	1,836
Fee and commission expense	-	-
Other revenues arising from financial instruments	-	-
Gains less losses arising from dealing securities	-	-
Other expenses arising from financial instruments	-	-
Gains less losses arising from investment securities	-	-
Gains less losses arising from dealing in foreign currencies	-	-
Other operating revenue	43	-
Bad and doubtful debts (including provisions for impairment)	(2,346)	242
Recoveries of bad and doubtful debts	41	-
General administration expense	-	-
Other operating expense	(4,546)	(3,875)
Net profit/(loss) before tax	7,171	9,612
Net profit/(loss) after tax	5,163	6,781

Availability of Disclosure Statements

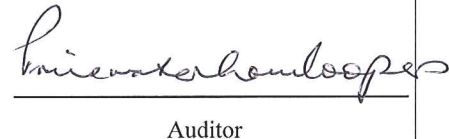
- Merchant Finance & Investment Co Ltd's most recent Key Disclosure Statement is available at all Merchant Finance & Investment Co Ltd branches.
- Merchant Finance & Investment Co Ltd's most recent General Disclosure Statement is available at all Merchant Finance & Investment Co Ltd branches.
- The most recent audited balance sheet and profit and loss statements and other publicly available financial information on any "associated person" of the credit institution are available for inspection at our head office located at Level 1, Ra Marama House, 91 Gordon Street, Suva.



Director



Director



Auditor