



# MERCHANT FINANCE

## SUMMARY KEY DISCLOSURE STATEMENT for the financial year ended 30 June 2015

### 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 Limited.

### Corporate Information

- The full name of the credit institution is Merchant Finance Limited (formerly known as Merchant Finance & Investment Company Limited)
- The full name of the ultimate parent company of the Merchant Finance Limited is Fijian Holdings Ltd, which is domiciled in Fiji.
- The names of the directors of the Merchant Finance Limited are

**Chairman** Isikeli Tuituku (Appointed - 10/09/14)  
Apakuki Kurusiga (Appointed - 12/02/13, Resigned - 10/09/14)

**Members** Nouzab Fareed (Appointed - 19/05/10)  
Robin Yarrow (Appointed - 10/09/14)  
Joe Taai (Appointed - 10/09/14)  
Emitai Boladuadua (Appointed - 10/09/14)  
Elenoa Lalabalavu (Appointed - 03/09/13)  
Sowani Tuidrola (Alternate Appointed 03/09/13)  
Mereia Volavola (Appointed - 12/02/13, Resigned - 10/09/14)  
Sefanaia Rayawa (Appointed - 12/02/13), Resigned - 10/09/14)  
Aseri Radrodro (Appointed - 27/01/14, Resigned - 10/09/14)

	Audited Current Year	Audited Prior Period
<b>Profitability</b>		
<input checked="" type="checkbox"/> Net operating profit/(loss) after tax (\$'000)	8,070	7,860
<input checked="" type="checkbox"/> As a percentage of average total assets	5.89%	5.53%
<b>Size - as at end of financial year</b>		
<input checked="" type="checkbox"/> Total assets (\$'000)	132,258	141,935
<input checked="" type="checkbox"/> The percentage change in total assets over 12 months	(6.82%)	(0.13%)
<b>Capital Adequacy - as at end of financial year</b>		
<input checked="" type="checkbox"/> Tier 1 Capital (\$'000)	30,257	31,360
<input checked="" type="checkbox"/> Tier 1 capital to total risk-weighted assets ratio	27.53%	28.54%
<input checked="" type="checkbox"/> Total Capital (\$'000)	31,631	32,733
<input checked="" type="checkbox"/> Capital adequacy ratio	28.78%	29.79%

	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)	14,142	20,084
<input checked="" type="checkbox"/> As a percentage of total assets	10.69%	14.15%
<input checked="" type="checkbox"/> Total individually assessed provisions (\$'000)	2,032	2,967
<input checked="" type="checkbox"/> Total collectively assessed provisions (\$'000)	2,215	2,102
<input checked="" type="checkbox"/> Total provisions as a percentage of total impaired assets	30.03%	25.24%
<input checked="" type="checkbox"/> General reserves for credit losses (\$'000)	2,876	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	-	-
<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)	-	-
<input checked="" type="checkbox"/> As a percentage of total capital	0.00%	0.00%
<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:

	(\$'000)	(\$'000)
Cash and liquid assets	5,422	26,180
Balance with the Reserve Bank of Fiji	-	-
Receivables due from other financial institutions	-	-
Securities held	20,753	9,501
Loans (including advances to customers and similar facilities)	105,623	106,309
Provision for doubtful debts	(4,247)	(5,069)
Fixed assets	2,911	3,100
Asset held for Sale	450	450
Intangible Asset	913	1,061
Prepayment & Other Receivables	433	403
<b>Total Assets</b>	<b>132,258</b>	<b>141,935</b>
Deposits of Promissory Notes of statutory bodies	-	-
Payables due to other financial institutions	-	-
Deposits and borrowings	90,013	100,735
Amounts owed to other depositors	-	-
Certificates of deposits	-	-
Promissory Notes and other liabilities evidenced by paper	-	-
Other borrowed funds	-	-
Others	8,199	6,524
Issued and paid up or assigned capital	26,500	12,000
Capital reserves	-	-
Revaluation reserves	-	-
General reserves for credit losses	2,876	2,255
Other reserves	-	-
<b>Retained earnings</b>	<b>4,670</b>	<b>20,421</b>

		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:

(\$'000)                      (\$'000)


Interest and similar income	18,904	18,753
Interest and similar expense	(3,401)	(3,894)
Dividend income	-	-
Fee and commission revenue	640	1,117
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	-	-
Bad and doubtful debts (including provisions for impairment)	(821)	(1,029)
Recoveries of bad and doubtful debts	209	496
General administration expense	-	-
Other operating expense	(5,507)	(5,625)
Net profit/(loss) before tax	10,024	9,818
Net profit/(loss) after tax	8,070	7,860

**Availability of Disclosure Statements**

- Merchant Finance Limited's most recent Key Disclosure Statement is available at all Merchant Finance Limited branches.
- Merchant Finance Limited's most recent General Disclosure Statement is available at all Merchant Finance Limited 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.

  
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Director

  
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Director

  
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Auditor