

SUMMARY KEY DISCLOSURE STATEMENT

for the financial year ended 30 June 2004

Introductory Statement

- ✓ The purpose of this disclosure statement is to provide customers and potential customers with a summary of important information about the financial condition of National Bank of Fiji Limited trading as Colonial National Bank.
- ✓ The explanation of the terms used in the Key Disclosure Statement is explained in the Reserve Bank publication "Your Bank's Disclosure Statement : What's In It For You", which can be obtained from the Reserve Bank of Fiji. Other information can be viewed at the bank's branches and offices.

Corporate Information

- ✓ The full name of the bank is National Bank of Fiji Limited trading as Colonial National Bank.
- ✓ The full name of the ultimate parent company of the National Bank of Fiji Limited is the Commonwealth Bank of Australia, which is domiciled in Sydney, Australia.
- ✓ The names of the directors of National Bank of Fiji Limited are:

Mr Malakai Naiyaga (Chairman)	Mr Rigamoto Taito
Mr Michael James Walsh	Mr Saimoni Lutu
Mr Michael Robert Upperton	Mr Lionel D S Yee
Mr Hugh Burrett	

Audited Current Period Audited Prior Period

Audited Current Period Audited Prior Period

Profitability

Banking Operations in Fiji:

<ul style="list-style-type: none"> ✓ Net operating profit/(loss) after tax and extraordinary items (\$'000) ✓ As a percentage of average total assets 	3,185	3,820
	0.96%	1.30%
Size - as at end of financial year		
Banking Operations in Fiji:		
Total assets (\$'000)	361,800	302,756
The percentage change in total assets over 12 months	19.50%	6.19%
Capital Adequacy - as at end of financial year		
Banking Operations in Fiji:		
Tier 1 Capital (\$'000)	24,972	21,838
Tier 1 Capital to total risk-weighted assets ratio	12.58%	13.27%
Total Capital (\$'000)	26,984	23,443
Capital adequacy ratio	13.60%	14.24%

Balance Sheet

The Balance Sheet for the Fiji Operations as prepared under FAS30 should be reported here and should include, but should not be limited to, the following:

Cash and liquid assets	15,619,827	10,953,481
Balance with the Reserve Bank of Fiji	28,278,984	15,248,278
Receivables due from other financial institutions	9,417,379	8,802,424
Securities held	49,795,513	46,452,042
Loans (including advances to customers and similar facilities)	254,362,117	211,654,814
Provision for doubtful debts	(9,108,433)	(8,638,807)
Fixed assets	5,994,084	7,340,949
Other assets	7,440,787	10,942,918
Total Assets	361,800,258	302,756,099
Deposits of Promissory Notes of statutory bodies	-	-
Payables Due to other financial institutions	-	-
Deposits and borrowings	142,046,366	153,910,503
Amounts owed to other depositors	-	-
Certificates of deposits	175,160,121	101,947,177
Promissory Notes and other liabilities evidenced by paper	-	-
Other borrowed funds	-	7,000,000
Payables due to Holding company	(137,387)	486,137
Creditors and other payables	13,451,360	12,801,822
Provisions	3,384,535	1,900,182
Issued and paid up or assigned capital	15,000,000	15,000,000
Capital reserves	-	-
Revaluation reserves	-	-
Other reserves	287,363	287,363
Retained earnings	12,607,900	9,422,915

Key Points of CNB's 2004 Results

1. Net interest income increased by 21% over 2003, due to a 20% increase in loans and advances.
2. Following extensive projects to address historical legacy issues in various portfolios, provision for doubtful debts reduced from 4.1% of the portfolio to 3.6%.
3. Cost-to-income ratio improved by 4%, reflecting strong, profitable growth and sound cost management.
4. The Government of the Fiji Islands continues to retain 49% of the shares of Colonial National Bank.

Income Statement

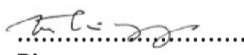
The Income Statement for the Fiji Operations as prepared under FAS30 should be reported here and should include, but should not be limited to, the following:

Interest and similar income	21,503,591	17,801,742
Interest and similar expense	(3,699,114)	(3,311,115)
Dividend income	-	-
Fee and commission revenue	8,944,550	7,398,785
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	2,308,512	2,012,314
Other operating revenue	755,380	530,838
Bad and doubtful debts (including provisions for impairment)	(5,192,468)	(4,537,267)
Recoveries of bad and doubtful debts	113,694	114,012
General administration expense	-	-
Other operating expense	(20,171,534)	(18,477,622)
Net profit or loss before tax and extraordinary items	4,562,611	1,531,687
Net profit or loss after tax and extraordinary items	3,184,985	3,819,937

Availability of Disclosure Statements

- ✓ Additional information on your bank's financial condition is available for inspection at our main branch 3 Central Street, Suva; other branches and offices.
- ✓ Colonial National Bank's most recent General Disclosure Statement is available for inspection at all our branches and offices, copies of which may be obtained.
- ✓ Commonwealth Bank of Australia's most recent global balance sheet and profit and loss statements and other publicly available disclosure statements are available for inspection at all our branches and offices.


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Managing Director


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Director

COLONIAL NATIONAL BANK - MILESTONES FOR 2004

1. Launched MoneyZONE, a savings account for children under 18 years old in September 2003.
2. Launched TranXact Account, a savings and transactional account for 18-25 years olds in January 2004.
3. Launched ClassicSaver, a savings and transactional account for seniors aged 55 years and over in June 2004.
4. In May 2004, formally announced the permanent sharing of banking facility at Levuka branch with Westpac, after Westpac's branch was destroyed by fire earlier in the year.
5. Agreed to a special request from the Fiji Sugar Corporation not to make any deductions from the Special Advance Cane Payment to help cane farmers cover education expenses for their children for the new school year in January 2004.
6. Social Contract for provision of banking services through Post Fiji outlets in rural and remote areas was extended to 31/12/04, with commitment for extension well beyond this date.
7. Three new branches to be opened and under construction; 2 in Suva, and 1 in Nadi. ATM network extended into Valelevu, Suva, with further plans to expand in Suva and Lautoka.
8. First full year following implementation of Service Standards Project across all areas of the Bank completed, with marked improvements in service delivery evident.

Colonial
National Bank

People you can bank on