

**Colonial.**

National Bank

SUMMARY KEY DISCLOSURE STATEMENT

for the financial year ended 30 June 2002

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.

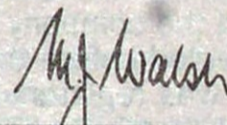
Corporate Information

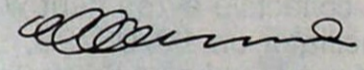
- The full name of the bank is National Bank of Fiji Limited trading as Colonial National Bank.
- The full name of the ultimate parent company of the National Bank of Fiji Limited is the Commonwealth Bank of Australia, which is domiciled in Sydney, Australia.
- The names of the directors of National 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			Gains less losses arising from dealing in foreign currencies		
Banking Operations in Fiji:			696,890 718,141		
<input checked="" type="checkbox"/> Net operating profit/(loss, after tax and extraordinary items (\$'000))	2,884	2,523	Other operating revenue		
<input checked="" type="checkbox"/> As a percentage of average total assets	1.09%	1.09%	-		
Size as at end of financial year			Bad and doubtful debts		
Banking Operations in Fiji:			(1,430,978) (2,003,753)		
<input checked="" type="checkbox"/> Total assets (\$'000)	285,104	245,920	Recoveries of bad and doubtful debts		
<input checked="" type="checkbox"/> The percentage change in total assets over 12 months	15.93%	12.31%	97,109 107,708		
Capital Adequacy as at end of financial year			General administration expense		
Banking Operations in Fiji:			-		
<input checked="" type="checkbox"/> Tier 1 Capital (\$'000)	19,701	16,948	Other operating expense		
<input checked="" type="checkbox"/> Tier 1 Capital to total risk-weighted assets ratio	16.82%	15.03%	(16,793,049) (14,346,890)		
<input checked="" type="checkbox"/> Total Capital (\$'000)	21,165	18,357	Net profit or loss before tax and extraordinary items		
<input checked="" type="checkbox"/> Capital adequacy ratio	18.07%	16.28%	3,224,159 3,489,415		
			Net profit or loss after tax and extraordinary items		
			2,884,039 2,523,388		

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.


 Managing Director


 Director

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:

	Audited Current Period	Audited Prior Period
Cash and liquid assets	4,615,602	4,256,164
Balance with the Reserve Bank of Fiji	31,664,798	24,351,412
Receivables due from other financial institutions	12,609,941	15,457,432
Securities held	72,862,608	41,174,063
Loans (including advances to customers and similar facilities)	155,483,898	151,235,125
Provision for doubtful debts	(4,968,689)	(4,393,491)
Fixed assets	8,887,100	10,100,597
Other assets	3,948,465	3,738,726
Total Assets	285,103,723	245,920,028
Deposits of Promissory Notes of statutory bodies	-	-
Payables Due to other financial institutions	-	-
Deposits and borrowings	173,186,080	130,281,471
Amounts owed to other depositors	-	-
Certificates of deposits	78,225,520	83,259,431
Promissory Notes and other liabilities evidenced by paper	-	-
Other borrowed funds	-	-
Payables due to Holding company	899,042	1,476,075
Creditors and other payables	7,040,994	7,529,491
Provisions	4,861,746	5,367,258
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	5,602,978	2,718,939

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:

	Audited Current Period	Audited Prior Period
Interest and similar income	15,768,025	16,051,764
Interest and similar expense	(4,118,756)	(4,000,279)
Dividend income	-	-
Fee and commission revenue	7,097,387	5,266,038
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	1,907,531	1,696,686

Key Points of Colonial National Bank's 2002 Results

- Colonial National Bank made an operating profit, before tax, of \$3,224,159 for the 12 months ending June 30th, 2002. Its after tax position increased by 14% over June 2001 despite the flat economic conditions prevalent during much of the year.
- Completed its first full year as part of the Commonwealth Bank Group.
- The Government of the Fiji islands continues to retain 49% of the shares of Colonial National Bank.
- In February 2002 the Reserve Bank of Fiji granted approval for Colonial National Bank to extend its activities to include Business Banking. This demonstrates the depth of financial and management credibility since becoming part of the Commonwealth Bank Group, and positions Colonial National Bank strongly for the future.

Other milestones during the period:

- Established EasyCall services - a 7-days a week call centre to handle customer enquiries.
- Installed two new ATM's at Harbour Terminal in Suva, a new ATM site to help manage high volumes in the central city area.
- Implemented Interchange with ANZ and Westpac Banks
- Extended banking hours stimulating favourable customer and public response
- Introduced mobile lending services in the Suva area, capturing a good number of valued customers, and delivering promising results.
- Continued to offer highly competitive home loan interest rates, in addition to on-going review of fees and charges.
- To complement these more visible improvements to customer services, the bank has also implemented internal initiatives to enhance service delivery, with a focus on adding real value to customers' relationships with us.
- Individual referral/ sales incentive programme launched to complement branch team based programme, resulting in a dramatic upsurge in sales.
- Pre-embossed Easycard project launched 1st August, a first for Fiji.
- New advertising slogan "People You Can Bank On" launched in August, to reaffirm CNB's focus on service excellence.
- Launching of in-branch service standards project.
- Continuous review of products and fee structure to improve retention of existing customers, as well as to attract potential high value customers through commercial lending.
- The Commonwealth Bank Group reported a net operating profit after income tax of A\$2,655 million for the year ended 30th June 2002, with total assets and funds under management of A\$327 billion. It is listed on the Australian stock exchange.