



## SUMMARY KEY DISCLOSURE STATEMENT for the financial year ended 30 June 2017

### 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.
- 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** Sanjit Bhai Patel (Appointed - 13/02/17)  
Isikeli Tuituku (Appointed - 10/09/14, Resigned - 19/10/16)

**Members** Nouzab Fareed (Appointed - 19/05/10)  
Arun Narsey (Appointed - 19/10/15)  
Sunil Sharma (Appointed - 13/02/17)  
Mereoni Matavou (Appointed - 13/02/17)  
Robin Yarrow (Appointed - 10/09/14, Resigned - 23/11/16)  
Joe Taoi (Appointed - 10/09/14, Resigned - 23/11/16)  
Emitai Boladua (Appointed - 10/09/14, Resigned - 23/11/16)  
Viliame Naupoto (Appointed - 19/10/15, Resigned - 19/10/16)

### Scope

We have examined the Key Disclosure Statement ("the Statement") of Merchant Finance Limited ("the Company") for the year ended 30 June 2017 in accordance with the requirements of the Reserve Bank of Fiji's Banking Supervision Policy No: 5B ("the Notice") and the provisions of Sections 14 (3) and 28 of the Banking Act 1995. The Company's directors are responsible for the preparation and presentation of the Statement in accordance with the Notice.

The information is extracted from the Company's audited financial statements for the year ended 30 June 2017 upon which we expressed an unqualified audit opinion dated 7 August 2017. Our audit of the financial statements was conducted in accordance with International Standards on Auditing.

### Audit Opinion

In our opinion the Statement has been completed in accordance with the Notice and the information contained therein has been properly extracted from the Company's financial statements for the year ended 30 June 2017.

Steve Nutley - Partner

6 October, 2017  
Suva, Fiji

<b>Suva</b>	Level 1, Ra Marama House. 91 Gordon Street. P.O. Box 14213, Suva   Phone: 331 4955   Fax: 330 0026
<b>Nabua</b>	Unit 2 & 3, Level 1. Nands Shopping Mall Nabua P.O. Box 14213. Suva   Phone: 337 3543   Fax: 337 3542
<b>Lautoka</b>	Shop 6, Provident Plaza. Naviti St, Lautoka Private Mail Bag, Nadi Airport   Phone: 664 5822   Fax: 664 5929
<b>Nakasi</b>	Rups Complex, 9 Miles, Nakasi Phone: 330 5312   Fax: 327 0900
<b>Sigatoka</b>	Shop 9, Matamata Lane, Town End Sigatoka Phone: 6500 494   Fax: 6500 492
<b>Labasa</b>	Nasekula Road   P.O Box 918, Labasa Phone: 891 3560   Fax: 881 3587
<b>Nadi</b>	Shorlane Street, Namaka   Private Mail Bag, Nadi Airport Phone: 672 5822   Fax 672 5929
<b>Savusavu</b>	Marimuttu Building, Main Street   P.O Box 286, Savusavu Phone: 885 0290   Fax. 885 0292
<b>Taveuni</b>	Kool's Accommodation, Lot 16 Naqara Phone: 888 1011   Fax 888 1013

<b>Profitability</b>	<b>Audited Current Year</b>	<b>Audited Prior Period</b>
Net operating profit/(loss) after tax (\$'000)	3,891	7,536
As a percentage of average total assets	2.38%	5.13%
<b>Size as at end of financial year</b>		
Total assets (\$'000)	165,539	161,463
The percentage change in total assets over 12 months	2.52%	22.08%
<b>Capital Adequacy as at end of financial year</b>		
Tier 1 Capital (\$'000)	29,434	30,317
Tier 1 capital to total risk-weighted assets ratio	21.33%	22.20%
Total Capital (\$'000)	31,508	32,824
Capital adequacy ratio	22.83%	24.04%
<b>Asset Quality as at end of financial year</b>		
Total impaired assets (on- and off-balance sheet) (\$'000)	16,653	12,712
As a percentage of total assets	10.06%	7.87%
Total individually assessed provisions (\$'000)	2,687	1,127
Total collectively assessed provisions (\$'000)	2,785	2,944
Total provisions as a percentage of total impaired assets	32.86%	32.02%
General reserves for credit losses (\$'000)	2,876	2,876

<b>Peak Credit Exposure Concentrations - number of counterparties or groups of closely-related counterparties in relation to the total capital of the credit institution</b>		
10% to 20% of total capital	-	-
20% to 25% of total capital	-	-
Over 25% of total capital	-	-

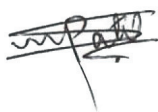
<b>Peak Connected Persons Credit Exposures - for all connected persons</b>		
Peak end-of-day credit exposure amount (\$'000)	-	-
As a percentage of total capital	0.00%	0.00%
Maximum peak end-of-day aggregate credit exposure to all connected persons as a percentage of total capital	25.00%	25.00%


<b>Balance Sheet</b>	<b>(\$'000)</b>	<b>(\$'000)</b>
<b>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:</b>		
Cash and liquid assets	5,218	4,788
Balance with the Reserve Bank of Fiji	-	-
Receivables due from other financial institutions	-	-
Securities held	-	-
Loans (including advances to customers and similar facilities)	135,755	133,299
Provision for doubtful debts	(5,472)	(4,071)
Fixed assets	2,666	2,987
Asset held for Sale	1,416	1,416
Available for sale financial assets	21,533	19,552
Investment Property	2,150	2,061
Intangible Asset	1,195	921
Prepayment & Other Receivables	1,078	510
<b>Total Assets</b>	<b>165,539</b>	<b>161,463</b>
Deposits of Promissory Notes of statutory bodies	-	-
Payables due to other financial institutions	-	-
Deposits and borrowings	124,005	118,131
Amounts owed to other depositors	-	-
Certificates of deposits	-	-
Promissory Notes and other liabilities evidenced by paper	-	-
Other borrowed funds	-	-
Others	7,254	8,418
Issued and paid up or assigned capital	30,000	28,500
Capital reserves	-	-
Revaluation reserves	775	800
General reserves for credit losses	2,876	2,876
Other reserves	-	-
<b>Retained earnings</b>	<b>629</b>	<b>2,738</b>


<b>Income Statement</b>	<b>Audited Current Year (\$'000)</b>	<b>Audited Prior Period (\$'000)</b>
<b>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:</b>		
Interest and similar income	21,675	20,209
Interest and similar expense	(5,393)	(4,273)
Dividend income	-	-
Fee and commission revenue	898	959
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	116	-
Bad and doubtful debts (including provisions for impairment)	(6,383)	(1,663)
Recoveries of bad and doubtful debts	304	261
General administration expense	-	-
Other operating expense	(6,315)	(6,093)
Net profit/(loss) before tax	4,902	9,400
Net profit/(loss) after tax	3,891	7,536

### 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

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Auditor



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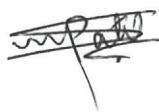
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