

▶ Realising your Potential

F·D·B



Your partner in progress.

Fiji Development Bank **Annual Report 2006**

Our Vision

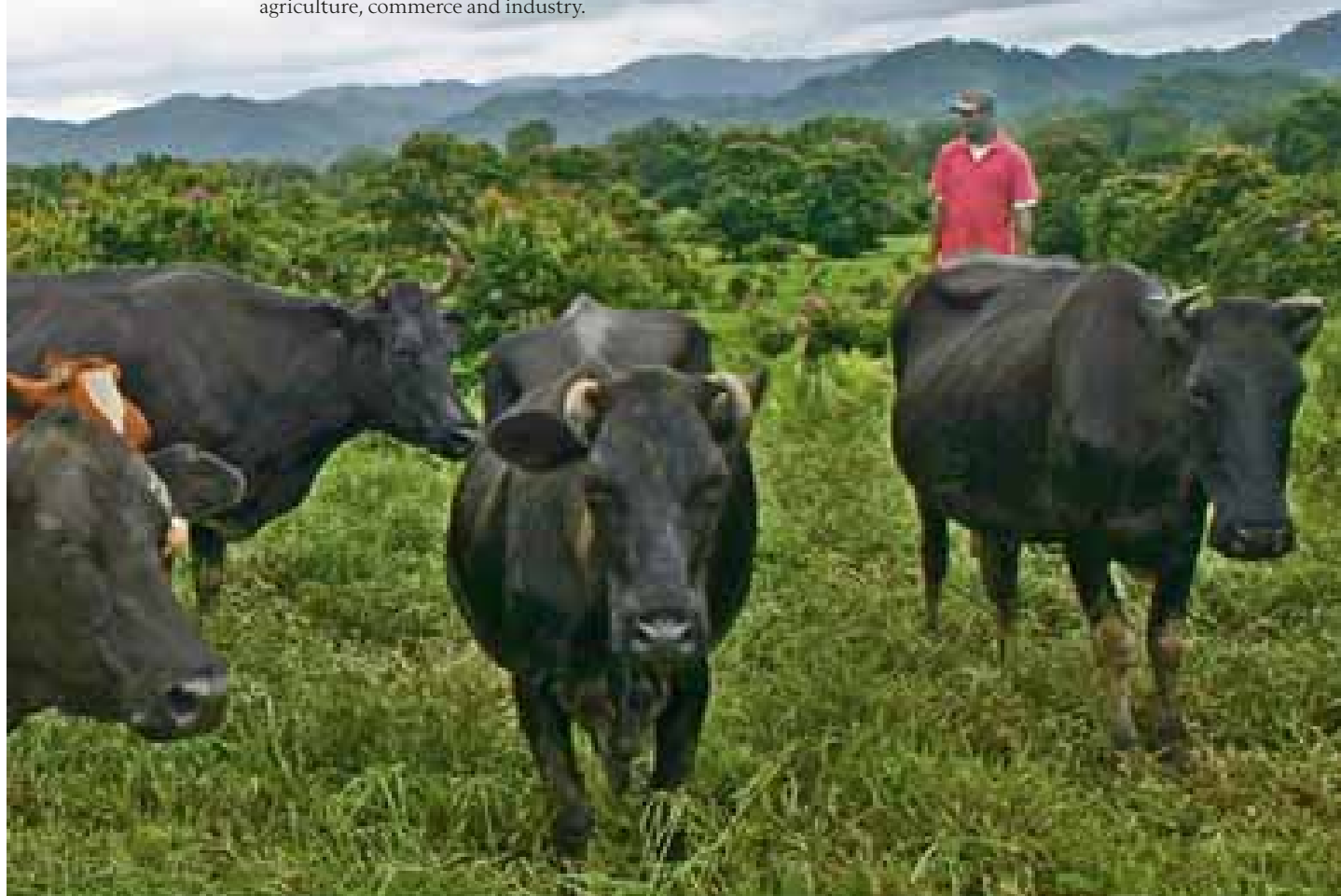
To be a dynamic financial service provider in the development of Fiji.

Corporate Objectives

To be a profitable and self-sustaining financial institution.

Our Mission

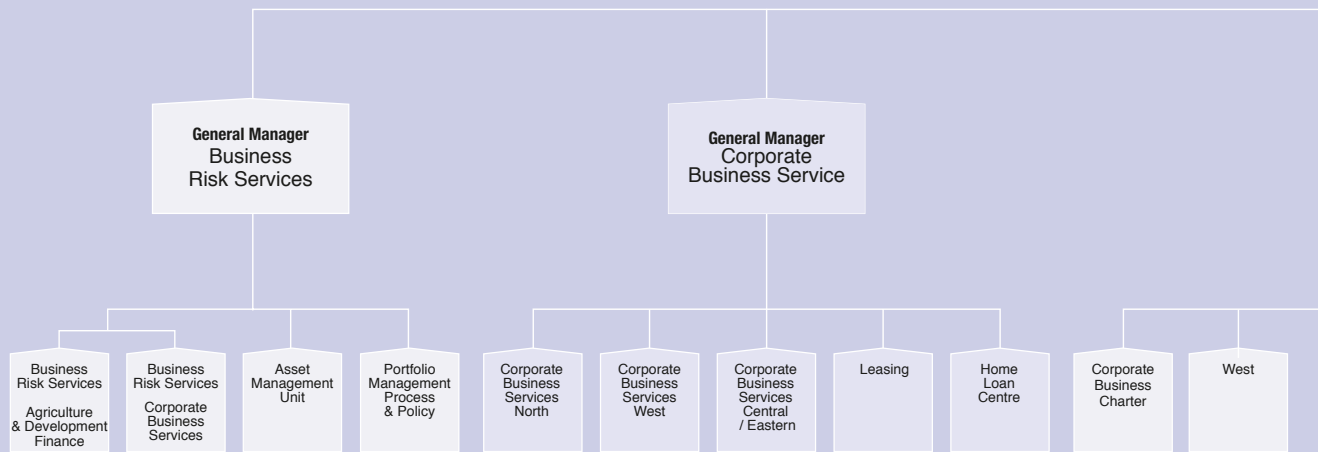
We provide finance, financial and advisory services to assist in the economic development of Fiji and in particular in the development of agriculture, commerce and industry.



Contents

▶ Letter to the Minister	01	Corporate Governance at FDB	26
Board of Directors	02	Corporate Social Responsibility	28
Management Team	03	FDB's Market Share	32
Chief Executive Officer's Statement	04	Financial Contents	33
Financial Review	06	Directors' Report	34
Operations Review	08	Independent Audit Report	35
Risk Management	10	Balance Sheet	36
Corporate Business Services	12	Income Statement	37
Agriculture & Development	16	Statement of Changes in Equity	38
Home Loan Division	19	Consolidated Statement of Cash Flows	39
Human Capital	22	Notes to and Forming Part of the Financial Statements	40-55

Organisation Structure



**Chief
Executive Officer**

Office of the CEO
• Audit
• Graduate
Trainee Program

**General Manager
Agriculture &
Development
Finance**

**General Manager
Financial
Operations**

**General Manager
Divisional
Support Services**

North
Central
Eastern
CSC

Finance
Treasury
Planning,
Research &
Marketing
Management
Information
System
/ Information
Technology

Human
Resources
Insurance
Legal
Properties
Training

Letter to the Minister



Reference

30th January 2007

Mr. Mahendra Pal Chaudhry
Minister of Finance, National Planning, Public Enterprise and Sugar Industry.
Ro Lalabalavu House
Victoria Parade
Suva

Dear Sir,

On behalf of the Board members of the Fiji Development Bank, I am happy to present the Financial Statements and the Annual Report of the Fiji Development Bank for the financial year ended 30th June 2006.

Financially the Bank has performed well with a healthy profit, a result of a growing and healthy portfolio. The Bank successfully controlled its operating costs which contributed to the financial success. The Government's financial support by way of interest subsidy, grant and guarantee, also contributed to the achievement of this result. For this support we are very grateful. The strong financial result has strengthened the bank's balance sheet enabling us to take on extra degree of risk when lending to development projects. I am appreciative for the Government's financial support through interest subsidies allowing the Bank to lend such development loans, without much stress on the Bank's profitability and sustainability position.

The Bank's portfolio grew by a considerable 20.79 per cent during the year to \$392.69 million, as new projects began implementation. The number of new clients also improved by 5 per cent to 5,888, reflecting improved investment climate. During the year the Bank refocused on its fundamental role that is development finance, and decided that it will make every effort to financially support agricultural, agro-based and small entrepreneurs. It will take the initiative to involve all relevant stakeholders so that technical and other support is collectively available for development projects, providing strong foundation for success.

As you will read in the Report the Bank has taken a passionate interest in supporting education of future citizens. It is a co-sponsor in the University of the South Pacific's Scholar Program. This program financially supports budding sporting youths to attain a successful sporting career as well as an academic qualification to support their livelihood after they have exited from sporting life. The Bank believes that changing the mind set of people towards good lifestyle practices is best achieved through the education mainstream system. Lessons learnt in these formidable years stays with a person always. As a banker with nearly 40 years of experience in development finance the Bank has consistently noted that the island culture does not place enough emphasis on money management skills. The Bank is collaborating with the Ministry of Education to develop a suitable curriculum for use in 2007.

The future for FDB is extremely challenging; both in terms of its cost of borrowing and business growth. The recent interest rate increases will squeeze the Bank's Net Interest Margin reducing earning potential. Competing for new business amidst low investment climate will impact adversely on portfolio growth and quality during 2007. The FDB has faced challenges before, and will implement measures to cushion the impact.

I attribute the sound performance of the Bank to the leadership of Mr. David Aidney, the Board Chairman, who decided to leave in December, 2005. The Board sincerely appreciates his contributions.

I am grateful to the Board members for their support during the year, and the Bank's management and staff for a successful year of hard work.

Yours faithfully,

Mrs. Sereana Qoro
Acting Chairperson

Development
Bank Centre
360 Victoria Parade
GPO Box 104
Suva FIJI
Tel: 3314866
Fax: 3314886

Board of Directors



Sereana Qoro
Acting Chairperson

Ms Qoro is the Chief Executive Officer of Basic Industries Ltd and Fiji Industries Ltd. She has a Bachelor of Arts majoring in Accounting/Economics and a Masters Degree in Business Administration from the University of the South Pacific.

She is also a director with Fiji Electricity Authority, Capital Markets Development Authority and the Higher Salaries Commission.



Solomoni Vosaicake
Director

Mr Vosaicake is the Director for Munia Holdings and Mualevu Tikina Holdings Limited and has an Education Degree from Australia.



Ian Hawthorn
Director

London-born and Oxford University graduate, Mr Hawthorn brings with him a wealth of experience and qualifications. He is a Fellow of the Institute of Chartered Accountants (FCA) in England, Wales and Australia and is a member of the Australian Institute of Company Directors (MAICD).

He is based in Sydney, Australia.



Kalivati Bakani
Director

Mr Bakani is the General Manager of the Native Land Trust Board (NLTB) and has gained an extensive financial background through working in banking institutions. He has also served as Board Chairman and director in various organisations.



John Samisoni
Director

Mr Samisoni is the Managing Director for Corporate Management Services Limited, commonly known as the Hot Bread Kitchen. He attained his Arts Degree, majoring in Economics and Computer Science from Australia's University of Queensland.



Sam Foy Chung
Director

Mr Chung is a teacher by profession, but decided to set up his own business, Waisali Farm Produce Ltd in the late 70s. He holds a directorship with Fiji Malt House Ltd.



Ian Chute
Director

Mr Chute is the General Manager for the family owned Celtrock Holdings Limited, a business involved in fish processing, exporting and vessel management.



Taina Ravutu
Director

Ms Ravutu has extensive experience in the travel industry. She is the Managing Director of Taina's Travel Services Ltd.



Adish Naidu
Director

Mr Naidu is the Director of Yellow Architects. He has a Bachelor of Architecture from the University of Auckland and an Ordinary Diploma in Construction Studies from the Fiji Institute of Technology.

Management team



Tukana Bovoró
Chief Executive Officer



Umarji Musa
*General Manager
Corporate Business Services*



Deve Toganivalu
*General Manager
Agriculture &
Development Finance*



Nesbitt Hazelman
*General Manager
Divisional Support Services*



Esekaia Kamunaga
*General Manager
Financial Operations*



Nafitalai Cakacaka
*Acting General Manager
Business & Risk Services*

Chief Executive Officer's Report



Tukana Bovoro

In terms of performance, it has been a record year for the FDB. We were able to record a profit, create provisions and write off bad loans. The Government's support through interest subsidy, has enabled the Bank to support projects that carry some element of risk and yet allow the Bank to register improved profit level.

The financial year ending June 2006 has been one of achievements for the Bank. These achievements are for the Bank and its people, meaningful because it is the outcome of a journey that started in 2004, which were adopted and still continues in the face of an evolving operating environment and the peculiar challenges associated with it. The changes adopted by the Bank were and are necessary to ensure that the Bank delivers on its mandate articulated under Section 5 of the FDB Act, which states that:

"The functions of the Bank shall be to facilitate and stimulate the promotion and development of natural resources, transportation and other industries and enterprises in Fiji and, in the discharge of these functions, the Bank shall give special consideration and priority to the economic development of the rural and agricultural sectors of the economy of Fiji."

Using the functions of the Bank defined in the Act as its basis, the Bank reviewed its performance again and with the Board's assent agreed to make 'development financing' as its core business. This means several changes in the way the Bank moves forward into the future but one of its major goals is to change the shape of its portfolio such that its core business will become those directly linked to Section 5 of the Act.

Overview

Loans

A review of the Bank's performance reveals that the Bank has been able to arrest the decline in its loans portfolio, then rebuild and finally consolidate its this position in the financial year under review. This in itself is an achievement given the Bank's operating constraints.

Loan approvals increased 10.5 per cent by number whilst value approved decreased by 17.2 per cent from \$227.27M in 2005 to \$188.21M in 2006. The Bank's portfolio at the end of June 2006 is \$392.69M which represents a 20.79 per cent growth from 2005.

Arrears as a percentage of the Bank's loans portfolio is down to 1.32 per cent, from 4.32 per cent in 2005 and 7.42 per cent in 2004. This is another achievement for a development financing institution of this size. The challenge is to maintain it at this level or lower it further. On the back of the satisfactory arrears position the Bank has been able to achieve what it believes is a enviable position where it has build up provisions as a percentage of its Troubled and Impaired Accounts (TIAs) to be 145.69 per cent. As a long term strategy the Bank will continue its efforts to ensure that a running watch is maintained over its portfolio to ensure its health and to continue to build up reserves in a prudent and sustainable manner.

Financials

The Bank posted a Net Profit of \$5.346M for the year ended June 2006; another achievement that all stakeholders are quietly proud of. The reason for our quiet pride in this achievement is not so much the amount of profit that has been recorded although this in itself is another achievement, more significantly for the Bank is that the foundation has now been laid to where the Bank can continue to operate without depending on Government subsidies to shore up its bottom line. This is indeed a satisfying achievement for all members of the Bank from Board, management and staff level.



People

The Fiji Development Bank has not escaped one of the major challenges facing all the financial institutions in Fiji – the shortage of skilled personnel at all levels of the business, but more so in the technical areas. Given the new direction that the Bank has embarked on, the changing nature and sophistication of the products on offer in the Fijian financial markets and the competitive environment that the FDB exists in, training has become a crucial aspect of the Bank's on going activities both on a strategic and at operational levels. The need to develop training programs that support the Bank's strategic direction is therefore crucial.

As elaborated later, various training activities are now being undertaken to up-skill Bank staff in all areas of the financial services the Bank provides. These training programs have been developed for all levels of Bank staff and cover all those that serve customers and those that serve those who serve our customers.

The development and implementation of the Bank's Graduate Trainee Program was launched successfully during the year, and this program will continue to be part and parcel of our overall human capital program.

The Bank has 211 staff members and it participates regularly in the national remuneration survey conducted by PriceWaterhouseCoopers to ensure that its staff remuneration is consistently adjusted to the market.

The Bank enjoys a cordial working relationship with workers representatives (FBUE) to the extent of mutually agreeing to disagree on various issues from time to time and allowing the judicial system to adjudicate in the differences.

The FDB remunerates its staff at market rates and is an equal opportunities employer and consistently strives to be gender balanced.

Risk and Compliance

Internal Audit is made up of a team of people who answer directly to the Board, through the Board Audit Committee and comes under the Office of the CEO for administrative purposes. The Board Audit Committee meets on a quarterly basis, whilst a Management Audit Committee meets on a monthly basis to discuss issues raised in the reports that goes to the Board Audit Committee. During the financial year, the Internal Audit team carried out 22 audits. The Bank takes the findings and recommendations provided by the audit team seriously and uses these observations to change the way things are done as and when necessary. Several disciplinary actions, some leading to termination of staff have been taken as a result of observations and or recommendations by Internal Audit.

The Bank's Assets and Liability Committee became fully functional upon the recruitment of a Treasury Consultant in August 2005. This functional capability for the first time focuses management attention on balance sheet management issues and increases the Bank's ability to manage its risks.

As part of its credit risk management process the Bank continuously reviews its underwriting criteria to ensure that Bank policies are in tune with the changing environment. The Board's directive to management is to focus on Development Finance or Charter loans.

Financial Review

This year has been a very successful one for the Bank. The portfolio has grown significantly, resulting in an improved earning base. Earning strengthened as the quality of the portfolio improved to desirable levels.

Overview

The principal activity of the Bank is to provide term loans, home loans, lease finance and working capital funds. Interest is the main source of income, with fees and rental as secondary sources of income.

This year has been a very successful one for the bank. The portfolio has grown significantly resulting in an improved earning base. Earnings strengthened as the quality of the portfolio improved to desirable levels.

Income

Just over 80 per cent of the income comprised interest and this improved notably from \$25.2m in 2005 to \$30.6m in 2006. An impressive increase of 22 per cent in business volume during the financial year resulted in an improved interest income level.

The Bank also regularized its fees and charges during the year, in relation to its competitors. This improved the income position slightly from this source.

Expenses

Interest and borrowing expenses

The borrowing cost increased from \$7.9m in 2005 to \$10.1m in 2006. High disbursements, 63.6 per cent

growth from 2005, caused this cost to escalate. The increase in interest rate by the Reserve Bank of Fiji in February also influenced the rise.

Unlike commercial banks, the FDB is at a disadvantage because it has no savings fund pool to source its funding needs at an economical rate. The bank uses the bonds mechanism to raise funds largely from local sources. Average weighted cost of funds during the year was 3.92 per cent compared with 4.01 per cent in 2005.

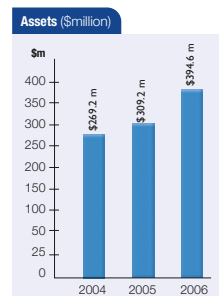
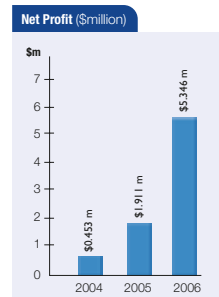
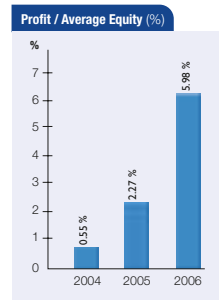
Despite the increase in borrowing cost over the year, the improved ratio is reflected in the high liability position.

Administrative expenses

This expense has remained at \$11.5m for the past two years. Organizational streamlining with a more focused structure has enabled the Bank to deliver its services efficiently to support the significant growth in new business with a lean staff composition. Prudent expenditure management has also supported this result.

Provision for doubtful loans

Fiji Development Bank's core role is funding projects that carry some



element of risk and which are not normally funded by commercial banks. Provision for doubtful loan is created on such accounts to mitigate the loss incurred if the loan obligation is not settled at a future date.

During the year, \$10m worth of new provision was created. New provision created is slightly higher than that of 2005 with a value of \$9.6m.

Trouble and Impaired Assets (TIA)

The value of TIA accounts has improved considerably this year over the 2005 value. In 2005, this value represented 17.3 per cent (\$55.4m) of the bank's portfolio and in 2006, this declined to 6.2 per cent (\$24.02m).

The improvement is reflected in quality portfolio growth over the year and removal of several poor quality loans.

The bank would like to strengthen its provision to TIA ratio over the next few years to 200 per cent. This will afford greater investment in core development projects. The provision to TIA ratio has increased from 69.7 per cent in 2005 to 145.69 per cent in 2006.

Profitability

A record profit was possible this year through strong improvement in income, and effective expense management. The level of profitability is indicative of quality portfolio (performing loans portfolio), which has grown substantially over the year through new and further loan disbursements. Performing loans represent 94.3 per cent of total Bank portfolio.

Interest spread

The difference between the average lending rate and the average borrowing rate measures the interest

spread. Increase in this ratio suggests improved profitability, which is represented in the Bank's operations over the past two years.

Assets

Assets grew from \$309.2 million in 2005, to \$394.6 million in 2006, an improvement of 27.6 per cent. A strong improvement in business in the home loan and other real estate sector has made this possible. The quality of investment is considered reasonably secure in the long term.

The quality of asset improvement has delivered greater returns to the Bank. Nevertheless, the Bank will be vigilant in widening the growth areas to other sectors. Investment in agro-industry and manufacturing ventures is desired in the Fiji economy, and governmental agencies should boost incentives to promote this.

Historical Performance						
	2001	2002	2003	2004	2005	2006
Financial						
Net Profit (\$M)	.302	.696	2.042	0.453	1.911	5.346
Total Assets (\$M)	322.3	284.7	271.4	269.2	309.2	394.6
Total Assets / Equity (%)	4.08	3.57	3.32	3.28	3.68	4.41
Average Earning Assets (\$M)	345.8	327.7	302.0	282.7	302.9	359.8
Borrowing Cost / Average Earning Assets (%)	5.12	4.67	3.85	3.09	2.63	2.82
Total Cost / Average Earning Assets (%)	7.59	7.50	7.10	7.06	6.44	6.00
Profit (Loss / Average Equity (%)	0.39	0.88	2.53	0.55	2.27	5.98
Long Term Debt:Equity	2.99:1	2.43:1	2.12:1	1.99:1	2.49:1	2.55:1
Interest Spread (%)	2.01	2.51	3.97	3.73	3.79	4.11
Earning Spread (%)	2.84	3.30	4.61	6.13	5.55	5.79
Operating Efficiency						
Staff Cost / Average Earning Assets (%)	1.64	1.75	2.09	2.50	2.14	1.89
Total Income / Average Earning Assets (%)	10.19	10.42	10.88	11.73	10.21	10.29
Lending						
Approvals (Number)	1,751	1,019	1,007	1,105	1,903	2,104
Approvals (\$M)	50.40	24.43	67.19	76.45	227.27	188.21
Loan Portfolio (Number)	6,092	6,282	5,990	4,372	5,588	5,888
Gross Loan Portfolio (\$M)	321.7	293.3	282.5	281.18	325.01	392.69
Growth in Loan Portfolio (%)	1.41	-8.83	-3.68	-0.46	15.59	20.79
Arrears / Loan Portfolio (%)	7.29	6.84	6.66	7.42	4.32	1.32

Operations Review

FDB offers loan services for a wide range of businesses. Its primary role is in the funding of agricultural and small businesses. Corporate loans also feature prominently in the Bank's business. Re-branding of Home Loan product gave strong impetus for growth in the mortgage market.

During the 2006 financial year, the Bank approved 2,104 loans valued at \$188.21 million. The portfolio as at the end of the year was registered at 5,888 accounts valued at \$392.69 million. About \$23.3 million represent funds lent to the Government for the Sugar Cane Rehabilitation program. Business by value improved significantly during the year with a 22.5 per cent growth over last year.

Of the total portfolio, the Agriculture and Development (A&D) loans make up about 66 per cent by number. A&D loans are

generally smaller, averaging around \$10,000 per project for agricultural and small business loans.

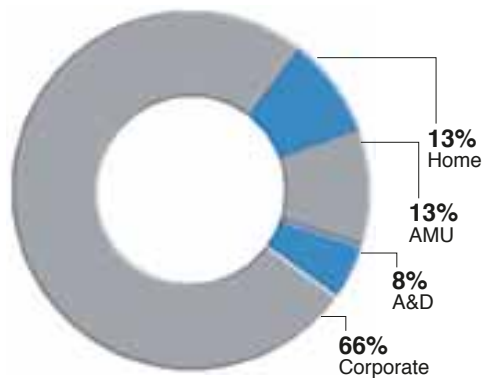
The projects are spread throughout the country and serviced through the Bank's 9 branches. Around 44 per cent of the A&D loans are in Agriculture and Agro-industry projects. The other significant areas are small shops and restaurants, transportation businesses and real estate projects.

Corporate loans are concentrated in the industrial and business

centers of Suva, Lautoka and Nadi. Corporate loans account for 76 per cent of the value of loans. This portfolio has grown significantly from last year with bulk of projects funded in the real estate and tourism sectors.

Another growing sector is the Home Loan product, which was re-vamped and launched in 2004. Increasing desire for home ownership has brought many customers to the Bank, and its market share for home loans has been rapidly increasing.

Exposure by Divisions





CUSTOMER REPORT

CUSTOMER	Dharmend Prasad.
CUSTOMER PROJECT	Honey Bee Farming, Seaqaqa, Macuata, Vanua Levu.
PROJECT INFO.	Agriculture
CUSTOMER COMMENT	<i>"The sky is the limit for me because I know I have the support of the Fiji Development Bank to increase my bee hives, as the demand for honey locally and regionally is growing."</i>

Honey Potential

Beekeeping has been promoted by the Fiji Development Bank as an alternative source of income for sugar cane and citrus farmers in the Seaqaqa area.

❑ Beekeeping has been identified as a potential growth sector in the national 'Look North Policy', which is concerned with rejuvenating the dwindling Northern Division economy.

In comparison with other economic sectors in the North, beekeeping is in its infancy, but its potential lies in its low production costs and high returns. Seaqaqa beekeeper

Dharmend Prasad has realised the potential beekeeping holds. Since starting his bee farm in 1990 with a single hive, he has increased it to 30 hives and aims to add a further 50. Mr Prasad's hives produce up to 30 kilograms of honey per harvest, at three harvest a year.

This satisfies the easily accessed market in Labasa Town and other shops in Macuata and Cakaudrove provinces.

On top of this, maintaining bee farms in Seaqaqa is relatively low cost because of the largely unspoilt natural forests of Vanua Levu and the abundance of pollen in Seaqaqa's citrus farms.

The Bank hopes to use Mr Prasad as the supplier of bee hives in the Seaqaqa area as beekeeping has proved to be a popular mode of farming.

Risk Management

The Division plays a vital role in managing and controlling the Bank's credit risks in its lending activities. As a development bank, the institution takes higher risks than commercial banks because its clients are usually those experiencing difficulty in raising equity.

Most loan clients are just entering the commercial world for the first time and the Bank attempts as much as possible to assist them while at the same time ensuring that risk is controlled. The Division comprises three departments whose roles complement each other. These sections are the Credit Business Risk Services, Asset Management Unit and the Policy Monitoring Unit.

Credit Business Risk Services

This department provides risk assessment on loans, particularly corporate and large loans. For such loans, a diligent credit analysis is carried out to ensure that quality decisions are made.

To manage its Troubled and Impaired Accounts (TIA), diligent credit risk assessment during loan origination becomes an integral role of the unit. It ensures that the underwriting standards are maintained to protect the quality of the portfolio.

The department has to ensure that the Bank is funding good loans, those that could be recovered within the stipulated terms,

through regular assessment of the lending environment.

The Government has requested that the FDB look at the development of the rural and agriculture sector and this is something the Bank must focus on in terms of its credit risk assessment. There needs to be some weighting on rural development to reflect the Government's interests and initiatives in promoting the agricultural sector.

There were changes during the year and the department will now focus mainly on credit risk analysis rather than on account management as was done in the past.

Policy Monitoring Unit

This unit oversees the Bank's portfolio risk status and its movement every month. It requires regular assessment of the credit rating of the portfolio. The Unit advises the Bank on growth opportunity sectors and where investment should be curbed. It lists the priority lending areas and constantly reviews the sectorial lending directions.

The Unit also ensures the policy guidelines are relevant to the market, customer needs and institutional priorities.

Standard reviews are completed monthly. Special requests from the network are prepared from time to time.

In order to maintain its strength in the marketplace the Bank has to keep abreast of external developments; in terms of products and services offered by competitors. A proactive and persuasive stance is taken to compete with commercial banks, which have now moved into the development banking area, especially in relation to small business loans. The Bank has strong competition from commercial banks for corporate and larger commercial loans. The main disadvantage for the Bank is its higher cost of funds.

The Bank is re-examining its assistance program to the agricultural and rural sector, as opportunities are abundant here. Nevertheless, a limitation is that rural borrowers have difficulty in raising equity and/or offer inadequate security. Review and realignment of policies and processes is being investigated to facilitate greater presence in the rural sector.



Asset Management Unit

The AMU is tasked with the recovery of the FDB's accounts. It looks after the Troubled and Impaired Accounts (TIA) portfolio and ensures that the FDB is within its benchmark and is following the Reserve Bank of Fiji guidelines. The TIAs must remain below 10 per cent and this is a big task for the department to monitor, particularly on big loans, which take time to recover or rehabilitate.

As at the end of June, the bank achieved a milestone by lowering its TIAs to 6.2 per cent of its total portfolio. Not only is it well within the benchmark, it is a much-improved performance compared with previous years when the bank's TIAs were above 10 per cent.

The quality of the FDB portfolio has improved during the year. Swift action on bad loans is pursued because the longer it takes to recover these loans, the lower the recovery as the value of assets depreciates very quickly.

Outlook

The Bank's role is to lend funds. There are players in the economy that the Bank relies upon to support its role.

The institution is part of the Government, which has long term goals to develop the rural sector and it has tasked the FDB to do so. But to do this effectively, the FDB needs to work with the line ministries- Forestry, Fisheries and Agriculture.

These departments have their own financial support for the rural sector, which could be used to support rural applicants to obtain additional funding from the bank.

One of the main problems in agricultural farming is obtaining land leases and the Bank works closely with the Native Land Trust Board, to find better ways of organising leases for potential farmers. Other line ministries assist in providing good access to market and infrastructure development such as roads, electricity and technical support.

The bank's risks are minimised and of better quality if there are good roads, access to market and there is adequate land of good value.

Corporate Business Services

One of the main challenges for the Bank is the origination of corporate loans and ensuring that they become a quality performing portfolio.

The Division caters for corporate clients or those borrowing above \$100,000. Corporate Banking is organised into Corporate Business Services and Corporate Business and Risk Services.

There are corporate centres in Suva, Nadi and Labasa and the loans are organised into portfolios of approximately 30 customers each with a dedicated relationship manager, manager corporate business and risk services and two portfolio support officers assigned as necessary.

Performance

The Corporate Portfolio recorded a growth of 37.9 per cent to \$278m and there were a total of 132 loans valued at \$106m approved.

Likewise it contributed significantly to the Bank's profit. Significant projects initiated during the year included a Syndicated Loan Facility for Momi Bay Development, Taunovo Bay Project, Mid City Plaza, Na Hina Apartments and Infrastructure Roading project for Momi Bay.

For the different business sectors, the Bank set a ceiling on how much it could lend to these sectors. Major sectors recording growth

during the year included real estate, tourism and infrastructure construction.

The Bank believes the trickle-down effect from these growing sectors is huge and it would like to develop the sectors spin-off from this growth.

The Bank has invested in large hotel projects, however, it would also like to develop the lower end of the tourism sector such as backpacker and flashpacker operations and eco-tourism projects.

Nationally, there is a need to boost our export sector. The resource-based sectors such as agriculture, fisheries and forestry have a lot of potential for development.

If these sectors are developed, they could reduce the trade imbalance. In the agriculture sector, more efforts could be put towards the development of vegetable and beef and dairy farming to reduce the country's import figures. Whilst there are opportunities in setting up manufacturing industries for down stream processing of agriculture, fisheries and forest related products.

In the New Year, the bank will continue to look at ways to develop

these sectors to fulfil its role as set by the Government.

Agriculture

A total of 13 loans valued at \$10.13m were approved during the year. The total number of loans under this sector grew from 11 in 2005 to 27 at the end of the financial year. The value of the loans increased from \$8.26m to \$11.64m.

Agro-Industry

There were only two loans worth \$450,000 approved under this sector. At the end of the financial year, we had 36 accounts valued at \$13.13m. This is a decrease from the 2005 figures of 43 accounts worth \$14.13m.

Financial Institutions

The bank approved 4 loans worth \$6.53m during the period under review. There were a total of 7 accounts worth \$3.34m for the year ending June 2006 compared to 3 accounts worth \$343,555 in the last financial year.

Infrastructure Construction

There was only one loan of \$23.97m approved during the year



CUSTOMER REPORT

CUSTOMER	Candle Investments: Satish & Subash Parshotam.
CUSTOMER PROJECT	Mid-City Plaza, junction Cumming St & Waimanu Rd, Suva.
PROJECT INFO.	Commercial & Industrial.
CUSTOMER COMMENT	Candle Investments started this make-over in the older part of the city at the junction of Cumming Street and Waimanu Road with a \$6.7 million, three-storey building with funding from the Fiji Development Bank.

Partnership Potential

Redevelopment is not only a way of enhancing your business, but a service to your community, which would be proud of your association and even inspired.

▶ Suva's Mid-City Plaza could possibly turn into a London Docklands redevelopment-type project that would regenerate the capital city's economic activity and image.

Candle Investments started this make-over in the older part of the city at the junction of Cumming Street and Waimanu Road with a \$6.7m, three-storey building.

The London Docklands urban development was branded an economic success in the 1980s and upgraded England's capital city's East End image into a more modern community.

Candle Investments cousins Satish and Subhas Parshotam hoped Suva's newest multi-million dollar art deco design complex could trigger the start of a much-needed make-over needed in some older parts of Suva.

The cousins hoped the owners of many tired-looking buildings in Suva would be motivated by their initiative and redevelop their properties as well.

Mid-City Plaza will have a granite-clad façade and columns with an atrium, which will be surrounded by boutiques, restaurants and jewellers, as well as specialty and service shops.

The building will have a covered walkway for pedestrians and will be supported by Doric columns, while a 22-car basement parking lot will be available to motorists.

An escalator will provide easy access to the shops to be housed in the Plaza.

The top floor will have spiritual and holistic retreat facilities, equipped with a Library and a Meeting Room.

Candle Investments not only adopted a classic design, but one of superior quality and one that is also technologically advanced.

to Vuksich and Borich for the construction of the road to the Momi Bay Development. At the end of the financial year, total loans under the sector were 3 and their value was \$17.18m. In the last financial year, the number of accounts was also 3 but the value was \$861,332.

Manufacturing

The bank approved 12 loans worth \$1.38m. In the previous financial year, the division had 42 accounts worth \$10.19m under this sector. The number had grown to 50 accounts worth \$11.46m at the end of the year.

Mining and Quarrying

The number of accounts under this sector has grown to 2 from 1 last year. The value of these accounts stands at \$896,235 from \$520,849.

Professional and Business Services

A total of 14 loans valued at \$1.19m were approved during the year. At the end of the year, we had 44 accounts worth \$7.48m compared to 39 accounts worth \$11.11m.

Real Estate

This sector continues to grow with the bank approving a record 41 loans valued at \$26.64m. The bank had a total of 156 accounts under the sector with a total value of \$107.06m compared with 130 accounts worth \$82.16m in 2005.

Tourism

The number of loans approved was 11 with a value of \$17.52m. The sector grew from 20 accounts in 2005 to 34 and the value from \$19.54m to \$47.22m.

Transport and Communication

There were 14 loans worth \$9.31m approved during the year. The bank has a total of 34 accounts worth \$14.65m compared with 33 accounts worth \$14.73m in 2005 in this sector.

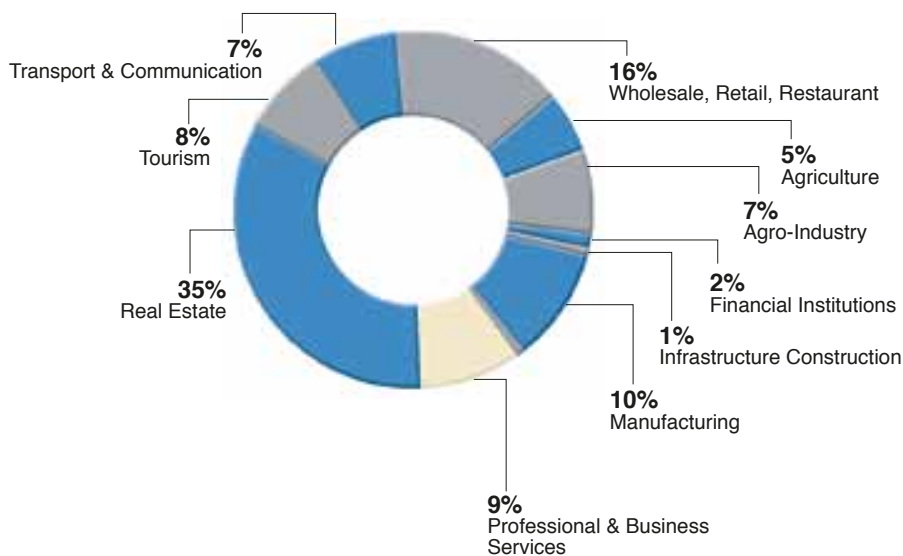
Wholesale, Retail and Restaurants

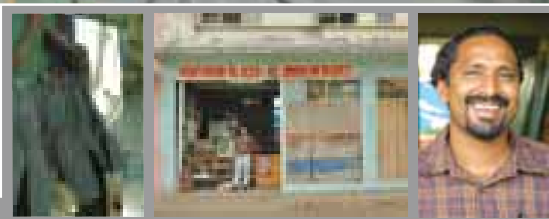
This was another growing sector, with a total of 20 loans worth \$8.9m approved during the year. The FDB now has 73 accounts worth \$44.50m compared with 54 accounts worth \$44.07m in 2005.

Outlook

In the wake of rising interest rates and liquidity constraints, the challenge would be to focus on quality service to maintain customer loyalty. The Bank is looking at diversifying its portfolio into other development areas that are lagging behind in growth such as agro-industry and manufacturing.

Corporate Loans Portfolio





CUSTOMER REPORT

CUSTOMER	Shameem Khan
CUSTOMER PROJECT	Northern Glass & Mirror, Labasa.
PROJECT INFO.	Commercial & Industrial.
CUSTOMER COMMENT	Northern Glass's reputation as a major supplier of glass and mirrors in the Northern Division is a testament to the proper financial planning and projections between Khan and the Fiji Development Bank.

Glass Potential

He was once a high school dropout who cut sugar cane to pay his way through technical school, but now Shameem Khan manages and owns a glass works business worth more than \$40,000.

Business potential is often realized through proper financial networking and backing as the owner of Northern Glass and Mirrors, Shameem Khan, can attest.

The company's reputation as a major supplier of glass and mirrors in the Northern Division has been built on a foundation of proper financial planning and projections between Mr Khan and the Fiji Development Bank.

Starting off as a small business operator, Mr Khan now deals with \$40,000 to \$50,000 worth of job contracts. This was due to the Bank's willingness to provide finance for the purchase of his stocks for large projects.

For small businesses, the lack of finance for start-ups had been identified as a problem, but the Bank, backed by risk assessments and prudent banking, gave its support.

The financier-customer understanding was the backbone of Mr Khan's success in securing contracts for his business, which has gone from strength to strength ever since he started.

Thirteen years ago, he was just another of Fiji's school dropout statistics when a neighbour told him about a business training school in Nadi.

The future glass kingpin had to cut sugar cane to pay his way

through the Nadi school and managed to secure work as a welder after returning to Labasa. From being a welder with an engineering company, Mr Khan banked on his glass-making skills and opened his new business three years ago.

It seemed like a meteoric rise for the Valebasoga-bred businessman, but his good relations with the Bank gave him another edge as he was able to have enough stock in supply to complete projects.

Mr Khan's life story shows that determination and grit formed the basis of his business acumen.

Agriculture & Development

The Bank facilitates, stimulates and promotes the development of natural resources, transportation and other industries and enterprises in Fiji and in the discharge of these functions, the Bank shall give special consideration and priority to the rural and agricultural sectors of the economy of Fiji.

Overview

The Agriculture and Development Finance (A&DF) division is by far the biggest division in the Bank in terms of the number of active accounts. The Division provides loans to projects that are agricultural or developmental in nature. This functional group is mainly associated with loans below \$100,000 per project in agriculture, small businesses, real estate, tourism, transport, and manufacturing businesses.

The Division's main purpose is to align FDB's business towards its development charter – "... the Bank shall facilitate, stimulate and promote the development of natural resources, transportation and other industries and enterprises in Fiji and in the discharge of these functions, the Bank shall give special consideration and priority to the rural and agricultural sectors of the economy of Fiji." (FDB Act Cap 214 Sect. 5).

After the restructure of early May 2004, discretion was given to the Division to approve and manage loans less than or equal to \$75,000.00. During the 2006 financial year, the Division set out

to increase profitability and it resolved to build a broader-based portfolio. In late 2005, the approval discretion for this functional group was increased to \$100,000. During this period, the Division underwent a mini restructure and this led to the creation of the Senior Business Manager (SBM) position – a position with responsibilities similar to those of Branch Managers in the old bank structure. Furthermore, the specific objectives of this restructure were to:

- Increase efficiency and productivity;
- Increase responsiveness to clients;
- Reduce operational costs;
- Increase staff involvement and participation; and
- Increase staff morale.

As part of its Development Charter objective, the Bank resolved to conduct reviews on three industry sectors, namely beef, coconut and dairy.

The Bank believed these sectors required attention as they were declining. Highlighting the opportunities and constraints, the

results of the review have been presented to the board, together with lending policies for the respective sectors. One of the major outcomes of these reviews was that Government assistance is vital. The approved reviews and policies have been forwarded to the Ministry of Finance, as assistance in the form of Government Grants and Interest Subsidies is sought.

The A & DF Division manages all loans that fall under the various Government schemes. These include the Northern Facility; the Seed Capital Revolving Fund (SCARF); Commercial Loans to Fijians; and Small Business Equity Scheme (SBES).

Northern Facility

This facility was adopted as part of Government's efforts to revive economic activities in the Northern Division and it is popularly known as the Look North Policy.

Due to the high migration of people from Vanua Levu to Viti Levu, the Northern economy began to decline. Coupled with the effects of Cyclone Ami, the future of the Northern economy at that time



CUSTOMER REPORT

CUSTOMER	Vanua Nalolo Investment Trust
CUSTOMER PROJECT	Excavation & Transportation
PROJECT INFO.	Commercial & Industrial.
CUSTOMER COMMENT	With help from the Fiji Development Bank, the investment trust was able to purchase five Hino Dump Trucks, one Hitachi excavator and two twin cabs for their business.

Vanua Potential

While the emphasis would be on commercial ventures, the landowners at the same time maintain a focus on community welfare and the education of their children.

» Momi Bay landowners are now able to improve their standard of living and community live-lihood on the success of their \$2.4million worth of sand carting business.

The Vanua Nalolo Investment Trust (VNIT) was formed by individual customary owning units in the Momi Bay area secured the sand carting contract from Mata-po Holdings, the developers of the resort facilities at one of Fiji's famous bays.

With help from the Fiji Development Bank, the investment trust was able to purchase five Hino Dump Trucks, one Hitachi excavator and two twin cabs for their business.

The Momi Bay landowners are already reaping the rewards of their sand carting venture as profits earned from the business are put into a trust.

From the total funds in the trust, 50 per cent will be used to pay for the education of their children from primary right up to tertiary levels and 25 per cent will be for community development projects. Another 15 per cent of the trust fund will be reinvested and the remaining 10 per cent is being used as administration fees.

The capital provided from an FDB loan facility is being used to supply \$2.4 million worth of sand or 80,000 cubic metres at \$30 per cubic metre.

Nalolo landowners believe their relationship with Matapo Limited will offer long-term benefits to the vanua. VNIT secured a lease of the Malomalo foreshore area where it has been excavating sand. Already, VNIT has focused its attention on other services that would be outsourced by the works contractor, as well as the hotel operator.

The investment trust is already eyeing the trucking business as the best opportunity for venturing further into the commercial world.

While the emphasis would be on commercial ventures, the landowners at the same time maintain a focus on community welfare and the education of their children.

looked bleak. In its efforts to boost economic growth and curtail the population movement, Government, together with the FDB, implemented the Northern Facility. With a provision of \$1m from Government, this facility targets all types of businesses operating in the provinces of Cakaudrove, Bua and Macuata.

This facility had been temporarily suspended as the allocated funds were exhausted. In its 2006 Budget, Government made some allocation for the Northern Facility. In order to ensure that the facility is revived, the Bank is working closely with the Ministry of Finance to formalize the necessary paper work.

The facility portfolio comprises 268 projects worth \$4.2m, 1.15 per cent of the total value of the Bank's portfolio. During the year, 108 loans valued at \$1m were approved with most of these being for agricultural projects. Compared with the previous year, this is a decline, and is directly related to the temporary suspension mentioned earlier.

Seed Capital Revolving Fund

Commonly known as SCARF, the Seed Capital Revolving Fund was set up some four years ago, with the

intention of attracting projects involved in the eco-tourism, fishing and forestry sectors.

Approvals during the year were rather slow because of the exhaustion of the equity fund. Despite this drawback, more funds have been allocated under the fishing and forestry sector, thus providing greater opportunity for projects under the respective sectors. As at June 2006, the SCARF portfolio stood at 95 loans valued at \$6.5m.

Commercial Loans to Fijians Scheme (Indigenous Loan Scheme)

The Commercial Loans to Fijian Scheme was introduced as early as 1975. Since its inception, significant changes to the policy have been made to suit the changing economic environment. As a result of this indigenous loan scheme, the Bank continues to play a significant role in encouraging ethnic Fijians to involve themselves in business.

Compared with the previous year's approvals of 449 loans valued at \$26.2m, approvals provided under this scheme for the year totalled 493 loans with a value of \$15.8m. Indigenous entrepreneurs took interest in the Wholesale, Retail and Restaurant Sectors.

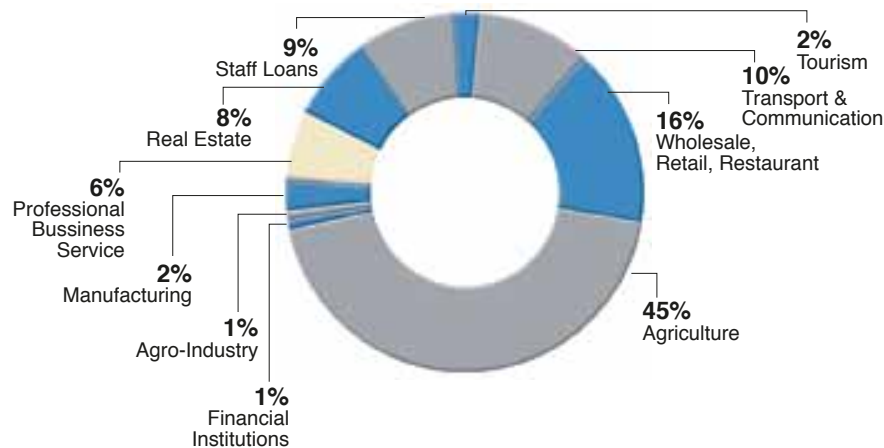
Small Business Schemes

Similar to the Indigenous Loan Schemes, the Small Business Scheme was initiated to provide opportunities for non-indigenous communities to participate in the small business arena. During the year, 264 approvals valued at \$3.5m were made, compared to 233 loans valued at \$2.5m in June 2005.

Into the Future

Approval has been given by the Management and Board of FDB, that A & DF not only manage all loans less than or equal to \$100,000, but also those greater than \$100,000 with some form of Government assistance (grants and interest subsidies). This restructure is expected to come into effect in the new financial year. Efforts are already underway to ensure that in the 2006/2007 financial year, the new Charter Division will be activated. It is anticipated that the value and number of A & DF's portfolio will increase in the new structure. This change will not only ensure that A & DF's operations are aligned with the Development Charter, but also that its efficiency in processing loans is increased.

Agriculture & Development Loans Portfolio



Home Loan Division

The bank welcomes the Real Estate Agents Bill currently before Parliament, which would regulate the market. It is also encouraging to see new subdivisions springing up across the country to fulfil the country's housing needs.

Overview

Following its launch in 2004, the Choice Home Loan (CHL) became one of the Bank's most popular products. It recorded rapid positive growth in the first two years. Despite counteractive measures from competitors, the bank's product remained very favourable. The Bank managed to improve its market share by a significant 3 percentage points from 2004 to 2006.

The Choice Home Loan offers a very competitive product featuring five facilities:

- **Owner Occupier**
This is simply a property purchased for family dwelling. This facility also accommodates the purchase of double-storey flats, with the intention of renting out one flat with the client occupying the other.
- **Investment**
This facility allows the purchase of a property for investment or rental purpose only. A maximum of three properties is permitted under this facility.
- **Refinancing**
Taking over an existing housing debt from another financial

institution. The Bank's attractive package made this facility very popular.

- **Home Equity**
Debt consolidation with a home loan pulled in those customers who carried several debts, for example, hire purchase, car loans and others.
- **Line of Credit**
This facility allows customers to satisfy personal wants such as a vacation or a car. The customer's equity contribution is 20 per cent, however, the bank can lend up to 80 per cent of the value of assets.

Performance

Riding on the recent real estate boom, the Division's books grew significantly in the 2005 and 2006 financial years. In 2005, 500 new loans valued at \$30.5m were made. New businesses grew again in 2006 as loans were approved to 547 new customers to the value of \$35.5m.

The value of the home loan portfolio grew from \$13.4m as at June 2005 to \$40m in June 2006.

This growth is a significant 198.5 per cent from 2005, reflecting a strong demand for this product.

With exceptional growth in business activity, the centre's business status was upgraded to a Division at the beginning of this financial year. Home loan applications can be lodged through any of the nine branches of the Bank; however, specialist services are accessible from the Lautoka and Suva offices as demand for property ownership is higher in these two cities.

Demand for home loans was mostly from the owner-occupier group. A significant number of these already had loans with other institutions, and moved to the bank due to the attractive features. Debt consolidation was extremely popular and 'made sense'. It allowed customers to combine all debts under a principal security with the first loan application.

Interest rates were at competitive levels, compared with other financial institutions and offered a choice of rates and terms. An individual could select an option best suited to his cash flow and this drew inquiries about the Choice Home Loan.



The 1 per cent increase in interest rate by the Reserve Bank of Fiji in February 2006 adversely affected the pricing competitive edge of Choice Home Loan as the interest rates were subsequently raised. Nevertheless, clientele continues to grow as the Bank is consistently improving upon service delivery and products which are equally important factor for customers.

Outlook

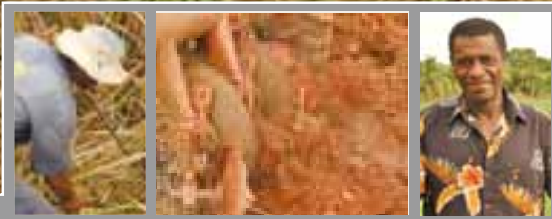
The rural-urban drift has been causing demand for housing in the urban and semi-urban centers. On

the down side, this shift has caused stress on the existing infrastructure such as utilities and roads. On the upside, the construction sector is reasonably buoyant, driven by new subdivisions, house constructions and extensions. However, it is important that new developments go hand in hand with infrastructure development.

Another resultant effect of the rural-urban drift is the escalation of real estate prices. Off shore real estate agents introduced another dimension in property sales and marketing causing a rise in property

prices. As a lender, the FDB is vigilant in its assessment of over-priced real estate and scrutinizes the valuation reports thoroughly. It will only receive valuation reports from its own panel of valuers. The Bank welcomes the Real Estate Agents Bill currently before the Parliament, which should regulate the property market.

With an extremely competitive market, the Choice Home Loan is attentive to the demands of the home loan market.



CUSTOMER REPORT	
CUSTOMER	Gaberieli Cabenalawa
CUSTOMER PROJECT	Cane Farming, Seaqaqa, Macuata.
PROJECT INFO.	Agriculture
CUSTOMER COMMENT	Gaberieli Cabenalawa said the link that bound his success and his traditional Fijian business philosophy together was the Fiji Development Bank. He has continually used the Bank over the years to improve his farm, standard of living and the education of his seven children.

Family Potential

The traditional Fijian working concept of "Sole-solevaki" (working together) is Gaberieli's competitive and cutting edge business practice as he has managed to separate his business from his traditional obligations to the vanua and the church.

▶ Gaberieli Cabenalawa's family validated the fact that the traditional Fijian concept of "Sole-solevaki" (working together) could be used as a competitive and cutting edge business practice.

The concept, which is still a debatable issue in Fiji's business fora, was initially not Mr Cabenalawa's design and he limited its employment to his own immediate family.

He said the link that bound his success and his traditional Fijian business philosophy together was the Fiji Development Bank. He devised a way to get around what probably was his biggest business nemesis, Fijian

communal living, by forking out expenses for the vanua, church and relatives from his own pocket.

His eldest son now owns and runs a farm that has been producing 600 tonnes of cane per year. When he started out, Mr Cabenalawa used to lend him labour and his own expertise.

All through these times, he never neglected his children's education. He continually used the Bank over the years to improve his farm standard for the education of his seven children. One of his children is studying to be an accountant at USP, another is an FIT graduate, while another is still studying. His youngest daughter is in high school. The FDB's undeniable link

to Mr Cabenalawa's success as a farmer and a father ensured this.

In the past 20 years, he has successfully utilised the bank's services to purchase a 10 acre property at Savusavu, while working the 33 acre property his father left him at Seaqaqa.

Mr Cabenalawa's beliefs and attachment to the Bank is so strong that given the chance to pay off his loan with the Bank, he will think twice.

His good relationship with the FDB is reflected in the 24-hour turnaround time for his phone requests.

Through loans from FDB, Mr Cabenalawa had bought a tractor, built a house, expanded his farm and started a livestock farm.

Human Capital

The Fiji Development Bank strives to ensure it maintains the edge in service and thus, it is essential that it has the best and most highly skilled people on board.

The Bank employs 211 staff compared to 209 last year, an increase of 0.94 per cent.

Staff ethnic breakdown comprised of 51.65 per cent Fijians, 40.75 per cent Indians and 7.58 per cent from other ethnic background. Around 59 per cent of staff are male.

In its commitment to employee development and skills enhancement, the Bank sponsored twelve officers to resume their studies at the University of the South Pacific, University of Southern Queensland and the Fiji Institute of Technology. Two officers graduated with a Degree and Masters respectively from the University of the South Pacific.

In April 2006, The Bank issued new uniforms with exclusive Bula themed shirts to its entire staff.

Human Resources Goes On-line

A flexible Human Resource Information System (HRIS) that simplifies the way the Bank manages the staff records, has finally been embraced by the Human Resource Department.

With the HRIS' quick 'click of a button' system, HR personnel can track all types of personnel information and conduct other human resource management duties which were traditionally involving tedious paperwork.

For the Bank managers and the human resource team, the HRIS is the easy way out to managing our employee information.

'Graduate Careers Opportunities' Programme

The Fiji Development Bank has proceeded with its second recruitment of Graduate Trainees under the 'Graduate Careers Opportunities' Programme.

Nine graduates were selected from diverse ethnic backgrounds to undertake an extensive on-the-job training in the various functions of the organization, for a period of twelve (12) months. Upon completion of the programme, the Graduate Trainees will be placed in a centre of the organization that best meet their skills and career prospects.

As part of the Bank Succession plan, it is envisaged that these Graduate Trainees will have gained the required competencies to succeed into middle management position in the next 3 – 5 years.

Occupational Health & Safety

The prevention of workplace injuries and illnesses is in the Bank's best interest.

A designated OH & S officer coordinates the Health & Safety issues between the Committee and concerned parties, giving due attention to monthly report submission to the FDB Board.

One of the accomplishments of the OH & S Committee was the formalization of the Bank's revised OH & S Evacuation Procedure & Policy.

Fostering a strong commitment to OH & S, four (4) health & safety courses were conducted for a total of eighteen (18) officers during the review period.



CUSTOMER REPORT	
CUSTOMER	Vuksich and Borich, New Zealand.
CUSTOMER PROJECT	Road construction to Momi Bay Resort.
PROJECT INFO.	Commercial & Industrial.
CUSTOMER COMMENT	Vuksich and Borich chose FDB after it found the bank to be accommodating. We needed a sizable amount of finance to carry on that project and the commercial banks were not really forthcoming in being able to give us the loan. FDB was forthcoming and the finances came through really quickly.

Tourism Potential

A private company initially forming and building public infrastructure linking a new major Tourism Development is the new vision this nation has embarked upon.

▶ The Fiji Development Bank has funded the New Zealand civil engineering company, Vuksich and Borich, to build the Momi Bay road.

Vuksich and Borich's Momi Bay road construction project was financially backed by the Bank. Government would eventually assume authority and refinancing the road on completion.

The New Zealand engineering company is working with Momi Bay Resort developers (Matapo Ltd). It has completed two years of the project already.

V & B said commercial banks had been reluctant to provide a loan facility as they needed a sizable amount of finance to carry out the road project.

The road, 11km of full size and high speed and expected to be completed in December 2006.

The New Zealand firm's first project in Fiji was in 1991 when it constructed the 18-hole, international standard Denarau Island golf course.

Since then, it had opened shop in Fiji and in the past two years, spent considerable time upgrading the skills of its local employees.

This had helped in the up-skilling of the local construction industry labour force.

The Bank has become a player in the development of the tourist industry through the Momi Bay Resort development, which will provide hundreds of jobs in the near future.



Training & Development

Training is an integral part of the human resources development. The department has received renewed attention in terms of improved budgetary allocations for training programmes alone. The training department is charged with the responsibility of providing and sourcing specific technical and operations skills training that meet staff needs. The training programme specifics are derived from the training needs of the staff in comparison to the operational needs of the organization.

During the year the department oversaw 60 training programmes. These programmes were conducted locally (in-house and local external) and abroad. Focus area of training included that of environmental governance.

In its attempt to meet current and future challenges of the Bank through its training department had introduced the Executive and Management Development programmes. The primary aim of these programmes is to prepare key and selected staff for succession thus mitigating the risk of skill loss

through attrition in key middle and senior management positions. The programmes will enhance current skills levels as well as introduce staff to modern concepts of development and commercial banking.

Discussions are progressing towards the identification of other training under the two programmes. As a step towards that direction, four middle management staff were identified to attend the Pacific Coast Banking School in Washington, beginning August 2006.

Legal

Security document preparation is handled by this centre, which ensures that all security documents for the Bank are valid and enforceable for the duration of the term for the loan.

The Legal centre's foremost challenge is maintaining a swift turnaround time for preparation of documents for execution. The turnaround time is dependant on correct disclosure of all pertinent information necessary to prepare the documents; this is when strong teamwork between the operational

and support centre is essential for customer satisfaction. The department exercises absolute caution to ensure that all documents are in order.

Another critical function of the centre is to provide legal opinion to all centres. It makes submissions, on behalf of the Bank to Parliamentary Sector Committees on Bills which may have a bearing on the operations of the Bank. During the year, submissions were made on the Amendment to Consumer Credit Act, Audit Amendment Bill and the review of the Public Trustees Act. The passing of the Audit Amendment Bill has resulted in the FDB now being audited by the Auditor General's Office.

In terms of Choice Home Loan facility the Bank experienced a slow down in turn around time as a significant number of customers had used their Fiji National Provident Fund (FNPF) saving as a contribution towards the loan. This delayed disbursement of funds as the FNPF approval had to be sought. A solution was found through a Memorandum of Understanding between the FDB and the FNPF.



CUSTOMER REPORT

CUSTOMER	Tokatoka Nakuruvakarua, Nadroga Province.
CUSTOMER PROJECT	Na Hina Apartments, Suva.
PROJECT INFO.	Real Estate
CUSTOMER COMMENT	Fiji Development Bank has been so helpful and supportive to our Tokatoka in this investment. We are able to offer employment to our youths.

Tokatoka Potential

True to its name, Na Hina Holdings was a beacon of entrepreneurial foresight and business upscaling and expansionism.

Entrepreneurial foresight by a "Tokatoka" (Fijian sub-clan) from Nadroga 30 years ago was the driving force behind the seven-floor Na Hina Apartment Complex.

The current generation of Tokatoka Nakuruvakarua, the Makutus, Vosailagis, Volavolas, Lalabalavus, Drokadavus and Nadrogas could thank their forefathers for such foresight.

The upmarket apartment complex is now the Na Hina Holdings' business flagship and this was only possible after a review and restructure of all the company's assets.

Na Hina Holdings was known as Nakuruvarua Holdings until 1992 when the company consolidated all of its assets.

Before that, its core business was small real estate properties and the asset consolidation allowed all the company's efforts to be concentrated on the Na Hina Apartment Complex project.

The apartment construction began early 2005 and was completed in mid 2006.

The rent at the seven storey 14 apartment complex ranges between \$2,500 to \$5,500 per month.

A swimming pool is located on the seventh floor of the complex.

All apartments are fully furnished and tenants only need to bring their personal belongings with them when moving in.

Each apartment is furnished with beds, LCD TV screens, sofas and kitchen appliances right up to wine glasses.

Corporate Governance at FDB

The Fiji Development Bank believes that good corporate governance, based on fairness, transparency, integrity, disclosure and accountability adds value to the Bank and its business.

Corporate Governance is the system by which the organisation is directed, monitored and controlled. It specifies the distribution of rights, responsibilities and obligations of the different participants in the organisation including the Board, Board sub-committees, individual directors, management, government (as the shareholder) and other stakeholders including employees, customers of the Bank and the community at large.

The Fiji Development Bank believes that good corporate governance adds value to the Bank and its business.

The basic principles of good governance are based on fairness, transparency, integrity, disclosure and accountability.

The Board of FDB

The Board is responsible to shareholders (government) for the governance of FDB and oversees its operations and financial performance. It sets the strategic direction and financial objectives, determines the appropriate risk appetite of the Bank and monitors

operational performance. It also approves the bank's annual budget.

The Board appoints the Chief Executive Officer (CEO) and reviews his performance. The Board on recommendation of the CEO and the HR Committee appoints Senior Executives (General Managers) of the Bank.

The Board strives to achieve a balance of skills, knowledge, experience and perspective among its directors. This is particularly important for the banking sector, as banks have deep relationships with customers across every sector of the economy, and need to understand events in the local and global economy.

The members of the Board of FDB are appointed by the Minister of Finance and operate under the provisions of the Fiji Development Act (FDB Act) Cap 214. The Board meets monthly and are paid Directors Fees as directed by the Ministry of Finance. Directors are also paid a sitting allowance for every sub-committee meetings attended.

Individual directors are required to sign and abide by the Bank's code of conduct, oath of secrecy and to declare any conflict of interest that may arise while fulfilling their duties as Directors of the Bank.

Board Sub-committees

The FDB Board currently has the following sub-committees: ALCO, Audit Committee, HR Committee and Development Charter Committee. Members of the sub-committee are appointed by the Board based on skills, knowledge and experience. Each sub-committee has its own Charter.

ALCO

The Asset Liability Committee sets policy and guidelines for Asset & Liability Management, makes decision and evaluates the treasury function of the Bank which executes these policies and guidelines. ALCO is primarily responsible for setting parameters, policies, procedures and strategic direction for asset and liability management while the task of operations is handled by the Treasury Department.

Audit Committee

The Board Audit Committee has oversight responsibility for the Bank's financial reporting policies, internal control and processes and supervises the Internal Audit function. It is also responsible for the integrity of the Bank's financial reports.

HR Committee

The HR Committee makes recommendation on appointment of CEO and General Managers including assessing their performance. The HR Committee also looks into strategic human resource issues and other major HR matters.

Development Charter Committee

This Committee identifies areas where the bank can actively participate in fulfilling its development charter role.

Management

Executive Committee (EXCO)

Under the leadership and guidance of the Chief Executive Officer, the Executive Committee manages the business of the Bank, implements the strategic and work plans, allocates resources within the budget approved by the Board.

EXCO basically manages the day to day operations of the Bank based on the work plan and strategic

direction and within the budget set by the Board.

Compliance Framework

Internal Audit

The Internal Audit team is responsible for ensuring that the operations of the bank are in compliance with the internal control systems and procedures on the Bank. The Internal Audit team reports directly to the Board Audit Committee with dotted line report to the CEO for administrative purposes only. This ensures the independence of the internal audit team.

External audit

Under the FDB Act and Financial Management Act (FMA), the financial statements of the Bank are required to be independently audited annually. Under the current FMA Act, the Auditor General is the external auditor for the Fiji Development Bank.

Stakeholders

Employees

Employees in carrying out their duties are required to comply with all internal policies and procedures of the Bank.

Non compliance and non performance of employees is dealt with in accordance to the

procedures set out in the Collective Agreement with the Fiji Finance and Banking Employees Union.

Individual employees are required to sign and abide by the Bank's code of conduct, oath of secrecy and to declare any conflict on interest that may arise while fulfilling their duties as employees of the Bank.

The FDB recognises that client data confidentiality is paramount in the Banking industry and has strict guidelines to assure that this is maintained.

Customer

FDB recognises that our customer is our most valuable stakeholders. The Bank strives to maintain the highest customer service as possible. Where a customer believes that they have not been treated fairly, a complaint procedure is in place whereby customers can lodge a written complaint directly to the CEO of the Bank. These complaints are dealt directly by the CEO's office.

Other stakeholders

– Community at large

The FDB believes that it also owes a responsibility to the community at large. It has a Corporate Social Responsibility policy and is currently focused in educating students in financial management and in maintaining our environment.

Corporate Social Responsibility

Corporate institutions have a preference to align sponsorship and charitable activities with their role in the economy and their overall strategic objective; subsequently where it can have the desired impact.

Overview

In recent decades, the responsibility placed on corporate organizations by their stakeholders and the public has undergone change. Corporate organizations are readily solicited for financial sponsorship and donations in community and other programs and this has prompted them to formulate a plan for their community role.

This role is a way of making sure that corporate organizations give back to the nation and its various communities. In doing so, corporate institutions have a preference to align their sponsorship and charitable activities with their role in the economy and its overall strategic objective; subsequently where it can have the desired impact.

This role is viewed from a humanistic point of view where corporate organizations are ensuring their support to the underprivileged in the country. Planning allows a focused approach that can be monitored and measured under an appropriate budget.

All Rounder Scholars Program

The Bank has consciously made strategic decisions in its community role. Its belief is that education spearheads the development of a child, student, scholar, and adult, which, in turn, makes the community socially and financially prosperous.

FDB is one of the sponsors of the University of the South Pacific's All Rounder Scholars program, which enables the country's talented sportspersons to achieve academic qualifications. This program, which is new to Fiji, allows sportspersons to demonstrate that a scholar can have a satisfying sporting career and fulfill his or her livelihood aspirations after leaving sporting life. Such persons can become role models for the community.

The current All Rounder program at USP has already produced results, with the participation of many students in this program in various sports at provincial and national level. The USP rugby team's core was

formed by students under this scholarship program and they had reached the quarter finals of the Suva Rugby Union Club Competition. A Fiji student under this program also made the national Netball team, which is currently preparing for the World Netball Championships host for next year.

The Fiji Rugby Union is even making use of the facilities at USP - used by All Rounder program students - to prepare its national Sevens team for the International Rugby Board World Sevens Series, which starts at the end of this year.

The Bank has made a commitment to sponsor this program for the next three years.

Facilitating Community / Business Forums

Business forums are becoming the norm in Fiji's economy whereby business issues of national importance are heard and deliberated on. The emergence of national fraternities, whether



professional or business, is a positive one. They are able to strengthen their network collectively to benefit the majority of its members. This gives them strong national representation for policy and business negotiations. The FDB sponsors selected programs because it believes that dialogue generates information sharing and transparency that is essential for enlightened decision making.

As a sponsor, the Bank regularly participates in relevant forums to share information on its requirements as the FDB's financial development role is unlike that of other financial institutions.

Such forums offer feedback on FDB's policies and procedures, serving as a vital link between the borrower and lender for new product needs and reviews, service delivery and others. In order to remain abreast of movements in investment development, interaction is an essential means of gauging customer demands and preferences.

Charitable Programs

Demands for supporting the less fortunate causes in the community have increased. Natural disasters and societal problems have given rise to and increase in the number of assistance from charitable concerns. The most vulnerable are the very young and the older citizens of the community; the Bank believes that corporate organizations have a significant role to play in offering quality life to deprived persons and those institutionalized due to physical or mental impairments. Financial assistance to worthy groups such as the Red Cross and other non-government organizations is important. Such programs have been given financial assistance during the year. These organizations provided relief and financial help to the victims of the recent floods that hit the Central Division last year. Other NGOs helped in ensuring that the destitute received financial or in-kind donations.

The FDB has actively supported the 'Happy Home' project, which was

initiated by the Social Welfare Ministry to accommodate and provide a respectable future for neglected small children. They deserve equal opportunities in life. This project has full-time employees looking after children and counsellors are also employed to allow the children to grow up knowing they have support despite being separated from their parents and homes.

Small Business Awards

In 2004, the FDB launched the first Small Business Awards to promote Small and Micro Enterprise (SME) development in Fiji, with emphasis on new initiatives that make use of and add value to local resources. Since then, this has become an annual event in the Bank's calendar.

The FDB believes that these businesses are the foundation of the bigger enterprises which drive the economy. SMEs contribute more than half of the labour force and therefore need support from all stakeholders in the provision of an enabling environment, which ranges from market, infrastructure,



Fashion Potential

Couturier or fashion designing is a viable business in Fiji and has its own niche market. Those who prefer not to buy clothes off the rack can choose a couturier who will blend their own design to produce personal custom-made garments.

There is a distinct difference between a person who stitches clothes for the best fit and a couturier who designs unique outfits.

Hupfeld Hoerder is one such couturier who has a flair for creating unique garments. He participated in the FDB 2005 Small Business Award and won the overall prize of Small Business Entrepreneur of the Year.

“My passion is merging contemporary local and overseas fibers with authentic Fijian fibers influenced by Melanesian and Polynesian designs and themes so that those who buy my designs have something that is completely made in Fiji,” he said.

business management skills, appropriate technology, a suitable regulatory framework and other assistance.

The awards have been successful in reaching SME operations throughout the economy, from agricultural to commercial operations. Assessment of projects submitted for these awards in the past, shows absence of business and money management skills in SMEs, and this is one of the main reasons for small business failures in Fiji. Addressing this shortcoming will be difficult. Those involved in SME operations generally have a low academic ranking. As a requisite to loan funds, they participate in short business learning workshops; never the less for many the training proves inadequate in the actual business

environment. This aspect of small business loans is of concern.

The FDB had thus decreased the criteria requirements for those who entered this year's awards. This was done to ensure that more people could enter the awards, but most importantly, increase their knowledge of how to run their businesses properly. The Bank provided support officers at its various branches to allow aspiring businessmen who wanted to enter this year's Small Business Awards to guide them on how to improve their businesses in order to enter the awards. This meant the formulation of business plans, proper bookkeeping and other operational aspects of their businesses. The FDB hopes this would also mean that businessmen

and women would take the knowledge to heart and adopt it as one of their business practices.

As part of the long-term education process, the FDB also initiated and sponsored a program with the Ministry of Education to introduce money management skills to high school students from 2007. The FDB is excited about this program, which over a long period, will inculcate good spending habits and money management knowhow among the younger generation.

Future Programs

In echoing earlier sentiments that education is the key to a prosperous future, the FDB plans to pursue educational programs on the environment soon.



CUSTOMER REPORT

CUSTOMER	Chandra Lekha.
CUSTOMER PROJECT	Chandra Lekha Dairy Farm, Vunidawa, Naitasiri.
PROJECT INFO.	Agriculture
CUSTOMER COMMENT	Chandra Lekha believes that to remain in business, one should be absolutely committed and always look at the positive side. "If I can manage a business, others can too," she said.

Dairy Potential

The dairy sector is a critical agriculture growth area which needs strong support of the government to make Fiji self sufficient in dairy products. The FDB has developed a specific policy to improve production in this sector.

» The year 1993 was the most testing year for Chandra Lekha. Within the space of a few months, she lost her husband, leaving her to raise their two children. Then Cyclone Kina devastated the family's farm. In the cyclone, 40 cows were swept away and the farm house and buildings were badly damaged.

She left the 87-acre farm to take a break and returned a year later

with much determination to stand on her own feet. "After one year, I came back to my farm and decided to start again. I did not want to rely on others and made up my mind to look after myself," she said.

Chandra Lekha took a loan from the Bank to repair the farm infrastructure and bought 10 head of cattle to recommence the dairy operation. She has not looked back.

Mrs Lekha now owns 31 cows, providing 230 litres of milk daily. She employs two labourers and a few casual workers. The weekly payment she receives for her dairy products provides her with a good income.

Chandra Lekha believes that to remain in business, one should be absolutely committed and always look at the positive side. "If I can manage a business, others can too," she said.

Fiji Development Bank's market share into selected sectors

NOTE:

Fiji total refers to total loans and advances outstanding by all commercial banks and the Fiji Development Bank as at 30 June 2006. The Bank's market share into selected sectors are highlighted below.

The FDB Total is inclusive of Staff Loans and Loans to the Fiji Government.

Historical Performance

	Fiji Total		FDB Total		FDB as % of Fiji Total	
	No.	(\$000)	No.	(\$000)	No.	(\$)
Total Loans & Advances	78,292	2,603,478	5,061	393,242	6.5	15.1
Agriculture	2,615	60,111	1,698	35,756	64.9	59.5
Sugar cane growing	1,536	8,542	825	5,544	53.7	64.9
Fisheries	234	13,215	186	2,078	79.5	15.7
Livestock	116	14,876	83	10,180	71.6	68.4
Manufacturing	862	255,360	162	0,911	18.8	8.2
Woodwork/furniture	71	23,297	16	6,005	22.5	25.8
Building/Construction	482	224,666	74	56,949	15.4	25.3
Hotels/tourism related	100	137,380	17	37,488	17.0	27.3
Real Estate (development)	493	294,348	236	109,885	47.9	37.3
Wholesale/Retail	2,023	598,535	844	59,532	41.7	9.9
Transport & Storage	1,001	99,959	523	27,178	52.2	27.2
Profess/Business Services	750	73,904	204	8,391	27.2	11.4
Private Individuals	69,107	784,481	1,215	47,100	1.8	6.0
Private home loans	8,979	628,940	827	42,508	9.2	6.8



Financial Contents

Fiji Development Bank financial statements for the year ended 30th June, 2006.

▶▶ Directors' Report	34
Independent Audit Report	35
Balance Sheet	36
Income Statement	37
Statement of Changes in Equity	38
Consolidated Statement of Cash Flows	39
Notes to and Forming Part of the Financial Statements	40-55

The directors presented their report together with the financial statements of Fiji Development Bank ("the Bank") and the consolidated financial statements of the Group, being the Bank and its subsidiary company for the year ended 30 June 2006 and the auditors' report thereon.

In the opinion of the directors:

There were no significant changes in the state of affairs of the Bank or the Group that occurred during the financial year under review not otherwise disclosed in this report or the financial statements; and

The accompanying balance sheets and the statements of changes in equity give a true and fair view of the state of affairs of the Bank and the Group as at 30 June 2006 and the accompanying income statements, statements of changes in equity and statements of cash flows give a true and fair view of the results and cash flows of the Bank and the Group for the year then ended.

Principal Activities

The principal activities of the Bank during the course of the financial year were providing finance, financial and advisory services to assist in the development of agriculture, commerce and industry in Fiji. There were no significant changes in the nature of the activities of the Bank during the year.

Result

The consolidated operating profit after income tax expense for the year ended 30 June 2006 was \$5,345,755 (2005 – \$1,911,347).

Reserves

The directors recommend that no amounts be transferred to or from reserves.

Dividends

The directors recommend that no dividends be declared or paid.

Events Subsequent to Balance Date

There has not arisen in the interval between the end of the financial year and the date of this report any item or transaction of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Bank or its subsidiary company, the results of those operations or the state of affairs of the Bank or its subsidiary company in subsequent financial years.

Dated at Suva this 27th day of February 2007.

Signed in accordance with a resolution of the directors:



Director



Director



8th Floor, Ratu Sukuna House,
MacArthur Street,
P.O.Box 2214,
Government Buildings,
Suva, Fiji Islands.

REPUBLIC OF THE FIJI ISLANDS

OFFICE OF THE AUDITOR GENERAL

ACCOUNTABILITY IN THE PUBLIC SECTOR THROUGH QUALITY AUDIT SERVICES



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Scope

I have audited the financial statements of the Fiji Development Bank for the financial year ended 30 June 2006 in accordance with the provisions of section 52 of the Finance Management Act 2004 and section 3 of the Audit (Amendment) Act 2006. The consolidated financial statements consist of the Balance Sheet, Income Statement, Statement of Changes in Equity, Statement of Cash Flows and accompanying notes as set out on pages 40 to 55. The financial statements comprise of the financial statements of the Bank and the consolidated financial statements of the Group, being the Bank and its subsidiary. The Bank's directors are responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Bank.

My audit has been conducted in accordance with Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatement. My procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion, as to whether, in all material aspects, the financial statements are presented fairly in accordance with Fiji Accounting Standards and statutory requirements which is consistent with my understanding of the Bank's and the Group's financial position and the results of their operations and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion:

- (a) proper books of account have been kept by the Bank and the Group, so far as it appears from my examination of those books; and
- (b) the accompanying financial statements which have been prepared in accordance with Fiji Accounting Standards:
 - (i) are in agreement with the books of account;
 - (ii) to the best of my information and according to the explanations given to me:
 - (a) give a true and fair view of the state of affairs of the Bank and the Group as at 30 June 2006 and of the results, cash flows and changes in equity of the Bank and the Group for the year ended on that date;
 - (b) give the information required by Section 35 of the Fiji Development Bank Act in the manner so required.

I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of my audit.

Eroni Vatuloka
Auditor-General

5 March, 2007
Suva, Fiji





Balance Sheet.

Fiji Development Bank and its subsidiary company. | As at 30 June 2006.

	Note	Consolidated		The Bank	
		2006 \$	2005 \$	2006 \$	2005 \$
Capital and reserves					
Capital	2	56,050,636	56,050,636	56,050,636	56,050,636
Reserves	3	8,613,459	8,835,395	8,613,459	8,835,395
Accumulated profits		24,756,189	19,188,498	24,752,689	19,184,102
Total capital and reserves		89,420,284	84,074,529	89,416,784	84,070,133
Non-current liabilities					
Borrowings	4	227,048,034	178,826,146	227,048,034	178,826,146
Provisions	5	746,271	948,212	746,271	948,212
Total non-current liabilities		227,794,305	179,774,358	227,794,305	179,774,358
Current liabilities					
Borrowings	4	71,116,703	40,615,534	71,116,703	40,615,534
Provisions	5	439,078	454,793	439,078	454,793
Accounts payable and accruals	6	3,509,071	2,534,943	3,508,993	2,526,346
Other liabilities	7	2,343,899	1,786,804	2,343,899	1,786,804
Total current liabilities		77,408,752	45,392,074	77,408,673	45,383,477
Total Liabilities, Capital and Reserves		394,623,341	309,240,961	394,619,762	309,227,968
Commitments and contingent liabilities	8				
Non-current assets					
Loans and advances	10	292,052,253	251,805,182	292,052,253	251,805,182
Property, plant and equipment	11	12,136,131	12,693,996	12,136,131	12,693,996
Investment in subsidiary	12	-	-	20,000	20,000
Investments	13	1,735,251	50,251	1,735,251	50,251
Land held for resale	14	338,943	289,087	338,943	289,087
Total non-current assets		306,262,578	264,838,516	306,282,578	264,858,516
Current assets					
Cash		18,483,460	13,747,323	18,405,051	13,594,468
Amounts due from subsidiary	9	-	-	81,185	195,208
Loans and advances	10	65,711,407	28,203,892	65,711,406	28,203,892
Other debtors	15	4,165,896	2,451,230	4,139,542	2,375,884
Total current assets		88,360,763	44,402,445	88,337,184	44,369,452
Total Assets		394,623,341	309,240,961	394,619,762	309,227,968

On behalf of the Board

Director

Director



Income Statement.

Fiji Development Bank and its subsidiary company. For the year ended 30 June 2006.

	Note	Consolidated		The Bank	
		2006 \$	2005 \$	2006 \$	2005 \$
Income					
Income from loans:					
Interest	16	30,555,541	25,230,882	30,554,579	25,228,926
Fees		3,606,041	2,972,759	3,606,041	2,972,759
Other income	17	2,866,237	2,705,553	2,799,737	2,705,553
Total Income		37,027,819	30,909,194	36,960,358	30,907,238
Expenses					
Interest and other borrowing expenses	18	10,135,228	7,969,823	10,135,228	7,969,823
Administrative expenses	18	11,469,345	11,526,282	11,400,988	11,524,421
Total Expenses		21,604,573	19,496,105	21,536,216	19,494,244
Operating Profit before Provisions		15,423,246	11,413,089	15,424,142	11,412,994
Doubtful loans and advances	10	10,077,491	9,691,437	10,077,491	9,691,437
Diminution in investments	13	-	(189,695)	-	(189,695)
Operating Profit before Income Tax Expense		5,345,755	1,911,347	5,346,651	1,911,252
Income tax expense	1(k)	-	-	-	-
Operating Profit after Income Tax		5,345,755	1,911,347	5,346,651	1,911,252

The Income Statement is to be read in conjunction with the Notes to and Forming Part of the Financial Statements set out on pages 40 to 55.

Statement of Changes in Equity.

Fiji Development Bank and its subsidiary company. *For the year ended 30 June 2006.*

	CONSOLIDATED				
	Capital \$	Revaluation reserve \$	General reserve \$	Accumulated profits \$	Total \$
Balance at 30 June 2004	56,050,636	6,335,395	2,500,000	17,277,151	82,163,182
Net profit for the year	-	-	-	1,911,347	1,911,347
Balance at 30 June 2005	56,050,636	6,335,395	2,500,000	19,188,498	84,074,529
Net profit for the year	-	-	-	5,345,755	5,345,755
Effect of sale of revalued assets	-	(221,936)	-	221,936	-
Balance at 30 June 2006	56,050,636	6,113,459	2,500,000	24,756,189	89,420,284

	THE BANK				
	Capital \$	Revaluation reserve \$	General reserve \$	Accumulated profits \$	Total \$
Balance at 30 June 2004	56,050,636	6,335,395	2,500,000	17,272,850	82,158,881
Net profit for the year	-	-	-	1,911,252	1,911,252
Balance at 30 June 2005	56,050,636	6,335,395	2,500,000	19,184,102	84,070,133
Net profit for the year	-	-	-	5,346,651	5,346,651
Effect of sale of revalued assets	-	(221,936)	-	221,936	-
Balance at 30 June 2006	56,050,636	6,113,459	2,500,000	24,752,689	89,416,784

The Statement of Changes in Equity is to be read in conjunction with the Notes to and Forming Part of the Financial Statements set out on pages 40 to 55.



Consolidated Statement of Cash Flow.

Fiji Development Bank and its subsidiary company. | For the year ended 30 June 2006.

		2006	2005
	Note	\$ Inflows (Outflows)	\$ Inflows (Outflows)
Cash Flows from Operating Activities			
Interest and subsidy received		32,785,251	29,296,341
Interest and other costs of borrowing paid		(9,306,300)	(7,717,128)
Fees received		3,606,041	2,972,759
Cash paid to suppliers and employees		(9,483,002)	(14,509,478)
Other receipts		537,542	1,852,461
Net cash provided by operating activities	23 (ii)	18,139,532	11,894,955
Cash Flows from Investing Activities			
Proceeds from the sale of investments		-	225,000
Payments for investments		(1,685,000)	-
Customer loans granted		(159,626,000)	(134,045,000)
Customer loans repaid		70,373,954	77,689,926
Payments for property and equipment		(695,842)	(396,981)
Receipts from disposal of property and equipment		584,281	120,873
(Payments)/Receipts for land held for resale		(49,856)	(48,459)
Net cash (used in)/provided by investing activities		(91,098,463)	(56,454,641)
Cash Flows from Financing Activities			
Proceeds from long-term borrowings		50,448,241	80,897,404
Repayment of long-term borrowings		(32,869,282)	(35,150,459)
Net increase in short-term borrowing		60,116,109	(4,943,729)
Net cash provided by/(used in) financing activities		77,695,068	40,803,216
Net increase in cash held		4,736,137	(3,756,470)
Cash at the beginning of the financial year		13,747,323	17,503,793
Cash at the end of the financial year	23 (i)	18,483,460	13,747,323

The Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to and Forming Part of the Financial Statements set out on pages 40 to 55.

I Statement of Significant Accounting Policies

Fiji Development Bank is a fully owned Government of Fiji (“Government”) entity domiciled in Fiji. The consolidated financial statements of the Bank for the year ended 30 June 2006 comprise the Bank and its subsidiary company. The financial statements were authorised for issue by the directors on 31 October, 2006.

The significant policies which have been adopted in the preparation of these financial statements are:

(a) Basis of accounting

The financial statements of the Bank and the Group have been drawn up in accordance with the accounting standards and disclosure requirements of the Fiji Institute of Accountants and the requirements of law. Unless otherwise stated, the financial statements have been prepared under the historical cost convention and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied.

The financial statements are presented in Fiji dollars rounded to the nearest dollar.

(b) Principles of consolidation

The consolidated financial statements of the Group include the financial statements of the Bank being the chief entity and its controlled entity as disclosed in Note 12.

The balances and effects of transactions between the Bank and the controlled entity have been eliminated.

(c) Revenue recognition

Interest income

Interest income on investments, loans and advances is recognised as it accrues. Interest on impaired loans is recognised as income only when received.

Unearned interest on lease finance is brought into account at the time of realisation.

Government interest subsidies

Government provides interest subsidies on certain loans schemes. These interest subsidies are recognised as interest income as they accrue.

Fees and charges

Fees and charges are brought to account when they are earned. Fees on impaired loans are recognised as income only when received.

(d) Borrowings

Bonds

FDB registered bonds are recorded at face value. The discount on these bonds is amortised on a straight-line basis over the term of the bond to which it relates. Borrowing costs are recognised as expenses in the period in which they are incurred.

(e) Property, plant and equipment

Acquisition

Items of property, plant and equipment are recorded at cost and depreciated as outlined below. Items purchased at less than \$500 are expensed.

Revaluation

The directors have adopted a policy of obtaining regular independent valuations for the Bank's properties on an existing use basis of valuation. The authority and frequency of any revaluation made is solely at the discretion of the Board of Directors.

All other items of property, plant and equipment are carried at cost less accumulated depreciation.

Depreciation

Property, plant and equipment with the exception of freehold and leasehold land are written off over their expected useful lives using the straight-line method of depreciation at the following rates, whilst leasehold improvements are amortised over the shorter of their useful lives and the terms of their respective leases.

Buildings and improvements	1.25%
Plant, equipment, furniture and fittings	10%
Motor vehicles	20%
Computer hardware and software	20%

(f) Loans and advances

Loans and advances net of lending provisions include direct finance provided to customers such as term loans, lease finance, working capital and import letter of credits.

Term loans are carried at principal balances outstanding plus interest accrued. Finance leases are shown net of unearned interest.

Policies adopted in classifying loans

Each customer account is graded individually using established guidelines. Critical factors include collectibility of all principal and interest based on the contractual agreement and the security offered by the borrower.

Impaired assets

The Bank has disclosed components of its loan portfolio that have been classified as impaired assets. The following broad categories have been used in classifying impaired assets:

Non-accrual loans

A loan is classified as non-accrual if there is reasonable doubt over the ultimate recoverability of the principal or interest based on the contractual agreement. Non accrual loans are those where interest and fees receivable, are not realised in the income statement but are recognised only when received.

Restructured loans

Restructured loans are those where the original terms of the contract have been modified to provide concessions of principal and/or interest to the borrower because of financial difficulties

Past due loans

Facilities that are classified under past due are loans that are more than 30 days in arrears but which are not non-accrual.

(g) Bad and doubtful loans and advances

Loan accounts are reviewed throughout the year to assess the provision for bad and doubtful loan requirements.

The collectibility of loans and advances is assessed and specific provision is made for any doubtful accounts. The determination of the amount of specific provision is based on many factors including credit evaluation of the borrowers, value of security and collateral held, current economic conditions and past experience.



1 Statement of Significant Accounting Policies

(g) Bad and doubtful loans and advances - cont.

All known bad debts are written off against the provision in the year in which they are classified as irrecoverable.

Specific provisions

Specific provision is maintained to cover identified doubtful debts. All known bad debts are written off in the year in which they are identified. The specific provision requirement (representing new and increased specific provisions less specific releases) is transferred from the general provision to the specific provision.

Recoveries, representing excess transfers to the specific provision, are credited to the general provision.

Unallocated specific provisions

An unallocated specific provision is maintained by the Bank on loans graded substandard and below. This policy is in accordance with the Reserve Bank of Fiji's minimum provisioning guidelines.

General Provision

The annual charge against profits for bad and doubtful debts reflects new general provisions.

General Provision is maintained on all loans based on the Credit Risk Rating "(CRR)" and is allocated monthly to reflect the highest risk. The general provision is based on a percentage and is reviewed on a yearly basis.

(h) Investments

Investments are those that the Bank has purchased with positive intent and ability to hold until maturity. These securities are recorded at cost or at cost adjusted for amortisation of premium or discounts. Premiums and discounts are capitalised and amortised from date of purchase to maturity. Interest income is accrued.

Equity investments in companies that are not subsidiaries are carried at the lower of cost and net realisable value. Marketable equity securities are valued at the lower of cost and market value.

(i) Transactions in foreign currencies

Borrowings and amounts payable in foreign currencies have been translated to Fiji dollars at the exchange rates ruling at balance date. Exchange gains and losses whether realised or unrealised, for which exchange risk cover has not been provided by the Government, are recognised in full in the income statement.

Exchange risk cover is provided by the Government on all offshore borrowings of the Bank, with the exception of a loan from the European Investment Bank.

(j) Land held for sale

The Cane Estate and other land held for subdivision and resale are carried at the lower of cost and net realisable value. Cost includes the costs of acquisition and development.

(k) Taxation

The Bank has made no provision for taxation, as it is not subject to income tax in accordance with section 17(29) of the Income Tax Act 1985. The Bank's subsidiary adopts the principles of tax effect accounting.

(l) Employee entitlements

Annual leave

The provision for annual leave represents the amount which the Bank has a present obligation to pay, resulting from employees' services provided up to the balance date. The provision is based on current wage and salary rates and includes related on-costs. The number of employees as at 30 June 2006 was 211 (2005: 207).

Long service leave

The liability for employees' entitlements to long service leave represents the amount payable to employees, based on current wage and salary rates, for services provided up to balance date. The provision for long service leave increases according to the number of years of service completed by the employee.

Gratuity

The provision for gratuity represents amounts payable to employees who have achieved in excess of the minimum ten years of service on retirement, and is based on current wage and salary rates.

Triennial leave allowance

The triennial leave allowance is payable to employees on completion of every three years of service and is based on staff's grade.

(m) Capital grants from Government

Capital grants received from Government are credited directly to equity.

2 Capital

Authorised capital
Contributed capital

CONSOLIDATED		THE BANK	
2006 \$	2005 \$	2006 \$	2005 \$
100,000,000	100,000,000	100,000,000	100,000,000
56,050,636	56,050,636	56,050,636	56,050,636

Contributed capital consists of equity contribution from the Government of Fiji.

3 Reserves

Asset revaluation reserve

Balance at beginning of year
Prior year revaluation realised on sale of land & buildings transferred to accumulated profits

Balance at the end of the year

General reserve

Balance at beginning of year
Transfer from/(to) accumulated profits

Balance at the end of the year

Total reserves

CONSOLIDATED		THE BANK	
2006 \$	2005 \$	2006 \$	2005 \$
6,335,395	6,335,395	6,335,395	6,335,395
(221,936)	-	(221,936)	-
6,113,459	6,335,395	6,113,459	6,335,395
2,500,000	2,500,000	2,500,000	2,500,000
-	-	-	-
2,500,000	2,500,000	2,500,000	2,500,000
8,613,459	8,835,395	8,613,459	8,835,395



Notes to and Forming Part of the Financial Statements.

Fiji Development Bank and its subsidiary company. | For the year ended 30 June 2006.

4 BORROWINGS

Non-current

Local borrowings

Foreign borrowings

Current

Local borrowings

Foreign borrowings

	CONSOLIDATED		THE BANK	
	2006 \$	2005 \$	2006 \$	2005 \$
Local borrowings	227,048,034	178,097,828	227,048,034	178,097,828
Foreign borrowings	-	728,318	-	728,318
	227,048,034	178,826,146	227,048,034	178,826,146
Local borrowings	71,116,703	40,567,083	71,116,703	40,567,083
Foreign borrowings	-	48,451	-	48,451
	71,116,703	40,615,534	71,116,703	40,615,534
	298,164,738	219,441,680	298,164,738	219,441,680

FDB Registered bonds-face value

Less: Unamortised discount

Short term borrowings

Staff savings accounts

Total local borrowings

Total foreign borrowings

Total borrowings

	CONSOLIDATED AND THE BANK		Repayment	Security
	2006 \$	2005 \$		
	227,050,000	208,745,000	Maturity varying 1 -11 years	Guaranteed by Govt. of Fiji
	1,966	2,172		
	227,048,034	208,742,828		
	70,038,192	9,000,000	Maturity less than 1 year	Guaranteed by Govt. of Fiji
	1,078,511	922,083	At call	
	298,164,738	218,664,911		
	-	776,769	Maturity varying up to 15 years	
	298,164,738	219,441,680		

	CONSOLIDATED		THE BANK	
	2006 \$	2005 \$	2006 \$	2005 \$
5 Provisions				
Non-current				
Provision for gratuity	453,873	488,616	453,873	488,616
Provision for long service leave	240,130	400,060	240,130	400,060
Provision for triennial leave	52,268	59,536	52,268	59,536
	746,271	948,212	746,271	948,212
Current				
Provision for annual leave	439,078	454,793	439,078	454,793
	439,078	454,793	439,078	454,793
Total provisions	1,185,349	1,403,005	1,185,349	1,403,005
6 Accounts Payable and Accruals				
Interest accruals	2,859,303	1,979,504	2,859,303	1,979,504
Others	649,768	555,439	649,690	546,842
	3,509,071	2,534,943	3,508,993	2,526,346
7 Other liabilities				
Small Business Equity Scheme	(247,347)	446,458	(247,347)	446,458
Seed Capital Fund	2,399,761	1,340,346	2,399,761	1,340,346
Northern Rehabilitation Scheme	(108,515)	-	(108,515)	-
Farmers Assistance Scheme	300,000	-	300,000	-
	2,343,899	1,786,804	2,343,899	1,786,804

The Small Business Equity Scheme ("SBES") is financed by the Government of Fiji to assist in the funding of the equity contribution of loans for small businesses. The SBES balances that are not utilised are repayable to the Government.

Seed Capital Fund is a revolving fund from the Government of Fiji for lending to specialised business activities in forestry, fishing and eco-tourism. Principal repayments for the seed capital loans are added back to the initial fund for re-lending. Seed Capital Fund amounts that are not utilised are repayable to the Government.

8 Commitments and Contingent Liabilities

- (a) Commitments
 (i) Capital commitments
 (ii) Loans approved but not disbursed
- (b) Contingent liabilities
 (i) Guarantees
 (ii) Litigation

CONSOLIDATED AND THE BANK

	2006 \$	2005 \$
	-	-
	74,250,762	69,332,395
	74,250,762	69,332,395
	2,290,534	2,393,854

The Bank has claims by former customers and a former employee for specified and unspecified losses or damages relating to actions taken by the Bank in the normal course of operations. The directors and management of the Bank deny these claims, or are defending these claims rigorously and are of the opinion that these claims will be unsuccessful.

9 Amounts Due From Subsidiary

FDB Nominees Ltd

Note	Consolidated		The Bank	
	2006 \$	2005 \$	2006 \$	2005 \$
19	-	-	81,185	195,208

10 Loans and advances

Current

Less: Interest and fees suspended

	CONSOLIDATED		THE BANK	
	2006 \$	2005 \$	2006 \$	2005 \$
	100,633,884	73,289,474	100,633,884	73,289,474
	2,285,687	6,479,127	2,285,687	6,479,127
	98,348,197	66,810,347	98,348,197	66,810,347
Provision for doubtful debts	32,636,791	38,606,455	32,636,791	38,606,455
	65,711,406	28,203,892	65,711,406	28,203,892

Non-current

Total loans and advances

Provision for doubtful debts is represented as follows:

Specific provision

Balance at the beginning of the year

Charge to the income statement

	20,845,272	29,540,240	20,845,272	29,540,240
	-	-	-	-
	20,845,272	29,540,240	20,845,272	29,540,240

Transfer to General Provision

	2,077,739	3,995,639	2,077,739	3,995,639
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Written off as bad debts against provision for doubtful debts

	22,923,011	33,535,879	22,923,011	33,535,879
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Balance at the end of the year

	(18,998,627)	(12,690,607)	(18,998,627)	(12,690,607)
	3,924,384	20,845,272	3,924,384	20,845,272

Unallocated specific provision

Balance at beginning of year

Charge/(credit) to the income statement

	7,632,396	5,564,074	7,632,396	5,564,074
	-	2,068,322	-	2,068,322

Balance at the end of the year

	7,632,396	7,632,396	7,632,396	7,632,396
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General provision

Balance at beginning of year

Charge/(credit) to the income statement

	10,128,787	2,959,373	10,128,787	2,959,373
	10,077,491	7,623,115	10,077,491	7,623,115

	20,206,278	10,582,488	20,206,278	10,582,488
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Transfer to Specific Provision

	(1,265,086)	(3,058,517)	(1,265,086)	(3,058,517)
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	18,941,192	7,523,971	18,941,192	7,523,971
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Bad debt recovered

	2,138,818	2,604,816	2,138,818	2,604,816
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Balance at the end of the year

	21,080,011	10,128,787	21,080,011	10,128,787
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Total provision for doubtful debts

	32,636,791	38,606,455	32,636,791	38,606,455
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Notes to and Forming Part of the Financial Statements.

Fiji Development Bank and its subsidiary company. | For the year ended 30 June 2006.

11 Property, Plant And Equipment

Cost

Balance at beginning of the year
Acquisitions during the year
Disposals

Balance at end of the year

Accumulated depreciation

Balance at beginning of the year
Depreciation charge for the year
Disposals

Balance at end of the year

Carrying amount

Balance at beginning of year

Balance at end of the year

CONSOLIDATED AND THE BANK

	Land and buildings \$	Plant and equipment \$	Fixtures and fittings \$	Total \$
Balance at beginning of the year	11,857,037	4,893,228	1,168,118	17,918,383
Acquisitions during the year	562,123	449,276	125,392	1,136,791
Disposals	(468,642)	(250,528)	-	(719,170)
Balance at end of the year	11,950,518	5,091,976	1,293,510	18,336,005
Balance at beginning of the year	1,700,088	3,289,687	675,563	5,665,338
Depreciation charge for the year	220,858	533,452	82,712	837,022
Disposals	(53,702)	(248,784)	-	(302,486)
Balance at end of the year	1,867,244	3,574,355	758,275	6,199,874
Balance at beginning of year	10,156,949	1,603,541	492,555	12,253,045
Balance at end of the year	10,083,275	1,517,621	535,235	12,136,131

12 Investment In Subsidiary

FDB Nominees Limited - at cost

CONTRIBUTION TO GROUP RESULTS		BOOK VALUE	
2006 \$	2005 \$	2006 \$	2005 \$
(896)	95	20,000	20,000

The Bank has 100% beneficial interest in the ordinary share capital of the subsidiary company which is incorporated in Fiji.

13 Investments

Shares in companies - at cost
Less: Provision for diminution in value

Provision for diminution in investments is represented as follows:

Balance at the beginning of the year
Charge to the income statement

Balance at the end of the year

CONSOLIDATED		THE BANK	
2006 \$	2005 \$	2006 \$	2005 \$
6,634,541 (4,899,290)	4,949,541 (4,899,290)	6,634,541 (4,899,290)	4,949,541 (4,899,290)
1,735,251	50,251	1,735,251	50,251
4,899,290 -	5,088,985 (189,695)	4,899,290 -	5,088,985 (189,695)
4,899,290	4,899,290	4,899,290	4,899,290

14 Land Held For Resale

Nasarawaqa Estate

Cost
Less: Provision for diminution in value

Contributions to project

Cane Estate

Cost
Other expenses capitalised

Less: Provision for diminution in value

CONSOLIDATED		THE BANK	
2006 \$	2005 \$	2006 \$	2005 \$
99,426 (51,950)	99,426 (51,950)	99,426 (51,950)	99,426 (51,950)
47,476 (4,395)	47,476 (3,245)	47,476 (4,395)	47,476 (3,245)
43,081	44,231	43,081	44,231
1,000,000 195,862	1,000,000 144,856	1,000,000 195,862	1,000,000 144,856
1,195,862 900,000	1,144,856 900,000	1,195,862 900,000	1,144,856 900,000
295,862	244,856	295,862	244,856
338,943	289,087	338,943	289,087

	CONSOLIDATED		THE BANK	
	2006 \$	2005 \$	2006 \$	2005 \$
15 Other Debtors				
Government interest subsidies	799,110	530,340	799,110	530,340
Government guarantees:				
- Fijian loans scheme	2,682,174	1,551,973	2,682,174	1,551,973
Other	684,612	368,917	658,258	293,571
	4,165,896	2,451,230	4,139,542	2,375,884
16 Interest Income				
Included in interest income are interest subsidies received / receivable from the Government for:				
- Agricultural loans	391,953	347,774	391,953	347,774
- Commercial Loans to Fijians scheme	2,504,994	2,014,957	2,504,994	2,014,957
- Economic Rehabilitation Package Scheme	367,744	480,156	367,744	480,156
- Small Business Scheme	207,684	138,322	207,684	138,322
- Northern Rehabilitation Package	287,768	55,081	287,768	55,081
	3,760,144	3,036,290	3,760,144	3,036,290
17 Other Income				
The following items are included in other income:				
Gain on sale of fixed assets	179,419	86,418	179,419	86,418
Gain on sale of investments	-	35,305	-	35,305
Legal fee income	892,112	-	892,112	-
Insurance commission	221,834	-	221,834	-
Recoveries on bad and doubtful debts	-	2,604,816	-	2,604,816
Rental income	478,395	462,835	478,395	462,835
18 Expenses				
Exchange losses included in interest expense	370,075	10,868	370,075	10,868
Items included in administrative expenses:				
Amortisation of bond discounts	1,966	2,172	1,966	2,172
Auditors' remuneration	47,017	37,964	45,396	36,300
Directors' fees	118,065	189,028	118,065	189,028
Depreciation	837,022	852,209	837,022	852,209
Loss on disposal of fixed assets	11,822	-	11,822	-
Employee costs	6,802,563	6,482,623	6,802,563	6,482,623

19 Related Party Transactions

Transaction with Directors

Loans amounting to \$1,277,750.78 (2005: \$476,656.70) to certain companies with directors interest are included in "Loans and Advances" (refer note 10) . The loans were provided under normal terms and conditions.

Other related party transactions

During the year ended 30 June 2006, the total management fees received or receivable by the Bank from its subsidiary, FDB Nominees Limited in respect of services provided to the company, amounted to \$81,185 (2005: \$195,208). All transactions with the related party are on normal commercial terms and conditions.

The Bank has a related party relationship with Software Factory Limited. During the financial year ended 30 June 2006, the Bank rented space to Software Factory Limited and the total amount of rental income earned from related party during the year was \$14,063.

20 Credit Risk Concentration

The Bank lends to various industry sectors. The concentration of credit risk in relation to these industry sectors is set out below:

Industry	2006 \$	2005 \$
Agro-industry	68,580,231	85,002,823
Financial institution	3,608,854	1,207,787
Infrastructure	568,003	484,179
Manufacturing	13,846,635	12,770,896
Mining & quarrying	1,149,183	686,573
Professional & business services	27,816,681	13,959,719
Real estate	150,689,793	104,023,118
Tourism	50,899,343	34,618,819
Transport	22,478,558	20,238,655
Wholesale, retail, restaurant	51,002,525	49,086,290
Leasing	2,046,331	3,015,797
	392,686,137	325,094,656

**21 Maturity Analysis**

The following analysis of monetary assets and liabilities is based on contractual terms. The majority of longer term loans are variable rate products.

2006 CONSOLIDATED (\$'000)

	At call	1 day to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Specific provision	Total
Assets	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash	18,481	-	-	-	-	-	18,481
Loans	4,213	42,506	53,915	148,935	143,117	(3,924)	388,762
Total	22,694	42,506	53,915	148,935	143,117	(3,924)	407,243
Liabilities							
Borrowings	1,079	44,279	53,557	145,590	53,660	-	298,165
Total	1,079	44,279	53,557	145,590	53,660	-	298,165
<u>2005</u>							
Assets							
Cash	13,747	-	-	-	-	-	13,747
Loans	14,625	15,796	42,869	142,974	108,831	(20,845)	304,250
Total	28,372	15,796	42,869	142,974	108,831	(20,845)	317,997
Liabilities							
Borrowings	922	10,445	29,248	116,149	62,677	-	219,441
Total	922	10,445	29,248	116,149	62,677	-	219,441

22 Impaired and Past-due Assets

Non-accrual loans without specific provisions for impairment

Gross	12,093,114	5,751,126
Less: suspended debt	553,620	184,813
Net non-accrual loans without specific provisions for impairment	11,539,494	5,566,313

Non-accrual loans with specific provisions for impairment

Gross	10,547,504	46,471,948
Less: suspended debt	1,553,684	6,287,547
	8,993,820	40,184,401
Less: specific provisions	3,994,457	20,845,272
Net non-accrual loans with specific provisions for impairment	4,999,363	19,339,129

Restructured loans without specific provision

Gross	146,078,206	1,962,838
Less: suspended debt	189,663	18,350
	145,888,543	1,944,488

Total impaired loans

	162,427,400	26,849,929
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Past-due loans

Gross	36,570,422	37,539,098
Less: suspended debt	38,446	37,239
Total past-due loans	36,531,975	37,501,859

Total impaired and past-due loans

	198,959,375	64,351,789
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THE BANK

	2006 \$	2005 \$
	12,093,114	5,751,126
	553,620	184,813
	11,539,494	5,566,313
	10,547,504	46,471,948
	1,553,684	6,287,547
	8,993,820	40,184,401
	3,994,457	20,845,272
	4,999,363	19,339,129
	146,078,206	1,962,838
	189,663	18,350
	145,888,543	1,944,488
	162,427,400	26,849,929
	36,570,422	37,539,098
	38,446	37,239
Total past-due loans	36,531,975	37,501,859
	198,959,375	64,351,789

**23 Notes to the Statement of Cash Flows****(i) Reconciliation of cash**

For the purposes of the statement of cash flows, cash includes cash on hand and other amounts which are integral to the cash management function and which are not subject to a term facility.

	CONSOLIDATED	
		2005 \$
Cash	18,483,460	13,747,323
(ii) Reconciliation of operating profit after income tax to net cash provided by operating activities		
Operating profit after income tax	5,345,755	1,911,347
Add / (less) non-cash items:		
Amortisation of bond discounts	1,966	2,172
Depreciation	837,022	852,209
(Gain) on disposal of investments	-	(35,305)
Loss/(Gain) on disposal of fixed assets	(167,597)	(86,418)
Provision for annual and long-service leave	(217,656)	(501,913)
Provision for doubtful loans and investments	10,077,491	9,691,437
Provision for diminution in investment	-	(189,695)
Translation of foreign currency loans	370,075	(13,353)
	16,247,056	11,630,481
Change in assets and liabilities:		
Decrease in interest receivable	2,498,480	2,135,032
Increase in accounts receivable	(2,149,276)	(727,293)
Decrease/(increase) in grants and subsidies receivable	(268,770)	1,930,427
Increase/(decrease) in interest payable	456,886	263,876
Decrease in other accruals	1,355,155	(3,337,568)
Net cash provided by operating activities	18,139,532	11,894,955



Notes to and Forming Part of the Financial Statements.

Fiji Development Bank and its subsidiary company. | *For the year ended 30 June 2006.*

24 Comparatives

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures. Where this information is not available and impracticable to obtain, they are not disclosed.

25 Principal Activities

The principal activities of the Bank during the course of the financial year were providing finance, financial and advisory services to assist in the development of agriculture, commerce and industry in Fiji.

26 Principal Place Of Business

The Bank's head office is located at the Development Bank Centre, 360 Victoria Parade, Suva. The Bank has nine branches located throughout Fiji.

Central/Eastern Region

Head Office

360 Victoria Parade
Suva
P.O. Box 104, Suva
(679) 3314 866
(679) 3314 886

Nausori

60 Main Street,
P.O. Box 317, Nausori
(679) 347 7277
(679) 340 0484

Western Region

Sigatoka

Vunasalu Road
P.O. Box 81, Sigatoka
(679) 650 0122
(679) 652 0399

Nadi

Main Street
P.O. Box 1718, Nadi
(679) 670 1900
(679) 670 3552

Lautoka

38 Vitogo Parade
P.O. Box 716, Lautoka
(679) 666 0639
(679) 666 5950

Rakiraki

Vaileka Parade
P.O. Box 82, Rakiraki
(679) 669 4088
(679) 669 4784

Ba

Varoka
P.O. Box 110, Ba
(679) 667 4211
(679) 667 4031

Northern Region

Labasa

Nasekula Road
P.O. Box 41, Labasa
(679) 881 1944
(679) 881 4009

Savusavu

Hugh Street, Verevere
P.O. Box 42, Savusavu
(679) 885 0055
(679) 885 0629

Seaqaqa

Seaqaqa Town
(679) 886 0166
(679) 886 0168

