

## Introductory Statement

The purpose of this information is to provide customers and potential customers with information about the financial condition of Home Finance Company Limited.

The explanation of the terms used in the Key Disclosure Statement is contained in the Reserve Bank publication "Your Bank's Disclosure Statement: 'What's In It For You'". The terms used in the brochure are also applicable to credit institutions. The brochure can be obtained from the Reserve Bank of Fiji. Other information can be viewed at all branches of Home Finance Company Limited.

## Corporate Information

The full name of the credit institution is Home Finance Company Limited.

The full name of the ultimate parent company of Home Finance Company Limited is Fiji National Provident Fund, which is domiciled in Fiji.

The names of the directors of Home Finance Company Limited are:

**Chairman:** L D S Yee

**Members:** O T Rokovunisei, F Khan, M Namudu, P Mario, J Raman, H Lodhia

	Audited Current Year 30-Jun-05	Audited Prior Year 30-Jun-04
<b>Profitability</b>		
Net operating profit after tax (\$'000)	1,839	1,698
As a percentage of average total assets	1.39%	1.59%
<b>Size - as at end of financial year</b>		
Total assets (\$'000)	146,536	118,845
The percentage change in total assets over 12 months	23.30%	24.87%
<b>Capital Adequacy - as at end of financial year</b>		
Tier 1 Capital (\$'000)	13,840	7,895
Tier 1 Capital to total risk - weighted assets ratio	17.46%	12.62%
Total Capital (\$'000)	14,831	8,676
Capital adequacy ratio	18.71%	13.87%
<b>Asset Quality - as at end of financial year</b>		
Total impaired assets (on - and off - balance sheet) (\$'000)	2,385	3,339
As a percentage of total assets	1.63%	2.81%
Total specific provisions (\$'000)	919	1,292
Total general provisions (\$'000)	1,464	1,170
Total provisions as a percentage of total impaired assets	99.93%	73.72%
<b>Peak Credit Exposure Concentrations - number of counterparties or groups of closely related counterparties in relation to the total capital of the credit institution</b>		
10% to 20% of total capital	1	2
20% to 25% of total capital	0	0
Over 25% of total capital	0	0
<b>Peak Connected Persons Credit Exposures - for all connected persons</b>		
Peak end - of - day credit exposure amount (\$'000)	0	0
As a percentage of total capital	0.00%	0.00%
Maximum peak end - of - day aggregate credit exposure to all connected persons as a percentage of total capital	25.00%	25.00%

	Audited Current Year 30-Jun-05	Audited Prior Year 30-Jun-04
<b>Balance Sheet</b>		
The Balance Sheet for the Fiji Operations as prepared under FAS30 should be reported here and should include, but should not be limited to, the following:		
	\$'000	\$'000
Cash and liquid assets	2,727	1,413
Balance with the Reserve Bank of Fiji	0	0
Receivables due from other financial institutions	0	0
Securities held	13,944	10,532
Loans (including advances to customers and similar facilities)	131,169	108,206
Unearned revenue	(1,126)	(816)
Provision for doubtful debts	(2,383)	(2,462)
Fixed assets	1,241	1,002
Receivable and prepayments	238	216
Future Income Tax Benefit	726	753
<b>Total Assets</b>	<b>146,536</b>	<b>118,845</b>
Deposits or Promissory Notes of statutory bodies	0	0
Payable due to other financial institutions	0	0
Deposits and borrowings	0	0
Amounts owed to other depositors	0	0
Certificates of deposits	36,349	46,397
Promissory Notes and other liabilities evidenced by paper	0	0
Other	3,731	3,066
Secured borrowings	92,344	61,109
Issued and paid up or assigned capital	10,000	5,000
Capital reserves	0	0
Revaluation reserves	0	0
Other reserves	0	0
<b>Retained earnings</b>	<b>4,112</b>	<b>3,273</b>
<b>Income Statement</b>		
The Income Statement for the Fiji Operations as prepared under FAS30 should be reported here and should include, but should not be limited to, the following:		
	\$'000	\$'000
Interest and similar income	9,830	8,295
Interest and similar expense	(4,692)	(3,637)
Dividend income	0	0
Fee and commission revenue	1,507	1,504
Fee and commission expense	(158)	(378)
Other revenues arising from financial instruments	0	0
Gains less losses arising from dealing securities	0	0
Other expenses arising from financial instruments	0	0
Gains less losses arising from investment securities	0	0
Gains less losses arising from dealing in foreign currencies	0	0
Other operating revenue	18	27
Bad and doubtful debts (including provisions for impairment)	(76)	(264)
Recoveries of bad and doubtful debts	24	35
General administration expense	(3,796)	(3,043)
Other operating expense	(364)	0
<b>Net profit before tax and extraordinary items</b>	<b>2,293</b>	<b>2,539</b>
<b>Net profit after tax and extraordinary items</b>	<b>1,839</b>	<b>1,698</b>

## Notes:

1. Amounts due to parri pasu (secured) debenture holders.

## Ranking of Local Creditors in a Winding Up

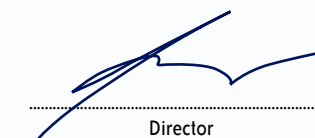
In the event that the Home Finance Company Limited becomes unable to meet its obligations or suspends payments to depositors and creditors in Fiji, or in the event of liquidation, dissolution or bankruptcy, the assets of Home Finance Company Limited in Fiji shall be available to meet the Home Finance Company Limited's deposit liabilities and claims of creditors in Fiji in accordance with their preferential rankings.

## Availability of Disclosure Statements

Home Finance Company Limited's most recent Key Disclosure Statement is available at all Home Finance Company Limited branches.

Home Finance Company Limited's most recent General Disclosure Statement is available at all Home Finance Company Limited branches.

The most recent audited balance sheet and profit and loss statements and other publicly available financial information on any "associated person" of the credit institution are available for inspection at our head office located at 350 Victoria Parade, Suva.



Director



Director

## INDEPENDENT AUDIT REPORT

To the Reserve Bank of Fiji.

## Scope

In accordance with the requirements of the Banking Act 1995 and Banking Supervision Policy Statement No. 5B issued by the Reserve Bank of Fiji, we have audited the attached Key Disclosure Statement. The directors are responsible for the preparation and presentation of the Key Disclosure Statement and the information they contain. We have conducted an independent audit of the Key Disclosure Statement in order to express an opinion on them to the Reserve Bank of Fiji.

Our audit has been conducted in accordance with Fiji Standards on Auditing to provide reasonable assurance as to whether the Key Disclosure Statement is free of material misstatement. Our procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the Key Disclosure Statement. The procedures have been undertaken to form an opinion as to whether in all material respects, the Key Disclosure Statement is presented fairly in accordance with Banking Supervision Policy Statement No. 5B and whether the information contained in the Key Disclosure Statement has been properly taken, where applicable, from the information contained in the General Disclosure Statement.

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

## Audit Opinion

In our opinion the Key Disclosure Statement has been completed in accordance with Banking Supervision Policy Statement No. 5B and the information contained in it has been properly taken, where applicable, from the information contained in the General Disclosure Statement.



Suva, Fiji  
28 October 2005

PricewaterhouseCoopers  
Chartered Accountants