

KEY DISCLOSURE STATEMENT

for the year ended 30 June 2004



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 : C D Aidney

Members : L D S Yee, O T Rokovunisei, F Khan, M Namudu
P Mario, J Raman

	Audited Current Year 30-Jun-04	Audited Prior Period 30-Jun-03
Profitability		
• Net operating profit after tax (\$'000)	1,698	1,470
• As a percentage of average total assets	1.8%	1.7%
Size-as at end of financial year		
• Total assets (\$'000)	118,845	95,172
• The percentage change in total assets over 12 months	24.0%	33.8%
Capital Adequacy - as at end of financial year		
• Tier 1 Capital (\$'000)	7,895	6,824
• Tier 1 Capital to Total risk-weighted assets ratio	7.2%	13.6%
• Total Capital (\$'000)	8,676	7,384
• Capital adequacy ratio	14.8%	14.7%
Asset Quality - as at end of financial year		
• Total impaired assets (on- and off-balance sheet) (\$'000)	3,339	4,401
• As a percentage of total assets	2.8%	4.6%
• Total specific provisions (\$'000)	1,292	1,727
• Total general provisions (\$'000)	1,170	845
• Total provisions as a percentage of total impaired assets	70.7%	68.4%
Peak Credit Exposure Concentrations - number of counterparties or groups of closely-related counterparties in relation to the total capital of the credit institution		
• 10% to 20% of total capital	1	0
• 20% to 25% of total capital	0	0
• Over 25% of total capitals	0	0
Peak Connected Persons Credit Exposures - for all connected persons		
• Peak end-of -day credit exposure amount (\$'000)	876	0
• As a percentage of total capital	10.0%	0.0%
• Maximum peak end-of-day aggregate credit exposure to all connected persons as a percentage of total capital	10.0%	11.8%

BALANCE SHEET

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

	Audited Current Year 30-Jun-04	Audited Prior Period 30-Jun-03
	\$'000	\$'000
Total Assets	118,845	95,172
Cash and liquid assets	1,143	4,434
Balance with the Reserve Bank of Fiji	0	0
Receivables due from other financial institutions	0	0
Securities held	10,532	5,963
Loans (including advances to customers and similar facilities)	108,206	85,909
Unearned revenue	(816)	(604)
Provision for doubtful debts	(2,462)	(2,572)
Fixed assets	1,002	1,025
Receivables and prepayments	216	195
Future Income Tax Benefit	753	821
Total Liabilities	6,273	2,375
Deposits or Promissory Notes of statutory bodies	0	0
Payables due to other financial institutions	0	0
Deposits and borrowings	0	0
Amounts owed to other depositors	0	0
Certificates of deposits	46,397	36,230
Promissory Notes and other liabilities evidenced by paper	0	0
Other	3,066	2,899
Secured borrowings	61,109	48,668
Issued and paid up or assigned capital	5,000	5,000
Capital reserves	0	0
Revaluation reserves	0	0
Other reserves	0	0
Retained earnings	3,273	2,375
INCOME STATEMENT		
The Income Statement for the Fiji Operations as prepared under FAS30 should be reported here and should include, but should not be limited to, the following:		
	\$'000	\$'000
Interest and similar income	8,295	6,981
Interest and similar expense	(3,637)	(3,415)
Dividend income	0	0
Fee and commission revenue	1,504	1,232
Fee and commission expense	(378)	(69)
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	27	64
Bad and doubtful debts (including provisions for impairment)	(264)	(330)
Recoveries of bad and doubtful debts	35	31
General administration expense	(3,043)	(2,424)
Other operating expense	0	0
Net profit before tax and extraordinary items	2,539	2,071
Net profit after tax and extraordinary items	1,698	1,470

NOTES

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

RANKING OF LOCAL CREDITORS IN A WINDING UP

In the event that 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 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 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
15 October 2004

PricewaterhouseCoopers
Chartered Accountants