



TO ALL OUR VALUED CUSTOMERS & THE GENERAL PUBLIC

The Reserve Bank of Fiji ("RBF") in its pursuit to maintain a stable macroeconomic platform for the country, had of recent executed certain strong measures to tighten monetary policy by implementing sharp increases in its official interest rates by approximately 200 basis points since October 2005.

RBF's stance in this instance (whilst having potential negative impacts on HFC's operations and future earnings) is quite understandable as, in their view, the increasing consumer demand at the back of strong credit growth is contributing to excessive rise in indebtedness simply creating a false impression on Fiji's domestic economic performance. RBF has also pointed out that the higher demand for consumptive spending directly contributes to higher demand for imports not inconsistent with commensurate growth in

our exports, which if left uncontrolled can have very serious and damaging impacts on the current level of our foreign reserves and future economic performance of the country.

With this objective, HFC fully supports RBF's current stance on its monetary policy however it is also mindful of the resultant increasing costs of funding that is now no longer sustainable without review of its current interest rates.

In this regard, it has become necessary to revisit all our product offerings at the back of revised pricing (interest rates as well as fees) together with the attaching features and benefits therein. In conducting this review, we have carefully considered the market position as well as our customer needs so as to maintain our lead position in as far as service delivery and product range are concerned.

Kindly note that the following products and rates become effective from Monday, 24th July 2006:

LENDING RATES	
PRODUCT	INTEREST RATE (pa)
DREAM PACKAGE (for housing and all housing-related funding)	
Fixed Rate (first six months)	8.15%
Variable Rate	10.00%
SET PERSONAL LOANS (for all funding of personal nature including Motor Vehicles, Travel, Education, Health and any other personal commitments)	
Variable Rate	13.00%
TOP GEAR PACKAGE (for funding related to small to medium businesses less than \$0.750m)	
Fixed Rate (first six months)	9.30%
Variable Rate	10.75%
TOP GEAR PLUS PACKAGE (for funding related to medium to large businesses \$0.750m and above)	
Fixed Rate (first twelve months)	9.40%
Variable Rate	10.25%
PENALTY INTEREST RATE (for defaulting loans irrespective of arrears days)	
	16.0%

DEPOSIT RATES	
TERM	INTEREST RATE (pa)
RETAIL TERM DEPOSITS (for deposit amounts ranging from \$1,000 to \$100,000)	
1 to less than 3 months	0.50%
3 to less than 6 months	1.00%
6 to less than 9 months	1.50%
9 to less than 12 months	2.00%
12 to less than 24 months	6.50%*
24 to less than 36 months	2.75%
36 to less than 48 months	3.00%
48 to less than 60 months	4.00%
Over 60 months	4.00%

*As a special offer, deposit amounts ranging from \$1,000 to up \$500,000 allowed for a limited period

WHOLESALE TERM DEPOSITS (for deposit amounts above \$100,000)

Please obtain quotes direct from our Senior Treasury Officer on telephone 3239 121

For existing customers, there will be no change to your current Fixed Rates however your Variable rates will change to 10.00%pa for all housing related consumer loans, 13.00%pa for all personal related consumer loans and 10.25%pa for all business loans with effect from 15th August 2006. As a result of these changes, there may be slight changes to your scheduled repayment amounts that will be communicated to you individually by your respective account controllers in due course. Kindly also note that the Penalty Interest Rate on defaulting loans have also been reviewed to 16%pa irrespective of arrears days.

HFC is your own company jointly owned by Fiji National Provident Fund (FNPF) 75% and Unit Trust of Fiji (UTF) 25%, with no external shareholders, and all the profits from the company are invested back into your respective savings with FNPF and UTF; thus retained in the country. So we encourage you to support your very own investment!

We take this opportunity to thank you for your valued custom with HFC and together we can share our prosperity and celebrate our successes. May the Lord bless you all!

FREDDIE KESHWAN
CHIEF EXECUTIVE

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