

## HFC Posted Record Profit for Year ended 30th June 2008

Home Finance Company Limited (HFC), a subsidiary of Fiji National Provident Fund and Unit Trust of Fiji, has announced an After-Tax Profit of \$3.172m for the year ended 30th June 2008. In what has been a challenging year HFC delivered a solid result which is a milestone for the company, with dividend payout of \$2.855m to the shareholders. In announcing the results, Chairman of HFC, Mr. James V.C. Datta said “we are very pleased and proud of the results and would like to thank the shareholders, the regulators, the directors and management for the achievements. This result would not have come about without the active involvement, leadership and direction provided by the hardworking and dynamic Board of Directors appointed in April 2007 which has resulted in the turnaround of the companies performance, despite the economic and competitor challenges faced. He also thanked the HFC staff who have met this challenges and embraced HFC’s core principles of “serving our people with innovative financial solutions”. He further extended his appreciation and thanks to the loyal customers for their patronage, confidence and continued support to their very own financial institution. “This dividend payout will directly benefit the ordinary citizens of this country, who are either members of FNPF or unit holders of Unit Trust of Fiji” added Mr. Datta.

This is the first time the company has adopted the International Financial Reporting Standard (IFRS) for the financial year and was able to achieve these results through effective management of its liquidity, interest rate risks and containment of operating cost in the main compared to previous years.

Commenting on the results, the Acting Chief Executive Officer, Mr. Isikeli Tikoduadua said that the company went through a consolidation period last year which enabled it to further enhance its Governance and Risk Management Platform. The management of Credit quality in both our consumer and commercial loan portfolios have also been effectively and prudently managed and remain sound despite unfavorable economic environment, balancing responsible lending practices and policy expectations with corporate responsibilities.

Mr Tikoduadua further mentioned that HFC’s strategic priorities is investment in the business for our customers and is very determined to continue to deliver as per the Corporate Statement “serving our people with innovative financial services” and becoming the finest financial services institution in Fiji through excelling in customer service.

Some of the key factors of the performance were:

- Interest Expense down 15% (-\$1.488m); mainly due to re-pricing of FNPF short-term funding instruments. Also customer deposits rates reduced in line with market rates which had been acquired at special rates during the interest rate hike period in mid of 2007.
- Net Interest Income up 54% (+\$2.774m) mainly due to increase in interest income (2008: \$16.577m; 2007: \$15.290m) and decrease in interest expenses as some of the fixed interest expired.
- Fee Income up 51% (+\$0.678m) resulting from increase in outward settlement.
- Other Revenue up 355% (+\$0.261m) due to recovery of other investment which were written off or provisioned in the last financial year and gain on disposal of fixed assets.
- Operating Expenses down 15% (+\$0.781m); mainly attributed to significant reduction in personnel cost.

Board Chairman, Mr. Datta advised that the future of HFC remains very positive and the Board and Management of the company are looking forward to the implementation of its “Four - Year Strategic Plan” initiatives enhancing in the areas of Customer Agenda, Credit Management, Corporate Governance, Risk and Human Resource Management platform together with prudent Balance Sheet Management.

Chairman, Mr. Datta thanked all the Directors for their valuable contribution and commitment during the year and further added that the shareholders and the company at its 47th Annual General Meeting held on 24th of October 2008 confirmed the following members to the Board:

NAME	DESIGNATION
Mr. James V.C. Datta	Board Chairman
Mr. Rajeshwar Singh	Board Deputy Chairman
Mr. Gilbert Veisamasama Jr.	Director
MR. Vilash Chand	Director
DR. Rohit Kishore	Director

Mr. Datta also expressed his gratitude to the past Chairman, Mr. Taito Waqa for his oversight and directions during his term.

Finally, Mr. Tikoduadua said that notwithstanding the issues and challenges which dominate the global economy with deepening of credit crisis in developed countries, HFC is well capitalized with sound lending, healthy governance and an effective risk platform to manage itself and contribute effectively towards the national economy.

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