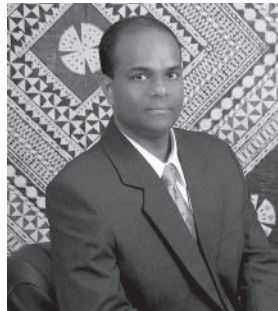


HFC announces Annual Results for year ended 30th June 2007



Mr. Freddie Keshwan
Chief Executive Officer

HFC officially announced an After-Tax Profit of \$0.196m for the year ended 30th June 2007 of which \$0.175m will be distributed to the shareholders as Final Dividend for the financial year.

In announcing the Annual Results, Chief Executive Officer – Mr Freddie Keshwan, commented that whilst the results were much lower than the previous year, the overall position was acceptable in a very volatile and challenging external business environment experienced by nearly all businesses in Fiji over the past 12-18 months.

“HFC is no exception and was adversely affected by the rising cost of funds in an

increasing interest rate environment as a result of measures taken by Reserve Bank of Fiji to control liquidity in the financial system” said Mr Keshwan.

Some of the significant factors that affected the company's profitability were:

- Interest Expense was up 91% (+\$4.838m) offset against lower than projected 31% (+\$3.655m) increase in Interest Income;
- Fee & other income was down 24% (-\$0.450m) due to subdued demand for new lending;
- Net Operating Expenses were up 16% (+\$0.763m) primarily related to premises and depreciation expenses associated with the new HFC Centre;
- Whilst the net Impaired Asset Expenses were up only 6% (+\$0.035m), the company took prudent measures to identify and adequately make Provisions for accounts that could potentially deteriorate its credit risk profile in the given contracting economic environment. This accounted for additional Provisions of \$0.662m.
- The company also undertook a thorough review of its Balance Sheet to write-off any investments or other

expenditure that in its view may be difficult to recover over the ensuing 12 months, amounting to \$0.346m.

On the other hand, the management and Board had taken series of measures to control costs and maximize earnings that included rationalization of all product offerings, review of all its lending rates and withdrawal of longer term Fixed Rates in line with market and various initiatives to control and reduce its operating expenses.

Mr Keshwan further commented that “this was a pretty bad year for most businesses and at HFC we also took the initiative to rationalize and clean up our Balance Sheet so that we prepare ourselves for a better year next year”.

“Notwithstanding, HFC is on track to deliver a fairly good result for its current financial year that ends on 30th June 2008. The company has already recorded an After-Tax Profit of \$0.348m for the first Quarter ended 30th September 2007 (up 39% for same period last year)” said Mr Keshwan.

Board Chairman, Mr Taito Waqa, advised that the Board and management are currently in the process of finalizing HFC's 5-Year Strategic Plan. “The company's immediate strategy is to consolidate its operations

for the next 12 months and strengthen its fundamental operational platforms including Corporate Governance, Risk Management, and Human Resource Management. The company has engaged a professional firm to review, provide advice and implement a comprehensive Enterprise Risk Management platform as it positions itself for future growth and diversification” said Mr Waqa. He said that another key aspect of HFC's focus is the diversification of its funding base which the Strategic Plan will adequately address in the medium term.

Mr Waqa further commented that the future outlook of the company remains very positive and bright however, he cautioned that the growth and diversification will only depend on how the company can sufficiently handle all its internal and external risks in a highly volatile and challenging environment.

Mr Waqa, congratulated the Board appointments and also expressed his thanks and gratitude to the Chief Executive Officer, executives, management and staff of HFC for their untiring efforts during some very difficult and challenging times faced by the company. He also thanked all the customers for their valued support and commitment to the company.

HFC Board

The following members of the Board were confirmed at the Annual General Meeting of the company held on 16th October 2007:



Mr. Taito Waqa
Board Chairman



Mr. Tom Ricketts
Deputy Chairman



Mr. Gilbert Veisamasama, Jr
Director



Mr. Vilash Chand
Director



Mr. Rajeshwar Singh
Director

SUMMARY KEY DISCLOSURE STATEMENT for the year ended 30 June 2007

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 T Waqa

Deputy Chairman T Ricketts

Members V Chand, R Singh, G Veisamasama Jr

	Audited Current Year 30-Jun-07	Audited Prior Year 30-Jun-06
Profitability		
Net operating profit after tax (\$'000)	196	1,926
As a percentage of average total assets	0.10%	1.16%

Size - as at end of financial year

	Audited Current Year 30-Jun-07	Audited Prior Year 30-Jun-06
Total assets (\$'000)	206,666	184,143
The percentage change in total assets over 12 months	12.23%	25.66%

Capital Adequacy as at end of financial year

	Audited Current Year 30-Jun-07	Audited Prior Year 30-Jun-06
Tier 1 Capital (\$'000)	13,566	13,459
Tier 1 capital to total risk-weighted assets ratio	10.27%	10.86%
Total Capital (\$'000)	14,877	14,642
Capital adequacy ratio	11.27%	11.81%

Asset Quality as at end of financial year

	Audited Current Year 30-Jun-07	Audited Prior Year 30-Jun-06
Total impaired assets (on- and off-balance sheet) (\$'000)	4,359	1,810
As a percentage of total assets	2.11%	0.98%
Total specific provisions (\$'000)	1,324	936
Total general provisions (\$'000)	1,899	1,794
Total provisions as a percentage of total impaired assets	73.95%	150.77%

Peak Credit Exposure Concentrations - number of counterparties or groups of closely-related counterparties in relation to the total capital of the credit institution

	Audited Current Year 30-Jun-07	Audited Prior Year 30-Jun-06
10% to 20% of total capital	5	5
20% to 25% of total capital	0	0
Over 25% of total capital	0	0

Peak Connected Persons Credit Exposures - for all connected persons

	Audited Current Year 30-Jun-07	Audited Prior Year 30-Jun-06
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%

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-07	Audited Prior Year 30-Jun-06
Cash and liquid assets	1,454	1,822
Balance with the Reserve Bank of Fiji	0	0
Receivables due from other financial institutions	11,331	4,671
Securities held	19,302	13,078
Loans (including advances to customers and similar facilities)	174,257	164,323
Unearned revenue	(566)	(721)
Provision for doubtful debts	(3,223)	(2,730)
Fixed assets	2,568	2,431
Receivables and prepayments	589	434
Future Income Tax Benefit	956	835
Total Assets	206,666	184,143
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	111,327	59,084
Promissory Notes and other liabilities evidenced by paper	0	0
Other	3,757	5,580
Secured borrowings 1	77,648	105,741
Issued and paid up or assigned capital	10,000	10,000
Capital reserves	0	0
Revaluation reserves	0	0
Other reserves	0	0
Retained earnings	3,934	3,738

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:

	Audited Current Year 30-Jun-07	Audited Prior Year 30-Jun-06
Interest and similar income	15,290	11,635
Interest and similar expense	(10,176)	(5,338)
Dividend income	0	0
Fee and commission revenue	1,371	1,872
Fee and commission expense	(31)	(63)
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	25	28
Bad and doubtful debts (including provisions for impairment)	(589)	(554)
Recoveries of bad and doubtful debts	73	51
General administration expense	(5,591)	(4,828)
Other operating expense	0	0
Net profit before tax and extraordinary items	372	2,803
Net profit after tax and extraordinary items	196	1,926

Notes

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

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 371 Victoria Parade, Suva.

Director

Director