



Key Disclosure Statement for the financial year ended 30 June 2020

Introductory Statement

The purpose of this disclosure statement is to provide customers and potential customers with information relating to the financial condition of HFC Bank.

The explanation of the terms used in the Key Disclosure Statement is explained in the Reserve Bank publication "Your Bank's Disclosure Statement: What's In It For You", which can be obtained from the Reserve Bank of Fiji. Other information can be viewed at the bank's branches and offices.

Corporate Information

The full name of the bank is HFC Bank.

The full name of the ultimate parent of HFC Bank is Fiji National Provident Fund, which is domiciled in Fiji.

The names of the directors of HFC Bank are as follows:

- Tom Ricketts (Chairman)
- Vilash Chand (Dep. Chairman)
- Sashi Singh (Member)
- Alipate Naiorosui (Member)
- Ajith Kodagoda (Member)
- Umarji Musa (Member)
- Arjun Fernando (Member)

	Audited Current Year	Audited Prior Period
Profitability		
Banking Operations in Fiji:		
Net operating profit/(loss) after tax (\$'000)	9,025	18,267
As a percentage of average total assets	0.75%	1.77%
Global Consolidated Operations:		
Net operating profit/(loss) after tax (F\$ equivalent) (\$'000)	N/A	N/A
As a percentage of average total assets	N/A	N/A
NB: N/A refers to Not Applicable		
Size as at end of financial year		
Banking Operations in Fiji:		
Total assets (\$'000)	1,304,921	1,108,363
The percentage change in total assets over 12 months	17.73%	15.97%
Global Consolidated Operations:		
Total assets (F\$ equivalent) (\$'000)	N/A	N/A
The percentage change in total assets over 12 months	N/A	N/A
NB: N/A refers to Not Applicable		
Capital Adequacy as at end of financial year		
Banking Operations in Fiji:		
Tier 1 Capital (\$'000)	184,172	171,282
Tier 1 Capital to total risk-weighted assets ratio	21.47%	22.67%
Total Capital (\$'000)	191,539	176,262
Capital adequacy ratio	22.32%	23.32%
Global Consolidated Operations:		
Tier 1 Capital (F\$ equivalent) (\$'000)	N/A	N/A
Tier 1 Capital to total risk-weighted assets ratio	N/A	N/A
Total Capital (F\$ equivalent) (\$'000)	N/A	N/A
Capital adequacy ratio	N/A	N/A
NB: N/A refers to Not Applicable		

	Audited Current Year	Audited Prior Period
Asset Quality as at end of financial year		
Banking Operations in Fiji:		
Total impaired assets (on- and off-balance sheet) (\$'000)	75,439	57,365
Total impaired assets as a percentage of total assets	5.78%	5.18%
Total individually assessed provisions (\$'000)	9,748	8,460
Total collectively assessed provisions (\$'000)	11,501	1,133
Total provisions as a percentage of total impaired assets	28.17%	16.72%
General reserves for credit losses (\$'000)	9,209	6,224
Global Consolidated Operations:		
Total impaired assets (on- and off-balance sheet) (F\$ equivalent) (\$'000)	N/A	N/A
Total impaired assets as a percentage of total assets	N/A	N/A
Total individually assessed provisions (\$'000)	N/A	N/A
Total collectively assessed provisions (\$'000)	N/A	N/A
Total provisions as a percentage of total impaired assets	N/A	N/A
General reserves for credit losses (\$'000)	N/A	N/A
NB: N/A refers to Not Applicable		
	Audited Current Year (\$'000)	Audited Prior Period (\$'000)
Balance Sheet		
The Balance Sheet for the HFC Bank are prepared under the IFRSs and includes but not limited to the following:		
Cash and liquid assets	20,352	16,256
Balance with the Reserve Bank of Fiji	188,433	159,785
Receivables due from other financial institutions	18,997	14,017
Securities held	133,447	84,207
Loans (including advances to customers & similar facilities)	931,892	824,621
Provision for impairment	(21,248)	(9,593)
Fixed assets	10,923	9,281
Other assets	22,125	9,788
Total Assets	1,304,921	1,108,363
Deposits of Promissory Notes of statutory bodies	0	0
Payables due to other financial institutions	0	0
Deposits and borrowings	1,038,123	874,066
Amounts owed to other depositors	0	0
Certificates of deposits	0	0
Promissory Notes and other liabilities evidenced by paper	0	0
Other borrowed funds	33,477	19,318
Other liabilities	32,756	32,893
Issued and paid up or assigned capital	164,502	151,715
Capital reserves	0	0
Revaluation reserves	0	0
General reserves for credit losses	9,209	6,224
Other reserves	0	0
Retained earnings	26,854	24,146

	Audited Current Year (\$'000)	Audited Prior Period (\$'000)
Income Statement		
The Income Statement for HFC Bank are prepared under the IFRSs and includes, but not limited to the following:		
Interest and similar income	66,776	57,402
Interest and similar expense	(31,068)	(27,632)
Dividend income	0	0
Fee and commission revenue	6,808	7,146
Fee and commission expense	0	0
Other revenues arising from financial instruments	294	539
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	4,253	4,165
Other operating revenue	165	169
Bad & doubtful debts (including provisions for impairment)	(18,857)	(2,676)
Recoveries of bad and doubtful debts	0	0
General administration expense	(12,313)	(11,038)
Other operating expense	(4,690)	(5,330)
Net profit or loss before tax	11,368	22,744
Net profit or loss after tax	9,025	18,267

Ranking of Local Creditors in a Winding Up

- In the event that HFC Bank becomes unable to meet its obligations or suspends payments to depositors and creditors in Fiji, or in the event of liquidation, dissolution or bankruptcy of HFC Bank the assets of HFC Bank in Fiji shall be available to meet HFC Bank's deposit liabilities and claims of creditors in Fiji, in priority to all other liabilities of HFC Bank.

Availability of Disclosure Statements

- Additional information on HFC Bank's financial condition is available for inspection at our main branch, HFC Center, 371 Victoria Parade, Suva, other branches and offices.
- HFC Bank's most recent General Disclosure Statement is available for inspection at all our branches and offices, copies of which maybe obtained.
- HFC Bank's most recent balance sheet and profit and loss statements and other publicly available disclosure statements are available for inspection at all our branches and offices. Where necessary, comparative figures have been adjusted to conform to changes in the presentation in the current year.

Independent Audit Report

Independent Auditor's Report shall state:

- that the Key Disclosure Statement has been examined by the auditor;
- that the Key Disclosure Statement has been completed in accordance with the Notice & whether the information contained has been properly taken; and
- the nature of the examination conducted and whether a qualified or unqualified opinion has been given in respect of the information.

 Director
  Director
  Auditor