



Key Disclosure Statement for the financial year ended: 30 June 2021

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)
- Alipate Naiorosui (Member)
- Umarji Musa (Member)
- Mukhtar Ali (Member)
- Viliame Vodonaivalu (Member)

	Audited Current Year	Audited Prior Period
Profitability		
Banking Operations in Fiji:		
Net operating profit/(loss) after tax (\$'000)	15,040	9,025
As a percentage of average total assets	1.09%	0.75%
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)	1,447,234	1,304,921
The percentage change in total assets over 12 months	10.91%	17.73%
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)	183,595	184,172
Tier 1 Capital to total risk-weighted assets ratio	19.08%	21.47%
Total Capital (\$'000)	195,625	191,539
Capital adequacy ratio	20.33%	22.32%
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)	181,940	75,439
Total impaired assets as a percentage of total assets	12.57%	5.78%
Total individually assessed provisions (\$'000)	18,106	9,748
Total collectively assessed provisions (\$'000)	5,665	11,501
Total provisions as a percentage of total impaired assets	13.07%	28.17%
General reserves for credit losses (\$'000)	21,733	9,209
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		
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	24,305	20,352
Balance with the Reserve Bank of Fiji	224,931	188,433
Receivables due from other financial institutions	8,225	18,997
Securities held	139,447	133,447
Loans (including advances to customers and similar facilities)	1,021,217	931,892
Provision for impairment	(23,771)	(21,248)
Fixed assets	12,740	10,923
Other assets	40,142	22,125
Total Assets	1,447,234	1,304,921
Deposits of Promissory Notes of statutory bodies	0	0
Payables due to other financial institutions	0	0
Deposits and borrowings	1,141,117	1,038,123
Amounts owed to other depositors	0	0
Certificates of deposits	0	0
Promissory Notes & other liabilities evidenced by paper	0	0
Other borrowed funds	51,619	33,477
Other liabilities	41,109	32,756
Issued and paid up or assigned capital	164,502	164,502
Capital reserves	0	0
Revaluation reserves	0	0
General reserves for credit losses	21,733	9,209
Other reserves	0	0
Retained earnings	27,154	26,854

Income Statement

The Income Statement for HFC Bank are prepared under the IFRSs and includes, but not limited to the following:

	Audited Current Year (\$'000)	Audited Prior Period ('r') (\$'000)
Interest and similar income	71,808	66,776
Interest and similar expense	(24,227)	(31,068)
Dividend income	0	0
Fee and commission revenue	7,008	6,808
Fee and commission expense	0	0
Other revenues arising from financial instruments	(41)	294
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	2,954	4,253
Other operating revenue	127	165
Bad & doubtful debts (including provisions for impairment)	(19,658)	(18,857)
Recoveries of bad and doubtful debts	0	0
General administration expense	(13,557)	(12,675)
Other operating expense	(5,237)	(4,328)
Net profit or loss before tax	19,177	11,368
Net profit or loss after tax	15,040	9,025

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 Centre, 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.

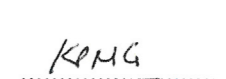
Independent Audit Report

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