


HOUSING FINANCE

 UNAUDITED FINANCIAL STATEMENTS AND DISCLOSURES FOR THE PERIOD
 ENDED 31 MARCH 2011



I	STATEMENT OF FINANCIAL POSITION	GROUP			COMPANY		
		31.03.2010	31.12.2010	31.03.2011	31.03.2010	31.12.2010	31.03.2011
		Unaudited (Ksh'000)	Audited (Ksh'000)	Unaudited (Ksh'000)	Unaudited (Ksh'000)	Audited (Ksh'000)	Unaudited (Ksh'000)
A.	ASSETS						
1	Cash balances	114,161	101,224	130,043	114,161	101,224	130,043
2	Balances due from Central Bank of Kenya	-	-	-	-	-	-
3	Government securities	503,595	539,835	535,309	503,595	539,835	535,309
4	Foreign Currency Treasury bills and bonds	-	-	-	-	-	-
5	Deposits and balances due from banking institutions	3,357,792	8,185,432	8,226,708	3,357,792	8,185,419	8,226,708
6	Deposits and balances due from banking institutions abroad	-	-	-	-	-	-
7	Government and other securities held for dealing purposes	-	-	-	-	-	-
8	Tax recoverable	-	-	-	-	-	-
9	Loans and advances to customers (net)	15,349,625	19,503,400	20,365,783	15,349,625	19,503,400	20,365,783
10	Investment securities	-	-	-	-	-	-
11	Balances due from group companies	-	-	-	-	-	-
12	Investment in associates	-	-	-	-	-	-
13	Investment in subsidiary companies	-	-	-	130,020	130,020	130,020
14	Investment in Joint ventures	-	-	-	-	-	-
15	Investment properties	-	-	-	-	-	-
16	Property and equipment	578,116	600,417	616,384	571,984	594,341	610,327
17	Prepaid operating lease rentals	49,097	48,615	48,454	42,056	41,710	41,595
18	Intangible assets	3,473	3,085	2,423	3,450	3,068	2,409
19	Deferred tax asset	70,658	76,050	76,052	15,638	23,006	23,006
20	Retirement benefit asset	-	-	-	-	-	-
21	Other assets	106,293	220,338	223,225	89,185	203,818	206,654
22	TOTAL ASSETS	20,132,810	29,278,396	30,224,381	20,177,506	29,325,841	30,271,854
B.	LIABILITIES						
23	Balances due to Central Bank of Kenya	-	-	-	-	-	-
24	Customer deposits	13,619,882	15,943,341	16,627,735	13,620,959	15,945,317	16,629,960
25	Deposits and balances due to local banking institutions	-	-	-	-	-	-
26	Deposits and balances due to foreign banking institutions	-	-	-	-	-	-
27	Other money market deposits	-	-	-	-	-	-
28	Borrowed funds	2,000,000	8,604,269	8,525,178	2,000,000	8,604,269	8,525,178
29	Balances due to group companies	-	-	-	15,600	14,958	14,958
30	Tax payable	57,120	26,337	77,754	81,222	50,441	101,858
31	Dividends payable	-	-	-	-	-	-
32	Deferred tax liability	-	-	-	-	-	-
33	Retirement benefit liability	-	-	-	-	-	-
34	Other liabilities	309,338	447,042	616,183	303,093	441,326	610,437
35	TOTAL LIABILITIES	15,986,340	25,020,989	25,846,850	16,020,874	25,056,311	25,882,391
C.	SHAREHOLDERS' FUNDS						
36	Paid up capital	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
37	Share premium	1,549,173	1,549,173	1,549,173	1,549,173	1,549,173	1,549,173
38	Revaluation reserve	449,202	449,202	449,202	449,202	449,202	449,202
39	Retained earnings	235,930	475,040	629,354	246,092	487,163	641,286
40	Statutory Loan Loss Reserve	596,415	502,742	468,552	596,415	502,742	468,552
41	Proposed dividends	115,000	80,500	80,500	115,000	80,500	80,500
42	Capital grants	50,750	50,750	50,750	50,750	50,750	50,750
43	TOTAL SHAREHOLDERS' FUNDS	4,146,470	4,257,407	4,377,531	4,156,632	4,269,530	4,389,463
44	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	20,132,810	29,278,396	30,224,381	20,177,506	29,325,841	30,271,854

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II	STATEMENT OF COMPREHENSIVE INCOME	GROUP			COMPANY		
		31.03.2010	31.12.2010	31.03.2011	31.03.2010	31.12.2010	31.03.2011
		Unaudited (Ksh'000)	Audited (Ksh'000)	Unaudited (Ksh'000)	Unaudited (Ksh'000)	Audited (Ksh'000)	Unaudited (Ksh'000)
1	INTEREST INCOME						
	1.1 Loans and advances	496,220	2,221,791	651,441	496,220	2,221,791	651,441
	1.2 Government Securities	9,183	35,222	8,323	9,183	35,222	8,323
	1.3 Deposits and Placements with banking institutions	54,954	218,801	95,917	54,954	218,802	95,917
	1.4 Other interest income	-	-	-	-	-	-
	1.5 Total Interest income	560,357	2,475,814	755,681	560,357	2,475,815	755,681
2	INTEREST EXPENSES						
	2.1 Customers' Deposits	189,638	793,444	150,158	189,643	793,472	150,167
	2.2 Deposits and placements from banking institutions	-	-	-	-	-	-
	2.3 Other interest expenses	42,353	281,382	170,891	42,353	281,381	170,891
	2.4 Total Interest expenses	231,991	1,074,826	321,049	231,996	1,074,853	321,058
3	NET INTEREST INCOME	328,366	1,400,988	434,632	328,361	1,400,962	434,623
4	OTHER OPERATING INCOME						
	4.1 Fees and commissions on loans and advances	14,832	103,294	31,740	14,832	103,294	31,740
	4.2 Other fees and commissions	16,468	65,185	15,145	16,410	64,688	15,092
	4.3 Foreign exchange trading income	-	-	-	-	-	-
	4.4 Dividend income	-	-	-	-	-	-
	4.5 Other income	17,777	85,717	18,284	17,400	84,474	15,802
	4.5 Total Non interest income	49,077	254,196	63,169	48,642	252,456	62,734
5	TOTAL OPERATING INCOME	377,443	1,655,184	497,801	377,003	1,653,418	497,357
6	OPERATING EXPENSES						
	6.1 Loan loss provision	59,530	238,445	75,516	59,530	238,445	75,518
	6.2 Staff costs	112,025	489,608	134,301	111,999	489,511	134,283
	6.3 Directors emoluments	1,508	11,222	3,771	1,508	11,222	3,771
	6.4 Rental charges	3,241	13,131	3,078	3,190	12,925	3,018
	6.5 Depreciation on property and equipment	13,549	41,352	10,341	8,337	41,277	10,341
	6.6 Amortisation charges	2,596	3,362	840	2,549	3,171	773
	6.7 Other operating expenses	81,375	297,036	98,376	86,460	296,632	98,270
	6.8 Total Other Operating Expenses	273,824	1,094,156	326,223	273,573	1,093,183	325,970
7	Profit before tax and exceptional items	103,619	561,028	171,578	103,430	560,235	171,387
8	Exceptional items						
9	Profit before tax but after exceptional items	103,619	561,028	171,578	103,430	560,235	171,387
10	Current tax	(31,029)	(186,803)	(51,454)	(31,029)	(186,803)	(51,454)
11	Deferred Tax		5,306			7,368	
12	Profit After Tax and exceptional items	72,590	379,531	120,124	72,401	380,800	119,933
	Earnings per share		1.65	2.09		1.66	2.09
	Dividend per share		0.70	-		0.70	-


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III	DISCLOSURES	GROUP			COMPANY		
		31.03.2010	31.12.2010	31.03.2011	31.03.2010	31.12.2010	31.03.2011
		Unaudited (Ksh'000)	Audited (Ksh'000)	Unaudited (Ksh'000)	Unaudited (Ksh'000)	Audited (Ksh'000)	Unaudited (Ksh'000)
1	Non-Performing Loans and Advances						
a)	Gross non-performing loans and advances	1,912,024	1,467,815	1,674,893	1,912,024	1,467,815	1,674,893
b)	Less: Interest in Suspense	524,524	283,632	272,846	524,524	283,632	272,846
c)	Total non-Performing loans and advances (a-b)	1,387,500	1,184,183	1,402,047	1,387,500	1,184,183	1,402,047
d)	Less: Loan loss provisions	512,254	439,916	470,663	512,254	439,916	470,663
e)	Net non-performing loans and advances(c-d)	875,246	744,267	931,384	875,246	744,267	931,384
f)	Discounted value of securities	875,246	744,267	931,384	875,246	744,267	931,384
g)	Net Exposure(e-f)	-	-	-	-	-	-
2	Insider loans and advances						
a)	Directors, shareholders and associates						
b)	Employees	330,483	459,860	480,908	330,483	459,860	480,908
c)	Total Insider Loans and Advances	330,483	459,860	480,908	330,483	459,860	480,908
3	Off-Balance Sheet items						
a)	Letters of credit, guarantees and acceptances	1,033	1,033	1,033	1,033	1,033	1,033
b)	Other contingent liabilities	-	-	-	-	-	-
c)	Total contingent liabilities	1,033	1,033	1,033	1,033	1,033	1,033
4	Capital Strength						
a)	Core capital				2,909,064	3,186,337	3,280,473
b)	Minimum Statutory Capital				350,000	500,000	500,000
c)	Excess/Deficiency				2,559,064	2,686,337	2,780,473
d)	Supplementary capital				287,895	3,186,337	3,280,473
e)	Total capital (a+d)				3,196,959	6,372,674	6,560,946
f)	Total risk weighted assets				9,987,519	13,077,391	13,813,969
g)	Core capital /Total deposit liabilities				21.36%	19.98%	19.73%
h)	Minimum Statutory Ratio				8.00%	8.00%	8.00%
i)	Excess/Deficiency				13.36%	11.98%	11.73%
j)	Core capital /Total risk weighted assets				29.13%	24.37%	24.10%
k)	Minimum Statutory Ratio				8.00%	8.00%	8.00%
l)	Excess/Deficiency (j-k)				21.13%	16.37%	16.10%
m)	Total capital /Total risk weighted assets				32.01%	48.73%	48.19%
n)	Minimum Statutory Ratio				12.00%	12.00%	12.00%
o)	Excess/Deficiency (m-n)				20.01%	36.73%	36.19%
5	Liquidity						
a)	Liquidity Ratio				28.71%	55.73%	53.30%
b)	Minimum Statutory Ratio				20.00%	20.00%	20.00%
c)	Excess(Deficiency) (a-b)				8.71%	35.73%	33.30%


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