



**Housing
Finance
Bank**

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**EXTRACTS FROM THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

**STATEMENT OF FINANCIAL POSITION AS AT 31
DECEMBER 2010**

	2010 Ushs '000	2009 Ushs '000
Assets		
Cash and balances with the Central Bank	19,148,345	13,004,236
Treasury bills and other bills - Held to maturity	22,380,560	14,732,438
Investment in Government bonds – Held to maturity	31,459,351	14,390,241
Deposits due from other banking institutions	8,775,144	12,072,903
Loans and advances to customers	245,284,702	180,604,122
Tax recoverable	320,475	637,521
Other assets	7,579,606	5,942,308
Long term prepaid operating lease rentals	322,689	331,010
Property and equipment	24,033,611	15,973,454
Intangible assets	813,996	1,635,017
Total assets	360,118,479	259,323,250
Liabilities		
Customer deposits	166,957,297	109,411,797
Other liabilities	11,081,309	4,661,238
PSHS collection account	16,699,087	12,660,389
NHCC collection account	69,514	79,481
Namuwongo collection account	457,781	407,806
Other Borrowed funds	69,978,081	38,230,883
Deferred tax liability	1,850,757	1,156,926
Total liabilities	267,093,826	166,608,520
Shareholders' equity		
Share capital	61,000,000	61,000,000
Revaluation reserves	1,542,736	1,401,845
Retained profits	26,096,356	25,239,255
Proposed dividends	1,885,000	3,002,000
Regulatory general credit risk reserve	2,500,561	2,071,630
Total shareholders' equity	93,024,653	92,714,730
Total shareholders' equity and liabilities	360,118,479	259,323,250
Contra accounts		
Off balance sheet contingents and commitments	14,732,747	13,917,723

STATEMENT OF COMPREHENSIVE INCOME

	2010 Ushs '000	2009 Ushs '000
Income		
Interest on deposits and placements	797,557	465,330
Interest on loans and advances	35,689,431	26,811,643
Interest on investment securities	3,366,906	2,856,835
Foreign exchange income	364,653	187,975
Fee and commission income	4,557,964	3,085,506
Other income	349,863	178,983
Total income	45,126,374	33,586,272
Expenditure		
Interest expense on deposits	6,222,386	5,792,335
Interest expense on borrowings	6,535,043	2,927,368
Other interest expense	749,072	612,058
Impairment losses on loans and advances	1,350,163	281,423
Personnel costs	14,023,217	9,884,629
Other operating expenses	7,901,344	5,800,734
Depreciation and amortisation	2,807,111	2,256,667
Provision for litigation and damages	978,246	-
Other expenses	268,200	187,165
Total expenditure	40,834,782	27,742,379
Profit before income tax	4,291,592	5,843,893
Income tax expense	1,150,495	840,284
Net profit after tax	3,141,097	5,003,609

OTHER DISCLOSURES

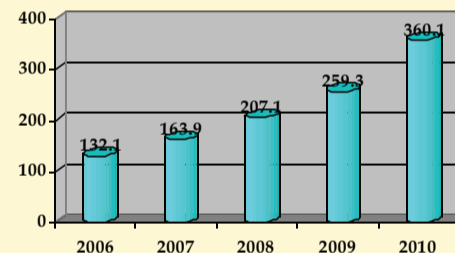
	2010 Ushs '000	2009 Ushs '000
Contingent liabilities:		
Letters of credit	-	-
Guarantees and performance bonds	765,139	620,039
Other contingent liabilities	-	-
Total	765,139	620,039
Undrawn stand-by facilities:		
Undrawn credit lines	-	(3,142,120)
Capital Commitments	-	4,300,444
Other commitments to lend	13,967,608	12,139,360
Total	13,967,608	13,917,723
Non-performing loans and other assets		
Interest in suspense	7,657,058	4,680,000
Bad debts written off	162,797	101,495
Large loan exposures	723,013	477,277
Insider loan exposures	-	-
	12,512,978	10,117,569
Capital position		
Core capital	87,096,356	86,239,255
Supplementary capital	4,033,090	3,233,567
Total qualifying capital	91,129,446	89,472,822
Total risk weighted assets (RWA)	288,626,946	215,189,937
Core capital to RWA	30.18%	40.08%
Total qualifying capital to RWA	31.57%	41.58%

Housing Finance Bank Year 2010 Result Review

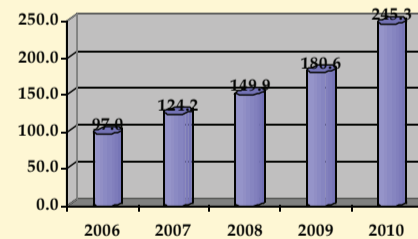
- The Bank continued to expand delivery channels and basic infrastructure, with the completion of the head office at Kololo and increased branch network to 11 (as at 31 Dec 2010) and later to 14 as at 15 April 2011;
- The Bank's total assets grew by 38.9% to Ushs 360.1 billion (2009: Ushs 259.3 billion).
- Loans and advances to customers increased from Ushs 180.6 billion to Ushs 245.3 billion, a 35.8% growth over the year.
- Customer deposits increased from Ushs 109.4 billion to Ushs 167.0 billion, a 52.6% growth.

ASSETS AND LIABILITY GROWTH TRENDS

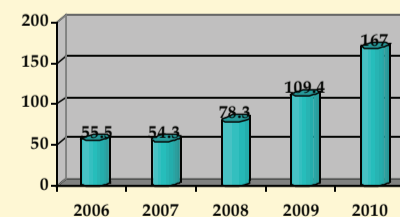
Total assets (Ushs billion):



Loans and advances (Ushs billion):



Customer deposits (Ushs billion):



The above statement of financial position and statement of comprehensive statement of comprehensive income were audited by KPMG and received an unqualified opinion. The financial statements were approved by the Board of Directors on 25 March 2011 and discussed with the Bank of Uganda on 01 April 2011.

Mr. Keith Muhakanizi
Chairman

Mr. Nicholas Okwir
Managing Director

Mr. David G Opiokello
Director

Mr. Vincent Ssekkono
Director