

SOCIAL HOUSING FINANCE CORPORATION
 (A Wholly - owned Subsidiary of the National Home Mortgage Finance Corporation)
BALANCE SHEET
AS OF DECEMBER 31, 2005

A S S E T S

CURRENT ASSETS

Cash and cash equivalents (Note 4)	P 422,293,122
Receivables (Note 5)	<u>10,930,579</u>
	<u>433,223,701</u>

ASSETS HELD IN TRUST (Note 6)

NHMFC	4,978,330,386
AKPF	<u>599,632,566</u>
	<u>5,577,962,952</u>

NON-CURRENT ASSETS

Office equipment, furniture and fixtures (Note 7)	57,000
Office equipment	<u>246,200</u>
IT equipment and software	<u>303,200</u>
	<u>303,200</u>

TOTAL ASSETS **P 6,011,489,853**

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES

Payables (Note 8)	139,125,546
Inter-agency payables (Note 9)	13,574,742
Other current liabilities (Note 10)	<u>189,432,897</u>
	<u>342,133,185</u>

TRUST LIABILITIES

TL - NHMFC (Note 11)	5,057,463,517
TL - AKPF (Note 12)	<u>599,632,566</u>
	<u>5,657,096,083</u>

TOTAL LIABILITIES 5,999,229,268

STOCKHOLDERS' EQUITY 12,260,585

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY **P 6,011,489,853**

See accompanying Notes to Financial Statements.

SOCIAL HOUSING FINANCE CORPORATION
 (A Wholly - owned Subsidiary of the National Home Mortgage Finance Corporation)
STATEMENT OF INCOME
 For the Three Months Ended December 31, 2005

INCOME (Note 13)	P	6,035,094
Processing fee		4,328,380
Management fee		1,763,935
Interest - savings deposits		300,181
Miscellaneous		108,371
Service fee		<u>12,535,961</u>
EXPENSES		
PERSONAL SERVICES (Note 14)		3,584,870
Salaries and wages		1,238,386
Other compensation		503,134
Personnel benefit contribution		<u>5,326,390</u>
MAINTENANCE and OTHER OPERATING EXPENSES		1,984,632
Rent		754,103
Taxes, insurance premiums and other fees		440,034
Utility expenses		289,506
Professional services		237,603
Supplies and materials		234,691
Discretionary expenses		208,663
Confidential, extraordinary and miscellaneous expenses		162,689
Communication expenses		87,025
Travelling		40,000
Printing and binding		61,614
Other maintenance and operating expenses		<u>4,500,560</u>
FINANCIAL EXPENSES		1,352
Bank charges		<u>9,828,302</u>
		2,707,659
NET INCOME BEFORE INCOME TAX		<u>447,074</u>
Less: Provision for income tax		
NET INCOME AFTER INCOME TAX	P	<u>2,260,585</u>

See accompanying Notes to Financial Statements.

SOCIAL HOUSING FINANCE CORPORATION
(A Wholly - owned Subsidiary of the National Home Mortgage Finance Corporation)
STATEMENT OF CHANGES IN EQUITY
For the Three Months Ended December 31, 2005

CAPITAL STOCK

Authorized

Common stock 100,000 shares
@ P 1,000 par value per share

P 100,000,000

Subscribed

Initial subscription, 25,000 shares
Subscription receivable

25,000,000

(15,000,000)

Paid-in capital

10,000,000

RETAINED EARNINGS

Net income for three months

2,260,585

STOCKHOLDERS' EQUITY

P 12,260,585

See accompanying Notes to Financial Statements.

SOCIAL HOUSING FINANCE CORPORATION
(A Wholly - owned Subsidiary of the National Home Mortgage Finance Corporation)
CASH FLOW STATEMENT
For the Three Months Ended December 31, 2005

Cash flows from operating activities	P 551,041,655
Receipts of CMP Fund transferred from NHMFC	2,418,312
Amortization collections	1,763,935
Receipts of interests from deposits	700,833
Guaranty deposits	205,038
Insurance prepayments	108,371
Service fee income	4,503
Miscellaneous income	(140,066,608)
MCR - Take-out	(1,462,895)
Origination fee	(829,867)
Maintenance and operating expenses	(820,254)
Remittance of MRI premiums	(516,252)
Taxes, duties and fines	(146,935)
Refund of excess payments	(67,540)
Personal services	(30,843)
Discretionary, extraordinary and miscellaneous expenses	(8,331)
Remittance of GSIS/Pag-ibig/Philhealth/Withholding tax	<u>412,293,122</u>
Net cash provided by operating activities	412,293,122
Cash flows from investing activities	<u>10,000,000</u>
Receipt of payment for capital stock subscription	10,000,000
Net increase in cash and cash equivalents	422,293,122
Cash and cash equivalents, beginning	<u> </u>
Cash and cash equivalents, ending	P <u>422,293,122</u>

See accompanying Notes to Financial Statements.