



Housing Development Finance Corporation Plc.

THIRD QUARTER REPORT



**JULY - SEPTEMBER
2022**

HOUSING DEVELOPMENT FINANCE CORPORATION PLC.
WWW.HDFC.COM.MV



HDFC is the only specialized housing financing institution in the Maldives. Our core activities are to provide housing finance to the citizens of the Maldives via Conventional and Islamic financing models and develop Maldivian capital market by offering debt instruments.

We strive to serve as a trusted partner to our clients by responsibly providing finance that enable home ownership and economic prosperity. We have more than 18 years of experience helping our clients meet the world's toughest challenge and embrace their greatest dream of all times, "owning a home".

HDFC strives to always work with its stakeholders to develop markets and products and explore new business opportunities for the company. We welcome investors and business associates pursuing its mission of promoting housing finance.

HDFC has demonstrated resilience by growing strongly and consistently even during the challenging times. This feat would not have been possible but for the strong ethical business practices and guidance of the Board of Directors and the passion of the highly energetic employees.

We are proud of our most valuable asset our human capital and equally value our dedicated customers with whom our staff at all levels have created an unwavering bond of confidence in their excellent customer service which has driven the Company to a solid performance throughout the years.

Table of Contents

1. SUMMARY	2
2. BUSINESS UPDATES.....	2
3. MANAGEMENT OF GOVERNMENT SOCIAL HOUSING PROGRAMME.....	3
4. EVALUATION SERVICES (HDC – VINARES PROGRAMME)	3
5. HUMAN CAPITAL.....	4
6. SHAREHOLDING	5
7. MATERIAL TRANSACTIONS.....	5
8. PENALTIES IMPOSED BY THE REGULATOR AND TAX	5
9. CORPORATE GOVERNANCE COMPLIANCE	6
10. GOVERNANCE	9
11. FINANCIAL HIGHLIGHTS	13
12. FINANCIAL STATEMENTS.....	15
13. SHARIA COMPLIANCE.....	20
14. EXTERNAL AUDITOR’S LIMITED REVIEW	20
15. STATEMENT OF COMPLIANCE	20

1. Summary

Housing Development Finance Corporation Plc. (HDFC) is a company incorporated as a state-owned enterprise on January 28, 2004 by a presidential Decree under the companies Act No. 10/96, registered as a public company on 9th February 2006 and privatized on 23rd July 2008 with International Shareholders represented by the International Finance Corporation (IFC of World Bank Group), Asian Development Bank and HDFC Investments Ltd. of India, jointly holding 51% of shares. HDFC is the only specialized housing finance institution in the Maldives.

Today the Company's loan portfolio stands over MVR1.63 billion and assets worth over MVR 2.33 billion.

HDFC has generated a net profit of MVR 22.97 million during the Quarter 3 of 2022 which is a decrease of 2.75% compared to the Quarter 2 of 2022 where the company made a net profit of MVR 23.62 million.

2. Business Updates

- HDFC introduced a new product under the name of "SOE Hiya Product" aimed at the SOE's Housing Programmes being developed and positive improvements are reflected in the product, specially in rate.
- HDFC continued to meet with Developers and SOE's in its efforts to find leads in additional business and provide information session to staff of SOE's to educate them on the products offered.

The current end-user financing projects financed by HDFC are as follows: -

Project	Developer	Overall Progress	Expected Completion Date
The Gardens Exotic Elegance	JAAH Investments	95%	December 2022
AIRA	Ensis Reality Subsidiary of Ensys Gp.	90.89%	February 2023
One Central Park	Sandal Mauritius	13%	March 2023
Rain Coral Residence	Rainbow Mega Developer	33.67%	April 2024
The Creek View	SASe Glut JV Pvt. Ltd.	13%	March 2025

Blue Haven	RCC	23%	October 2023
Central Homes	Apollo Holding Pvt. Ltd.	20%	March 2025

The challenges which had to be faced due to disruption of global supply chain has still not been overcome in its entirety, though significant progress has been made by the local companies in addressing this, the high cost associated bringing in raw materials and spike of inflation has added new challenges in completion of the contracts entered prior to covid. This is seen in the delays experienced in pushing the original completion dates by the Contactors.

3. Management of Government Social Housing Programme

Under the Government Social Housing programme, a new scheme named "Gedhuroveriya" was launched in June 2021 with a budget of MVR175 million to cater for the people of outer atolls for new construction, renovation, and extensions. HDFC conducted online sessions for all the Councils to educate them on the process involved at various stages. During Q3 2022, HDFC continued to evaluate the applications received through the online portal specially developed to simplify the submission of application process.

Other social housing schemes managed by HDFC are as follows;

1. Ministry of Housing and Infrastructure - MHUD Conventional Fund
2. Ministry of Housing and Infrastructure - MHI Islamic Fund
3. Ministry of Housing and Infrastructure - GED Islamic Fund
4. Ministry of Housing and Infrastructure - 704 Conventional Fund
5. Ministry of Housing and Infrastructure - CMEC Conventional Fund
6. Ministry of Housing and Infrastructure – GED Conventional Fund

4. Evaluation Services (HDC – Vinares Programme)

HDFC under an Agreement signed with the Housing Development Corporation (HDC) continued to undertake the Financial Evaluation of the customers under the VINARES Project (Mixed Residential Housing Units under an Islamic Model). The project is a lease to own model where HDFC's role is purely restricted to Financial Screening based on the criterion developed by HDC and the list of customers identified by HDC.

5. Human Capital

Employment Data

1 July 2022 – 30 Sept. 2022	Local	Expatriate	Total
No. of staff at beginning	37	-	37
No. of staff resigned/terminated	2	-	2
No. of staff employed	2	-	2
No. of staff on Contract basis		-	
Total	37		37

Staff Development & Training

At HDFC, we give utmost importance to maintain our focus on our employee's professional development and engagement.

Staff training is pitched towards enhancing the professional capacities of individual staff and the team, which is essential to deliver an effective output. Though on the job training is a regular fragment of daily functioning, further training is supplemented as a backing to nurture the knowledge base of their progression.

Thus, during the quarter, the following training programs were initiated.

1. Participated in a virtual knowledge sharing session organized by SAP about effective use of HR Software to improve work process.
2. Participated in a virtual workshop on Islamic Banking and Sectors organized by MMA in collaboration with the Islamic Financial Services (IFSB).
3. Participated in employee engagement and empowerment sessions to create synergy organized by President's Office in collaboration with Civil Service Training Institute.
4. Participated in a Webinar Visioning Maldives Leadership Dialogs in Fostering Innovation in Public Service Delivery organized by the President's Office in collaboration with Civil Service Training Institute and UNDP.
5. Organized internal information session to staff to educate on the new product (SOE Product) introduced.
6. Participated in a workshop on Digital Revolution (Microsoft Dynamics 365), organized by ZILLIONe Technologies (Pvt) Ltd.
7. HDFC Internship Programme: Facilitated an internship opportunity for a graduate for 03 months. HDFC's internship programme is designed for new enthusiastic graduates to acquire an enhanced experience of the operations and the overall workflow of the Corporation. They are mentored and guided

closely throughout their association with us and are required to present a report to the Management on the overall understanding of the processes at the end of their programme. Feedback is obtained to understand and improve the structure of the programme.

8. Board Director participated in the Directors' Training Programme organized by CMDA.

Marketing and CSR

- Under the CSR, HDFC arranged an Islamic Finance knowledge sharing session for Auditors.
- HDFC continued provide sponsorship to various programmes. Beneficiaries for this quarter included, Maldives Accountant Forum organized by CA Maldives and International Conference on Advancement 2022 organized by IUM.
- HDFC continued to market its products through social media and on digital boards in Male' to create awareness among the public of its products.

6. Shareholding

The company's shareholding as of September 30, 2022, was as follows

Shareholding	%	Number of shares
Government of Maldives	49%	78,092,800
Asian Development Bank	18%	28,687,500
International Finance Corporation	18%	28,687,500
HDFC Investments India	15%	23,906,200
Initial Shareholders		1,000
	100%	159,375,000

7. Material Transactions

During the reporting quarter there were no material transactions conducted with Directors or Shareholders other than that of during ordinary course of business.

8. Penalties imposed by the Regulator and Tax

- There are no penalties imposed by the regulator during the Quarter.
- The Company has no pending tax to MIRA as of 30th September 2022.

9. Corporate Governance Compliance

	Provision	Compliance Status	Details
Effective Board	1.1	Complied	The Board composition is made up of 8 Directors (GOM-2, IFC 1, ADB 1, HDFC-I-1, Independent Directors-2 & MD), of which 7 are Non- Executive Directors with one Executive Director (with no voting power). During the reporting period 08 directors are holding office.
Composition of the BOD	1.2	Complied	There are four female Directors on HDFC PLC.'s Board. None of the Directors hold Directorship in more than 3 public Companies in the Maldives.
Nomination/re-election of Directors	1.3	Complied	GOM & ADB have appointed one Alternate Director each. GOM representations on the Board are informed by the Ministry of Finance and Treasury. There is no Public Director on the Board of HDFC PLC. Since HDFC's shares are not listed.
Separation of Chairman and MD	1.4	Complied	The Chairman and the Managing Director are two separate individuals in the Company.
Roles of the Chairman and MD	1.5	Complied	The roles of the Chairman and the Managing Director are separated. The Chairman is appointed for a period of 1 year on rotation. Current Chairman is Mr. Conrad D' Souza.
Duties of the Board	1.6	Complied	Board Directors roles are stated separately in the charter.
Training	1.7	Complied	Director & Company Secretary participates in trainings organized by CMDA. New local directors are provided the opportunity to attend CG orientations offered by reputed institutions and IFRS9 sessions were conducted for Board of Directors. Any updates to the regulatory frameworks are briefed by CS to the board of directors.

	Provision	Compliance Status	Details
Committees	1.8	Complied	Board Committees are: Audit Committee Nomination & Remuneration Committee Credit Risk Management Committee IPO Committee
Remuneration policy	2.1	Complied	The Company has a remuneration policy in place.
Evaluation of the BOD Performance	2.2	Complied	Evaluation of the Board is done by NRC.
Board remuneration Disclosure	2.3	Complied	HDFC does not pay a fixed remuneration to its non-executive directors. Total remuneration paid to Directors are disclosed in the Annual Report.
Board Member Remuneration Disclosure	2.4	Complied	There is no fixed remuneration given to the individual non-executive board directors. HDFC gives a sitting fee to each member who attends the Board and its Committees, which is disclosed as a total for the year in the Annual Report.
Management constituents	3.1	Complied	Members who comprise the management team are Managing Director, CFO, Head of IT, Head of Credit, Head of Admin and Company Secretary and Senior Manager – Islamic (AMNA)
Roles and Responsibilities of the Management	3.2	Complied	The HR department has drawn job descriptions for each employee of the Company. The Board provides the management constant advice and guidance. Further, the Board has given performance goals to the MD, which are cascaded down to the management along with KPI's.
Internal Audit	4.1	Complied	Internal Audit findings are reported directly to the Audit Committee. EY is the Internal Auditor for 2022.
External Audit	4.2	Complied	The Audit Committee makes recommendations on selecting an External Auditor to the Company, which is taken to the AGM for the Shareholders approval. KPMG is the Statutory Auditor for the Year 2022.

	Provision	Compliance Status	Details
Internal Controls	4.3	Complied	The Internal Auditors as well as the Risk Audit Manager review the internal controls set within the Company and reports directly to the Audit Committee of the Board.
Company Secretary	5	Complied	The Company Secretary maintains a schedule of the compliances signed by the responsible staff. The compliances are reported to the Board.
Shareholders	6.1	Complied	Shareholders rights are informed through quarterly reports, the Company's website, and the AGM.
Shareholder Communication	6.2	Complied	Shareholder communication is conveyed through notices, press releases, press conferences, weekly, monthly reports, quarterly reports, semi-annual reports, annual reports, and AGM.
General Meetings	6.3	Complied	The Company's AGM is held annually to inform the company's performance of the past year. AGM FY2021 was held on 16 May 2022.
Voting Rights	6.4	Complied	Shareholders are informed on their voting rights by email and letters. Shareholders are permitted to vote in-absentia through proxy voting.
Financial Statements	7.1	Complied	The Company's Financial Statements are prepared in accordance with the International Financial Reporting Standards (IFRS), Audited Balance Sheet and Profit and Loss statements are reviewed and signed by the Chairman of the Audit Committee, MD, and CFO. Monthly, Quarterly and Semi-annually reports are signed by Chairperson of the Audit Committee, MD, and CFO.
Non-Financial Statements	7.2	Complied	HDFC ensures the disclosure of current/potential conflicts of interests (if any) and interested third party transactions by the Directors and the Management annually and through its annual report.

	Provision	Compliance Status	Details
Systems to raise concerns	8	Complied	The Board and Management ensure that appropriate processes are in place to enable employees and management to raise their concerns as communicated to the staff and disclosed in the annual report. Additionally, customers and other stakeholder concerns can be raised through the suggestion box placed at the information counter of HDFC's Office, and by writing to the Appeal and Grievance committee that comprises of two HOD's and the MD. A Whistle blower policy has been established and adopted.
Investor and Media Relationship	9.1	Complied	HDFC always maintains a close relationship with the media and investors and acts as a responsible Corporate Citizen.
Quarterly Newsletter	9.2	Complied	HDFC discloses its business and other undertakings and events through its quarterly reports.
Sustainability Reporting	10	Complied	HDFC publishes its Sustainability Statement as part of the Annual Report. Environmental Impact Assessment Reports are submitted Annually to ADB and other multilateral funding partners.

10. Governance

Frequency of Board Meetings

The number of meetings held by the Board of Directors and its sub-committees during the third quarter of 2022 were as follows:

	No. of meetings	Date of Meeting
Board of Directors	01 (One)	10 th September 2022
NRC Committee	Nil	Nil
Credit Risk Management Committee	Nil	Nil
Audit Committee	01 (One)	10 th September 2022

IPO Committee Meeting	03 (Three)	15 th August 2022 10 th September 2022 04 th October 2022
HDFC Shariah Advisory Committee (AMNA)	01 (One)	21 st August 2022

Changes in the Members of the Board

- Mr. Khalid Sulaiman was appointed to the Board on 01st September 2022 as the Nominee Director from Government of Maldives.

Major decisions made by the Board

- Reviewed and approved the Equity Valuation of HDFC carried out by EY.
- Approved the share split.
- Reviewed and took note of the ERP Implementation update.
- Reviewed performance, liquidity, NPL and moratorium updates.
- Reviewed the periodic compliance.
- Approved amendments proposed to Finance Manual.
- Approved through circulation a new product "SOE Hiyaa Product"
- Approved engagement of External Services in relation to the Offer for Sale.

Major decisions made by Audit Committee

- Reviewed the Q1/2022 Internal Audit Report presented by EY.
- Reviewed the Shariah Review Report of Q2/2022.
- Reviewed the Risk Assessment Report (Jan – June 2022)

Major decisions made by HDFC Shariah Advisory Committee

- Appointed Dr. Ibrahim Zakariyya as the Chairman of the Committee.
- Endorsed Q2/2022 Shariah Review.
- Reviewed the changes brought to the shariah governance manual in line with the MMA Sharia Governance Framework.
- Reviewed the changes proposed to the Musharakah Mutanaqisa manual.
- Approved a new product for HDFC Staff for Housing under Islamic Finance.
- Approved the basis to levy legal and recovery charges in accordance with sharia guidelines.

Major decisions made by NRC Committee

- Approved through circulation the appointment of nominee Director proposed by Government of Maldives.

Major decisions made by IPO Committee

- Approved the External appointments to Offer for Sale.
- Reviewed the Equity Valuation Reports of HDFC carried out by EY.
- Reviewed and took note of the timelines presented by Issue and Marketing Manager and External Legal Counsel in relation to the Offer for Sale (IPO)

Board Composition

The Board composition as of September 30, 2022, were as follows.

Name	Position	Category	Respective Committee	Effective Date
Mr. Conrad D'Souza Nominee Director	Chairman	Non-Executive	AC, NRC, BCC, IPO	March 15, 2019
Mr. Hamid Sodique Nominee Director	Director	Non-Executive	AC, NRC (Chairman), BCC IPO	July 01, 2021
Ms. Kohe Noor Binte Mahmoodul Hasan Nominee Director	Director	Non-Executive	AC, NRC, IPO	August 09, 2019
Ms. Amena Arif Nominee Director	Director	Non-Executive	AC, BC, IPO	December 08, 2021
Mr. Khalid Sulaiman	Director	Non-Executive	Nil	September 01, 2022
Mr. Mohamed Ahmed Independent Director	Director	Non-Executive	AC (Chairman), IPO (Chairman) BCC	July 18, 2021
Ms. Aishath Shizna Independent Director	Director	Non-Executive	BCC (Chairperson)_ NRC	July 18, 2021
Ms. Raheema Saleem Managing Director	Director	Executive	-	February 28, 2017

Attendees to the Board meeting

- Mr. Conrad D'Souza (Chairman)
- Mr. Hamid Sodique (Director)
- Ms. Kohe Noor Binte Mahmoodul Hasan (Director)¹
- Ms. Amena Arif (Director)
- Mr. Khalid Sulaiman (Director)
- Mr. Mohamed Ahmed (Independent Director)
- Ms. Aishath Shizna (Independent Director)
- Ms. Raheema Saleem (Managing Director)

¹ - Participated Virtually

Attendees to the Audit Committee meeting

- Mr. Mohamed Ahmed - Chairman
- Mr. Conrad D'Souza - Member
- Mr. Hamid Sodique – Member ¹
- Ms. Amena Arif – Director
- Ms. Raheema Saleem – Managing Director (By Invitation)

¹ Participated virtually

Attendees to the IPO Committee meeting(s)

- Mr. Mohamed Ahmed – Chairman - 3
- Mr. Conrad D'Souza - Member - 3
- Mr. Hamid Sodique – Member - 3
- Ms. Kohe Hasan – Member - 2

Attendees to HDFC Shariah Advisory Committee (AMNA)

- Dr. Ibrahim Zakariyya Moosa (Chairman of the Committee)
- Prof. Rusni Hassan (Member)¹
- Dr. Ali Zahir bin Saeed Qasim (Member)
- Mr. Hassan Miras - Secretary to the Committee

¹ Participated virtually

11. Financial Highlights

Financial Highlights (Unaudited) for the Quarter Ended September 30, 2022

(all amounts are in MVR)

Performance	Quarter 3 (2022)	Quarter 2 2022 (Revised)
Total Revenue	47,090,252	47,619,167
Total Expenses	(19,773,753)	(19,654,588)
Net Profit	22,974,078	23,622,157
Earnings Per Share	14.42	14.82
Net Assets Per Share	1,463.90	1,467.80
Cash Flow Per Share	41.98	41.89

Financial Ratios	Quarter 3 2022	Quarter 2 2022 (Revised)
Asset Cover Ratio	2.24	2.21
Debt-Equity Ratio	1.44	1.50
Debt Service Coverage Ratio	0.03	0.03
Interest Service Coverage Ratio	2.30	2.41
Outstanding Redeemable Preference Shares	NA	NA
Capital Redemption Reserve	NA	NA
General Reserve	15,000,000	15,000,000

Notes on Issuers of Debt Securities

PREVIOUS DUE PAYMENT DATES FOR THE DEBT SECURITIES

Debt Securities	Date of Payment	Remarks
Bond Issue No - 2	30-Jun-22	Settled
Bond Issue No - 3	04-Jun-22	Settled
Sukuk Issue No - 1	27-Jul-22	Settled
Sukuk Issue No - 2	17-Apr-22	Settled
Sukuk Issue No - 3	04-Jun-22	Settled
Sukuk Issue No - 4	02-Jun-22	Settled

NEXT DUE PAYMENT DATES FOR THE DEBT SECURITIES

Debt Securities	Date of Payment	Remarks
Bond Issue No - 2	31-Dec-22	To be Settled
Bond Issue No - 3	04-Dec-22	To be Settled
Sukuk Issue No - 1	27-Jan-23	To be Settled
Sukuk Issue No - 2	17-Oct-22	To be Settled
Sukuk Issue No - 3	04-Dec-22	To be Settled
Sukuk Issue No - 4	02-Dec-22	To be Settled

12. Financial Statements


Income Statement (Unaudited) for the Quarter Ended September 30, 2022

	Quarter 3	Quarter 2 (Revised)
(all amounts are in MVR)	30-Sep-22	30-Jun-22
Gross income	47,090,252	47,619,167
Interest income	36,508,450	36,918,626
Interest expense	(11,866,103)	(11,582,547)
Net interest income	24,642,346	25,336,078
Net income on Shari'ah products	6,606,004	7,133,050
Fee income	857,568	1,028,606
Other income	3,118,230	2,538,885
	10,581,803	10,700,541
Operating income	35,224,149	36,036,619
Provision for Impairment loss on loans and advances (made)/ Reversal	(3,125,000)	(3,125,000)
Personnel expenses	(2,594,659)	(3,017,652)
Other operating expenses	(2,187,990)	(1,929,388)
Profit before tax	27,316,499	27,964,579
Tax expense	(4,342,422)	(4,342,422)
Profit for the period	22,974,078	23,622,157
Earnings Per Share - basic	14.42	14.82

Statement Of Financial Position (Unaudited) For the Quarter Ended September 30, 2022

	Quarter 3	Quarter 2 (Revised)
(all amounts are in MVR)	30-Sep-22	30-Jun-22
ASSETS		
Cash and short term funds	66,908,588	66,769,143
Financial Assets Held to Maturity	614,880,403	600,874,427
Loans and Advances to Customers	1,630,054,707	1,649,646,582
Property, Plant and Equipment	777,281	792,527
Right-of-use assets	6,812,204	7,087,325
Intangible assets	12,770	19,155
Deferred tax asset	5,067,075	5,067,075
Other assets	8,584,419	9,053,588
TOTAL ASSETS	2,333,097,448	2,339,309,823
LIABILITIES		
Deposits from customers	81,909,675	80,558,724
Borrowings	1,108,266,978	1,122,074,284
Other liabilities	351,294,507	360,840,674
Dividends Payable	20,308,454	27,492,385
Total Liabilities	1,561,779,615	1,590,966,068
EQUITY		
Share capital	159,375,000	159,375,000
Retained earnings	596,942,833	573,968,756
General Reserve	15,000,000	15,000,000
Total shareholders' equity	771,317,833	748,343,756
TOTAL EQUITY AND LIABILITIES	2,333,097,448	2,339,309,823


 Mohamed Shafeeq
 Chief Financial Officer


 Raheem Saleem
 Managing Director


 Mohamed Ahmed
 Audit Committee Chairman

Cash Flow Statement (Unaudited) For the Quarter Ended September 30, 2022

(all amounts are in MVR)	Quarter 3 30-Sep-22	Quarter 2 (Revised) 30-Jun-22
Cash Flow from Operating Activities		
Operating Profit	22,974,078	23,622,157
Add: Increase/(Decrease) Impaired losses on loans and advances	3,125,000	3,125,000
Depreciation	360,328	389,516
(Increase)/Decrease in loans and advances to customers	16,466,875	31,712,852
(Increase)/Decrease in Other assets	469,170	400,369
(Increase)/Decrease in Financial Assets held to maturity	(14,005,976)	(15,315,111)
Increase/(Decrease) in due to customers	1,350,951	(1,032,001)
Increase/(Decrease) in other liabilities	(9,546,167)	10,202,424
Net Cash Flow from Operating Activities	21,194,258	53,105,207
Cash Flow from Investing Activities		
(Purchase)/sale of Property, Plant and Equipment	(63,577)	(46,012)
Net Cash Flow from Investing Activities	(63,577)	(46,012)
Cash Flow from Financing Activities		
Proceeds from borrowed funds and debt securities	(20,854,569)	(36,564,418)
Repayment of borrowed funds and debt securities	7,047,263	7,255,991
Dividends paid	(7,183,931)	(32,273,400)
Net Cash flow Financing Activities	(20,991,237)	(61,581,826)
Net Increase in Cash and Cash Equivalent	139,445	(8,522,631)
Cash and Cash Equivalents at the beginning of the period	66,769,144	75,291,775
Cash and Cash Equivalents at the end of the period	66,908,588	66,769,144

Statement Of Changes in Equity (Unaudited) For the Quarter Ended September 30, 2022

(All amounts in Maldivian Rufiyaa)

	Share Capital	General Reserve	Retained Earnings	Total
Balance at 1 April 2022	159,375,000	15,000,000	550,346,599	724,721,599
Profit for the period	-	-	23,622,157	23,622,157
Balance at 30 June 2022	159,375,000	15,000,000	573,968,756	748,343,756
Balance at 1 July 2022	159,375,000	15,000,000	573,968,756	748,343,756
Profit for the period	-	-	22,974,078	22,974,078
Balance at 30 September 2022	159,375,000	15,000,000	596,942,833	771,317,833

Amna Statements – Islamic Window (Unaudited) For the Quarter Ended September 30, 2022

Income Statement (Unaudited)

For the Quarter ended 30 September 2022

(all amounts are in MVR)	Quarter 3 30-Sep-22	Quarter 2 (Revised) 30-Jun-22
Gross income	55,473,200	36,797,527
Revenue	54,336,195	36,018,671
Investment Charges	(26,895,744)	(17,423,433)
Net investment income	27,440,451	18,595,238
Fees and commissions	1,137,006	778,856
Operating Income	28,577,457	19,374,094
Facility Loss Provision on Impaired Assets	(2,982,188)	(1,875,000)
Staff Costs	(517,991)	(357,045)
Administration & Operating Expenses	(1,260,606)	(743,771)
Bank Charges	(60,037)	(39,114)
Depreciation	(363,768)	(234,971)
Net Operating Expenses	(5,184,590)	(3,249,901)
Net Profit	23,392,867	16,124,192

Statement of Financial Position (Unaudited)

For the Quarter ended 30 September 2022

(all amounts are in MVR)	Quarter 3 30-Sep-22	Quarter 2 (Revised) 30-Jun-22
Cash and Short term funds	338,628,297	321,842,760
Mortgage facilities	499,105,658	498,954,722
Non - Current Assets	2,418,277	2,369,702
Other Assets	16,962	6,397
Total Assets	840,169,195	823,173,581
Customer deposits	23,985,609	22,328,610
Wakalah Facilities	148,000,000	148,000,000
Sukuk	406,936,000	406,936,000
Other liabilities	41,793,925	33,723,985
	620,715,534	610,988,595
Equity	219,453,660	212,184,986
Total Equity and Liabilities	840,169,195	823,173,581

Statement Of Use of Proceeds for the Quarter Ended September 30, 2022

Statement of Use of Proceeds From Sale of Securities

No	Security Name	Funds obtained	Funds utilised	Balance	Purpose
1	HDFC Sukuk 1	22,566,000	22,566,000	-	To fund shari'ah compliant mortgage housing finance
2	HDFC Sukuk 2	89,036,000	89,036,000	-	To fund shari'ah compliant mortgage housing finance
3	HDFC Sukuk 3	126,931,000	126,931,000	-	To fund shari'ah compliant mortgage housing finance
4	HDFC Sukuk 4	168,403,000	126,410,048	41,992,952	To fund shari'ah compliant mortgage housing finance
5	HDFC Bond 3	80,000,000	80,000,000	-	To fund mortgage housing finance
5	HDFC Bond 3	80,000,000	80,000,000	-	To fund mortgage housing finance

Statement For the Revised Entries (Unaudited) For the Quarter Ended June 30, 2022

1. Revision in increase in interest income is due to the adjustment on T bills interest, which reflects in the Income Statement.
2. Revision in fee income and other income is due to the adjustment on government social housing scheme management fee income and gain on disposal respectively which reflects to the Income Statement and other liabilities in the Statement of financial position.
3. Revision in interest expense is due to the adjustment on term loan interest, which reflects interest expenses in the Income Statement and borrowings in the Statement of financial position.
4. Revision in loans and advances to customers (decrease in loan portfolio) is due to an adjustment in general loan loss provision.

13. Sharia Compliance

HDFC Amna (Islamic Window) operations for the quarter remains compliant with established principles of Sharia.

14. External Auditor's Limited Review

The financials Q3 of 2022 are unaudited management accounts, which are subject to changes after audit by the External Auditor.

15. Statement of Compliance

This report is prepared in compliance with the Minimum Criteria for Periodic Reporting set in Capital Market Development Authority's (CMDA) circular for Listed Companies.