

# QUARTERLY REPORT

Q 04/2020

Housing Development Finance Corporation PLC.



Housing Development Finance Corporation Plc.

[www.hdfc.com.mv](http://www.hdfc.com.mv)

|   |           |
|---|-----------|
| <b>1. STATEMENT OF COMPLIANCE.....</b>          | <b>2</b>  |
| <b>2. DEVELOPMENT OF THE COMPANY .....</b>      | <b>2</b>  |
| <b>3. COMPANY’S SHARE STRUCTURE.....</b>        | <b>5</b>  |
| <b>4. CORPORATE GOVERNANCE COMPLIANCE .....</b> | <b>6</b>  |
| <b>5. FINANCIAL HIGHLIGHTS .....</b>            | <b>13</b> |
| <b>6. FINANCIAL STATEMENTS .....</b>            | <b>15</b> |
| <b>7. SHARIA COMPLIANCE .....</b>               | <b>20</b> |

## 1. 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.

## 2. Development of the Company

### PROGRESS

---

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 MVR1.8 billion and assets worth over MVR2 billion.

HDFC has generated a profit of MVR 91.3 million at the end of the year 2020.

During Quarter 4, company made a net profit of MVR 21.7 million which was a decline of 0.08% compared to Quarter 3. HDFC total assets reached to MVR 2.1 billion and housing loan/facility portfolio has reached to MVR 1.8 billion.

The COVID-19 is and will continue to inflict commotion on the global front and the uncertainties surrounding the financial institutions to maintain stability in delivering the required outcome to shareholders will be challenging. Fragile economies like Maldives where the livelihood is highly dependent on imports and tourism as expected is to be hit the hardest.

HDFC having extended a 06-month moratorium on the repayment of housing loans issued as part of the economic recovery plan aimed to minimize the financial impact on individuals has had its own set of ramifications to the Company. Be it cash flow management or working from home.

To absorb any future shocks HDFC has strengthened the operations resilience through establishment of close monitoring system and understanding the difficulties faced by our

customers in repayments and providing feedback and payment resolutions on a regular basis. The reporting frequency to board as well as shareholders has been enhanced to give a more realistic and current information.

Similarly, the moratorium was also offered for loans issued under housing schemes conducted by the Ministry of Housing and Urban Development and HDFC, a further extension to these schemes were provided until the end of December 2020.

**The progresses of the end-user financing projects are as follows: -**

| <b>Project Name</b>        | <b>Completion %</b> | <b>Estimated completion date</b> |
|----------------------------|---------------------|----------------------------------|
| Apollo Holdings Pvt Ltd    | 97%                 | January 2021                     |
| Ensis AIRA apartments      | 75%                 | March 2021                       |
| Ensis Hulhumaa Apartments  | 49%                 | December 2021                    |
| The Gardens by JAAH        | 94%                 | April 2021                       |
| FW construction apartments | 95%                 | January 2021                     |
| Fitron Residences          | 69%                 | June 2021                        |

The construction industry is the second most highly affected industry in addition to tourism in the Maldives due to Covid-19 pandemic. Almost all the projects targeted completion dates had to be significantly pushed further due to aggravated economic conditions of the country because of the lockdown during emergency. The fragile and the inherent nature of the Maldives economy necessitates import of all materials that are required by the construction industry including labor to be imported and any disruption to any of the constituent of the supply chain, has a rippling affect across the industry, which tend to leave a lasting consequence and necessitate ample expertise and time to recover.

Even though borders have opened, and economy is recovering, the process of returning to normalcy is expected to be a slow process which will have its own challenges to overcome in going forward.

## EMPLOYMENT DATA

| <b>1 October 2020-31 December 2020</b> | <b>Local</b> | <b>Expatriate</b> | <b>Total</b> |
|--|--------------|-------------------|--------------|
| No. of staff at beginning              | 40           | -                 | 40           |
| No. of staff resigned/terminated       | 4            | -                 | 4            |
| No. of staff employed                  | 3            | -                 | 3            |
| <b>Total</b>                           | <b>39</b>    | <b>-</b>          | <b>39</b>    |

## STAFF DEVELOPMENT

- Credit and Amna staff participated in FMS application (End-user) training.
- 02 staff joined a Panel discussion on “Public Procurement System” virtual session organized by Anti-Corruption Commission in collaboration with Transparency Maldives.
- A session was held to share Credit Manual updates to all staff.
- Arabic language classes held 03 days weekly organized internally by Manager Islamic Finance.

## 3. Company's Share Structure

### SHAREHOLDERS

Housing Development Finance Corporation PLC.'s main shareholders include Government of Maldives (GOM) with 49% shares, Asian Development Bank (ADB) 18%; International Finance Corporation (IFC) 18% and HDFC Investments Ltd. of India with 15% along with 10 initial shareholders including the MD. The Company's Shareholding structure is as follows.

#### Shareholding Structure

|     | Name                                  | Capacity    | No. of Share(s) held | Face Value of a share in MVR | Value of share(s) held in MVR |
|-----|---------------------------------------|-------------|----------------------|------------------------------|-------------------------------|
| 1.  | Government of Maldives 49%            | Shareholder | 780,928              | 100                          | 78,092,800.00                 |
| 2.  | International Finance Corporation 18% | Shareholder | 286,875              | 100                          | 28,687,500.00                 |
| 3.  | Asian Development Bank 18%            | Shareholder | 286,875              | 100                          | 28,687,500.00                 |
| 4.  | HDFC Investments Ltd. (India) 15%     | Shareholder | 239,062              | 100                          | 23,906,200.00                 |
| 5.  | Mr. Ibrahim Naeem                     | Shareholder | 1                    | 100                          | 100.00                        |
| 6.  | Ms. Raheema Saleem                    | Shareholder | 1                    | 100                          | 100.00                        |
| 7.  | Mr. Hamid Yoosuf                      | Shareholder | 1                    | 100                          | 100.00                        |
| 8.  | Mr. Mohamed Shahudy                   | Shareholder | 1                    | 100                          | 100.00                        |
| 9.  | Ms. Aishath Rasheeda                  | Shareholder | 1                    | 100                          | 100.00                        |
| 10. | Mr. Mohamed Fathy                     | Shareholder | 1                    | 100                          | 100.00                        |
| 11. | Mr. Mohamed Hamdan Fahumy             | Shareholder | 1                    | 100                          | 100.00                        |
| 12. | Mr. Ahmed Anwar                       | Shareholder | 1                    | 100                          | 100.00                        |
| 13. | Mr. Nahid Idrees                      | Shareholder | 1                    | 100                          | 100.00                        |
| 14. | Expat MD (if any)                     |             | 1                    | 100                          | 100.00                        |
|     |                                       | TOTAL       | 1,593,750            |                              | 159,375,000.0                 |

## 4. Corporate Governance Compliance

|   | Provision | Compliance Status | Details  |
|---|-----------|-------------------|--|
| <b>Effective Board</b>                      | 1.1       | Complied          | The Board comprises of 6 Directors, of which 5 are Non- Executive Directors with one Executive Director (with no voting power).  |
| <b>Composition of the BOD</b>               | 1.2       | Complied          | There are two female Directors on HDFC PLC.'s Board. None of the Directors hold Directorship in more than 3 public Companies.  |
| <b>Nomination/re- election of Directors</b> | 1.3       | Complied          | GOM have appointed two Alternate Directors, while ADB has appointed one Alternate Director. 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. |
| <b>Separation of Chairman and MD</b>        | 1.4       | Complied          | The Chairman and the MD are two separate individuals in the Company.   |
| <b>Roles of the Chairman and MD</b>         | 1.5       | Complied          | The roles of the Chairman and the MD are separated. The Chairman is appointed for a period of 1 year on rotation.  |
| <b>Duties of the Board</b>                  | 1.6       | Complied          | Board Directors roles are stated separately in the charter.  |
| <b>Training</b>                             | 1.7       | Complied          | Director & Company Secretary participated in trainings organized by CMDA in 2018 and IFRS9 sessions were conducted for Board of Directors  |
| <b>Committees</b>                           | 1.8       | Complied          | Board Committees are; <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Nomination &amp; Remuneration Committee</li> <li>• Credit Risk Management Committee</li> </ul>   |
| <b>Remuneration policy</b>                  | 2.1       | Complied          | The Company has a remuneration policy in place.  |
| <b>Evaluation of the BOD Performance</b>    | 2.2       | Complied          | Evaluation of the Board is done by respective Shareholders.  |

|   | Provision | Compliance Status | Details   |
|---|-----------|-------------------|---|
| <b>Board remuneration Disclosure</b>                | 2.3       | Complied          | HDFC does not pay a fixed remuneration to its non-executive directors. Executive Directors and top management remuneration are disclosed in the company's Annual Report.  |
| <b>Board Member Remuneration Disclosure</b>         | 2.4       | Complied          | There is no fixed remuneration given to the individual board director. 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.                           |
| <b>Management constituents</b>                      | 3.1       | Complied          | Members who comprise the management team are Managing Director, AGM -Finance, AGM-IT, AGM - Credit, AGM Admin and Manager Islamic Finance   |
| <b>Roles and Responsibilities of the Management</b> | 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. |
| <b>Internal Audit</b>                               | 4.1       | Complied          | Internal Audit findings are reported directly to the Audit Committee. KPMG is the Internal Auditor for 2020.  |
| <b>External Audit</b>                               | 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. PWC is the Statutory Auditor for 2020.  |
| <b>Internal Controls</b>                            | 4.3       | Complied          | The Internal Auditors review the internal controls set within the Company and reports directly to the Audit Committee of the Board.   |
| <b>Company Secretary</b>                            | 5         | Complied          | The Company Secretary maintains a schedule of the compliances signed by the responsible staff. The compliances are reported to the Board.   |
| <b>Shareholders</b>                                 | 6.1       | Complied          | Shareholders rights are informed through quarterly reports, the Company's website and the AGM.  |
| <b>Shareholder Communication</b>                    | 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.  |
| <b>General Meetings</b>                             | 6.3       | Complied          | The Company's AGM is held annually to inform the company's performance of the past year.  |



|  | Provision | Compliance Status | Details  |
|--|-----------|-------------------|--|
| <b>Voting Rights</b>                   | 6.4       | Complied          | Shareholders are informed on their voting rights by email and letters. Shareholders are permitted to vote in-absentia through proxy voting.  |
| <b>Financial Statements</b>            | 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 |
| <b>Non-Financial Statements</b>        | 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 through its annual report.          |
| <b>Systems to raise concerns</b>       | 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             |
| <b>Investor and Media Relationship</b> | 9.1       | Complied          | HDFC always maintains a close relationship with the media and investors and acts as a responsible Corporate Citizen.   |
| <b>Quarterly Newsletter</b>            | 9.2       | Complied          | HDFC discloses its business and other undertakings and events through its quarterly reports.   |
| <b>Sustainability Reporting</b>        | 10        | Complied          | HDFC publishes its Sustainability Report as part of the Annual Report. Environmental Impact Assessment Reports are submitted Annually to ADB and other multilateral funding partners.            |

The Company has no pending tax to MIRA as 31 December 2020

## BOARD ACTIVITIES

| October - December                      | No. of Meeting | Date             |
|---|----------------|------------------|
| Board Meeting was held virtually (Zoom) | Two            | 16 November 2020 |
|   |                | 19 December 2020 |

## CHANGES IN THE MEMBERS OF THE BOARD

Nominee Director from Government of Maldives Mr. Mohamed Mauroof Jameel resigned on 21 December 2021

## MAJOR DECISIONS MADE BY THE BOARD

- Reviewed the Performance/Liquidity status of the Company.
- Adopted the Budget and Business Plan FY2021.
- Adoption of Key Internal Audit finding for Q1 & Q2 of 2020.
- Reviewed the Portfolio status of pre- and post-moratorium impact.
- Reviewed the progress of IT development
- Discussed Day 1 loss and ECL in relation to Covid-19 Moratorium
- Reviewed the compliance updates and compliance requirements under MMA CG Regulations.
- Approved renewal of Managing Directors' Contract

## AUDIT COMMITTEE

| October - December                                | No. of Meeting | Date             |
|---|----------------|------------------|
| Audit Committee Meeting was held virtually (Zoom) | Two            | 16 November 2020 |
|   |                | 19 December 2020 |

## MAJOR DECISIONS MADE BY THE AUDIT COMMITTEE

- Reviewed the Q1 & Q2/2019 Internal Audit Report.

## NOMINATION AND REMUNERATION COMMITTEE

| October - December  | No. of Meeting | Date             |
|---|----------------|------------------|
| Nomination and Remuneration Committee Meeting was held virtually (Zoom) | One            | 19 December 2020 |

## MAJOR DECISIONS MADE BY THE AUDIT COMMITTEE

- Renewal of Managing Directors' Contract
- Disbanding of the IPO Committee

## HDFC SHARIAH COMMITTEE (AMNA)

| October - December                                       | No. of Meeting | Date             |
|--|----------------|------------------|
| HDFC Shariah Committee Meeting was held virtually (Zoom) | One            | 29 November 2020 |

## MAJOR DECISIONS MADE BY HDFC SHARIAH COMMITTEE

- Shariah basis for the distribution of Sukuk profit during the moratorium period.

## BOARD COMPOSITION

The Board composition of nominee directors as of 31 December 2020 was

**Mr. Conrad D'Souza**  
Chairman/ Director

15 March 2019

**Ms. Raheema Saleem**  
Managing Director

28 February 2017

**Ms. Kohe Noor Binte Mahmoodul Hassan**  
Director

9 August 2019

**Mr. Nihal Senanayake Welikala**  
Director

2 November 2016

---

**\*Mr. Mohamed Mauroof Jameel**  
Director

22 September 2016

---

**Ms. Aminath Sheena Musthafa**  
Director

11 April 2019

**\*Resigned on 21 December 2021**

## ATTENDEES TO THE BOARD MEETING

---

**Mr. Conrad D'Souza**  
Chairman/ Director

---

**Ms. Raheema Saleem**  
Managing Director

---

**Ms. Kohe Noor Binte Mahmoodul  
Hassan** Director

---

**Mr. Nihal Senanayake Welikala**  
Director

---

**\*Mr. Mohamed Mauroof Jameel**  
Director

---

**Ms. Aminath Sheena Musthafa**  
Director

## ATTENDEES TO THE AUDIT COMMITTEE

---

- **Mr. Conrad D'Souza**  
Chairman of the Committee
- **Mr. Nihal Senanayake Welikala**  
Member
- **Mr. Mohamed Mauroof Jameel**  
Member

## ATTENDEES TO THE NOMINATION AND REMUNERATION COMMITTEE

---

- **\*Mr. Mohamed Mauroof Jameel**  
Chairman of the Committee
- **Mr. Conrad D'Souza**  
Member
- **Ms. Kohe Noor Binte Mahmoodul Hasan**  
Member

## ATTENDEES TO HDFC SHARIAH COMMITTEE (AMNA)

---

- **Dr. Ibrahim Zakariyya Moosa** (*participated in person*)  
Chairman of the Committee
- **Dr. Rusni Hassan** (*participated virtually*)  
Member
- **Sheikh Ali Zahir bin Saeed Qasim** (*participated in person*)  
Member

## 5. Financial Highlights

### FINANCIAL HIGHLIGHTS (UNAUDITED) FOR THE QUARTER ENDED 31 DECEMBER 2020

| (all amounts are in MVR)                 |                     |                       |                       |
|--|---------------------|-----------------------|-----------------------|
|  | <b>(Revised)</b>    |                       |                       |
| <b>Performance</b>                       | <b>YTD Dec 2020</b> | <b>Quarter 4 2020</b> | <b>Quarter 3 2020</b> |
| Total Revenue                            | 194,381,252         | 47,553,860            | 47,738,321            |
| Total Expenses                           | (84,194,813)        | (21,334,359)          | (19,708,912)          |
| Net Profit                               | 91,373,613          | 21,719,715            | 23,529,622            |
| Earnings Per Share                       | 57.33               | 13.63                 | 14.76                 |
| Net Assets Per Share                     | 1,304.84            | 1,304.84              | 1,292.84              |
| Cash Flow Per Share                      | 31.73               | 31.73                 | 46.08                 |
| <b>Financial Ratios</b>                  | <b>YTD Dec 2020</b> | <b>Quarter 4 2020</b> | <b>Quarter 3 2020</b> |
| Asset Cover Ratio                        | 2.15                | 2.15                  | 2.11                  |
| Debt-Equity Ratio                        | 1.62                | 1.62                  | 1.69                  |
| Debt Service Coverage Ratio              | 0.13                | 0.03                  | 0.03                  |
| Interest Service Coverage Ratio          | 2.12                | 2.12                  | 2.25                  |
| Outstanding Redeemable Preference Shares | NA                  | NA                    | NA                    |
| Capital Redemption Reserve               | NA                  | NA                    | NA                    |
| Reserves                                 | 15,000,000          | 15,000,000            | 15,000,000            |

*Note: The modification on moratorium has not been accounted for yet.*

## NOTES ON ISSUERS OF DEBT SECURITIES

---

### ***PREVIOUS DUE PAYMENT DATES FOR THE DEBT SECURITIES***

| <b>Debt Securities</b> | <b>Date of Payment</b> | <b>Remarks</b> |
|------------------------|------------------------|----------------|
| Bond Issue No - 2      | 01-Jul-20              | Settled        |
| Bond Issue No - 3      | 17-Dec-20              | Settled        |
| Sukuk Issue No - 1     | 26-Jul-20              | Settled        |
| Sukuk Issue No - 2     | 25-Oct-20              | Settled        |
| Sukuk Issue No - 3     | 17-Dec-20              | Settled        |


### ***NEXT DUE PAYMENT DATES FOR THE DEBT SECURITIES***

| <b>Debt Securities</b> | <b>Date of Payment</b> | <b>Remarks</b> |
|------------------------|------------------------|----------------|
| Bond Issue No - 2      | 23-Jun-21              | To be Settled  |
| Bond Issue No - 3      | 26-May-21              | To be Settled  |
| Sukuk Issue No - 1     | 26-Jan-21              | To be Settled  |
| Sukuk Issue No - 2     | 25-Apr-21              | To be Settled  |
| Sukuk Issue No - 3     | 17-Jun-21              | To be Settled  |

## 6. Financial Statements

### INCOME STATEMENT (UNAUDITED) FOR THE QUARTER ENDED 31 DECEMBER 2020

|   | YTD Dec 2020       | Quarter 4         | Quarter 3<br>(Revised) |
|---|--------------------|-------------------|------------------------|
| (all amounts are in MVR)  | 31-Dec-20          | 31-Dec-20         | 30-Sep-20              |
| <b>Gross income</b>   | <b>194,381,252</b> | <b>47,553,860</b> | <b>47,738,321</b>      |
| Interest income   | 154,167,248        | 37,992,522        | 37,879,827             |
| Interest expense  | (51,996,478)       | (12,347,440)      | (12,464,379)           |
| <b>Net interest income</b>  | <b>102,170,770</b> | <b>25,645,083</b> | <b>25,415,448</b>      |
| Net income on Shari'ah products   | 33,956,429         | 8,404,200         | 8,287,139              |
| Fee income  | 2,548,989          | 327,291           | 557,202                |
| Other income  | 3,708,585          | 829,847           | 1,014,153              |
|   | <b>40,214,004</b>  | <b>9,561,338</b>  | <b>9,858,494</b>       |
| <b>Operating income</b>   | <b>142,384,774</b> | <b>35,206,421</b> | <b>35,273,942</b>      |
| Provision for Impairment loss on loans and<br>advances (made)/ Reversal | (14,800,000)       | (3,700,000)       | (3,700,000)            |
| Personnel expenses  | (10,195,099)       | (2,499,553)       | (2,482,401)            |
| Other operating expenses  | (7,203,236)        | (2,787,366)       | (1,062,132)            |
| <b>Profit before tax</b>  | <b>110,186,439</b> | <b>26,219,502</b> | <b>28,029,409</b>      |
| Tax expense   | (18,812,826)       | (4,499,787)       | (4,499,787)            |
| <b>Profit for the period</b>  | <b>91,373,613</b>  | <b>21,719,715</b> | <b>23,529,622</b>      |
| <b>Earnings Per Share - basic</b>                                       | <b>57.33</b>       | <b>13.63</b>      | <b>14.76</b>           |



**Mohamed Shafeeq**

Assistant General Manager (Finance)



**Raheema Saleem**

Managing Director



## STATEMENT OF FINANCIAL POSITION (UNAUDITED) FOR THE QUARTER ENDED 31 DECEMBER 2020

|                                     | YTD Dec 2020         | Quarter 4            | Quarter 3<br>(Revised) |
|-------------------------------------|----------------------|----------------------|------------------------|
| (all amounts are in MVR)            | 31-Dec-20            | 31-Dec-20            | 30-Sep-20              |
| <b>ASSETS</b>                       |                      |                      |                        |
| Cash and short term funds           | 50,565,734           | 50,565,734           | 73,444,430             |
| Financial Assets Held to Maturity   | 176,942,661          | 176,942,661          | 126,969,597            |
| Loans and Advances to Customers     | 1,828,654,968        | 1,828,654,968        | 1,837,822,302          |
| Property, Plant and Equipment       | 1,053,350            | 1,053,350            | 1,091,516              |
| Right-of-use assets                 | 8,738,051            | 8,738,051            | 9,288,293              |
| Intangible assets                   | 246,724              | 246,724              | 307,182                |
| Deferred tax asset                  | 5,820,179            | 5,820,179            | 5,820,179              |
| Other assets                        | 7,570,140            | 7,570,140            | 5,714,061              |
| <b>TOTAL ASSETS</b>                 | <b>2,079,591,808</b> | <b>2,079,591,808</b> | <b>2,060,457,562</b>   |
| <b>LIABILITIES</b>                  |                      |                      |                        |
| Deposits from customers             | 80,289,957           | 80,289,957           | 84,100,719             |
| Borrowings                          | 1,057,166,576        | 1,057,166,576        | 1,069,286,015          |
| Other liabilities                   | 287,719,262          | 287,719,262          | 274,374,530            |
| <b>Total Liabilities</b>            | <b>1,425,175,795</b> | <b>1,425,175,795</b> | <b>1,427,761,264</b>   |
| <b>EQUITY</b>                       |                      |                      |                        |
| Share capital                       | 159,375,000          | 159,375,000          | 159,375,000            |
| Retained earnings                   | 480,041,013          | 480,041,013          | 458,321,298            |
| General Reserve                     | 15,000,000           | 15,000,000           | 15,000,000             |
| <b>Total shareholders' equity</b>   | <b>654,416,013</b>   | <b>654,416,013</b>   | <b>632,696,298</b>     |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>2,079,591,808</b> | <b>2,079,591,808</b> | <b>2,060,457,562</b>   |



**Mohamed Shafeeq**

Assistant General Manager (Finance)



**Raheema Saleem**

Managing Director

## CASH FLOW STATEMENT (UNAUDITED) FOR THE QUARTER ENDED 31 DECEMBER 2020

| (all amounts are in MVR)   | YTD Dec 2020<br>31-Dec-20 | Quarter 4 2020<br>31-Dec-20 | Quarter 3 2020<br>(Revised)<br>30-Sep-20 |
|--|---------------------------|-----------------------------|--|
| <b>Cash Flow from Operating Activities</b>                               |                           |                             |  |
| Operating Profit   | 91,373,613                | 21,719,715                  | 23,529,622                               |
| Add: Increase/(Decrease) Impaired losses on loans and advances           | 14,800,000                | 3,700,000                   | 3,700,000                                |
| Depreciation   | 661,888                   | 158,605                     | 162,278                                  |
| (Increase)/Decrease in loans and advances to customers                   | (105,081,520)             | 5,467,333                   | (41,454,890)                             |
| (Increase)/Decrease in Other assets                                      | (376,245)                 | (1,856,079)                 | 384,040                                  |
| (Increase)/Decrease in Financial Assets held to maturity                 | 117,959,872               | (49,973,064)                | 43,015,536                               |
| Increase/(Decrease) in due to customers                                  | (8,394,228)               | (3,810,762)                 | (2,155,936)                              |
| Increase/(Decrease) in other liabilities                                 | (41,102,219)              | 13,344,732                  | (1,221,936)                              |
| <b>Net Cash Flow from Operating Activities</b>                           | <b>69,841,161</b>         | <b>(11,249,518)</b>         | <b>25,958,714</b>                        |
| <b>Cash Flow from Investing Activities</b>                               |                           |                             |  |
| (Purchase)/sale of Property, Plant and Equipment                         | 670,883                   | 490,261                     | (34,258)                                 |
| (Purchase) of securities/Proceeds from sale and redemption of securities | -                         | -                           | -  |
| <b>Net Cash Flow from Investing Activities</b>                           | <b>670,883</b>            | <b>490,261</b>              | <b>(34,258)</b>                          |
| <b>Cash Flow from Financing Activities</b>                               |                           |                             |  |
| Proceeds from borrowed funds and debt securities                         | 131,361,275               | 70,327,037                  | 20,153,163                               |
| Repayment of borrowed funds and debt securities                          | (235,474,905)             | (82,446,476)                | (27,845,718)                             |
| Dividends paid   | (43,828,172)              | -                           | -  |
| <b>Net Cash flow Financing Activities</b>                                | <b>(147,941,803)</b>      | <b>(12,119,439)</b>         | <b>(7,692,555)</b>                       |
| <b>Net Increase in Cash and Cash Equivalent</b>                          | <b>(77,429,759)</b>       | <b>(22,878,696)</b>         | <b>18,231,901</b>                        |
| Cash and Cash Equivalents at the beginning of the period                 | 127,995,493               | 73,444,430                  | 55,212,530                               |
| <b>Cash and Cash Equivalents at the end of the period</b>                | <b>50,565,734</b>         | <b>50,565,734</b>           | <b>73,444,430</b>                        |

## STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE QUARTER ENDED 31 DECEMBER 2020

(All amounts in Maldivian Rufiyaa)

|                                     | Share Capital      | General Reserve   | Retained Earnings  | Total              |
|-------------------------------------|--------------------|-------------------|--------------------|--------------------|
| <b>Balance at 1 July 2020</b>       | 159,375,000        | 15,000,000        | 434,791,677        | 609,166,677        |
| Dividend paid                       | -                  | -                 | -                  | -                  |
| Profit for the period               | -                  | -                 | 23,529,622         | 23,529,622         |
| <b>Balance at 30 September 2020</b> | <b>159,375,000</b> | <b>15,000,000</b> | <b>458,321,298</b> | <b>632,696,298</b> |
| <b>Balance at 1 October 2020</b>    | 159,375,000        | 15,000,000        | 458,321,298        | 632,696,298        |
| Dividend paid                       | -                  | -                 | -                  | -                  |
| Profit for the period               | -                  | -                 | 21,719,715         | 21,719,715         |
| <b>Balance at 31 December 2020</b>  | <b>159,375,000</b> | <b>15,000,000</b> | <b>480,041,013</b> | <b>654,416,013</b> |

## AMNA STATEMENTS – ISLAMIC WINDOW (UNAUDITED) FOR THE QUARTER ENDED 31 DECEMBER 2020

| (all amounts are in MVR)                   | YTD Dec 2020       | Quarter 4          | Quarter 3<br>(Revised) |
|--|--------------------|--------------------|------------------------|
|  | 31-Dec-20          | 31-Dec-20          | 30-Sep-20              |
| <b>Gross income</b>                        | <b>67,023,385</b>  | <b>16,949,178</b>  | <b>16,695,325</b>      |
| Revenue                                    | 65,828,234         | 16,687,971         | 16,379,548             |
| Investment Charges                         | (30,620,801)       | (8,100,706)        | (7,843,702)            |
| <b>Net investment income</b>               | <b>35,207,433</b>  | <b>8,587,265</b>   | <b>8,535,846</b>       |
| Fees and commissions                       | 1,195,151          | 261,207            | 315,777                |
| <b>Operating Income</b>                    | <b>36,402,584</b>  | <b>8,848,473</b>   | <b>8,851,622</b>       |
| Facility Loss Provision on Impaired Assets | (3,289,300)        | (1,110,000)        | (1,069,300)            |
| Staff Costs                                | (618,912)          | (151,883)          | (151,270)              |
| Administration & Operating Expenses        | (1,564,165)        | (776,100)          | (318,104)              |
| Bank Charges                               | (109,678)          | (6,068)            | (930)                  |
| Depreciation                               | (524,747)          | (212,654)          | (46,898)               |
| <b>Net Operating Expenses</b>              | <b>(6,106,802)</b> | <b>(2,256,706)</b> | <b>(1,586,502)</b>     |
| <b>Net Profit</b>                          | <b>30,295,782</b>  | <b>6,591,767</b>   | <b>7,265,120</b>       |

### Statement of Financial Position (Unaudited) For the Quarter ended 31 December 2020

| (all amounts are in MVR)            | YTD Dec 2020       | Quarter 4          | Quarter 3<br>(Revised) |
|-------------------------------------|--------------------|--------------------|------------------------|
|                                     | 31-Dec-20          | 31-Dec-20          | 30-Sep-20              |
| Cash and Short term funds           | 149,946,560        | 119,650,778        | 126,704,518            |
| Mortgage facilities                 | 548,393,545        | 548,393,545        | 538,262,097            |
| Non - Current Assets                | 3,011,438          | 3,011,438          | 3,088,541              |
| Other Assets                        | 24,082             | 24,082             | 23,199                 |
| <b>Total Assets</b>                 | <b>701,375,625</b> | <b>671,079,843</b> | <b>668,078,354</b>     |
| Customer deposits                   | 22,086,680         | 22,086,680         | 23,585,350             |
| Wakalah Facilities                  | 173,000,000        | 173,000,000        | 173,000,000            |
| Sukuk                               | 238,533,000        | 238,533,000        | 238,533,000            |
| Other liabilities                   | 107,866,278        | 107,866,278        | 109,957,885            |
|                                     | <b>541,485,957</b> | <b>541,485,957</b> | <b>545,076,235</b>     |
| Equity                              | 159,889,668        | 129,593,886        | 123,002,119            |
| <b>Total Equity and Liabilities</b> | <b>701,375,625</b> | <b>671,079,843</b> | <b>668,078,354</b>     |

## STATEMENT OF USE OF PROCEEDS FOR THE QUARTER ENDED 31 DECEMBER 2020

### Statement of Use of Proceeds From Sale of Securities

| No. | Security Name | Funds obtained | Funds utilised | Balance | Purpose   |
|-----|---------------|----------------|----------------|---------|---|
| 1   | HDFC Sukuk 1  | 22,566,000.00  | 22,566,000.00  | -       | To fund shari'ah compliant mortgage housing finance |
| 2   | HDFC Sukuk 2  | 89,036,000.00  | 89,036,000.00  | -       | To fund shari'ah compliant mortgage housing finance |
| 3   | HDFC Sukuk 3  | 126,931,000.00 | 126,931,000.00 | -       | To fund shari'ah compliant mortgage housing finance |
| 4   | HDFC Bond 2   | 81,390,000.00  | 81,390,000.00  | -       | To fund mortgage housing finance                    |
| 5   | HDFC Bond 3   | 80,000,000.00  | 80,000,000.00  | -       | To fund mortgage housing finance                    |

## STATEMENT FOR THE REVISED ENTRIES (UNAUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

1. There was a reduction in net interest income due to a change in amortization of loan facilities which reflected in Income Statement and Statement of financial position.
2. Adjustments were made on lease computation, resulting in changes being brought to operating expenses in Income Statement and assets & liabilities in Statement of financial position.

There were no other major rectification entries passed, and due to the above-mentioned entries Retained earnings has changed.

## 7. Sharia Compliance

A CMDA registered Sharia Advisor has been appointed as to check and monitor the investment of Sukuk Proceeds and its compliance with the established principles of Sharia. Accordingly, Annual Sharia Audit report inquiries into the disbursement of funds received from the Sukuk, the allocation of profit and charging of losses related to the usage of sukuk proceeds. This is further reviewed by the Sharia Committee in ensuring that the sukuk proceeds are compliant to the Sharia requirements.