

# QUARTERLY REPORT

Q 04/2020

Housing Development Finance Corporation PLC.



Housing Development Finance Corporation Plc.

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

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## 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

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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: -

Project Name	Completion %	Estimated completion date
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

1 October 2020-31 December 2020	Local	Expatriate	Total
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
Effective Board	1.1	Complied	The Board comprises of 6 Directors, of which 5 are Non- Executive Directors with one Executive Director (with no voting power).
Composition of the BOD	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.
Nomination/re- election of Directors	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.
Separation of Chairman and MD	1.4	Complied	The Chairman and the MD are two separate individuals in the Company.
Roles of the Chairman and MD	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.
Duties of the Board	1.6	Complied	Board Directors roles are stated separately in the charter.
Training	1.7	Complied	Director & Company Secretary participated in trainings organized by CMDA in 2018 and IFRS9 sessions were conducted for Board of Directors
Committees	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>
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 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 2020

## 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

<b>Mr. Conrad D'Souza</b> Chairman/ Director	15 March 2019
<b>Ms. Raheema Saleem</b> Managing Director	28 February 2017
<b>Ms. Kohe Noor Binte Mahmoodul Hassan</b> Director	9 August 2019

<b>Mr. Nihal Senanayake Welikala</b> Director	2 November 2016
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<b>*Mr. Mohamed Mauroof Jameel</b> Director	22 September 2016
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<b>Ms. Aminath Sheena Musthafa</b> Director	11 April 2019
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**\*Resigned on 21 December 2020**

## ATTENDEES TO THE BOARD MEETING

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

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**Ms. Raheema Saleem**  
Managing Director

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

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**Mr. Nihal Senanayake Welikala**  
Director

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

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**Ms. Aminath Sheena Musthafa**  
Director

## ATTENDEES TO THE AUDIT COMMITTEE

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- **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

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- **\*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)

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- **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)		(Revised)	
Performance	YTD Dec 2020	Quarter 4 2020	Quarter 3 2020
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
Financial Ratios	YTD Dec 2020	Quarter 4 2020	Quarter 3 2020
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

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### ***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 (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 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 (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

	YTD Dec 2020 31-Dec-20	Quarter 4 2020 31-Dec-20	Quarter 3 2020 (Revised) 30-Sep-20
(all amounts are in MVR)			
<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>	159,375,000	15,000,000	458,321,298	632,696,298
<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>	159,375,000	15,000,000	480,041,013	654,416,013

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

	YTD Dec 2020	Quarter 4	Quarter 3 (Revised)
(all amounts are in MVR)	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

	YTD Dec 2020	Quarter 4	Quarter 3 (Revised)
(all amounts are in MVR)	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.