



Housing Development Finance Corporation Plc.

SECOND QUARTER REPORT

APRIL - JUNE 2023

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	10
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 (net) stands over MVR1.62 billion and assets worth over MVR 2.24 billion.

HDFC has generated a net profit of MVR 19.88 million during the Quarter 2 of 2023 which is a decrease of 6.58% compared to the Quarter 1 of 2023 where the company made a net profit of MVR 21.28 million.

2. Business Updates

- HDFC continued its efforts to attract additional business through one-to-one call and SMS in its efforts to find leads based on its products introduced recently.

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	92.25%	Sept. 2023
One Central Park	Sandal Mauritius	84%	June 2023
Rain Coral Residence	Rainbow Mega Developer	100%	Handed over in July 2023
The Creek View	SASe Glut JV Pvt. Ltd.	58%	March 2025
Blue Haven	RCC	60%	October 2023
Central Homes	Apollo Holding Pvt. Ltd.	20%	March 2025
Solitaire	Sandal Mauritius	31.70%	June 2024
The Rise Apartments	FEDO	08%	Nov. 2025
SJ Creek	SJ Construction	32.45%	Dec 2024.

Stepping into the third-year post pandemic, HDFC has come through well in successfully navigating the challenges brought in with changes to the global market and the economy as whole, driven with high inflations in the country. The increase of arrivals in tourism with opening of the markets across the globe has vastly assisted in stabilizing the economy. Though there are still delays identified in some of the end-user projects, generally projects have made progress while expecting more housing stock to be added to the market.

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. Based on the high demand received from the public an additional MVR100 million was added to continue the programme. Similar to Q2 2023, 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)

The financial evaluation services agreement entered between HDFC and the Housing Development Corporation (HDC), has been concluded.

5. Human Capital

Employment Data

1 April 2023 – 30 June 2023	Local	Expatriate	Total
No. of staff at beginning	39	0	39
No. of staff resigned/terminated	4	0	4
No. of staff employed	4	0	4
Total	39		39

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.

During the reporting quarter, the following training programs were initiated.

1. Participated in the technical discussion workshop organized by PCB on positioning of Company Secretaries in SOEs.
2. Participated in Insurance Training organized by Amana Takaful.
3. Participated in a session conducted by Transparency Maldives on Corporate Governance Transparency Index for SOEs and Anti-corruption Self-Assessment toolkit for SOE's.
4. Participated in a session conducted by the President's Office on the topic of "Get to the next level".
5. Organized and conducted training session on Credit Management and Credit Appraisal in coordination with Realty Consultancy Maldives Pvt. Ltd.
6. Organized and conducted training session on Construction and Project Monitoring in coordination with Realty Consultancy Maldives Pvt. Ltd.
7. Facilitated induction session for new staff.
8. Facilitated one Internship opportunity.

Marketing and CSR

- HDFC continued to market its products through social media and on digital boards in Male' to create awareness among the public of its products.
- HDFC participated in the Maldives Finance Forum, organized by the Maldives Pension and Administration Office.
- HDFC was also the Associate Sponsor of the Maldives Finance Forum 2022.
- HDFC met with new developers to enroll as registered projects for end user products. (Tata and The Rise)
- HDFC invited existing clients to come for renovation of their homes via SMS.
- HDFC also redesigned and launched its new website.

6. Shareholding

The company's shareholding as of June 30, 2023, was as follows:

Shareholding	%	Value of shares
Government of Maldives	49%	78,092,900
Asian Development Bank	18%	28,687,500
International Finance Corporation	18%	28,687,500
HDFC Investments India	15%	23,906,200
Initial Shareholders		900
	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 June 2023.

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 the 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 with 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 2023.

	Provision	Compliance Status	Details
External Audit	4.2	Complied	The Audit Committee makes recommendations on selecting an External Auditor for the Company, which is taken to the AGM for the Shareholders' approval. KPMG is the Statutory Auditor for the Year 2023.
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 on a quarterly basis.
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 FY2022 was held on 15 May 2023.
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.

	Provision	Compliance Status	Details
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.
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 second quarter of 2023 were as follows:

	No. of meetings	Date of Meeting
Board of Directors	01 (One)	15 th May 2023
NRC Committee	01 (One)	09 th June 2023
Credit Risk Management Committee	Nil	Nil
Audit Committee	01 (One)	15 th May 2023
Annual General Meeting	01 (One)	15 th May 2023
IPO Committee Meeting	Nil	Nil
HDFC Shariah Advisory Committee (AMNA)	01 (One)	07 th June 2023

Changes in the Members of the Board

- Mr. Khalid Sulaiman was replaced with Mr. Mohamed Rasheed as the Nominee Director representing Government of Maldives in the Board.

Major decisions made by the Board

- Approved the Chairmanship
- Approved the Directors' Report – FY2022
- Approved the re-appointment of Independent Directors for an additional 02-year term.
- Reviewed the progress of IPO.
- Approved the manual updates.
- Reviewed and took note of the ERP Implementation update.
- Reviewed performance, liquidity, NPL and moratorium updates.
- Reviewed the Moratorium collection plan.
- Reviewed the periodic compliance.

Major decisions made by Audit Committee

- Finalized the Auditors FY2023

Major decisions made by N&R Committee

- Appraised the Senior Management
- Approved Bonus, Promotion and Salary Increment for Staff
- Endorsed the Review and Reward Policy

Major decisions made by HDFC Shariah Advisory Committee.

- 1st Quarter sharia review
- Approval to convert moratorium Istisna facilities to Musharakah Mutanaqisah
- Appointment of Sharia and Legal advisor

Major decisions made at the Annual General Meeting

- Approved the Audited Annual Accounts for the year ended 31st December 2022.
- Approved the Annual Report FY2022.
- Approved the Dividend FY2022.
- Appointed the Auditors FY2023 and their remuneration.
- Recorded new appointment of Directors and approved the appointment of Independent Directors for additional 02-year term.

Board Composition

The Board composition as of June 30, 2023, was 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
Mr. Mohamed Rasheed Nominee Director	Director	Non-Executive	Nil	April 20, 2023
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	December 08, 2021
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)
- Mr. Mohamed Rasheed (Director)
- Mr. Mohamed Ahmed (Independent Director)
- Ms. Aishath Shizna (Independent Director)
- Ms. Raheema Saleem (Managing Director)

Attendees to the Audit Committee meeting

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

Attendees to the N&R Committee meeting

- Mr. Hamid Sodique - Chairman
- Mr. Conrad D'Souza - Member
- Ms. Kohe Hasan - Member
- Ms. Aishath Shizna - Member

*All the members participated virtually

Attendees to the Annual General meeting

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

¹ Participated virtually.

Attendees to HDFC Shariah Advisory Committee (AMNA)

- Dr. Ibrahim Zakariyya Moosa (Chairman of the Committee)
- Prof. Rusni Hassan (Member)¹
- Dr. Ali Zahir (Member)²
- Mr. Hassan Miras - Secretary to the Committee

^{1&2} Participated virtually.

11. Financial Highlights

Financial Highlights (Unaudited) for the Quarter Ended June 30, 2023

(all amounts are in MVR)

Performance	Q2 2023	Q1 2023 (Revised)
Total Revenue	44,352,646	45,866,404
Total Expenses	(19,974,864)	(20,088,196)
Net Profit	19,878,171	21,278,598
Earnings Per Share	1.25	1.34
Net Assets Per Share	1,407.72	1,462.66
Cash Flow Per Share	5.67	5.92

Financial Ratios	Q2 2023	Q1 2023 (Revised)
Asset Cover Ratio	2.19	2.15
Debt-Equity Ratio	1.28	1.39
Debt Service Coverage Ratio	0.03	0.03
Interest Service Coverage Ratio	2.14	2.21
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-23	Settled
Bond Issue No - 3	04-Jun-23	Settled
Sukuk Issue No - 1	27-Jan-23	Settled
Sukuk Issue No - 2	17-Apr-23	Settled
Sukuk Issue No - 3	04-Jun-23	Settled
Sukuk Issue No - 4	02-Jun-23	Settled

NEXT DUE PAYMENT DATES FOR THE DEBT SECURITIES

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

12. Financial Statements

Income Statement (Unaudited) for the Quarter Ended June 30, 2023

(all amounts are in MVR)	Quarter 2	Quarter 1 (Revised)
	<u>30 June 2023</u>	<u>31 March 2023</u>
Gross income	44,352,646	45,866,404
Interest income	35,113,417	36,751,680
Interest expense	<u>(11,415,414)</u>	<u>(11,661,518)</u>
Net interest income	23,698,002	25,090,162
Net income on Shari'ah products	6,679,599	6,673,773
Fee income	1,038,553	1,004,754
Other income	<u>1,521,077</u>	<u>1,436,197</u>
	9,239,229	9,114,724
Operating income	32,937,231	34,204,886
Provision for Impairment loss on loans and advances (made)/ Reversal	(3,359,928)	(3,359,928)
Personnel expenses	(3,271,603)	(3,278,714)
Other operating expenses	(1,927,919)	(1,788,037)
Profit before tax	24,377,782	25,778,208
Tax expense	(4,499,611)	(4,499,611)
Profit for the period	19,878,171	21,278,598
Earnings Per Share - basic	1.25	1.34

Statement Of Financial Position (Unaudited) For the Quarter Ended June 30, 2023

	Quarter 2	Quarter 1 (Revised)
(all amounts are in MVR)	<u>30 June 2023</u>	<u>31 March 2023</u>
ASSETS		
Cash and short term funds	147,581,846	57,650,938
Financial Assets Held to Maturity	450,134,469	620,417,885
Loans and Advances to Customers	1,620,992,932	1,626,883,960
Property, Plant and Equipment	2,785,288	2,768,524
Right-of-use assets	5,986,841	6,261,962
Deferred tax asset	7,445,610	7,445,610
Other assets	8,630,221	9,690,626
TOTAL ASSETS	<u>2,243,557,207</u>	<u>2,331,119,504</u>
LIABILITIES		
Deposits from customers	80,564,650	81,552,636
Borrowings	1,034,975,087	1,096,895,547
Other liabilities	279,305,909	302,752,661
Dividends Payable	42,254,432	63,339,704
Total Liabilities	<u>1,437,100,079</u>	<u>1,544,540,547</u>
EQUITY		
Share capital	159,375,000	159,375,000
Retained earnings	632,082,128	612,203,957
General Reserve	15,000,000	15,000,000
Total shareholders' equity	<u>806,457,128</u>	<u>786,578,957</u>
TOTAL EQUITY AND LIABILITIES	<u>2,243,557,207</u>	<u>2,331,119,504</u>



Mohamed Shafeeq
Chief Financial Officer



Raheem Saleem
Managing Director



Mohamed Ahmed
Audit Committee Chairman

Cash Flow Statement (Unaudited) For the Quarter Ended June 30, 2023

(all amounts are in MVR)	Quarter 2 30 June 2023	Quarter 1 (Revised) 31 March 2023
Cash Flow from Operating Activities		
Operating Profit	19,878,171	21,278,598
Add:		
Increase/(Decrease) Impaired losses on loans and advances	3,359,928	3,359,928
Depreciation	450,213	467,944
Loss/(Profit) on Disposal		
Retained earnings adjustment due to moratorium		-
(Increase)/Decrease in loans and advances to customers	2,531,100	6,110,366
(Increase)/Decrease in Other assets	1,060,405	(481,143)
(Increase)/Decrease in Financial Assets held to maturity	170,283,416	59,611,663
Increase/(Decrease) in due to customers	(987,985)	151,586
Increase/(Decrease) in other liabilities	(23,446,752)	(44,786,973)
Net Cash Flow from Operating Activities	173,128,496	45,711,967
Cash Flow from Investing Activities		
(Purchase)/sale of Property, Plant and Equipment	(191,856)	(71,330)
(Purchase) of securities/Proceeds from sale and redemption of securities		
Proceeds on Disposal of Property, Plant and Equipment		
Net Cash Flow from Investing Activities	(191,856)	(71,330)
Cash Flow from Financing Activities		
Proceeds from borrowed funds and debt securities	(20,598,285)	(33,489,730)
Repayment of borrowed funds and debt securities	(41,322,175)	(27,912,546)
Issue of Ordinary Shares		
Dividends paid	(21,085,272)	-
Net Cash flow Financing Activities	(83,005,732)	(61,402,276)
Net Increase in Cash and Cash Equivalent	89,930,908	(15,761,639)
Cash and Cash Equivalents at the beginning of the period	57,650,938	73,412,577
Cash and Cash Equivalents at the end of the period	147,581,846	57,650,938

Statement Of Changes in Equity (Unaudited) For the Quarter Ended June 30, 2023

(All amounts in Maldivian Rufiyaa)

	Share Capital	General Reserve	Retained Earnings	Total
Balance at 1 January 2023	159,375,000	15,000,000	590,925,359	765,300,359
Dividend Payable			-	-
Moratorium Interest Reversal			-	-
Profit for the period	-	-	21,278,598	21,278,598
Balance at 31 March 2023	<u>159,375,000</u>	<u>15,000,000</u>	<u>612,203,957</u>	<u>786,578,957</u>
Balance at 1 April 2023	159,375,000	15,000,000	612,203,957	786,578,957
Dividend Payable			-	-
Moratorium Interest Reversal			-	-
Profit for the period	-	-	19,878,171	19,878,171
Balance at 30 June 2023	<u>159,375,000</u>	<u>15,000,000</u>	<u>632,082,128</u>	<u>806,457,128</u>

Amna Statements – Islamic Window (Unaudited) For the Quarter Ended June 30, 2023

INCOME STATEMENT (UNAUDITED)

For the Quarter ended 30 June 2023

	Current	Revised
(all amounts are in MVR)	30 June 2023	31 March 2023
Gross income	35,662,472	17,843,135
Revenue	34,871,607	17,472,747
Investment Charges	(19,675,281)	(9,925,719)
Net investment income	15,196,326	7,547,029
Fees and commissions	790,865	370,388
Operating Income	15,987,191	7,917,417
Facility Loss Provision on Impaired Assets	(2,137,913)	(1,068,957)
Staff Costs	(374,714)	(194,888)
Administration & Operating Expenses	(902,185)	(398,957)
Bank Charges	(6,006)	(2,415)
Depreciation	(292,110)	(148,875)
Net Operating Expenses	(3,712,928)	(1,814,092)
Net Profit	12,274,263	6,103,325

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2023

(all amounts are in MVR)	30 June 2023	31 March 2023
Cash and Short term funds	244,435,649	264,481,709
Mortgage facilities	530,620,790	525,061,961
Non - Current Assets	2,790,841	2,873,037
Other Assets	53,834	163,122
Total Assets	777,901,115	792,579,830
Customer deposits	23,841,163	24,240,844
Wakalah Facilities	65,000,000	87,188,262
Sukuk	406,936,000	406,936,000
Other liabilities	31,154,022	35,519,057
	526,931,185	553,884,163
Equity	250,969,930	238,695,667
Total Equity and Liabilities	777,901,115	792,579,830

Statement Of Use of Proceeds for the Quarter Ended June 30, 2023

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	168,403,000	-	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 2023

1. Revision in increase in total assets to adjust for under accrual of profit from GIA Investments.
2. Revision in Increase in Total Borrowings due to under accrual of accrued Sukuk holder profits.
3. Revision in increase in Other Income to reflect the revised accrued GIA profits.
4. Revision in decrease in net Income from shariah products to reflect the revised accrued sukuk holder profits.

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 Q2 of 2023 are unaudited management accounts, which are subject to changes after an 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.