



M. Kaneeru Villa 2nd Floor
Orchid Magu, Male' 20212
Republic of Maldives

13th October 2021

SME Development Finance Corporation Quarterly Report (Third Quarter)

Financial Highlights

Details	Amount	Percentage
Revenue	14,586,182	17 %
Operating Profit	6,846,729	-3.25 %
Earnings per Share	(0.00)	71 %
Net Profit	1,113,955	112 %

Operational Highlights

- The loan portfolio increased by MVR 95 million in the third quarter of the year.
- Recovery efforts were stepped up during the third quarter. Loan loss provisioning decreased by 58.7% from the second quarter.
- Operational expenses maintained well below budgeted expenses.

Market Highlights

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Board Activities

Directors Name	Designation	Board meeting	Audit committee	ALCO Committee	Remuneration Committee	Credit Committee
Shuhad Ibrahim	Chairman	2/2	1/1	0/0	0/0	1/1
Ahmed Zeenad	MD	10/10	0/0	0/0	0/0	1/1
Yooshau Saeed	NED	2/2	0/0	0/0	0/0	1/1
Mohamed Shamy	NED	9/10	1/1	0/0	0/0	3/3
Mohamed Firzul	NED	8/10	0/0	0/0	0/0	0/0
Ahmed Mafawiz	NED	8/8	0/0	0/0	0/0	1/1
Fathimath Lamha	NED	2/2	1/1	0/0	0/0	0/0
Fathimath Muna	ED	2/2	0/0	0/0	0/0	0/0
Nazim Habeeb	ED	2/2	0/0	0/0	0/0	0/0

Meeting	Number of Meeting
Board meeting	10
Audit committee	1
ALCO Committee	0
Remuneration Committee	0
Credit Committee	3

Ongoing project details

#	Project Name	Project commencement date	Project completion date	Project value	Completed value	Project completion %
1	N/A					
2						
3						

Income Statement

	Note	Q3	Q2	Q1
Revenue	1	14,586,182	12,459,025	9,972,133
Cost of Sales	2	-	-	-
Gross Profit		14,586,182	12,459,025	9,972,133
Selling and Marketing costs	3	-	-	-
Depreciation	3a	232,261	194,531	133,247
Provisions for Loan Losses	3b	6,732,774	16,314,025	3,150,710
Administrative costs	4	4,441,828	3,469,022	2,477,098
Other operating expenses	5	2,065,364	1,718,115	1,108,474
Total Expenses		13,472,227	21,695,694	6,869,529
Finance Income	6	-	-	-
Finance cost	7	-	-	-
Profit/ (Loss) before tax		1,113,955	(9,236,669)	3,102,605
Business profit tax	8	(1,555,563)	-	-
Profit/ (Loss) after tax		(441,608)	(9,236,669)	3,102,605
Attributable to:				
Parent		(441,608)	(9,236,669)	3,102,605
Non-controlling interest		-	-	-
EPS		(0.000)	(0.014)	0.005

Statement of Financial Position

	Note	Q3	Q2	Q1
Assets				
Non-Current Assets				
Property plant and equipment	9	4,127,483	3,703,607	2,471,476
Investment in Subsidiaries	10	-	-	-
Investment in Associates	11	-	-	-
Investment in joint ventures	12	-	-	-
Available for sales financial Assets	13	-	-	-
Deferred Tax Assets	14	1,600,383	-	-
Intangible Assets	15	-	-	-
Total Noncurrent Assets		5,727,866	3,703,607	2,471,476
Current Assets				
Inventories	16	-	-	-
Trade and other receivables	17	8,697,288	11,869,595	59,919,339
Loans and Advances	17a	582,186,681	486,367,908	411,223,157
Cash and cash equivalent	18	143,236,602	103,536,669	71,664,629
Financial Assets Held to Maturity	18a	104,490,655	134,409,956	94,403,341
Other Assets	18b	7,147,267	5,933,432	4,597,866
Total current assets		845,758,493	742,117,560	641,808,332
Total Assets		851,486,359	745,821,167	644,279,808
Equity and Reserve				
Share capital	19	746,667,140	646,666,784	580,000,020
share premium	19	-	-	-
General reserve	20	-	-	-
Retained Earnings	21	(15,306,915)	(16,420,870)	(7,184,201)
Total Equity		731,360,225	630,245,914	572,815,819
Non-Current Liabilities				
Loans and borrowing	22	-	-	-
		-	-	-
Current liabilities				
Current tax liabilities	23		0	-
Derivative financial instrument	24		-	-
Trade and other payables	25	120,126,134	115,575,253	71,463,989
Borrowing	26		-	-
Total current liabilities		120,126,134	115,575,253	71,463,989
Total liabilities		120,126,134	115,575,253	71,463,989
Total equity and liabilities		851,486,359	745,821,167	644,279,808

Cash flow statement

	Q3	Q2	Q1
Profit before business profit tax	1,113,955	(9,236,669)	3,102,605
Adjustments for:			
Depreciation & amortization	232,261	194,531	133,247
Deferred Income Taxes	(1,600,384)	-	-
Interest expenses	-	-	-
Dividend income	-	-	-
Profit on disposal of proper, plant and equipment	-	-	-
Profit/loss on disposal of investment	-	-	-
Change in operating assets/ liabilities			
Inventories	-	-	-
Loans and Advances	(95,818,773)	(75,144,751)	(99,185,269)
Held to Maturity Investments	29,919,301	(40,006,615)	7,626,910
Trade and other receivables	3,172,307	48,049,744	(19,846,143)
Other Assets	(1,213,835)	(1,335,566)	(578,535)
Trade and other payables	(1,293,344)	44,111,264	3,150,710
	(59,644,286)	(33,368,062)	(105,596,475)
Cash flow from operating activities			
Interest paid	-	-	-
Business profit tax	-	-	-
Net cash generated from operating activities		-	-
Cash flow from investing activities			
Purchase of Property plant and equipment	(656,137)	(1,426,662)	(533,511)
Loan repayment received from related parties	-	-	-
Interest received	-	-	-
Dividend received	-	-	-
Net cash generated from investing activities	(656,137)	(1,426,662)	(533,511)
Cash flow from financing activities			
Proceeds from borrowing	-	-	-
Repayment of loan	-	-	-
Proceeds from share issuance	100,000,356	66,666,764	100,000,020
Net payment made from currency SWAP	-	-	-
Dividend paid to shareholders	-	-	-
Net cash generated from financing activities	100,000,356	66,666,764	100,000,020

Net increase/ decrease in cash and cash equivalent	39,699,933	31,872,040	(6,129,967)
Cash and cash equivalent at beginning of the quarter	103,536,669	71,664,629	77,794,596
Cash and cash equivalent at end of the quarter	143,236,602	103,536,669	71,664,629

Segmental performance

Quarter	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Segment 6
Revenue						
Operating profit						
Finance income						
Profit/(loss) before tax						
Business profit tax						
Profit/(loss) after tax						

Notes to the financial statements

1 Revenue

	3rd Quarter	2nd Quarter	1st Quarter
Interest Income	11,672,238	10,126,357	7,646,605
Investment Income	1,594,197	672,962	1,005,269
Fees and Commission Income	1,319,747	1,659,706	1,320,259
	14,586,182	12,459,025	9,972,133

2 Cost of Sales

3 Selling and Marketing Costs

3a Depreciation

	3rd Quarter	2nd Quarter	1st Quarter
Balance at beginning of the period	789,447	594,916	461,670
Depreciation for the period	232,261	194,531	133,247
Accumulated Depreciation	1,021,708	789,447	594,916

3b Provisions for Loan Losses

	3rd Quarter	2nd Quarter	1st Quarter
Movement in General Provision			
Balance at beginning of the period	13,765,737	12,722,479	10,870,635
Loan provision during the quarter	904,586	1,043,258	1,851,844
Provision for loan impairment as at 30 Sep 2021	14,670,323	13,765,737	12,722,479

	3rd Quarter	2nd Quarter	1st Quarter
Movement in Specific Provision			
Provision for loan impairment as of 1 July 2021	21,300,628	6,029,861	4,730,996
Provision for impairment	5,828,188	15,270,767	1,298,865
Provision for loan impairment as at 30 Sep 2021	27,128,816	21,300,628	6,029,861

Total Provisioning for the quarter ended	41,799,139	35,066,365	18,752,340
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4 Administrative Costs

	3rd Quarter	2nd Quarter	1st Quarter
Staff Salaries, wages and other related	3,925,648	2,930,204	2,164,670
Allowances and Bonuses	-	144,000	-
Board Remunerations and Fees	186,054	140,420	142,880
Pension Contributions	330,126	254,398	169,548
	4,441,828	3,469,022	2,477,098

5 Other Operating Expenses

	3rd Quarter	2nd Quarter	1st Quarter
Insurance Expenses	-	2,453	-
Cleaning Expenses	40,598	38,796	21,200
Marketing and Promotion Expense	118,599	79,500	50,000
Repairs and Maintenance Expense	42,704	58,915	11,162
Printing and Stationery	92,872	13,356	76,637
Rent Expense	-	-	-
Professional Fees	-	-	-
Annual License & Reg. Fees	190,284	145,347	53,833
Training and Staff Development	45,249	30,000	24,721
Electricity Expenses	56,871	29,105	39,133
Water Expenses	5,272	1,885	4,348
Communication Expenses	113,320	100,044	85,917
Sundry Expenses	95,348	46,755	23,298
Bank Charges and Fines	4,361	5,660	6,255
Management Consultancy Fees	-	-	-
Credit Information Report Fees	91,050	77,100	65,700
Staff Travel	-	-	-
Call Center Outsourcing	206,250	309,376	-
Staff Recreation	49,998	39,750	17,328
Inspection Charges	30,000	42,700	123,487
Finance Charges and Depreciation of ROU Asset	882,589	697,373	505,455
	2,065,364	1,718,115	1,108,474

6 Finance Income	-	-	-
7 Finance Expenses	-	-	-
8 Business Profit Tax	-	-	-
9 Property, Plant and Equipment	-	-	-
	3rd Quarter	2nd Quarter	1st Quarter
Balance at beginning of the period	4,493,054	3,066,392	2,532,881
Additions during the period	656,137	1,426,662	533,511
Disposal during the period	-	-	(594,916)
Balance at the end of the period	5,149,191	4,493,054	3,066,392
10 Investment in Subsidiaries	-	-	-
11 Investment in Associates	-	-	-
12 Investment in Joint Ventures	-	-	-
13 Available for sale Financial Assets	-	-	-
14 Deferred Tax Assets	-	-	-
15 Intangible Assets	-	-	-
16 Inventories	-	-	-
17 Trade and other receivables	3rd Quarter	2nd Quarter	1st Quarter
Deposits Receivable	429,730	429,730	429,730

	Accrued Interest Receivable	6,673,647	10,857,428	7,653,964
	Account Receivables	1,593,911	582,437	51,835,645
	Total Trade and other receivables	8,697,288	11,869,595	59,919,339
17a	Loans and Advances			
		3rd Quarter	2nd Quarter	1st Quarter
	Gross Loans before allowances	625,629,161	521,434,273	429,975,498
	Less: Allowance for impairment	(43,442,480)	(35,066,365)	(18,752,340)
	Net Loan and Advances	582,186,681	486,367,908	411,223,157
18	Cash and Cash Equivalent			
		3rd Quarter	2nd Quarter	1st Quarter
	Cash on Hand	663	2,349	2,457
	Balances at bank	143,235,939	103,534,320	71,662,172
		143,236,602	103,536,669	71,664,629
18a	Financial Assets Held to Maturity	3rd Quarter	2nd Quarter	1st Quarter
	Bonds	-	-	-
	Government Treasury Bills Investments	403,687,332	422,661,324	316,539,991
	Matured Investments	(299,196,668)	(288,251,368)	(222,136,651)
	Total Financial Assets Held to Maturity	104,490,654	134,409,956	94,403,341
18b	Other Assets	3rd Quarter	2nd Quarter	1st Quarter
	Right of Use Asset	7,147,267	5,933,432	4,597,866
19	Share Capital	3rd Quarter	2nd Quarter	1st Quarter
	Issued and fully paid shares of MVR 10	746,667,140	646,666,784	580,000,020
19	Share Premium	-	-	-
20	General Reserve			
21	Retained Earnings	3rd Quarter	2nd Quarter	1st Quarter
	Opening Balance	(16,420,870)	(7,184,201)	(10,286,806)
	Net Profit for the quarter ended	1,113,955	(9,236,669)	3,102,605
	Closing Balance	(15,306,915)	(16,420,870)	(7,184,201)
22	Loans and Borrowing	-	-	-
23	Current Tax Liabilities	-	-	-
24	Derivative Financial Instruments	-	-	-
25	Trade and other Payables			
		3rd Quarter	2nd Quarter	1st Quarter
	Accounts Payable	155,880	98,376	369,478
	Accrued Expenses	318,123	315,206	225,632
	Other Liabilities	8,069,246	6,303,021	5,043,325
	Administered Funds	111,582,885	108,858,650	65,825,554
		120,126,134	115,575,253	71,463,989
26	Borrowings			