

Micro Financial Sector

Three institutions are classified and monitored as micro financing institutions with one coming under the direct supervision and regulation of the Bank of Guyana. The three institutions are: the Institute of Private Enterprise Development (IPED), Small Business Development Trust (SBDT) and Development Financing Limited South America (DFLSA); the last of which is licensed by the Bank of Guyana.

As at end December 2009 total assets held by the three institutions amounted to \$3,726 million, a 3.2 percent increase over the position at end December 2008. The increased assets resulted mainly from loans through international funding agencies such as the International Finance Corporation (IFC) and the European Investment Bank (EIB) and were used to expand the capital base of the institutions. Capital and reserves at end 2009 amounted to \$2,544 million of which retained earnings of \$1,814 million accounted for 71 percent.

At the end of 2009, total liabilities amounted to \$1,181 million of which borrowings represented 78 percent; due to other financial institutions 6 percent; and other liabilities accounted for 16 percent.

Net income for the institutions fluctuated over the years 2007 to 2009 – moving upwards by 467 percent from the end 2007 net income position of \$55 million to \$311 million at end 2008, and decreasing by 57 percent to reach \$133.5 million at close of 2009.

Seventy-two percent of the total assets were held in loans while 18 percent were classified as cash and due from financial institutions.

The large loan portfolio of \$2,697.8 million comprised micro credit loans (19 percent); small and medium enterprises (SMEs) loans (80 percent) and others loans (1 percent). Compared with end 2008 the loan portfolio increased by 6 percent, due principally to the 65 percent (\$198.2 million) growth in micro credit loans.

Consistent with the increase in the loan portfolio, the actual number of loans disbursed during 2009 alone was 7,057, 719 more than in 2008 and 263 more than in 2007. This growth in small scale credit has resulted in the creation of 12,469 jobs in 2009; 11,100 in 2008 and 11,736 in 2007. It is noteworthy that of the 7,057 loans disbursed during 2009, 44 per cent were made to men and women jointly; 29 per cent were to men alone, while the remaining 27 per cent were to women alone.

Micro Credit Institutions
Consolidated Balance Sheet
For years 2007 - 2009

Particulars			
	2007	2008	2009
Total Assets	3,674,314	3,611,935	3,725,867
Cash and Due From Financial Institutions	1,306,902	778,874	667,212
Total Loans	2,084,454	2,556,684	2,697,774
Micro Credit	14,729	304,274	502,430
SME's/ Commercial Loans	1,903,519	2,244,839	2,160,202
Others	168,806	7,571	38,397
Other Assets	282,985	276,376	360,881
Total Liabilities	1,704,086	1,115,647	1,181,442
Borrowings	722,210	794,463	921,407
Bal. due to other Financial Institutions	475,925	137,902	72,395
Other Liabilities	505,951	183,283	187,640
Capital & Reserves	1,970,228	2,496,288	2,544,426
Capital Fund / Contributions	790,631	792,631	574,793
Retained Earnings	1,211,113	1,718,876	1,813,805
Undistributed Profits	(31,516)	1,262	146,398
Reserves	-	(16,481)	9,430

**Micro Credit Institutions
Consolidated Income Statement
For years 2007 - 2009**

Particulars			
	2007	2008	2009
Operating Income	439,167	727,893	648,111
Interest Income	336,970	407,869	499,506
Other Income	102,197	320,024	148,605
Operating Expenses	384,206	416,462	514,583
Interest Expense	18,316	21,366	36,375
Other Expenses	365,890	395,096	478,208
Net Income	54,961	311,431	133,528

Yearly Loan disbursement – breakdown by Gender Categories

Particulars			
	2007	2008	2009
Loans to Men	2,053	1,777	2,045
Loans to Women	2,213	1,839	1,916
Loans to Men & Women	2,528	2,722	3,096
Total Loans	6,794	6,338	7,057
Value of Loans (G\$'000)	1,666,466	1,854,782	2,206,565
No. of Jobs created / sustained	11,736	11,100	12,469