

# MICRO FINANCE SECTOR'S FINANCIAL PERFORMANCE

## AS AT JUNE 2014

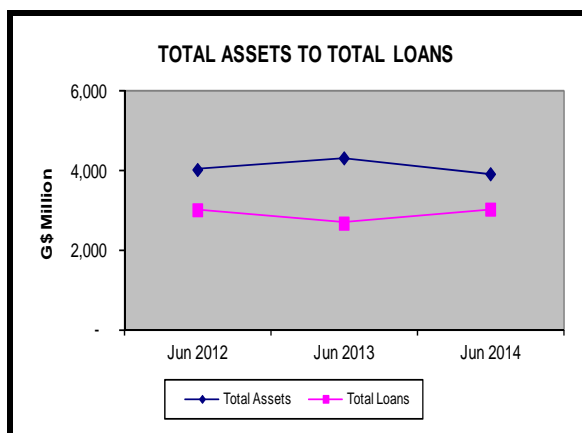
The Micro Finance Sector's Financial Performance Report reflects the data reported as at June 2014 by the two Micro Finance Institutions (MFIs) - Institute of Private Enterprise Development (IPED) and Small Business Development Trust (SBDT). The performance and condition of these institutions are monitored and assessed by the Bank of Guyana. The aggregated data for the corresponding periods in 2012 and 2013 includes the data submitted by Development Finance Limited of South America Incorporated (DFLSA) whereas the 2014 data does not include this institution since they were granted approval by the Bank of Guyana on September 18, 2013 to voluntary wind up the business it was licensed to conduct.

### ASSETS

#### **Total Assets**

Total assets held by the two MFIs - IPED & SBDT - amounted to G\$3,926 million as at end-June 2014, a 9.3 percent (G\$401 million) decline from the end-June 2013 level and 2.7 percent (G\$108 million) below the end-June 2012 level of G\$4,034 million.

**Figure I**



**Table I**

<b>MICRO CREDIT INSTITUTIONS</b>			
<b>SUMMARY BALANCE SHEET</b>			
<b>G\$ Million</b>			
	<b>Jun</b>	<b>Jun</b>	<b>Jun</b>
	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Total Assets</b>	<b>4,034</b>	<b>4,327</b>	<b>3,926</b>
Cash & due from Financial Institutions	340	1,020	189
Total Loans	3,020	2,682	3,036
Micro Credit	409	377	375
SME's	2,591	2,297	2,644
Other	30	20	35
Other Assets	674	625	701
<b>Total Liabilities</b>	<b>1,082</b>	<b>1,125</b>	<b>940</b>
Borrowings	776	776	696
Bal. due to other Financial Institutions	0	0	0
Other Liabilities	306	349	243
<b>Capital &amp; Reserves</b>	<b>2,952</b>	<b>3,202</b>	<b>2,986</b>
Capital Fund/Contributions	625	625	105
Retained Earnings	2,116	2,402	2,745
Undistributed Profits	142	116	136
Reserves	70	60	0

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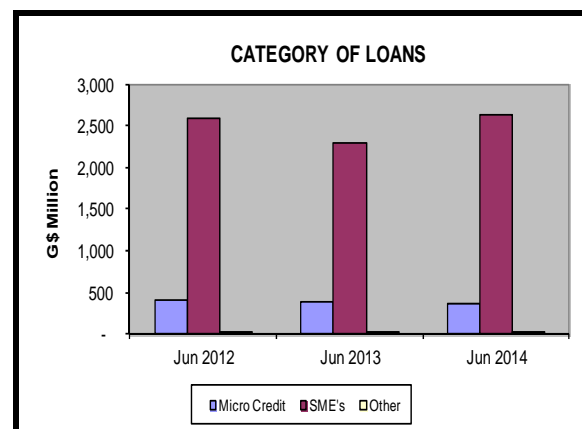
## Loans

Loans, which represented the largest asset category, accounted for 77.3 percent of the sector's total assets at end-June 2014. The MFIs reported aggregate loans of G\$3,036 million, a 13.2 percent (G\$354 million) increase when compared with the corresponding period last year. The portfolios of the institutions consisted mainly of micro credit and loans to Small- and Medium-sized Enterprises (SMEs), which together accounted for 99.6 percent of total loans.

Loans to the SMEs totaled G\$2,644 million, and accounted for 87.1 percent of the sector's aggregate loan portfolio, resulting in a 15.1 percent (G\$347 million) increase for the same period last year and 2.1 percent (G\$53 million) below the June 2012 level. Loans to the SMEs were 85.7 percent and 85.8 percent of total loans as at end-June 2013 and end-June 2012 respectively.

Micro credit, the second largest loan category, amounted to G\$375 million and represented 12.4 percent of total loans for the review period. Micro credit loans at end-June 2014 reflected a 0.6 percent (G\$2 million) decline from the June 2013 level.

**Figure II**



During the review period, the total number of loans granted stood at 3,475 compared with 764 for the corresponding period last year. The increase in the number of loans disbursed contributed to an increase in the number of jobs created. The share of loans to men, women and couples were 60.4 percent, 38.7 percent and 0.9 percent respectively.

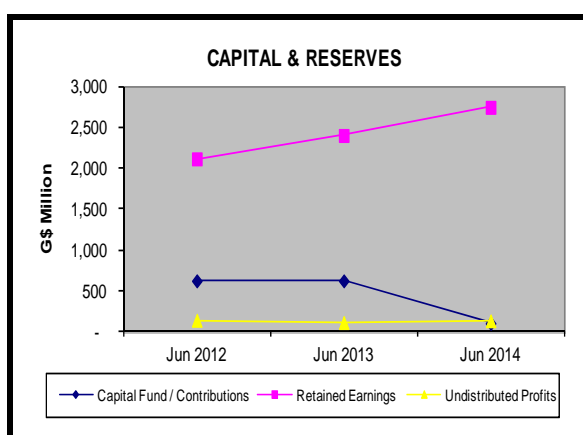
## LIABILITIES

Total liabilities of the micro finance sector as at end-June 2014 amounted to G\$940 million. Borrowings from local financial institutions of G\$696 million as at end-June 2014 accounted for 74.1 percent of total liabilities. Borrowings from local financial institutions to total liabilities were 69.0 percent and 71.7 percent as at end-June 2013 and end-June 2012 respectively.

## CAPITAL AND RESERVES

Capital and reserves amounted to G\$2,986 million at end-June 2014. Retained earnings and undistributed profits grew by 14.3 percent and 17.3 percent respectively when compared with the corresponding period last year.

**Figure III**



## EARNINGS

The micro finance sector's major source of funding was that of interest income which amounted to G\$300 million and accounted for 81.9 percent of total operating income as at end-June 2014. Interest income increased by 38.7 percent when compared with the corresponding period last year. Other income of G\$66 million represented 18.1 percent of operating income as at end-June 2014.

Interest expense and other expenses which amounted to G\$17 million and G\$214 million respectively, represented 7.3 percent and 92.7 percent of total operating expenses.

Net income of the sector amounted to G\$135 million as at end-June 2014, an increase of 17.2 percent when compared with end-June 2013.

**Table II**

MICRO CREDIT INSTITUTIONS			
STATEMENT OF INCOME			
G\$ Million			
	Jun	Jun	Jun
	2012	2013	2014
<b>Operating Income</b>	<b>396</b>	<b>384</b>	<b>367</b>
Interest Income	216	217	300
Other Income	180	167	66
<b>Operating Expenses</b>	<b>252</b>	<b>268</b>	<b>231</b>
Interest Expense	23	20	17
Other Expenses	229	248	214
<b>Net Income</b>	<b>144</b>	<b>116</b>	<b>136</b>

