

# MICRO FINANCE SECTOR'S FINANCIAL PERFORMANCE

## AS AT SEPTEMBER 2016

The Micro Finance Sector's Financial Performance Report reflects the data reported as at September 2016 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.

### ASSETS

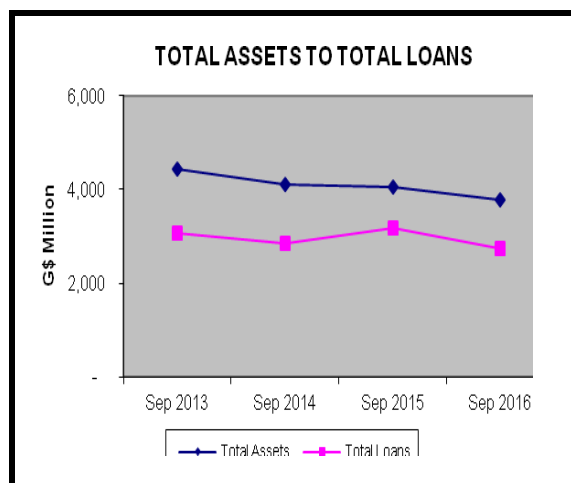
#### **Total Assets**

Total assets held by the two MFIs - IPED & SBDT - amounted to G\$3,790 million as at end-September 2016, a 6.2 percent (G\$251 million) contraction from the corresponding period last year compared with 1.5 percent (G\$62 million) decline at end-September 2015.

sector's total assets at end-September 2016.

The MFIs reported aggregate loans of G\$2,563 million, a 6.2 percent (G\$171 million) decline 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 98.6 percent of total loans.

**Figure I**



#### **Loans**

Loans, which represented the largest asset category, accounted for 67.6 percent of the

Loans to the SMEs totaled G\$2,213 million, and accounted for 86.4 percent of the sector's aggregate loan portfolio albeit registering a 9.1 percent (G\$221 million) decline for the same period last year. Loans to the SMEs accounted for 89.1 percent and 87.3 percent of total loans as at end-September 2015 and end-September 2014 respectively.

Micro credit, the second largest loan category expanded by 12.6 percent (G\$35 million) to G\$314 million and accounted for

12.3 percent of total loans during the review period.

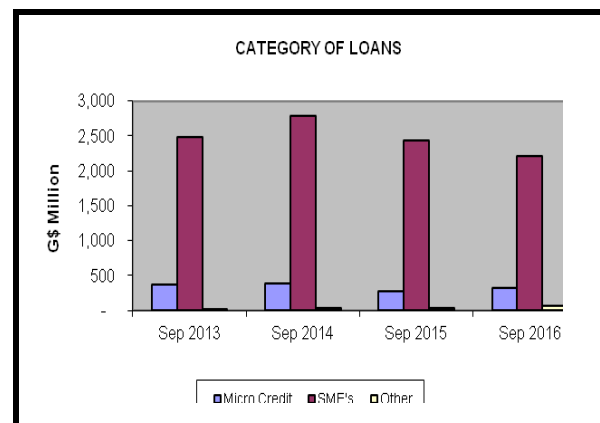
**Table I**

<b>MICRO CREDIT INSTITUTIONS SUMMARY BALANCE SHEET</b>			
<b>G\$ Million</b>			
	<b>Sep 2014</b>	<b>Sep 2015</b>	<b>Sep 2016</b>
<b>Total Assets</b>	<b>4,104</b>	<b>4,041</b>	<b>3,790</b>
Cash & due from Financial Institutions	195	584	558
Total Loans	3,180	2,733	2,563
Micro Credit	385	279	314
SME's	2,777	2,434	2,213
Other	36	40	60
Provisioning	(18)	(20)	(24)
Other Assets	729	724	669
<b>Total Liabilities</b>	<b>1,041</b>	<b>796</b>	<b>397</b>
Borrowings	799	505	209
Bal. due to other Financial Institutions	0	0	0
Other Liabilities	242	291	188
<b>Capital &amp; Reserves</b>	<b>3,063</b>	<b>3,245</b>	<b>3,393</b>
Capital Fund/Contributions	106	105	106
Retained Earnings	2,746	2,987	3,217
Undistributed Profits	211	153	70
Reserves	0	0	0

During the review period, the total number of loans granted stood at 3,306 compared with 3,108 for the corresponding period last year. The increase in the number of loans disbursed resulted in an expansion of jobs by 3,113 to 9,233 at end September 2016. The share of loans to men and women were

62.3 percent and 37.7 percent respectively, while there were no loans disbursed to couples.

**Figure II**



## LIABILITIES

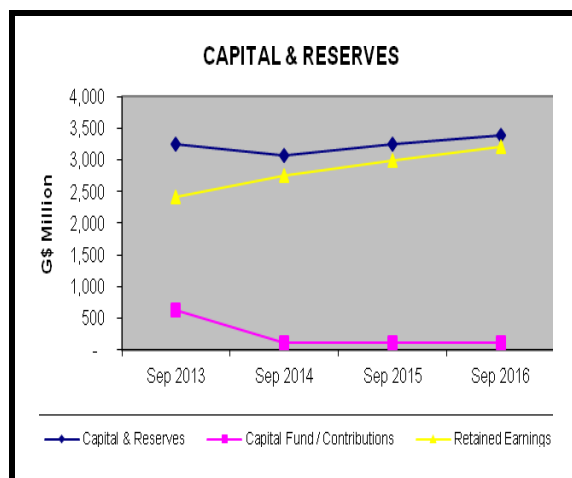
Total liabilities of the micro finance sector declined by 50.1 percent and amounted to G\$399 million as at end-September 2016. Borrowings from local financial institutions amounted to G\$209 million as at end-September 2016 and accounted for 52.7 percent of total liabilities when compared to 63.5 percent and 76.7 percent as at end-September 2015 and end-September 2014 respectively.

## CAPITAL AND RESERVES

Capital and reserves amounted to G\$3,393 million at end-September 2016. Retained earnings grew by 7.7 percent while undistributed profits contracted by 53.8 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 decreased by 17.1 percent to G\$361 million and accounted for 83.1 percent of total operating income as at end-September 2016. Other income totaled G\$73 million and represented 16.9 percent of operating income as at end-September 2016.

Interest expense and other expenses which amounted to G\$7 million and G\$357 million respectively, represented 1.8 percent and

98.2 percent of total operating expenses.

Net income of the sector decreased by 53.8 percent to G\$70 million as at end-September 2016.

**Table II**

MICRO CREDIT INSTITUTIONS			
STATEMENT OF INCOME			
G\$ Million			
	Sep	Sep	Sep
	2014	2015	2016
<b>Operating Income</b>	<b>553</b>	<b>533</b>	<b>434</b>
Interest Income	450	435	361
Other Income	103	98	73
<b>Operating Expenses</b>	<b>342</b>	<b>381</b>	<b>364</b>
Interest Expense	26	22	7
Other Expenses	316	359	357
<b>Net Income</b>	<b>211</b>	<b>152</b>	<b>70</b>

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