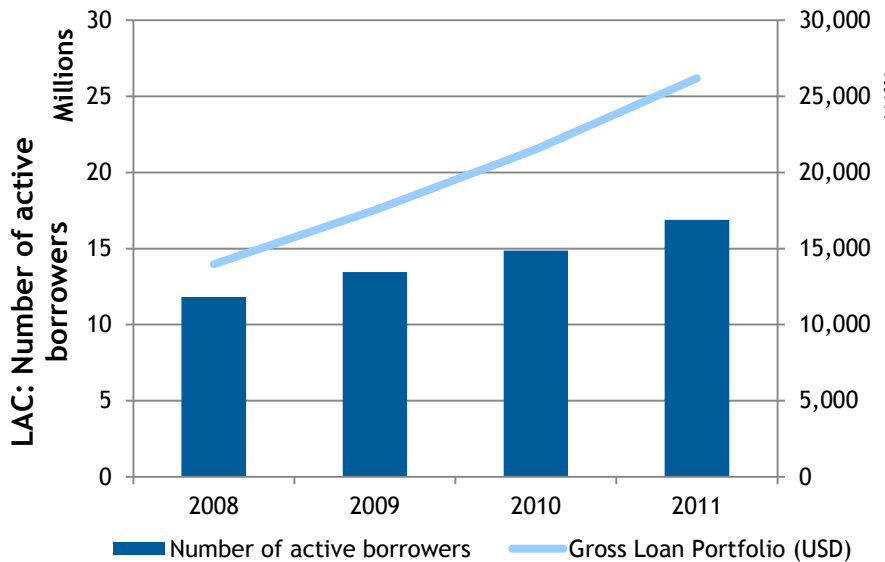
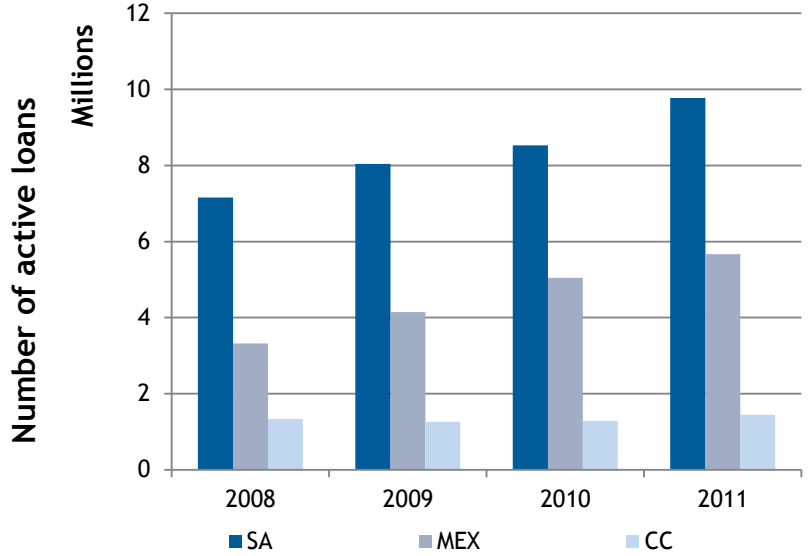


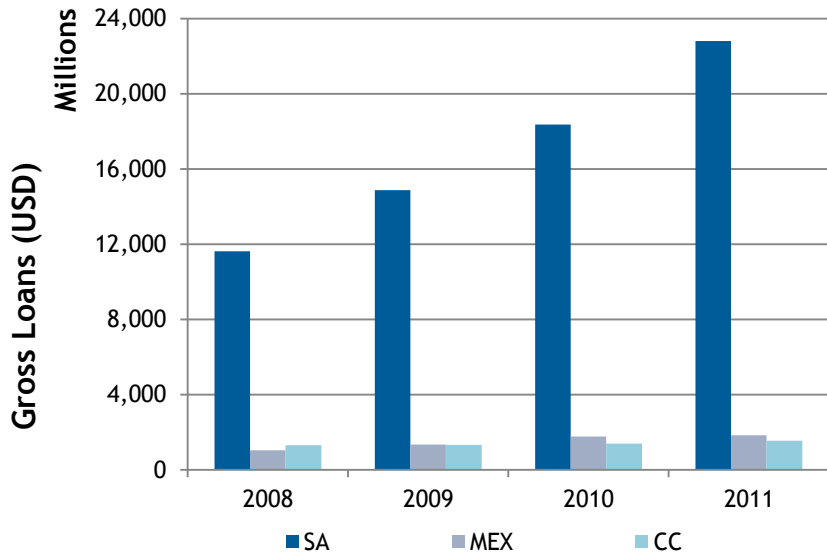
- Credit and savings products
- Financial performance and portfolio risk
- Quarterly information
- Special cases of analysis
 - Urban and rural credit
 - Credit by methodology
 - Cooperatives: Principle indicators
 - Portfolio Yields
- Funding structure data

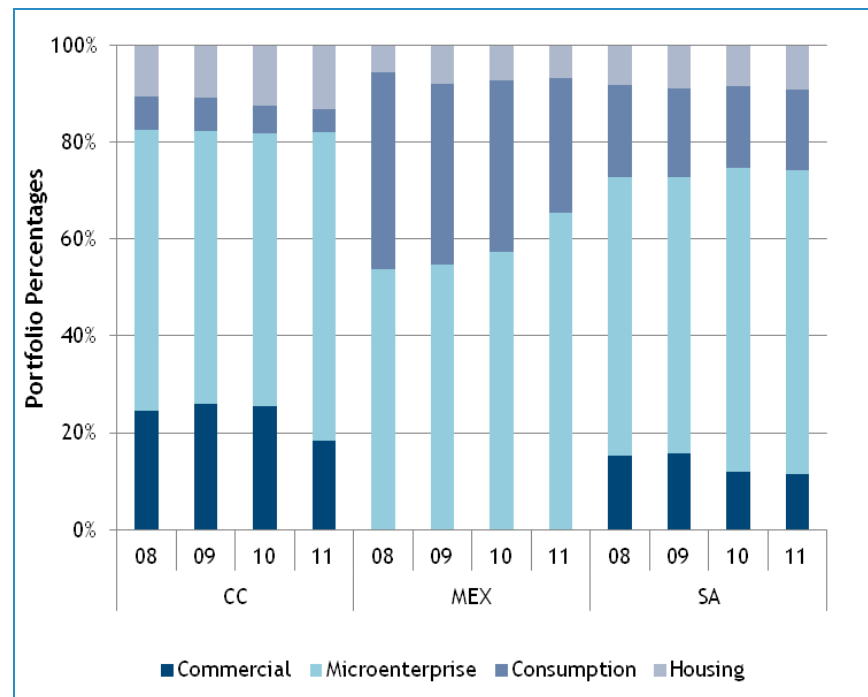
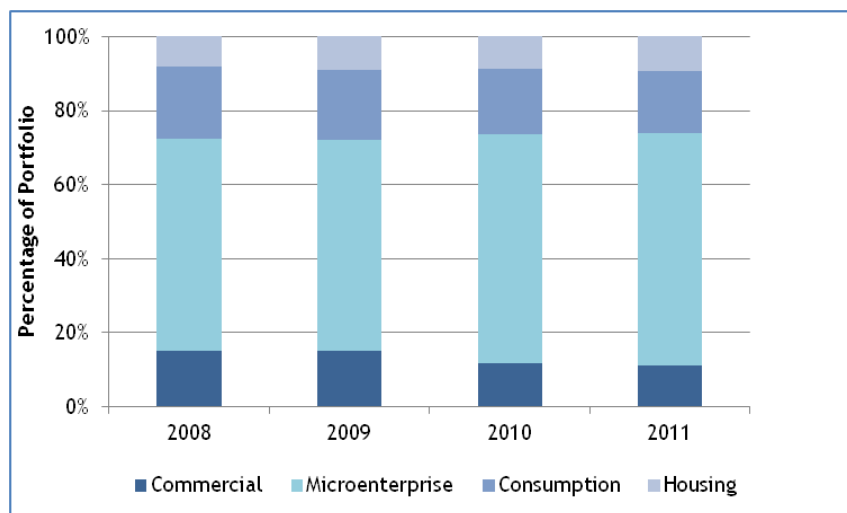
- South America (SA) led the region in growth of borrowers (14.6%) and portfolio (24.3%).

- Central America and the Caribbean (CC) continued their recovery in credit activity increasing 12.4% in borrowers (2.3% in 2010) and 10.7% in portfolio (5.6% in 2010).



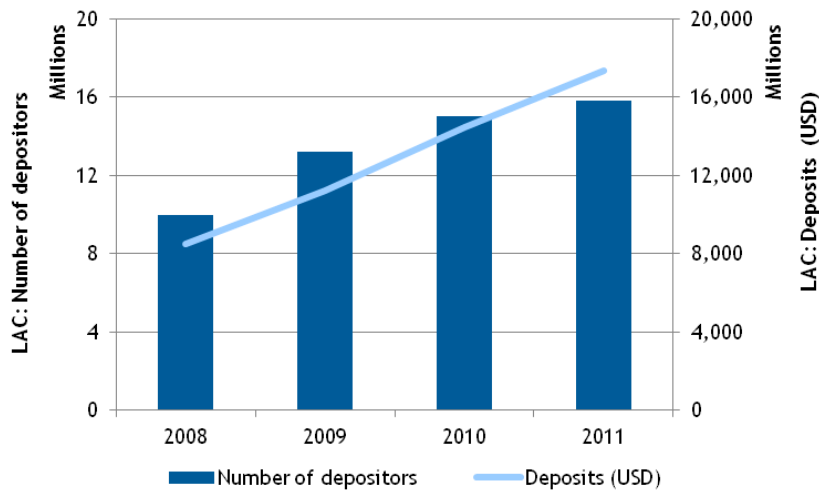
LAC: Gross Loan Portfolio (USD)



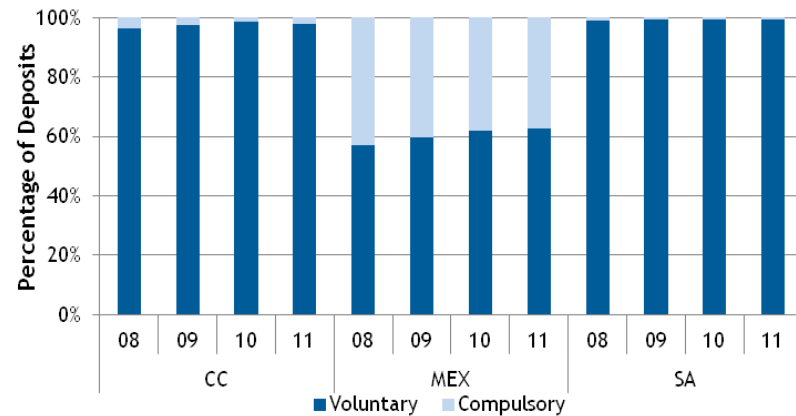
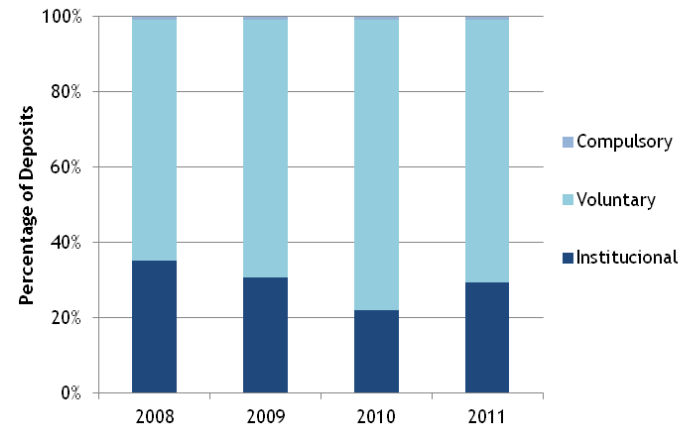


- Microenterprise was the most prevalent product (62.9% in 2011), which doubled its portfolio between 2008-2011 while total portfolio doubled as well. In turn, Housing loans increased at the regional level driven by progress in SA (36.7%).
- Consumer Credit decreased in CC (-7.4%) as the market shows greater caution in credit lending. Consumer lending also decreased in Mexico (MEX, -18.4%) as a result of intensive write-offs by the larger MFIs in the country.

At the regional level in 2011, growth in depositors (5.5%) and deposits (19.9%) was less than what it was in 2010.

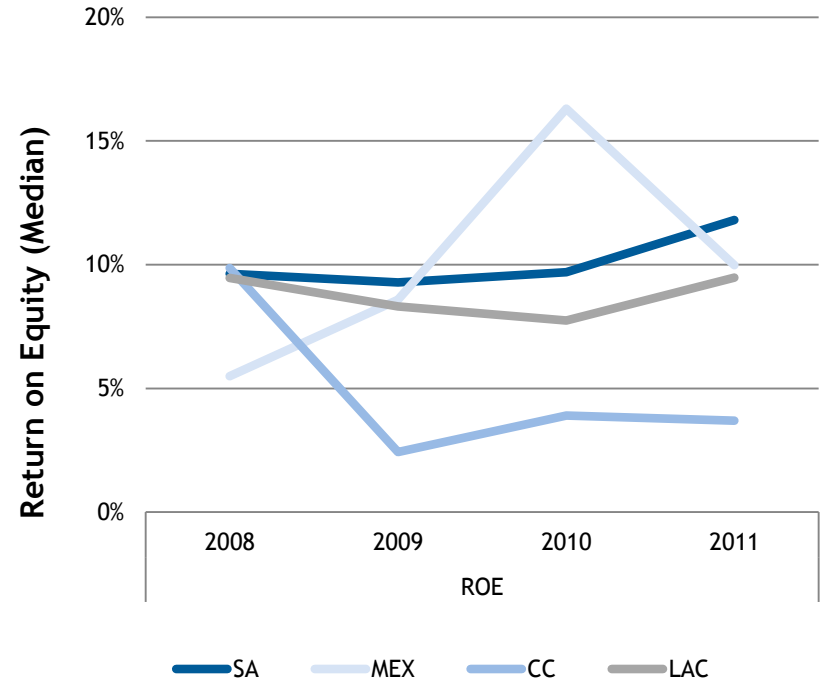
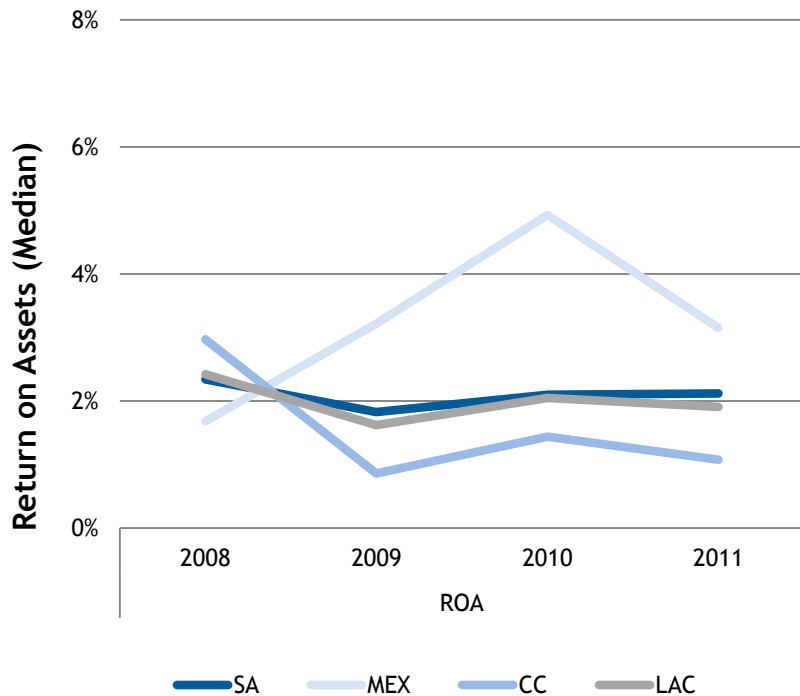


Between 2009-2011 in MEX, voluntary deposits grew faster than obligatory deposits due to the expansion of SOFIPOS, (Spanish acronym for Popular Financial Societies).



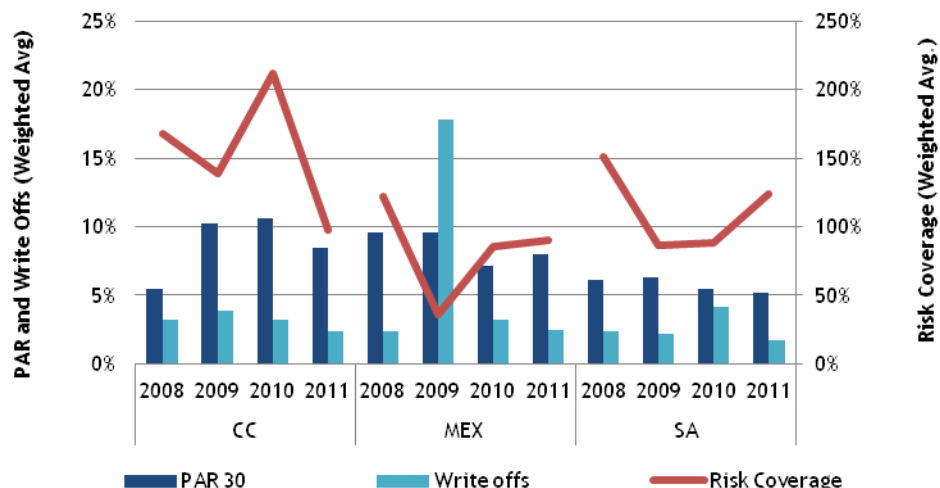
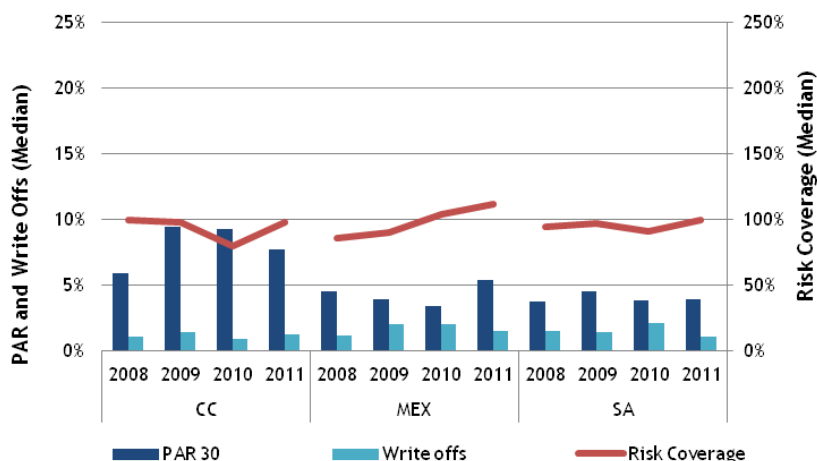
CC and MEX saw reduced returns-on-assets (ROA) resulting in a decrease in the regional median. In 2011, MEX experienced increased expenses (operational, financial, and loan loss provisioning).

CC and MEX also had lower returns-on-equity (ROE) in 2011 due to increasing equity.



Write offs decreased in SA, but portfolio-at-risk levels (PAR) saw a slight increase over 2010 levels. Meanwhile in CC, even though there was a decrease in its portfolio risk indicators, it continues to have the highest proportion of PAR in the region.

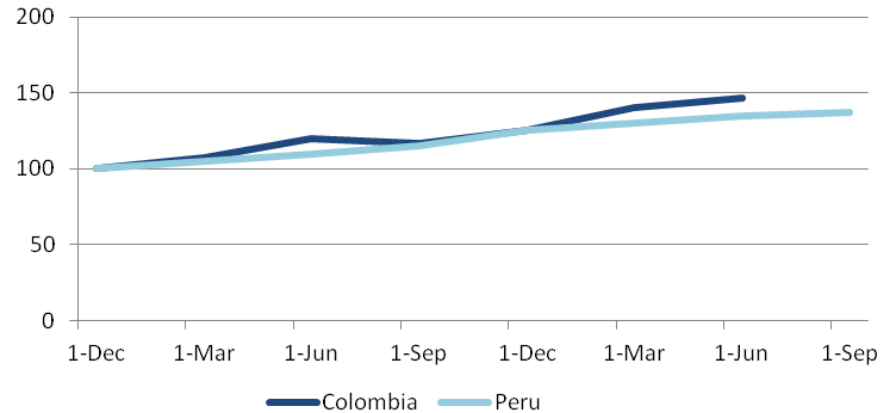
In the case of MEX, MFIs allocated more resources to risk coverage to account for the increase in PAR.



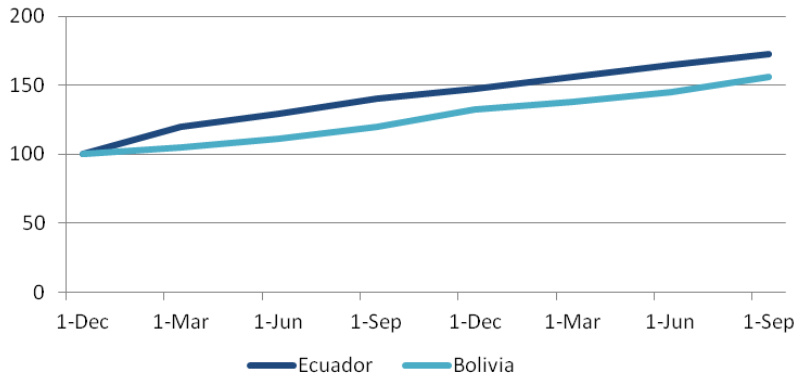
Ecuador and Bolivia were the only countries that showed continuous progress over the last seven quarters.

As of September 2012, the El Salvadorian portfolio was lower (-2.6%) when compared to the balance at the end of 2011.

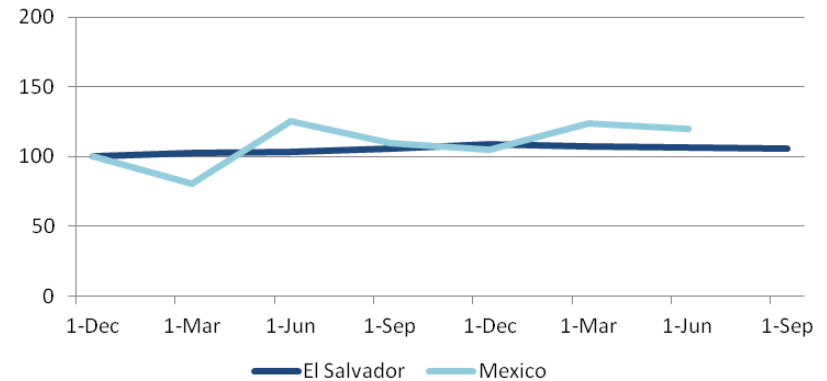
Portfolio Index (Dec. 2010 = 100)



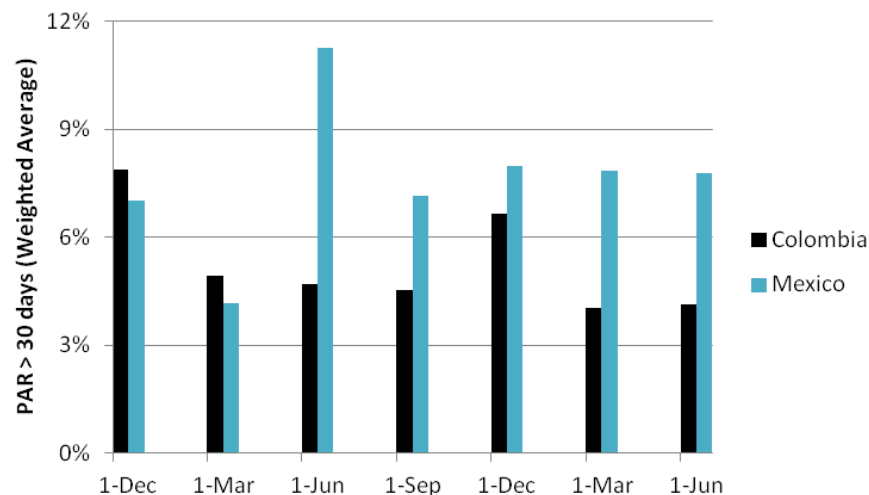
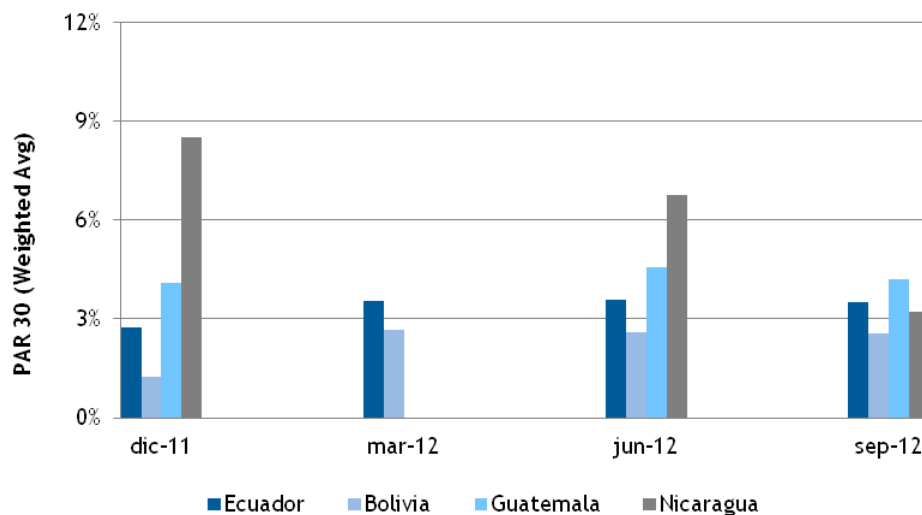
Portfolio Index (Dec. 2010 = 100)



Portfolio Index (Dec. 2010 = 100)



Generally across the region, PAR levels have been on the decline, especially in Nicaragua (-5.3 p.p.) and Colombia (-2.5 p. p.)

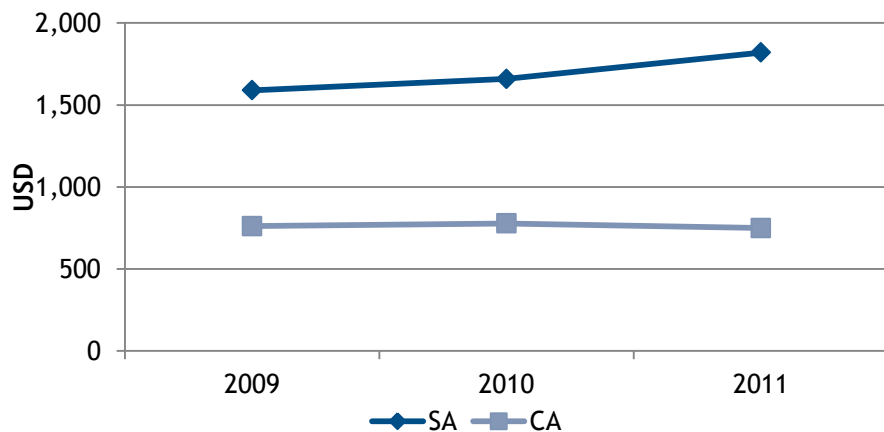


During 2012, policy changes were first implemented, or in the process of implementation, in Ecuador and Bolivia that would have a significant impact on MFI operations. At the same period, PAR levels in both countries also experienced a slight increase.

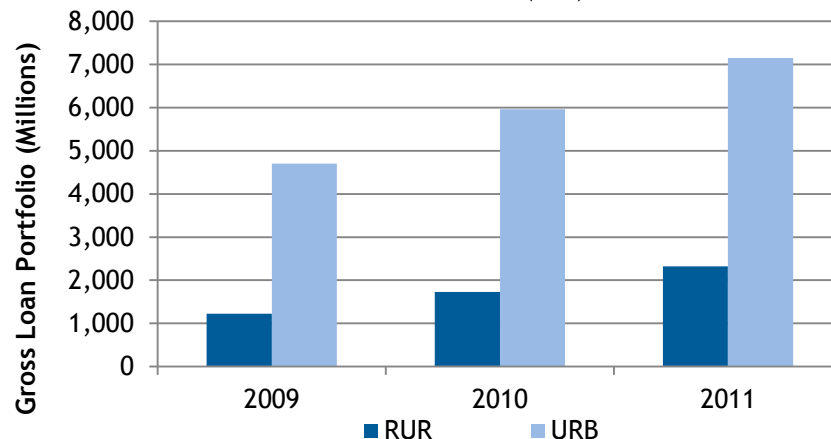
Rural credit in SA (34.3%) and CA (12.9%) experienced portfolio growth levels superior to growth in urban credit (20% and 9%, respectively).

Rural credit in SA played a strong role in portfolio growth, despite many of the countries in this sub-region having mainly urban populations. In the case of CA, the average balance decreased due to Nicaragua's smaller rural portfolio. Had Nicaragua been excluded, this sub-region would have had a constant level of average rural loan balance of USD 741.

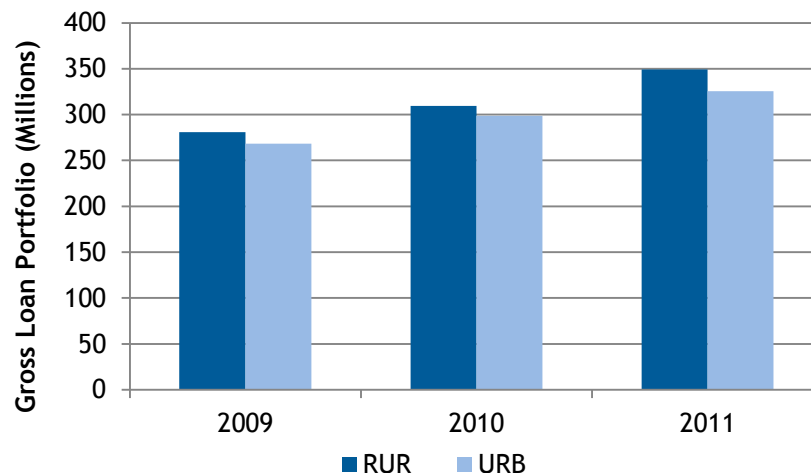
Average loan balance of rural loans



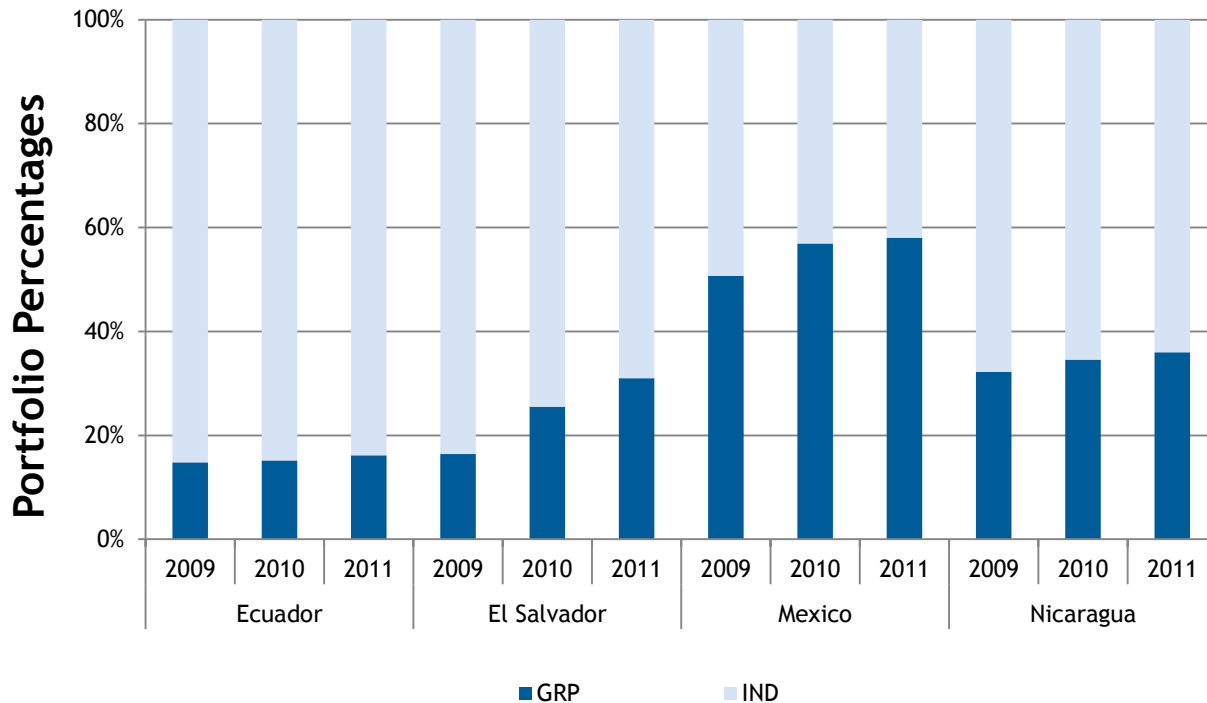
South America (SA)



Central America and the Caribbean

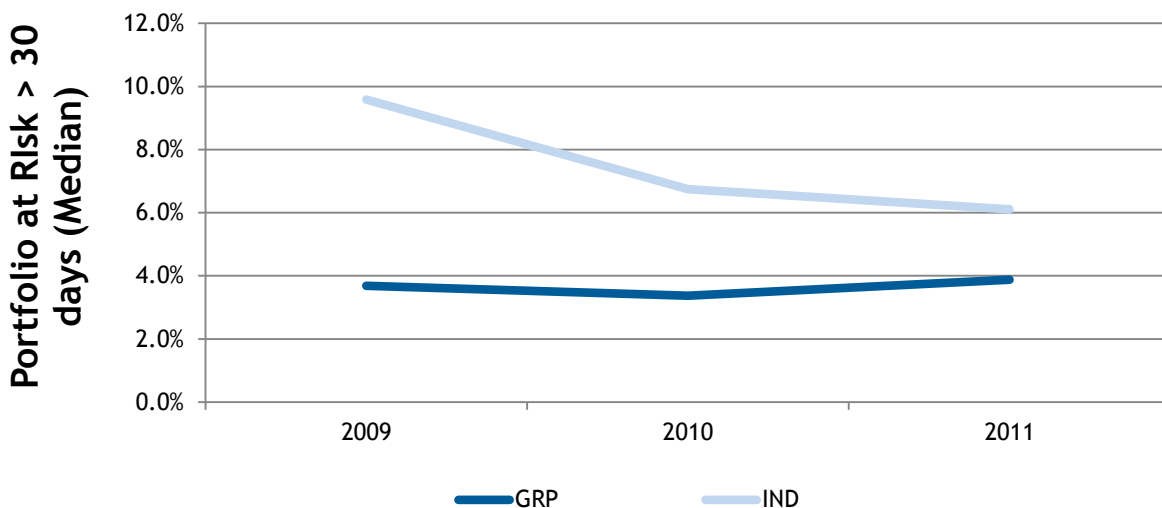


Will individual credits continue to be the most offered product?



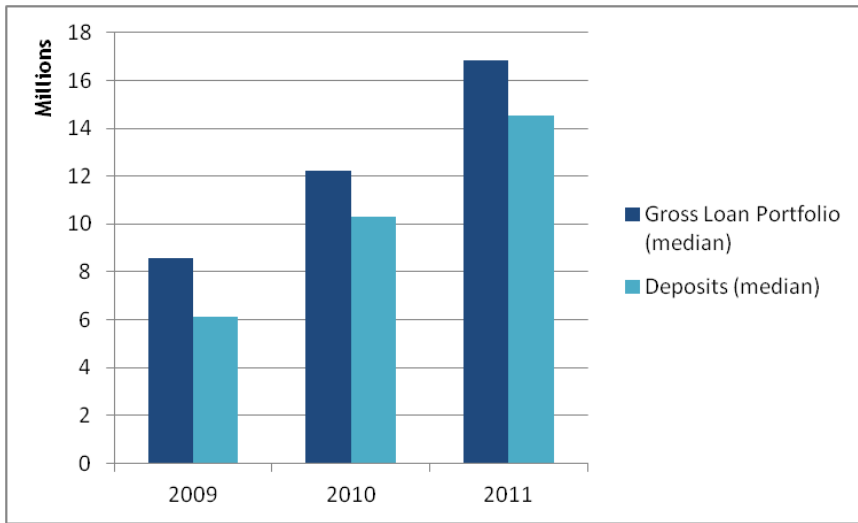
Yes. While the majority of LAC countries use this methodology extensively, we can see that group credit (village banks and solidarity groups) continues to expand in Ecuador, El Salvador, Mexico and Nicaragua, with Mexico leading the way.

What was the profile risk according to credit methodology?

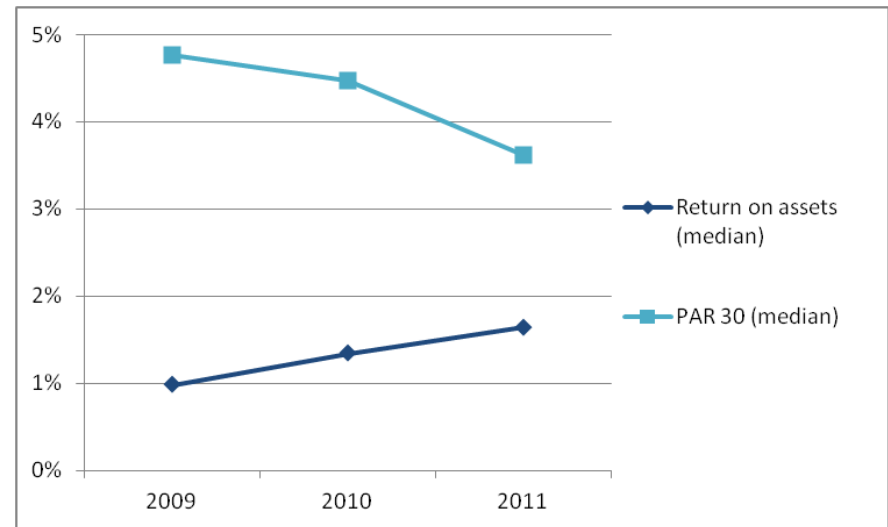
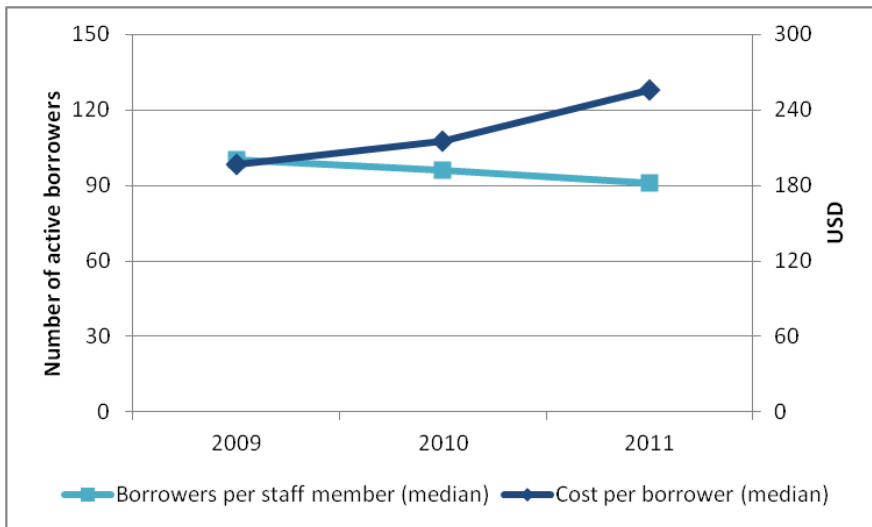


MFIs with intense group credit offerings in the four countries of analysis (Ecuador, El Salvador, Mexico, Nicaragua), maintained their risk levels over the last three years.

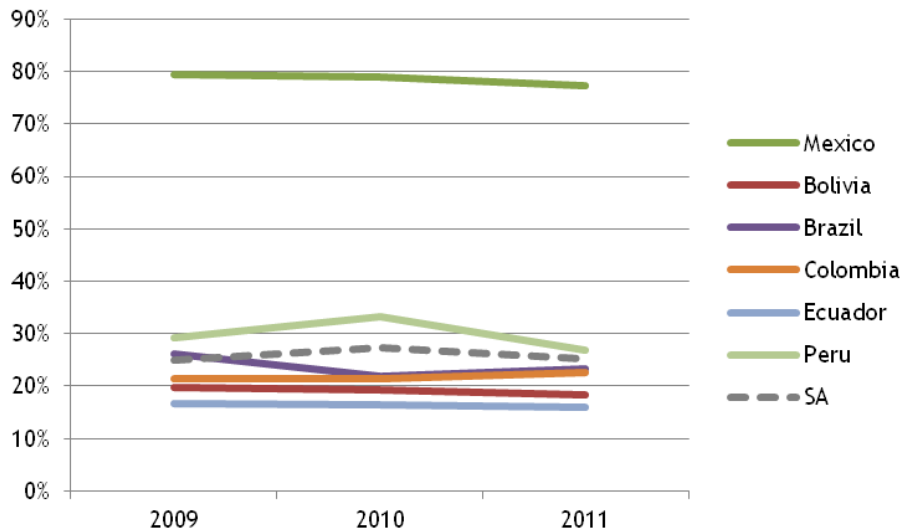
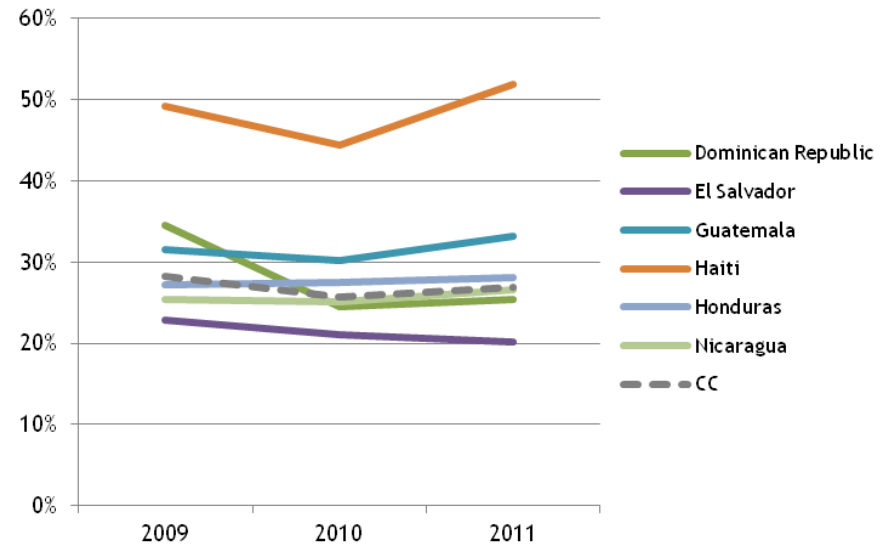
In 2011, there was an improvement in risk indicators for MFIs who specialize in individual credit. Only in Nicaragua did this decrease correspond with a shift towards write-offs.



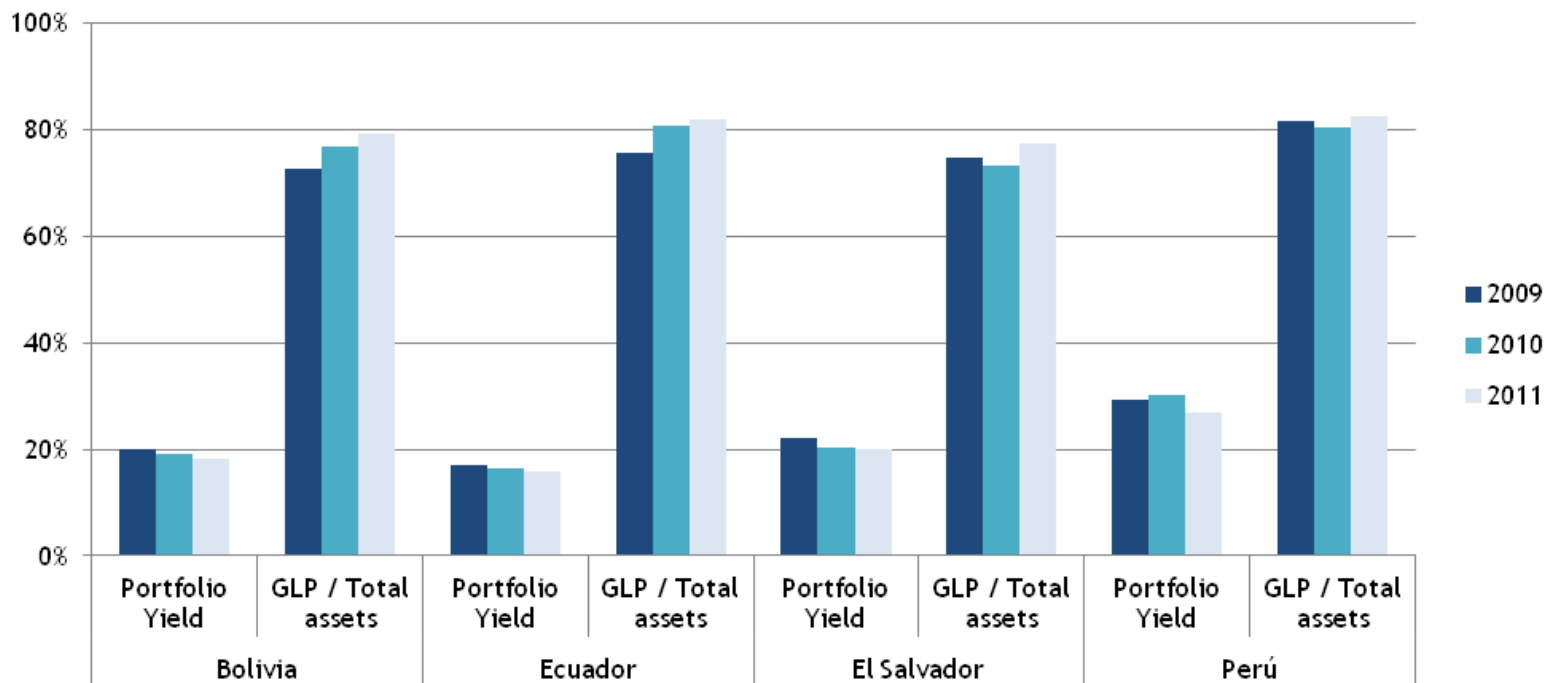
Half of the observed 57 cooperatives in the region reported having a total loan portfolio amount of roughly USD 16.8M and a deposit balance over USD 14.5M by 2011.



CC showed a minimal difference in yield over the past three years and was able to maintain sustainability despite higher administrative and personnel costs incurred in that period.



In the case of Mexico in 2011, there was a decrease in the weighted yield by portfolio size (-1.7 p.p.), considering the increased competition in the sector and the search to shift efficiency towards the client.

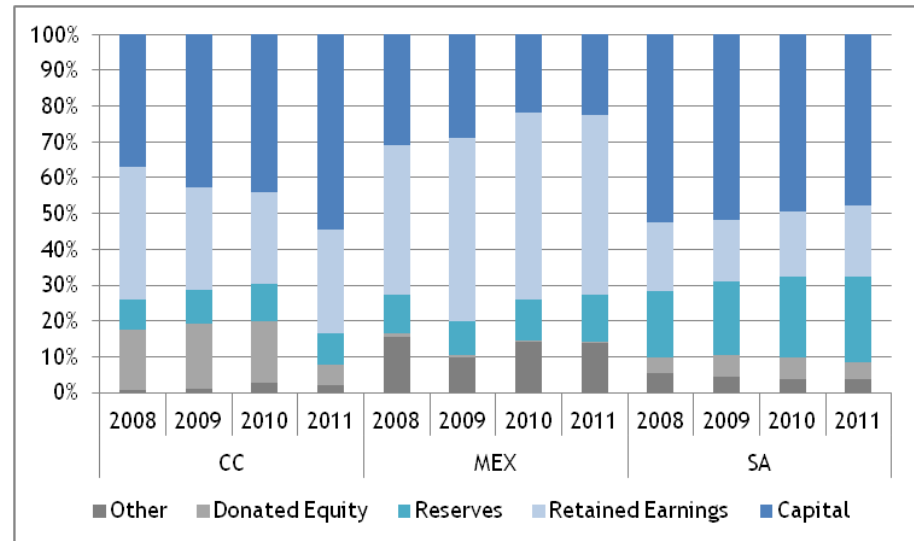
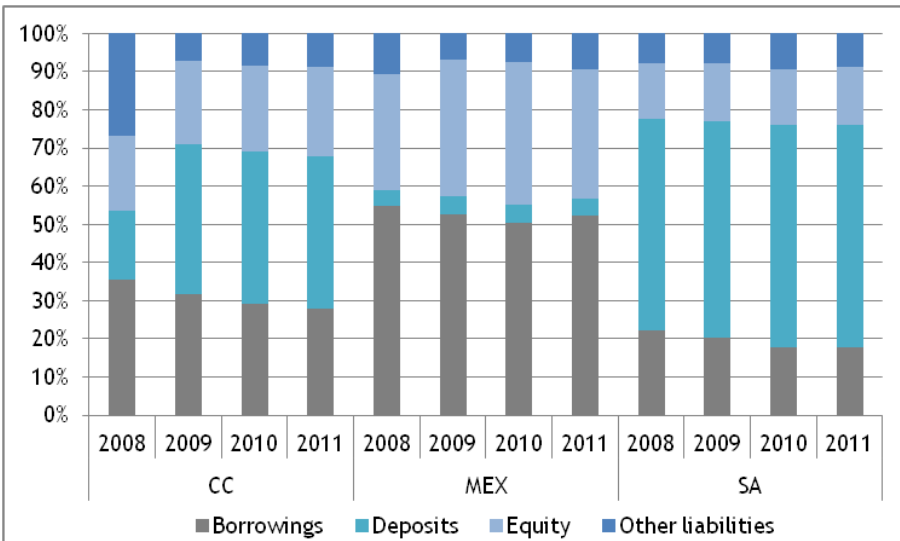


Countries with diminishing portfolio yields showed more efficient management of their assets to guarantee their sustainability in the context of high competition (typical of mature markets). In these same countries, growth in lending over 2011 was on par with the decrease in its portfolio risk indicators.

Since 2009, CC's proportion of deposits exceeds the proportion of borrowings demonstrating the regional focus away from borrowings.

SA has the most deposits from the public of all three sub-regions. Nevertheless, in 2011, growth in borrowings exceeded growth deposits for the first time.

The recapitalization of profits intensified in the past two years for the region, particularly in SA where more resources were used to build up reserves. Meanwhile in CA, capital increased significantly (40.1%) due to a combination of retained earnings and additional contributions.



The source of funds for MFIs in the region was mostly local in the last three years.

Foreign funding originated mainly from financial institutions and European funds.

LAC Funding by country of origin	Percentage		
	2009	2010	2011
Peru	16.5%	17.3%	15.7%
Colombia	11.8%	10.3%	14.1%
Brazil	5.1%	7.1%	8.0%
USA	9.4%	7.2%	6.7%
Mexico	10.3%	7.6%	6.4%
Rest	47.0%	50.5%	49.1%
Total	100.0%	100.0%	100.0%

LAC Origin of Funding	Percentage		
	2009	2010	2011
LAC	61.2%	64.1%	68.4%
Norteamérica	10.4%	8.6%	8.4%
Europa	28.2%	27.2%	23.2%
Total	100.0%	100.0%	100.0%

LAC Funding by country of origin	Recipient countries of funding in 2011									
	Bolivia	Brazil	Colombia	Ecuador	El Salvador	Mexico	Nicaragua	Peru	Other LAC	Total
Peru	0.2%	0.1%	1.0%	0.0%	0.0%	0.0%	0.0%	98.7%	0.0%	100.0%
Colombia	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Brazil	0.0%	99.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	100.0%
USA	6.9%	4.1%	6.3%	16.1%	6.2%	13.7%	4.1%	34.8%	6.5%	100.0%
Mexico	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%

2002 - 2012

Análisis de Clase Mundial

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