

Microfinance Ireland

Report on The Microenterprise Loan Fund Scheme As of the 30th Of June 2024



An Roinn Fiontar,
Trádála agus Fostaíochta
Department of Enterprise,
Trade and Employment



Oifig Fiontair Áitiúil 
Local Enterprise Office

This financing benefits from a guarantee issued under the 'European Progress Microfinance Facility', the 'Employment and Social Innovation Guarantee Facility' and the Pan European Guarantee Fund in Response to COVID-19 established by the European Union.

Overview of the Microenterprise Loan Fund Scheme

The Microenterprise Loan Fund, administered by Microfinance Ireland was established as part of the Government’s Action Plan for Jobs and forms part of a suite of financial programmes provided through the Department of Enterprise, Trade and Employment to assist businesses of different sizes and at different stages of development across all industry sectors.

The purpose of the Fund is to provide loans of €2,000 up to €25,000 to Micro-enterprises, both startups and existing businesses with viable businesses, who cannot obtain funding through traditional sources. (Microenterprises are defined as businesses with less than 10 employees and /or Turnover <€2m

Fund Performance Summary: 1st October 2012 to 30th June 2024

As at end 30th June 2024, Microfinance Ireland has been in business for almost 12 years. In this time, it has delivered the following key results:

- ✓ **11,304 Applications received.**
- ✓ **€87.4M Value of loans approved**
- ✓ **10,836 Net jobs supported in 5,346 micro-enterprises.**
- ✓ **47% Approval rate**
- ✓ **€77.9M Value of loans drawn**
- ✓ **4,755 Loans drawn.**
- ✓ **Average Loan size of €16.5K**
- ✓ **80% approvals granted to businesses employing 3 people or fewer.**
- ✓ **41% of approvals granted to start-ups (in business for less than 18 months)**
- ✓ **Wide geographic coverage: 22% of loans granted to Dublin,78% to the rest of Ireland**

Successful applicants by sector YTD 2024

WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES (20%)	ACCOMMODATION AND FOOD ACTIVITIES (13%)
CONSTRUCTION (11%)	OTHER SERVICES (10%)
PROFESSIONAL, SCIENTIFIC AND TECH ACTIVITIES (8%)	MANUFACTURING (7%)
TRANSPORT AND STORAGE (7%)	EDUCATION (5%)
ARTS, ENTERTAINMENT AND RECREATION (4%)	HUMAN HEALTH AND SOCIAL ACTIVITIES (5%)
ADMINISTRATION & SUPPORT SERVICES. ACTIVITIES (5%)	INFORMATION AND COMMUNICATION (4%)
OTHER (1%)	AGRICULTURE, FORESTRY & FISHING (0%)

Assessing applications efficiently:

- ✓ **11,249 Applications processed to full assessment.**
- ✓ **55 Applications in progress at reporting date**
- ✓ **Endeavour to process complete applications within 10 days.**

Promotion and performance of the Fund during 1st January 2024 to 30th June 2024

Key performance indicators YTD 2024

- ✓ **439 Applications received.**
- ✓ **€3.9M Value of loans approved**
- ✓ **491 Jobs supported in 269 micro-enterprises.**
- ✓ **57% Approval rate**
- ✓ **€3.3M Value of loans drawn**
- ✓ **211 Loans drawn.**
- ✓ Average Loan size of **€15.4k**
- ✓ **86%** approvals granted to businesses employing **3 people or fewer.**
- ✓ **46%** of approvals granted to start-ups (in business for less than 18 months)
- ✓ **Wide geographic coverage:** 21% of loans granted to Dublin, 79% to the rest of Ireland.

Key performance indicators Qtr. 2 2024

- ✓ **255 Applications received.**
- ✓ **€2.3M Value of loans approved**
- ✓ **155 Jobs supported in 148 micro-enterprises.**
- ✓ **55% Approval rate**
- ✓ **€2.1M Value of loans drawn**
- ✓ **138 Loans drawn.**
- ✓ Average Loan size of **€15.4K**
- ✓ **86%** approvals granted to businesses employing **3 people or fewer.**
- ✓ **53%** of approvals granted to start-ups (in business for less than 18 months)
- ✓ **Wide geographic coverage:** 23% of loans granted to Dublin, 77% to the rest of Ireland.

During Q2 2024, MFI continued to engage in a range of Marketing and PR initiatives.

Radio Advertising:

We did not run a radio advertising campaign in the quarter but plan to run one towards the end of Q2 / early Q3.

Digital Advertising /social media:

We continue with ongoing promotion through our social media channels, Facebook, Instagram, Twitter, and LinkedIn to maintain strong brand awareness with digital advertising campaigns primarily focussed on Google and Facebook. We are managing our messaging in our social media to reflect the feedback from our Q3 customer survey.

Events/Webinars/Sponsorships:

We continue our representation at in person events and webinars. We have held webinars in collaboration with a number of the Local Enterprise Offices and these webinars have been well attended and seem to be well received by the LEO clients. We have recently initiated a monthly webinar series for anyone interested in Microfinance Ireland and have included the calendar of webinars on our website.

We were sponsors of a number of events for startups during 2023. We believe that sponsoring events and competitions is a good for building awareness and we are currently considering our sponsorships for 2024.

Performance:

Q2 2024 was behind budget and the corresponding period in 2023.

Our approval rate year to date is running at c. 57% which is higher than previous years.

Applications from Start Ups accounted for c. 50% of all applications and c. 40% of business funded in the period.

In the year to date, applications from Female business owners accounted for 30% of all applications which compares to c.34% for the year 2023.

Microenterprise Loan Fund Scheme Analysis

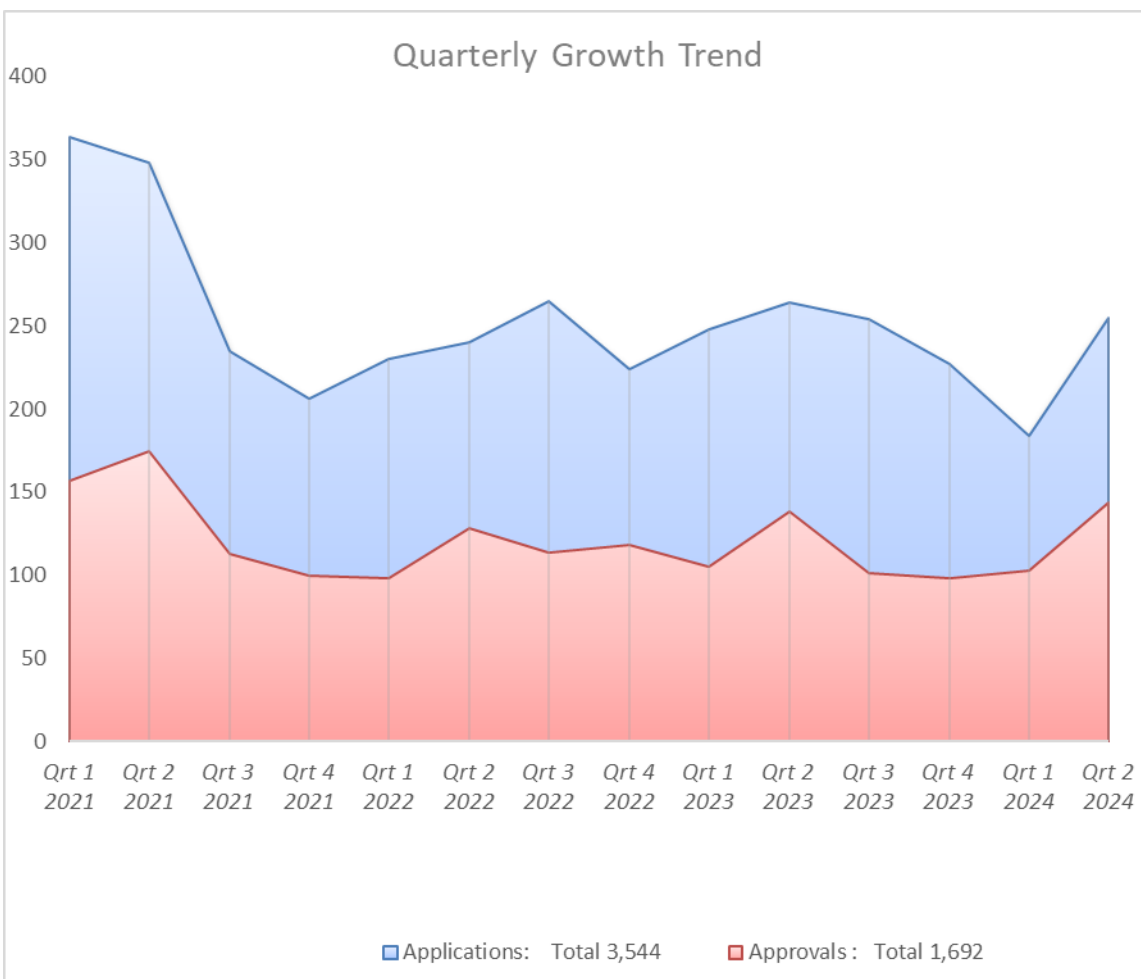
January 2021 – 30th June 2024

	2021	2022	2023	Q1 2024	Q2 2024	Total 2024
Total Applications	1,153	959	994	184	255	439
Total Applications	€19.837M	€16.873M	€16.841M	€3.147M	€4.620M	€7.767M

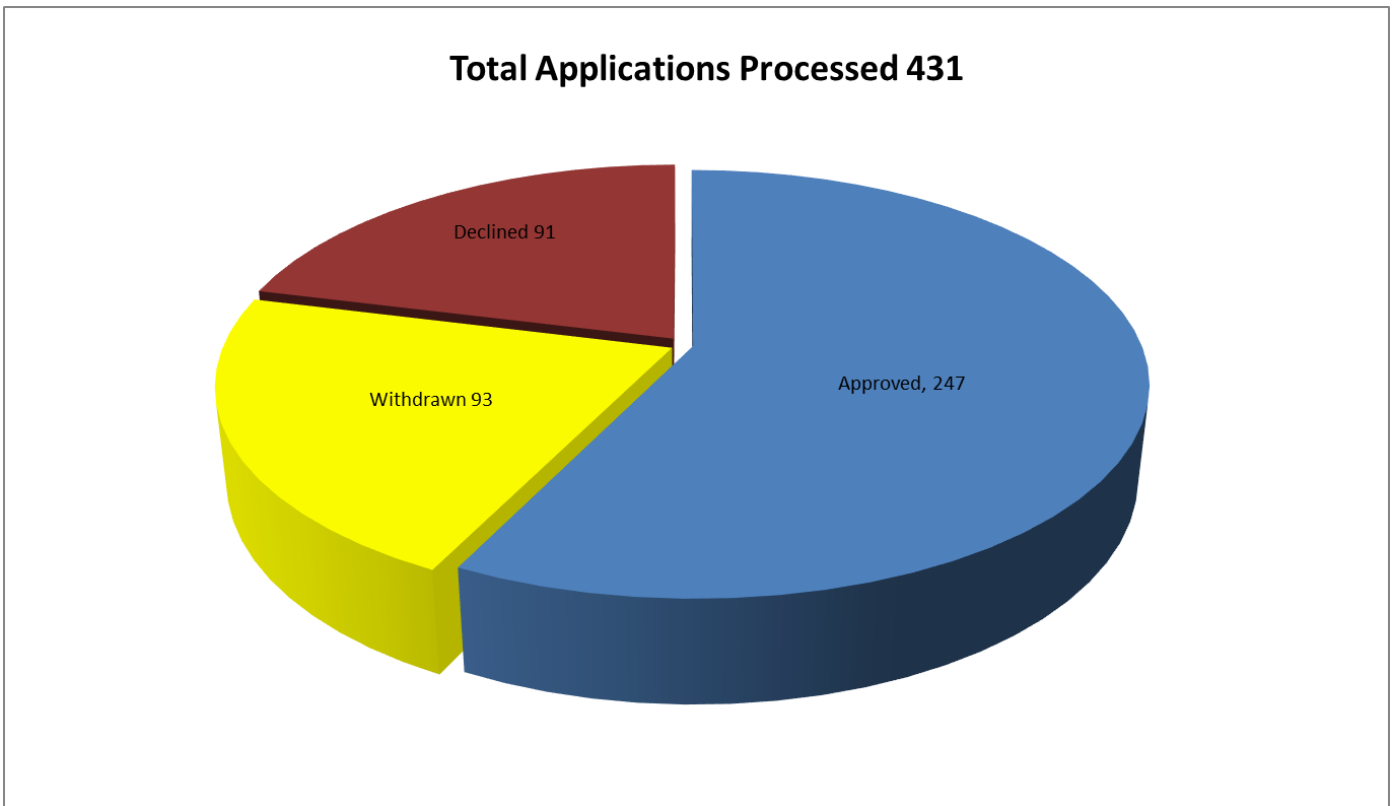
	2021	2022	2023	Q1 2024	Q2 2024	Total 2024
Applications Processed	1,171	961	965	167	264	431
Approved	545	458	442	103	144	247
Approval Rate	47%	48%	46%	62%	55%	57%
Approved (€'000)	€8.537M	€6.931M	€6.600M	€1.563M	€2.346M	€3.909M
Loans Drawn	547	401	397	73	138	211
Loans Drawn (€'000)	€8.783M	€6.004M	€6.009M	€1.126M	€2.132M	€3.258M
Loans Declined	409	335	263	42	49	91
Loans Declined (€'000)	€7.194M	€6.073M	€4.661M	€817	€967	€1.784M

Quarterly Growth Trend

Application and approval activity levels by Quarter are displayed in the graph below:



Applications processed (1st January 2024 - 30th June 2024)



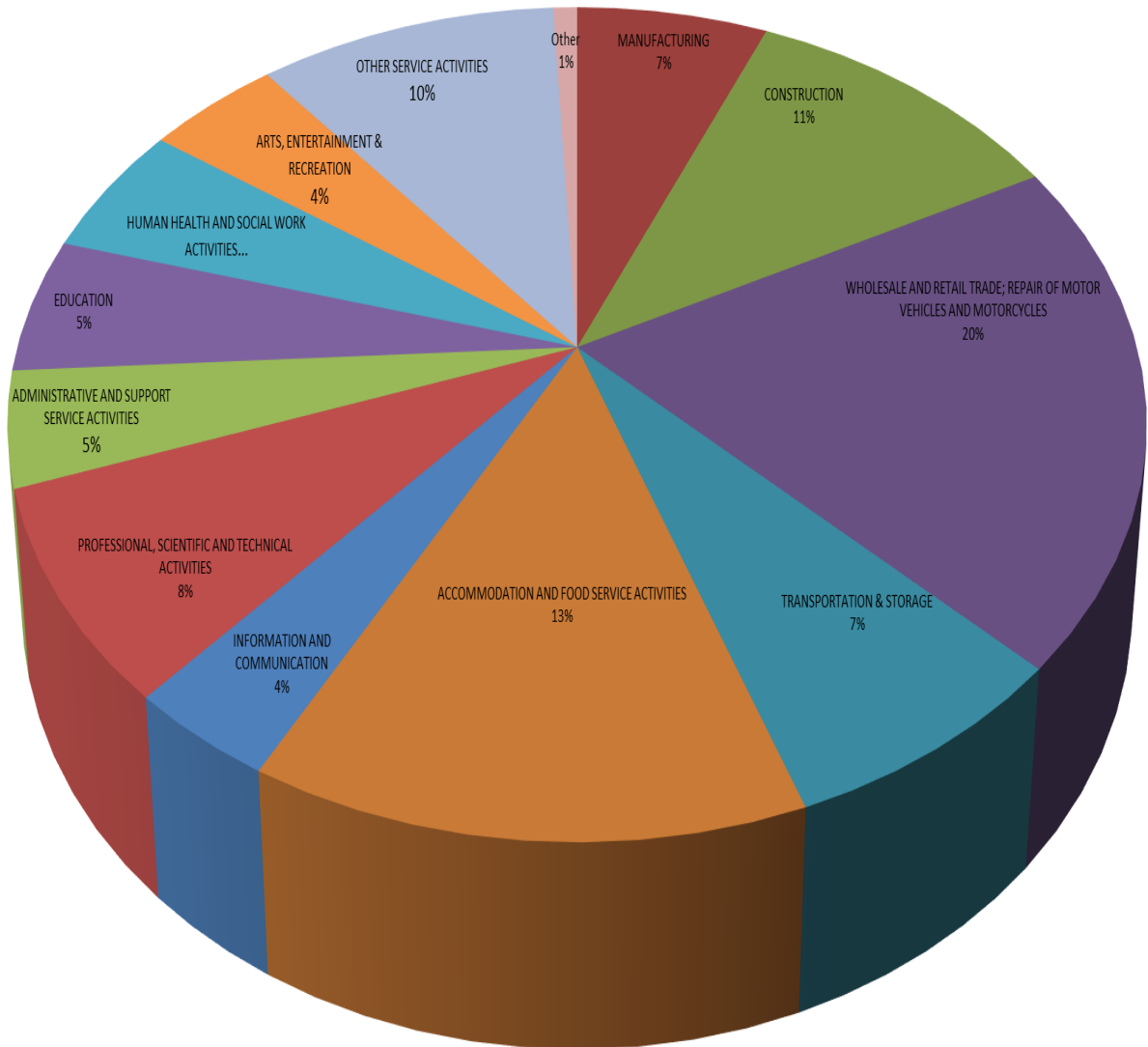
Number of Loans by Sector

Number of Loans						
	2021	2022	2023	Q1 2024	Q2 2024	Total 2024
Wholesale and retail trade;	97	96	88	16	33	49
Accommodation and food service	62	41	32	14	19	33
Construction	46	38	26	12	15	27
Manufacturing	52	50	49	8	8	16
Other services	56	42	49	11	14	25
Professional, scientific & tech	42	39	41	6	14	20
Art, entertainment	26	22	26	5	6	11
Administration & support ser.	28	25	25	6	5	11
Transport/storage	32	19	19	7	11	18
Information and communication	14	22	17	5	4	9
Agriculture, forestry & fishing	32	16	12	0	0	0
Human, health and social work	28	29	34	6	7	13
Education	22	14	19	6	7	13
Others	8	5	5	1	1	2

Values of Loans by Sector

Value of Loans						
	2021	2022	2023	Q1 2024	Q2 2024	Total 2024
Wholesale and retail trade;	1,594	1452	1434	255	529	784
Accommodation and food service	1,134	724	471	234	334	568
Construction	757	620	445	178	240	418
Manufacturing	859	759	796	101	145	246
Other services	649	575	516	142	147	289
Professional, scientific & tech	616	503	515	101	220	321
Art, entertainment	332	324	402	94	117	211
Administration & support ser.	393	251	403	68	98	166
Transport/storage	535	363	317	153	220	373
Information and communication	280	367	264	93	60	153
Agriculture, forestry & fishing	602	283	187	0	0	0
Human, health and social work	397	482	435	56	140	196
Education	279	158	340	83	81	164
Others	110	70	75	5	15	20

Loans by Sector YTD



Approvals by Size of Borrower

From 1st January 2021 to 30th June 2024

Loans were approved to micro-enterprises with the following number of jobs at time of approvals:

No. of Employees	2021	2022	2023	Q1 2024	Q2 2024	Total 2024
1	297	289	327	64	93	157
2-3	173	118	84	24	32	56
4-5	43	31	13	7	14	21
6-9	29	19	18	8	5	13
10		1	0			0
Total No. of Loans	542	458	442	103	144	247

Approvals by Loan Size

From 1st January 2021 to 30th June 2024, loans were granted in the following size range.

Loans by Size						
Euro	2021	2022	2023	Q1 2024	Q2 2024	Total 2024
≤50k						0
≤25k	183	122	125	30	50	80
≤20k	65	79	62	17	20	37
≤15k	119	100	93	20	32	52
≤10k	83	71	84	15	21	36
≤5k	95	86	78	21	21	42
Average Loan Size	€15.6K	€15.1K	€14.9K	€15.5K	€16.2K	€15.8k

Purpose for which Microfinance Loans were granted.

The following data is captured at the date of Drawdown's up to 31st December 2023
 From 01st January 2024 the data captures all Approvals in the Quarter.

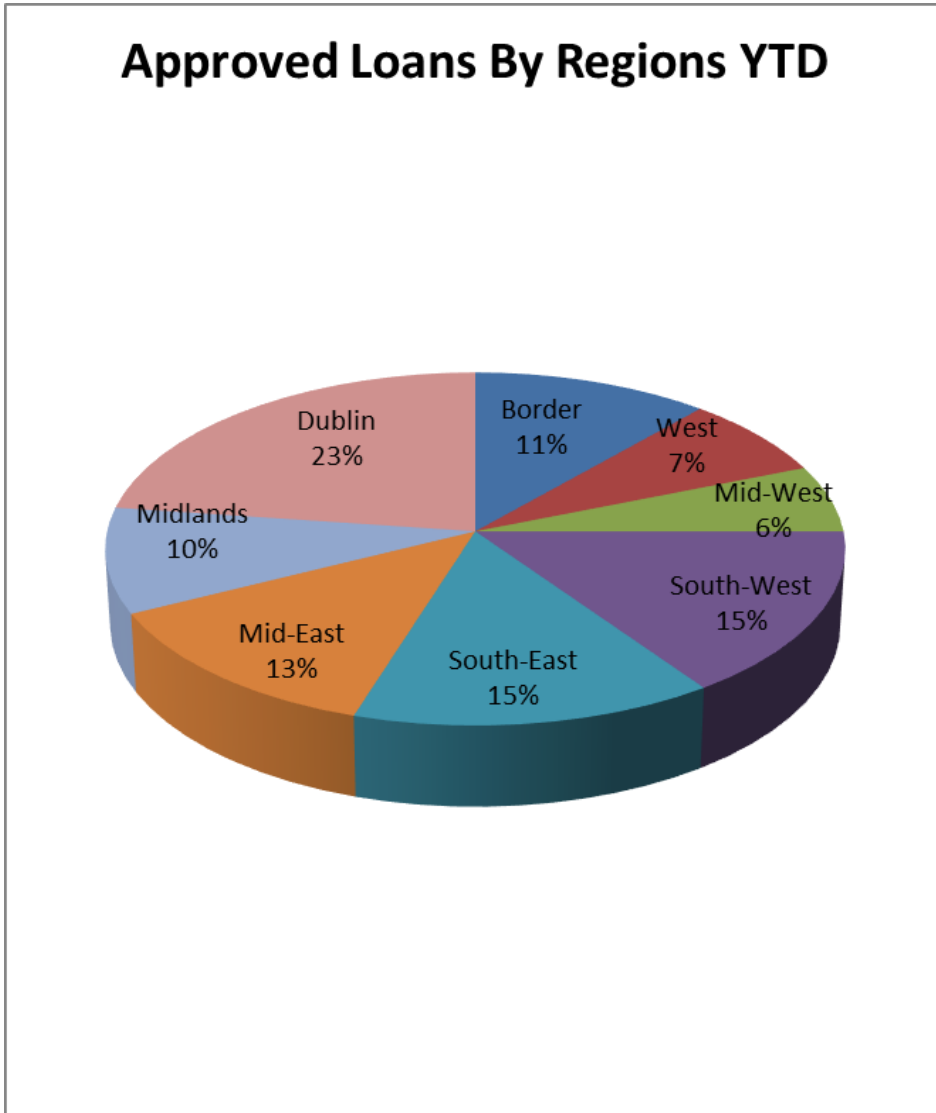
Number of Loans						
Purpose	2021	2022	2023	Q1 2024	Q2 2024	Total 2024
Working Capital	181	136	108	29	39	68
Tangible and Intangible Assets	207	138	131	40	45	85
Mixed Financing for tangible, intangible assets and working capital	159	127	158	34	60	94

Value of Loans						
Purpose	2021	2022	2023	Q1 2024	Q2 2024	Total 2024
Working Capital	2,890	1980	1578	445	631	1076
Tangible and Intangible Assets	3,448	2,129	2,126	609	738	1347
Mixed Financing for tangible, intangible assets and working capital	2,445	1895	2305	509	977	1486

Geographical Analysis of Approval – from 1st January 2024 to 30th June 2024

County	Received YTD	Approved Q1	Approved Q2	Approved YTD	Approved Amount 2024 €000
Dublin	129	19	33	52	891
Cork	47	13	15	28	409
Wexford	31	6	13	19	259
Waterford	26	5	6	11	117
Tipperary	25	2	11	13	226
Galway	22	7	1	8	121
Meath	21	3	10	13	181
Louth	21	3	8	11	163
Kildare	19	4	7	11	166
Clare	18	5	2	7	126
Westmeath	17	4	6	10	179
Limerick	15	4	3	7	131
Kerry	13	2	5	7	131
Carlow	12	2	4	6	80
Roscommon	11	0	2	2	50
Sligo	11	3	1	4	68
Donegal	11	4	3	7	126
Mayo	10	6	1	7	112
Wicklow	10	2	3	5	62
Laois	10	0	4	4	48
Offaly	9	4	2	6	109
Kilkenny	6	1	2	3	37
Longford	5	2	0	2	41
Monaghan	4	0	2	2	43
Cavan	3	1	0	1	15
Leitrim	2	1	0	1	20

Approval by Business Sector January 2024 to 30th June 2024



Demographical Analysis

Approved Applications	2021	2022	2023	Q1 2024	Q2 2024	Total 2024
Start Up	214	191	181	39	74	113
Existing	331	267	261	64	70	134
Female	168	166	168	26	48	74
Male	377	292	274	77	96	173
No. of Ltd Co.	179	170	157	36	56	92
No. of Unltd Co.		1				
No. of Sole Tr	350	273	281	66	86	152
No. of Partne	16	14	4	1	2	3
Youth (Aged 18-25)	33	9	9	1	5	6

Source of Loan Referrals

Channels	2021	2022	2023	Q1 2024	Q2 2024	Total 2024
LEO	249	220	222	56	72	128
Direct	285	224	214	47	70	117
Bank	9	12	3		1	1
Údarás	1	0	0			0
Other	1	2	3		1	1

Appeals Process

The purpose of the Microfinance Ireland appeals process is to support an applicant who wishes to have a review of an MFI decision to declining a loan application.

MFI will appoint an Appeal Assessor to carry out an independent review of the original loan decision. The assessor who was involved in the original decision will not be involved in the appeals process. The outcome of this review is communicated in writing to the applicant within 15 business days of receipt of the written appeal. The credit decision of the Appeal Assessor is independent of MFI management and is final. There have been 14 appeals in 2024 and 6 of these cases have been approved on appeal. These figures are included in the YTD approval figures.

Complaints

No complaints were received by the business in Quarter 2 2024.

Business Failures

YTD 2024, 19 businesses of our borrowers have failed. While any business failure is regrettable, it was anticipated from the outset that a not insignificant proportion of projects supported by the Microfinance Ireland might fail. It is a feature of microfinance (given the higher risk profile) that even with strong business supports, failures will occur.

On an ongoing basis, Microfinance Ireland, in conjunction with other agencies, works with every customer at risk to minimise business failure.