

## Microfinance Ireland

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

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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 €50,000 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 September 2024

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

- ✓ **11,563 Applications received.**
- ✓ **€89.2M Value of loans approved**
- ✓ **10,957 Net jobs supported in 5,441 micro-enterprises.**
- ✓ **47% Approval rate**
- ✓ **€79.6M Value of loans drawn**
- ✓ **4,861 Loans drawn.**
- ✓ **Average Loan size of €16.4K**
- ✓ **82% approvals granted to businesses employing 3 people or fewer.**
- ✓ **42% 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 <b>(20%)</b>	ACCOMMODATION AND FOOD ACTIVITIES <b>(11%)</b>
OTHER SERVICES <b>(11%)</b>	CONSTRUCTION <b>(10%)</b>
PROFESSIONAL, SCIENTIFIC AND TECH ACTIVITIES <b>(10%)</b>	TRANSPORT AND STORAGE <b>(6%)</b>
MANUFACTURING <b>(6%)</b>	EDUCATION <b>(5%)</b>
ARTS, ENTERTAINMENT AND RECREATION <b>(5%)</b>	HUMAN HEALTH AND SOCIAL ACTIVITIES <b>(8%)</b>
ADMINISTRATION & SUPPORT SERVICES. ACTIVITIES <b>(4%)</b>	INFORMATION AND COMMUNICATION <b>(3%)</b>
OTHER <b>(1%)</b>	AGRICULTURE, FORESTRY & FISHING <b>(0%)</b>

## Assessing applications efficiently:

- ✓ **11,489 Applications processed to full assessment.**
- ✓ **74 Applications in progress at reporting date**
- ✓ **Endeavour to process complete applications within 10 days.**

## Promotion and performance of the Fund during 1<sup>st</sup> January 2024 to 30<sup>th</sup> September 2024

### Key performance indicators YTD 2024

- ✓ **698 Applications received.**
- ✓ **€5.7M Value of loans approved**
- ✓ **626 Jobs supported in 364 micro-enterprises.**
- ✓ **54% Approval rate**
- ✓ **€4.9M Value of loans drawn**
- ✓ **317 Loans drawn.**
- ✓ Average Loan size of **€15.6K**
- ✓ **88%** approvals granted to businesses employing **3 people or fewer.**
- ✓ **47%** 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.

### Key performance indicators Qtr. 3 2024

- ✓ **259 Applications received.**
- ✓ **€1.5M Value of loans approved**
- ✓ **193 Jobs supported in 95 micro-enterprises.**
- ✓ **49% Approval rate**
- ✓ **€1.7M Value of loans drawn**
- ✓ **106 Loans drawn.**
- ✓ Average Loan size of **€15.8k**
- ✓ **91%** approvals granted to businesses employing **3 people or fewer.**
- ✓ **50%** of approvals granted to start-ups (in business for less than 18 months)
- ✓ **Wide geographic coverage:** 26% of loans granted to Dublin, 74% to the rest of Ireland.

During the 3<sup>rd</sup> quarter of 2024, MFI continued to engage in a range of Marketing and PR initiatives.

**Radio Advertising:**

We ran an advertising campaign over an extended period in the quarter which was targeted at both national and local listeners.

**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.

**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 continue to have monthly webinars for anyone interested in Microfinance Ireland and have included the calendar of webinars on our website. These webinars continue to be well attended with good engagement from participants.

We were sponsors of a number of start up and established businesses events and awards throughout 2024. These events are important for building brand awareness.

**Performance:**

Applications in Q3 are 39% behind budget for the quarter and 23% for the year to date. However, MFI commenced offering loans up to €50k from early September 2024 and while it is too early to determine what impact the larger loan amounts will have on volumes in the long term, there were 118 applications during October 2024, representing over 60% of the Q3 level achieved.

Our approval rate for the quarter at 49% is running higher than the long term average. On average we are achieving approval rates of 54% for the 9 months which is a reflection of our goal to support as many businesses as possible while maintaining our credit standards.

Applications from Start Ups accounted for c. 50% of all approvals which is an increase on the YTD average.

In the year to date, applications from Female business owners accounted for c. 33% of all applications.

## Microenterprise Loan Fund Scheme Analysis

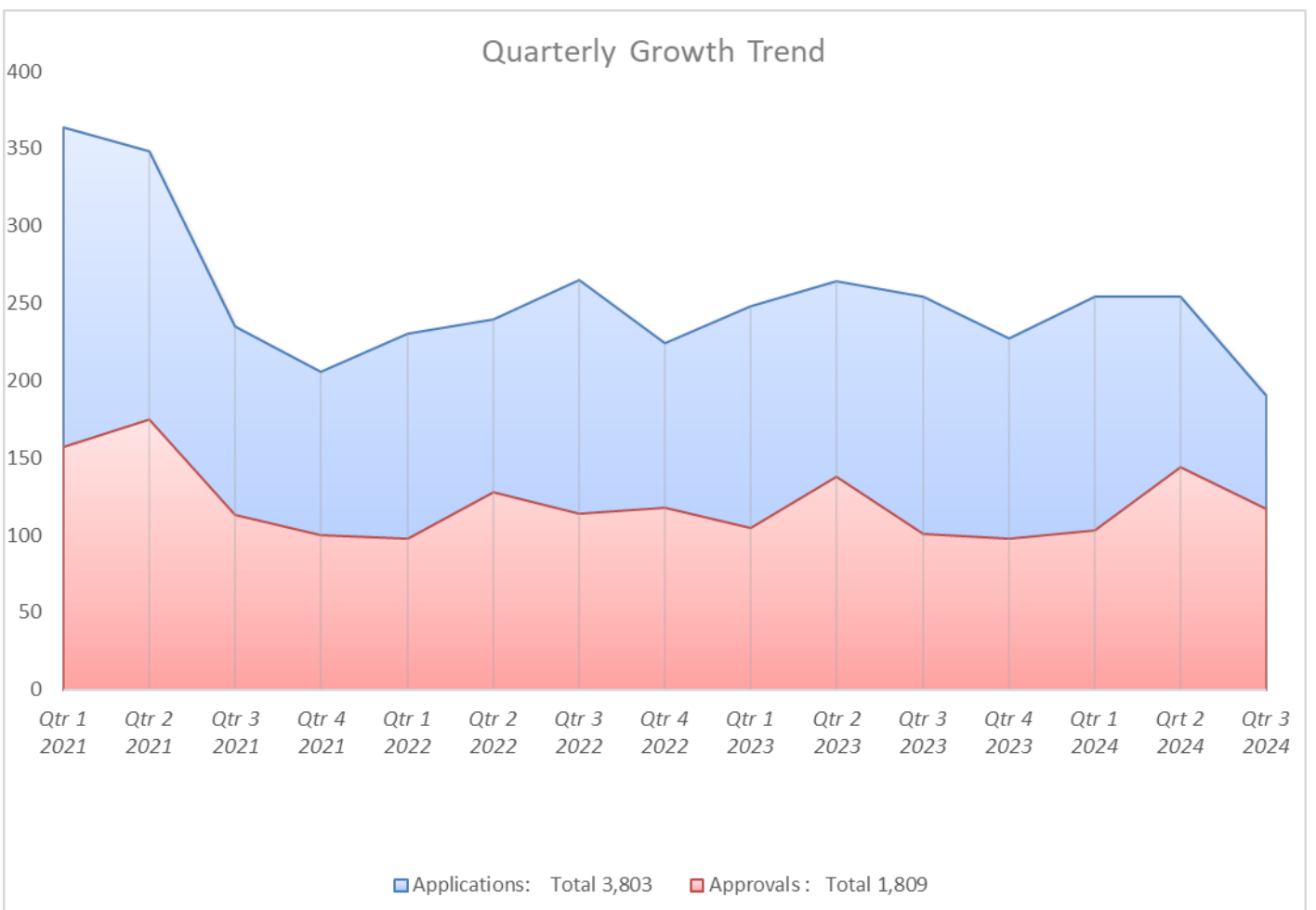
January 2021 – 30th September 2024

	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Total 2024
Total Applications No.	1,153	959	994	184	255	259	698
Total Applications Amt.	€19.837M	€16.873M	€16.841M	€3.147M	€4.620M	4.350M	€12.117M

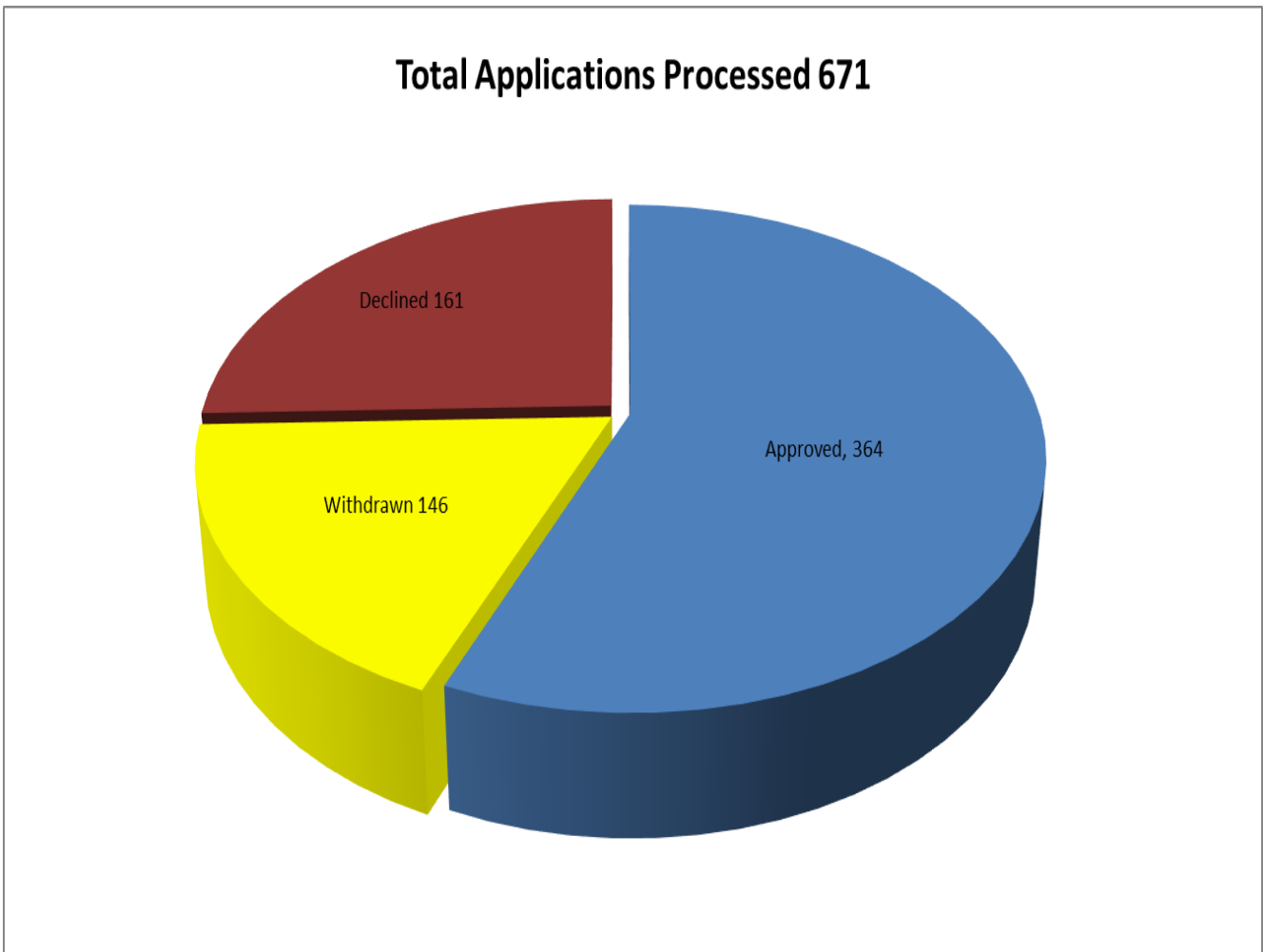
	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Total 2024
Applications Processed	1,171	961	965	167	264	240	671
Approved	545	458	442	103	144	117	364
Approval Rate	47%	48%	46%	62%	55%	49%	54%
Approved (€'000)	€8.537M	€6.931M	€6.600M	€1.563M	€2.346M	€1.825M	€5.734M
Loans Drawn	547	401	397	73	138	106	317
Loans Drawn (€'000)	€8.783M	€6.004M	€6.009M	€1.126M	€2.132M	€1.672M	€4.930M
Loans Declined	409	335	263	42	49	70	161
Loans Declined (€'000)	€7.194M	€6.073M	€4.661M	€817	€967	€1.170M	€2.954M

## Quarterly Growth Trend

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



**Applications processed (1st January 2024 - 30th September 2024)**



## Number of Loans by Sector

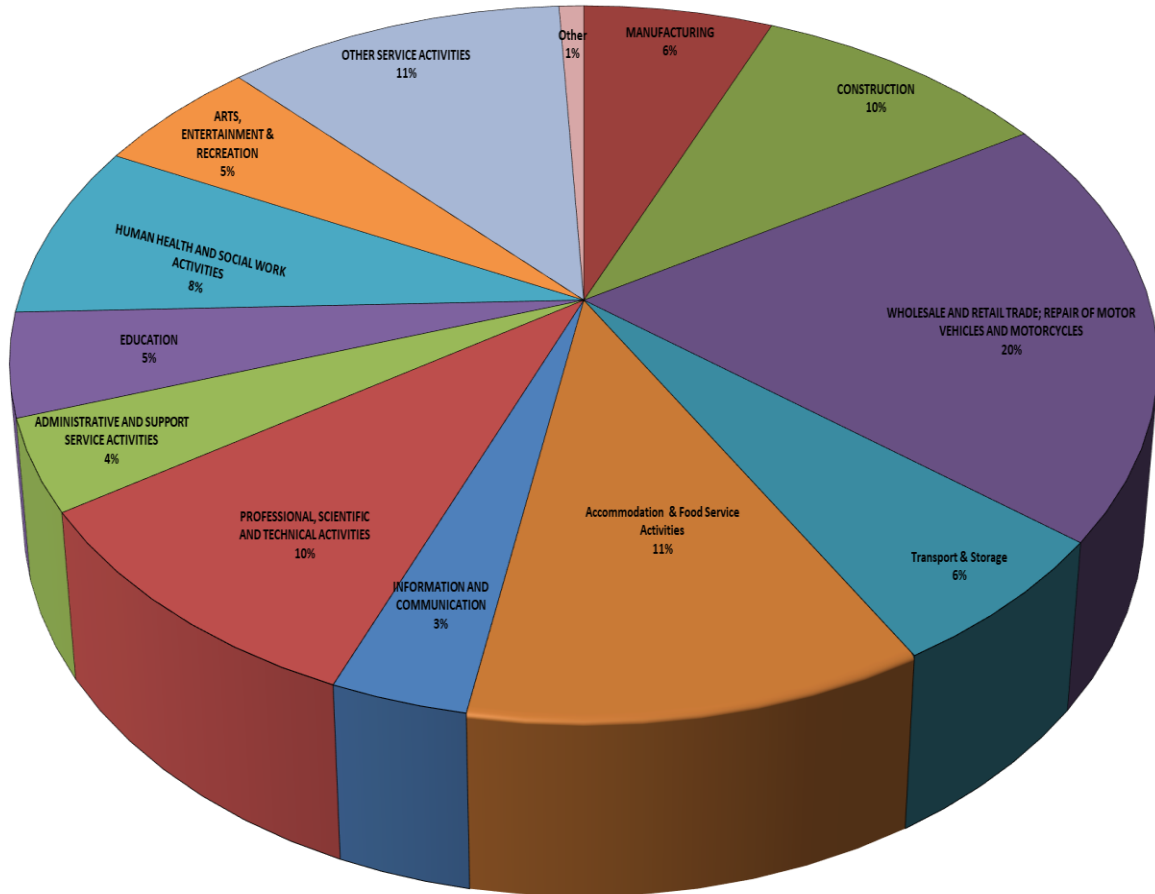
Number of Loans							
	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Total 2024
Wholesale and retail trade; Repair	97	96	88	16	33	22	71
Accommodation and food service	62	41	32	14	19	7	40
Construction	46	38	26	12	15	9	36
Manufacturing	52	50	49	8	8	7	23
Other services	56	42	49	11	14	16	41
Professional, scientific & tech	42	39	41	6	14	15	35
Art, entertainment and recreation	26	22	26	5	6	9	20
Administration & support ser.	28	25	25	6	5	4	15
Transport/storage	32	19	19	7	11	4	22
Information and communication	14	22	17	5	4	3	12
Agriculture, forestry & fishing	32	16	12	0	0	0	0
Human, health and social work	28	29	34	6	7	16	29
Education	22	14	19	6	7	4	17
Others	8	5	5	1	1	1	3



**Values of Loans by Sector**

Value of Loans							
	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Total 2024
Wholesale and retail trade; Repair	1,594	1452	1434	255	529	341	1125
Accommodation and food service	1,134	724	471	234	334	155	723
Construction	757	620	445	178	240	150	568
Manufacturing	859	759	796	101	145	127	373
Other services	649	575	516	142	147	183	472
Professional, scientific & tech	616	503	515	101	220	219	540
Art, entertainment and recreation	332	324	402	94	117	145	356
Administration & support ser.	393	251	403	68	98	54	220
Transport/storage	535	363	317	153	220	66	439
Information and communication	280	367	264	93	60	50	203
Agriculture, forestry & fishing	602	283	187	0	0	0	0
Human, health and social work	397	482	435	56	140	263	459
Education	279	158	340	83	81	65	229
Others	110	70	75	5	15	7	27

**Loans by Sector YTD**



### Approvals by Size of Borrower

From 1st January 2021 to 30th September 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	Q3 2024	Total 2024
1	297	289	327	64	93	65	222
2-3	173	118	84	24	32	41	97
4-5	43	31	13	7	14	8	29
6-9	29	19	18	8	5	3	16
10		1	0				0
<b>Total No. of Loans</b>	542	458	442	103	144	117	364

### Approvals by Loan Size

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

Loans by Size							
Euro	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Total 2024
≤50k							0
≤25k	183	122	125	30	50	30	110
≤20k	65	79	62	17	20	19	56
≤15k	119	100	93	20	32	33	85
≤10k	83	71	84	15	21	23	59
≤5k	95	86	78	21	21	12	54
<b>Average Loan Size</b>	€15.6K	€15.1K	€14.9K	€15.5K	€16.2M	€15.4M	€15.8M

**Purpose for which Microfinance Loans were granted.**

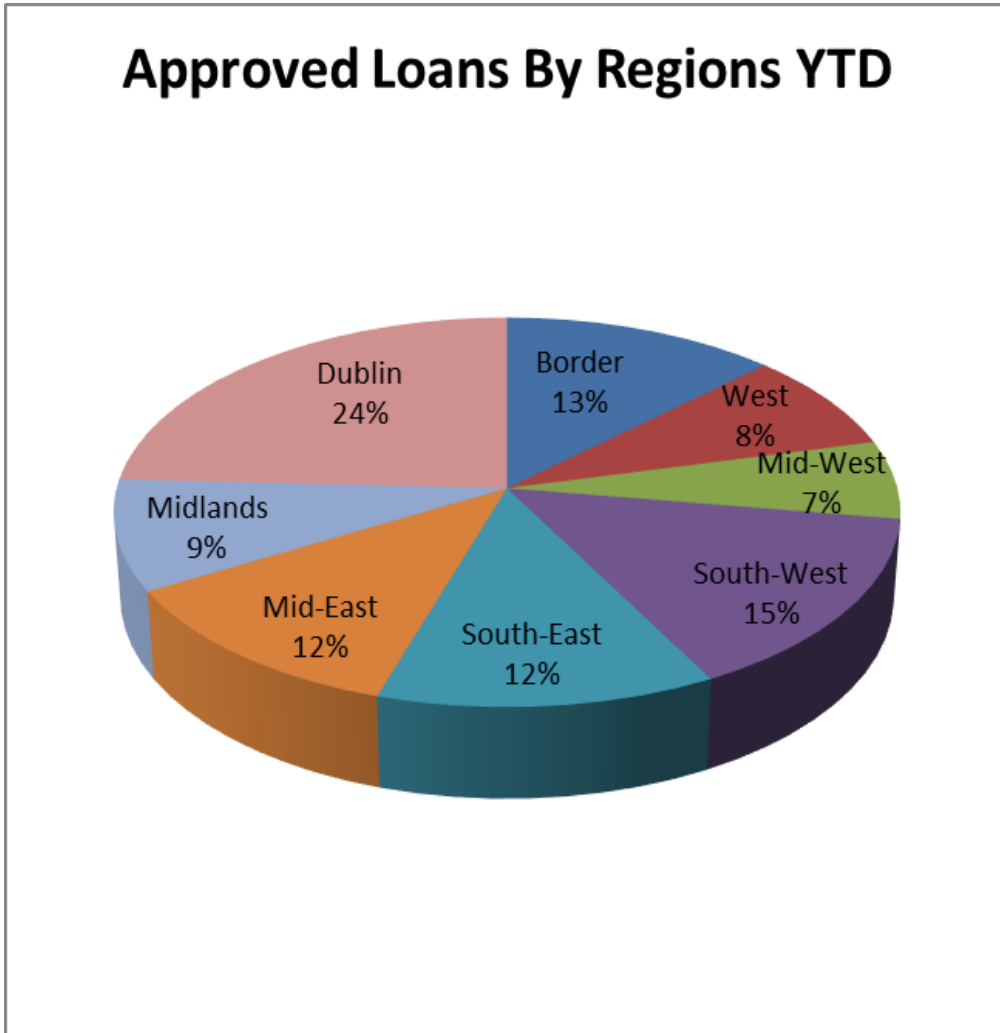
Number of Loans							
Purpose	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Total 2024
Working Capital	181	136	108	29	39	30	98
Tangible and Intangible Assets	207	138	131	40	45	32	117
Mixed Financing for tangible, intangible assets and working capital	159	127	158	34	60	55	149

Value of Loans							
Purpose	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Total 2024
Working Capital	2,890	1,980	1,578	445	631	484	1,560
Tangible and Intangible Assets	3,448	2,129	2,126	609	738	463	1,810
Mixed Financing for tangible, intangible assets and working capital	2,445	1,895	2,305	509	977	878	2,364

Geographical Analysis of Approval - from 1st January 2024 to 30th September 2024

County	Applications Received YTD	Approved Q1	Approved Q2	Approved Q3	Approved YTD	Approved Amount 2024 €000
Dublin	182	19	33	30	82	1,358
Cork	65	13	15	12	40	589
Wexford	42	6	13	3	22	287
Waterford	30	5	6	4	15	163
Tipperary	28	2	11	6	19	322
Galway	26	7	1	3	11	164
Meath	32	3	10	2	15	198
Louth	34	3	8	7	18	262
Kildare	28	4	7	7	18	289
Clare	23	5	2	3	10	174
Westmeath	21	4	6	5	15	294
Limerick	19	4	3	5	12	232
Kerry	19	2	5	3	10	173
Carlow	13	2	4	1	7	90
Roscommon	15	0	2	3	5	76
Sligo	10	3	1	1	5	81
Donegal	22	4	3	5	12	224
Mayo	19	6	1	5	12	217
Wicklow	18	2	3	2	7	96
Laois	13	0	4	2	6	73
Offaly	12	4	2	0	6	109
Kilkenny	8	1	2	2	5	67
Longford	6	2	0	2	4	48
Monaghan	5	0	2	2	4	73
Cavan	3	1	0	0	1	15
Leitrim	5	1	0	2	3	60

**Approval by Business Sector January 2024 to 30th September 2024**



## Demographical Analysis

Approved Applications	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Total 2024
Start Up	214	191	181	39	74	59	172
Existing	331	267	261	64	70	58	192
Female	168	166	168	26	48	46	120
Male	377	292	274	77	96	71	244
No. of Ltd Co.	179	170	157	36	56	50	142
No. of Unltd Co.		1					
No. of Sole Traders	350	273	281	66	86	64	216
No. of Partnerships	16	14	4	1	2	3	6
Youth (Aged 18-25)	33	9	9	1	5	4	10

## Source of Loan Referrals

Channels	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Total 2024
LEO	249	220	222	56	72	70	198
Direct	285	224	214	47	70	46	163
Bank	9	12	3		1		1
Údarás	1	0	0				0
Other	1	2	3		1	1	2

## 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 23 appeals in 2024 and 9 of these cases have been approved on appeal. These figures are included in the YTD approval figures.

## Complaints

1 complaint were received by the business in Quarter 3 2024.

## Business Failures

YTD 2024, 29 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.