

## Microfinance Ireland

---

# Report on The Microenterprise Loan Fund Scheme As of the 31st of December 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 €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 31st December2024

As at end 31st December2024, Microfinance Ireland has been in business for 13 years. In this time, it has delivered the following key results:

- ✓ **11,927 Applications received.**
- ✓ **€92.6M Value of loans approved**
- ✓ **10,957 Net jobs supported in 5,594 micro-enterprises.**
- ✓ **47% Approval rate**
- ✓ **€82.1M Value of loans drawn**
- ✓ **4,994 Loans drawn.**
- ✓ **Average Loan size of €16.9K**
- ✓ **82% approvals granted to businesses employing 3 people or fewer.**
- ✓ **43% 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 (19%)	ACCOMMODATION AND FOOD ACTIVITIES (10%)
CONSTRUCTION (11%)	OTHER SERVICES (10%)
PROFESSIONAL, SCIENTIFIC & TECH ACTIVITIES (9%)	MANUFACTURING (7%)
HUMAN HEALTH AND SOCIAL ACTIVITIES (7%)	TRANSPORT AND STORAGE (6%)
ARTS, ENTERTAINMENT AND RECREATION (6%)	EDUCATION (5%)
ADMINISTRATION & SUPPORT SERVICES. ACTIVITIES (5%)	INFORMATION AND COMMUNICATION (4%)
OTHER (1%)	AGRICULTURE, FORESTRY & FISHING (0%)

### Assessing applications efficiently:

- ✓ **11,799 Applications processed to full assessment.**
- ✓ **111 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 31<sup>st</sup> December 2024

### Key performance indicators YTD 2024

- ✓ **1,062 Applications received.**
- ✓ **€9.1M Value of loans approved**
- ✓ **911 Jobs supported in 517 micro-enterprises.**
- ✓ **52% Approval rate**
- ✓ **€7.5M Value of loans drawn**
- ✓ **450 Loans drawn.**
- ✓ **Average Loan size of €16.6K**
- ✓ **87% 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:** 22% of loans granted to Dublin, 78% to the rest of Ireland.

### Key performance indicators Qtr. 4 2024

- ✓ **364 Applications received.**
- ✓ **€3.4M Value of loans approved**
- ✓ **308 Jobs supported in 153 micro-enterprises.**
- ✓ **47% Approval rate**
- ✓ **€2.5M Value of loans drawn**
- ✓ **133 Loans drawn.**
- ✓ **Average Loan size of €19.2K**
- ✓ **90% approvals granted to businesses employing 3 people or fewer.**
- ✓ **44% 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.

During the 4<sup>th</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. During the last quarter we participated in the National Women's Enterprise Day events. We were also represented at the Small Firms Association Business to Business event which gave us the opportunity to raise awareness of our offering and particularly the recent increase in the maximum loan amount to €50k.

In this quarter we celebrated European Microfinance Day with a special webinar in conjunction with the Fingal LEO.

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 startup and established businesses events and awards throughout 2024. These events are important for building brand awareness.

**Performance:**

Applications in Q4 were very strong reflecting the demand for loans in excess of €25k. We ended the year with 1,062 applications which was close to 90% of our original target.

Our approval rate for the quarter at 47% is running around the long-term average. On average we achieved approval rates of 52% for the year 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. 46% of all approvals.

In the year to date, applications from Female business owners accounted for c. 32% of all applications.

Loans to businesses located outside of Dublin accounted for c. 76% of all loans which is in line with historic numbers.

## Microenterprise Loan Fund Scheme Analysis

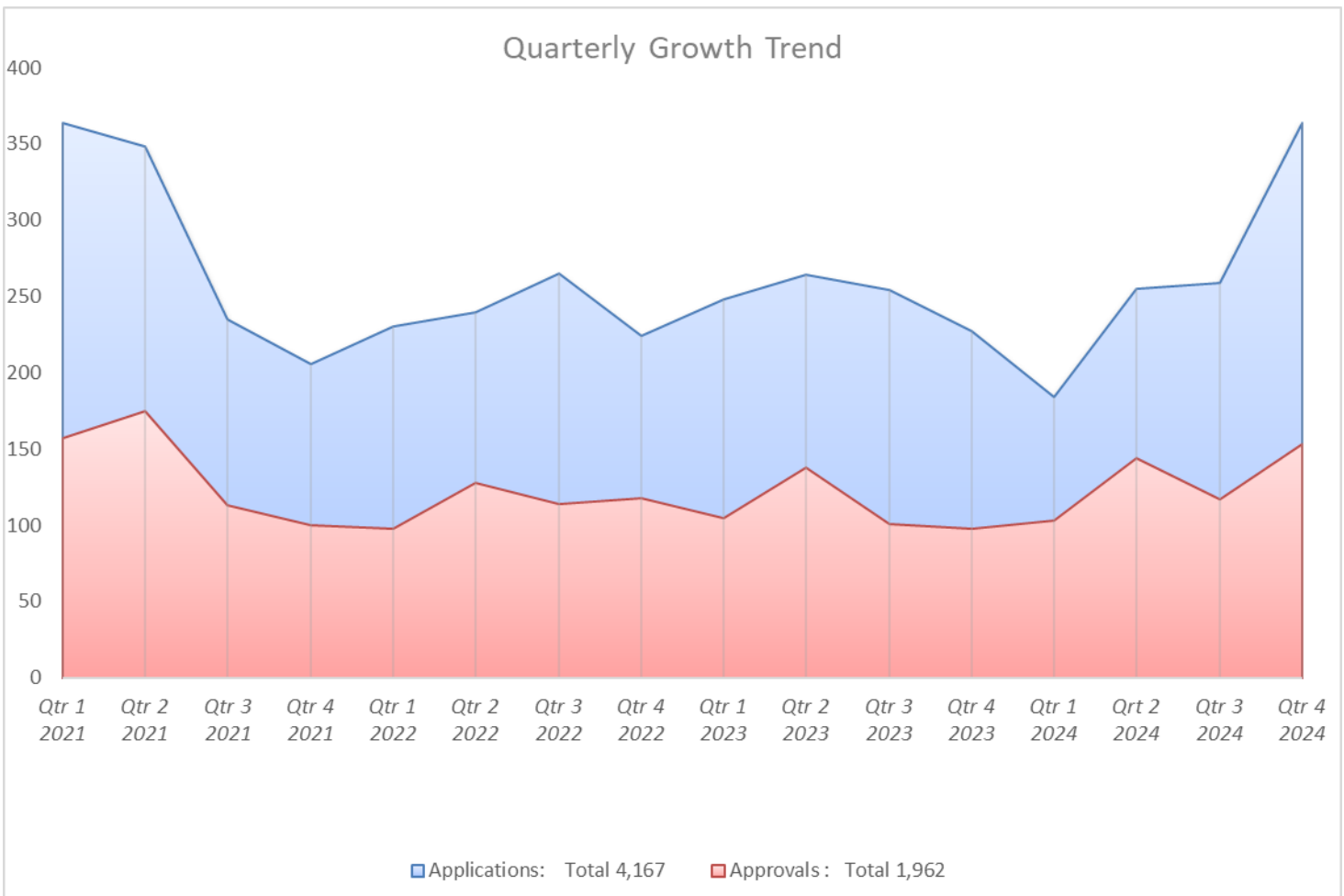
### January 2021 – 31st December 2024

	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Total 2024
Total Applications No.	1,153	959	994	184	255	259	364	1062
Total Applications Amt.	€19.837M	€16.873M	€16.841M	€3.147M	€4.620M	4.350M	9.441M	€21,558M

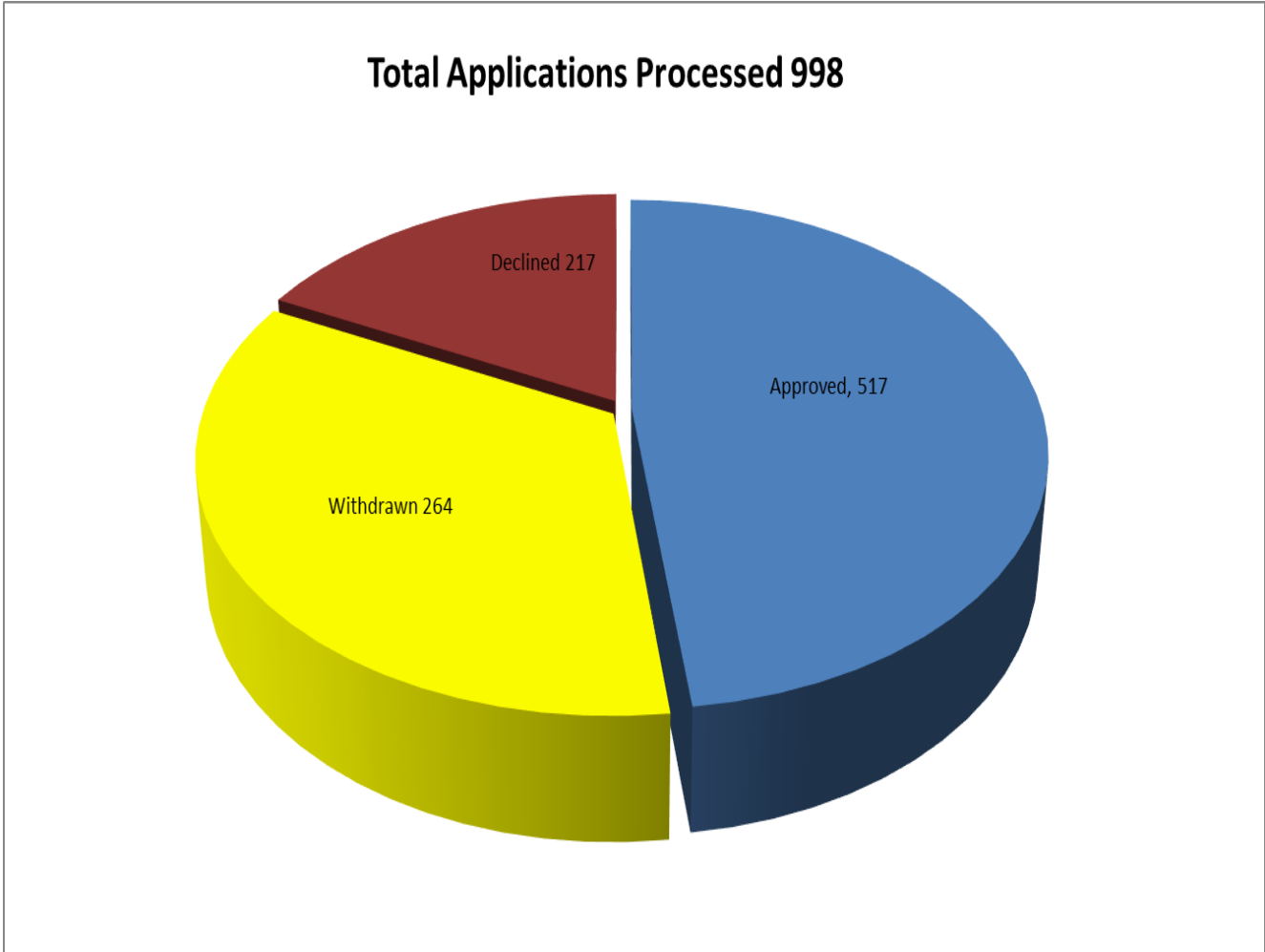
	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Total 2024
Applications Processed	1,171	961	965	167	264	240	327	998
Approved	545	458	442	103	144	117	153	517
Approval Rate	47%	48%	46%	62%	55%	49%	47%	52%
Approved (€'000)	€8.537M	€6.931M	€6.600M	€1.563M	€2.346M	€1.825M	€3.365M	€9.099M
Loans Drawn	547	401	397	73	138	106	133	450
Loans Drawn (€'000)	€8.783M	€6.004M	€6.009M	€1.126M	€2.132M	€1.672M	€2.552M	€7.482M
Loans Declined	409	335	263	42	49	70	56	217
Loans Declined (€'000)	€7.194M	€6.073M	€4.661M	€817	€967	€1.170M	€1.434M	€4.388M

## Quarterly Growth Trend

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



**Applications processed (1st January 2024 - 31st December 2024)**



## Number of Loans by Sector

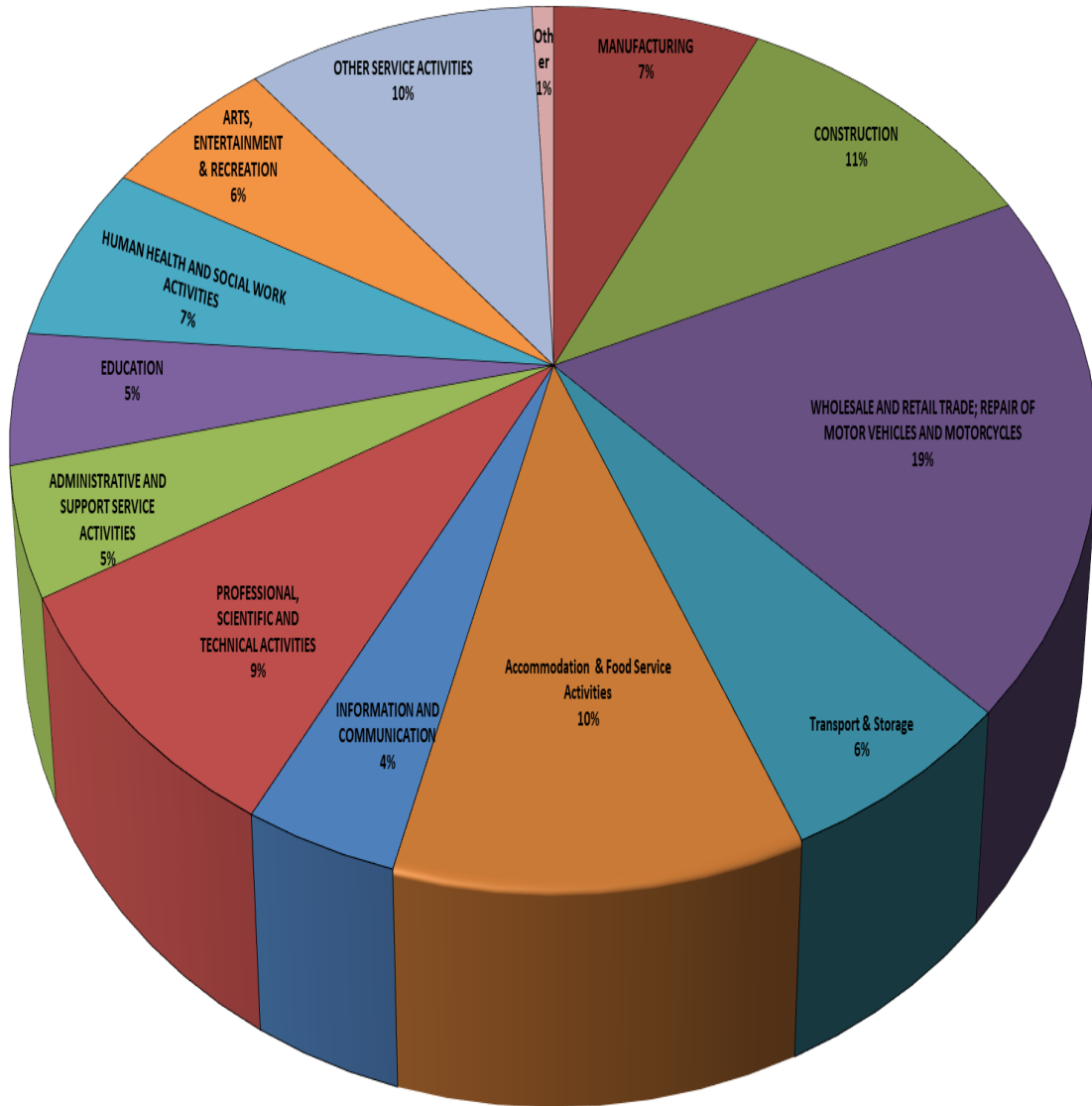
Number of Loans								
	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Total 2024
Wholesale and retail trade; Repair of motor vehicles	97	96	88	16	33	22	28	99
Accommodation and food service activities	62	41	32	14	19	7	13	53
Construction	46	38	26	12	15	9	21	57
Manufacturing	52	50	49	8	8	7	15	38
Other services	56	42	49	11	14	16	12	53
Professional, scientific & tech activities	42	39	41	6	14	15	11	46
Art, entertainment and recreation	26	22	26	5	6	9	11	31
Administration & support ser. Activities	28	25	25	6	5	4	9	24
Transport/storage	32	19	19	7	11	4	10	32
Information and communication	14	22	17	5	4	3	8	20
Agriculture, forestry & fishing	32	16	12	0	0	0	0	0
Human, health and social work	28	29	34	6	7	16	6	35
Education	22	14	19	6	7	4	8	25
Others	8	5	5	1	1	1	1	4



### Values of Loans by Sector

Value of Loans								
	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Total 2024
Wholesale and retail trade; Repair of motor vehicles and	1,594	1452	1434	255	529	341	586	1711
Accommodation and food service activities	1,134	724	471	234	334	155	311	1034
Construction	757	620	445	178	240	150	501	1069
Manufacturing	859	759	796	101	145	127	435	808
Other services	649	575	516	142	147	183	182	654
Professional, scientific & tech activities	616	503	515	101	220	219	173	713
Art, entertainment and recreation	332	324	402	94	117	145	245	601
Administration & support ser. Activities	393	251	403	68	98	54	166	386
Transport/storage	535	363	317	153	220	66	253	692
Information and communication	280	367	264	93	60	50	140	343
Agriculture, forestry & fishing	602	283	187	0	0	0	0	0
Human, health and social work	397	482	435	56	140	263	160	619
Education	279	158	340	83	81	65	170	399
Others	110	70	75	5	15	7	43	70

### Loans by Sector YTD



### Approvals by Size of Borrower

From 1st January 2021 to 31st December 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	Q4 2024	Total 2024
1	297	289	327	64	93	65	82	304
2-3	173	118	84	24	32	41	47	144
4-5	43	31	13	7	14	8	13	42
6-9	29	19	18	8	5	3	11	27
10		1	0					0
<b>Total No. of Loans</b>	<b>542</b>	<b>458</b>	<b>442</b>	<b>103</b>	<b>144</b>	<b>117</b>	<b>153</b>	<b>517</b>

### Approvals by Loan Size

From 1st January 2021 to 31st December 2024, loans were granted in the following size range.

Loans by Size								
Euro	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Total 2024
≤50k							47	47
≤25k	183	122	125	30	50	30	20	130
≤20k	65	79	62	17	20	19	16	72
≤15k	119	100	93	20	32	33	18	103
≤10k	83	71	84	15	21	23	30	89
≤5k	95	86	78	21	21	12	22	76
<b>Average Loan Size</b>	<b>€15.6K</b>	<b>€15.1K</b>	<b>€14.9K</b>	<b>€15.5K</b>	<b>€16.2K</b>	<b>€15.4K</b>	<b>€21.9K</b>	<b>€17.6K</b>

### Purpose for which Microfinance Loans were granted.

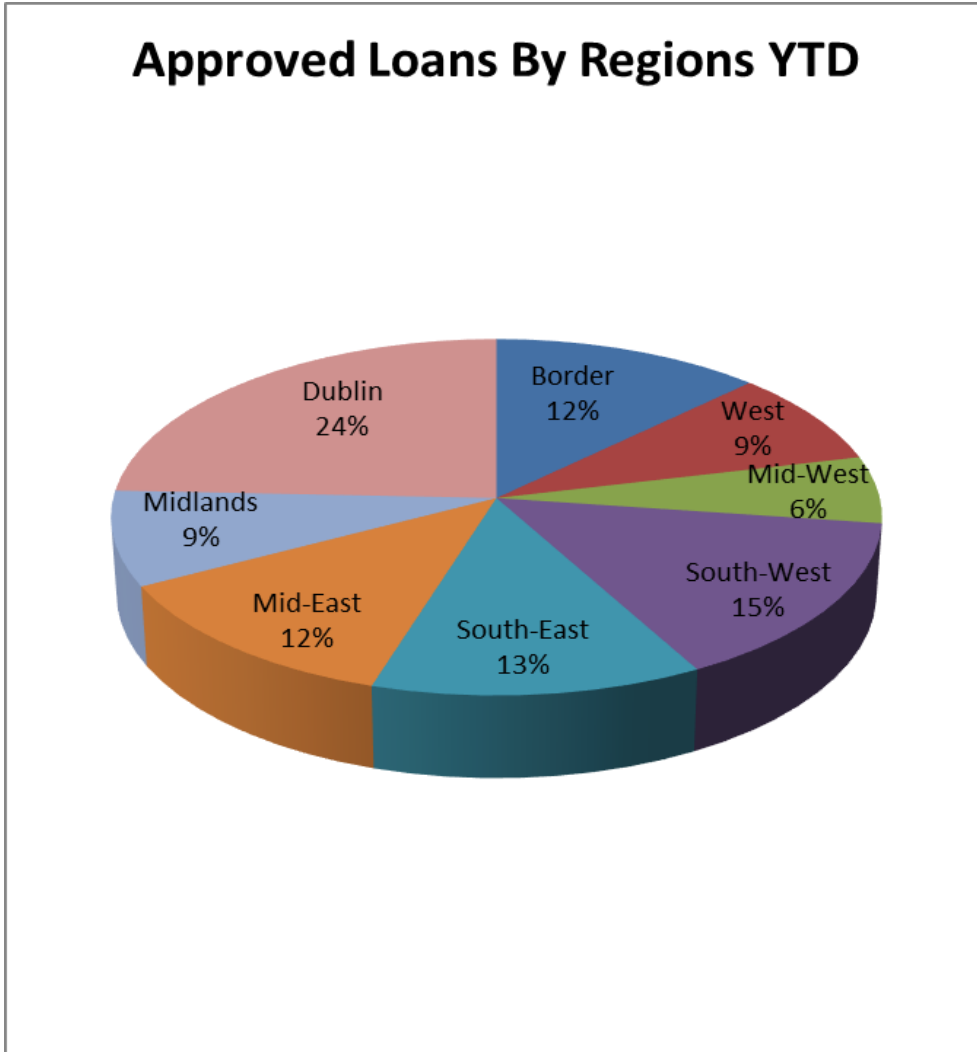
Number of Loans								
Purpose	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Total 2024
Working Capital	181	136	108	29	39	30	42	140
Tangible and Intangible Assets	207	138	131	40	45	32	52	169
Mixed Financing for tangible, intangible assests and working capital	159	127	158	34	60	55	59	208

Value of Loans								
Purpose	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Total 2024
Working Capital	2,890	1,980	1,578	445	631	484	763	2,323
Tangible and Intangible Assets	3,448	2,129	2,126	609	738	463	1,227	3,037
Mixed Financing for tangible, intangible assests and working capital	2,445	1,895	2,305	509	977	878	1,375	3,739

### Geographical Analysis of Approval – from 1st January 2024 to 31st December 2024

County	Applications Received YTD	Approved Q1	Approved Q2	Approved Q3	Approved Q4	Approved YTD	Approved Amount 2024 €000
Dublin	279	19	33	30	34	116	2,136
Cork	99	13	15	12	16	56	921
Wexford	63	6	13	3	11	33	464
Meath	50	3	10	2	9	24	425
Tipperary	48	2	11	6	11	30	546
Louth	46	3	8	7	6	24	373
Galway	45	7	1	3	7	18	367
Wicklow	38	2	3	2	8	15	249
Kildare	37	4	7	7	2	20	347
Waterford	36	5	6	4	3	18	253
Clare	32	5	2	3	3	13	251
Donegal	32	4	3	5	2	14	299
Limerick	31	4	3	5	4	16	342
Kerry	30	2	5	3	5	15	244
Westmeath	26	4	6	5	2	17	369
Mayo	26	6	1	5	3	15	329
Carlow	22	2	4	1	2	9	149
Laois	21	0	4	2	2	8	117
Roscommon	20	0	2	3	3	8	152
Offaly	16	4	2	0	1	7	119
Kilkenny	15	1	2	2	5	10	160
Sligo	14	3	1	1	3	8	105
Longford	13	2	0	2	5	9	135
Monaghan	12	0	2	2	4	8	151
Cavan	6	1	0	0	2	3	36
Leitrim	5	1	0	2		3	60

**Approval by Business Sector January 2024 to 31st December 2024**



## Demographical Analysis

Approved Applications	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Total 2024
Start Up	214	191	181	39	74	59	67	239
Existing	331	267	261	64	70	58	86	278
Female	168	166	168	26	48	46	47	167
Male	377	292	274	77	96	71	106	350
No. of Ltd Co.	179	170	157	36	56	50	66	208
No. of Unltd Co.		1						
No. of Sole Traders	350	273	281	66	86	64	84	300
No. of Partnerships	16	14	4	1	2	3	3	9
Youth (Aged 18-25 )	33	9	9	1	5	4	6	16

## Source of Loan Referrals

Channels	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Total 2024
LEO	249	220	222	56	72	70	82	280
Direct	285	224	214	47	70	46	66	229
Bank	9	12	3		1		5	6
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 27 appeals in 2024 and 11 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 4 2024.

## Business Failures

During 2024, 42 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.