

## Microfinance Ireland

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# Report on The Microenterprise Loan Fund Scheme As of the 31st of March 2025

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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 programs 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 March 2025

As at end 31st March 2025, Microfinance Ireland has been in business for 13 years. In this time, it has delivered the following key results:

- ✓ **12,289** Applications received.
- ✓ **€95.8M** Value of loans approved
- ✓ **11,334** Net jobs supported in 5,727 micro-enterprises.
- ✓ **47%** Approval rate
- ✓ **€85M** Value of loans drawn
- ✓ **5,115** Loans drawn.
- ✓ Average Loan size of **€17K**
- ✓ **84%** 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 2025

WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES <b>(23%)</b>	ACCOMMODATION AND FOOD ACTIVITIES <b>(12%)</b>
OTHER SERVICES <b>(10%)</b>	PROFESSIONAL, SCIENTIFIC & TECH ACTIVITIES <b>(8%)</b>
CONSTRUCTION <b>(7%)</b>	MANUFACTURING <b>(7%)</b>
HUMAN HEALTH AND SOCIAL ACTIVITIES <b>(7%)</b>	TRANSPORT AND STORAGE <b>(6%)</b>
ARTS, ENTERTAINMENT AND RECREATION <b>(6%)</b>	EDUCATION <b>(5%)</b>
ADMINISTRATION & SUPPORT SERVICES. ACTIVITIES <b>(5%)</b>	INFORMATION AND COMMUNICATION <b>(3%)</b>
OTHER <b>(1%)</b>	AGRICULTURE, FORESTRY & FISHING <b>(0%)</b>

## Assessing applications efficiently:

- ✓ **12,187** Applications processed to full assessment.
- ✓ **102** 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 2025 to 31st March 2025

### Key performance indicators YTD 2025

- ✓ **362** Applications received.
- ✓ **€3.2M** Value of loans approved
- ✓ **221** Jobs supported in 133 micro-enterprises.
- ✓ **36%** Approval rate
- ✓ **€2.9M** Value of loans drawn
- ✓ **121** Loans drawn.
- ✓ Average Loan size of **€23.8K**
- ✓ **86%** 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:** 19% of loans granted to Dublin, 81% to the rest of Ireland.

During the 1<sup>st</sup> quarter of 2025, MFI continued to engage in a range of Marketing and PR initiatives.

**Radio Advertising:**

We did not run a radio campaign in Q1 but expect to have a number of campaigns over the remainder of 2025.

**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 recently soft launched some content on our Tik Tok channel and will monitor the impact of this channel.

**Events/Webinars/Sponsorships:**

We continue our representation at in person events and webinars. In Q1 we hosted our own International Women's Day webinar with one of our clients as a guest speaker. This event was very well attended and was targeted at raising our profile among female entrepreneurs. We were also represented at the Small Firms Association National Small Business Awards where we sponsored the Emerging New Business category.

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 recently launched a resource hub on our website which is a central repository for helpful information for businesses.

**Performance:**

Applications in Q1 were very strong reflecting the demand for loans in excess of €25k. We had 362 applications in the quarter which compares to 184 for the corresponding period in 2024.

Our approval rate for the quarter at 36% is running below the long-term average but is impacted by an increase in applications where not all the documentation is submitted and need to be withdrawn and can't be assessed. Our approval rate for loans that are assessed is in the mid 60% which is in line with long term averages.

Applications from Start Ups accounted for c. 50% of all applications and approvals.

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

Loans to businesses located outside of Dublin accounted for c. 81% of all loans which is in line with historic numbers.

## Microenterprise Loan Fund Scheme Analysis

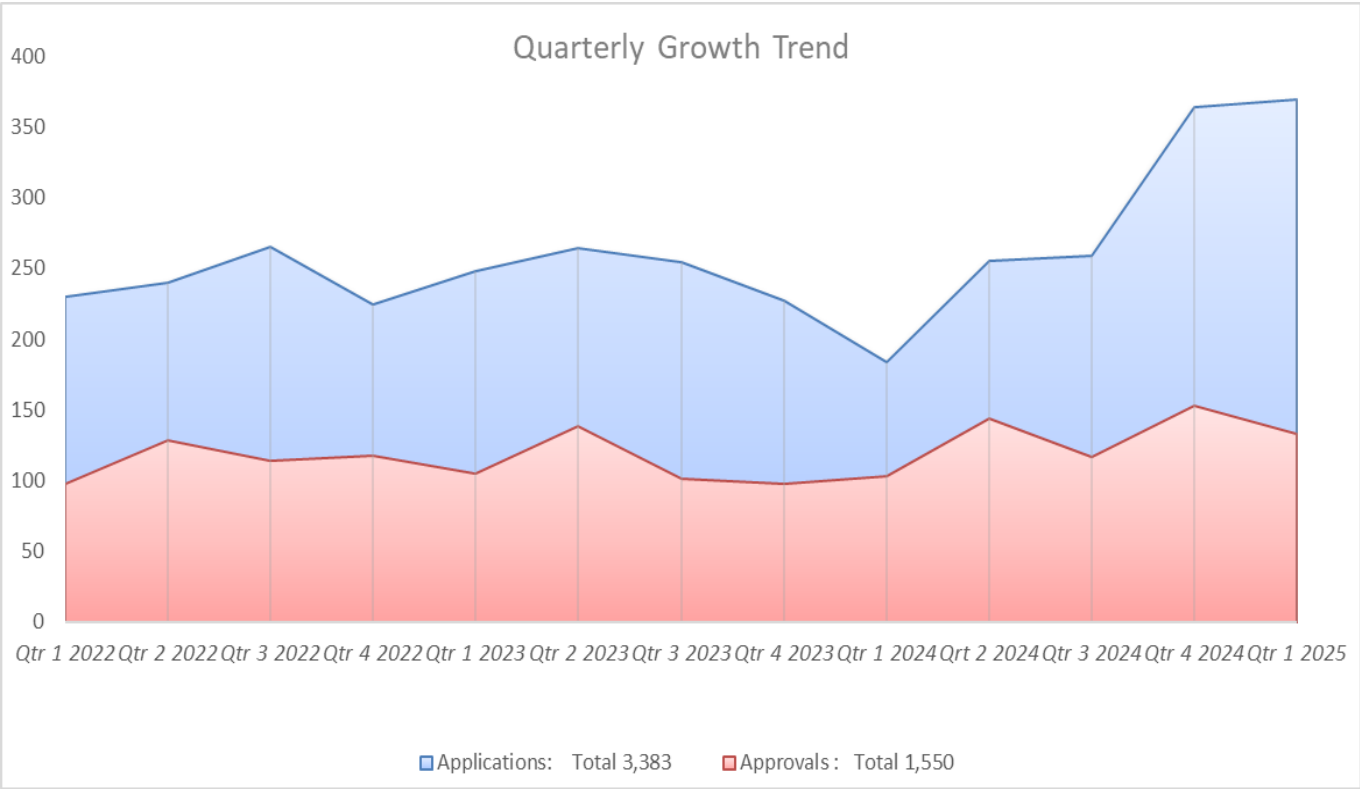
January 2022 – 31st March 2025

	2022	2023	2024	Q1 2025	Total 2025
Total Applications No.	959	994	1062	362	362
Total Applications Amt.	€16.873M	€16.841M	€21,558M	€9.609M	€9.609M

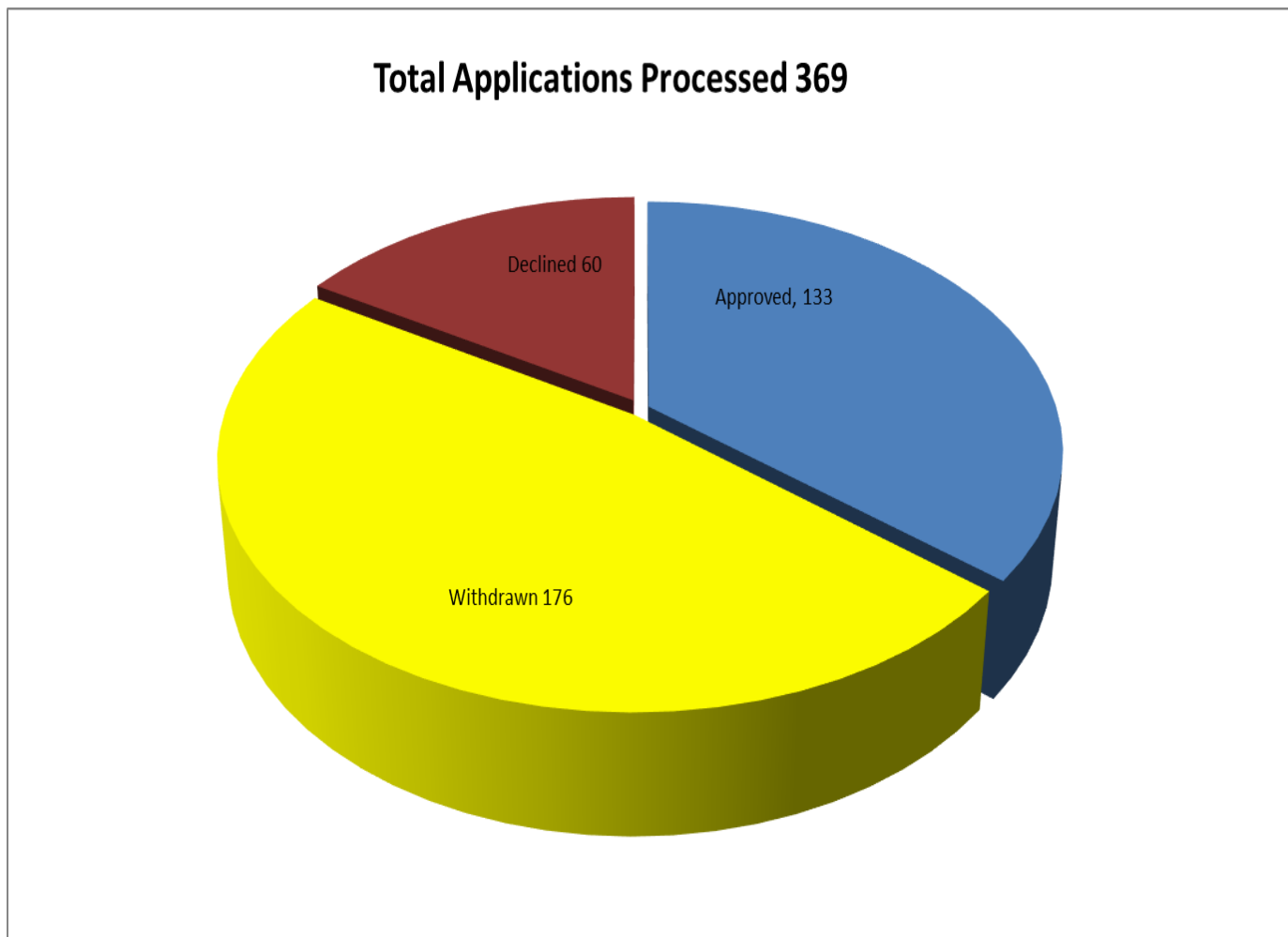
	2022	2023	2024	Q1 2025	Total 2025
Applications Proce	961	965	998	369	369
Approved	458	442	517	133	133
Approval Rate	48%	46%	52%	36%	36%
Approved (€'000)	€6.931M	€6.600M	€9.099M	€3,206M	€3,206M
Loans Drawn	401	397	450	121	121
Loans Drawn (€'000)	€6.004M	€6.009M	€7.482M	€2.875M	€2.875M
Loans Declined	335	263	217	60	60
Loans Declined (€'000)	€6.073M	€4.661M	€4.388M	€1,791M	€1,791M

Quarterly Growth Trend

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



**Applications processed (1st January 2025 - 31st March 2025)**



## Number of Loans by Sector

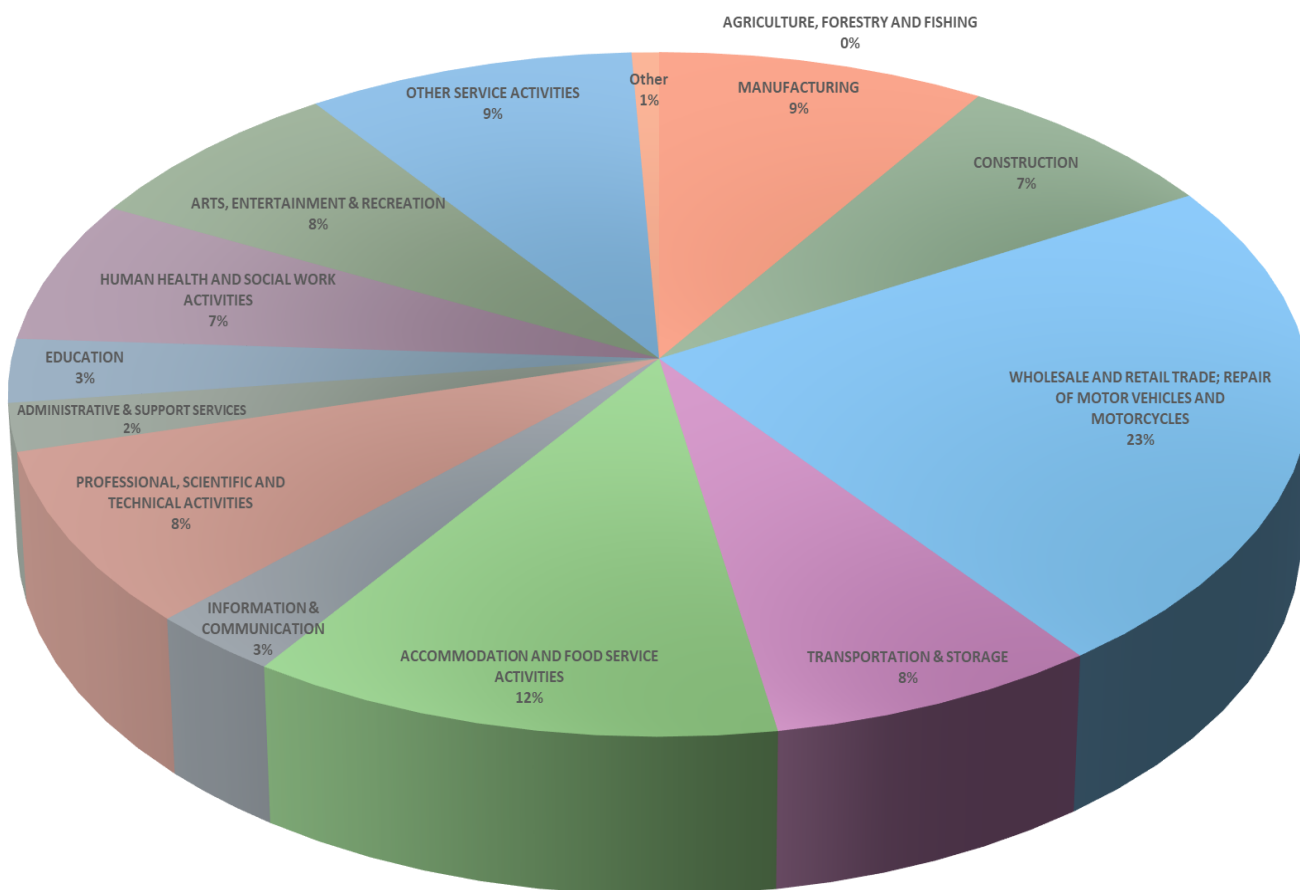
Number of Loans					
	2022	2023	2024	Q1 2025	Total 2025
Wholesale and retail trade; Repair of	96	88	99	31	31
Accommodation and food service	41	32	53	16	16
Construction	38	26	57	10	10
Manufacturing	50	49	38	12	12
Other services	42	49	53	12	12
Professional, scientific & tech	39	41	46	11	11
Art, entertainment and recreation	22	26	31	10	10
Administration & support ser.	25	25	24	3	3
Transport/storage	19	19	32	10	10
Information and communication	22	17	20	4	4
Agriculture, forestry & fishing	16	12	0	0	0
Human, health and social work	29	34	35	9	9
Education	14	19	25	4	4
Others	5	5	4	1	1



## Values of Loans by Sector

Value of Loans					
	2022	2023	2024	Q1 2025	Total 2025
Wholesale and retail trade;	1452	1434	1711	766	766
Accommodation and food service	724	471	1034	445	445
Construction	620	445	1069	256	256
Manufacturing	759	796	808	303	303
Other services	575	516	654	193	193
Professional, scientific & tech	503	515	713	253	253
Art, entertainment	324	402	601	228	228
Administration & support ser.	251	403	386	73	73
Transport/storage	363	317	692	272	272
Information and communication	367	264	343	75	75
Agriculture, forestry & fishing	283	187	0	0	0
Human, health and social work	482	435	619	271	271
Education	158	340	399	51	51
Others	70	75	70	20	20

### Loan By Sector YTD



## Approvals by Size of Borrower

From 1st January 2022 to 31st March 2025

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

No. of Employees	2022	2023	2024	Q1 2025	Total 2025
1	289	327	304	66	66
2-3	118	84	144	48	48
4-5	31	13	42	9	9
6-9	19	18	27	10	10
10	1	0	0		0
<b>Total No. of Loans</b>	458	442	517	133	133

## Approvals by Loan Size

From 1st January 2022 to 31st March 2025, loans were granted in the following size range.

Loans by Size					
Euro	2022	2023	2024	Q1 2025	Total 2025
≤50k			47	59	59
≤25k	122	125	130	15	15
≤20k	79	62	72	11	11
≤15k	100	93	103	18	18
≤10k	71	84	89	17	17
≤5k	86	78	76	13	13
<b>Average Loan Size</b>	€15.1K	€14.9K	€17.6K	€24.1K	€24.1K

## Purpose for which Microfinance Loans were granted.

Number of Loans					
Purpose	2022	2023	2024	Q1 2025	Total 2025
Working Capital	136	108	140	31	31
Tangible and Intangible Assets	138	131	169	51	51
Mixed Financing for tangible, intangible assets and working capital	127	158	208	51	51

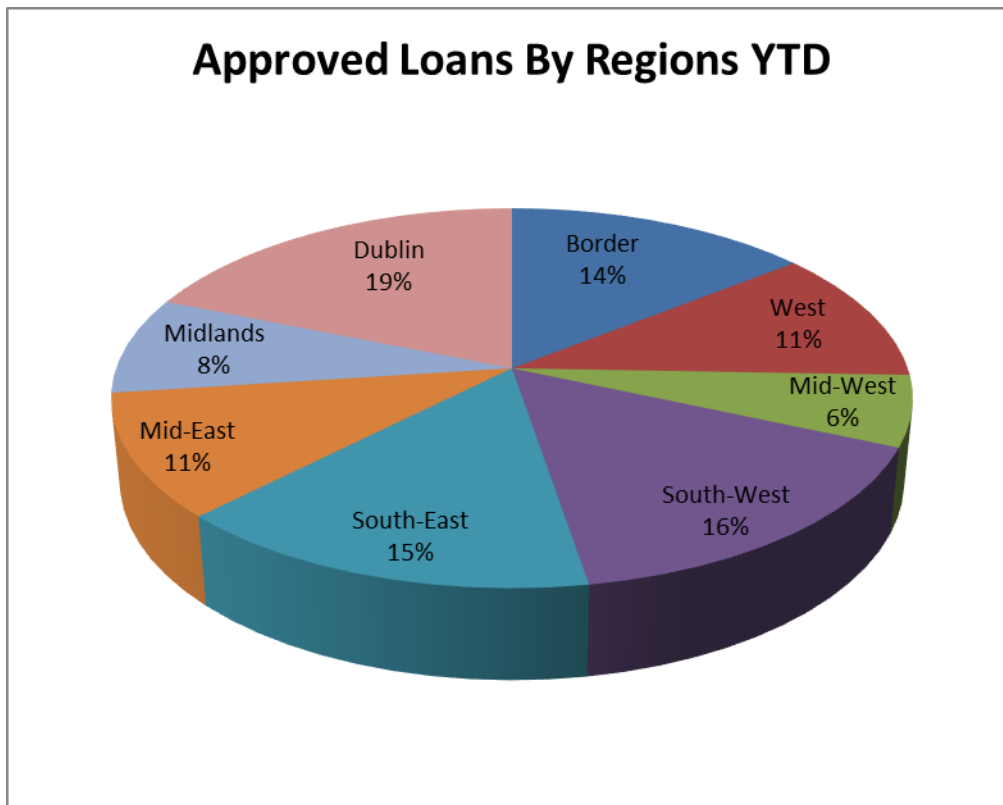
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Value of Loans					
Purpose	2022	2023	2024	Q1 2025	Total 2025
Working Capital	1,980	1,578	2,323	677	677
Tangible and Intangible Assets	2,129	2,126	3,037	1,276	1,276
Mixed Financing for tangible, intangible assets and working capital	1,895	2,305	3,739	1,253	1,253

## Geographical Analysis of Approval – from 1st January 2025 to 31st March 2025

County	Applications Received YTD	Approved Q1	Approved YTD	Approved Amount 2025 €000
Dublin	104	25	25	700
Cork	37	19	19	345
Galway	22	8	8	166
Meath	20	4	4	105
Kildare	18	4	4	112
Donegal	17	8	8	275
Louth	14	5	5	104
Kerry	13	2	2	33
Tipperary	12	8	8	132
Wicklow	12	6	6	123
Waterford	12	8	8	229
Wexford	10	2	2	65
Mayo	9	4	4	108
Limerick	9	3	3	75
Westmeath	7	4	4	55
Laois	7	4	4	94
Monaghan	7	2	2	65
Offaly	6	3	3	95
Carlow	5	0	0	0
Kilkenny	5	2	2	30
Clare	4	5	5	127
Cavan	4	4	4	115
Roscommon	2	3	3	53
Sligo	2	0	0	0
Longford	2	0	0	0
Leitrim	0	0	0	0
Non Eligible Outside Jurisdiction	2	0	0	0

**Approval by Business Sector January 2025 to 31st March 2025**



## Demographical Analysis

Approved Applications	2022	2023	2024	Q1 2025	Total 2025
Start Up	191	181	239	67	67
Existing	267	261	278	47	47
Female	166	168	167	51	51
Male	292	274	350	82	82
No. of Ltd Co.	170	157	208	54	54
No. of Unltd Co.	1				
No. of Sole Traders	273	281	300	73	73
No. of Partnerships	14	4	9	6	6
Youth (Aged 18-25)	9	9	16	1	1

## Source of Loan Referrals

Channels	2022	2023	2024	Q1 2025	Total 2025
LEO	220	222	280	82	82
Direct	224	214	229	43	43
Bank	12	3	6	6	6
Údarás	0	0	0		0
Other	2	3	2	2	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 8 appeals in 2025 and 5 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 1 2025

## Business Failures

During 2025, 34 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.