Microfinance Ireland

Report on
The Microenterprise Loan Fund Scheme
As of the 30th of June 2026

This financing benefits from a guarantee issued under the 'European Progress Microfinance Facility', the 'Employment and Social Innovation Guarantee Facility', the 'Pan European Guarantee Fund in Response to COVID-19' and the 'InvestEU Programme' 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, Tourism 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 June 2026

As at end 30th June 2026, Microfinance Ireland has been in business for c. 14 years. In this time, it has delivered the following key results:

- ✓ **14,257 Applications received.**
- ✓ **€112.8M Value of loans approved**
- ✓ **12,694 Net jobs supported in 6,426 micro-enterprises.**
- ✓ **46% Approval rate**
- ✓ **€100.3M Value of loans drawn**
- ✓ **5,738 Loans drawn**
- ✓ Average Loan size of **€17.4K**
- ✓ **83%** 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

Successful applicants by Sector YTD 2026,

WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES **(17%)**	ACCOMMODATION AND FOOD ACTIVITIES **(14%)**
OTHER SERVICES **(10%)**	CONSTRUCTION **(9%)**
ARTS, ENTERTAINMENT AND RECREATION **(9%)**	HUMAN HEALTH AND SOCIAL ACTIVITIES **(9%)**
MANUFACTURING **(7%)**	PROFESSIONAL, SCIENTIFIC &TECHNICAL ACTIVITIES **(6%)**
ADMINISTRATION & SUPPORT SERVICES ACTIVITIES **(4%)**	OTHER **(4%)**
TRANSPORT AND STORAGE **(4%)**	AGRICULTURE, FORESTRY AND FISHING **(4%)**
PUBLISHING BROADCASTING & CONTENT PRODUCTION **(2%)**	EDUCATION **(1%)**

Assessing applications efficiently:

- ✓ **14,000** Applications processed to full assessment.
- ✓ **245** Applications in progress at reporting date
- ✓ Endeavour to process complete applications within **10 days.**

Promotion and performance of the Fund during 1st January 2026 to 30th June 2026

Key performance indicators YTD 2026

- ✓ **895** **Applications received.**
- ✓ **€8.085M** **Value of loans approved**
- ✓ **639** **Jobs supported in 321 micro-enterprises.**
- ✓ **40%** **Approval rate**
- ✓ **€6.913M** **Value of loans drawn**
- ✓ **277** **Loans drawn.**
- ✓ Average Loan size of **€25.2K**
- ✓ **85%** approvals granted to businesses employing **3 people or fewer.**
- ✓ **57%** of approvals granted to start-ups (in business for less than 18 months)
- ✓ **Wide geographic coverage:** 25% of loans granted to Dublin, 75% to the rest of Ireland.

Key performance indicator Qtr. 2 2026

- ✓ **457** **Applications received.**
- ✓ **€4.432M** **Value of loans approved**
- ✓ **351** **Jobs supported in 173 micro-enterprises.**
- ✓ **38%** **Approval rate**
- ✓ **€3.917M** **Value of loans drawn**
- ✓ **154** **Loans drawn.**
- ✓ Average Loan size of **€25.6K**
- ✓ **86%** approvals granted to businesses employing **3 people or fewer.**
- ✓ **56%** 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.

In Q2 2026, MFI continued to engage in a range of Marketing and PR activities.

Digital Advertising /social media:
We continue with ongoing promotion through our social media channels, Facebook, Instagram, YouTube, Twitter, TikTok and LinkedIn to maintain strong brand awareness with paid digital advertising campaigns primarily focused on Google, YouTube and Meta.

Events/Webinars/Sponsorships:
We continue our representation at in person events and webinars.

We took part in or arranged 9 webinars and events in Q2 in collaboration with the LEO's and other stakeholders.

Customer Experience & Surveys
In Q2 the latest Credit Demand Survey was released which showed our brand awareness increasing to 50% among microenterprises compared to 43% in the previous credit demand survey.

Performance:
Our marketing activities are having a positive impact on our application volumes. Application levels in Q2 continued to strong momentum seen in Q1 and running ahead of our 2026 target. Application numbers and values for H1 2026 were running c. 25% ahead of the corresponding period in 2025.

Our approval rate for the quarter at 38% is running slightly below the long-term average and continues to be impacted by applications where not all the documentation is submitted and need to be withdrawn without being assessed. We also continue to see applications that are outside our eligibility criteria which are also withdrawn prior to assessment. We have an outreach program to encourage and assist applicants submit documentation and are reviewing other methods of assisting applicants with their applications. Our approval rate for loans that are assessed is in the mid 60% which is in line with long term averages.

Start Up's accounted for c. 56% of approvals in the quarter.

In the year to date, applications from Female business owners accounted for over 31% of all applications.

Year to date loans to businesses located outside of Dublin accounted for c. 74% of all loans which is in line with historic numbers.

Microenterprise Loan Fund Scheme Analysis

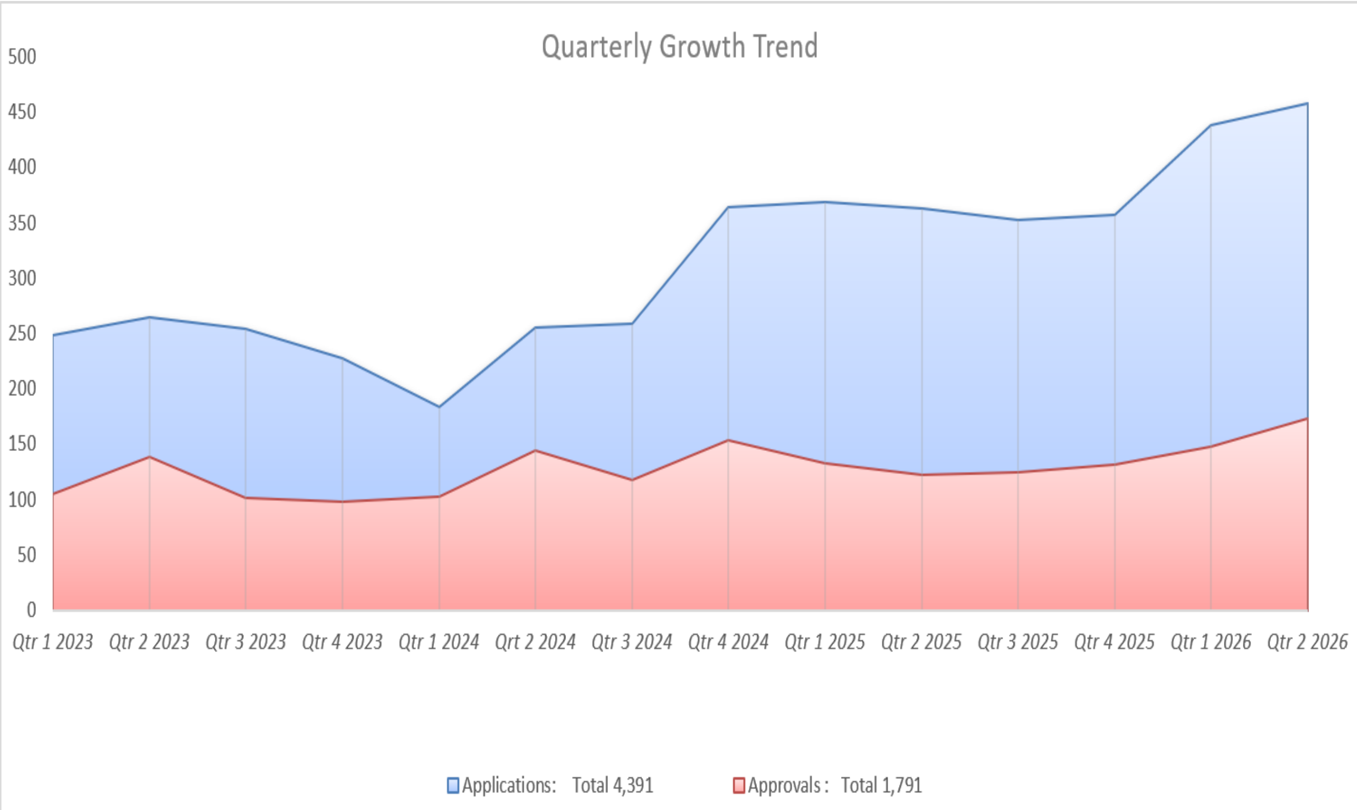
January 2023 – 30th June 2026

	2023	2024	2025	Q1 2026	Q2 2026	Total 2026
Total Applications No.	994	1062	1,435	438	457	895
Total Applications Amt.	€16.841M	€21,558M	€38,787M	€11,736M	€12,408M	€24,144M

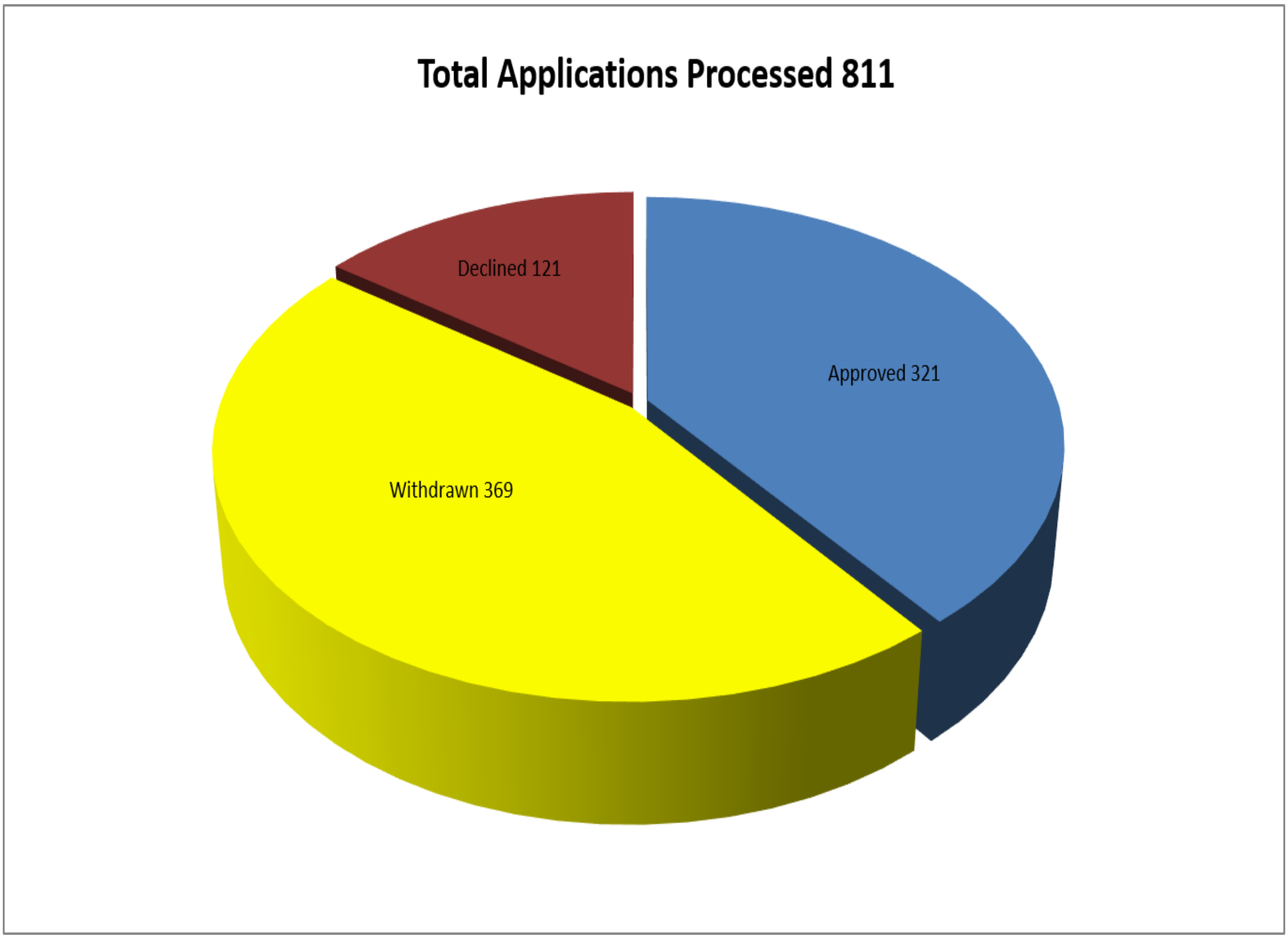
	2023	2024	2025	Q1 2026	Q2 2026	Total 2026
Applications Processed	965	998	1,390	355	456	811
Approved	442	517	511	148	173	321
Approval Rate	46%	52%	37%	42%	38%	40%
Approved (€'000)	€6.600M	€9.099M	€12.192M	€3.653M	€4.432M	€8.085M
Loans Drawn	397	450	467	123	154	277
Loans Drawn (€'000)	€6.009M	€7.482M	€11.199M	€2.996M	€3.917M	€6.913M
Loans Declined	263	217	282	57	64	121
Loans Declined (€'000)	€4.661M	€4.388M	€8.054M	€1.598M	€1.634M	3.232M

Quarterly Growth Trend

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



Applications processed (1st January 2026 - 30th June 2026)

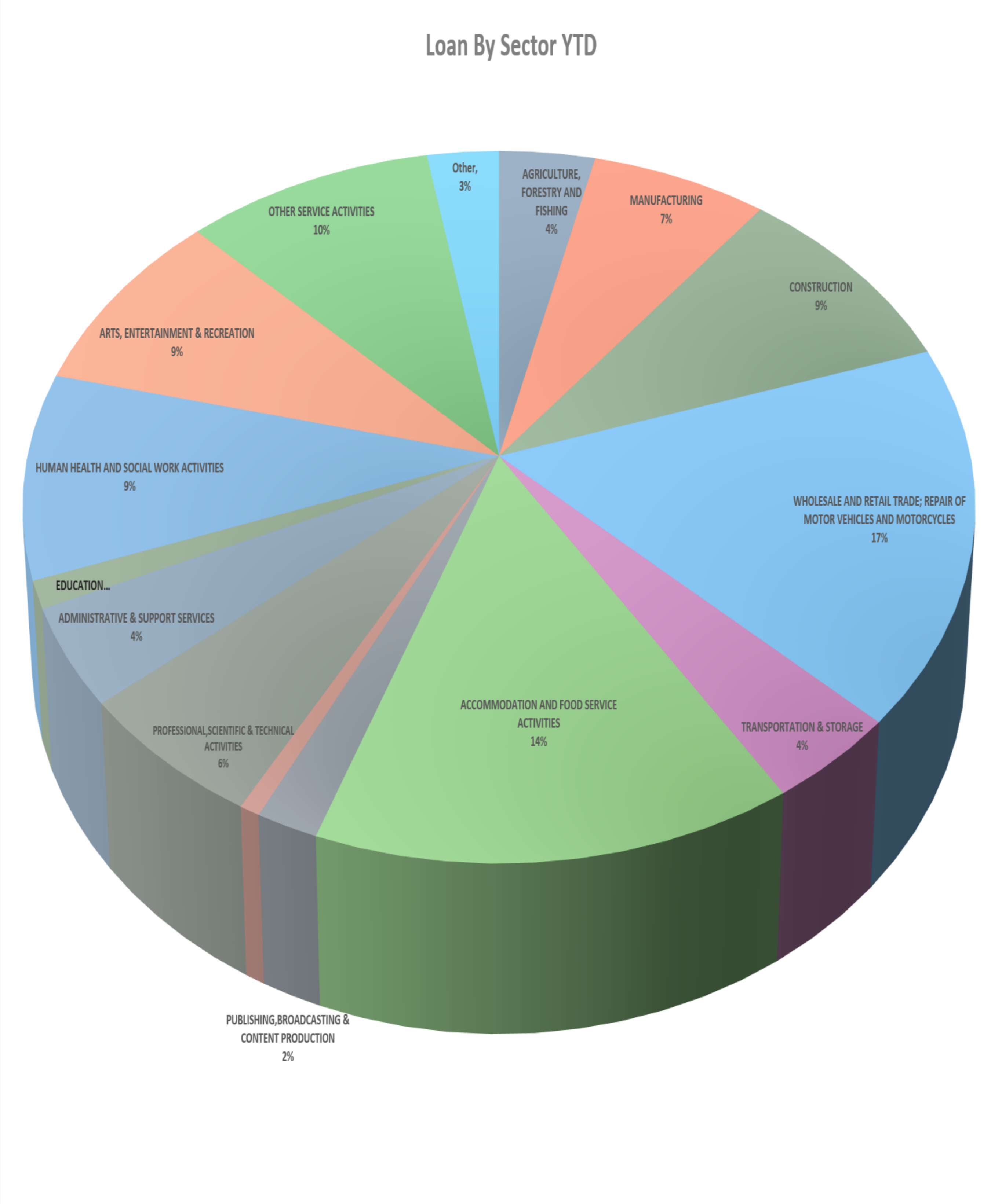


Number of Loans by Sector

Number of Loans						
	2023	2024	2025	Q1 2026	Q2 2026	Total 2026
Wholesale and retail trade; Repair of motor vehicles and	88	99	96	24	31	55
Accommodation and food service activities	32	53	54	22	24	46
Construction	26	57	33	19	11	30
Manufacturing	49	38	45	14	8	22
Arts, Sports & Recreation	26	31	47	12	16	28
Real Estate Activities			1		2	2
Human Health & Social Work Activities	34	35	38	13	17	30
Professional, Scientific and Technical Activities	41	46	46	7	12	19
Transport/storage	19	32	27	3	10	13
Administrative & Support Service Activities	25	24	18	8	6	14
Publishing, Broadcasting, And Content Production And	17	20	8	2	4	6
Agriculture, forestry & fishing	12	0	5	3	9	12
Education	19	25	25	3	1	4
Other Service Activities	49	53	53	14	17	31
Others	5	4	15	4	5	9
Total	442	517	511	148	173	321

Values of Loans by Sector

Value of Loans						
	2023	2024	2025	Q1 2026	Q2 2026	Total 2026
Wholesale and retail trade; Repair of motor vehicles and	1434	1711	2,210	680	865	1,545
Accommodation and food service activities	471	1034	1,547	575	704	1,279
Construction	445	1069	802	536	246	782
Manufacturing	796	808	1,180	248	245	493
Arts, Entertainment & Recreation	402	601	1,226	344	357	701
Real Estate Activities			30		30	30
Human Health & Social Work Activities	435	619	990	255	510	765
Professional, Scientific and Technical Activities	515	713	1,013	171	263	434
Transport/storage	317	692	783	93	303	396
Administrative & Support Service Activities	403	386	402	191	128	319
Publishing, Broadcasting, And Content Production And	264	343	127	15	57	72
Agriculture, forestry & fishing	187	0	132	140	237	377
Education	340	399	461	90	25	115
Other Service Activities	516	654	877	210	360	570
Others	75	70	412	105	102	207
Total	6,600	9,099	12,192	3,653	4,432	8,085


Loan By Sector YTD
Other, 3%
AGRICULTURE, FORESTRY AND FISHING 4%
MANUFACTURING 7%
CONSTRUCTION 9%
WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES 17%
TRANSPORTATION & STORAGE 4%
ACCOMMODATION AND FOOD SERVICE ACTIVITIES 14%
PUBLISHING,BROADCASTING & CONTENT PRODUCTION 2%
PROFESSIONAL,SCIENTIFIC & TECHNICAL ACTIVITIES 6%
ADMINISTRATIVE & SUPPORT SERVICES 4%
EDUCATION...
HUMAN HEALTH AND SOCIAL WORK ACTIVITIES 9%
ARTS, ENTERTAINMENT & RECREATION 9%
OTHER SERVICE ACTIVITIES 10%

Approvals by Size of Borrower

From 1st January 2023 to 30th June 2026
Loans were approved to micro-enterprises with the following number of jobs at time of approvals:

No. of Employees	2023	2024	2025	Q1 2026	Q2 2026	Total 2026
1	327	304	265	88	94	182
2-3	84	144	162	37	55	92
4-5	13	42	46	12	14	26
6-9	18	27	38	11	10	21
10	0	0	-			-
Total No. of Loans	442	517	511	148	173	321

Approvals by Loan Size

From 1st January 2023 to 30th June 2026, loans were granted in the following size range

Loans by Size						
Euro	2023	2024	2025	Q1 2026	Q2 2026	Total 2026
≤50k		22	61	20	44	64
≤45k		1	8		5	5
≤40k		6	46	21	12	33
≤35k		9	30	4	9	13
≤30k		9	42	19	11	30
≤25k	125	130	60	9	18	27
≤20k	62	72	71	18	21	39
≤15k	93	103	70	22	12	34
≤10k	84	89	75	20	24	44
≤5k	78	76	48	15	17	32
Total	442	517	511	148	173	321
Average Loan Size	€14.9K	€17.6K	€23.9K	€24.7K	€25.6K	€25.2K

Purpose for which Microfinance Loans were granted.

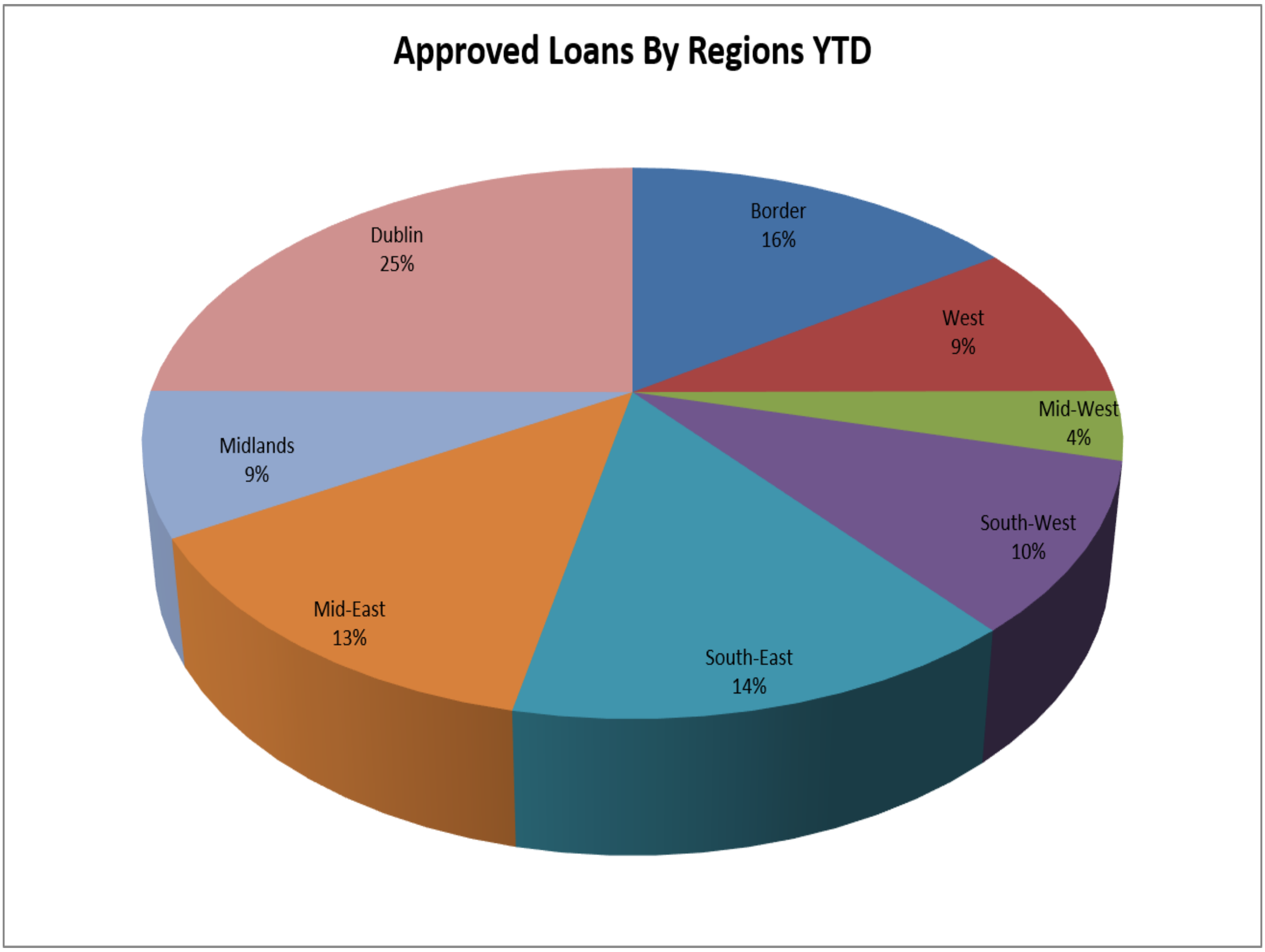
Number of Loans						
Purpose	2023	2024	2025	Q1 2026	Q2 2026	Total 2026
Working Capital	108	140	140	33	51	84
Tangible and Intangible Assets	131	169	143	42	43	85
Mixed Financing for tangible, intangible assests and working capital	158	208	228	73	79	152
Total	397	517	511	148	173	321

Value of Loans						
Purpose	2023	2024	2025	Q1 2026	Q2 2026	Total 2026
Working Capital	1,578	2,323	3,117	833	1,018	1,851
Tangible and Intangible Assets	2,126	3,037	3,700	1,165	1,269	2,434
Mixed Financing for tangible, intangible assests and working capital	2,305	3739	5,375	1,655	2,145	3,800
Total	6,009	9,099	12,192	3,653	4,432	8,085

Geographical Analysis of Approval – from 1st January 2026 to 30th June 2026

County	Applications Received YTD	Approved Q1	Approved Q2	Approved YTD	Approved Amount
Dublin	230	35	45	80	1,951
Cork	96	13	14	27	708
Kildare	52	7	6	13	391
Galway	48	4	15	19	494
Meath	41	7	9	16	427
Wexford	40	14	7	21	571
Wicklow	37	8	6	14	382
Louth	33	6	14	20	590
Donegal	31	7	3	10	227
Tipperary	30	7	6	13	345
Mayo	29	1	2	3	125
Limerick	25	1	6	7	155
Waterford	19	3	4	7	113
Westmeath	18	4	2	6	76
Sligo	18	2	3	5	151
Cavan	18	2	3	5	133
Laois	18	4	6	10	284
Longford	15	3	4	7	143
Offaly	17	2	2	4	120
Clare	14	1	5	6	103
Kerry	14	4	1	5	140
Roscommon	12	6	2	8	191
Leitrim	12	3	4	7	104
Carlow	10	2	2	4	43
Kilkenny	7	1	0	1	30
Monaghan	8	1	2	3	88
Outside Jurisdiction	3	0	0	0	0
Total	895	148	173	321	8,085

Approval by Business Sector January 2026 to 30th June 2026



Demographical Analysis

Approved Applications	2023	2024	2025	Q1 2026	Q2 2026	Total 2026
Start Up	181	239	261	87	97	184
Existing	261	278	250	61	76	137
Total	442	517	511	148	173	321
Female	168	167	199	54	58	112
Male	274	350	312	94	115	209
Total	442	517	511	148	173	321
No. of Ltd Co.	157	208	229	69	78	147
No. of Unltd Co.						-
No. of Sole Traders	281	300	269	76	91	167
No. of Partnerships	4	9	13	3	4	7
Total	442	517	511	148	173	321
Youth (Aged 18-25)	9	16	8	4	4	8

Source of Loan Approvals

Channels	2023	2024	2025	Q1 2026	Q2 2026	Total 2026
LEO	222	280	319	79	100	179
Direct	214	229	161	58	55	113
Bank	3	6	29	11	18	29
Údarás	0	0	-			-
Other	3	2	2			-
Total	442	517	511	148	173	321

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 26 appeals in 2026 and 5 of these cases have been approved on appeal. These figures are included in the YTD approval figures.

Complaints

No complaints have been received by the business in 2026.

Business Failures

During 2026, 15 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.