



The Microfinance Sector in Europe

CONVERGING PATH IN EASTERN AND WESTERN EUROPEAN MICROFINANCE

**Main findings from the Survey of EMN-MFC Members
2014-2015**



Microfinance in Europe: A Survey of EMN-MFC Members 2014-2015

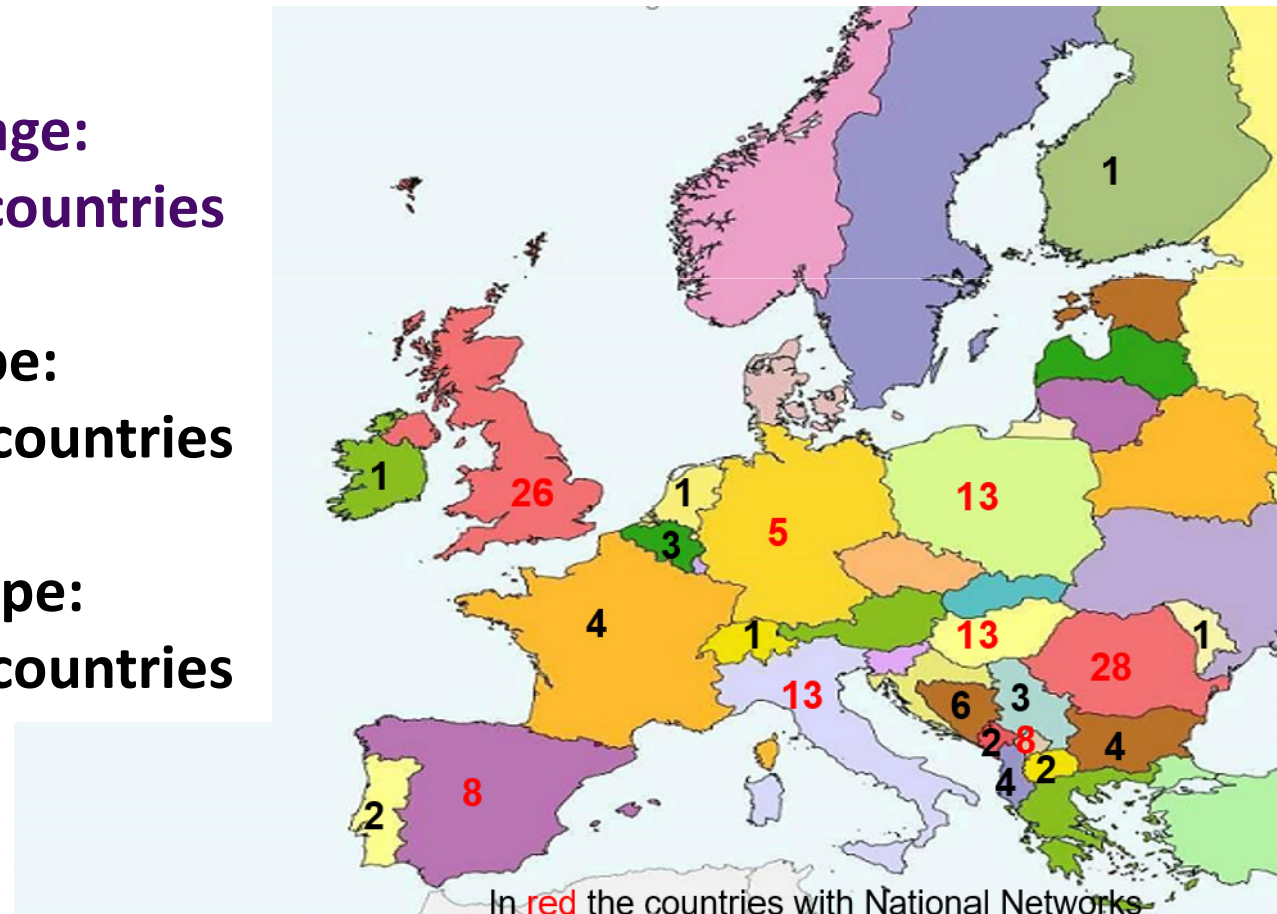
- **New approach:**
 - Joint EMN-MFC publication
 - Participant base: only EMN-MFC members targeted
- **Advocacy tool** at EU and national level
 - Executive Summary (7 languages)
 - Infographic with Key Results

Microfinance in Europe: Key Figures 2015

**Survey coverage:
149 MFIs-22 countries**

**Eastern Europe:
84 MFIs – 11 countries**

**Western Europe:
65 MFIs – 11 countries**



Outreach – Key Findings

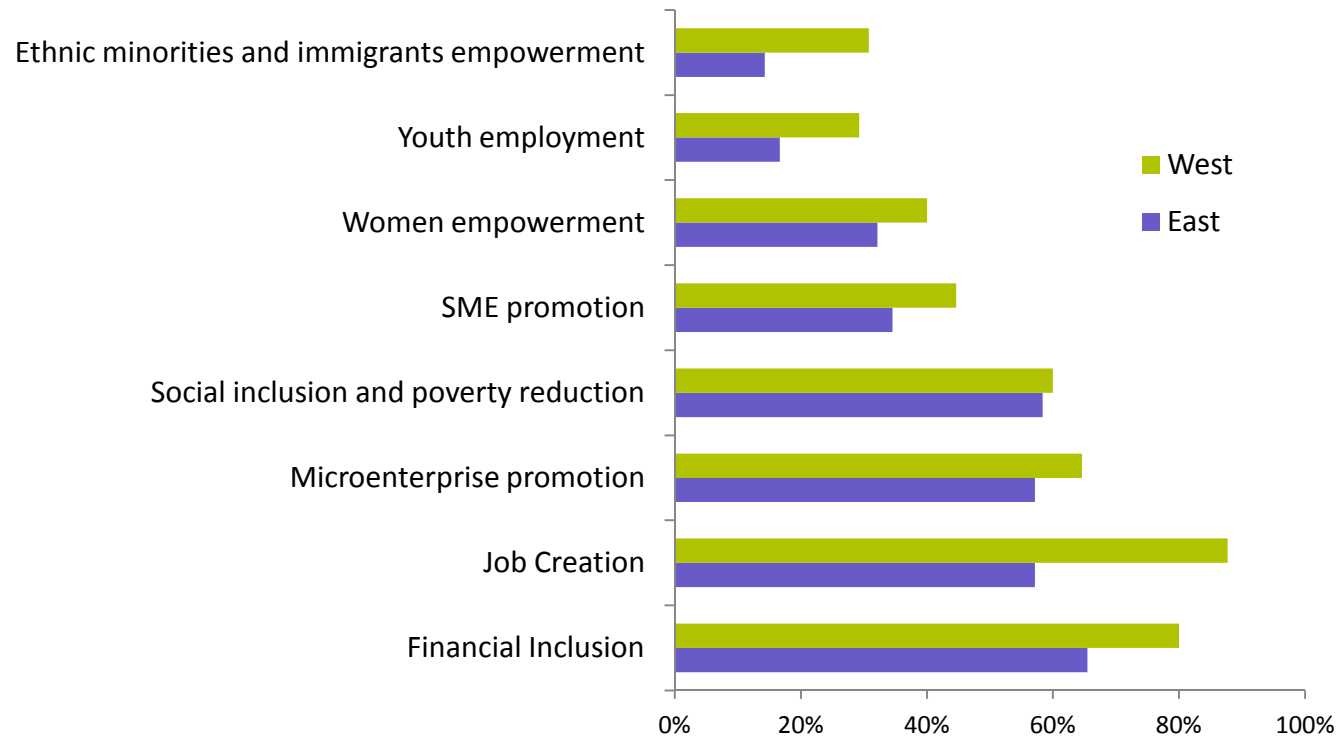
- Almost equal distribution of active borrowers
 - Eastern Europe MFIs: 388,892
 - Western Europe MFIs: 358,373

- Much higher gross loan portfolio of Western Europe MFIs
 - Eastern Europe MFIs: 0.7 bn Euro (28%)
 - Western Europe MFIs: 1.8bn Euro (72%)

Mission

- Narrower focus of **Eastern MFIs** on the specific mission
- Job creation and financial inclusion more pronounced in **Western Europe**

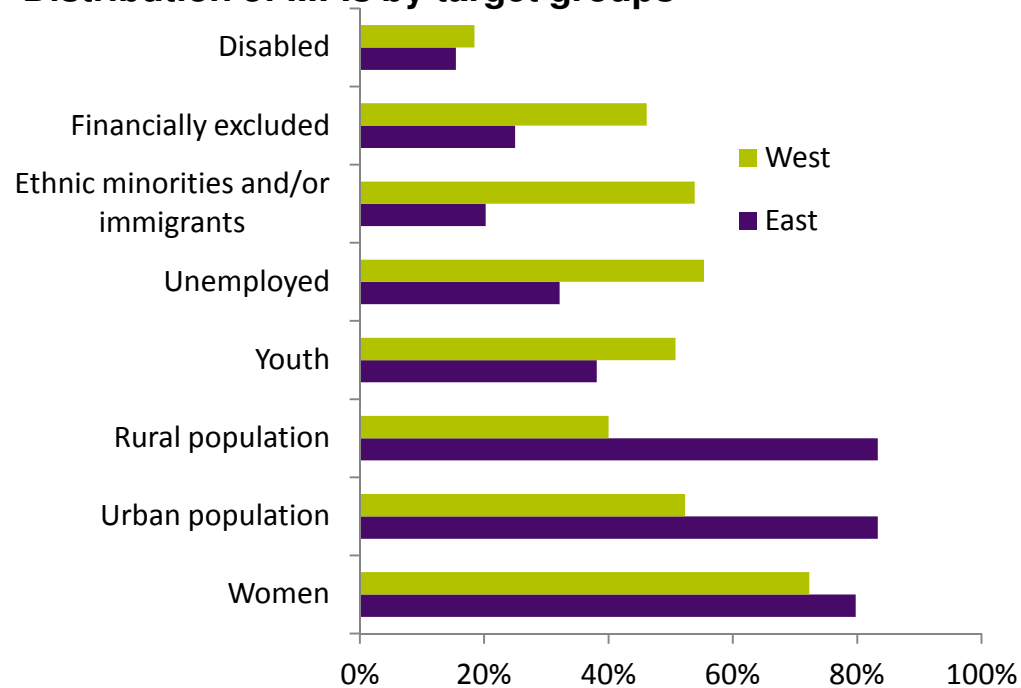
Distribution of MFIs by mission statement



Target Groups

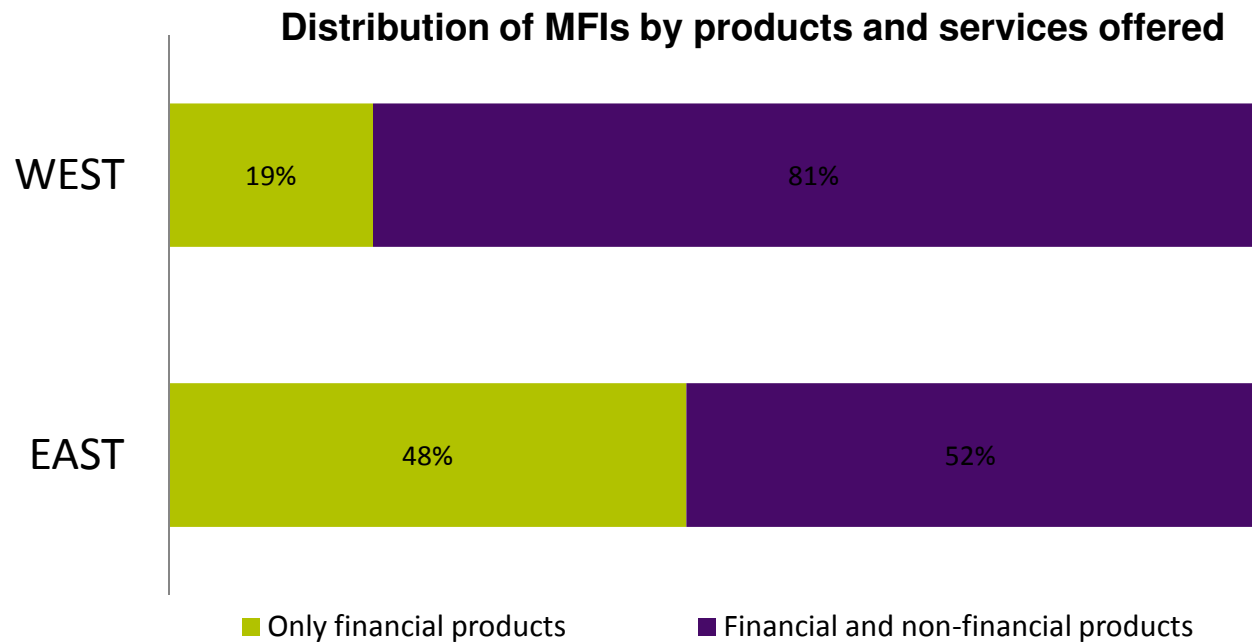
- Higher percentage of **Western Europe MFIs** targets the unemployed, ethnic minorities, financially excluded and youth
- **Eastern Europe MFIs** more often target rural and urban population and women

Distribution of MFIs by target groups



Products & Services Offered

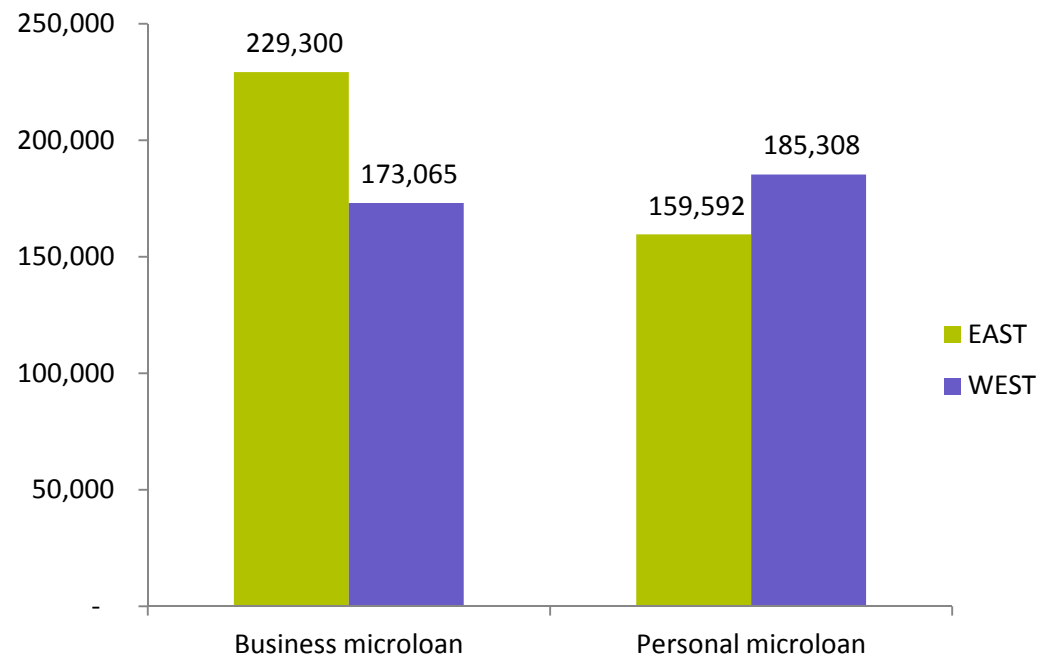
- More **Western Europe MFIs** offering a mix of financial and non-financial products



Financial Products

- **Eastern MFIs** serve more clients with business loans while **Western MFIs** serve more personal loan clients

Number of active borrowers by loan type





Financial Products

Features of business loans

Eastern Europe MFIs

AVG loan size: EUR 8,743

AVG microloan term: 40 months

AVG IR*: 13.1%

Western Europe MFIs

AVG loan size: EUR 10,532

AVG microloan term: 40 months

AVG IR*: 8.1%

* *Does not include additional fees*



Financial Products

Features of personal loans

Eastern Europe MFIs

AVG loan size: EUR 1,302

AVG microloan term: 27 months

AVG IR*: 20.7%

Western Europe MFIs

AVG loan size: EUR 4,256

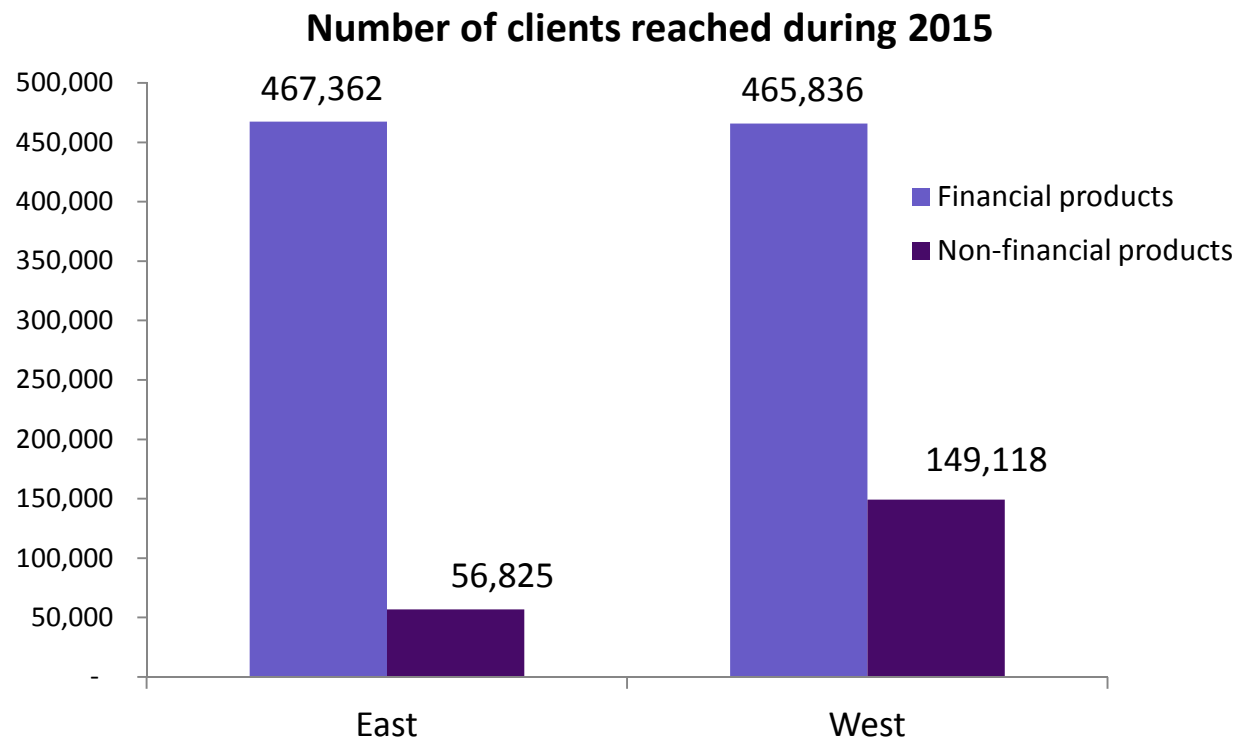
AVG microloan term: 37 months

AVG IR*: 15.2%

* *Does not include additional fees*

Products & Services Offered

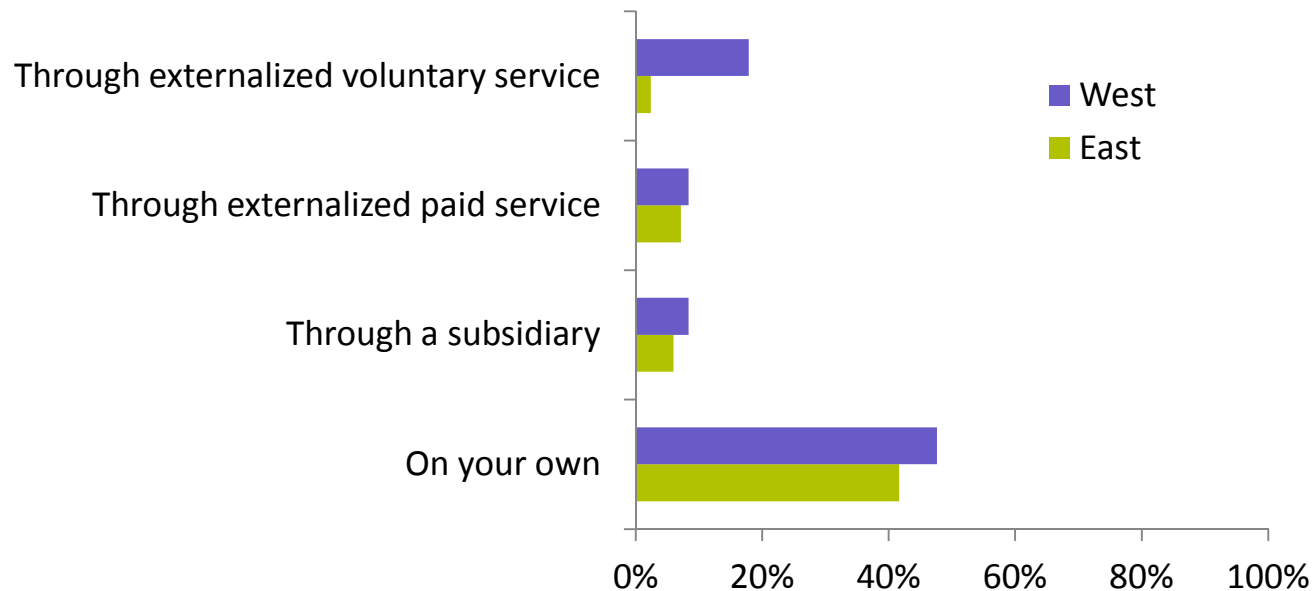
- Similar numbers of clients are reached with financial products in both parts of Europe
- Almost three times as many clients are reached with non-financial products **in Western Europe**



Non-financial Products

- Non-financial products are most often delivered by the MFIs themselves in both parts of Europe
- Voluntary externalized service delivery is seen almost only in **Western Europe**

Distribution of MFIs by delivery models of non-financial services

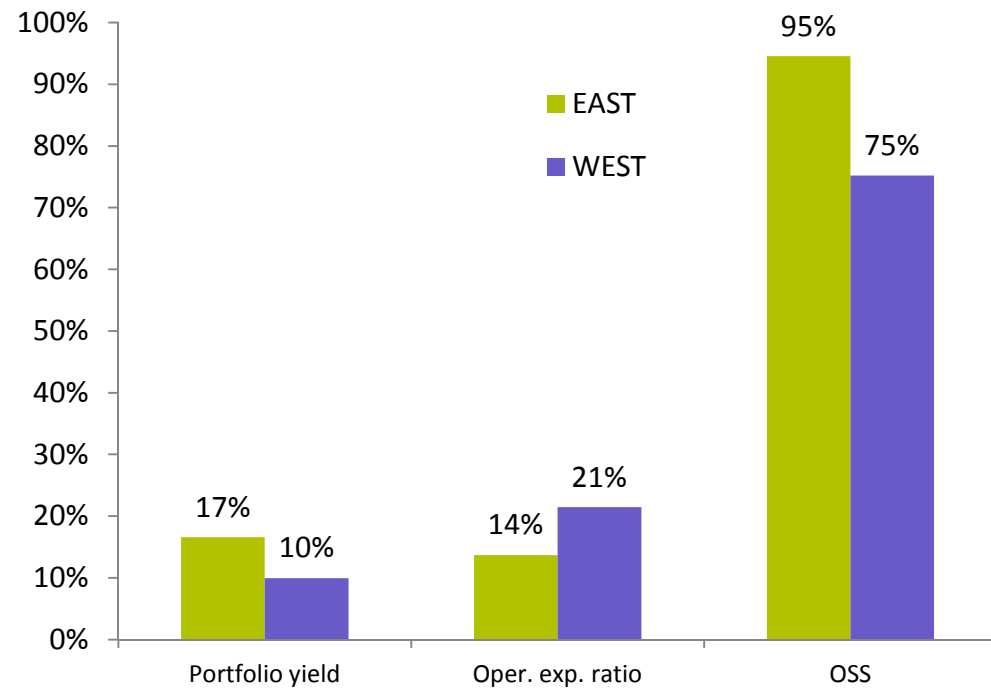
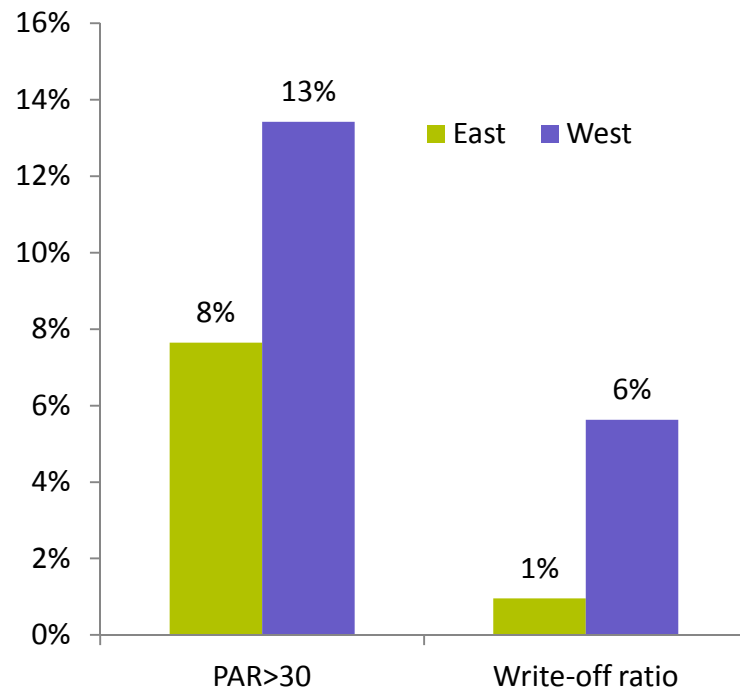


Financial Performance – Key Findings

- Better reporting of financial performance by **Eastern Europe MFIs**
 - 92% of **Eastern MFIs** reported PAR and write-off data, compared to 66% of **Western MFIs**
 - 83% of **Eastern MFIs** reported portfolio yield, operating efficiency and operational self-sustainability ratios compared to 37% of **Western MFIs**

Financial Performance – Key Findings

- Better portfolio quality and financial performance in **Eastern Europe**





Materials for Download

- EMN

<http://www.european-microfinance.org/grey.php?pg=54>

- MFC

<http://mfc.org.pl/microfinance-in-europe-a-survey-of-emn-mfc-members-report-2014-2015/>



Thank you!



This research has received financial support from the European Union Programme for Employment and Social Innovation "EaSI" (2014-2020). For further information please consult:
<http://ec.europa.eu/social/easi>