



Webinar on the Key Results from the EMN-MFC Survey Report 2016-2017

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• Introduction

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• Key Results from the EMN-MFC Survey Report 2016-2017

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• Q&A session

Microfinance in Europe: EMN-MFC Survey Report

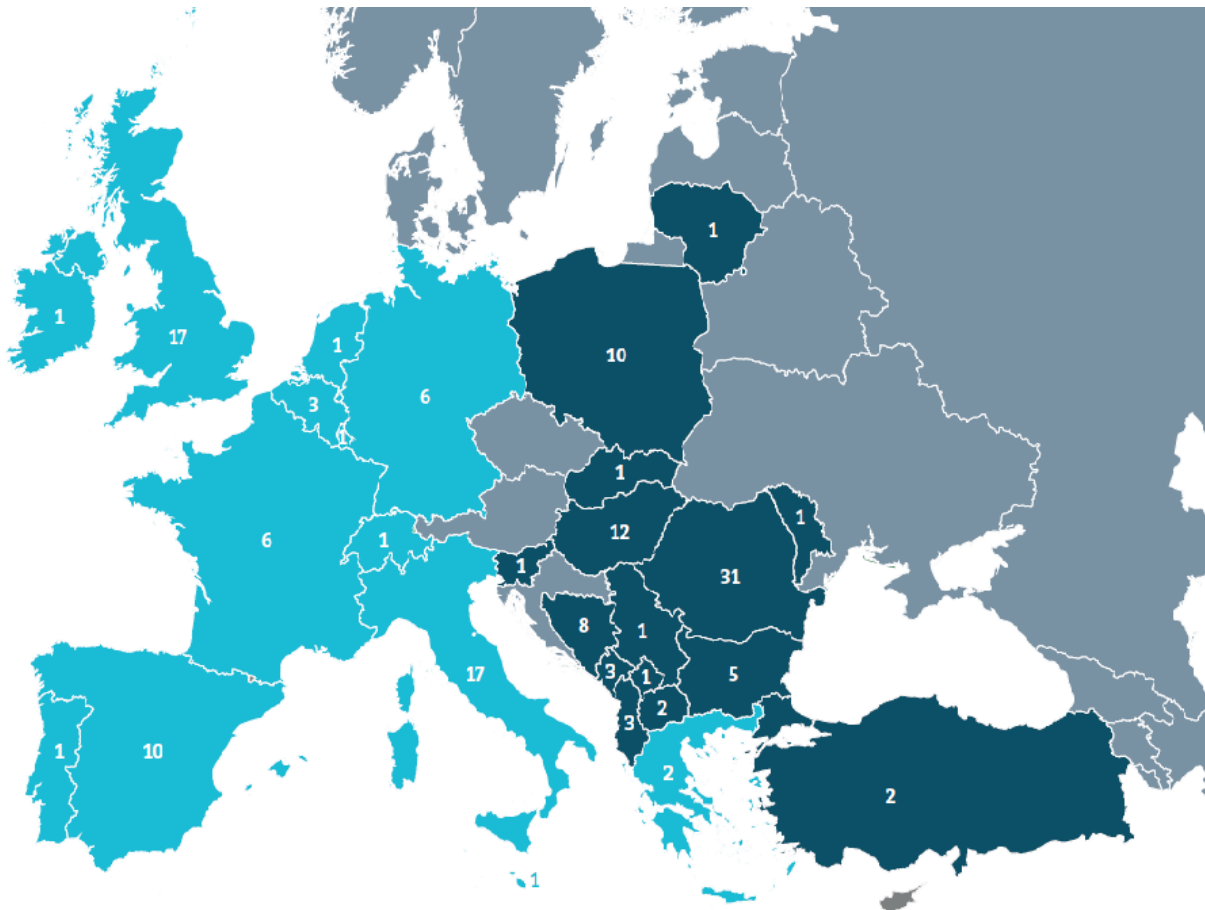
- Periodical market assessment
- Published by the EMN since 2004. As of 2016 joint EMN-MFC initiative
- Report is available on EMN and MFC websites along with:
 - Infographic
 - Executive Summary (8 languages)

Microfinance in Europe: EMN-MFC Survey Report

- Methodology - online survey and interviews with key experts
- Coverage - members of EMN, MFC and National Networks, other institutions engaged in microlending activities

	Institutions contacted	Respondents	Response rate
EMN or MFC members	80	64	80%
National Networks members	137	67	49%
Institutions not affiliated with EMN/MFC/NNs	240	25	11%
Total	457	156	34%

Microfinance in Europe: EMN-MFC Survey Report



MICROFINANCE IN EUROPE: Survey Report 2016-2017

Damla Diriker
Paolo Landoni



Key Results

- **Key institutional characteristics**
- **Range of products and services**
 - Financial products and services
 - Non-financial products and services
- **Social performance and outreach**
- **Portfolio quality and financial performance indicators**
- **Current Challenges and Future Opportunities**

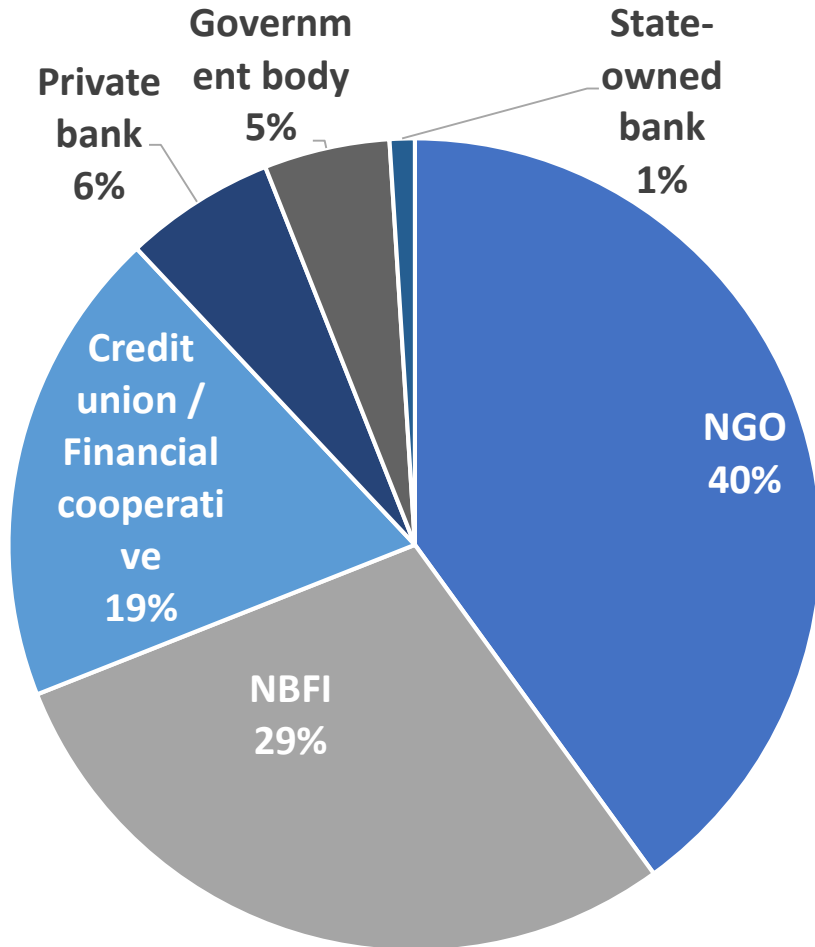


Key Results

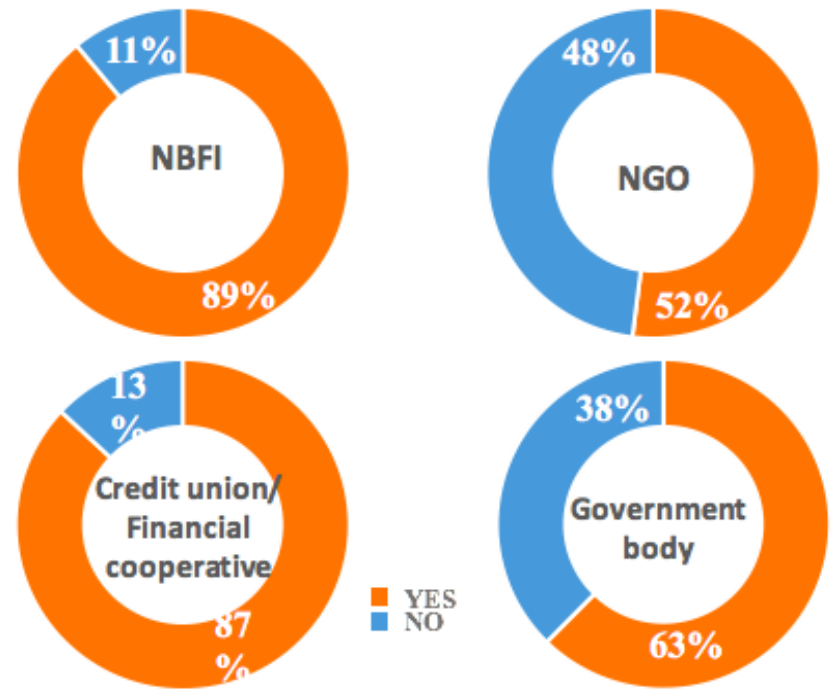
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Key institutional characteristics

Variety of institutional models

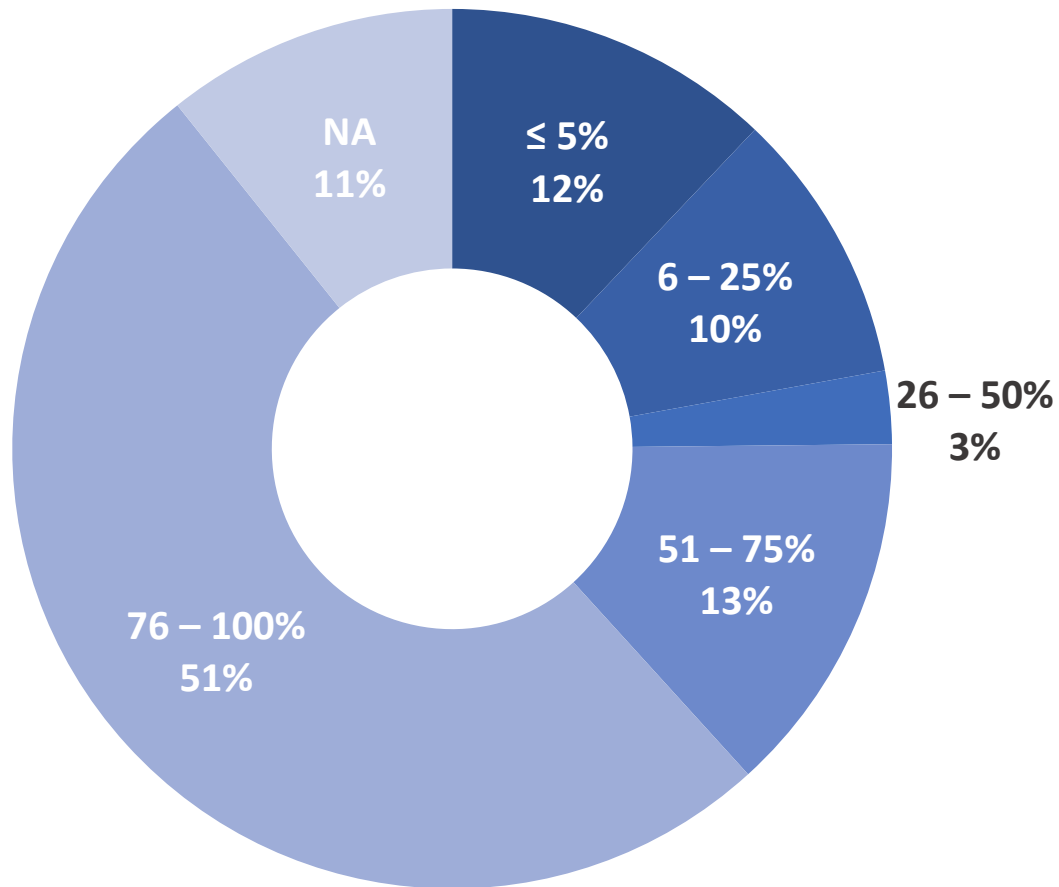


Submission to a regulatory authority



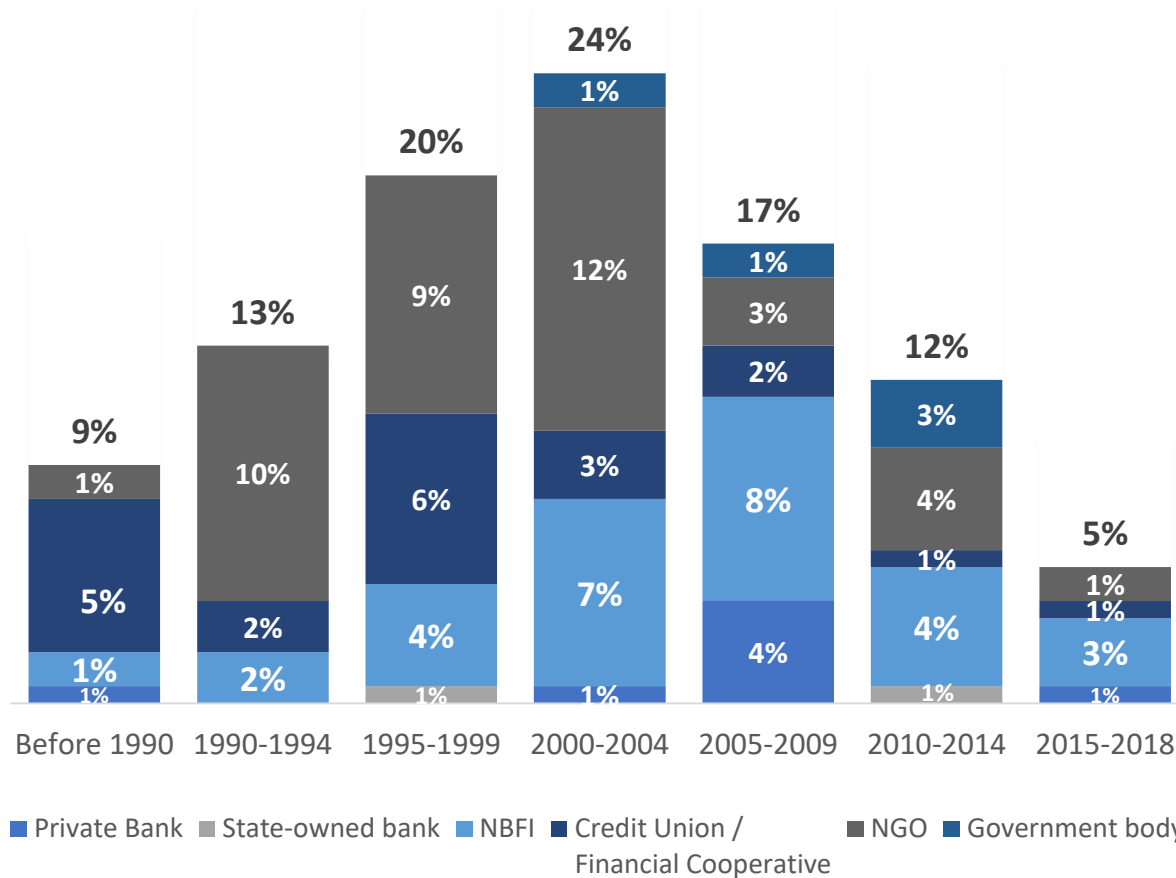
Key institutional characteristics

Focus on Microlending Activities



Key institutional characteristics

Age

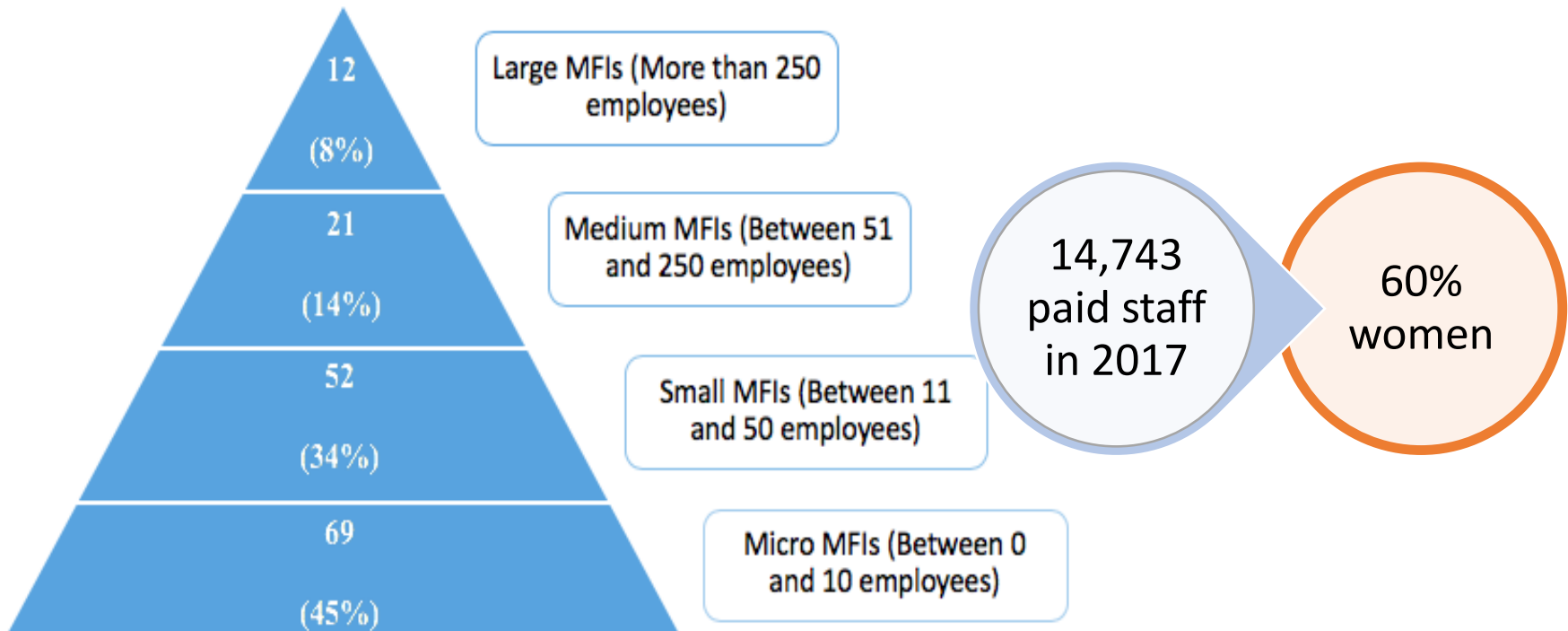


Key institutional characteristics

Size of MFIs

Size

(by number of full time staff)



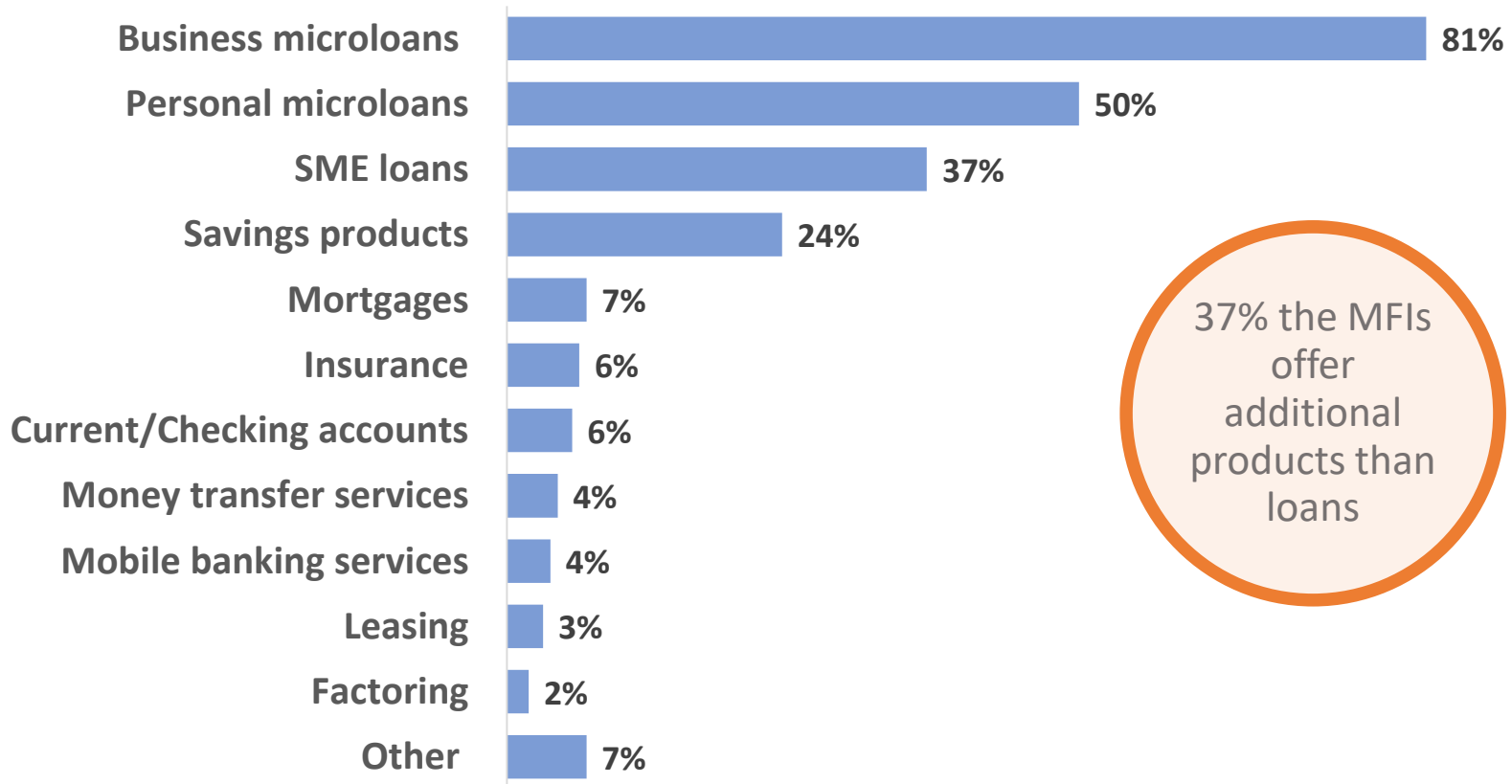


Key Results

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Range of products and services

Financial products – *Types of financial products offered*



Range of products and services

Financial products – *Microloans*

Outreach
(2017)

€ 3.2 bn

Gross microloan
portfolio outstanding



+ 16%
Growth from
2016

988,457

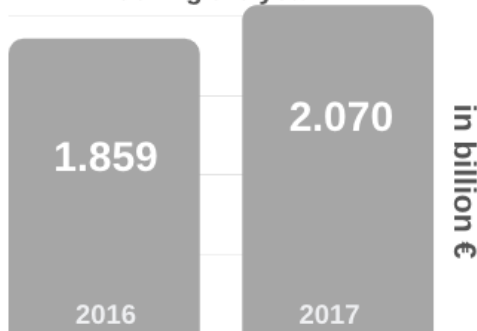
Number of active
borrowers



+ 8%
Growth from
2016

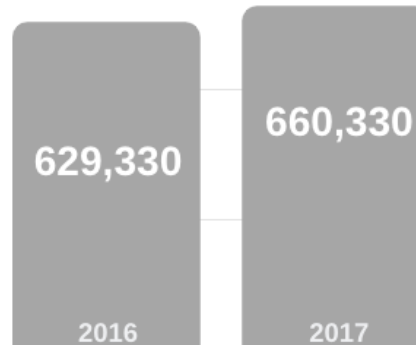
35%
Women

Value of microloans disbursed
during the year



+ 11%

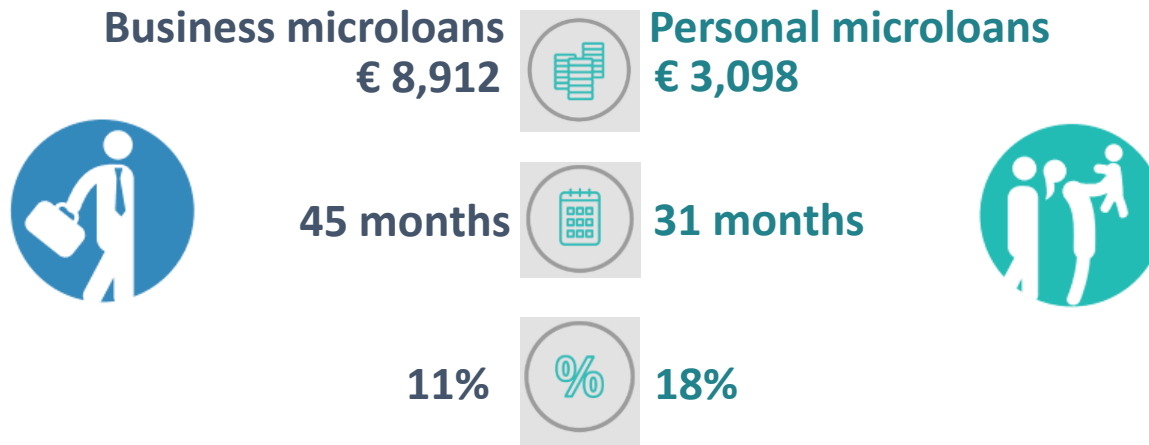
Number of microloans disbursed
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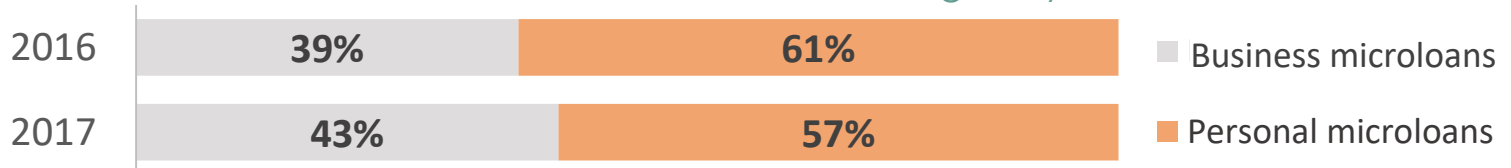
+ 5%

Range of products and services

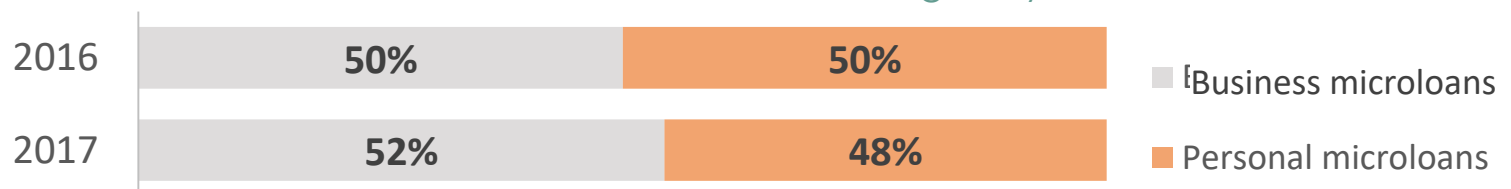
Financial products – *Microloans*



Number of microloans disbursed during the year

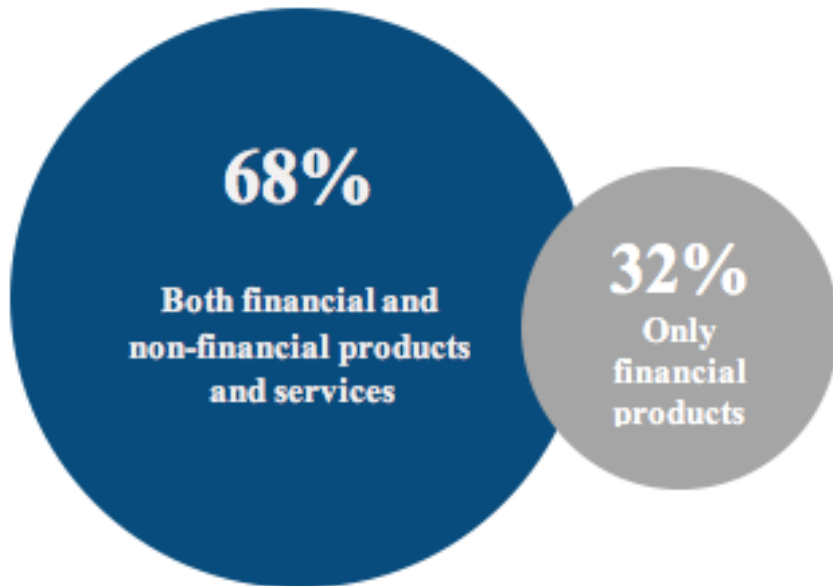


Value of microloans disbursed during the year



Range of products and services

Non-financial products and services



Client development services (56%)
Entrepreneurship development services (57%)
Business development services (57%)

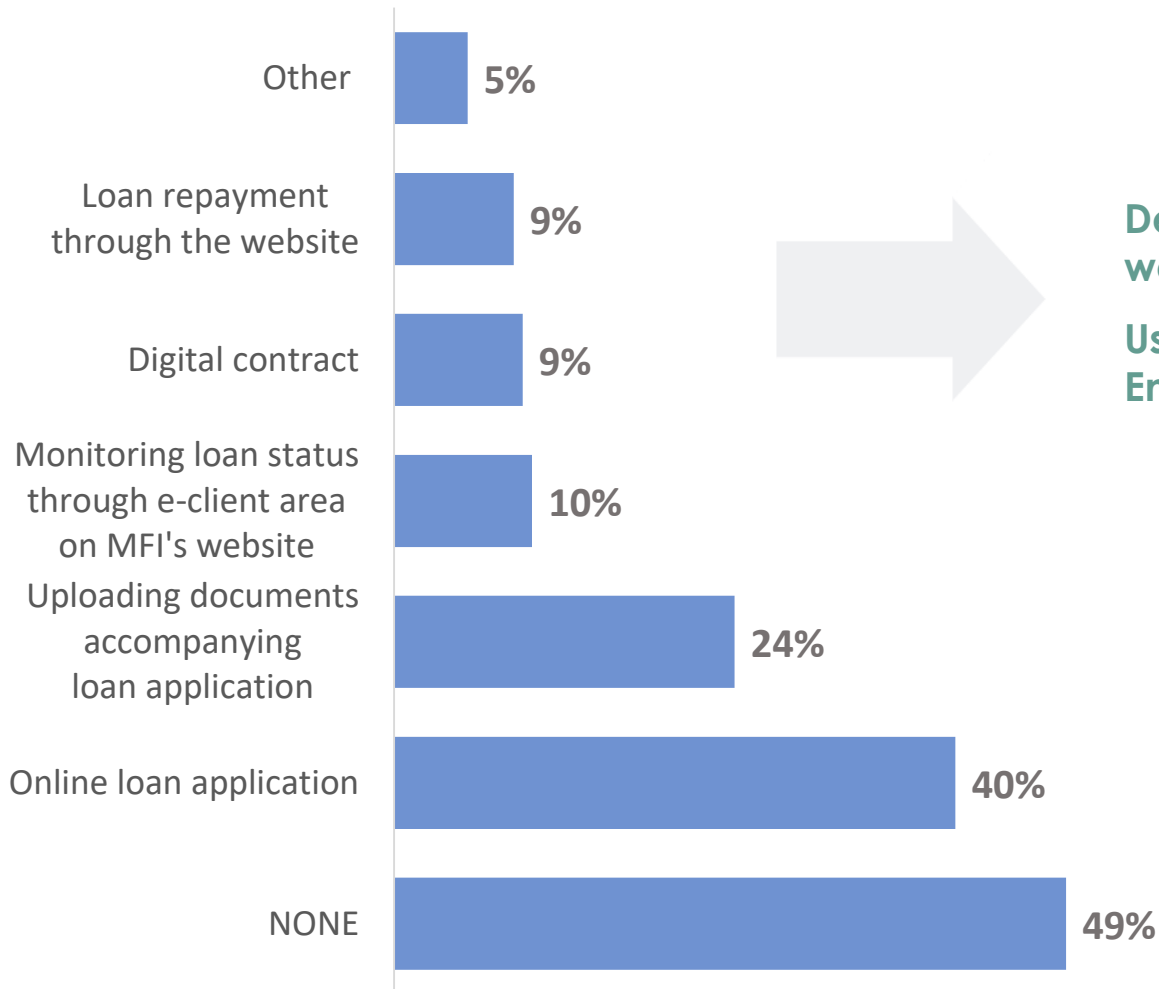
443,825 clients were reached by MFIs in 2017.

48% are active borrowers.

80% the MFIs offer non-financial products and services free-of-charge

Range of products and services

Non-financial products and services - *Digitalisation*



Dedicated e-client area on the website (33%)

**Use of less advanced tools (11%)
Email, social media**

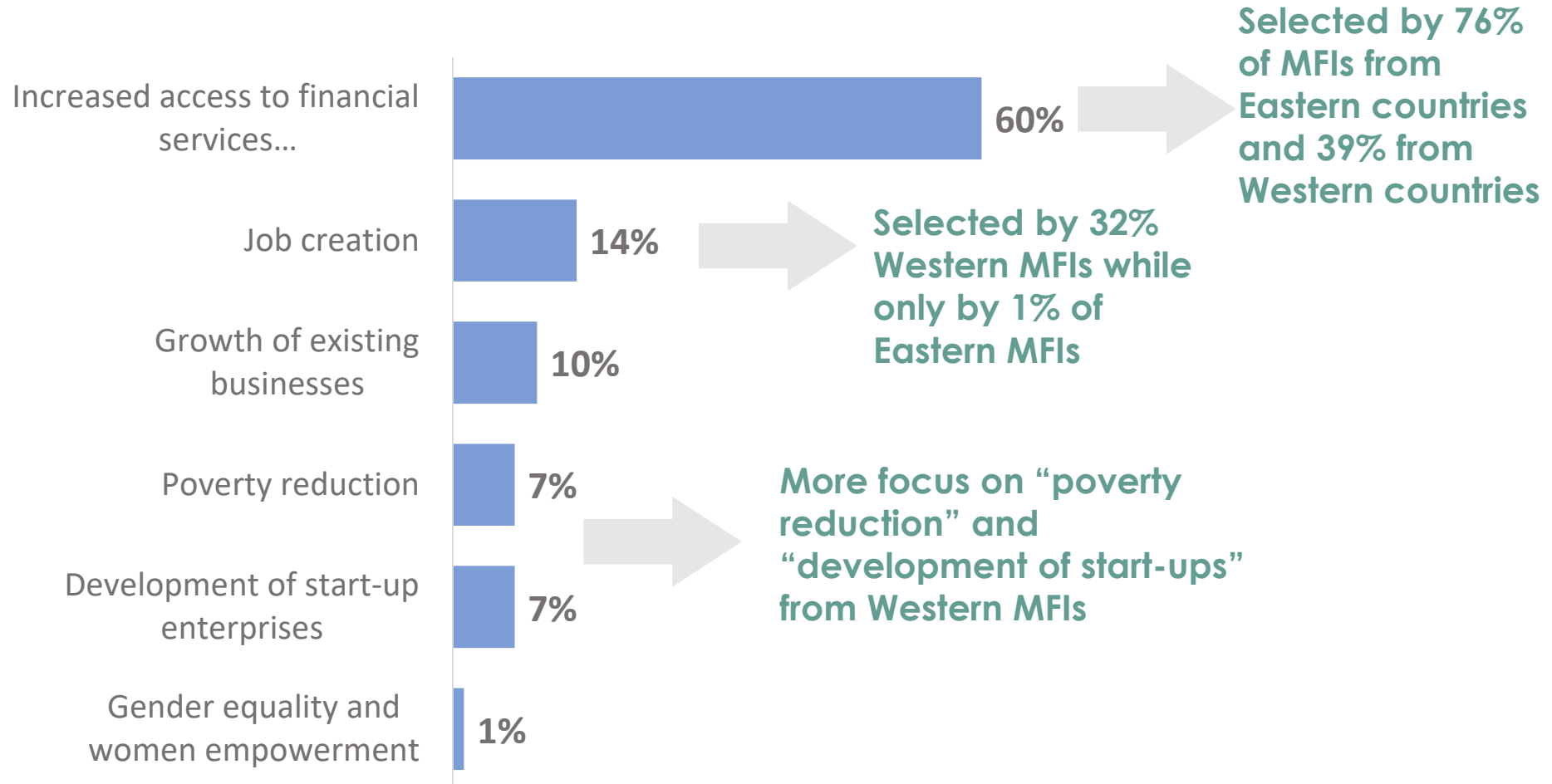


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- **Social performance and outreach**
- Portfolio quality and financial performance indicators
- Current Challenges and Future Opportunities

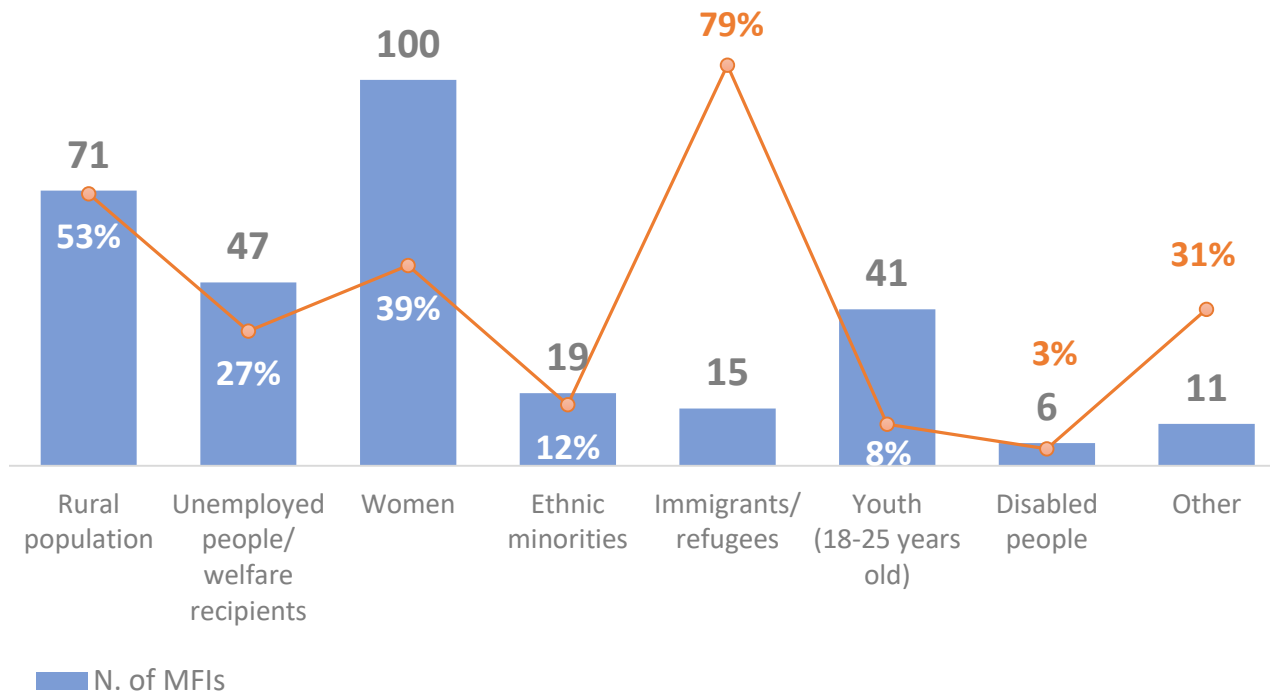
Social Performance and Outreach

Mission



Social Performance and Outreach

Target Groups



Microfinance institutions focus on serving the smallest of enterprises → Solo-entrepreneurs as dominant type of clients

Majority of MFIs support businesses that have been already established but are still young (e.g. up to five-years-old)

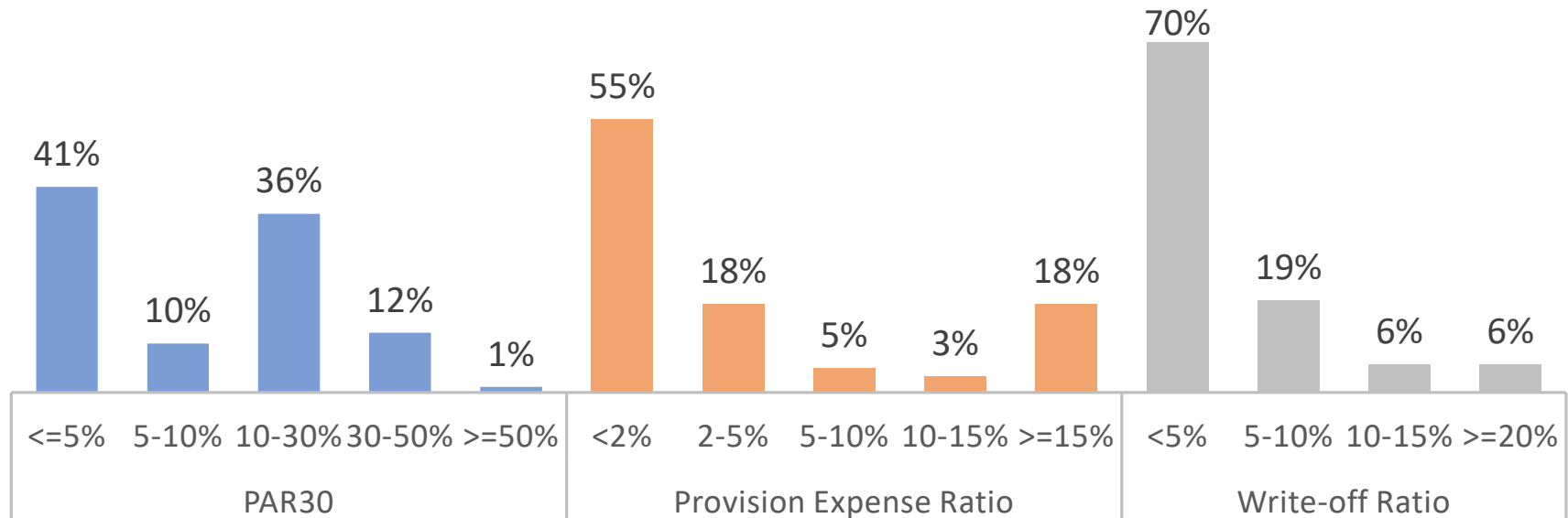


Key Results

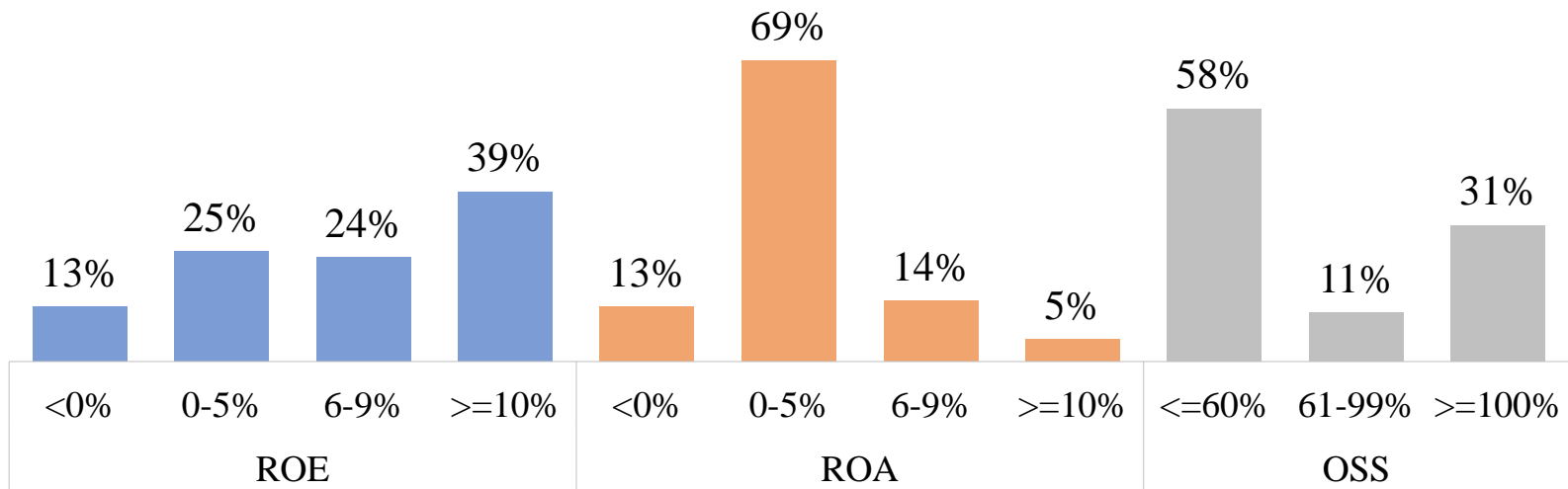
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Portfolio quality and financial performance indicators

	2016	2017
PAR30	15.2%	13.9%
Provision expense	6.4%	5.9%
Write-off ratio	4.6%	4.7%



Portfolio quality and financial performance indicators



Increase in ROE from 2.7% in 2016 to 4.9% in 2017 while ROA remained more stable (2.5% in 2016 and 1.8% in 2016)



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Current Challenges and Future Opportunities



Opportunities

- Digitalisation
- Different target groups that can be served
- New partnerships
- Possibility to offer more products and services

Challenges

- Digitalisation
- Financial sustainability and efficiency
- Alternative financing solutions
- Governance
- Regulations



SIT
social innovation teams



POLITECNICO
DI TORINO

Thank you for your attention!