



SURVEY ON MICROFINANCE IN EUROPE

Executive Summary

2025 EDITION

With contribution by EIF



EUROPEAN
MICROFINANCE
NETWORK



MICROFINANCE CENTRE



European
Investment Fund



Funded by
the European Union

Welcome

2025 EDITION

This 13th edition of the Survey on Microfinance in Europe, produced by the European Microfinance Network (EMN) and the Microfinance Centre (MFC), draws on data from 198 microcredit providers operating across 30 European countries in 2024. While the primary focus is on EU-27 countries, the survey also includes data from candidate and potential candidate countries, offering a comprehensive picture of the sector's European footprint.

This edition places a particular emphasis on social outreach to vulnerable groups and microbusinesses.



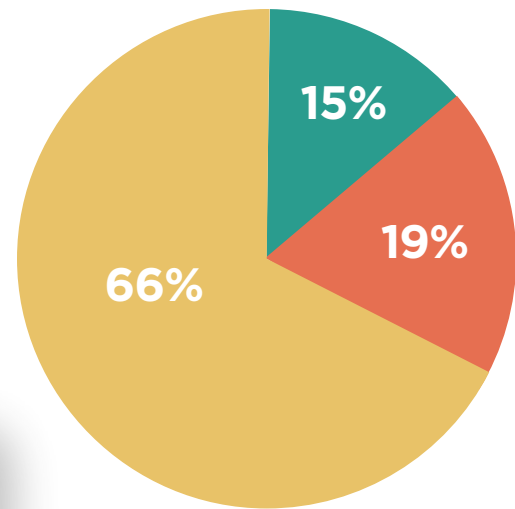
To bring the data to life, the survey is accompanied by Microfinance Explorer: an interactive dashboard that allows readers to explore the findings in depth, analyse trends over time, and customise views using filters by region, organisation type, and other key characteristics.

Launch Microfinance Explorer Europe

Coverage

The survey covered 134 microcredit providers across four institutional types and 21 countries of the European Union.

The Eastern European part of the EU hosted the largest share of microcredit providers (66%), followed by Northwestern EU (19%) and Southern EU (15%).



- Eastern EU
- Northwestern EU
- Southern EU

Scale and outreach

The total gross loan portfolio reached EUR 6.3 billion by the end of 2024, serving 846 thousand active borrowers. The sector is characterized by the strong presence of a large microfinance bank in Southern EU which managed 58% of the loan portfolio and served 61% of clients in the EU. Without the largest microfinance bank (outlier), the remaining providers managed a loan portfolio of EUR 2.6 billion and served 330 thousand active borrowers.

Business microloans dominate the microcredit portfolio. Excluding the largest microcredit provider, business microloans accounted for 83% of the total loan portfolio in 2024.

Microcredit providers in the EU engaged a workforce (both paid and voluntary roles) of almost 3,900 people. Women outnumbered men among paid employees. On average, they constituted 65% of all paid staff.

Products & loan characteristics

- **MFIs primarily offer business-oriented financial products, while personal purpose loans are less common.** The main products provided are working capital (80%) and investment loans (78%), followed by agricultural loans (60%) and energy- related investments (47%). Personal-purpose loans are less common and are primarily related to housing, education, and other general household needs.
- **Average nominal interest rates are similar for business and personal loans, but they vary significantly across subregions and institution types.** The average nominal interest rate across microcredit providers is 8% for both business and personal loans.
- **On average business loans are over three times larger than personal loans with variation by subregion and institution type.** The average business loan is EUR 15 thousand, compared to EUR 4 thousand for personal loans.
- **Depth of outreach for business loans varies across subregions, while personal loans show little regional variation.**

Portfolio quality

The quality of the business loan portfolio slightly exceeded that of the personal loans.

The average portfolio at risk over 30 days (PAR30) stood at 13.2% for business microloans and 15.3% for personal microloan portfolio. The average write-off ratio was 6.5% for business and 8.6% for personal microloan portfolio.

Businesses' demographics

Most microcredit providers track basic business information, with sector being the most commonly collected data. Around two-thirds of microcredit providers collect sector information on businesses, while just over half gather data on business stage and size.

Microcredit providers serve clients across all stages of business development.

Among providers that reported a detailed breakdown by business stage, the distribution is fairly balanced: about one third of borrowers are nascent/very young businesses (pre-start-up to 1 year), another third are start-ups aged 1–3 years, and roughly one third are mature businesses over 3 years old.

Most supported businesses operate in the services and trade sectors.

Microcredit providers support businesses across a variety of sectors. On average, service-oriented businesses represent 35% of active borrowers, making it the most common sector supported, followed by the trade sector (23%).

Microcredit providers primarily support self-employed individuals and micro-businesses.

On average, 38% of businesses supported by microcredit providers are self-employed or individual farmers, while 58% are micro-enterprises with up to 10 employees.



Clients' demographics and financial exclusion

Microcredit providers mainly collect information on clients' gender, age, settlement type and nationality.

Microcredit providers serve a wide range of demographic groups, with varying levels of engagement. All responding microcredit providers report lending to women, who account for an average of 41% of active borrowers. Rural populations are served by 40% of microcredit providers, yet in these institutions they represent almost half of the clients (47%), indicating a strong focus where outreach exists. One third of microcredit providers serve third-country nationals, who make up 30% of their client base.



Data on clients' income levels and financial inclusion remains limited.

The most commonly available data concern clients previously excluded from traditional banking services, collected by around 50% of microcredit providers.



Exclusion from the traditional banking sector remains a defining characteristic of microfinance clients:

75% microcredit providers report a very high presence of active borrowers who were previously excluded from the traditional banks indicating that microcredit providers predominantly serve clients who cannot access mainstream credit.

For many microcredit providers, supporting clients with no prior borrowing experience remains a key part of their mission. Half of respondents report a high (25%) or very high (25%) share of active borrowers receiving a loan for the first time ever indicating a strong focus on financial inclusion.



Most microcredit providers serve a client base with diverse income profiles, but poverty remains a defining characteristic. Nearly 17% of responding microcredit providers report a very high share of borrowers from households with an annual income below the poverty line, with an additional 6% reporting a high share. This demonstrates a clear commitment to reaching the most vulnerable and higher-risk clients.

Expanding outreach

Third-country nationals are seen as the most financially excluded group. Over half of the microcredit providers (55%) saw third-country nationals as the most financially excluded group, followed by the unemployed, mentioned by 39% of microcredit providers .

The main constraint limiting the outreach to the underserved groups was lack of risk coverage instruments (41% of microcredit providers). Additionally, lack of funds for on-lending at favourable conditions was a constraint for 31% of microcredit providers.

More than half of the microcredit providers would be able to increase the outreach to vulnerable groups. Microcredit providers need mainly access to portfolio guarantees (73% of microcredit providers) and grants (59%) .

EU Trends

The analysis of the growth rate of the loan portfolio and active borrowers was conducted on a subsample of 92 microcredit providers in the EU which provided data for both years.

Between 2023 and 2024, the total value of gross loan portfolio increased by 26% and the number of active borrowers increased by 21%. Such impressive growth is attributable to one largest microcredit provider. Without this institution, the loan portfolio growth was 8% and in case of active borrowers – 6%.

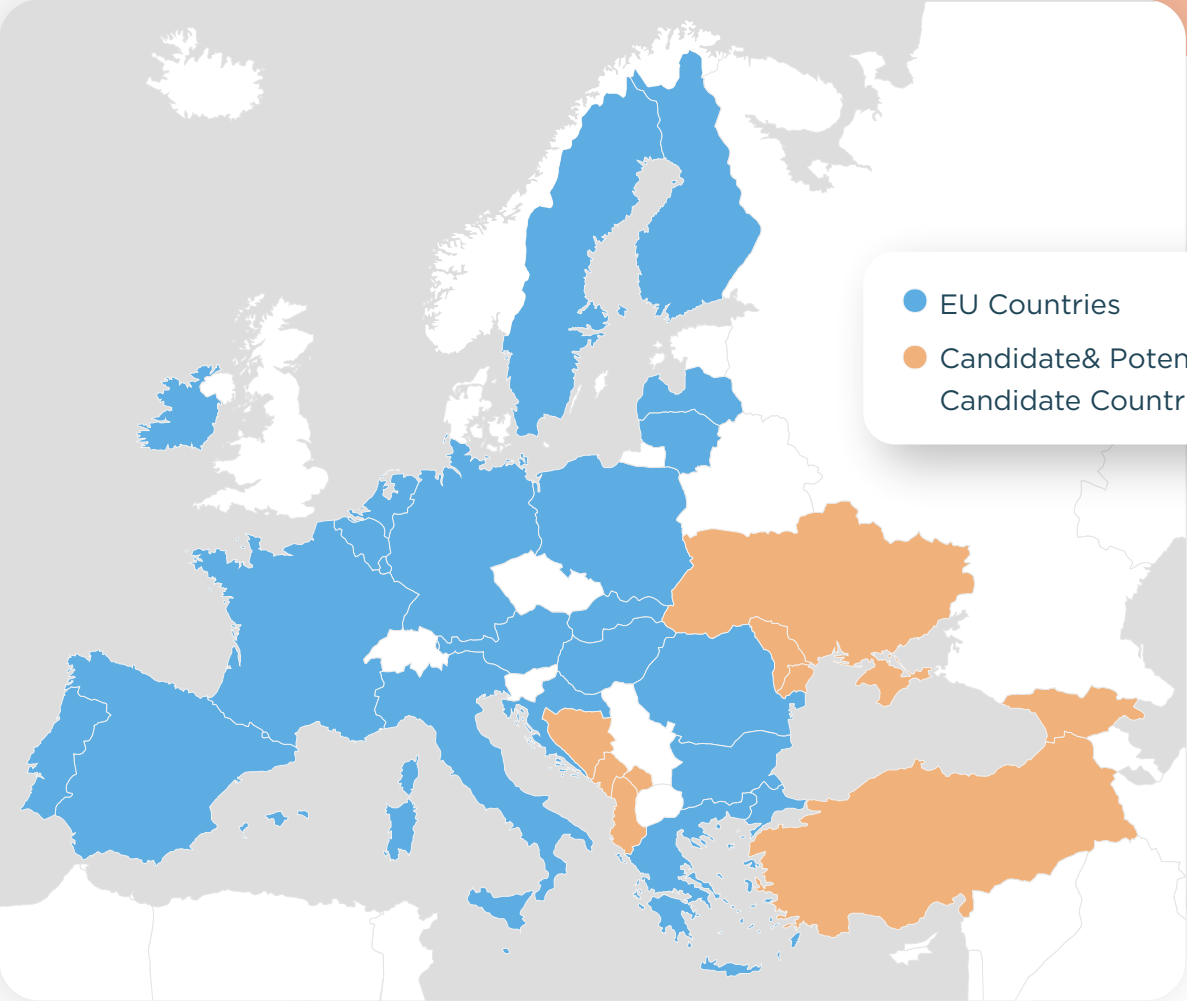
The average loan balance increased by 6% and the total number of employees engaged in microcredit provision by 36% .

All Europe

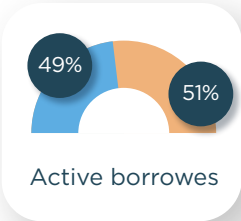
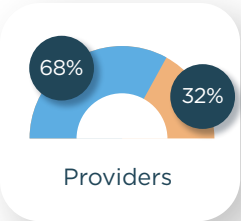
Altogether, 198 microcredit providers were surveyed in Europe.
In addition to 134 institutions in 21 EU countries there were 64 microfinance providers in 9 candidate and potential candidate countries.

The total gross loan portfolio in both EU and candidate and potential candidate countries in Europe reached EUR 8.8 billion by the end of 2024, serving 1.7 million active borrowers.

Microcredit providers from candidate and potential candidate countries managed 28% of the total European portfolio (with the largest share in Bosnia and Herzegovina) and 51% of the European active borrowers.



EU vs Candidate & Potencial Countries



ACKNOWLEDGMENTS

EMN and the MFC convey their deep appreciation to the institutions that engaged in our survey.

We extend special thanks to microfinance **National Networks** for their unwavering support in mobilizing their members, thereby fostering a higher response rate and ensuring the success of the survey.

We would like to acknowledge the following national networks for their outstanding contributions:

- **Albanian Microfinance Association (AMA)**
- **Asociatia CAR Regiunea Vest (ASCAR)**
- **Asociación Española de Microfinanzas (AEM)**
- **Association of MFIs of Montenegro**
- **German association of public banks (VÖB)**
- **National Network of Croatian Credit Unions (HUKU)**
- **Rete Italiana di Microfinanza (RITMI)**

Additionally, our sincere appreciation goes to the members of the **EMN Research** Committee, whose dedication and expertise have been instrumental in shaping the survey methodology and analysis.

A special note of gratitude is extended to all our partners, forming the survey **Advisory Committee**, who helped define the scope of the survey and provided critical feedback in reviewing the key results:

- **European Commission, DG EMPL**
- **European Investment Fund**
- **European Investment Bank Advisory Hub**
- **Council of Europe Development Bank**

We also wish to acknowledge **HEDERA Sustainable Solutions** for providing the data management and visualization expertise and software underpinning the Explorer, and we are grateful to count on their support for this project and its future development.

The collaborative efforts of all involved parties have been indispensable in making this survey a comprehensive and insightful resource for policymakers, practitioners, investors and researchers in the field of microfinance.

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The information contained in this publication does not necessarily reflect the official position of the European Commission and the European Investment Fund.

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