

*Report by the European Microfinance Network*

## **MicroBank holds more than a third of the global microcredit portfolio in Europe**

- **The total value of microcredit portfolios across Europe amounts to €5.27 billion, of which MicroBank accounts for 36%**
- **MicroBank has provided microfinancing to one in four beneficiaries of this type of loan in Europe**

**12 November 2024**

MicroBank, CaixaBank's social bank, consolidates itself as a European leader in microfinance and leads the granting of microcredits in the continent, according to a report by the European Microfinance Network (EMN), an organisation based in Brussels that promotes microfinance as a tool to fight against social and financial exclusion. According to this study, the value of the loan portfolio in Europe amounted to €5.27 billion in 2022, of which 36% came from MicroBank. The report highlights that Spain, with a loan portfolio amounting to €2.14 billion, is the European country with the highest penetration of microcredits. Within the country, MicroBank has a market share of 88.6%

After Spain, according to the EMN report, the countries with the largest loan portfolios are Bosnia & Herzegovina (€538.3 million), Romania (€527.8 million), and Albania (€279.4 million), followed by Kosovo, Moldova, France, Serbia, Poland, Italy, and Germany.

In terms of the number of active borrowers, the EMN study estimates that there were 1,258,806 beneficiaries in Europe in 2022, of which almost a quarter, 24.18%, received microfinancing through MicroBank, both for business promotion and to cover personal expenses. In the case of Spain, MicroBank's market share is much higher, reaching 95%.

Regarding the profile of the beneficiaries, the study notes that 42% of microcredit applicants are women, while from a geographical point of view, four out of ten people from rural areas apply for this type of loan. By age, 16% of active borrowers are young people and 13% are elderly. Moreover, the migrant group represents 26% of all microcredit applicants.

The EMN report, which has been published coinciding with the celebration of the European Microfinance Week, held from 13-15th November, illustrates the positive impact that microcredits generate across Europe.

## MicroBank's leadership

In Spain, MicroBank is the leading entity in microfinance and social impact financing. The bank granted a total of €1.12 billion in microcredits loans not exceeding €30,000 - throughout 2023.

The segment of activity linked to supporting vulnerable families reached a volume of €862.2 million, with 118,753 deals having been made in Spain. This financing is intended to help low-income groups meet one-off needs.

The activity line that focused on promoting and consolidating businesses granted financing worth €253.4 million in 2023, which led to 19,267 projects last year in Spain. In this area, MicroBank pays special attention to female entrepreneurship, which resulted in the granting of 5,723 microcredits to women (60% more than in 2022) totaling €85.1 million in 2023. Another group that MicroBank focuses on is the agricultural sector, to which it provides financing to promote generational renewal.

In parallel to the financial tools offered by MicroBank, the bank provides non-financial services to all through MicroBank Academy, an initiative that contributes to improving the training and skills of entrepreneurs thanks to a wide range of free courses.

## Measuring social impact, in figures

MicroBank's economic support to entrepreneurs also contributed to the creation of 28,521 jobs directly in 2023, according to a report by MicroBank prepared by KPMG and Stone Soup Consulting, 63.4% more than the previous year. The study also reveals that most of the employment linked to the business activity financed by MicroBank corresponded to the professional services sector (39%), followed by retail commerce (23%), hospitality and catering (20%), and construction (9%). The rest is distributed between the primary sector and businesses related to new technologies.

In economic terms, during 2023, thanks to the driving effect of its activity, the businesses supported by MicroBank contributed €4.47 billion to the Spanish economy (8.7% more than in 2022), of which €2.27 billion contributed directly and €2.20 billion contributed indirectly and induced. The total amount is equivalent to 0.3% of the Spanish GDP.

## Social impact financing

Apart from microcredits, MicroBank has a segment of activity focused on social impact financing, which has resulted in 6,453 projects related to the social economy, education, health, or innovation in Spain.

In total, MicroBank increased social impact financing by 36.2% during 2023, reaching €1.38 billion. In the first half of 2024, the volume of financing granted by CaixaBank's social bank reached €1.08 billion in Spain.

### Sustainable banking

MicroBank responds to different population segments whose financial needs are not sufficiently covered. It plays a decisive role in the Sustainable Banking Plan, integrated within CaixaBank's Strategic Plan, in which it is tasked with promoting financial inclusion, facilitating access to credit for the most vulnerable groups, and strengthening its commitment to the socio-economic development of the territory.

As the sole shareholder of MicroBank, CaixaBank has supported its social bank since its creation by providing the necessary financing for the growth of its credit activity and marketing its products through CaixaBank's extensive commercial network to offer customers the full range of options with the highest quality of service and proximity possible.

When granting microcredits, more than 250 entities across Spain actively collaborate, providing knowledge on the loan recipients, as well as advising and monitoring the projects.

MicroBank also has the support of the main European institutions dedicated to promoting entrepreneurship and microfinance. These include the European Investment Fund (EIF), the Council of Europe Development Bank (CEB), and the European Investment Bank.