

Micro Lending Market Assessment, By Provider [Banks, Microfinance Institutes, Non-banking Financial Institutions], By End-user [Solo Entrepreneurs, Micro Enterprises, Small Enterprises], By Region, Opportunities and Forecast, 2017-2031F

Market Report | 2024-11-27 | 243 pages | Market Xcel - Markets and Data

AVAILABLE LICENSES:

- Single User License \$4500.00
- Multi-User/Corporate Licence \$5700.00
- Custom Research License \$8200.00

Report description:

Global micro lending market is projected to witness a CAGR of 10.09% during the forecast period 2024-2031, growing from USD 180.12 billion in 2023 to USD 388.64 billion in 2031. The market has been greatly shaped by several interrelated drivers, such as the increasing and growing emphasis on financial inclusion. The market is gaining momentum due to the efforts to reach underserved populations with financial services, with advancements in technology, particularly the emergence of mobile banking and digital lending platforms, making it easier for individuals and small businesses alike to access loans. This is accompanied by increased information on microfinance as an avenue for poverty alleviation and economic empowerment amongst women entrepreneurs.

In addition, social impact investments into micro lending schemes have attracted funds to invest in micro-lending initiatives, hence encouraging sustainable development. Supportive regulatory frameworks in different regions hasten the operations of microfinance institutions (MFIs). The entrepreneurial spirit is expanding as individuals need smaller loans for startups or expanding their businesses. A growth in competition from fintech companies promises better delivery of services and more benevolent loan terms. These create a strong setting in which the micro lending marketplace operates, spurring innovation and adaptability as it seeks to fulfill the ever-changing needs of borrowers around the world.

Micro lending constitutes small loans to individuals or small businesses that are not in mainstream banking. This provides an actual avenue toward financial inclusion and empowerment of the underserved, mainly in the developing regions. Also, micro-lending employs technology and innovation lending models for entrepreneurs to develop the economy, impacting society significantly. In February 2024, Funding Circle Holdings Plc, a UK-based SME lending platform, announced a new lending partnership with Barclays Bank and TPG Angelo Gordon to lend up to USD 370 million in funding.

Peer-to-Peer Financing to Enhance Market Growth

Peer-to-peer financing is the new label that has gradually become a strong growth trigger in the micro-lending market. This model

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

benefits the population facing challenges in accessing funds from conventional banks. The technology behind P2P platforms is making them increasingly user-friendly, speeding up loan applications and approvals. Further, with such platforms, investors can diversify their portfolio to fund various sectors of borrowers within the economy, thus forming a community ensuring that all take an active part in their financial responsibility.

P2P financing is transparent, which creates trust among the parties involved. Transparency leads to more participants entering the field. Moreover, with the rise in social impact investment, it would continue inviting interested individual lending, uplifting demand toward P2P lending. This incorporation of peer-to-peer financing drives market growth and increases financial inclusion and economic empowerment worldwide. In July 2023, Funding Circle Holdings Plc, a UK-based small business lending platform, forged a new partnership with Rainbow Energy, which aids in setting up clean energy infrastructure for small businesses. The funding circle loans will allow small businesses to install quality solar panels and battery storage using Rainbow, resulting in ongoing savings in energy costs because of the contribution such businesses make towards achieving societal Net Zero goals.

Technological Advancements to Drive Market Growth

Technological advancements are playing a pivotal role in driving the growth of the micro lending market, reshaping how financial services are delivered and accessed. The rise of digital lending platforms and mobile banking solutions has significantly improved the efficiency and accessibility of micro loans. These innovations enable borrowers to apply for loans anytime and anywhere, streamlining the application process and reducing the time required for approval. Advanced data analytics and machine learning algorithms allow lenders to assess creditworthiness more accurately, even for individuals without traditional credit histories. This shift broadens the pool of potential borrowers and helps mitigate risks for lenders. In July 2024, a non-profit organization based in the United States, Accion International, announced that the Accion Digital Transformation Fund will invest USD 10 million in Los Andes, a Peruvian microfinance company operating in rural areas. Los Andes' strategy is expected to bring micro and small entrepreneurs into the formal economy through better access to digital tools.

Additionally, blockchain technology enhances transparency and security in transactions, fostering participants' trust. The integration of automated systems for loan processing and customer service further increases operational efficiency and reduces costs. As technology continues to evolve, its capacity to facilitate micro-lending is expected to expand, allowing for more personalized lending experiences and innovative financial products. Ultimately, these technological advancements will boost market growth, promote financial inclusion, and empower underserved communities around the globe.

Banks to Dominate the Micro Lending Market Share

Being well established in infrastructure, regulatory compliance capabilities, and access to capital, banks can attract a diversified clientele through competitive micro-loan rates. Significantly, their adoption of artificial intelligence (AI) and machine learning enables them to upgrade the procedure for risk assessment, therefore allowing for better loan decisions while keeping default rates at bay. This strategy benefits beyond just the expansion of the customer base, satisfying the requirements to fulfill the financial inclusion imperative by providing access to necessary credits for individuals and small businesses that the ordinary lending practice ignores.

As banks tap into their resources and expertise, the micro lending business will likely see better loan disbursement processes and customer service, giving banks a very strategic position in driving economic activity and stability in local communities. It is one of the most promising trends that has reshaped the future of micro lending. In November 2023, Funding Circle Holdings Plc, an SME lending platform in the United Kingdom, and Atom Bank, the United Kingdom's first app-based bank, announced a new lending partnership that will make available up to USD 185 million in funding for small businesses. This collaboration will support SMEs by presenting the newest version of the Government-backed Recovery Loan Scheme (RLS) offered by Funding Circle, which is better placed to enhance access to finance for small and medium-sized enterprises.

Asia-Pacific to Dominate the Micro Lending Market Share

Asia-Pacific is expected to dominate the share of the micro lending market due to the combination of economic growth, unbanked population, and increasing digital adoption. Countries such as India, Indonesia, and the Philippines are witnessing a rising demand for accessible financial services, which has seen millions turn towards small businesses and personal needs through micro loans. In this regard, the lending landscape of that region has changed due to fintech companies: innovative products made borrowing processes simpler to make available funds for more people. Government policies and initiatives that target financial inclusion further fuel this micro lending ecosystem. Traditional banks are joining the competition, introducing products that match those of

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

the fintech companies using their resources.

Consequently, it is growing very fast and is becoming an essential component of the development of economic power, empowering individuals and small enterprises and fostering overall financial resilience in the region. In September 2024, India-based digital lending NBFC FlexiLoans.com announced having raised USD 34.5 million through its successful equity raise from the Series C funding round. Following the company report, the round included the notable global and homegrown investors, Accion, Nuveen, Fundamentum, and the existing investor Maj Invest. The capital accessed is set to boost the company's scale, enhance product offerings, and strengthen technological infrastructure.

Future Market Scenario (2024 – 2031F)

□□Peer-to-peer lending platforms are expected to expand so that the person can lend directly to the borrower, increasing community engagement.

□□The market will spread a bigger number of micro loan products, such as education loans, health care financing, and green loans, that cater to the diverse needs of customers.

□□Mobile technology and internet access are expected to get deeper penetration and make it easy for borrowers in remote areas to access funds.

Key Players Landscape and Outlook

In the highly competitive global micro lending market scenario, most leading players have realized that the industry is fragmented. Chances for dilemmas and opportunities come forth in this recognized scenario. For enhanced market positioning and diversified offerings, most players are focusing increasingly on targeted strategies, including launching special products designed specifically for SMEs and aspiring entrepreneurs. Offering microloan products that can specifically meet the needs of businesses such as startup capital, equipment financing, and working capital, would attract a broader customer base for such lenders while promoting innovation and growth for the underserved. Strategic partnerships among fintech firms, local organizations, and traditional banks and microfinance institutions will also enable them to recover from the use of technology in their service delivery. This approach complements both competitive repositioning and greater financial inclusion. In an emerging market, such customization and customer-centric solutions will be the way ahead for players trying to stay ahead in a niche which continues to be dynamic and fragmented.

In April 2023, Bluevine Inc., the small business banking solutions provider in New Jersey partnered with technology company Wise to serve customers with an improved international payment experience. With the use of the Wise Platform, this collaboration will help make international payments easier, smoother, and far clearer within Bluevine's all-in-one digital banking account.

Table of Contents:

1. □ Project Scope and Definitions
2. □ Research Methodology
3. □ Executive Summary
4. □ Voice of Customer
 - 4.1. □ Product and Market Intelligence
 - 4.2. □ Mode of Brand Awareness
 - 4.3. □ Factors Considered in Purchase Decisions
 - 4.3.1. □ Lending Model
 - 4.3.2. □ Interest Rates
 - 4.3.3. □ Loan Purpose
 - 4.3.4. □ Repayment Terms
 - 4.3.5. □ Risk Involved
 - 4.3.6. □ Technological Integration
 - 4.4. □ Customer Support
 - 4.5. □ Consideration of Privacy and Regulations
5. □ Global Micro Lending Market Outlook, 2017-2031F
 - 5.1. □ Market Size Analysis & Forecast

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

- 5.1.1.□By Value
- 5.2.□Market Share Analysis & Forecast
 - 5.2.1.□By Provider
 - 5.2.1.1.□Banks
 - 5.2.1.2.□Microfinance Institutes
 - 5.2.1.3.□Non-banking Financial Institutions
 - 5.2.2.□By End-user
 - 5.2.2.1.□Solo Entrepreneurs
 - 5.2.2.2.□Micro Enterprises
 - 5.2.2.3.□Small Enterprises
 - 5.2.3.□By Region
 - 5.2.3.1.□North America
 - 5.2.3.2.□Europe
 - 5.2.3.3.□Asia-Pacific
 - 5.2.3.4.□South America
 - 5.2.3.5.□Middle East and Africa
 - 5.2.4.□By Company Market Share Analysis (Top 5 Companies and Others - By Value, 2023)
- 5.3.□Market Map Analysis, 2023
 - 5.3.1.□By Provider
 - 5.3.2.□By End-user
 - 5.3.3.□By Region
- 6.□North America Micro Lending Market Outlook, 2017-2031F*
 - 6.1.□Market Size Analysis & Forecast
 - 6.1.1.□By Value
 - 6.2.□Market Share Analysis & Forecast
 - 6.2.1.□By Provider
 - 6.2.1.1.□Banks
 - 6.2.1.2.□Microfinance Institutes
 - 6.2.1.3.□Non-banking Financial Institutions
 - 6.2.2.□By End-user
 - 6.2.2.1.□Solo Entrepreneurs
 - 6.2.2.2.□Micro Enterprises
 - 6.2.2.3.□Small Enterprises
 - 6.2.3.□By Country Share
 - 6.2.3.1.□United States
 - 6.2.3.2.□Canada
 - 6.2.3.3.□Mexico
 - 6.3.□Country Market Assessment
 - 6.3.1.□United States Micro Lending Market Outlook, 2017-2031F*
 - 6.3.1.1.□Market Size Analysis & Forecast
 - 6.3.1.1.1.□By Value
 - 6.3.1.2.□Market Share Analysis & Forecast
 - 6.3.1.2.1.□By Provider
 - 6.3.1.2.1.1.□Banks
 - 6.3.1.2.1.2.□Microfinance Institutes
 - 6.3.1.2.1.3.□Non-banking Financial Institutions
 - 6.3.1.2.2.□By End-user

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

- 6.3.1.2.2.1. Solo Entrepreneurs
- 6.3.1.2.2.2. Micro Enterprises
- 6.3.1.2.2.3. Small Enterprises
- 6.3.2. Canada
- 6.3.3. Mexico
- *All segments will be provided for all regions and countries covered
- 7. Europe Micro Lending Market Outlook, 2017-2031F
 - 7.1. Germany
 - 7.2. France
 - 7.3. Italy
 - 7.4. United Kingdom
 - 7.5. Russia
 - 7.6. Netherlands
 - 7.7. Spain
 - 7.8. Turkey
 - 7.9. Poland
- 8. Asia-Pacific Micro Lending Market Outlook, 2017-2031F
 - 8.1. India
 - 8.2. China
 - 8.3. Japan
 - 8.4. Australia
 - 8.5. Vietnam
 - 8.6. South Korea
 - 8.7. Indonesia
 - 8.8. Philippines
- 9. South America Micro Lending Market Outlook, 2017-2031F
 - 9.1. Brazil
 - 9.2. Argentina
- 10. Middle East and Africa Micro Lending Market Outlook, 2017-2031F
 - 10.1. Saudi Arabia
 - 10.2. UAE
 - 10.3. South Africa
- 11. Demand Supply Analysis
- 12. Value Chain Analysis
- 13. Porter's Five Forces Analysis
- 14. PESTLE Analysis
- 15. Interest Rate Analysis
- 16. Market Dynamics
 - 16.1. Market Drivers
 - 16.2. Market Challenges
- 17. Market Trends and Developments
- 18. Case Studies
- 19. Competitive Landscape
 - 19.1. Competition Matrix of Top 5 Market Leaders
 - 19.2. SWOT Analysis for Top 5 Players
 - 19.3. Key Players Landscape for Top 10 Market Players
 - 19.3.1. Accion International

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

- 19.3.1.1. □Company Details
- 19.3.1.2. □Key Management Personnel
- 19.3.1.3. □Products and Services
- 19.3.1.4. □Financials (As Reported)
- 19.3.1.5. □Key Market Focus and Geographical Presence
- 19.3.1.6. □Recent Developments/Collaborations/Partnerships/Mergers and Acquisition
- 19.3.2. □LendingClub Corporation
- 19.3.3. □Bluevine Inc.
- 19.3.4. □Kiva Microfunds
- 19.3.5. □Fundbox Inc.
- 19.3.6. □Lendio Inc.
- 19.3.7. □OnDeck Capital Inc.
- 19.3.8. □Fundera Inc.
- 19.3.9. □Funding Circle Holdings Plc
- 19.3.10. □Lendr LLC

*Companies mentioned above DO NOT hold any order as per market share and can be changed as per information available during research work.

20. □Strategic Recommendations

21. □About Us and Disclaimer

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

Micro Lending Market Assessment, By Provider [Banks, Microfinance Institutes, Non-banking Financial Institutions], By End-user [Solo Entrepreneurs, Micro Enterprises, Small Enterprises], By Region, Opportunities and Forecast, 2017-2031F

Market Report | 2024-11-27 | 243 pages | Market Xcel - Markets and Data

To place an Order with Scotts International:

- Print this form
- Complete the relevant blank fields and sign
- Send as a scanned email to support@scotts-international.com

ORDER FORM:

Select license	License	Price
	Single User License	\$4500.00
	Muti-User/Corporate Licence	\$5700.00
	Custom Research License	\$8200.00
		VAT
		Total

*Please circle the relevant license option. For any questions please contact support@scotts-international.com or 0048 603 394 346.

** VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

Email*	<input type="text"/>	Phone*	<input type="text"/>
First Name*	<input type="text"/>	Last Name*	<input type="text"/>
Job title*	<input type="text"/>		
Company Name*	<input type="text"/>	EU Vat / Tax ID / NIP number*	<input type="text"/>
Address*	<input type="text"/>	City*	<input type="text"/>
Zip Code*	<input type="text"/>	Country*	<input type="text"/>
		Date	<input type="text" value="2026-03-03"/>

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

Signature

An empty rectangular box with a thin black border, intended for a signature.