



FINANCIAL INCLUSION

Enabling access to
credit in low-
income
communities



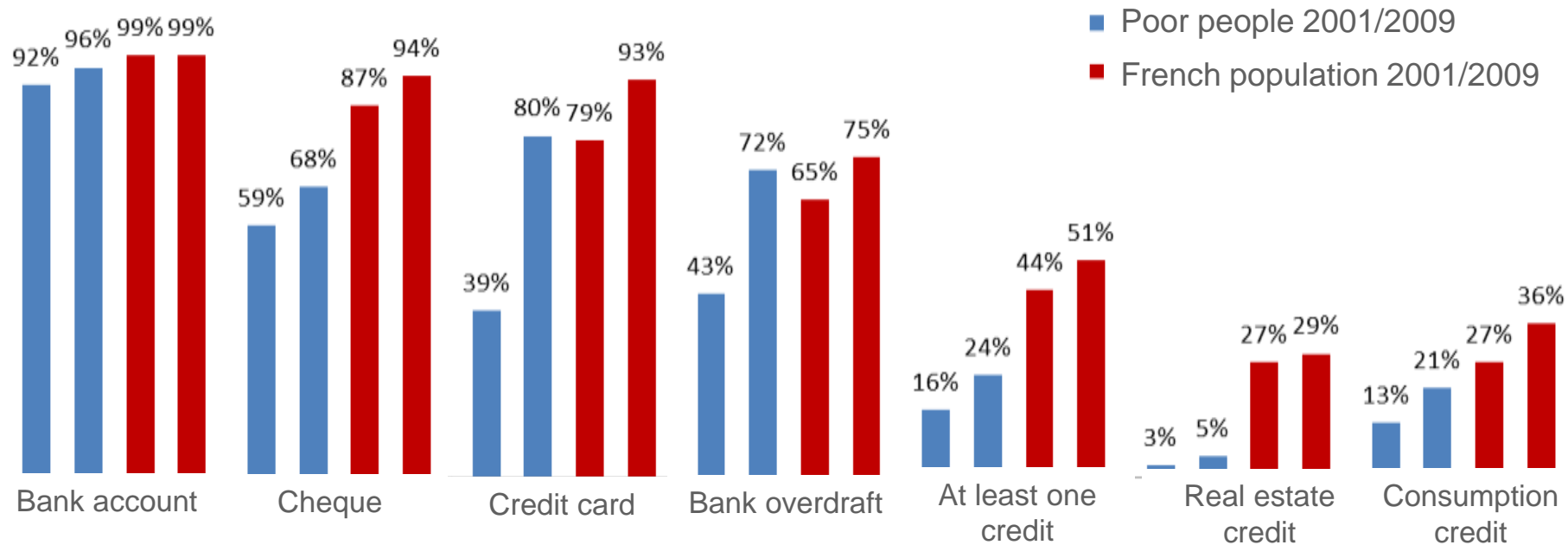
CAISSE D'ÉPARGNE
FEDERATION NATIONALE



 **Secours Catholique**
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Banking access in France

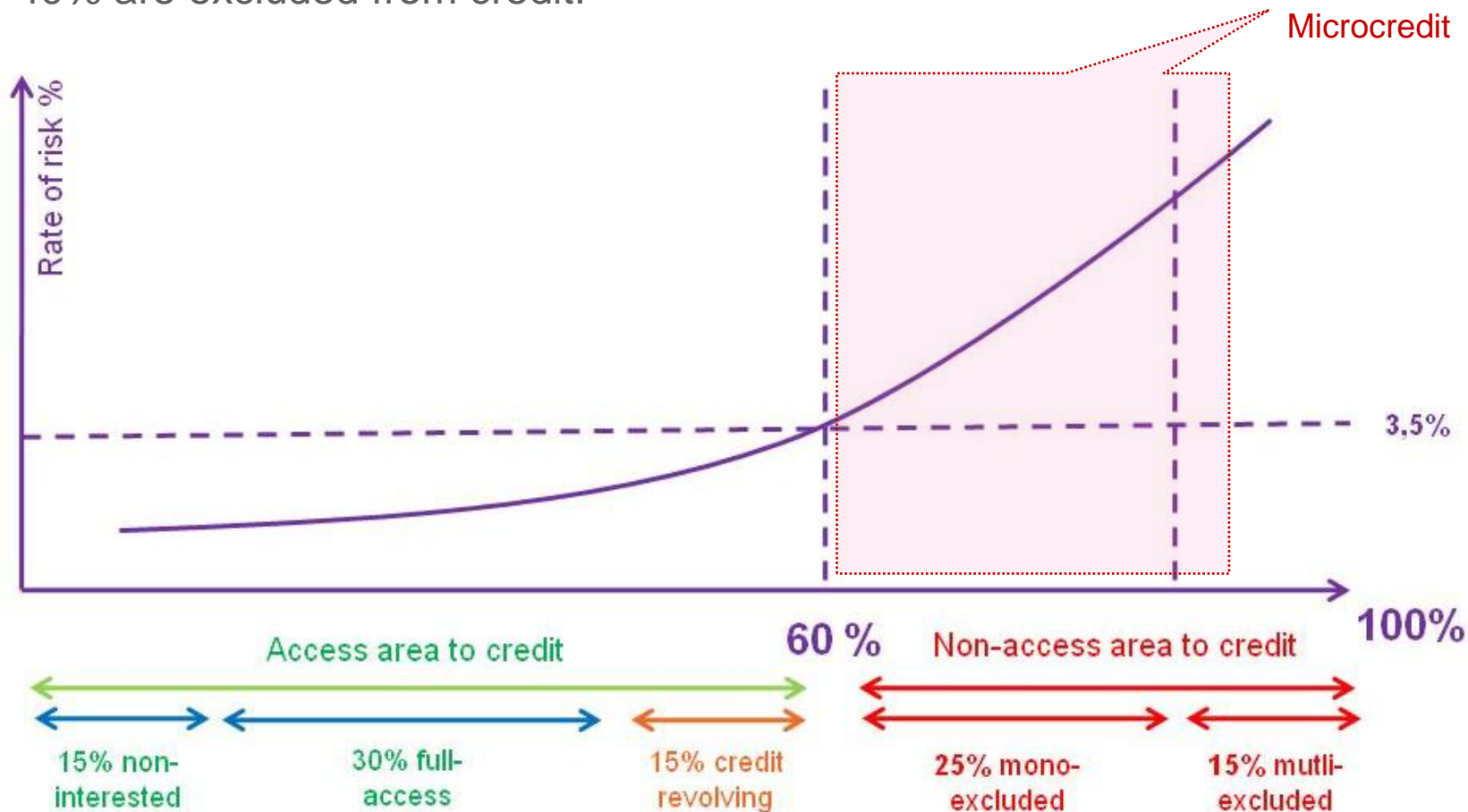


Étude Crédoc 2009



Credit market in France

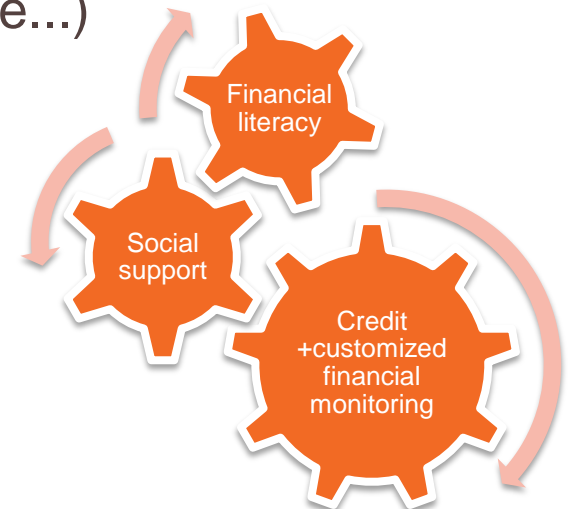
If only 2% of French people don't have a bank account, 40% are excluded from credit.





General overview of personal microcredit

- **Definition** : small loan to people who cannot get it from the banking system and who will be helped to gain or regain control of their personal finances.
- **Targeted groups** :
 - low-income people (people on welfare, working poors)
 - people without credit history (immigrants, young people...)
 - social difficulties (divorce, illness, isolated people, roms...)
 - professional difficulties (unemployment, precariourness...)
 - difficulty to use financial services (illiterate...)
 - people in suburban areas
- **Characteristics of microcredits** :
 - € 300 to 5 000 – 6 to 48 months
 - interest rate defined by each bank
 - 50% public guarantee





Shareholders

Public authority

- Public guarantee fund started in 2005 (FCS)
- National coordination by Caisse des Dépôts

Banks

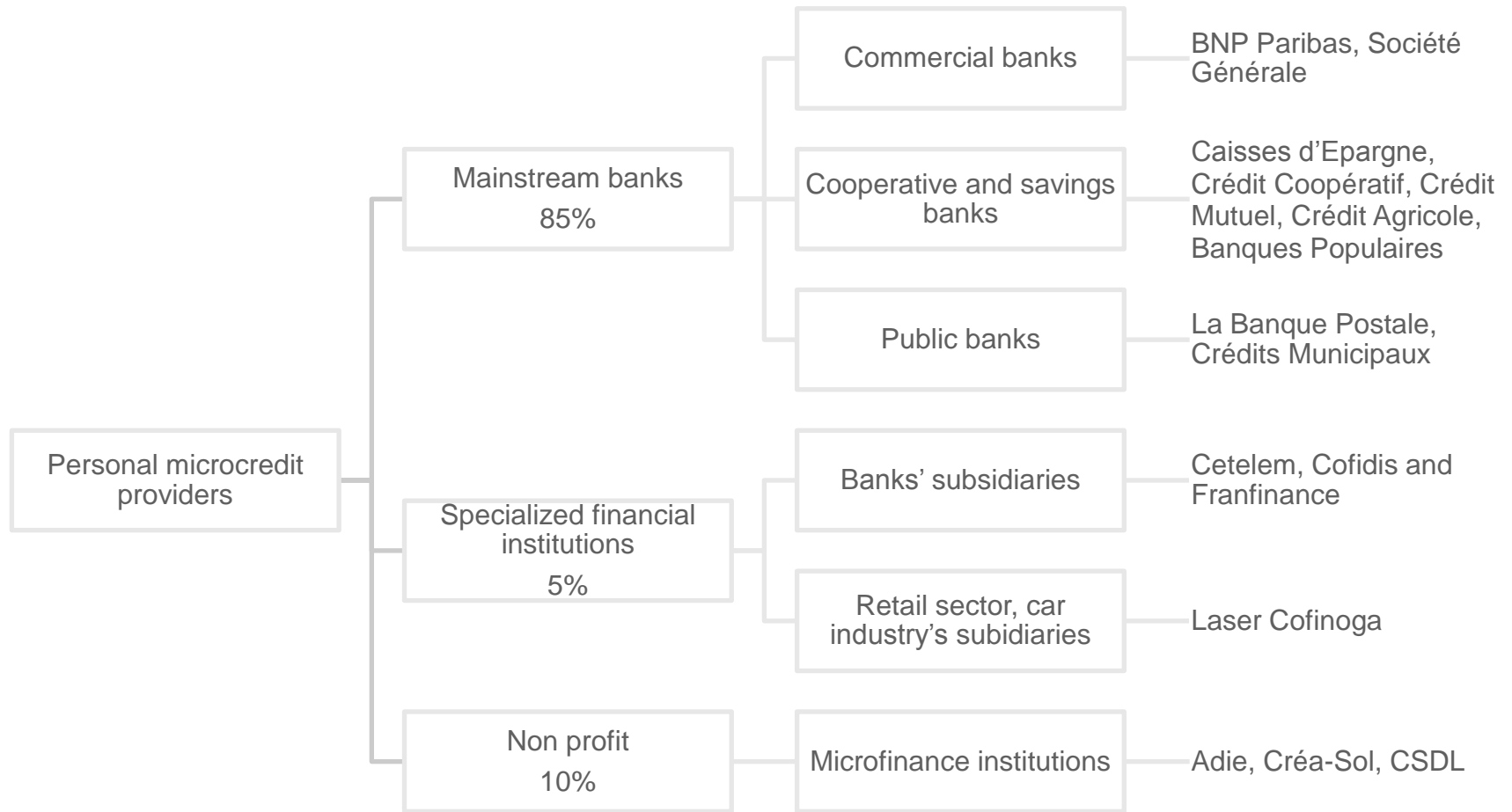
- All French banks involved
- Different practices for some various results

NGOs

- 10 large social and charity organizations
- More than 1,000 local NGOs and social workers

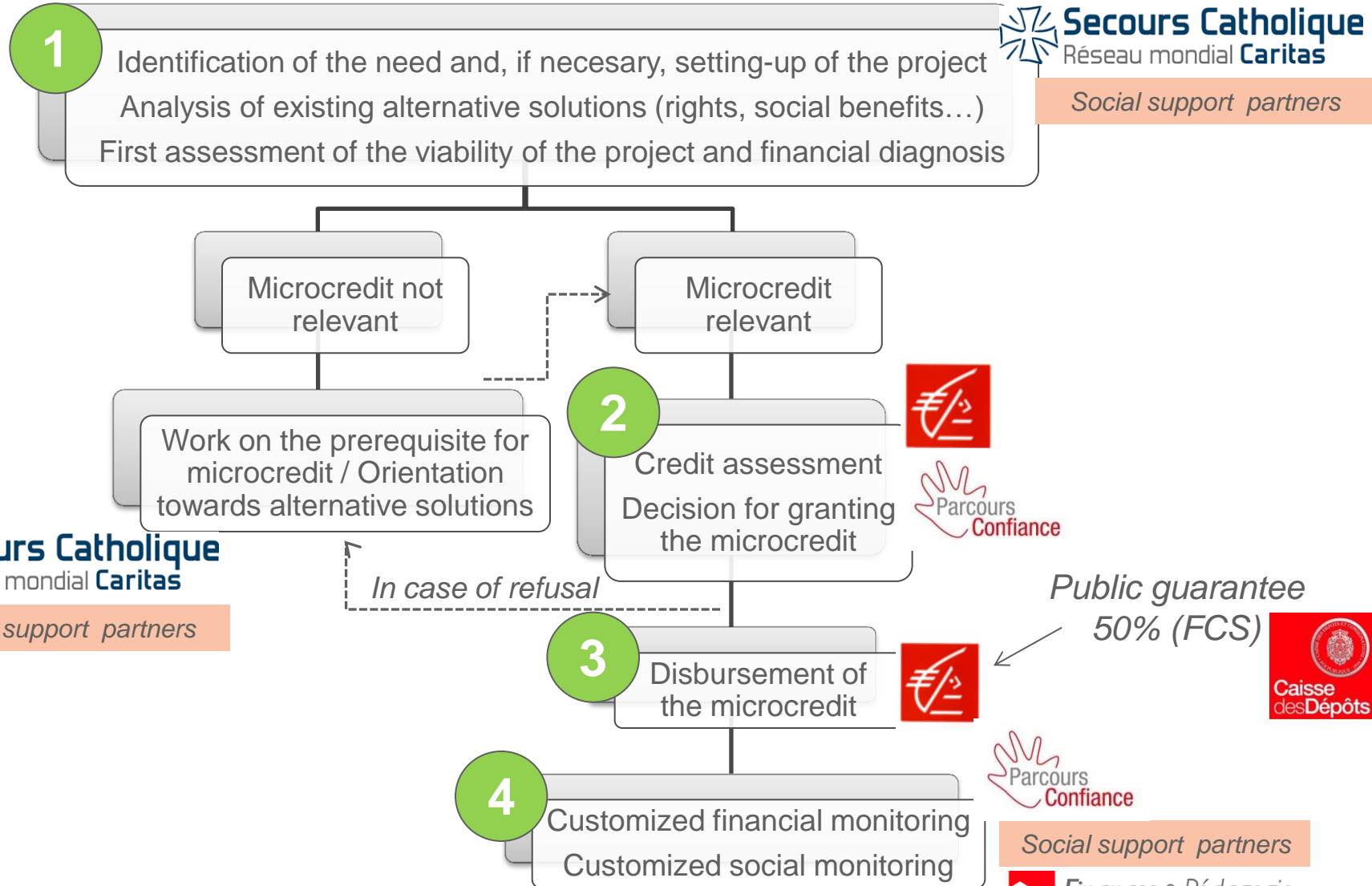


Personal microcredit lenders in France





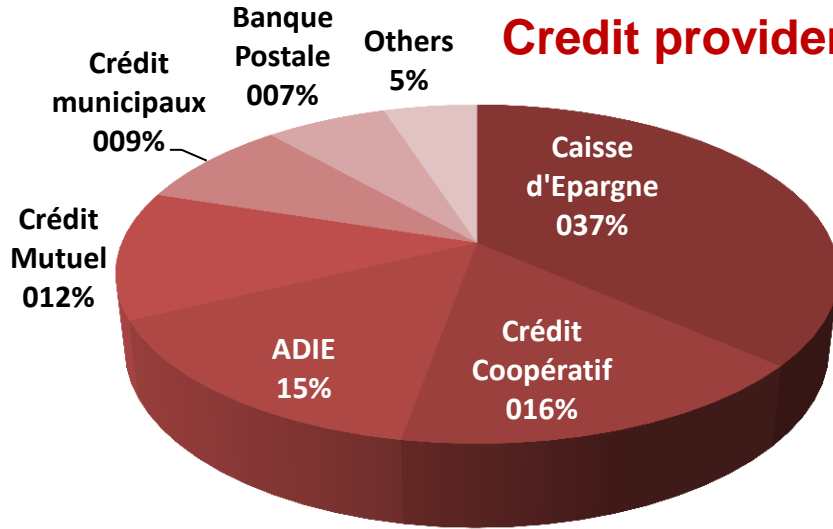
Workflow





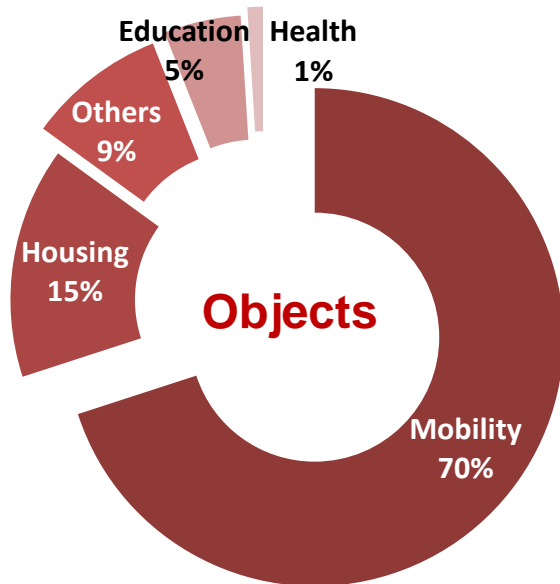
Figures

Credit providers

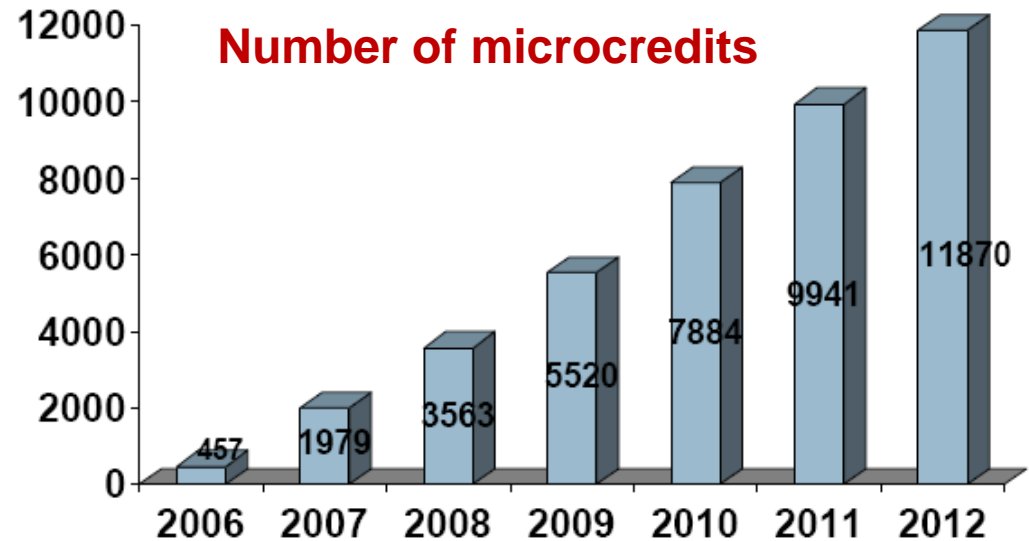


- ❑ An amount of 2 200 € on average
- ❑ A rate of loss about 4%
- ❑ 3 main actors represent 68% of market share

Objects



Number of microcredits





Recent experimentation on fuel poverty

Facts :

- 3.5 million French people report suffering from cold
- 3.8 million spend more than 10% of their budget on energy

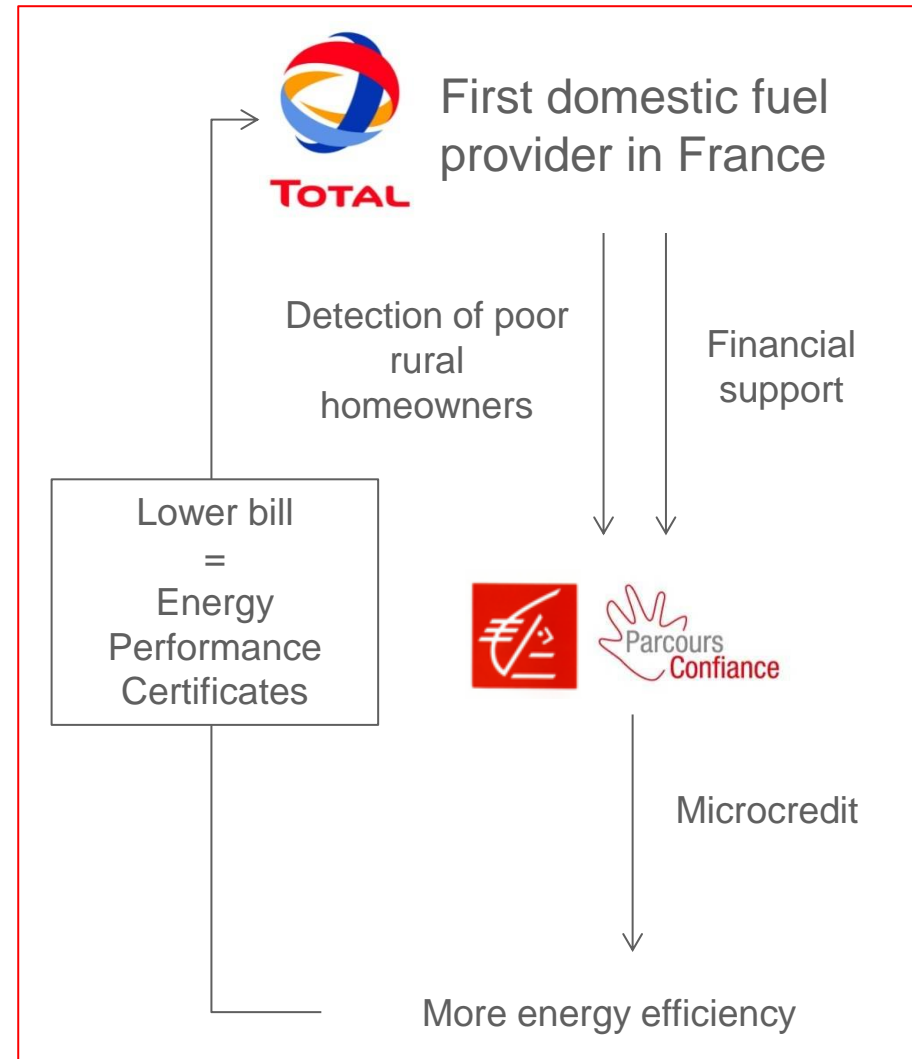
Target : disadvantaged homeowners

Purpose : energy efficiency

- insulation,
- heating,
- repairing...

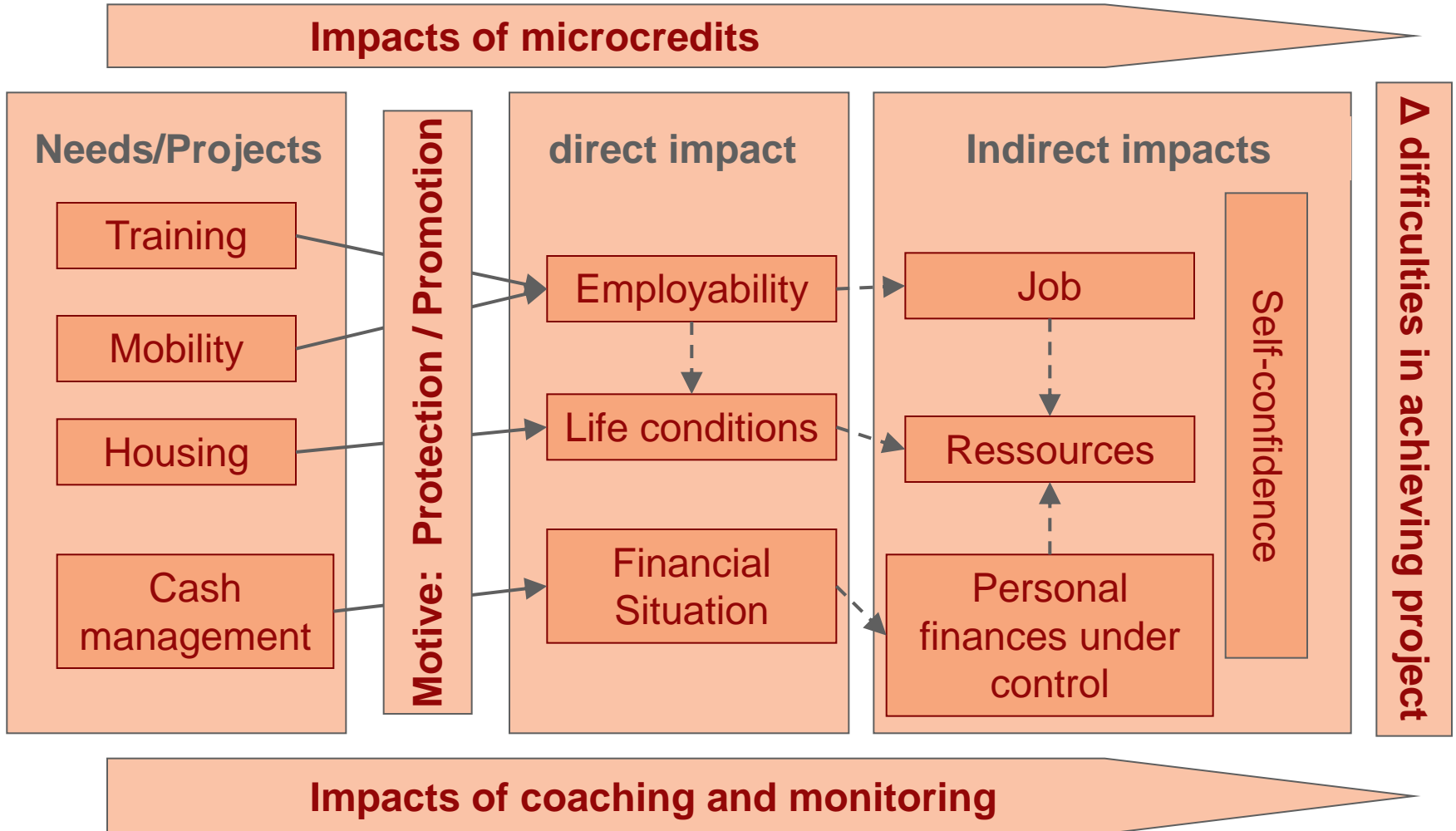
Microcredit :

- 1 000 € to 10 000 €
- 6 to 72 months
- 3% interest rate





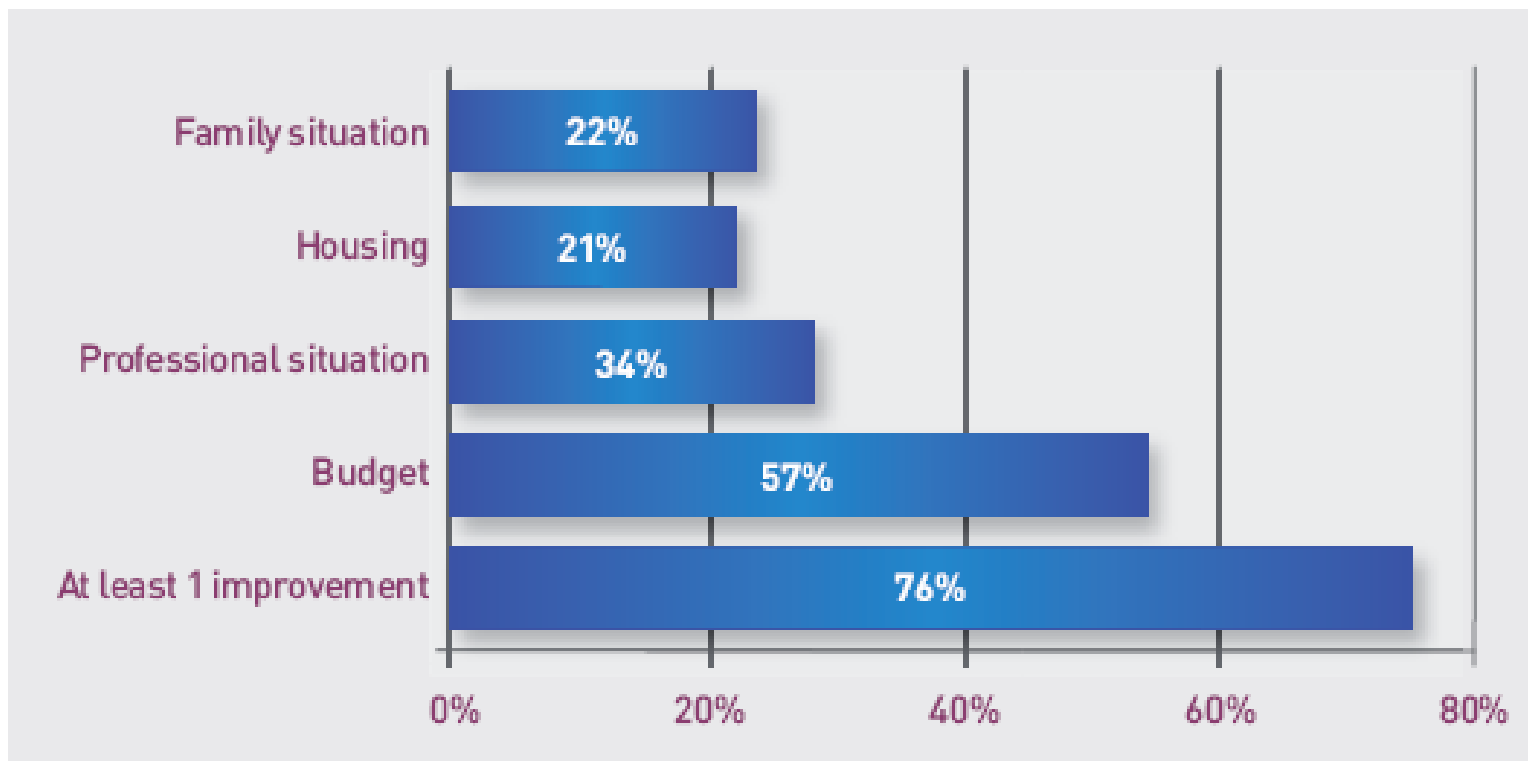
The various impacts of microcredit





Global impacts on borrowers

- At the end, 76% of clients assert having improved their personal situation on at least one aspect (financial situation, housing, professional situation...).

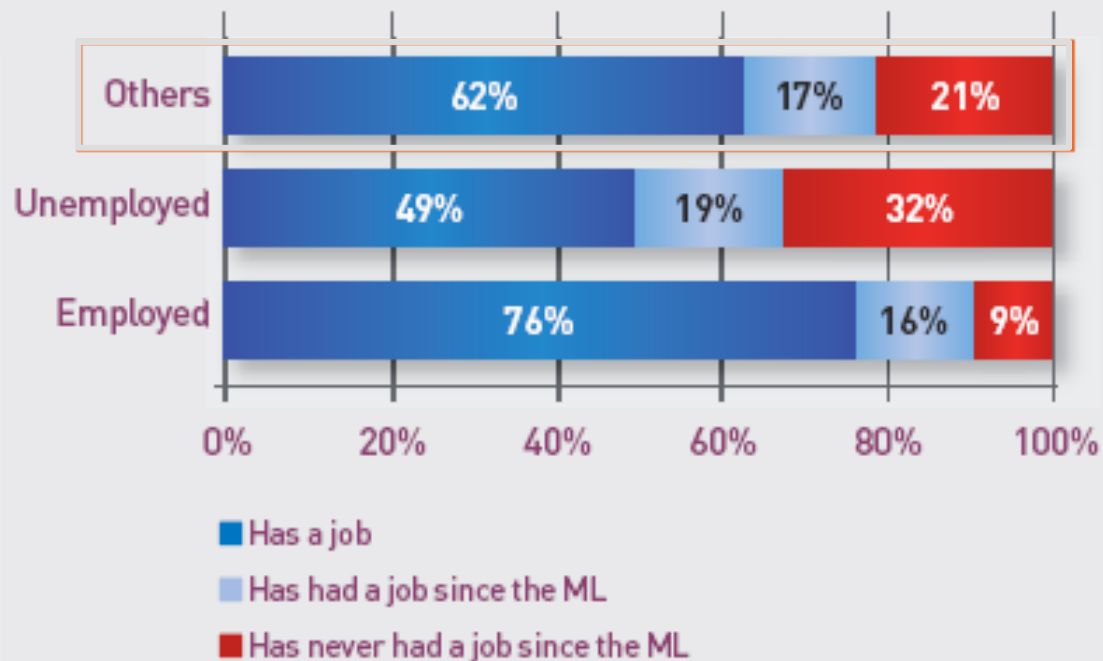
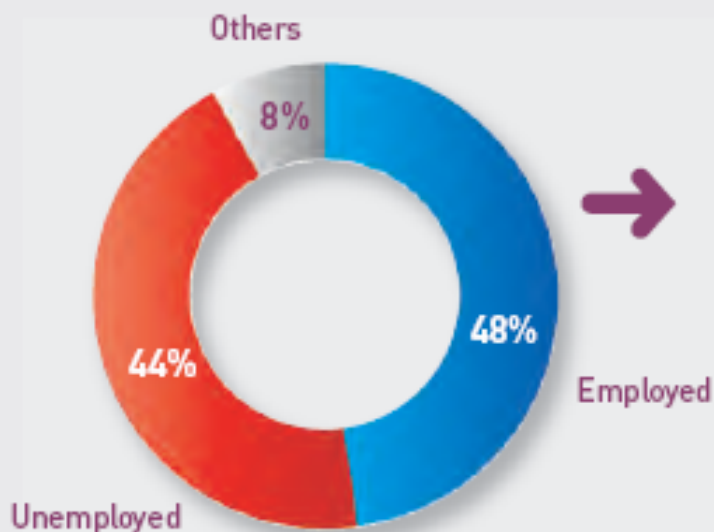




Focus on professional projects

80% of the beneficiaries with a professional project are or have been employed since the microcredit.
Among borrowers who were initially unemployed, half had found work.

Initial employment situation

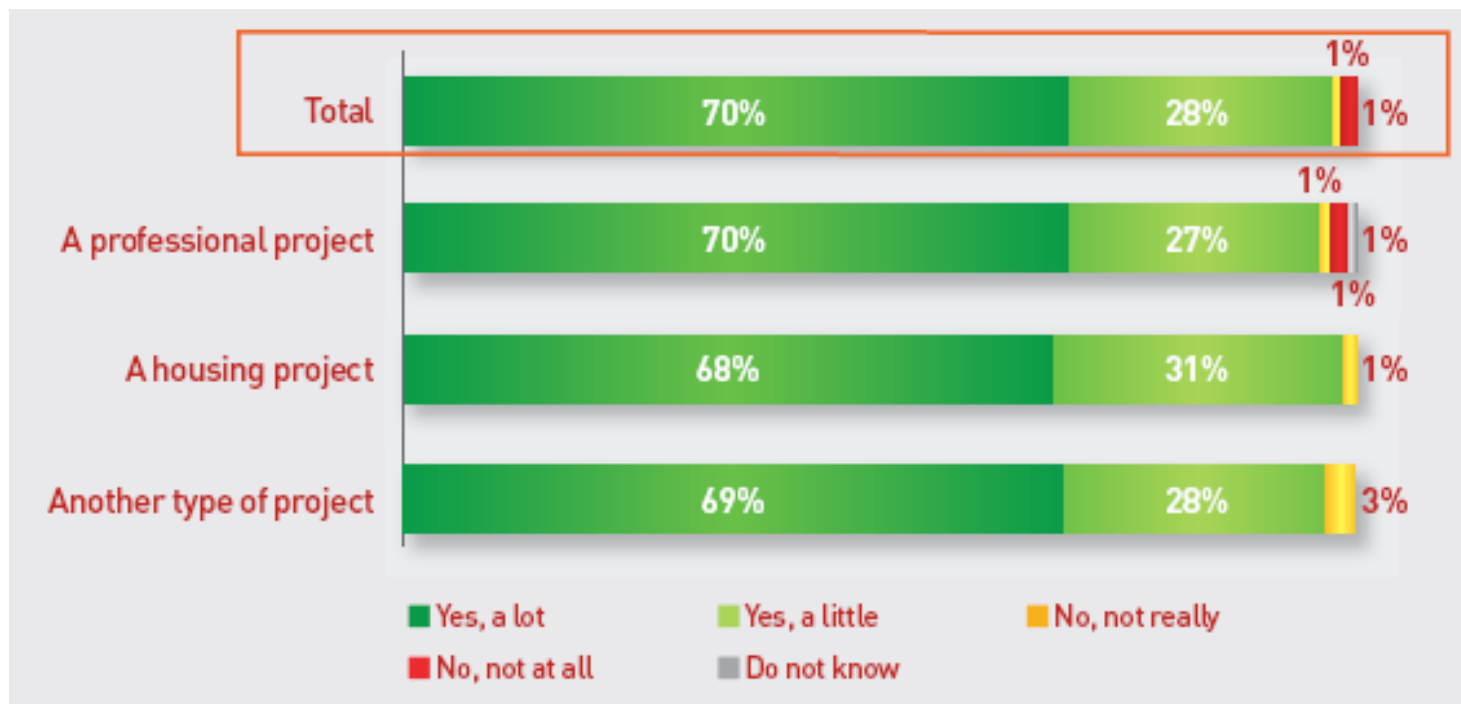




A high satisfaction level

Ultimately, microcredit is hailed with 98% of beneficiaries satisfied
(70% very satisfied)

Q39. On the whole, are you satisfied with using microcredit





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