THE IMPACT OF MICROFINANCE ON REGMIFA'S BORROWERS: INSIGHTS FROM THE 60 DECIBELS MICROFINANCE INDEX 2024

NOVEMBER 2024

regmifA

KEY RESULTS

TABLE 1: 60 DECIBELS MICROFINANCE INDEX – KEY RESULTS

3,393
REGMIFA END-BORROWERS INTERVIEWED

9
COUNTRIES

68%
ACCESSED FINANCE FOR THE FIRST TIME

92%
INCREASED THEIR INCOME

92%
IMPROVED THEIR QUALITY OF LIFE

90%
IMPROVED THEIR ABILITY TO ACHIEVE THEIR FINANCIAL GOALS

84%
AGREED THAT INTEREST RATES, FEES AND PENALTIES ARE EASY TO UNDERSTAND

74%
DID NOT PERCEIVE LOAN REPAYMENT AS A BURDEN

91%
IMPROVED CONFIDENCE IN THEMSELVES

80%
INCREASED SAVINGS

CONTENTS

ABOUT REGMIFA

Founded in 2010, the Regional MSME Investment Fund for Sub-Saharan Africa (REGMIFA) is an investment fund dedicated to promoting economic development in Sub-Saharan Africa. REGMIFA works to build unique public-private partnerships with public institutions, private investors, and African stakeholders to achieve its mission. The strategic goals of the fund are to create employment, generate income and alleviate poverty by supporting micro, small and medium-sized enterprises (MSMEs) and low- and middle-income households (LMIHs).
In 2020, REGMIFA launched a new 10-year strategy, expanding its focus from the microfinance sector to include the small and medium enterprise (SME) sector and to support LMIHs more broadly to improve their quality of life. REGMIFA works towards its goals by lending to financial intermediaries (microfinance institutions, banks, leasing companies, factoring companies, fintech companies, financial holding companies and investment funds) that serve MSMEs and LMIHs.

regmifA

ABOUT THE INVESTMENT MANAGER

Symbiotics Asset Management (SYAM) acts as the Investment Manager of REGMIFA. Symbiotics is a specialist impact asset manager, dedicated to private debt investment in emerging and frontier markets.
SYAM offers investments in emerging and frontier markets focused on impact outcomes, tailoring investment solutions according to client needs, in the form of investment funds and segregated mandates. The Symbiotics Group is a leading market access platform for impact investing, financing MSMEs and LMIHs in emerging and frontier markets. The group offers investment, asset management and capacity building services. SYAM has USD 2.8 billion in assets under management as of end of December 2023.

symbiotics
asset management

ABOUT THIS REPORT

This report was prepared by Tameo Impact Fund Solutions to assess the fund's contribution to its mission and sustainability objectives.
Tameo Impact Fund Solutions SA (Tameo) is a Swiss impact investing specialist serving the financial industry with independent expert solutions. Tameo guides investment funds, managers, and investors through the entire impact investing journey. It offers the most comprehensive online database of impact funds, customized analyses, and independent valuations. Through its research and advisory services, Tameo empowers clients to move towards best-in-class impact measurement & management.

tameo
Impact Fund Solutions

INTRODUCTION

The 60 Decibels Microfinance Index[1] measures and compares impact data from microfinance clients worldwide. Now in its third year, this annual initiative amplifies the voices of microfinance clients on a large scale, allowing financial service providers, investors, and other key stakeholders to better measure, understand, and enhance their impact. By enabling broader social performance comparisons, it aims to drive positive change within financial institutions and across the sector. REGMIFA, together with other 33 organizations, has partnered with the initiative since its launch in 2022.

In its third edition in 2024, the initiative collected data from 36,000 randomly selected microfinance clients across 45 countries from 126 financial institutions. The standardized survey, which includes qualitative and quantitative indicators, was conducted by local researchers in each country. The index assessed investees' social performance across 21 indicators along six dimensions, ranking the performance of each investee by region.

The Microfinance Index includes six key dimensions:

- **Access** assesses how well the financial service provider reaches previously underserved populations, navigates its competitive environment, and meets the needs of lower-income clients.
- **Business impact** shows how the loan is impacting the clients' income and their employees.
- **Household impact** measures the perceived changes in quality of life and how the clients allocate their financial resources to their household.
- **Client protection** assesses to what extent the clients are aware of the loan conditions prior to taking a loan and how their capacity to repay can potentially affect other household expenses; It also ensures clients are treated fairly and are aware of their rights.
- **Resilience** measures how clients anticipate unexpected events and how they manage their finances.
- **Agency** assesses client confidence and decision-making and their progress on achieving financial objectives.

This report is based on data from 12 Partner lending institutions (PLIs) in the REGMIFA portfolio, for which REGMIFA co-financed the data collection. Eight PLIs participated last year and an additional four PLIs joined in this year. This report presents aggregated data from all PLIs that participated in the initiative in the second and third edition, published in 2023 and 2024.[2]

The findings include data from 3,393 end-borrowers in 9 countries.[3] The results of REGMIFA's end-borrowers are compared to the 60 Decibels (60db) regional benchmark for Africa as well as the global benchmark.[4]

---

1 https://60decibels.com/insights/mfi-index-2024/
2 The second wave of interviews took place between November 2022 and June 2023. The third wave between January to September 2024.
3 The PLIs are located in Nigeria, Mozambique, Tanzania, Burkina Faso, Ivory Coast, Benin, Kenya, Uganda and Mali.
4 The global benchmark includes data from 261 Microfinance Institutions and 128,242 clients. The regional benchmark includes 92 PLIs and 57,179 clients based in Africa

COMPARISON TO BENCHMARKS[5]

TABLE 2: REGMIFA SAMPLE AND 60 DECIBELS BENCHMARK

	REGMIFA sample	60db Africa benchmark	60db global benchmark
Access			
First-time access	**68%**	66%	58%
No access to alternatives	46%	60%	52%
Equitable access[6]	0.45	0.60	0.62
Business impact			
Business income very much increased	**43%**	39%	25%
Employment increased	**27%**	22%	10%
Household impact			
Quality of life very much improved	**48%**	45%	34%
Home improvement spending very much increased	**30%**	25%	15%
Child education spending very much increased	27%	30%	17%
Ability to access healthcare very much increased	**22%**	17%	7%
Number and quality of meals very much increased	**30%**	28%	15%
Client protection			
Strongly agree that MFI fees, interest rates and penalties are easy to understand	60%	69%	69%
Amount of time spent worrying about finances very much decreased	**32%**	29%	18%
Never had to reduce food consumption due to loan repayments	81%	83%	86%
Never had an unexpected charge or fee	92%	91%	95%
Loan repayments not considered a burden	74%	77%	76%
Awareness of rights	52%	52%	50%

5 For more information on each indicator please see the appendix.

6 The equitable access is measured through the inclusivity ratio which is a metric developed by 60 Decibels to estimate the degree to which an organization is reaching less well-off customers using World Bank national poverty lines of wealth quintile estimations (>1 over-serving less well-off customers, <1 under-serving less well-off customers).

Resilience			
Ability to manage finances very much improved	**47%**	45%	27%
Savings very much increased	**31%**	28%	15%
Very difficult to come up with money for an emergency	**3%**	4%	7%
Ability to face major expenses very much improved	**37%**	34%	21%
Agency			
Ability to achieve financial goals very much improved	**40%**	36%	28%
Confidence in self-abilities very much increased	54%	56%	36%
Ability to make decisions about money very much improved	**44%**	44%	25%
Client profile			
% women	42%	54%	60%
Average age	43	43	42
Sample			
Number of respondents	3,393	57,179	128,242
Number of PLIs	12	92	261
Number of countries	9	25	59

Financial services play a critical role in helping people build resilience against financial shocks caused by climate events, health crises, and other unexpected challenges. By offering access to financial tools such as savings accounts, insurance, and credit, individuals can better manage risks, protect their livelihoods, and recover more swiftly from disruptions. REGMIFA's PLIs exemplify this impact, with end-borrowers outperforming the benchmark in a majority of indicators. Borrowers reported significant improvements in managing personal finances, increasing savings, and handling emergencies more effectively. These outcomes demonstrate that access to financial services not only helps individuals navigate day-to-day challenges, but also strengthens their ability to cope with major expenses and financial shocks, thereby reinforcing their long-term financial stability.

As illustrated by the testimony of Grace and Mercy, the MFI Index results enable both investors and institutions to assess their alignment with their mission, identify areas for improvement, and gain deeper insights into their clients' needs and challenges. This understanding helps them better serve their clients by offering services and products that more effectively meet those needs.

In most dimensions, including business impact, household impact, and resilience, REGMIFA's PLIs exceeded both the 60db global benchmark and the regional benchmark. This suggests that end borrowers benefit positively from the loans provided by their PLIs. Specifically, in terms of business and household impact, end borrowers have reported increases in business income and the number of employees hired. More importantly, they have noted improvements in their quality of life as a result of the loans from the institution, as well as an increased capacity to spend on household expenses such as health, food, and home improvements.

Meanwhile, there is room for improvement in meeting client protection benchmarks, as REGMIFA's PLIs' performance is slightly below global and regional standards. This assessment emphasizes the importance of PLIs having effective communication channels, transparency, and thorough repayment capacity assessments. Consequently, REGMIFA collaborates closely with its PLIs by proposing action plans when necessary and offering technical assistance to strengthen PLIs' client protection practices and ensure better outcomes for end borrowers. Additionally, the investment team at Symbiotics reviews the results of each PLI and engages with them during the due diligence process every year to discuss the findings, especially in terms of client protection. This proactive approach is aimed at enhancing client protection and minimizing the incidence of clients experiencing any negative impacts as a result of microfinance services.

It's important to note that the benchmark results presented in Table 2 only include respondents who answered "very much increased" or "very much improved". Responses indicating "slightly improved" or "slightly increased" are not considered in the benchmark. This approach aligns with the methodology presented in the 60 Decibels MFI Index Report and ensures that the results are not skewed. However, in the broader context of the report, both substantial and minor changes are taken into account unless explicitly stated otherwise.

Moreover, while the data spans two years, it does not involve interviews with the same clients from the previous year and 2024. Consequently, there is no consistent sample, making it challenging to definitively conclude that there have been improvements over time. Additionally, one significant factor contributing to the improved performance of this year's sample is the inclusion of four new institutions, one of which is recognized as a top performer in the global index.

UNLOCKING INSIGHTS: HOW REGMIFA'S PORTFOLIO LEVERAGES MFI INDEX DATA?

Grace and Mercy Household Improvement Initiative (Grace and Mercy), a PLI in REGMIFA's portfolio, participated in the MFI Index initiative. Founded in 2012, this Nigerian Non-Governmental Organization Microfinance Institution focuses on providing financial opportunities to the poor and low-income earners, helping them escape poverty through consistent and appropriate injections of small funds into their businesses. REGMIFA reached out to understand how the institution uses the results from the MFI Index.

> ***"We strive to be a best practice institution, therefore, constant measurement of the perception of the people we serve is important for us as we plan our interventions to meet the needs of our ever-changing clients."***
> *Omolara Tayo, Grace and Mercy, Executive director.*

Grace and Mercy recently shared with the REGMIFA team their insights gained from the MFI Index. The initiative has provided them with a deeper understanding of how their institution is progressing towards its mission of offering accessible financial services to the poor, excluded, and disadvantaged.

"The reason for the existence of Grace and Mercy Households Improvement Initiative is to reduce poverty at the household level, therefore it is the interest of the Trustees and Board to continue to see ways and means to measure how the activities of Grace and Mercy have impacted the targeted families who are among the poorest in our society," they remarked.

The data, collected through an independent survey, has been instrumental in helping management grasp how clients perceive their interactions and identify areas for improvement from an unbiased information source. Their focus on household poverty reduction is evident in the business impact, household impact, and resilience metrics, which are key performance indicators. The institution emphasized that continuously measuring the perceptions of the people they serve is crucial for planning effective interventions to meet the evolving needs of their clients.

Omolara Tayo, Executive Director of Grace and Mercy, highlighted that the MFI Index results are presented to the Trustees and Board, showcasing their performance to partners and boosting investor confidence. The index serves as a benchmark, allowing comparisons with similar institutions both locally and internationally, as they strive to be a best practice institution.

“For Grace and Mercy, the MFI Index results have shaped our strategic planning for the coming years, leading to positive changes. As a learning organization, we have also learned new ways of relating with our clients. We now understand more about our clients’ needs, their perception of our services, and the breadth and depth of the products we offer.” This understanding has led to enhanced training programs for staff at various levels, resulting in a sense of accomplishment and motivation among staff members to further assist their low-income clients.

Grace and Mercy are eager to continue participating in the MFI Index. They value the unique, unbiased assessment of their clients’ feelings that the MFI Index provides. This helps ensure they stay true to their mission while adapting to the needs of their clients and their changing environments.

RESULTS BY DIMENSION

RESULTS BY DIMENSION

1. ACCESS

68% of borrowers obtained loans from their PLIs for the first time, while 46% reported struggling to find good alternatives (Figure 1). This denotes the impact of REGMIFA's PLIs in Sub-Saharan Africa, where, according to the Global Findex data, 45% of the population in the region remains unbanked.

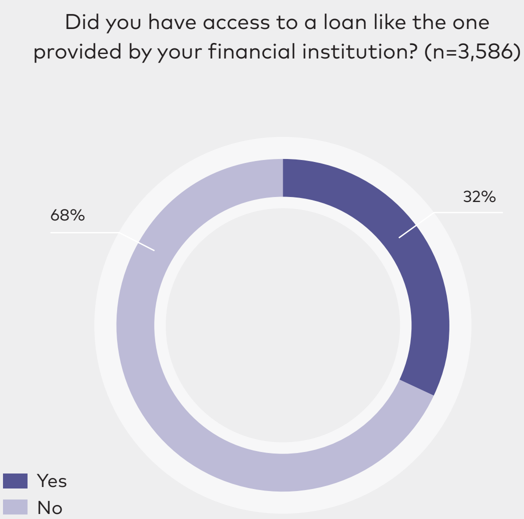
> ***"My life has improved a lot because with the loan I took, I was able to renovate my store and increase the products. Right now, my business is having a lot of income and a lot of profit. With the profit money I can cover my household expenses, pay the rent for my house and I also have money to cover my family's healthcare expenses. So, my life has improved a lot because previously, before I had a loan from [MFI], it was very difficult for me to get money."***

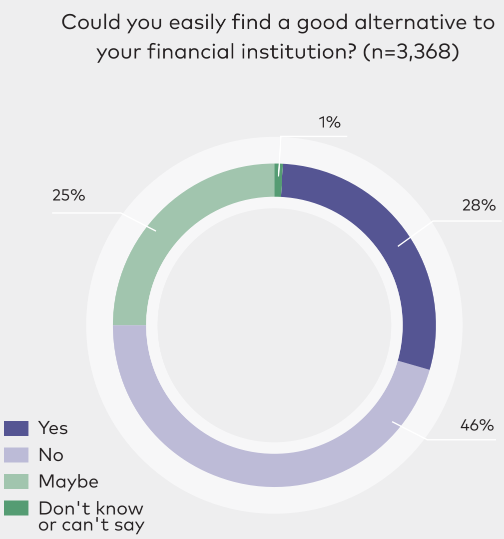
These findings suggest that REGMIFA's PLIs participating in the survey primarily serve populations that might otherwise lack access to suitable financial options. Without these institutions, many individuals could be forced to resort to informal, costly and riskier methods to meet their financial needs. This is especially evident in countries like Tanzania, Burkina Faso, and Mali, where a significant proportion of end-clients, averaging 76%, reported not having prior financial access. In these countries, average account ownership is particularly low, with only 43% of the population having access to a bank account.

Similarly, when end borrowers were asked about their access to good alternatives, the participating PLIs from REGMIFA in Nigeria (65%) and Tanzania (67%) exceeded the regional benchmark of 60%. The survey results also revealed a disparity between group and individual loan recipients: group loan recipients had significantly fewer alternative financing options compared to individual loan recipients (14% vs. 33%). This underscores the importance of group loans in financial inclusion and suggests that group loan recipients are more financially vulnerable or have less access to diverse financial resources.

Moreover, the data reveals a gender gap in financial accessibility. Women are more likely to report a lack of access to good financial alternatives compared to men (54% vs. 40%) indicating that women face more significant barriers in finding suitable financing options, underscoring the need for targeted financial inclusion strategies to bridge this gap.

FIGURE 1: ACCESS TO FINANCE AND GOOD ALTERNATIVES





RESULTS BY DIMENSION

2. BUSINESS IMPACT

Interviews with clients reveal that the vast majority (85%) utilized their loans to support established businesses, while 10% direct their funds toward launching new ones. The primary loan use, mentioned by 65% of clients, is inventory procurement, indicating that REGMIFA's typical borrowers operate microenterprises with rapid inventory cycles.

> ***"I have been successful enough to raise my business after taking a loan and this has helped my income to increase until I was able to build and now I live on my own"***

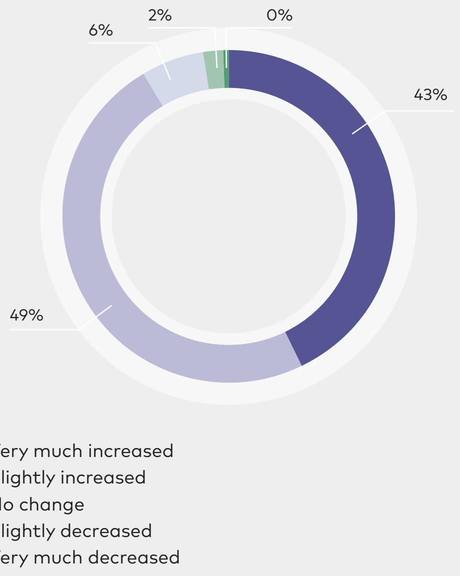
Gender-based data analysis highlights notable differences in loan utilization and financial strategies. Women borrowers are primarily focused on inventory acquisition for their micro-businesses and typically hold smaller loans, averaging USD 1,435. Conversely, men generally obtain larger loans, averaging USD 8,491, to invest in machinery and farming supplies. These patterns suggest distinct gendered business models and financial needs, with women focusing on inventory-based businesses while men channel resources into fixed assets. This underscores the need for tailored financial solutions that address the diverse strategic approaches.

When asked about changes in their income due to the loan acquired through their PLI, 92% of the end-borrowers reported an increase, either slightly (49%) or significantly (43%), while 6% indicated no change and 2% experienced a decrease in income (Figure 2).

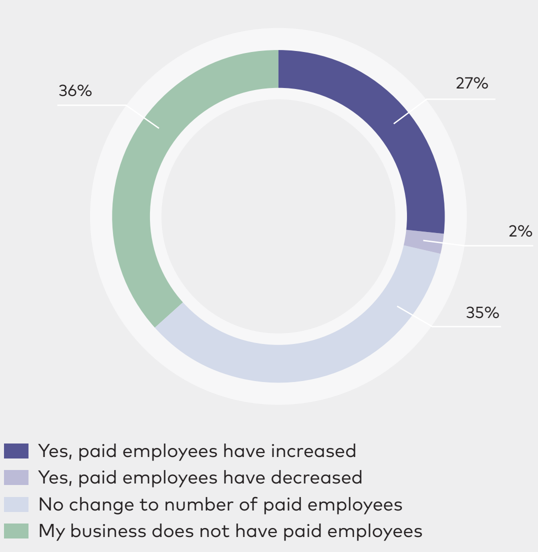
The percentage of REGMIFA's end-borrowers reporting a very high increase in income (43%) is considerably greater than the global benchmark of 25%. This income growth can be associated with a rise in employment, as 27% of respondents indicated adding paid employees, surpassing the African benchmark of 22% and significantly exceeding the global benchmark of 10%. However, gender differences were notable: women reported a lower increase in employees compared to men (18% vs. 33%). Finally, 37% of respondents indicated they had no paid employees, reflecting diverse employment dynamics among REGMIFA's borrowers. There again, we noted gender differences as women were more likely to report having no paid employees (50% vs. 26% for men).

FIGURE 2: BUSINESS IMPACT – INCOME AND EMPLOYMENT

Has the money you earn from your business changed because of your financial institution? (n=3,154)



Has the number of paid employees working for your business changed because of your financial institution? (n=3,153)



RESULTS BY DIMENSION

3. HOUSEHOLD IMPACT

Respondents also reported on how loans impacted various aspects of household well-being, including overall quality of life, spending on food, education, household improvements, medical check-ups, and financial goals. These aspects illustrate how access to microfinance uplifts a borrower's household.

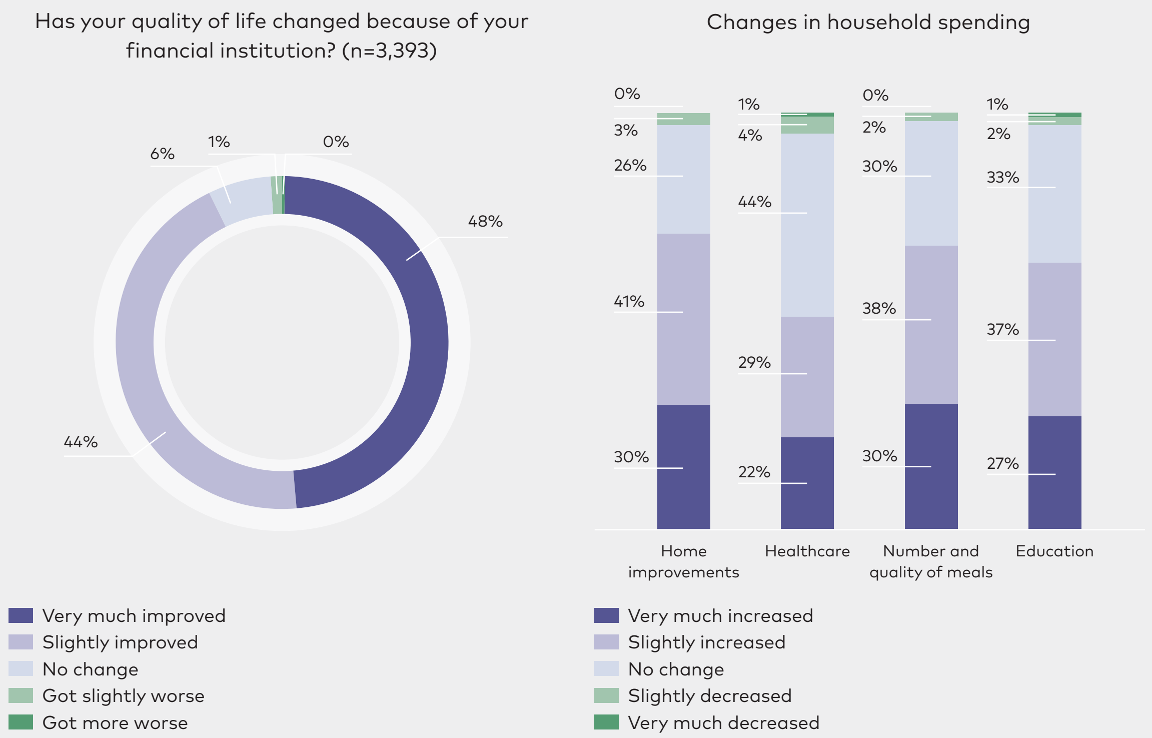
> ***"I have been taking loans from [MFI] almost ten times and since the first time, I have been making progress. I constructed a house and roofed it with iron sheets, I bought a sewing machine and now I have other incomes generating activities like the sewing machine. I have also bought a motorcycle which is a bodaboda. In fact, I have made huge steps, and I thank God so much."***

Measuring perceived changes in quality of life for microfinance borrowers helps assess the impact and effectiveness of microfinance products and services. On average, 48% of respondents in the sample indicated that their quality of life very much improved, and 44% experienced a slight improvement (Figure 3). This is both higher than the African benchmark (45%) and the global benchmark (34%). Only 6% of the sample declared that their quality of life had not changed, and 1% indicated a decrease in quality of life.

For this indicator, half of the PLIs in the sample outperformed the global benchmark with over 45% of their clients reporting a significant improvement in their quality of life. Notably, end borrowers in Burkina Faso, Ivory Coast, and Nigeria reported even greater gains, with an average of 59% indicating significant improvements.

71% of end-borrowers reported an increase in home improvements (Figure 3). Additionally, 68% indicated improvements in both the number and quality of meals. In terms of education, 64% of the respondents reported that their spending on schooling increased thanks to the support from the PLI and 51% reported more frequent healthcare visits. Overall, the outcomes in this dimension significantly surpass the global benchmark and meet or surpass the African benchmark.

FIGURE 3: CHANGES IN QUALITY OF LIFE AND HOUSEHOLD SPENDING



RESULTS BY DIMENSION

4. CLIENT PROTECTION

Asking clients about their understanding of their loan interest rates and conditions is essential to assess the transparency and effectiveness of the institution's communication with clients, ensuring that they are fully informed about associated costs and protected against over-indebtedness. These questions also provide insights into clients' financial literacy, identifying areas where additional education may be necessary. Additionally, analyzing client responses provides valuable feedback for the PLI, helping to enhance its communication strategies and product offerings. REGMIFA supports these improvements through technical assistance when necessary, ultimately fostering better client outcomes and a more sustainable operation.

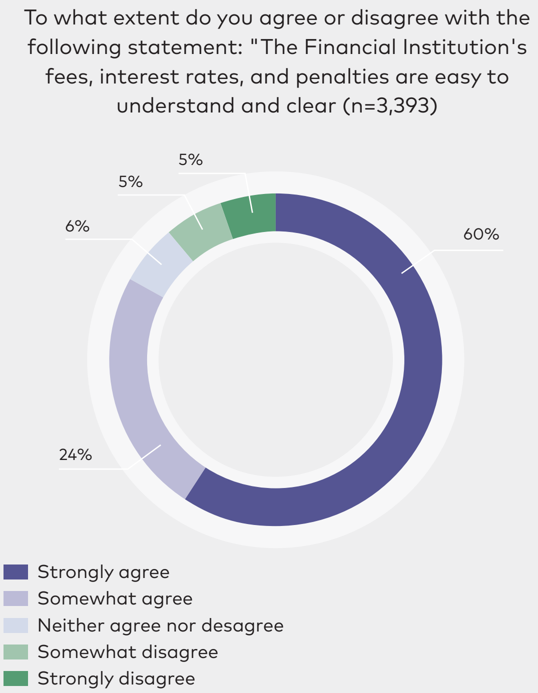
> ***"Personally, what I liked about [MFI] is that they are attentive and also if you need ideas related to loans and business they direct you, and they also make clear the terms of their loan and if you follow the terms then they are not bothersome, they give the loan on time and give you enough time to make returns, something that helps us so much for us small entrepreneurs."***

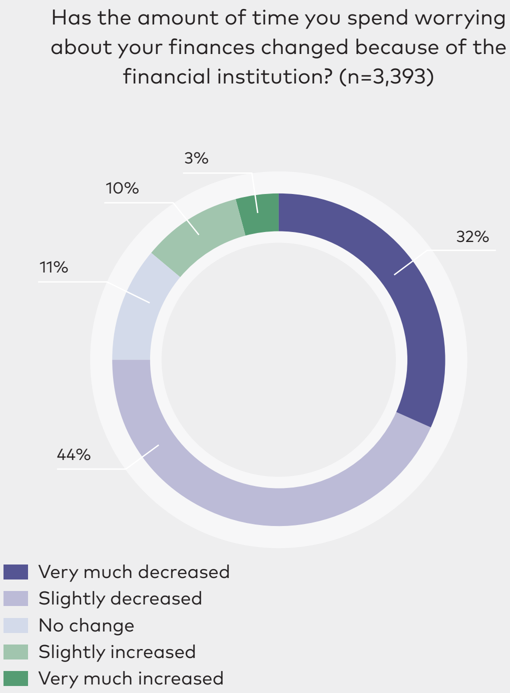
Approximately 84% of end-borrowers either strongly or somewhat agreed that fees, interest rates, and penalties were easy to understand, while 10% disagreed (see Figure 4). Notably, half of REGMIFA's PLIs outperformed the African benchmark, with more than 70% of their clients strongly agreeing with this statement. Clients with group loans are significantly more likely to express agreement, with 93% indicating so, compared to 81% of clients with individual loans. This higher level of agreement among group loan clients may stem from the collaborative nature of group settings, where peer discussions help clarify doubts and loan terms foster overall comprehension. Additionally, financial literacy sessions provided in some group loan methodologies further enhance clients' comprehension of the loan process, contributing to the higher level of agreement.

When asked if they knew how to report harassment or unfair treatment by financial institution representatives, only half of the clients responded affirmatively. Meanwhile, 38% did not know where to report such behavior, and 10% knew how to report but would be hesitant to do so. This highlights the need for financial institutions to improve the visibility of their complaint mechanisms. Clear communication of reporting options through multiple channels, a simplified process, and regular reminders of clients' rights can help improve accessibility to complaint mechanisms.

Accessible reporting channels ensure that issues are addressed promptly, preventing possible misconduct and protecting clients more effectively. They also hold financial institutions accountable, promoting a culture of transparency and trust. Interestingly, nearly 90% of those unaware of the reporting process still reported an improved quality of life, 80% found loan conditions clear, 92% never experienced unexpected charges, and 71% had no issues with loan repayment. These findings suggest that while the visibility of the complaint mechanisms can improve, many clients continue to have positive experiences with their financial institutions.

FIGURE 4: CLIENT PROTECTION – LOAN UNDERSTANDING AND FINANCIAL STRESS



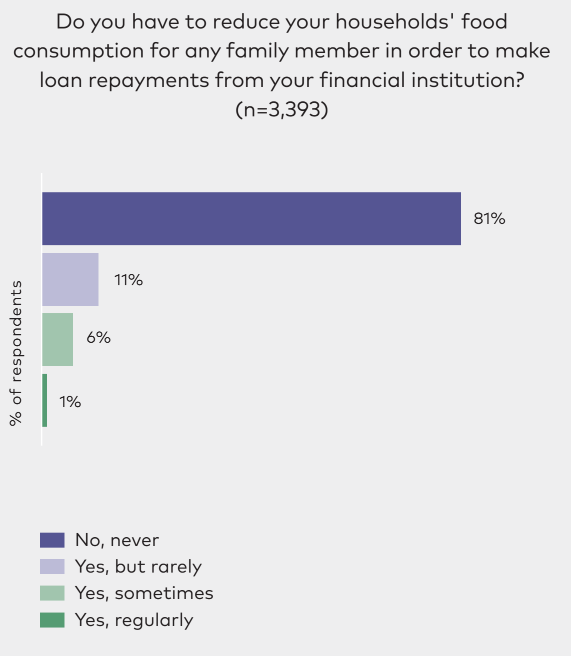


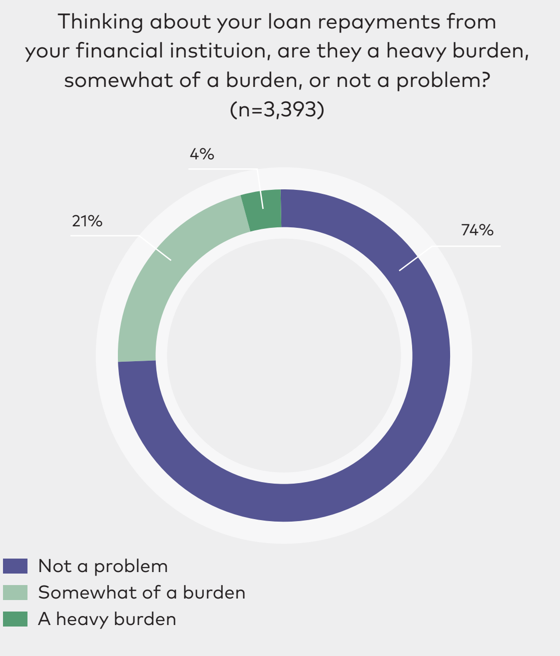
When assessing financial stress, 32% of respondents reported a significant drop in finance-related stress, well above the global average of 18% and the regional average of 29%. Women seem to benefit more, with nearly 80% of them experiencing less stress, compared to 73% of men. The loan type also influences stress levels: clients with group loans are notably less stressed, with 92% reporting a decrease, compared to 74% of individual loans clients. This outcome may be attributed to the structure of group loans, which distribute risk among members and provide a shared safety net.

Respondents were also asked if loan repayments were a burden. Notably, 74% indicated that loan repayment was not a problem, slightly below the global benchmark of 76% and the regional benchmark of 77%. However, 4% of borrowers reported that their loan was a heavy burden.

Another key indicator of financial stress is whether clients have had to reduce their household's food consumption to meet loan repayments (Figure 5). On average, 81% of respondents mentioned that they have never had to compromise their food consumption for loan repayments. About 11% adjusted their food habits occasionally, 6% sometimes, and 1% regularly. Among those who altered their food consumption, 46% still reported an improved quality of life and positive overall outcomes. However, these clients often lacked clear understanding of the PLI's fees, interest rates, and penalties, and considered the loan a heavy burden. Conversely, clients who maintained food stability generally had a better grasp of loan terms. This suggests that effective communication on loan conditions can significantly impact clients' well-being, financial stress, and their overall relationship with the institution.

FIGURE 5: CLIENT PROTECTION – REDUCED FOOD CONSUMPTION AND REPAYMENT BURDEN





Responses to this set of questions provide valuable insights into the loans' impact on clients' well-being and economic resilience, helping to identify those who are struggling the most. This information enables PLIs to provide support services, such as financial literacy programs or more flexible repayment options. Additionally, the investment team at Symbiotics conducts an annual review of each PLI's results and engages with them to strengthen client protection efforts, aiming to enhance safeguards and minimize negative impacts from microfinance services.

RESULTS BY DIMENSION

5. RESILIENCE

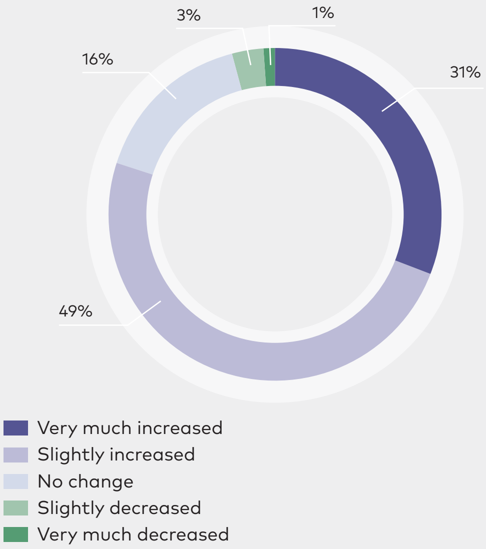
Understanding clients' ability to withstand financial shocks enables financial institutions to design products that better meet their needs, enhancing product effectiveness and managing risks associated with loan defaults. This assessment helps track investment performance and ensures alignment with impact goals and contribution to meaningful social outcomes, such as improved financial stability and, ultimately, better livelihoods for end clients.

> ***"Today, I manage to take loans regularly and buy everything I need. My savings have increased. At home I don't worry about what to eat and I can deal with all kinds of contingencies and emergencies."***

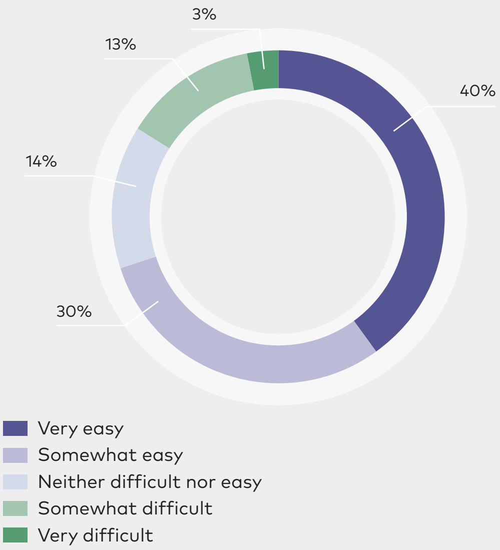
90% of end-borrowers reported an improvement in their ability to manage their finances, while 8% indicated no change and 1% reporting a decline. Additionally, 80% of end-borrowers noted an increase in savings due to the services they receive from PLIs (Figure 6).

FIGURE 6: RESILIENCE - SAVINGS AND UNEXPECTED EMERGENCY

Has you your savings changed because of your financial institution? (n=3,393)



Imagine that tomorrow you have an unexpected emergency and need to come up with [1/20 gross national income per capita in local currency] within the next month. How easy or difficult would it be to come up with this money? (n=3,392)



When asked about their ability to secure sufficient funds for an emergency within the next month, 70% of end-borrowers reported ease, while 16% found it difficult. Clients with group loans particularly benefited, with 81% finding it easy to gather funds, compared to 66% of individual loans clients.

In terms of coping with major expenses, 37% of end-borrowers reported significant improvement, attributed to the support provided by their PLI. PLIs in REGMIFA's portfolio outperformed both the global and regional benchmarks, 21% and 34% respectively.

RESULTS BY DIMENSION

6. AGENCY

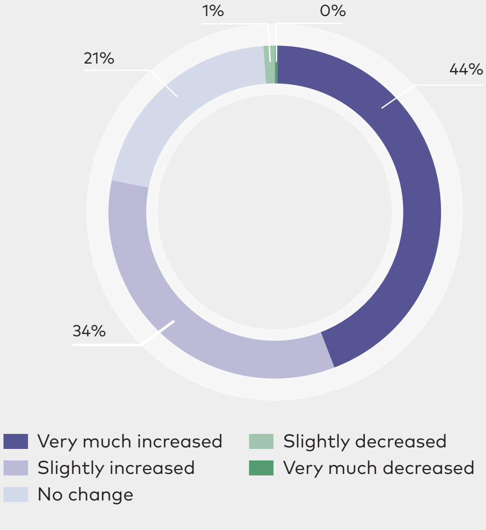
The agency dimension measures the impact of PLIs on clients' confidence, financial decision-making, and ability to achieve their financial goals. Overall, 91% of end-borrowers indicated a boost in confidence due to their PLI. When asked about making financial decisions independently, 81% of women attributed increased autonomy to their PLI, compared to 75% of men (75%) (Figure 7). This highlights how access to finance plays a vital role, particularly for women, in fostering financial independence and empowerment, enabling clients to take meaningful steps toward their financial aspirations.

> ***"Today I would like to thank [MFI] for its support. Thanks to them I am very independent financially. I also gained experience and confidence. I also have a savings account which is a security for me and my family. So there has been a better progress in my quality of life."***

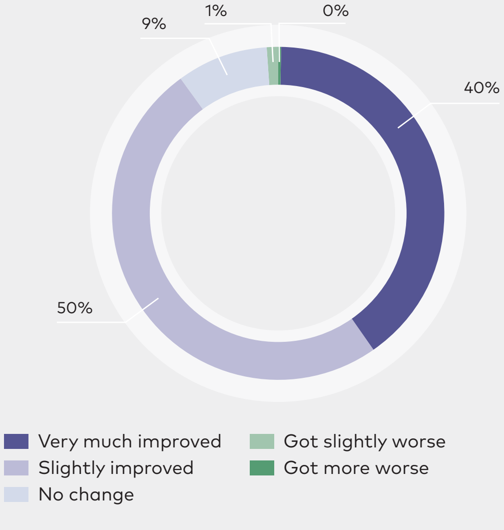
Regarding their most significant financial goal, 50% of end-borrowers expressed a desire to invest in their business, while 30% aimed to increase their income. Additionally, 90% of end-borrowers indicated that their ability to achieve these financial goals has improved due to the support of their PLI (Figure 7). This suggests that the loans have strengthened clients' financial situation, supporting them in reaching financial stability and fulfilling their aspirations.

FIGURE 7: AGENCY - ABILITY TO MAKE DECISIONS AND ACHIEVE FINANCIAL GOALS

Has your ability to make decisions on what you do with your money (i.e. spend or save) without consulting your spouse/another adult changed because of your financial institution? (n=3,393)



Has your ability to achieve this goal changed because of your financial institution? (n=3,314)



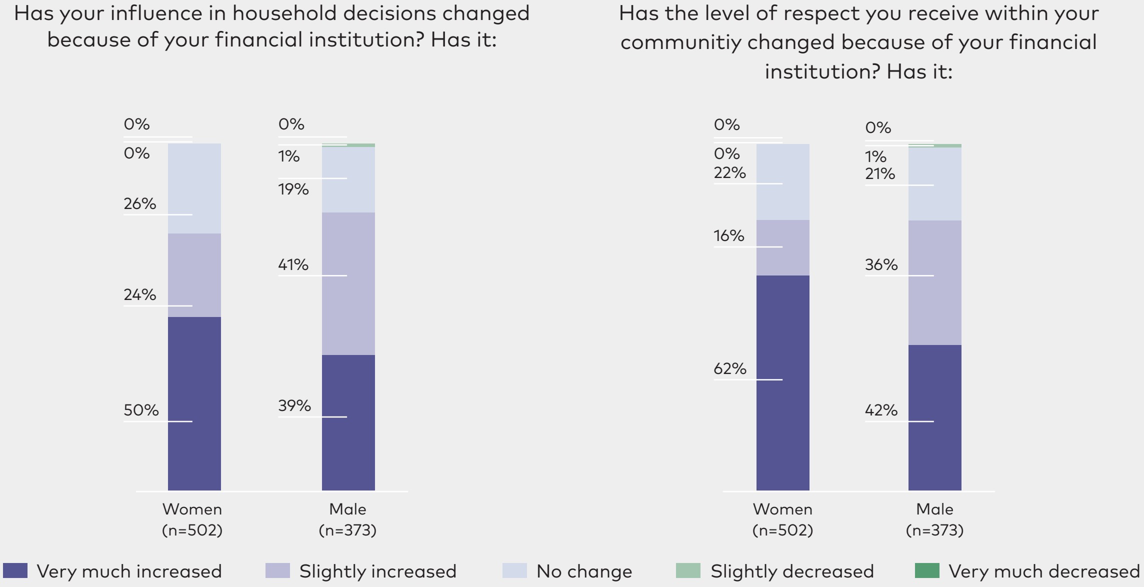
NEW SURVEY MODULE: GENDER

Empowering women with tailored financial products and services enables them to effectively manage and grow their income and assets. This empowerment can foster positive outcomes in areas such as livelihoods, education, health, and personal development. When women have equal rights to access, own, and utilize resources, they can invest in their well-being, pursue education, launch businesses, and take control of their income, thereby creating a society that better meets their needs.

> ***"I would say it changed a little because [MFI] helped me to have initial capital to start my business and I have been doing it ever since. It has improved my life because I have my own business, I have become an independent woman, I can pay my bills without depending so much on my husband."***

As highlighted in the Agency dimension, women are more likely to report increased financial autonomy resulting from access to financial products and services. This independence translates into greater influence over household decisions, further empowering women within their communities. Additionally, with increased control over their finances, women can participate more actively in community and economic activities, which can drive local development and innovation. However, women are more likely to report a lack of access to good financial alternatives compared to men (54% vs. 40%). Closing the financial access gap is crucial not only for individual empowerment but also for broader social and economic progress.

FIGURE 8: GENDER - HOUSEHOLD INFLUENCE AND RESPECT FROM COMMUNITY



Recognizing the importance of these outcomes, a Gender module was introduced to the survey in 2024. REGMIFA financed the participation of four of its PLIs to gather gender-disaggregated data, specifically highlighting impacts on women. This module assesses the impact of access to financial services on how women are perceived and treated within their communities, their influence within the household and changes in their personal agency.

Women are much more likely than men to report that their financial institution has significantly improved how they are regarded within their community. In fact, almost two-thirds of women (62%) feel this way, compared to only 42% of men. This difference underscores the significant impact that financial services can have on women's social standing. Additionally, women are more likely to report a significant increase in their influence over household decisions because of the services provided by their financial institutions (50% of women and 39% of men). This indicates that access to financial resources not only empowers women economically, but also strengthens their role and decision-making power within their families (Figure 8).

However, almost half of women report that there have been no changes in their husband or partner's involvement in domestic tasks. This is likely due to gendered social norms. For example, even when women have more control over finances, they still often struggle with time constraints because they must balance paid work with household responsibilities, which can potentially influence the level of stress. Providing access to finance for women empowers them, fosters independence and helps brake societal norms. However, simply providing financial services is not enough to change deeply ingrained gender norms. Efforts to close the gap in terms of access to finance and broader initiatives that promote gender equality and challenge traditional gender roles (in households and communities) are essential to complement the economic benefits offered by financial institutions.

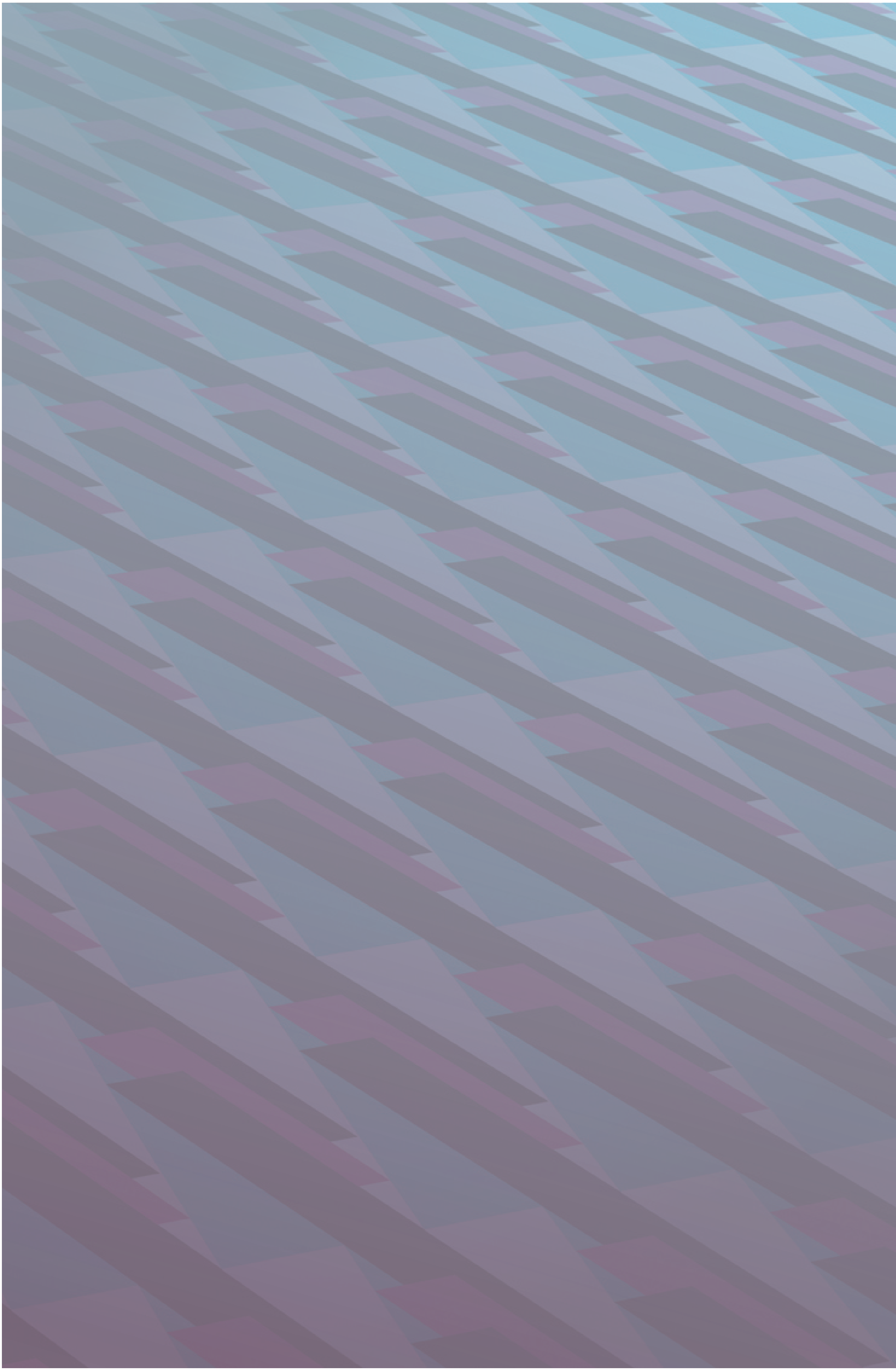
REGMIFA recognizes the importance of these initiatives and acknowledges that raising awareness efforts must complement the offering of financial services. Consequently, REGMIFA is leveraging the data gathered through the survey, along with the gender-disaggregated data regularly reported by PLIs, to identify opportunities related to gender inclusion and determine the next steps for amplifying this impact. Additionally, as highlighted throughout this report, women demonstrate distinct strategies in terms of business solutions. Understanding these patterns is crucial for PLIs to untap this market. Therefore, REGMIFA is in the process of engaging with PLIs to identify specific needs for gender-inclusive products and services that could increase women's participation in their clientele, expand the number of loans taken by women, and improve overall satisfaction and retention. These efforts contribute to advancing gender equality in financial inclusion across Sub-Saharan Africa.

APPENDIX: 60DB MFI INDEX QUESTION SET

Dimension	Questions asked	Answer options
Access	Before [FSP[7]], did you have access to a loan like [FSP] provides?	Yes / No
	Could you easily find a good alternative to [FSP]?	Yes / No/Maybe
	1 - 10 Poverty Probability Index, the Equity Tool, or Wealth Quintile Measure Questions	Country-specific
Business Impact	Has the money you earn from your business changed because of the [FSP]? Has it:	Very much increased / slightly increased / no change / slightly decreased / very much decreased / N/A I don't have a business
	Has the number of paid employees working for your business changed because of [FSP]?	Paid employees have increased / paid employees have decreased / no change to number of paid employees / my business does not have paid employees
Household Impact	Has your quality of life changed because of the [FSP]? Has it:	Very much improved / slightly improved / no change / got slightly worse / got much worse
	Because of [FSP], has the amount you spend on home improvements changed?	Very much increased / slightly increased / no change / slightly decreased / very much decreased
	Because of [FSP], has how often you are able to go to a healthcare provider for check-ups and if you fall ill changed?	Very much increased / slightly increased / no change / slightly decreased / very much decreased
	Because of [FSP] have the number and quality of meals your family eats changed?	Very much increased / slightly increased / no change / slightly decreased / very much decreased
	Because of [FSP] has the amount you spend on your children to go to school changed?	Very much increased / slightly increased / no change / slightly decreased / very much decreased
Agency	What is the most important financial goal you're trying to achieve right now?	Open-ended
	Has your ability to achieve this goal changed because of [FSP]?	Very much improved / slightly improved / no change / got slightly worse / got much worse
	Because of [FSP], has your confidence in yourself and your abilities changed?	Very much increased / slightly increased / no change / slightly decreased / very much decreased
	Because of [FSP], has your ability to make decisions on what you do with your money (i.e. spend or save) without consulting your spouse/another adult changed?	Very much increased / slightly increased / no change / slightly decreased / very much decreased

7 FSP stands for Financial Service Provider

Client Protection	To what extent do you agree or disagree with the following statement: "[FSP]'s fees, interest rates, and penalties are easy to understand and clear."	Strongly agree / somewhat agree / neither agree nor disagree / somewhat disagree / strongly disagree
	In the previous year, have you experienced an unexpected charge or fee from [FSP]?	Yes, regularly / Yes, rarely / No, never
	Because of [FSP], has the amount of time you spend worrying about your finances changes?	Yes / no / don't remember or can't recall
	Thinking about your loan borrowing repayments from [FSP], are they a heavy burden, somewhat of a burden, or not a problem?	A heavy burden / somewhat of a burden / not a problem
	Do you have to reduce your household's consumption of food for any family member in order to make repayments from [FSP]?	Regularly / sometimes / rarely / never
Resilience	Because of [FSP], has your ability to manage your finances changed?	Very much increased / slightly increased / no change / slightly decreased / very much decreased
	Because of [FSP], has your savings changed?	Very much increased / slightly increased / no change / slightly decreased / very much decreased
	Imagine that tomorrow you have an unexpected emergency and need to come up with [1/20 gross national income per capita in local currency] within the next month. How easy or difficult would it be to come up with this money?	Very difficult / slightly difficult / neither difficult nor easy / slightly easy / very easy
	Has your ability to face this major expense changed because of [FSP]?	Very much improved / slightly improved / no change / got slightly worse / got much worse



Fund Registered Office

31 z.a. Bourmicht
L-8070 Bertrange
Grand-Duchy of Luxembourg

Investment Manager

SYMBIOTICS ASSET MANAGEMENT SA
Rue de la Synagogue 31
CH-1204 Geneva
Switzerland
E-mail: info@regmifa.com