Microfinance Index 2026



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About 60 Decibels

60 Decibels is the world's leading customer insights company for social impact. We bring speed and scale to social measurement, making it easy to listen directly to the people who matter most. Our network of 1,700+ researchers across 100+ countries gathers verified data from hard-to-reach customers. Using advanced data collection techniques and AI-supported analytics, we measure and benchmark impact performance, helping our clients – investors, Fortune 500 companies, and NGOs – make informed, data-driven decisions. This data powers 60dB Signal, a SaaS impact intelligence platform used by investors to build better pipelines and integrate customer-level impact into their investing process.

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Thank You

For five years, the 60 Decibels Microfinance Index has been built on a shared belief: that the best way to understand impact is to ask the people experiencing it. To everyone who has sponsored, championed, and participated in this work over the years: this Index is yours as much as ours, and we are incredibly grateful.

We'd also like to thank our advisors, Calum Scott from Opportunity International; Tara Murphy Forde and Meghan Flaherty from Global Partnerships; and Kathleen Yaworsky from Accion, who gave generously of their time and expertise throughout this process. Your guidance makes this work sharper, and your championing of it carries these insights further than we could on our own.

To our 65 participating financial service providers (FSPs) across 35 countries: thank you for inviting independent analysis of your client experience and outcomes. When this Index began, that was a bold choice; today, thanks to institutions like yours, it is increasingly the expected one. We are proud to partner with you, and grateful for your commitment to learning from the clients you serve.

Above all, we thank the 18,709 clients who shared their time and their honest experiences with us. This Index has grown and evolved across five editions, but its purpose remains the same: to make sure your experiences shape how this sector serves you.

Finally, to our investors and sector champions who believe that customer voice should lead the way: none of this happens without you. What began as an experiment in listening at scale is now part of how the microfinance sector understands itself, and we are just getting started.

ACCION ADVANS Abler Nordic ALMA brac

ECLOF INTERNATIONAL GLOBAL PARTNERSHIPS HOPE INTERNATIONAL kiva MAJ INVEST mnt halan

Norfund OPPORTUNITY International PROPARCO GROUPE AFD symbiotics



Introduction

> Welcome to the 2026 edition of the 60 Decibels Microfinance Index. Thank you for being here.

When we launched this Index, our goal was to build a regular, comparable benchmark of the lived experience of microfinance clients: to listen at scale, and to learn what good, better, and best look like when serving them. Five editions on, that ambition has grown. The Index now offers a uniquely broad view of who microfinance reaches, which institutions create the most positive change according to their clients, and what choices in product design and delivery separate the strongest performers from the rest.

This year, the Index is built on interviews with 18,709 clients of 65 FSPs across 35 countries, representing approximately 22 million microfinance borrowers globally.

Five years is also long enough to watch the questions change. When we started, the sector's central question was largely one of financial inclusion: who has access to credit, and who doesn't. Today, the more urgent questions are around financial health and resilience—whether borrowing leaves people better off. Our data consistently support what the sector increasingly recognizes: credit access is genuinely transformative for some, helpful for most, and harmful for a few. Which of these a client experiences depends heavily on product design, client context, and the quality of delivery; it also hinges on the environment around all three: the local market, its norms and regulations, and what alternatives a client could turn to instead.

The sector also extends well beyond the traditional model that the Index originally measured. Microfinance is built around productive credit, but lending for housing, education, and consumption has long sat alongside this. These products carry different assumptions and a far thinner evidence base, highlighting a real data gap. In many markets, microfinance institutions share the field with fintechs, banks, and other lenders operating at scale, and these lenders increasingly reach the less well-off clients microfinance was built to serve. The last, and possibly most important, shift is that digital-first lending is expanding rapidly, and it is raising new questions about what is gained and lost when the human touchpoints of traditional microfinance fall away.

Over the last five years, this Index has generated rigorous data that complement the sector's research and have challenged some of its founding assumptions. The landscape has shifted enough that our research scope must expand with it. That is why this report aims to accomplish two things: consolidate what five years of client voice teaches us, and make the case for what needs to be measured next. That means looking underneath the topline findings, at questions such as:

- Whether the gender gap in outcomes is about women and men, or about the loans they hold and lenders they have access to
- Where the group lending advantage actually comes from, and how much of it a lender using a different model could adopt
- What the productive and non-productive labels conceal, and which loan types carry the real strain
- Which steps of a loan can go digital without losing something, and where a personal touch still matters

Together, the findings tell a nuanced story. Women and men report different outcomes. So do borrowers with different lending models, and borrowers with different kinds of loans. But much of the difference comes from how the loan is designed and delivered. That is encouraging news: it means the outcomes clients report are shaped by decisions institutions make, and those decisions can be measured, compared, and improved.



The client voices captured in this report have guided this work across five editions. Our hope is that they continue to inform the sector's evolution: toward products, institutions, and markets that improve life for the people they serve.

> "My quality of life has improved because, despite the country's economic reality, the loan has helped me by allowing me to buy more products so I can sell much more."
>
> Male customer, 35

This Year's Headlines

01

Women consistently report stronger outcomes than men, but that difference might be driven by product and institutional characteristics

This year, as in years past, outcomes for women are higher than for men on nearly every measure the Index captures, from quality of life to confidence to repayment burden. However, deeper analysis reveals that the gap disappears when we control for lending model, loan type, and client profile. When we compare women and men with similar profiles and similar loans, their reported impact is nearly identical. The one metric that doesn't follow this pattern is satisfaction: women rate their FSPs 12 to 24 NPS points higher than comparable men in every comparison we run.

02

Women and men invest in their businesses at similar rates. The difference: men's loans are twice the size of women's, and men invest in equipment more often

Women and men use productive-use loans for business purposes at nearly identical rates: 92% of women, versus 94% of men. However, women's loans are half the size of men's: the median is $1,744 vs. $3,332 in purchasing-power terms. Women are more likely to invest in inventory, while men invest in machinery and equipment more often. Their different practices show up in different results. When asked about the impact of their loans, women talk about household welfare and bills, while men name the ability to afford assets and improve production. This raises an important measurement conundrum: measures of business income will more likely correlate with the activities men are taking with their larger loans.

03

A repayment flag means a struggling client, unless it covers the whole group

A loan that is PAR30 means that the borrower is more than 30 days behind on a repayment. PAR30 is one of the most-watched numbers in microfinance, as well it should be: flagged clients report real distress, with quality of life 11 points lower in individual lending and 9 to 10 points lower in group lending. They are also three times as likely to report a heavy repayment burden. At six institutions in our sample, though, flagged clients look no different from anyone else. These are group lenders whose systems record repayment standing at the group level, so one member's miss can flag everyone. Before comparing the flag across lenders, it is important to understand how each one produces it.

04

The group lending advantage persists in our data, but there is considerable variation underneath the headline

Clients of group lending FSPs report stronger outcomes than individual lending FSPs across the board. But that is a comparison of different institutions, so the cleaner test is to look at the 24 FSPs within our sample who offer both group and individual loans. Among these, we find that group borrowers' impact advantage shrinks or reverses. However, their protection advantage survives: fewer unexpected fees, fewer challenges, and marginally clearer terms. That edge comes from practices group lending builds in by default: terms explained in person, and staff who meet clients on a regular schedule. The good news for other providers is that most of these habits transfer. A lender using any model can build them deliberately.

05

Clients who get additional services with their loans report better outcomes, and the improvements grow with more services received

Clients who receive additional services alongside their loan do better every year we measure it, and the advantage climbs in steps: quality of life improvement rises from 33% with credit alone to 36% with financial services such as savings and insurance, and to 45% once non-financial services like training and health support are also layered in. For FSPs looking to deepen benefit, adding complementary, high-quality wraparound services is the way to go.

06

Different loan types drive different quality of life improvements, but 'productive' and 'non-productive' categories tell us nothing about this

Loans are conventionally sorted into productive use (funding something that earns) and non-productive use (everything else). Neither label tells you much about outcomes. On the non-productive side, 41% of housing loan clients report 'very much improved' quality of life and 47% 'very much improved' feeling of safety at home, the product's core purpose. Their risk sits in repayment burden. Personal loans deliver weak impact and high burden: quality of life at 27%, heavy repayment burden double any other type's rate. This is partly circumstance: 28% are unplanned, likely for emergencies. On the productive side, asset loans are meant for income generation yet their borrowers report the weakest quality of life results of any type: 23%. A portfolio judged on one average misreads its successes and misses where the strain sits.

07

Group lending's impact advantage is largest where loans are smallest, which is where it was always meant to work

We divide every loan in our sample into quartiles by size and compare results for group vs. individual borrowers. The result is a stark difference in outcomes for the smallest group loans, with this difference shrinking as loan sizes increase. Group borrowers in the bottom quartile report quality of life and business income improvements 18 and 17 points higher than the same quartile of individual borrowers. These gaps shrink in every quartile above. Surprisingly, satisfaction and loyalty show the opposite trend: NPS is 9 points higher for the bottom quartile of group borrowers compared to individual borrowers, but 24 points higher for the top quartile. The likely reason is that the support built around a group loan—the shared schedule and the regular contact—matters more as the obligation gets larger.

08

Most clients are comfortable with digital finance. The biggest readiness gap is driven by age

More than three in five clients are at least somewhat comfortable with digital financial services and find the technology trustworthy. Younger clients are more likely to use a digital channel and more likely to feel very comfortable doing so, scoring 10 to 13 points higher than older clients on every readiness measure, differences that are roughly 2 to 3 times the gender gap. The barriers clients name are fear of fraud (51% of those citing a concern), a preference for doing things in person (34%), and not knowing how the tools work (28%), while lack of a device is near the bottom at 17%. For FSPs introducing hybrid models, the work is trust-building: onboarding support, fraud protection, and hands-on guidance, aimed at older clients, where readiness lags most.

09

Digital-only clients report weaker protection across the sample. Inside the same lender, most of that gap disappears

Clients served entirely digitally report heavier repayment burden, and lower satisfaction, than clients served in person. However, when we compare results—for digital vs. in person—within the same lender, the gaps in repayment burden and unexpected fees mostly disappear, while the satisfaction gap does not: digital-only clients still rate their lender 6 to 7 NPS points lower than its in-person clients.

10

Not all digital steps are equal. Digital eligibility verification and customer service correlate with lower satisfaction and higher unexpected fees; payments don't

Where repayments and disbursement are handled digitally, clients report NPS and loan-term clarity close to clients whose lender handles those steps in person. However, where identity and eligibility verification is digital, NPS is 20 points lower and loan-term clarity 6 points lower. Similarly, where customer service is digital, NPS is 18 points lower and clarity 15 points lower. Money can move digitally without negatively impacting satisfaction or understanding; the steps where understanding is built still need a person.

> "As I increased my investment in my business, my income went up. Achieving financial stability is the key to making everything else work out."
>
> Female, 35



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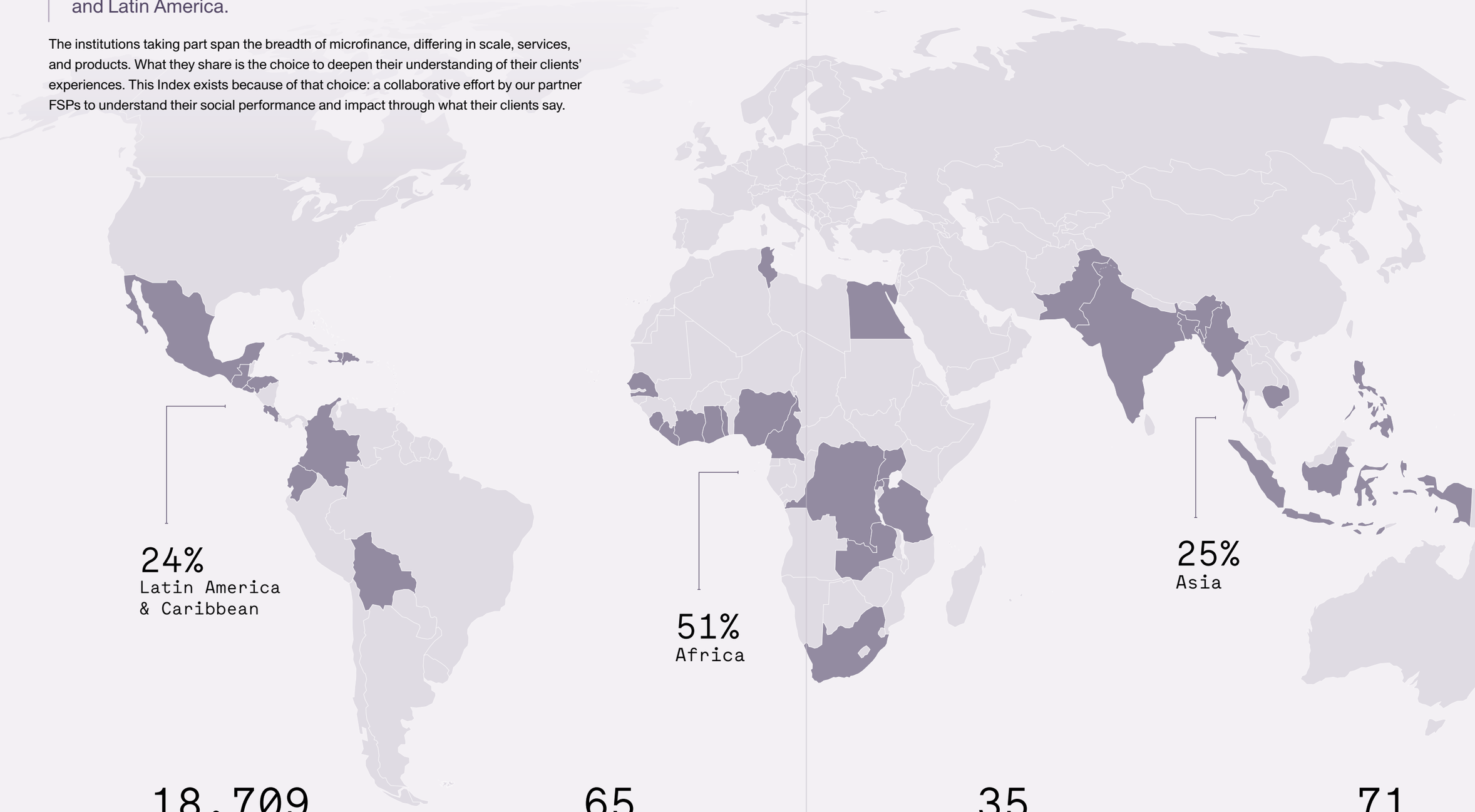
Who We Listened To

> The heart of this work is the data we've collected from 18,709 clients of 65 FSPs in 35 countries across Asia, Africa, and Latin America.

The institutions taking part span the breadth of microfinance, differing in scale, services, and products. What they share is the choice to deepen their understanding of their clients' experiences. This Index exists because of that choice: a collaborative effort by our partner FSPs to understand their social performance and impact through what their clients say.



18,709
Clients

65
Financial Service Providers

35
Countries

71
Languages

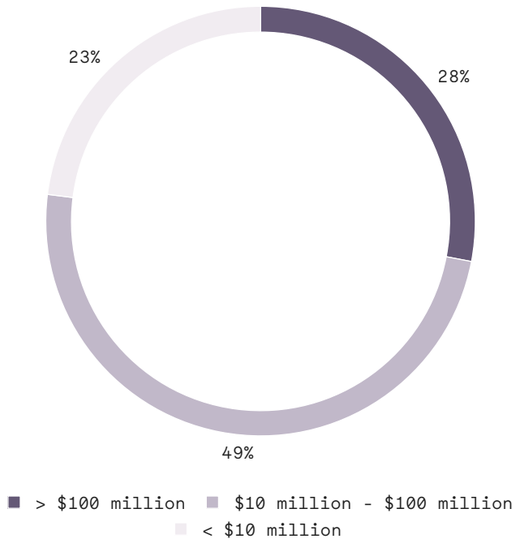
The Institutions Behind the Numbers

Non-Banking Financial Companies (NBFCs) are the largest group in this year's Index at 40% of participating FSPs. Deposit-Taking Microfinance Institutions and Non-Profit/Non-Governmental Organizations account for 17% each, banks, credit unions, and cooperatives together for about 14%, and the remaining 12% are classified as Other.

Together, these institutions reach 22 million borrowers worldwide. The loans they make vary as widely as the institutions themselves: average loan sizes across their portfolios run from $70 to $13,250.

FSPs by Total Assets Under Management (AUM) in USD

(n = 65)



On product range, 23% of FSPs (15 of 65) lend and do nothing else. The rest offer a wider suite of services: deposits and savings most commonly (49%), then insurance (40%), and mobile money or mobile banking (each around 28%). And among FSPs offering services beyond the loan, around 72% also provide non-financial support, most often financial training or education.

> "In the years I worked with [FSP], I managed to improve my home, make renovations, grow my business, and reach a point where I could afford to send my child to university to further their studies.
>
> Female, 59

About the Clients

Nearly half of this year's respondents, 46%, became clients of their FSP within the past two years, up from 39% in 2025. As with every year of this Index, these shifts largely reflect changes in which institutions took part.

The lending split moved this year: 54% of clients borrow individually and 46% in groups, a swing from 2025's 62% and 38%. More than three in four (77%) participating FSPs offer more than the loan, from savings and insurance to training and business support, and 38% of clients report receiving at least one of these. On delivery, 18% of clients access and repay their loans entirely digitally, 52% entirely in person, and 30% through a mix of the two.

The regional mix leans further toward Africa than our previous edition, with the continent accounting for 51% of surveyed clients this year, up from 45% in 2025. Asia is at 25% and Latin America at 24%, both a few points below last year.

Women make up the majority of respondents (68%), in line with the sector and with every edition of this Index. Clients range from 18 to 86 years old, with an average age of 42.

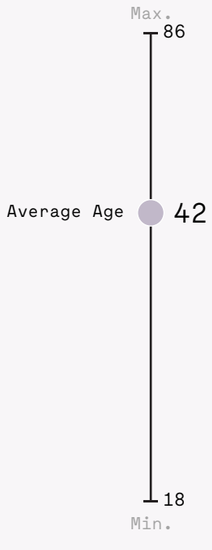


> "My business has helped me afford paying my children's school fees. I managed to buy four more sewing machines, and they have helped me increase my income. I even bought a plot of land.
>
> Female, 54

About the Clients

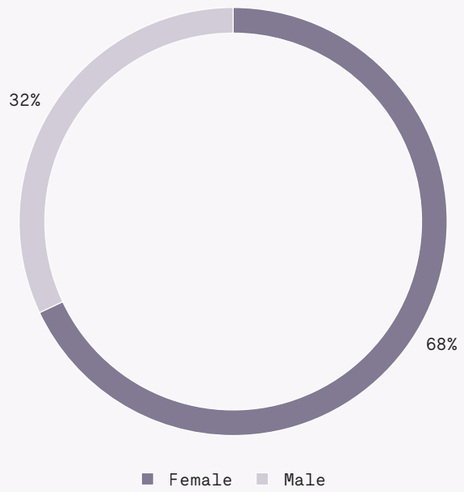
Age

(n = 18,219)



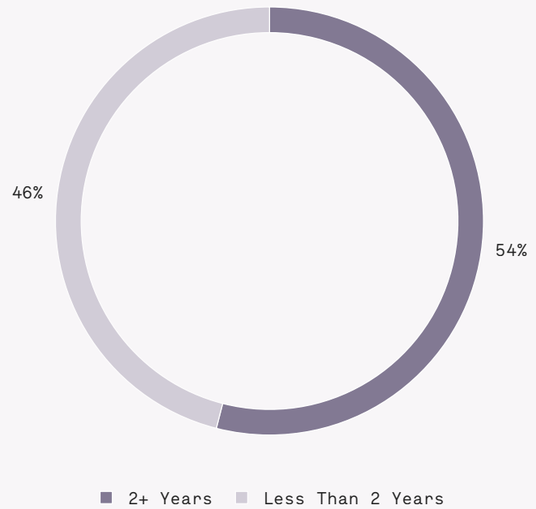
Gender

(n = 18,706)



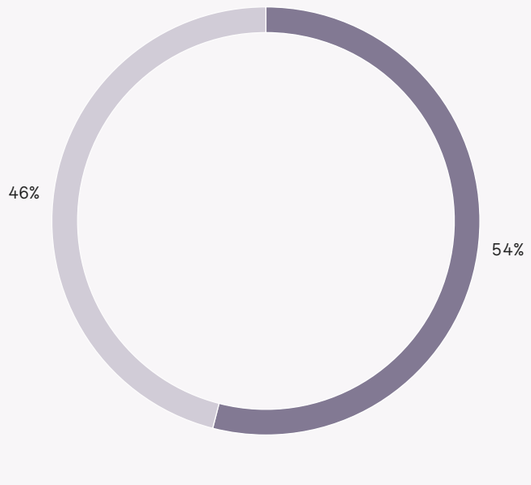
Tenure*

(n = 15,928)



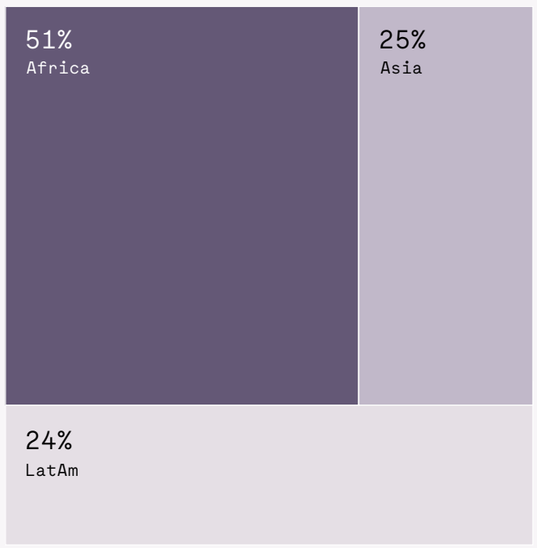
Lending Methodology

(n = 18,709)



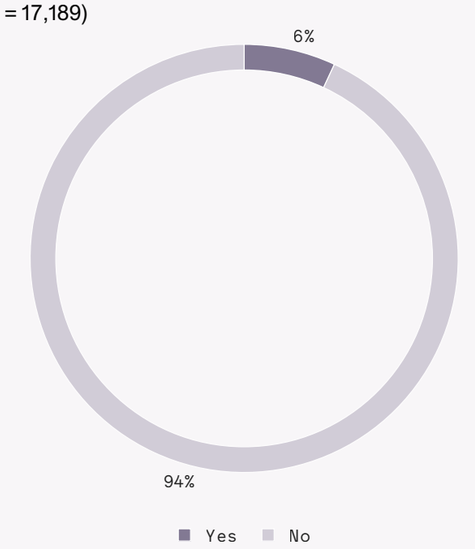
Region

(n = 18,709)



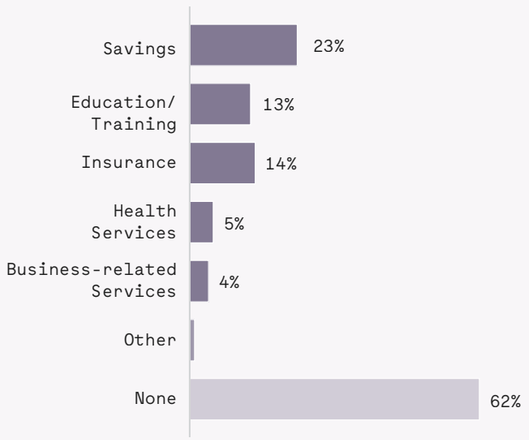
Clients Who Have a Payment Overdue for 30+ Days*

(n = 17,189)



Percent of Clients Accessing Services from FSP in Addition to Loan

(n = 18,705)



* Tenure and repayment data were not available in the MIS systems of a few participating FSPs.

How to Read This Data

> The Microfinance Index is a large, carefully built dataset. Here's more on what it tells you, how we build it to stay reliable, and where to read with care.

While the institutions in this Index serve a significant share of microfinance clients globally, the results describe the participating institutions rather than the industry as a whole. Since participation in the Index is voluntary, the FSPs represented may lean toward stronger performers, or toward those with more impact-minded backers, though what we hear from participating investors and networks points away from a strong skew.

Clients are sampled from each FSP's own administrative records. We ask each institution for its full client file, or an extract of at least 5,000 borrowers drawn to reflect the portfolio.[1] From that data we build a sample matched to the institution's actual client population on characteristics like gender, lending methodology, loan type, and tenure. So when we report on an FSP, the clients we interview mirror the clients it serves. Interviews are then conducted independently by our researchers in the client's own language.

Two limits follow from how we sample. Because we draw from an FSP's current client records, people who have left or been turned away are not surveyed, and they may have had some of the hardest experiences. Because we interview by phone, we reach clients who have a working phone and answer a call from an unknown number, which can tilt toward the more connected and engaged. We narrow both gaps where we can, but this gap is impossible to overcome. The data presented here represent the clients we reach, and we take deliberate steps to make the respondent pool match the full client population as closely as possible.

The data in this report are, by design, a reflection of what we were told: we set out to capture how clients experience their loans, and when a client tells us an outcome improved, we report that faithfully. That choice carries known biases: people read the same question differently, they may lean toward more positive answers in an interview, and they may credit or blame their loan for changes that arise from other causes. Context shapes meaning, too: what counts as financial stress, or a heavy repayment burden, reads differently from one economy to the next, so regional context belongs beside any comparison.

A stricter design, with a formal control group, would add precision, but it would come at a significant cost: less reach and participation, higher financial cost, and a longer timeline. All of these would, in our view, decrease our ability to reach the Index's goals of a broad, annual pulse on the state of the microfinance market. We specifically manage the lack of control groups with consistency and triangulation: the same standardized questions asked the same way of every respondent, several questions probing each outcome, and regional benchmarks that compare like with like. This means that relative results (within and across indicators, institutions, and regions) are where the data are strongest, which is why they anchor the report's insights and rankings.

Each edition of the Index is a fresh snapshot: the FSPs and borrowers change year to year, so the Index tracks the sector over time rather than the same individuals or institutions. This year we also sharpened several questions to measure what matters more cleanly, across Access, Loan Product Impact, Household Impact, Client Protection, Resilience, and Agency (see Updates). These refinements strengthen the data going forward; where one affects a specific figure, a footnote flags it. While this hurts year-on-year comparability, we feel the payoff is in a meaningfully improved tool each cycle.



We invite you to read on with this context in view. The Index, like life, is both valuable and imperfect. Our hope is that it continues to give the sector a shared, client-level benchmark to learn from and act on.

1 More than 95% of participating institutions provide one or the other. A small number share a smaller sample, usually because their client base is below that threshold, or because data protection rules or data minimization policies limit what they can transfer.

The



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Updates

> Each year we review our survey to refine questions that are not working as well as they could. Here is what changed this year, dimension by dimension.

Access

Our access questions ask clients how easily they can find a loan like this elsewhere. This year we removed the neutral middle answer (‘neither easy nor difficult’), so clients now say whether finding a similar lender would be easy or difficult rather than defaulting to the midpoint.

Loan Product Impact

Our Business Impact questions now include a dedicated follow-up on how a client’s business operations changed, and clients who do not run a business are identified separately. Education carried two overlapping questions last year; we kept school attendance and retired academic performance. Similarly, housing impact is now measured through home safety alone, asked only of clients with housing loans.

Household Impact

We moved our question on change in clients’ physical living conditions here, from Loan Product Impact; it replaced the question on change in clients’ ability to improve their homes. Asking about the conditions tells us more about realized impact than asking about the ability to make home improvements, and because the question now goes to every client, home-related improvement is captured across the full sample. We retained the household income question, which we’d added in 2025.

Client Protection

Previously, we asked clients a series of separate questions about their experience with mistreatment and whether they knew how to report this to their FSPs. This year we combined these into a single question covering both the experience and their response. This allows us to understand both: whether clients experienced excessive pressure or unfair treatment from their FSPs; and whether they reported it, did not know how to, or chose not to.

Resilience

Unchanged this year.

Agency

In past years, we asked clients whether they had achieved the main financial goal they set for their loan. Goals vary too widely for a single measure to compare well across products and contexts, and the questions overlapped with what the loan-usage and impact questions already captured, so we dropped this question and now measure agency through clients’ confidence and their influence on household decisions.



Dimensions

Access

Measures the degree to which FSPs are serving a previously underserved population, the competitive landscape, and the degree to which they are serving less well-off clients.

- Clients who say that they are accessing a loan for the first time
- Clients who say it would be ‘very difficult’ to find an alternative
- Clients from lower-income segments as a proportion of national income distribution

Loan Product Impact

Measures the impact of the loan product relevant to the original purpose of the loan. This covers impact on clients’ business, housing, and/or education.

Business Impact

- Clients who say their income has ‘very much increased’
- Clients who say their business operations have ‘very much improved’

Housing Impact

- Clients who report that their feeling of safety in their home has ‘very much improved’

Education Impact

- Clients who say their or their child’s attendance has ‘very much improved’

Household Impact

Measures the impact of [FSP] on clients’ quality of life and their ability to invest in or cover household expenditures.

- Clients who say their lives have ‘very much improved’
- Clients who say their household income has ‘very much increased’
- Clients who say the number and quality of meals has ‘very much increased’
- Clients who say their ability to spend on children’s education has ‘very much improved’
- Clients who say their and their household’s ability to access healthcare has ‘very much improved’
- Clients who say their physical living conditions have ‘very much improved’

Client Protection

Measures the degree to which clients are informed of [FSP]’s loan conditions prior to borrowing, and the ability of clients to make repayments without reducing other household consumption.

- Clients who say they ‘strongly agree’ that the FSP’s fees, interest rates, and penalties are clear and easy to understand
- Clients who say they have ‘never’ experienced an unexpected charge or fee
- Clients who say their loan repayments are not a burden
- Clients who say they never reduced their household’s food consumption in order to make repayments
- Clients who say they never faced harassment or unfair treatment from FSP representatives

Resilience

Measures the degree to which clients are financially prepared for an unforeseen economic shock, and the impact [FSP] has on this preparedness. It also measures the client’s ability to manage finances and save.

- Clients who say their ability to manage finances has ‘very much improved’
- Clients who say time worrying about finances has ‘very much decreased’
- Clients who say their savings have ‘very much increased’
- Clients who say their ability to face an emergency expense has ‘very much improved’ because of the financial service provider

Agency

Measures the impact of [FSP] on clients’ confidence and their ability to make decisions about their money.

- Clients who say their confidence has ‘very much improved’
- Clients who say their influence on household decisions has ‘very much increased’

Impact Performance Rankings

> The Index does two jobs at once. Each participating FSP gets its own results, and, because every institution's clients answer the same questions, the FSPs also see how their results compare to this year's benchmark.

We consistently hear from FSPs and their investors that this puts results into context, allowing them to see how their performance compares with the sector, within its region, across one or multiple indicators.

This year we rank 63 of the 65 participating FSPs by their Index Score, the average of six equally weighted dimension scores: Access, Loan Product Impact, Household Impact, Client Protection, Resilience, and Agency.

The Microfinance Social Impact Awards go to the three highest-scoring FSPs in each region. These scores are built entirely from what clients report, so the awards carry a specific meaning: these are the institutions whose own clients, asked directly, describe the strongest outcomes and experiences. We want the awards to put names to what good performance looks like, and give the sector working examples to learn from.

How the rankings and this report's insights fit together

The sections that follow show that client-reported outcomes vary significantly as a result of the specific loans clients hold, the models they are served through, the practices of the FSPs, and the markets in which they operate. The Index is designed with that in mind. First, our Dimensions judge each product on its own terms. Loan Product Impact measures a housing loan on changes in safety, and an education loan on changes in attendance, not business income. Second, we measure who an FSP serves. The Access dimension credits institutions that reach first-time borrowers, clients without alternatives, and lower-income segments, because reaching them is a critical part of the impact this sector exists to create. Third, we normalize scores within regions and give regional awards, so institutions are compared against peers in comparable markets.

The Index Score is not a causal estimate of an FSP's isolated contribution. It is a benchmark of what clients report, and what clients report reflects both what an institution does and who it serves. The institutions at the top of these rankings are those whose clients report the strongest outcomes and experiences, and five years of this Index show that position is earned through choices in products, protection, and practice that other providers can learn from. The client section shows why the unadjusted gaps can be misleading, and the provider and loan sections are a guide to those choices.

Index Score Distribution by Region, 2026



The Award Winners

AFRICA

89	86	84
Phakamani Foundation	BRAC Microfinance Sierra Leone	Grooming Centre

ASIA

88	81	69
Cashpor	Koperasi MITRA DHUAFA (KOMIDA)	Save Solutions

LATIN AMERICA & CARIBBEAN

85	79	66
Grameen Costa Rica	Avanza Sólido	Asodenic

MORE ON 60dB SIGNAL

Sizing up lenders to back? Use Signal to describe the profile you are after to find the closest-matching FSPs based on your criteria.

Find Companies

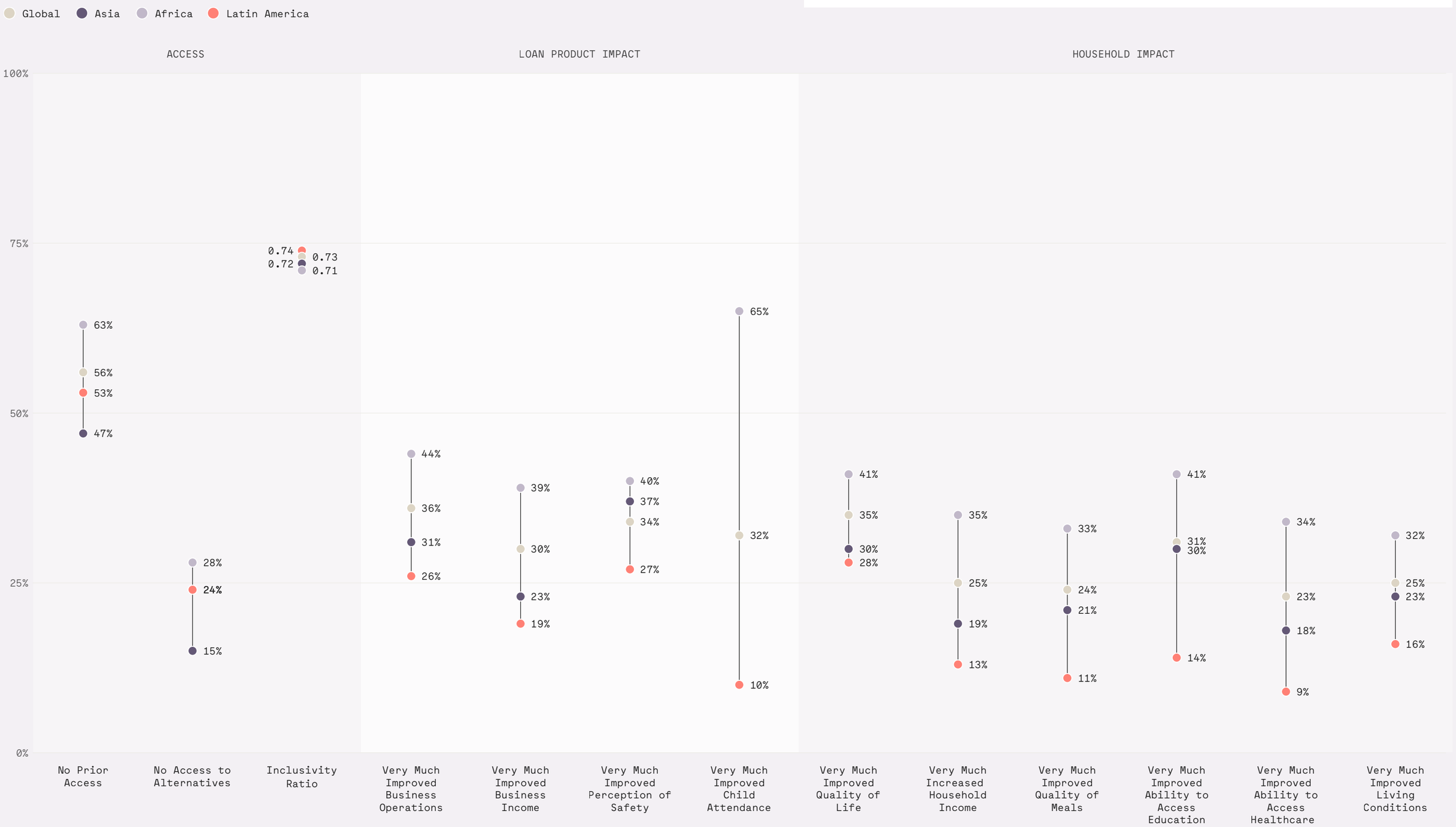


Regional Snapshot

MORE ON 60dB SIGNAL

While the regional snapshot gives an overview of results for 2026, Signal lets you go further: build your own groups of FSPs, by region, product, size, or lending model, and compare them across every indicator we measure.

Compare Groups



Regional Snapshot (continued)



Access

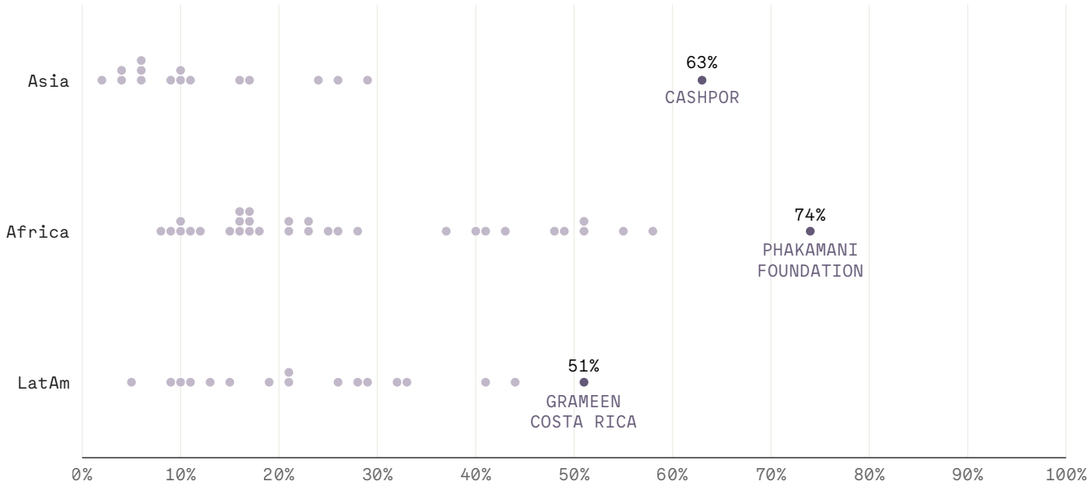
Measures the degree to which the financial service providers are serving a previously underserved population, the competitive landscape the financial service providers operate in, and the degree to which they are serving less well-off clients.

First Access

Percent of clients who say that they are accessing a loan for the first time

Alternatives

Percent of clients who say they could not easily find a good alternative to the financial service provider



Income Inclusivity*

Percent of clients from lower-income segments as a proportion of national income distribution

* The inclusivity ratio 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 or wealth quintile estimations. 1 = parity with national population, >1 = overserving less well-off customers, <1 = underserving less well-off customers.

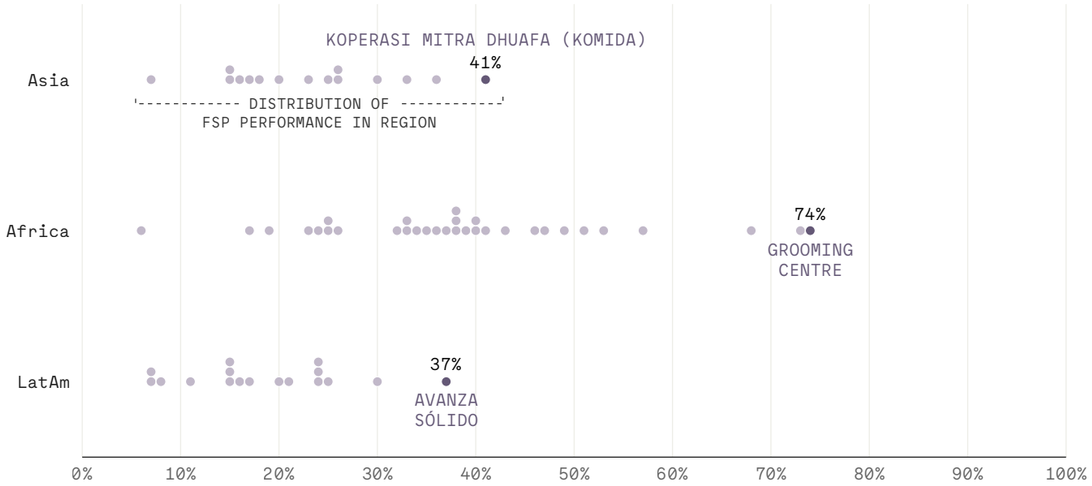
Loan Product Impact

Measures the impact of the loan product depending on the original purpose of the loan. This covers impact on clients' business, housing, and/or education.

BUSINESS IMPACT

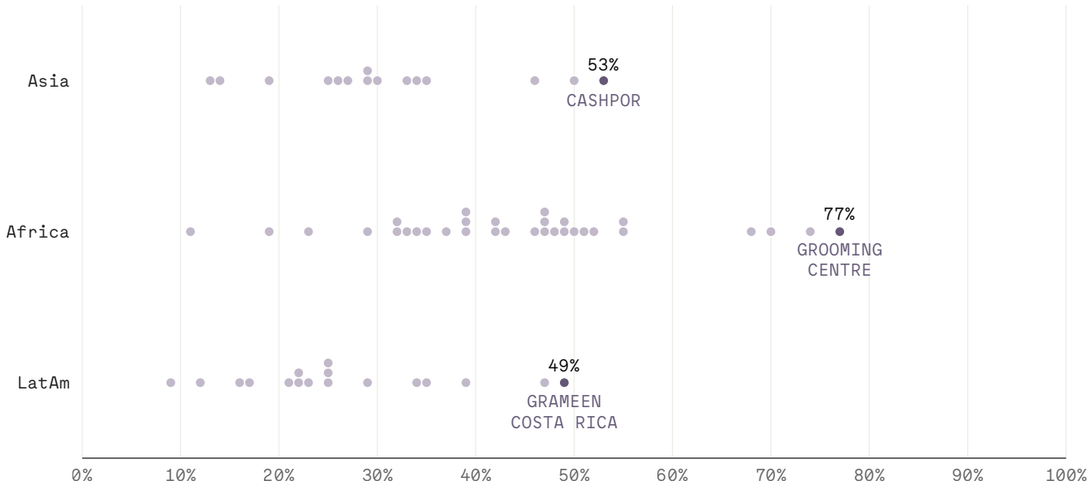
Business Income

Percent of clients who say their income has 'very much increased'



Business Operations

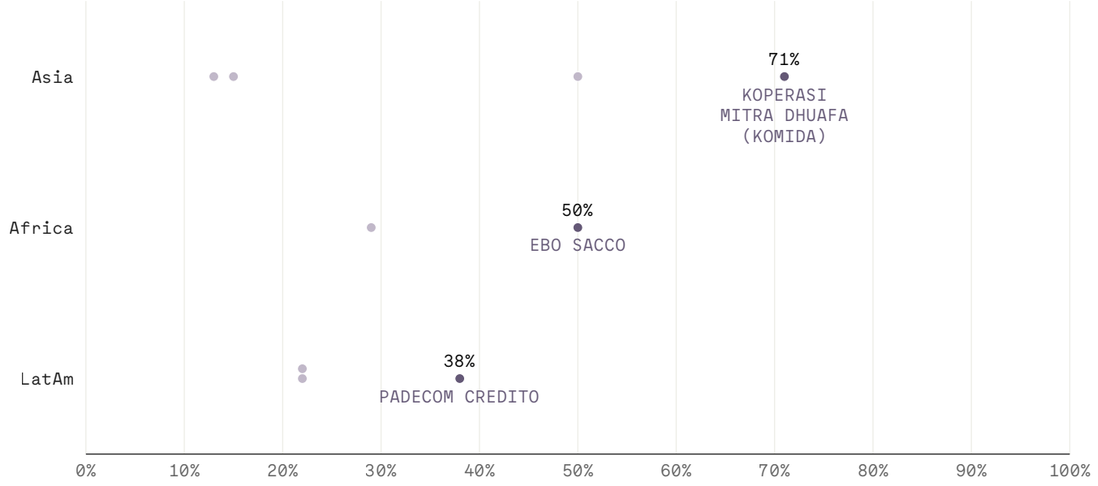
Percent of clients who say their business operations have 'very much improved'



HOUSING IMPACT

Perception of Safety

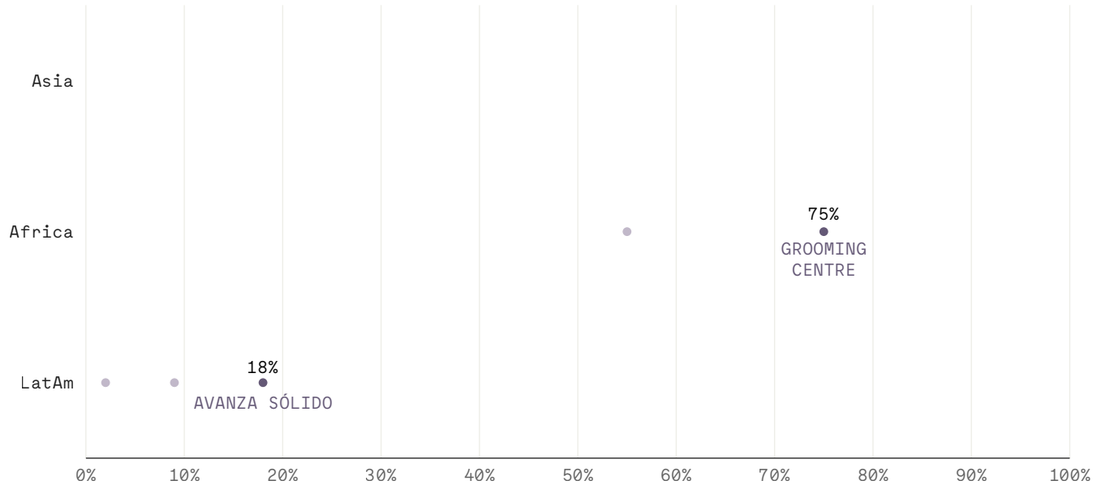
Percent of clients who report that their feeling of safety in their home has 'very much improved'



EDUCATION IMPACT

Child's Attendance

Percent of clients who say their or their child's attendance has 'very much improved'

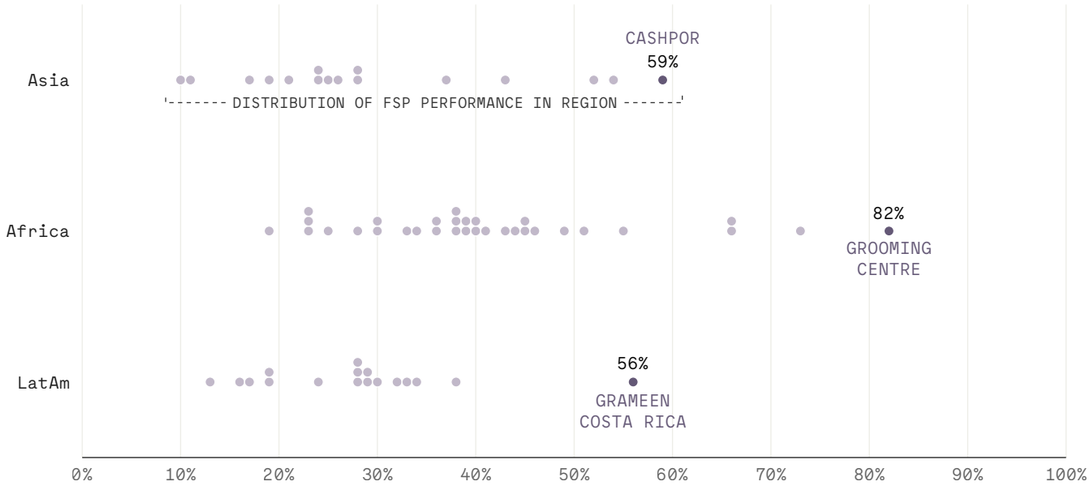


Household Impact

Measures the impact of [FSP] on clients' quality of life and their ability to invest in or cover household expenditures.

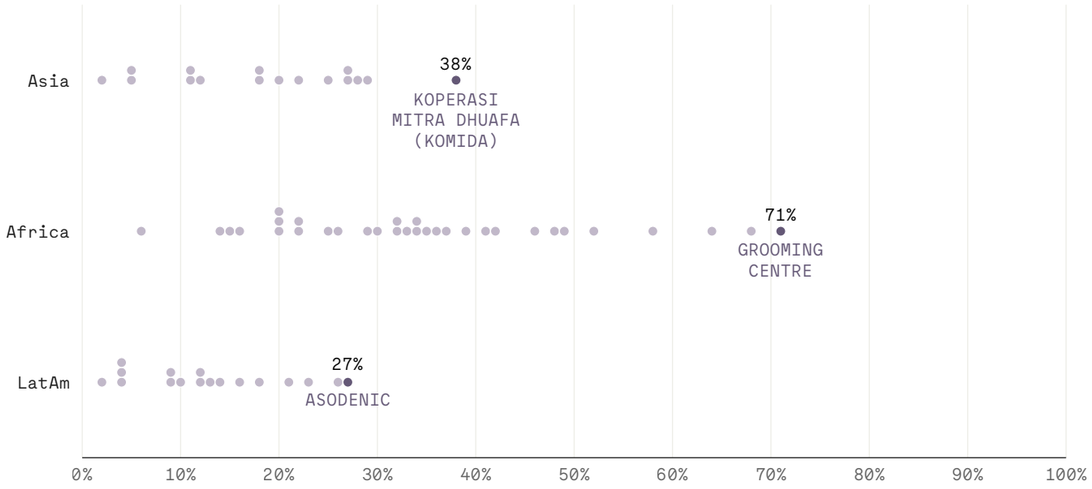
Quality of Life

Percent of clients who say their lives have 'very much improved'



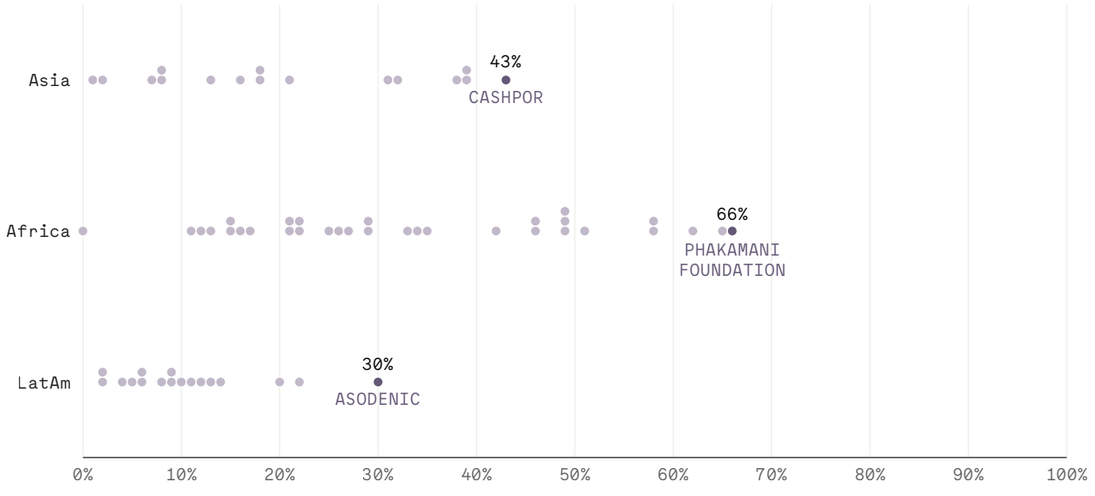
Household Income

Percent of clients who say their household income has 'very much increased'



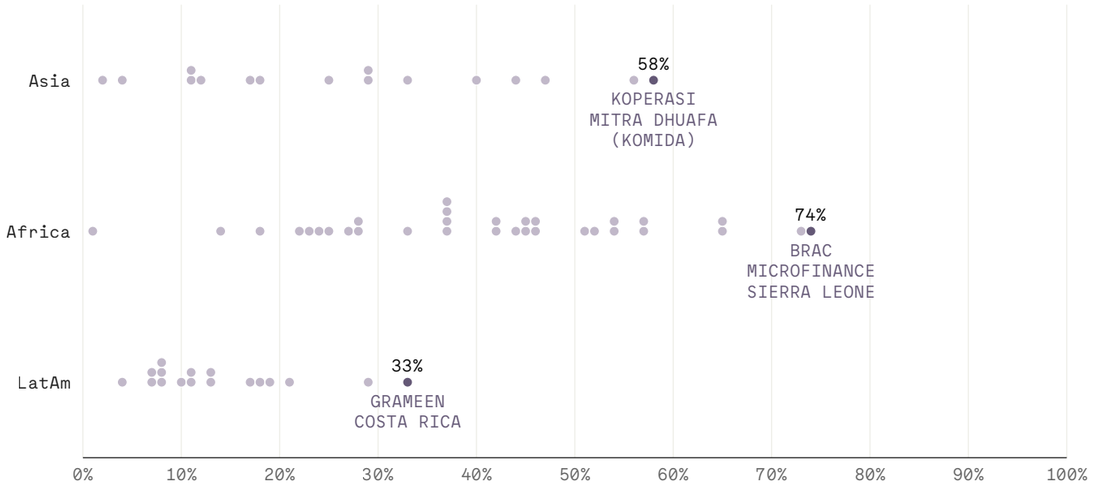
Quality of Meals

Percent of clients who say the number and quality of meals has 'very much increased'



Education

Percent of clients who say their ability to spend on children's education has 'very much improved'

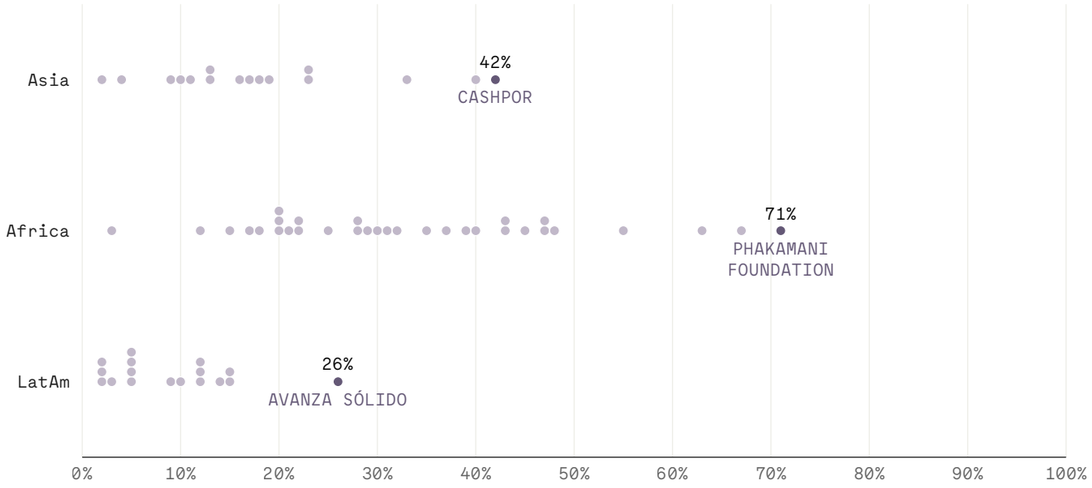


Household Impact

Measures the impact of [FSP] on clients' quality of life and their ability to invest in or cover household expenditures.

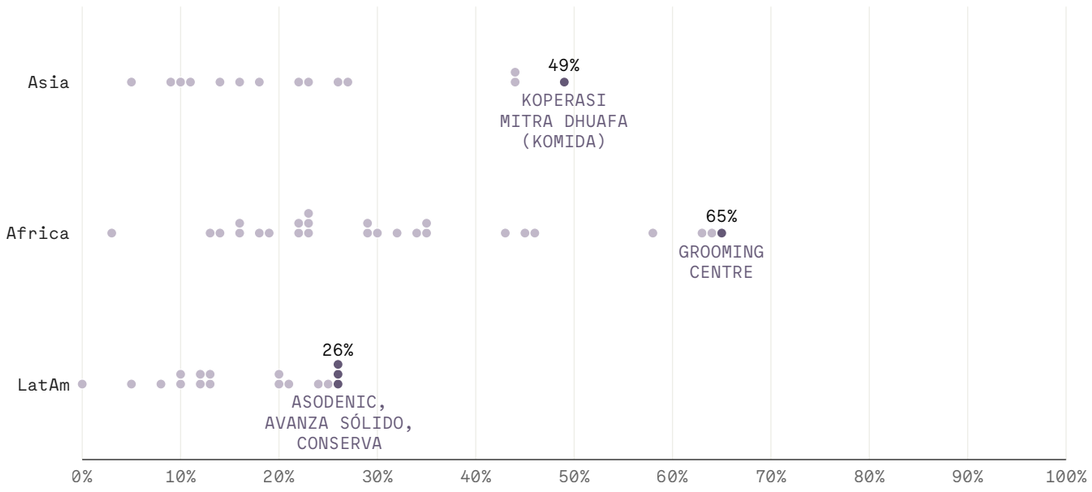
Healthcare

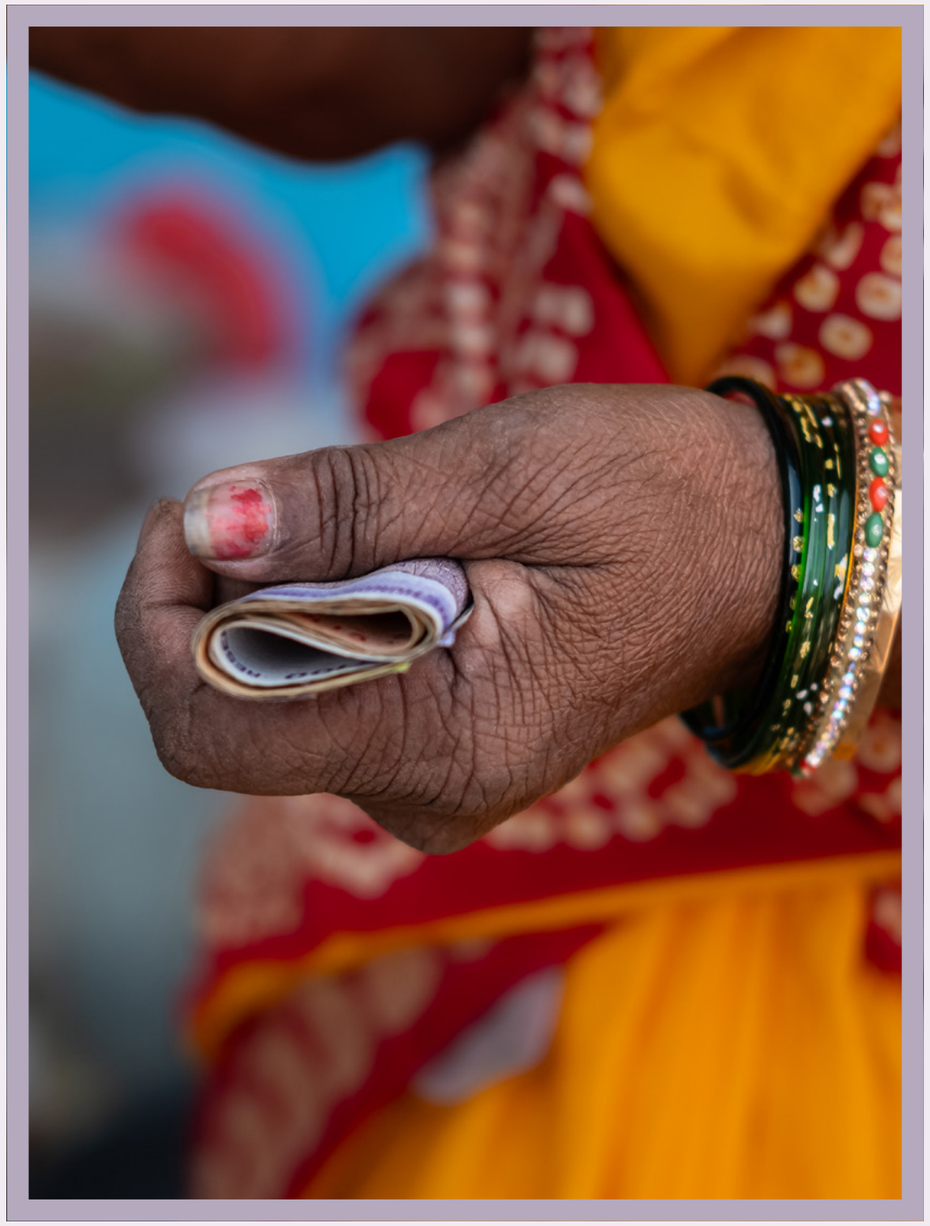
Percent of clients who say their ability to access healthcare for themselves and their household has 'very much improved'



Physical Living Conditions

Percent of clients who say their physical living conditions have 'very much improved'



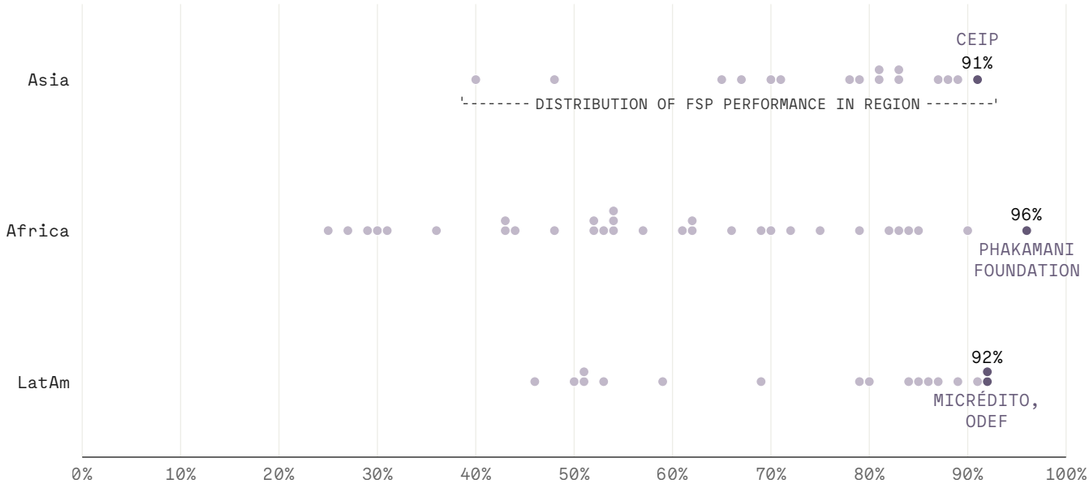


Client Protection

Measures the degree to which clients are informed of [FSP]'s loan conditions prior to borrowing, and the ability of clients to make repayments without reducing other household consumption.

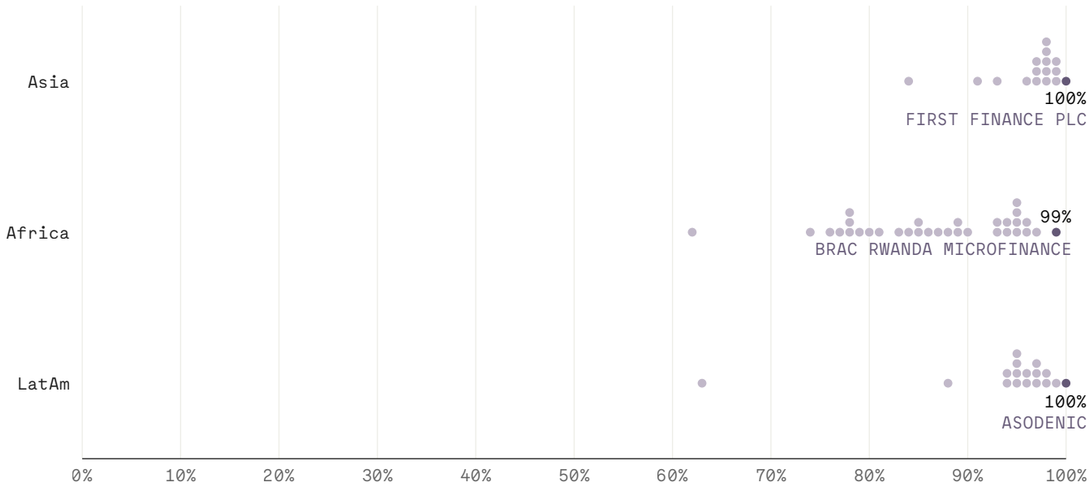
Client Protection

Percent of clients who say they 'strongly agree' that the FSP's fees, interest rates, and penalties are clear and easy to understand



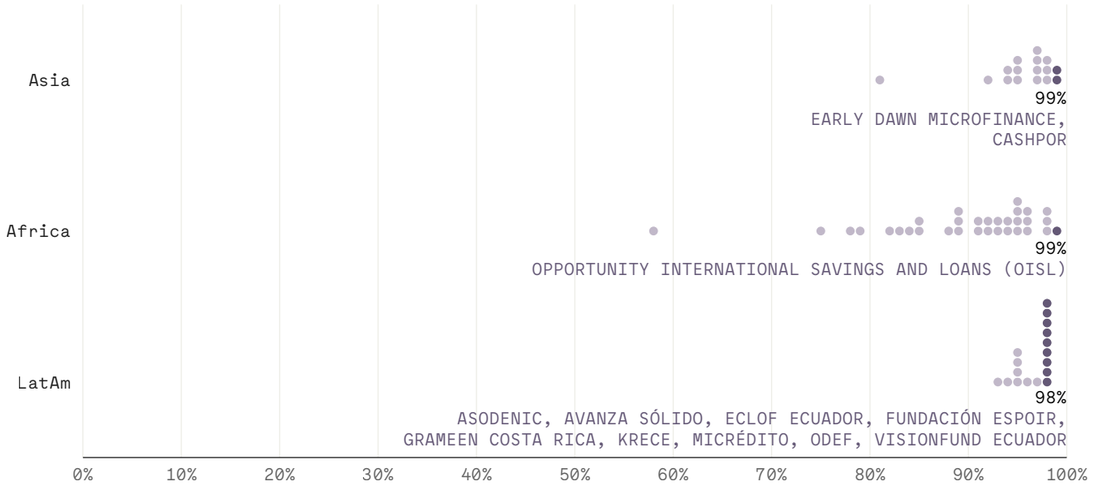
Unexpected Charges

Percent of clients who say they have 'never' experienced an unexpected charge or fee



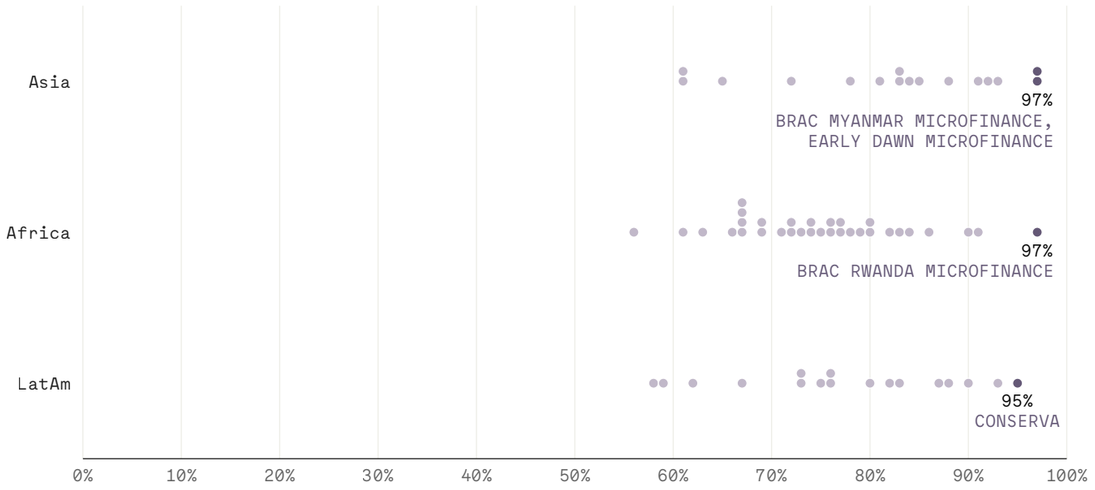
Experience of Harassment

Percent of clients who say they 'never' faced harassment or unfair treatment from FSP representatives



Repayment Burden

Percent of clients who say their loan repayments are 'not a burden'

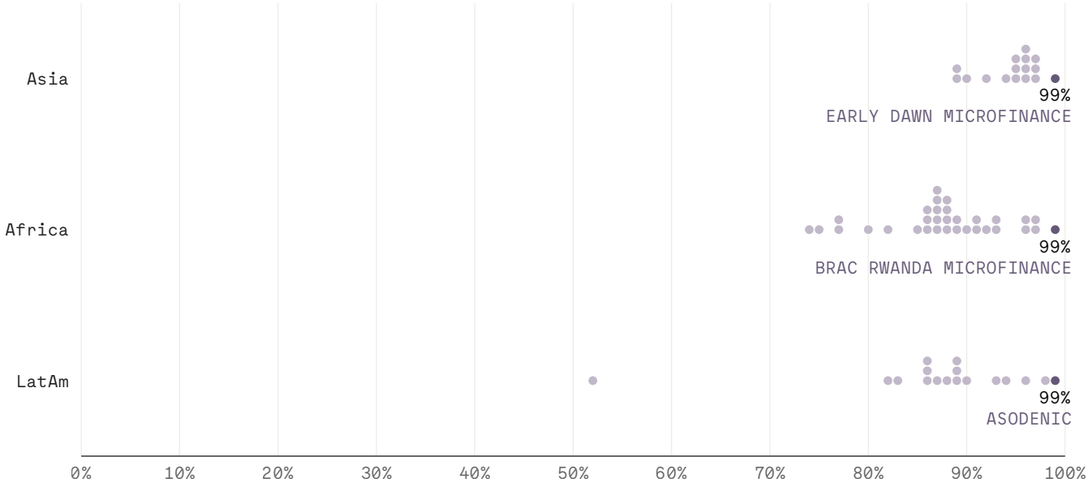


Client Protection

Measures the degree to which clients are informed of [FSP]'s loan conditions prior to borrowing, and the ability of clients to make repayments without reducing other household consumption.

Changes in Consumption

Percent of clients who say they 'never' reduced their household's food consumption in order to make repayments





Resilience

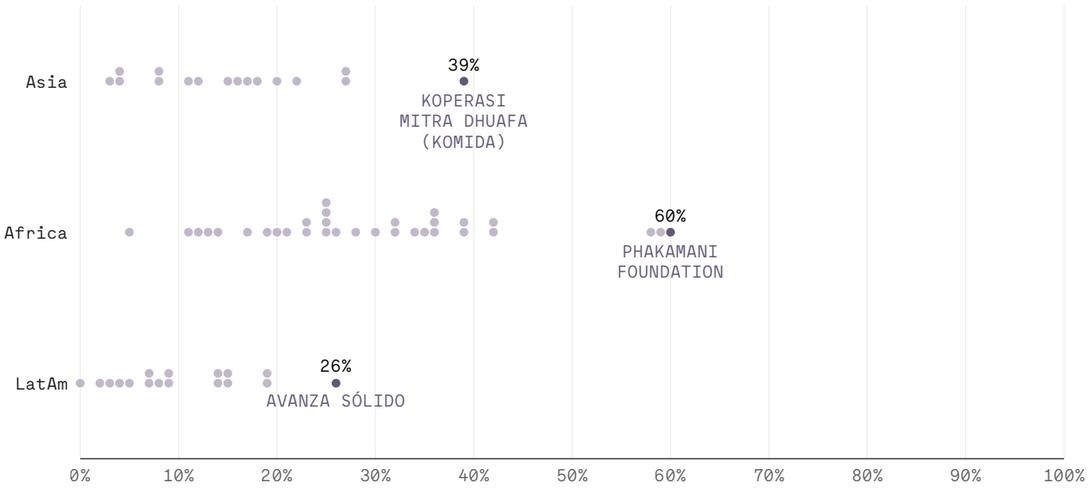
Measures the degree to which clients are financially prepared for an unforeseen economic shock, and the impact [FSP] has on this preparedness. It also measures the client's ability to manage finances and save.

Ability to Manage Finances

Percent of clients who say their ability to manage finances has 'very much improved'

Savings

Percent of clients who say their savings have 'very much increased'

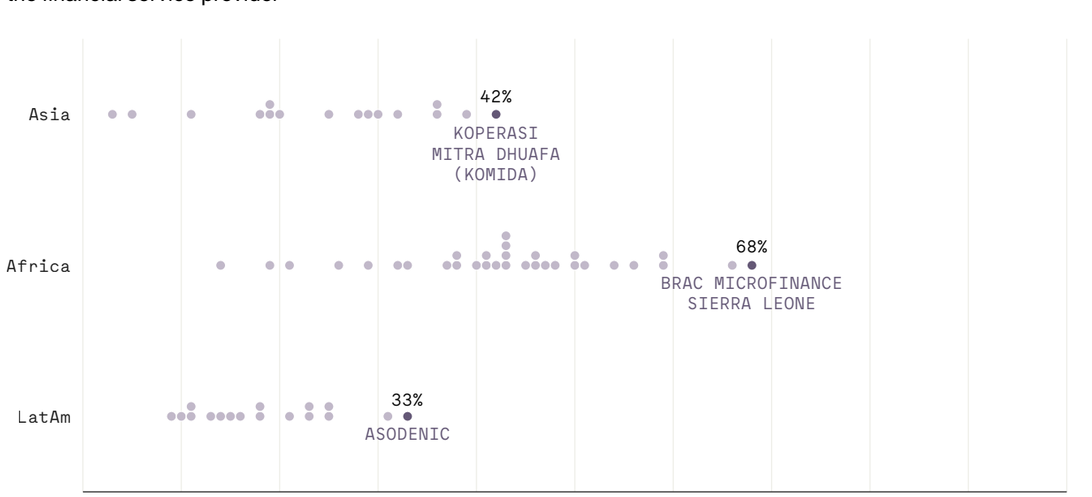


Financial Worry

Percent of clients who say time worrying about finances has 'very much decreased'

FSP Role in Resilience

Percent of clients who say their ability to face an emergency expense has 'very much improved' because of the financial service provider

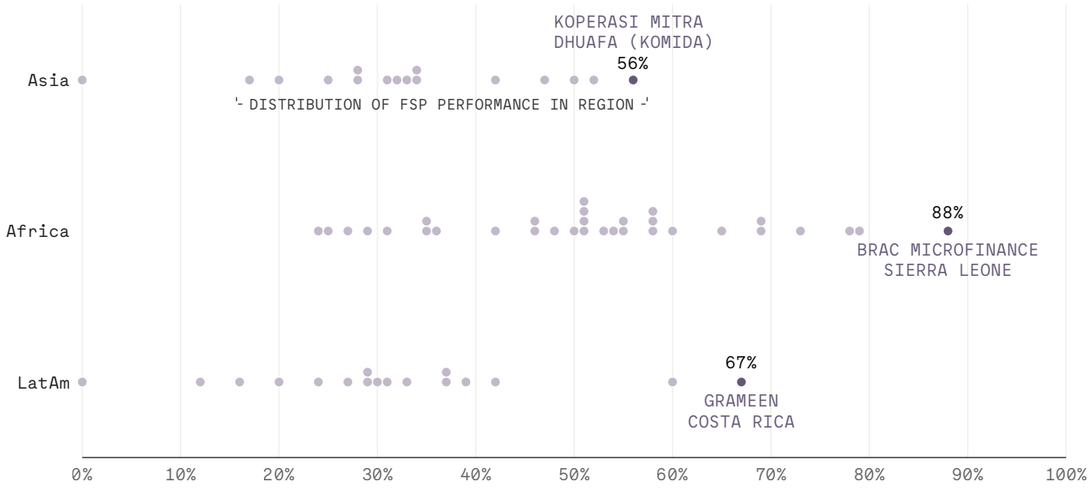


Agency

Measures the impact of [FSP] clients' confidence and their ability to influence household decisions.

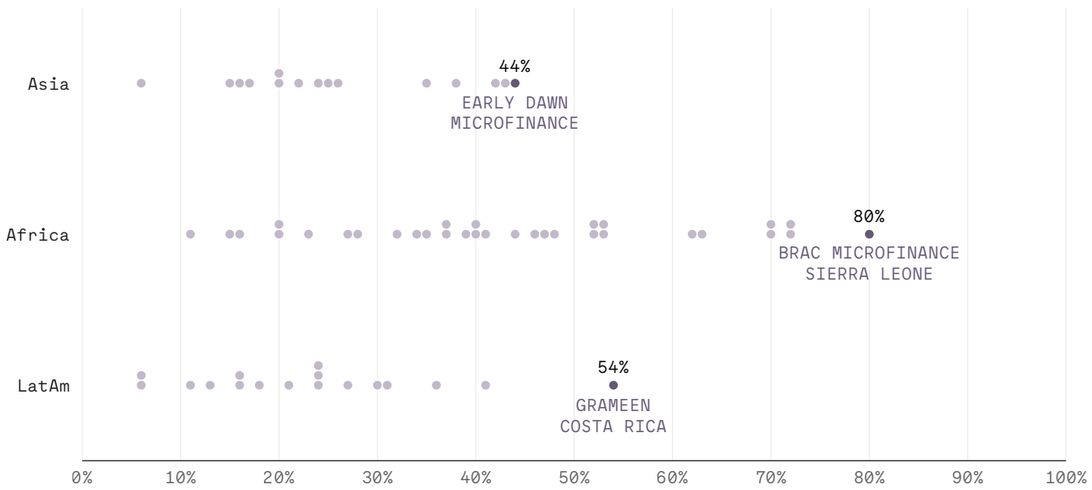
FSP Role in Confidence

Percent of clients who say their confidence has 'very much improved'



Influence in Household

Percent of clients who say their influence on household decisions has 'very much increased'





Five



Years In

Five Years In

> Microfinance offers a simple promise: that access to credit can help people excluded from traditional finance build livelihoods, absorb shocks, and improve their lives.

For decades, the sector measured its progress against that promise almost entirely through what institutions did—loans disbursed, portfolios grown, branches opened. Access served as the proxy for impact. What clients actually experienced remained largely invisible: no comparable, cross-institution benchmark of client-reported outcomes existed at scale.

60 Decibels built the Microfinance Index to close that gap, and we launched at scale from day one: the 2022 edition drew on nearly 18,000 client interviews with institutions collectively serving more than 25 million clients. Five editions and more than 133,000 client interviews later, we can look back at the whole arc.

Each edition had its own character. In 2022, we saw that client-reported benchmarking works at scale, and that most clients were borrowing for the first time. In 2023, the benchmark was deepened, making like-for-like comparison possible across the sector and surfacing how well group lending serves women, who make up most of its borrowers. The next year, loan-term clarity came into focus alongside a slow creep in client challenges. In 2025, we looked at borrower behavior, and found that planned or unplanned borrowing directly shapes what credit delivers, and that digital-only delivery carries trade-offs the sector should watch. And 2026 gives us something only time can: enough history to ask which patterns hold, and what they say about where the sector goes next.

So what do five years of listening tell us?

The Index sample evolves from year to year, in its regional mix, its balance of individual and group lending, and occasionally in how a measure is defined (our tenure categories, for example, shift from ‘one year or less’ and ‘over one year’ to ‘under two years’ and ‘over two years’ after 2023). So the figures in this section are cohort-level readings: they describe the clients and institutions we listened to each year. This, by definition, is a dynamic picture of the sector, and it has strengths and limitations. When a shift in participant composition matters enough, we highlight it in the next section.

What endures

- FSPs reach people the formal system does not: roughly three in five clients every year report their FSP as their first access to credit (58% in 2022, 56% in 2026).
- Through the years, the Index has measured productive lending most closely, and the results are consistent: clients taking productive-use loans and using them for business purposes report stronger financial and resilience outcomes. In 2025, non-productive-use loans were part of the Index for the first time; this year we look further into how they compare to productive-use loans, and the loan-type section later in this report shows the labels hide more than they show.
- Group lending's client-experience edge endures through the years, with group borrowers reporting higher satisfaction and better loan comprehension than individual borrowers.
- Business gains translate into household gains: clients reporting strong business income growth are 4 to 6 times more likely to also report improved spending on meals, healthcare, and education.
- The correlation between financial management, savings, and resilience appears in every edition: clients who report improved financial management are significantly more likely to report a 'very much improved' ability to face a major expense.

What evolves[2]

- Resilience shows the clearest movement in the data, rising within every region: the share of clients reporting 'very much decreased' financial stress moves from 13% in 2022 to 30% in 2026, and the share reporting a 'very much improved' ability to face a major expense moves from 19% to 32%. This is the largest shift we see, but it likely bundles things we cannot fully separate: clients genuinely doing better, the Index reaching different clients as the sector and participating institutions evolve, and, possibly, macroeconomic trends.
- Broader impact moves more gradually. The share of clients reporting 'very much improved' quality of life only moves from 33% in 2022 to 35% in 2026, and 'very much increased' business income from 28% to 30%. The differences are small, but the direction is encouraging; what drives it, and for whom, is the question we take up in later sections.
- Client protection develops a two-tier pattern. The foundational measures are high and stable: 91% of clients report never experiencing an unexpected fee, and roughly three in four report loan repayment is not a burden. Comprehension is less settled: the share of clients who 'strongly agree' that their loan terms are clear fluctuates across editions (73% in 2022, 63% in 2023, 70% in 2024, and 66% in 2025 and 2026) without the same durable improvement.
- Satisfaction holds on the surface, but with some worrying signs: NPS stays high (59 in 2026), yet reported challenges rise from 13% in 2023 to 17% in 2026.
- We also learn more each year about who microfinance works for, and what it takes to work for them. Clients served through digital-only channels report weaker protection and lower satisfaction than those with in-person or hybrid access. Vulnerable clients, around a quarter of borrowers, close the gap with other clients most consistently when they receive services beyond credit alone. Both findings warn against one-size-fits-all conclusions.

These client-level shifts mirror shifts in the sector. Digital delivery's rise shows up in our data as a trade-off: hybrid models preserve the client protection achieved by in-person models while digital-only delivery erodes them. The diversification of lending shows up in who participates and what we measure, as non-traditional and non-productive loans increasingly enter the Index. The regional composition of our sample shifts across editions too, with Africa, Asia, and Latin America each leading the distribution in different years.

Across five annual cohorts, the Index grows from that first edition to a cumulative dataset of more than 133,000 client interviews across 68 countries.

Over these five years, there has been a meaningful evolution of the sector itself. The Index was designed in 2022 to measure the microfinance industry's core product, the productive-use microloan. However, the breadth of participation has evolved since, and the scope of the Index has widened to keep pace. That lets us say more about which products serve which purposes, and unpack how these products drive impact for different clients.

That is the work of the next section: instead of reading the five-year lines from a distance, we take this year's data apart, compare like with like, and uncover the differences that matter.

> "Our income from the business has increased, which helps with our daily expenses, household needs, and the children's education."
>
> Female, 46

2 The movements discussed here are observations from across our data. Later sections dig into what drives them where the data allow.

Where Impact



Varies

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Where Impact Varies: Clients, Providers, and Loans

Impact in microfinance varies widely, and this section asks where that variation comes from.

We look in three places: the clients, the FSPs that serve them, and the design of the loans themselves. Each section works the same way: we sort the data by one lens, take the headline gaps that appear, and ask how much that lens really explains. The answer, again and again, involves the other two. That is partly because the categories intersect. We sort the data by characteristics of the clients, the providers, and the loans, but the things that shape a client's experience rarely belong to just one category. As an example, lending methodology is at once a provider's choice, a feature of the loan, and a signal of who the client is.

The sector's headline metrics, like total borrowers and the share of women and rural clients served, are built around the first of these lenses: who is reached. The other two are not unexamined; the sector has real standards for provider practice and client protection, but what clients experience under different products, and delivery models is not currently measured in a standardized, comparable way. This section makes the case that it should be.

We take each in turn, starting where the sector's attention already sits.

> "This is my first time taking out a loan, and I was surprised when one of the agents spoke to all of us about how we can properly grow our money. I never thought lending companies did that. That was definitely great.
>
> Female, 36

The Clients

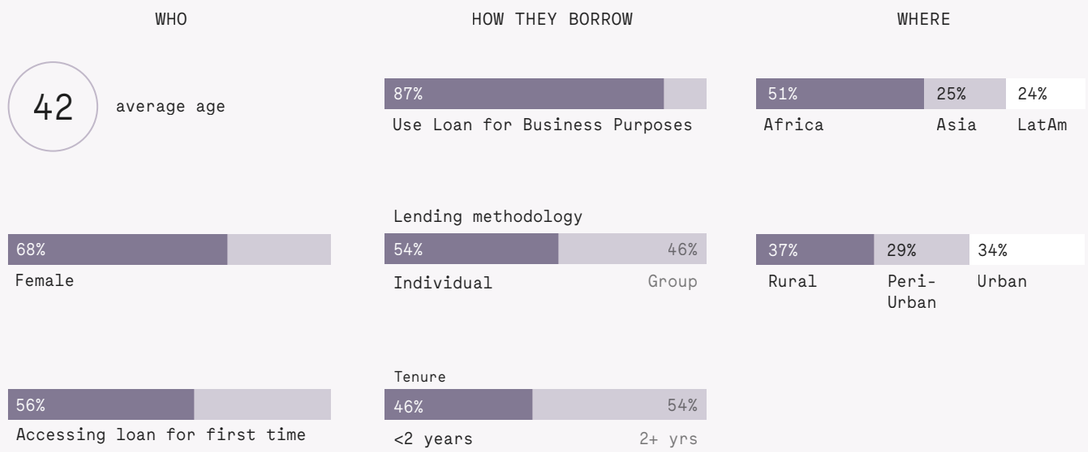
Every client in this Index arrives with a set of characteristics: their gender, their age, their occupation, their household, the way they borrow.

We focus here on the ones that draw a lot of attention from the sector: gender, what clients do with their loans, and whether they keep up with repayments. The question is the same throughout: how much of what a client reports is about who they are, and how much is a function of the loan product they use, or the institution they borrow from?

For a decade the sector has answered that question based on a strong hypothesis: that women, who are underserved, are more likely than men to convert credit into impact, so institutions that want to drive household-level changes with financial access should target women. Five editions of this Index have tracked that thesis closely, so that is where our analysis starts. With gender as a jumping-off point, we investigate what clients do with their loans, and then dig into repayments, and ask what a lender's own records can and cannot tell you about a client.

One theme emerges early and carries through the rest of the report: the unadjusted gaps between client types are useful context, but they are not a reliable guide on their own. This is because of the differences in the products these clients utilize and the institutions that serve them. This section's method is to take the gaps apart and unpack what's driving them.

Cohort Composition Snapshot, 2026



Women consistently report stronger outcomes than men, but that difference might be driven by product and institutional characteristics.

> Women report better outcomes than men on almost every measure. However, once profile and loan-type differences are stripped out, the impact gap closes, but a satisfaction gap remains.

On a straight comparison, the lead is wide and consistent: 37% of women report ‘very much improved’ quality of life against 32% of men. Women report larger gains in confidence and financial management, and a lighter repayment burden. The widest gap is satisfaction: NPS is 24 points higher for women.

The simple reading is that microfinance works better for women. Five editions of this Index suggest something more specific. While women have consistently fared better, the size of that gap has varied year by year: in 2022, women and men reported household gains at nearly identical rates;[3] in 2023, women were marginally ahead;[4] by 2025, the gap had widened sharply.[5]

This level of variation made us ask if there were underlying factors driving these changes. So this year we compare women and men who match on five basic features of their situation:

- The lending model
- The loan type
- Their age band
- Their region
- Whether this is their first time with a similar loan

Together, these describe what a client holds, where they are, and their history with credit. All five are recorded for nearly every client. To conduct this analysis, we sort clients into groups that share all five characteristics—for example, first-time group lending clients aged 36 to 50, with business loans in East Africa. We compare women and men within each group, then combine the comparisons. Using this approach, we are able to cover 15,830 clients; the rest sit in groups too small to compare, or are missing one of the five data points. (Loan types are standardized across institutions for the first time this edition, which makes the match possible.[6])

Two results come out of this comparison, and they point in different directions.

First, the impact gap closes. After matching, the gaps in quality of life and clarity of loan terms are minimal (1 and 2 points). This suggests that the unmatched gap reflects women and men holding different loans in different circumstances.

Of the five factors we looked at, one stands out: lending model. Controlling for it alone closes nearly the entire quality-of-life gap; the other four factors—loan type, age, region, and credit history—barely matter on their own. But a one-variable comparison can mislead here too. Group and individual lending differ in the loans they carry, where they operate, and who they serve, so matching on the model alone could credit the model with work done by everything that comes with it. The five-way match rules this out. When matched on all five together, the gap still closes, so the finding does not depend on any single factor.

Second, the satisfaction gap does not close. Women stay ahead on NPS in every version of this comparison, by 12 to 24 points, whether we match on delivery channel, loan size, lending model, or first access. One explanation is that this is a difference in answering style: if women simply respond more generously in an interview, no matching would remove it. However, if that were so, women’s impact answers would be lifted too, and they are not: those gaps close under matching. Another possibility is that lenders serving mostly women design their service around them, and women’s ratings reflect that fit. That doesn’t hold either: the gap runs at 8 to 11 NPS points in favor of women when comparing clients within FSPs that are either mostly women or mostly men, and is widest where women are a minority. What survives is specific to how women rate their provider. Whatever the size of their loans and whoever serves them, women rate their FSPs more highly than similar men do. In this data, gender is a weak divider of impact, and a consistent divider of satisfaction and loyalty.

For a sector built around reaching women, a closing impact gap reads like a challenge, so we want to state it precisely. It is not a case against targeting women. Instead, this analysis tells us that, at the level of an individual client, gender explains little of the difference in impact between similar clients with similar loans. And this comparison answers one question while deliberately setting aside another: if women hold different loans because of what they are offered, then the loan is part of how gender operates in this market rather than something separate from it. Our matching cannot tell those apart, and does not try to. What loans women utilize, and why, is a question for the next insight.

> “Thanks to the loan, I was able to work, buy a house and a car, help my family, and provide for my personal needs as well as my children’s education and living expenses.
>
> Female, 56

3 60 Decibels, Microfinance Index Report, 2022.

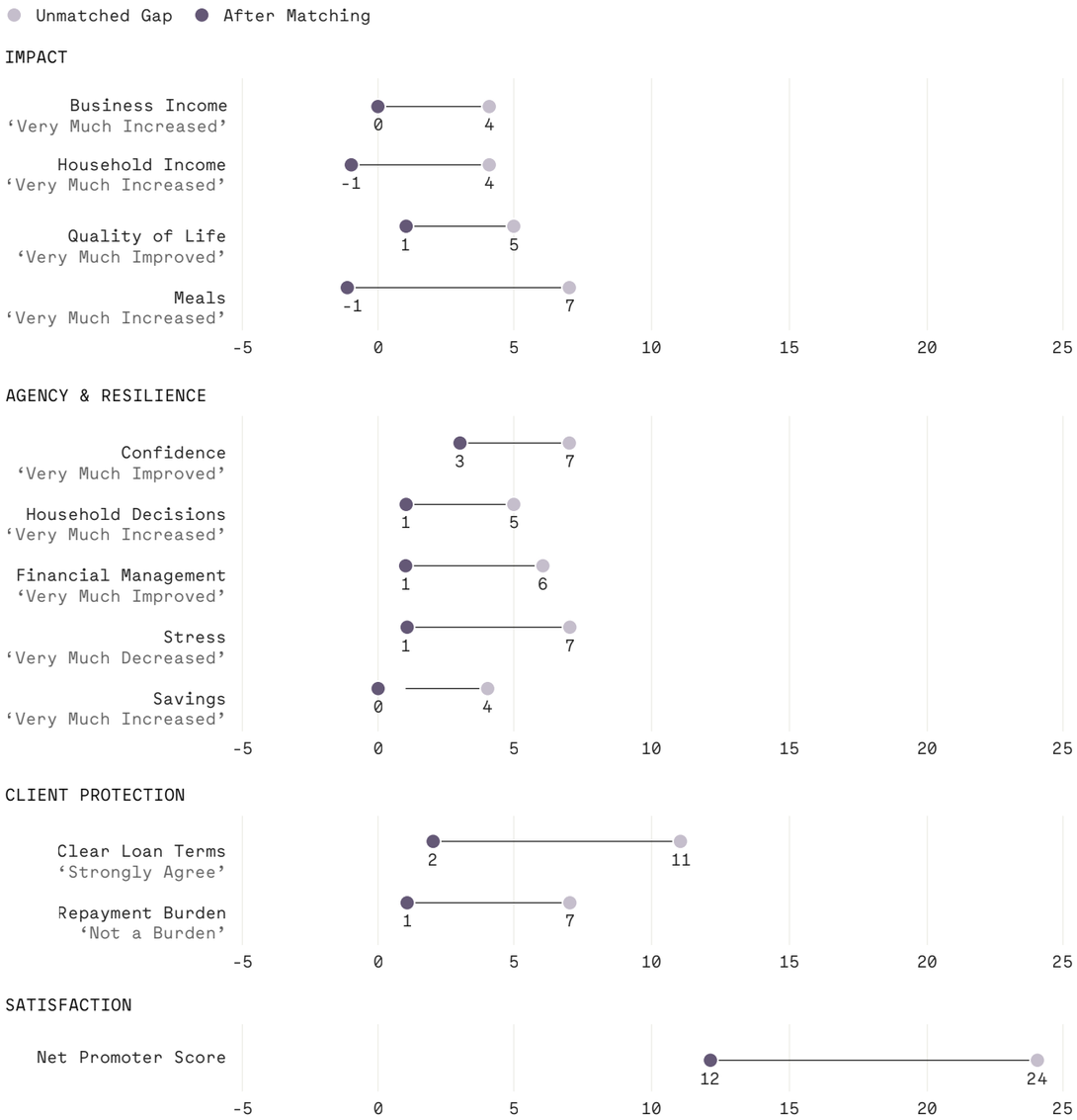
4 60 Decibels, Microfinance Index Report, 2023.

5 60 Decibels, Microfinance Index Report, 2025, Insight 06.

6 The typology classifies loans as productive-use loans, i.e. those for business, agriculture, and assets, along with housing, education, or personal loans, which are non-productive-use loans. The 2026 cohort is classified at source; 2025 loans are mapped from institutions’ own product labels, which classifies 79% of that cohort’s clients.

Gender Gap in Client Results, Before and After Matching, 2026*

Unmatched Female n = 12,646 | Unmatched Male n = 6,060 | Matched Female n = 10,363 | Matched Male n = 5,467



* The unmatched gap is the difference in outcomes reported by women and men (% of women reporting an answer - % of men). The after matching number shows the difference once we compare similar women and men, holding the lending model, loan type, age group, region, and credit history constant. The quality-of-life gap, for example, falls from 5 points to 1 after matching.



Women and men invest in their businesses at similar rates. The difference: men's loans are twice the size of women's, and men invest in equipment more often.

> Women and men use productive-use loans nearly identically. What differs is the size of the loan, and what it buys.

Among clients with productive-use loans,[7] women and men report business usage at nearly identical rates: 92% of women versus 94% of men.[8]

Loan size is where the similarity ends, and here the straight comparison is the point: the prior insight isolates gender; this one looks specifically at loan size in purchasing power terms.[9] In our sample, the median woman's productive-use loan is $1,744 against $3,332 for men, and men are more than twice as likely to sit in the largest loan-size quartile (40% against 17%), while women cluster in the smaller bands. Within any single lender, though, the gap is smaller: the median man's loan runs about 11% larger than the median woman's. Most of the size gap is between institutions. Women are concentrated at FSPs that lend small, partly because the lenders built for first access, where loans are small by design, also serve women in the largest numbers.

The same pattern holds for what the borrowers buy. Among productive-use loan holders who report using the loan for their business, women are more likely to purchase inventory and stock to sell (63% against 45% of men), while men are more likely to purchase machinery and equipment (18% against 10% of women). Women fund the running of their business; men fund its assets. When asked what improved, women name household welfare and bills; men name assets and production, a finding carried over from last year.[10] Importantly, one of the most common measures of success in microfinance—changes in business income—is more likely to capture men's account of value better than women's. Anyone assessing the impact of these loans on changes in business income alone is undercounting what they do for women.

Among women who do hold the largest loans, business use shifts toward equipment, with machinery rising to 13% of their business purchases from 6% in the smallest band. But men's machinery share rises as well, and men remain ahead at every loan size. A larger loan moves women toward equipment; it does not close the gap with men at the same size. So, loan size explains part of the difference in what women buy. The rest likely comes from the nature of the businesses women run and the loan products they are offered. This is a hypothesis FSPs can test against their own portfolios: whether women who qualify for larger loans take and use them differently.

7 For loan typology details, refer to footnote 6.

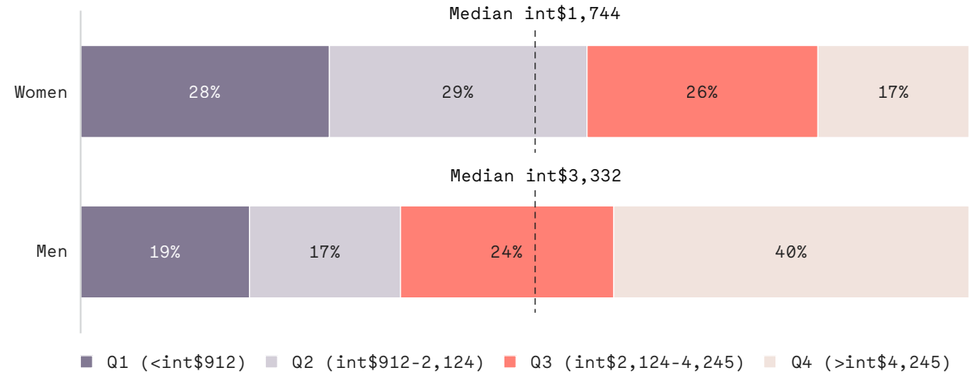
8 The usage difference is wider across all loans, 89% of women using loan for business purposes against 82% of men, but this reflects the kinds of loans men and women take rather than how they use them: men are roughly twice as likely to hold a personal or other non-productive loan.

9 Loan sizes are shown in purchasing-power terms for the 2025 and 2026 cohorts, the window where the conversion is reliable. Size-based analysis covers converted loans between $10 and $5,000, which is 95% of loans from these two years of data. The few loans above this range are concentrated in a few institutions and are larger business and asset finance products whose typical loan sizes exceed the microloan range, so are excluded from size-based comparisons but retained in all other analyses. In this insight, quartiles are computed across the productive-use loans from both cohorts.

10 Ibid.

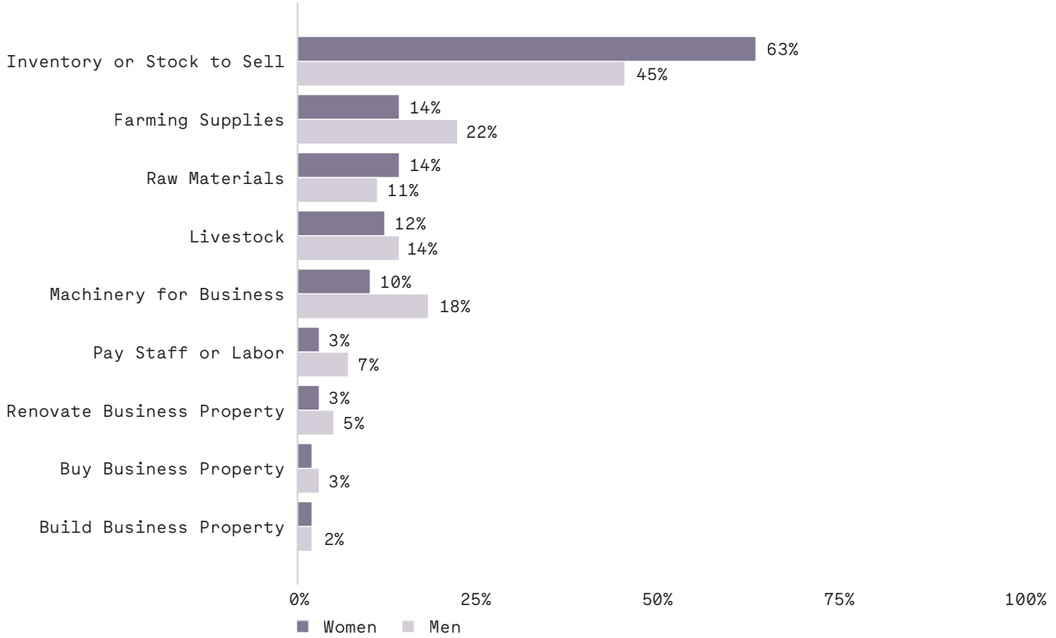
Loan-Size Distribution by Gender, 2025–26 Combined*

Productive-use loans only Women n = 20,365 | Men n = 10,560



Loan Usage for Business Purposes by Gender, 2025–26 Combined

Productive-use loans only Women n = 19,257 | Men n = 9,741



* Loan sizes are shown in international dollars (int$), a purchasing-power-parity unit. Int$1 buys roughly the same amount of goods and services in a given country as US$1 buys in the United States.

A repayment flag means a struggling client, unless it covers the whole group.

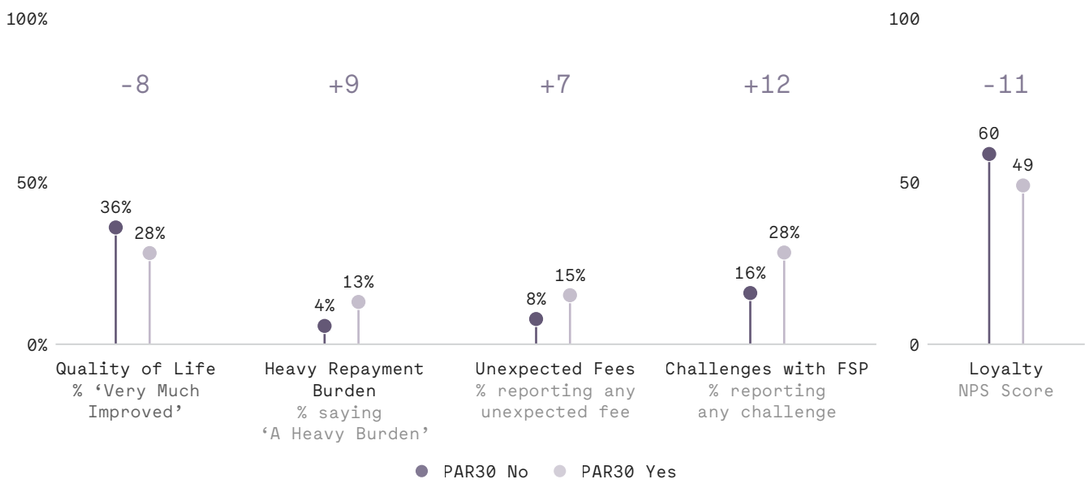
> Matched to what clients report, PAR30 tracks real distress under both group and individual lending models. At some group lending institutions, though, the flag tracks nothing about an individual borrower at all: it describes the group.

The last client characteristic we examine is repayment standing: PAR30 status, meaning whether a client has a repayment outstanding for more than 30 days. Participating FSPs supply the flag from their own records, and we match it to each client's survey responses. This lets us read what the lender's records tell us alongside what the client reports. Lenders and investors treat the flag as a signal of client distress. Pairing it with our data lets us test how well it works as one.

Mostly, it works. Clients with a missed payment—8% of the sample across the last two years—report a worse experience on nearly every measure: quality of life at 28% 'very much improved' against 36% for clients in good standing, a heavy repayment burden three times as often (13% against 4%), unexpected fees almost twice as often (15% against 8%), and challenges with their FSP at nearly twice the rate (28% against 16%). Their NPS runs 11 points lower, and the direction holds almost everywhere: the quality of life gap runs negative in 25 of 29 FSPs with enough clients on both sides. The flag predicts worse outcomes and a higher repayment burden inside both lending models: quality of life 11 points lower among flagged individual borrowers and 9 to 10 points lower among flagged group borrowers, with heavy burden roughly tripling in both. Read the other way, clients who face unexpected fees and heavy repayment burden are more likely to fall behind, so a lender with weak protection practices is likely to see the impact of that in its PAR30. On that reading, better protection helps twice: clients face less risk of over-indebtedness, and the lender sees fewer arrears.

Client Results by PAR30 Status, 2025–26 Combined

PAR30 'No' n = 37,189 | PAR30 'Yes' n = 3,073

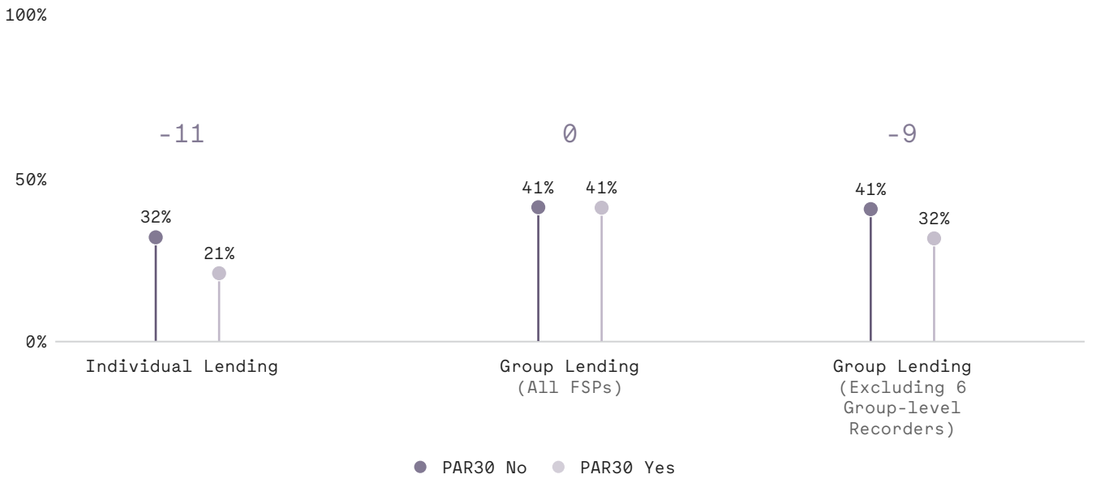


But at six institutions[11] in our sample, the flag tracks no individual distress at all: flagged group borrowers at these institutions report outcomes indistinguishable from everyone else's. This is because these FSPs' systems record repayment standing at the group level, where one member's miss can flag the whole group. That is reasonable bookkeeping under joint liability, but it means their PAR30 status is reflecting the group's standing, not each client's. Nothing on the surface distinguishes these lenders: the flag arrives in the same format, in the same column, under the same name. Only reading it against client voices shows that the same field from different systems measures different things, diluting a real gap to almost nothing.

In practice, what matters is the client behind the flag. Recorded per client, it marks a person in real difficulty. Recorded at the group level, it carries a mark that belongs to their group, not to each individual in the group. The same record, read the same way, describes a client in distress at one institution and tells you nothing about the client at another. For anyone whose decisions run on this number, lenders judging who graduates to a larger loan, or investors screening a portfolio, the point is the same: before comparing the flag across lenders, ask how each one produces it. None of this is visible in the records alone or the survey alone; it takes the two together, and that pairing is something the sector could do more of.

Quality of Life by PAR30 Status and Lending Model, 2025-2026 Combined

% reporting quality of life 'very much improved'



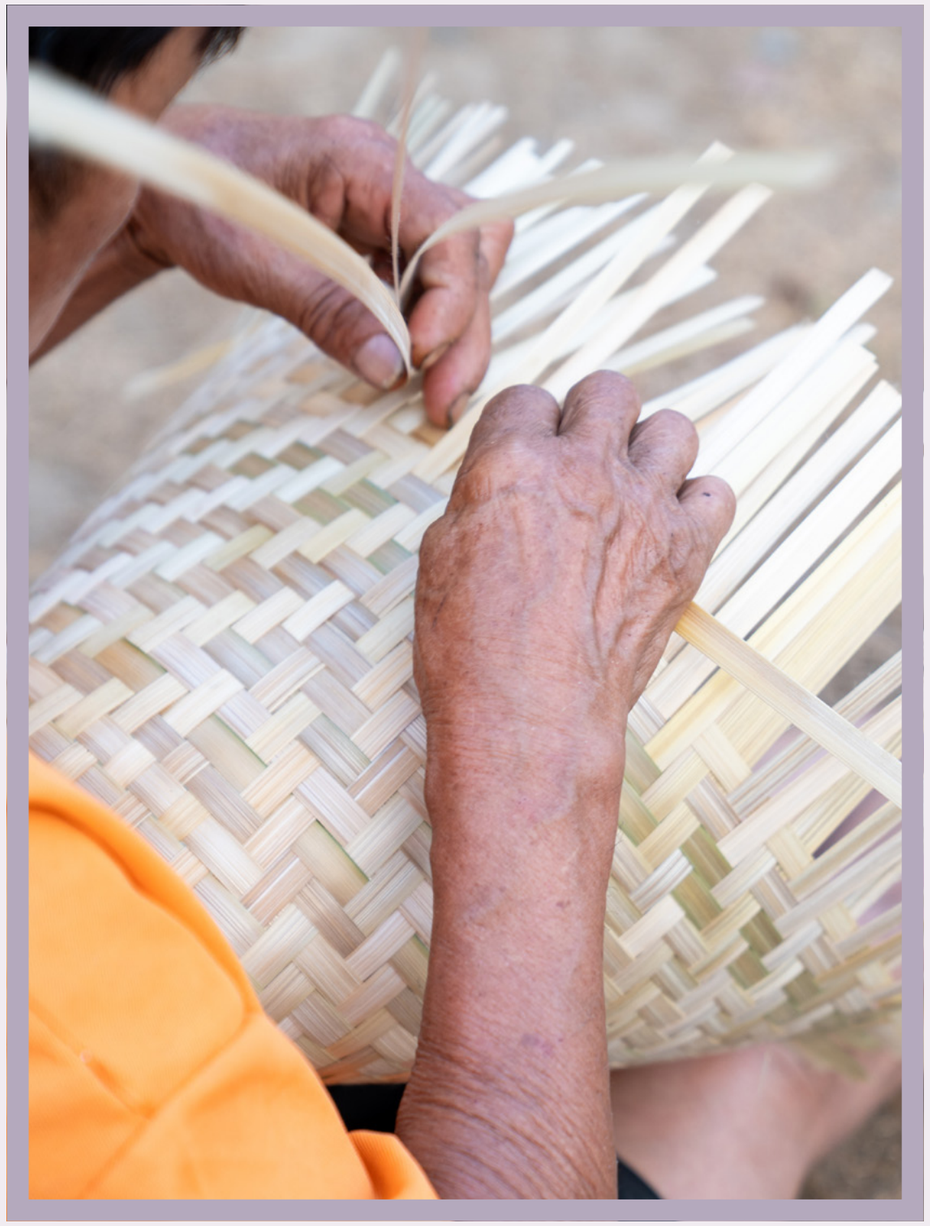
11 The six institutions are excluded from the group-side figures; including them shrinks the apparent group-side gap to almost nothing.

In summary, here are three client-level signals worth highlighting:

- Women report higher satisfaction, a gap that survives every analysis we run
- Women hold loans about half the size of men's, for reasons running from the businesses they operate, to the lenders that reach them, to the products they qualify for
- A repayment record is not a standardized measure: what a flag means depends on how each lender produces it



> "I am happy about their interest rate. For me, it is not too high, and I like it that way. Also, I am very happy they told me I can repay the loan every two weeks. This gives me enough time to put money aside and save from my business earnings to repay the loan every two weeks.
>
> Female, 33



The Financial Service Providers

This section sorts clients by the FSP that serves them, and by how that FSP works. The two characteristics we dig into are choices a provider makes: how it lends, in groups or to individuals; and what its clients receive alongside the loan, from savings to training.

A provider is also simply what it is: its age, its type, its size. None of those traits line up neatly with outcomes, and the note at the close of this section shows why.

Two points before we start. First, the method: throughout this section we take a headline gap and compare like with like, inside a single FSP, inside a region, inside loan size bands, to see how much of the gap survives. Second, our standard of proof: no comparison here fully separates a provider from its clients. When clients of one kind of FSP report better outcomes, the difference could come from the provider, from its clients, or from both, and every finding should be read that way.

> “
>
> The technical team is well-prepared and treats each loan application as if it were their own, demonstrating a genuine passion for the credit service. The response was quick, and the customer service representatives were very attentive to their clients, which I greatly appreciated.
>
> Female, 74

The group lending advantage persists in our data, but there is considerable variation underneath the headline.

> Clients of group lending FSPs report better outcomes across the board. Inside the 24 FSPs that lend both ways, the impact advantage shrinks or reverses. The protection advantage survives.

How an FSP lends is its most basic design choice, and the impact advantage of group lending is one of the most durable findings in this Index. Our 2026 data confirm this finding: group-only clients report more improvement on almost every measure, and lead on the two protection measures the sector watches most (understanding loan terms and finding repayment manageable). Our question this year is where that advantage comes from.

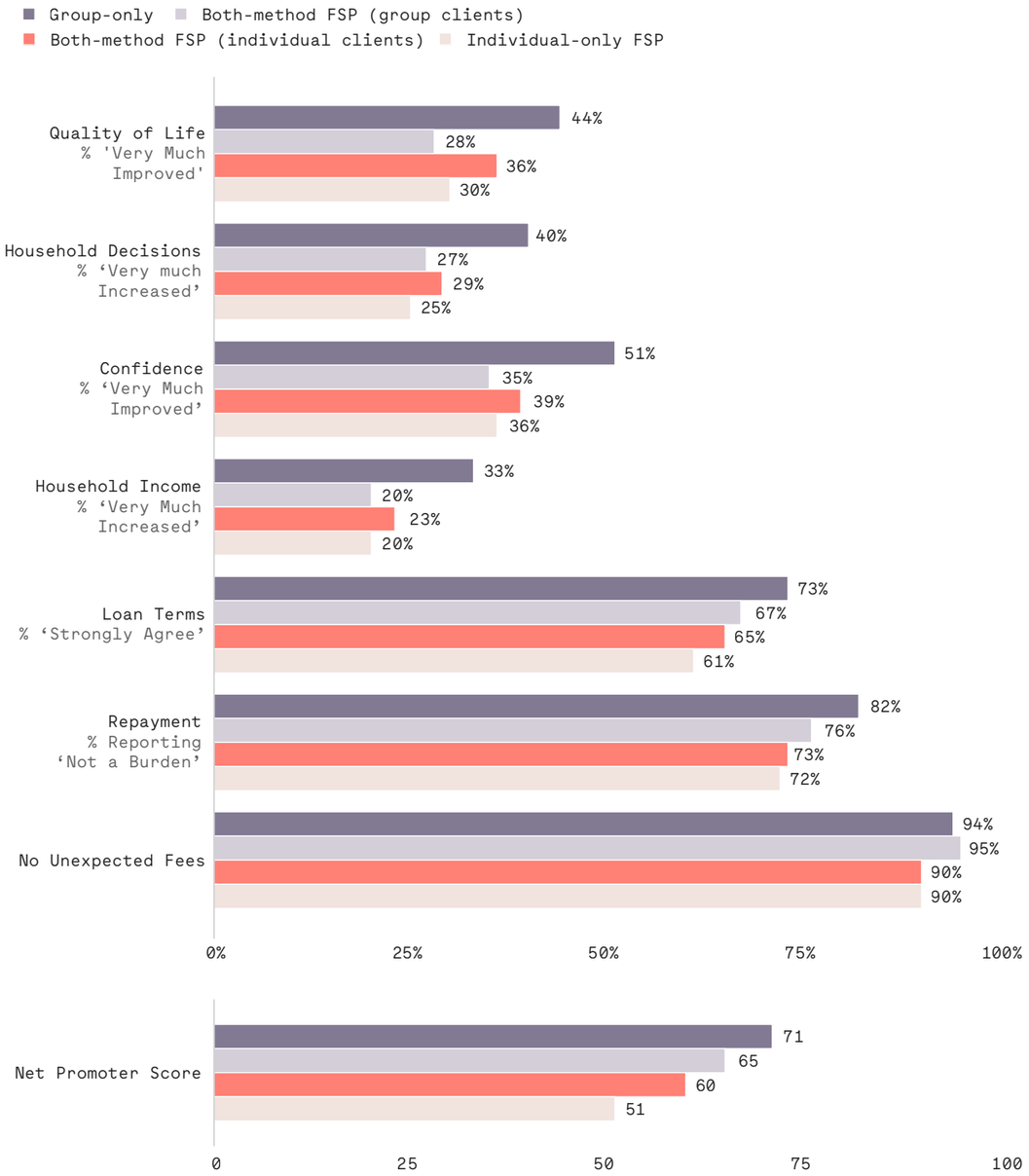
Across our data, that advantage is large. Quality of life shows a 9-point gap and household-decision influence shows a 12-point gap. But the comparison can be run directly only where a single FSP lends both ways. Across the last two years of our survey, 24 institutions do, with more than 3,200 clients on each side. What’s fascinating is that, within each of these FSPs, the impact gaps between group and individual lending shrink or reverse, and on quality of life, individual borrowers come out 8 points ahead.

Put another way, sorting providers by how they lend gives three kinds: group-only, individual-only, and both. Impact lines up by provider. Group-only FSPs’ clients score highest on nearly every measure, both-method FSPs’ clients sit in the middle, and individual-only FSPs’ clients sit lowest. A client’s outcomes track the kind of institution serving them more closely than the way they borrow.

Who borrows which way is not random, and that matters for both comparisons. Within a both-method FSP, individual loans typically go to graduated, longer-tenure, or better-off clients, so when we compare outcomes between them and group borrowers, part of the differences we see come from the lender’s sorting of clients between the two models rather than the impact of the models. Across providers, the sorting runs the other way. Group lending exists to be the entry point for people borrowing formally for the first time, so institutions built around it serve a population that is heavily female (88% across the last two years), borrowing small (a median of $1,371 among group clients against $3,087 among individual clients in purchasing-power terms), and often new to formal credit. Comparing those providers with individual lenders compares two different client populations before it compares two methods.

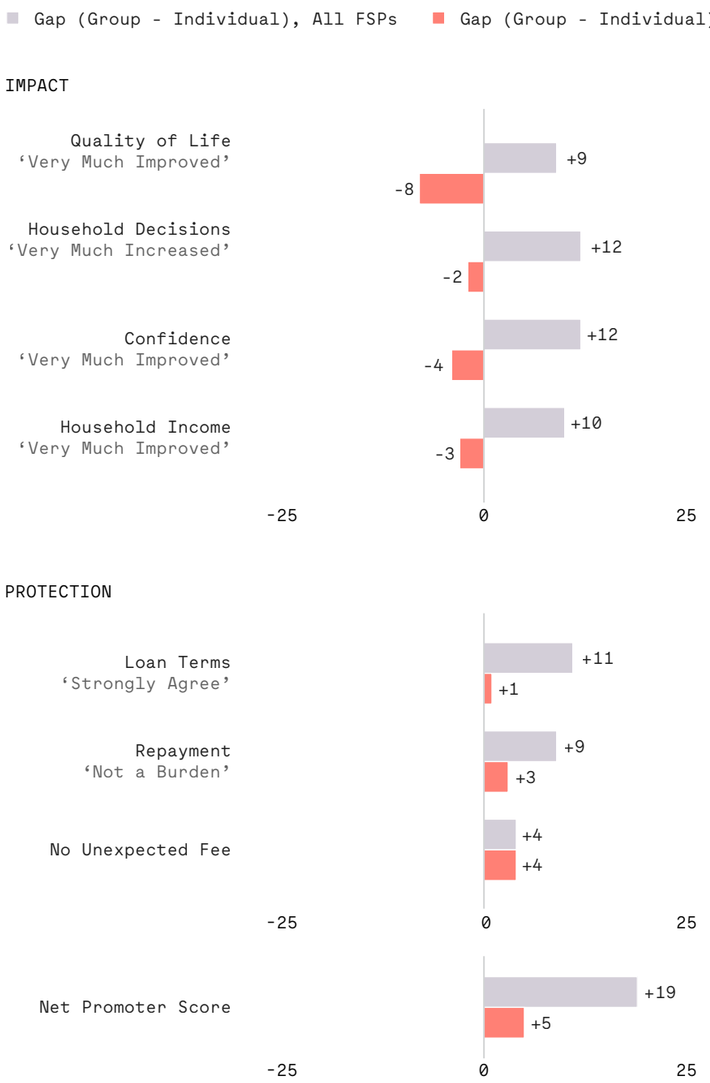
Client Results by FSP Lending Methodology, 2025–26 Combined

Group-Only FSP n = 14,765 | Both-Method FSP (Group) n = 3,831 | Both-Method FSP (Individual) n = 3,458 | Individual-Only FSP n = 20,710



Individual v. Group Lending Gap (All FSPs) vs. Individual v. Group Lending Gap (Same FSPs), 2025–26 Combined

All FSPs, group n = 18,617 | All FSPs (Individual) n = 24,147 | Within Both-Method FSPs (Group) n = 3,831 | Within Both-Method FSPs (Individual) n = 3,458



For an FSP, the two models are also two different value propositions, and clients describe them in exactly those terms. Group lending clients recommend their FSP for what the product is and does: the installment schedule, the interest rate, and the business results it enables. Individual lending clients recommend theirs for how they are served: the staff, timely disbursement, and the approval process. When we look at how clients say their quality of life improved, the results across the two models converge, with increased income the top improvement reported by both sets of clients, and business investment and assets ranking high on each side. Where results differ is at the household level. Group lending clients cite education far more often (29% against 16%), and household bills and savings more often too. This is not just a function of group lending's largely female base: among women alone, group lending clients still cite household outcomes more often than individual lending clients.[12]

The same split runs through repayment. When repayment burden is heavy, clients in both models mostly name their circumstances, struggling businesses and unstable incomes, but the lender's own terms appear more often in individual borrowers' explanations: high installments named by 12% against 8%, high interest rates by 9% against 3%. When repayment is manageable, clients in both models credit themselves.

For anyone weighing the two models, protection and impact point in different directions. Protection is the part of the advantage that best survives inside the same institution: across the 24 both-method providers, group borrowers report unexpected fees half as often (5% against 10%) and fewer challenges (11% against 15%). Clarity of loan terms points the same way but the difference is very small, at 67% against 65%. Lenders running both models are a particular kind of provider, and their group lending may not represent the model as a group-only institution runs it. But if their group lending were a diluted version of what group-only lenders run, the fee and challenge edge should thin inside them too, and it does not. Inside one lender, it is the impact gap between group and individual loan clients that mostly disappears—a sign that impact is driven by the institution itself, and who they serve, not by the lending model. The protection edge is institutional too, just in a different way. Group lending forces certain practices: terms are explained in person, repayment happens on a shared schedule in front of peers, contact with FSP staff is regular and scheduled, and there is an in-person route to raise problems early.

Individual lenders could apply many of these practices. A shared schedule and peer visibility are inherent to the group model, and an individual lender has no version of them. The rest can be built deliberately: individual lenders can explain terms face to face, schedule check-ins with clients, and give clients in-person routes to raise problems before they become complaints. Individual lending builds in none of these practices by default, and it is where they are needed most.

The impact difference is not about practices. Group lending FSPs show stronger impact because they reach underserved clients, who are often borrowing formally for the first time. Individual lending reaches a more mature set of clients with different needs, so the real question for FSPs here is which model best fits a given client.

MORE ON 60dB SIGNAL

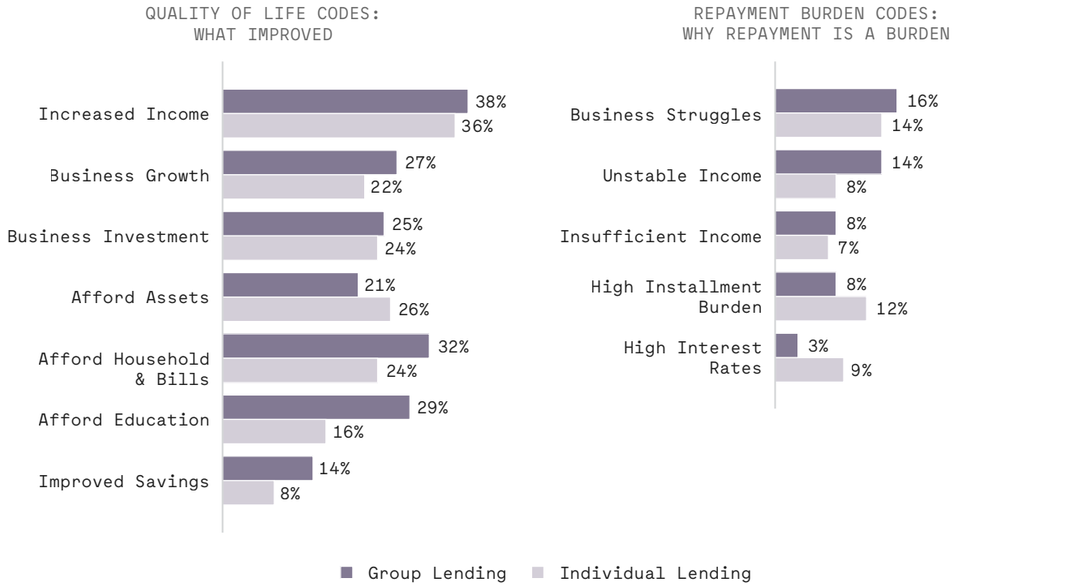
Clients who struggle to understand their loan terms tend to report repayment as a heavy burden, a pattern that holds across the last two years. Signal lets you plot these and other indicators against each other to spot any correlations and outliers.

See how it works

12 If the household lean reflected group lending's female leaning base in the sample we tested, it would disappear when comparing women to women across the two models. It doesn't: the education, bills, and savings leads persist nearly unchanged.

What Clients Say About Improvement and Burden, by Lending Model, 2025–26 Combined

Group n = 15,709 | Individual n = 19,085



Clients who get additional services with their loans report better outcomes, and the improvements grow with more services received.

> Additional services track with stronger outcomes every year we measure them. The improvement in outcomes increases as more services are layered, even within a single provider's own client base. Outcomes are strongest when financial and non-financial services come together.

The next thing to look at is what clients get alongside their loans. That additional services help client outcomes isn't new; it has turned up across editions.[13] What five years add is how steady the pattern is, and what shape it takes.

One distinction matters up front: what we measure here is whether clients report receiving and using services, not whether the FSPs offer them. Clients who take up services may be more engaged or proactive than those that don't, so differences in outcomes are only partly about the design of these services.

We've tracked whether clients receive any service alongside their loan since 2023, and in every year, clients who report receiving at least one service show more improvement than those who report receiving none, on every measure we track. The difference is broad. Across the last two years the gap runs at 7 to 10 points in favor of clients receiving additional services, from household income (+10) and savings (+9) to financial management and quality of meals. Repayment burden is lighter too: 21% of clients receiving additional services report a repayment burden against 26% not receiving any services.

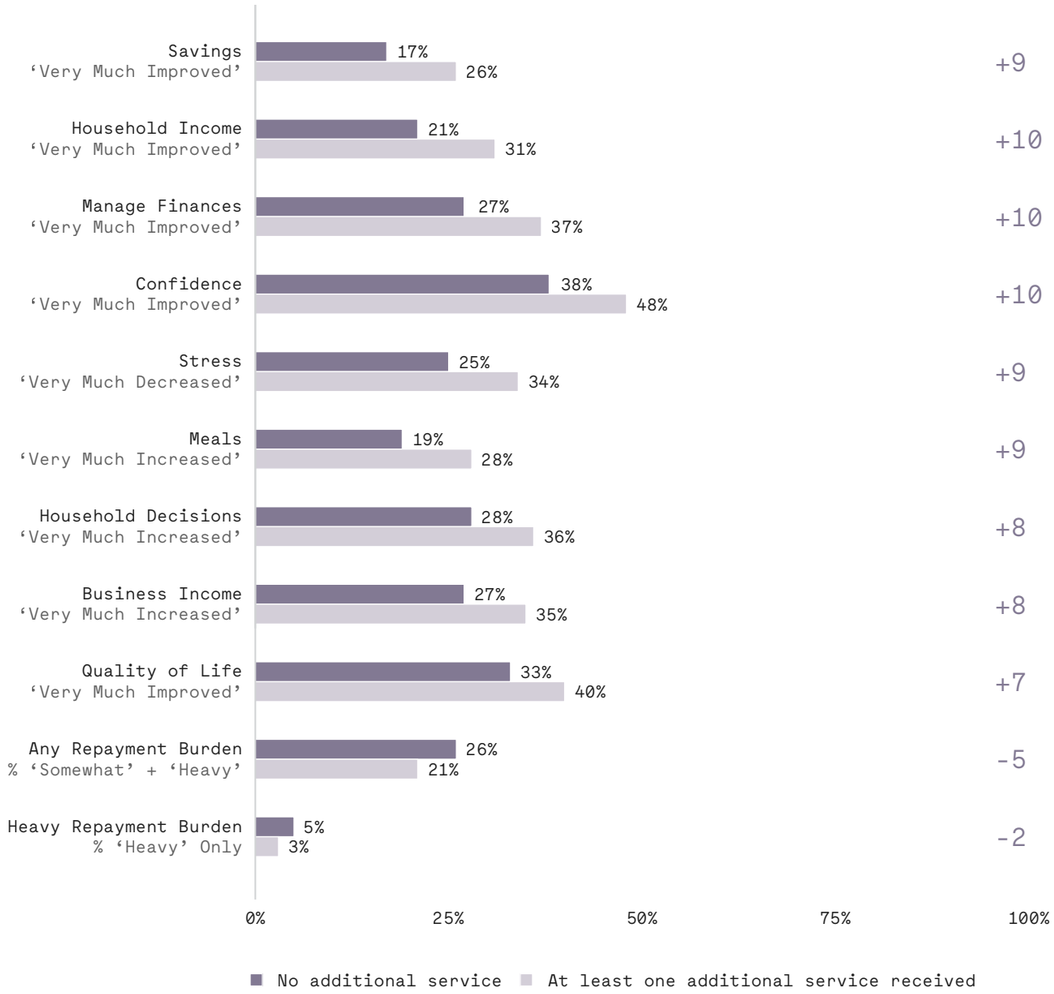
When we break the data down by the services received, outcomes rise in a consistent order. Clients with no additional services report the weakest outcomes, followed by those with financial services (savings and insurance), then those with non-financial ones (training, health, and business support), and finally those with both, who report the strongest outcomes of all. Across the last two cohorts, quality of life climbs from 33% 'very much improved' with no additional service, to 36% with financial services, and to 45% with both. Non-financial services clearly beat financial services on non-money outcomes: confidence (52% against 43%), household-decision influence (39% against 32%), and clarity of terms (74% against 62%). One note: non-financial services reach a client base weighted toward Africa and group lending, so the finding is partly driven by composition, though the pattern holds within each lending model. A plausible explanation is that the two kinds of service reach clients differently. Savings and insurance change what a household can absorb; training and business support change what a client knows and can do, which is where confidence and clearer terms would show up first.

> "The loan is available immediately and reaches us on time, and my members are very kind. I was already a member long before and the benefits and insurance are truly great.
>
> Female, 60

13 60 Decibels, Microfinance Index Report, 2025, Insight 02.

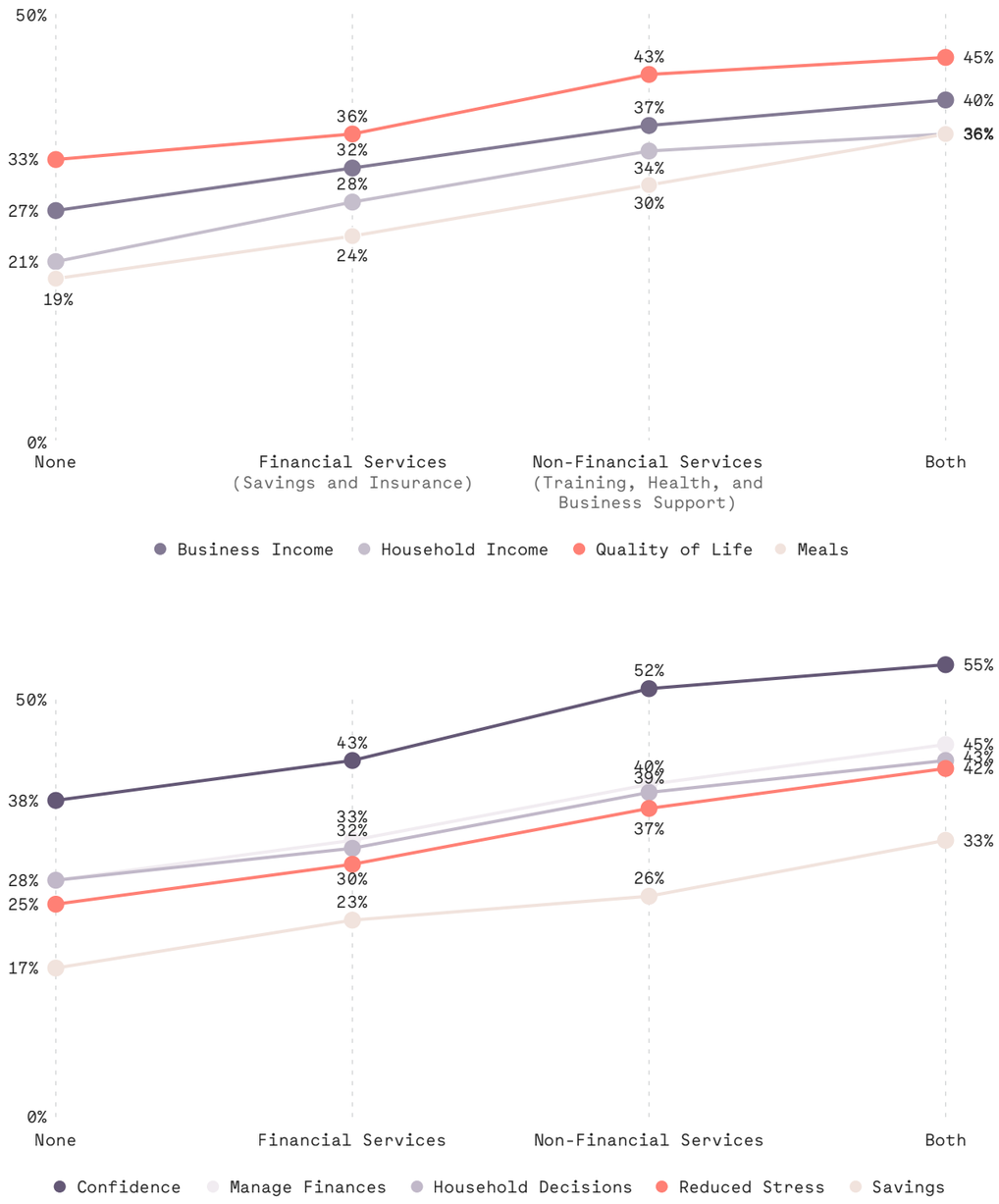
Client Results by Access to Additional Services, 2025–26 Combined

None n = 29,741 | At least one additional service received n = 14,284



Client Results by Mix of Additional Services Received, 2025–26 Combined

None n = 29,741 | Financial Only n = 7,279 | Non-Financial Only n = 3,743 | Both n = 3,040



Before reading too much into this pattern, we check it a few ways. Within lending models, it holds: among individual lending clients alone, quality of life climbs from 29% with no service to 38% with both, and group borrowers show the same progression (39% to 47%). Inside single institutions, it holds too. Across the 100 FSPs since 2023 with clients served by both models, clients reporting service access report quality of life about 5 points higher than clients of the same FSP who don't. So this is not just service-rich institutions being better; within one provider's own client base, the service association survives.

Our regional check, however, complicates the pattern. The gap holds in Africa and Latin America; in Asia it is absent. Part of that is reach. Asian clients receive services at rates comparable to other regions, but the mix leans heavily financial: the training, health, and business support associated with the largest gains reach 8% of Asian clients, against 23% in Africa.[14] Part of it runs deeper. Among Asian clients who receive both kinds of services, quality of life falls within the margin of error against clients with no services at all, while savings show a clear difference of 8 points. In Asia, the impact of additional services is real but runs through savings and resilience rather than quality of life.

When comparing lending models, the impact differences narrow within the same institution, likely because a lot of these differences stem from the nature of clients each model reaches. Additional services behave differently. Here, the differences hold within FSPs, with the strongest outcomes coming when institutions put both kinds of support around the loan. FSPs can act on this directly, either by widening the range of services it offers alongside loans, or by encouraging clients to take up the services on offer.

A note on FSP profiles

One last note on what two years of provider profile can and can't tell us. Our onboarding data on the institutions have deepened with each edition, and for the last two cohorts it records each FSP's age, type, size, and range of services, with rich enough data to compare profiles against outcomes. None of these traits line up neatly with outcomes. Mature FSPs (10–25 years old) and mid-size ones tend to have the strongest impact. The oldest and largest providers tend to have the highest client satisfaction. No type leads across all of our protection metrics. The NGOs make the point most clearly. They serve the most financially vulnerable clients of any institution type, and a straight comparison shows more of their clients struggling with repayment. Yet they also post the clearest loan terms and the fewest reported challenges of any type.

The nature of the institution tells us less about its impact than the choices it makes: how to lend, what additional services to offer, and how to explain loans to clients are all design choices that belong to institutions, and they move the impact clients report.

MORE ON 60dB SIGNAL

FSPs do not sort neatly on any single trait, so relative performance depends heavily on who you compare against. Signal lets you narrow the peer set to the institutions a lender actually resembles, then shows where it stands.

Explore peer analysis

14 Of 11,744 Asian clients with service data across the two cohorts, 8,454 report no additional services, 2,326 financial services only, 344 non-financial services only, and 595 both kinds, with a small remainder reporting other services.

The Loans

The loan itself is the third thing we look at: what it was designed for, and how large it is. For most of this Index's history, we used FSPs' own product categories to understand loan types, with no established standard across institutions. This limited our ability to analyze differences at the product level across our sample. To address this, in 2026, we introduced a standardized loan typology and mapped the previous year's loans to it using institutions' own product labels.[15] This lets us compare outcomes by loan type, and better understand the impact and risks associated with each.



> "It's a good and reputable company because its interest rates are low compared to other associations, and as soon as we submit the paperwork, we receive the money quickly without delay. I recommend it because no one else would lend such a large amount, and it solves a problem easily and is readily available."
>
> Male, 32

15 For loan typology details, refer to footnote 6.

INSIGHT 6. THE LOANS

Different loan types drive different quality of life improvements, but 'productive' and 'non-productive' categories tell us nothing about this.

> Both labels bundle strong products with weaker ones. Impact and risk differ by loan type, and each type should be judged against the outcome it is built for.

Different loans are designed to enable different outcomes. A housing loan exists to improve living conditions, a business loan to generate income for clients, an education loan to improve access to schooling. Not every outcome measure applies to every type: we shouldn't judge a housing loan on income growth. However, there are universal questions we can ask for every product. Does it deliver the outcome it is built for? What protection risks does it carry, and how heavy are they? And how do clients rate it? The sector's conventional 'productive' vs. 'non-productive' sorting helps us answer none of these questions.

Loans are typically split into two groups: productive-use, where the loan funds something that earns, such as a business, a farm, or an income-generating asset, and non-productive-use, where it pays for something else, such as housing, education, or a personal need. Using this definition, 'productive' loans do show consistently higher client outcomes, as earlier editions found. But the labels predict little about individual products. The non-productive side bundles the loans clients rate most highly with the loans that are hardest to repay in the sample, and the weakest impact results sit on the productive side.

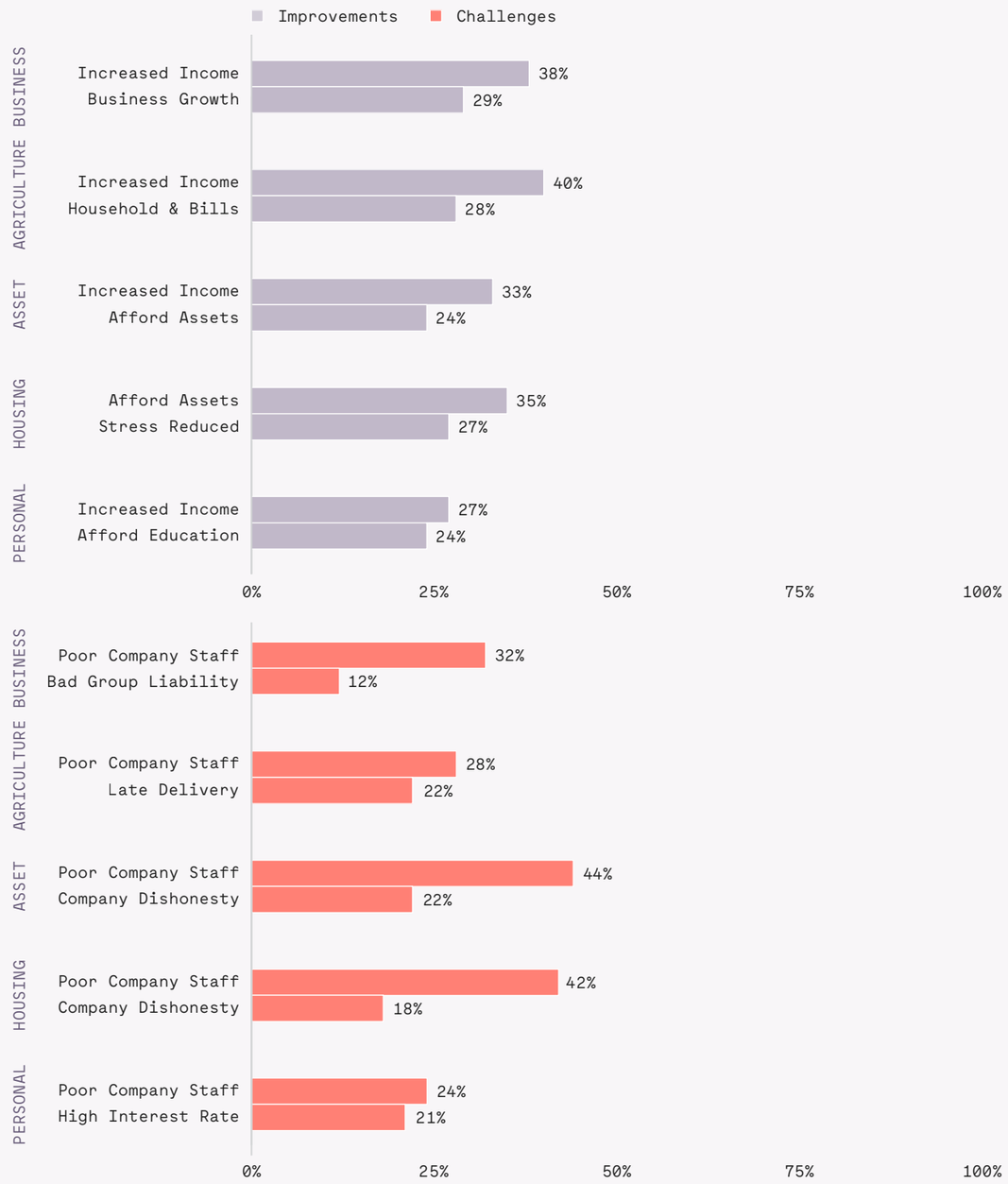
Not surprisingly, clients' open-ended responses to 'what improved' align neatly with the stated loan's purpose: productive borrowers name increased income first, housing borrowers name the assets they can now afford and reduced stress, education borrowers the schooling itself. Conversely, the challenges they name are far more uniform, with service issues leading for every type. The exception is personal loans, where complaints about the loan's terms, particularly high interest rates, rank almost level with issues with company staff, the only type at meaningful sample size where the specific product's terms sit that high.

Housing loans deliver the outcomes they are designed for. Among housing clients, 41% report quality of life 'very much improved', above even business loans, the sector's benchmark product, at 36%, and satisfaction is high, with an NPS of 62.[16] The intended outcome shows up directly, as last year's dedicated housing module first found: across the two cohorts, 46% of housing clients report 'very much improved' physical living conditions and 47% a 'very much improved' feeling of safety at home. These loans are not built to raise income, and the numbers reflect that: 13% report household income 'very much increased', against 27% for business loans. The risk lies in repayment, with 30% reporting some form of burden. One likely reason is structural: a housing loan improves a personal asset, but repayment draws on money the loan does nothing to grow. For an FSP, this puts the emphasis on underwriting and monitoring: assessing repayment capacity against a client's existing income, and watching burden over the life of the loan, to keep the product from becoming a source of over-indebtedness.

16 Housing loan outcomes were first measured through a dedicated module in the 2025 Index, run with six lenders. Results vary among the small set of housing lenders across the years, so these figures describe the lenders who take part rather than housing lending overall.

Reported Quality of Life Improvements and Challenges, by Loan Type, 2025–26 Combined

Business n = 22,753 | Agriculture n = 6,160 | Asset n = 1,219 | Housing n = 1,790 | Personal n = 2,274



Education loans look strong too, with high quality of life results at 47%, and the lightest repayment burden of any type. The intended outcome also shows directly, with 46% of education-loan clients reporting a 'very much improved' ability to pay school fees. But only 211 clients in our sample hold them, and nearly half come from one lender, so these data are indicative only.[17]

Personal loans need additional scrutiny. These clients report weak quality of life improvements, at 27%, and the lowest satisfaction by a wide margin, with an NPS of 41. Protection is where the type stands apart: 28% report some repayment burden, in line with other types, but 'heavy burden' runs at double any other type's rate (8% against 4%), and unexpected fees are the highest of any type at 12%. Circumstance is behind some of this. Last year's Index found that unplanned loans, taken in response to emergencies, carry weaker outcomes and heavier burden than planned borrowing, and the typology now shows where unplanned borrowing lives: 28% of personal loans are unplanned, against 12% of other non-productive-use loans and 8% of productive-use loans. A personal loan is more likely than any other to reflect a client borrowing under pressure.

There is also something our indicators do not measure directly: a loan that prevents a bad outcome registers as no change rather than improvement. Some of personal lending's value is exactly that kind of prevention, and an improvement measure undercounts it. But the strain is real: the burden and fee findings ask about the loan directly, and personal lending underperforms every other type on them. For these loans, the product terms are the first thing to check, and they should be judged on their interest rates, fees, and the burden they place on clients.

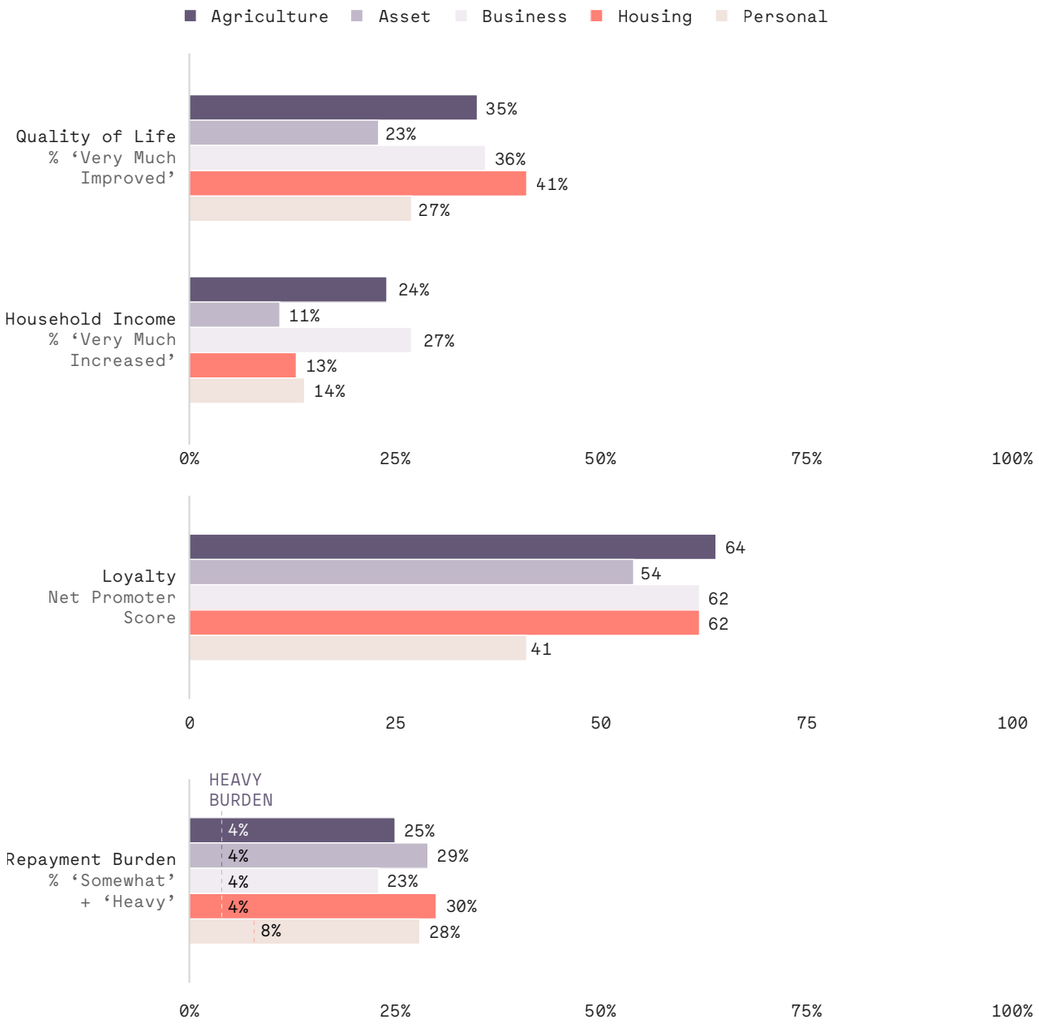
The productive label misleads in the same way. Asset finance belongs in the productive category, but its clients report the lowest impact scores of any type: 23% 'very much improved' quality of life, 11% 'very much increased' household income, and 29% with some repayment burden. The category is also broader than it sounds. Vehicles and equipment dominate, but it includes financing for personal goods, loans that carry a productive label while paying for consumption. Setting those aside, the remaining asset finance clients still sit lowest on impact, so the pattern is not down to one product. Asset finance is meant to create productive gains, and whether it does is a question to track at the client level. How often does the financed asset translate into income, and does that gain outweigh the repayment burden the loan brings with it?

For an FSP, all of this means measuring each product against the outcome it is built for, and keeping an eye on the likely associated risks. A portfolio held to a productive-use standard misreads both, scoring every product against an outcome only some are built for. For an investor, this means that loan mix should be part of due diligence: an aggregate number cannot show where the strain comes from, and a lender whose overall figures look healthy can still hold a segment carrying double the repayment burden of the rest of its book.

17 The named products within education loans are tuition and school-fee loans, but about half of these clients report using the loan for a business as well. With this small a sample, there is a lot of noise in the data, so we leave education loans out of the figures in this section.

Client Results by Loan Type, 2025–26 Combined

Business n = 26,224 | Agriculture n = 7,152 | Asset n = 1,808 | Housing n = 2,087 | Personal n = 3,134





INSIGHT 7. THE LOANS

Group lending's impact advantage is largest where loans are smallest, which is where it was always meant to work.

> Where loans are smallest, group borrowers report much stronger impact than individual borrowers. The impact differences narrow with size; the satisfaction differences widen.

Much of group lending's advantage, as previous insights show, comes from the practices of the lenders offering it and the clients they reach. Loan size is the third part of that picture. Group lending is built for people with no credit history, and with financing needs too small for an FSP to serve sustainably with an individual loan: small loans, backed by the group, meant to provide first access, build a repayment record, and open the way to larger loans over time. The size pattern in our data reflects that design. Sorted into quartiles by loan size, 34% of group lending clients sit in the smallest quartile and 8% in the largest, while individual lending runs the other way, 19% and 38%, and the medians sit at $1,371 for group loans against $3,087 for individual ones.[18] The same pattern shows up in what group loans are used for: since 84% of group loans go toward a business or a farm, housing, asset, and education lending fall almost entirely to individual loans in this sample. These patterns are correlated with each other: the women borrowing small earlier in this report mostly borrow in groups and for productive purposes, and the loan types that run large sit almost entirely in individual lending. That is why we compare the two models one size band at a time.

Within size bands, the advantage divides into two. The impact premium lies where group lending is doing the job it was built for: in the smallest quartile of loans, group borrowers lead individual borrowers by 18 points on quality of life and 17 on business income, and those gaps are significantly smaller in every band above it. The satisfaction premium is the mirror image: group borrowers report higher satisfaction in every size band, and the gap grows as loans do, from 9 NPS points in the smallest quartile to 24 in the largest. The likely reason is that the support built around a group loan matters more as the obligation gets larger. One caution: the largest loans are not just bigger versions of the smallest. One-eighth of top-quartile lending is housing and asset finance, products that are rarely, if ever, offered as group loans, so part of the top-end gap also reflects what individual lenders finance at scale. Either way, where loans are small, group lending delivers better outcomes; where loans are large, it still keeps clients markedly happier.[19]

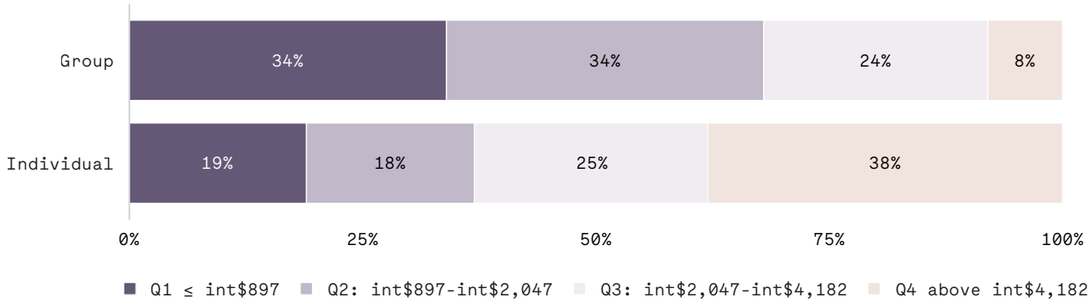
There is also a signal at the top end among individual lending clients, and it is about product more than size. In the largest quartile of individual loans, satisfaction and loyalty are weaker (an NPS of 48 against 56–57 across the middle of the range) and so is clarity of terms (56% against 62–65%). Splitting that quartile by loan type shows where the weakness comes from. Business, housing, agriculture, and asset finance cluster within 5 points of each other, from 59% down to 54%. Personal loans sit well below at 47%, the weakest comprehension anywhere in this analysis. That distinction deserves any FSP's attention as clients graduate to larger loans, because the type of loan they take also tends to change, and that shift needs to be carefully watched.

18 Loan sizes are calculated in purchasing-power terms; see footnote 9. In this insight quartiles are computed across all loan types, so the quartile boundaries differ from those used in Insight 2.

19 Clients holding mid-sized loans, roughly $900 to $2,000 in purchasing-power terms, report the strongest satisfaction and lightest repayment burden in the sample. Most of that pattern reflects which lenders and lending models operate at each size, and inside a single lender it mostly disappears.

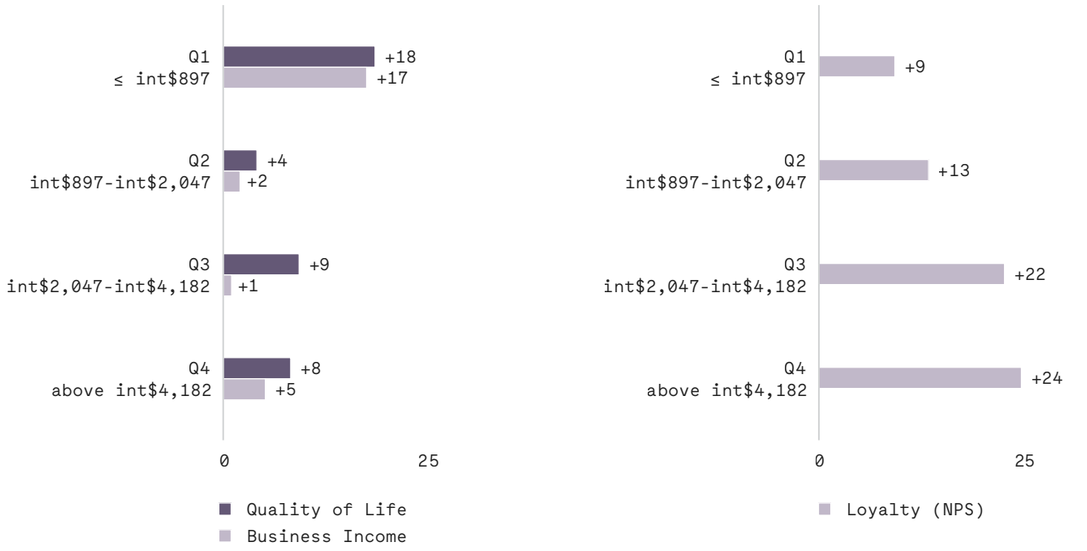
Loan-Size Distribution by Lending Model, 2025–26 Combined*

Group n = 16,505 | Individual n = 21,928



Group vs. Individual Results Gap by Loan Size Quartile, 2025-26 Combined

The gap is the difference in outcomes reported by group loan clients and individual loan clients (% of group clients reporting an answer - % of individual clients). Q1 n = 9,617 | Q2 n = 9,599 | Q3 n = 9,603 | Q4 n = 9,614



* Loan sizes are shown in international dollars (int$), a purchasing-power-parity unit. Int$1 buys roughly the same amount of goods and services in a given country as US$1 buys in the United States.

What drives outcomes differs between the two models. For group lending, loan size is what matters. For individual lending, what the loan is for also matters, with clarity and satisfaction running lowest on large personal loans.

The data point to where FSPs should look. An FSP running both models can check its own group pathway: whether clients whose needs grow have a route to larger loans, within the group model or through individual products, how long that takes, and how clients fare when they take it. For an investor, the same finding is a portfolio question. Where an FSP's group book runs large, the question is whether those clients are there by design, staying by choice, or staying because nothing else was offered. Only the last is a red flag. On the individual side, the products to watch are the large personal loans, where loan-term clarity is weakest.

Loan types and sizes influence outcomes as much as any client or institutional characteristics in our analysis, but there is no established way to compare them across the sector. This is a measurement gap worth closing, so that each product can be judged on what it is designed to deliver.

> "My wife was ill, and she had to undergo an operation. At that time, I received the money, because of which my wife's treatment was done properly and now she is fine.
>
> Male, 39



The Digital Shift

The last thing we turn to is the digitization of lending, and what it means for clients. Financial services are increasingly delivered digitally across the world, and microfinance is no exception. But microfinance exists to make credit accessible for clients that traditional finance doesn't serve well, and we want to understand if digital delivery erodes those benefits. We started looking into this last year, by adding a question on how clients receive and repay their loans: digitally, in person, or both. This year we go further, adding a digitization module that looks to understand which steps of the loan are digital for hybrid clients, the barriers that stop clients from using digital financial services (DFS), and client comfort and trust with these services.[20]

Across 2025 and 2026, the two years we have asked clients how they received and repaid their loans, the share of clients served through a mix of digital and in-person rises from 25% to 30%, while fully digital delivery falls from 22% to 18%.

Among hybrid clients (clients who report a mix of digital and in-person), digitization so far concentrates in the steps that move money: 76% repay digitally and 55% receive their funds digitally. The steps that build the relationship, from approval notification to agreement signing, still mostly happen in person.

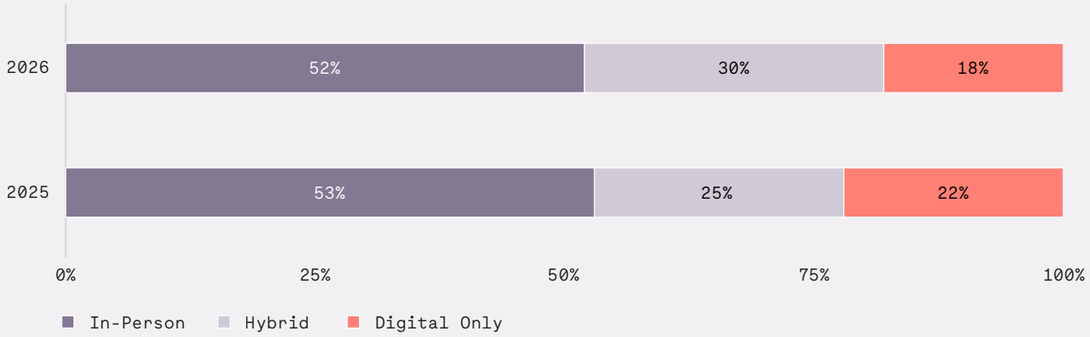
The insights that follow ask three questions in turn: whether clients are ready for this shift, what fully digital delivery costs them, and which steps of a loan can go digital without losing something.

> "It has made things much easier for me. I can pay digitally, via bank transfer, or in person by making a deposit. It works with small local banks, so I no longer have to go into the big city to make a deposit. All of that makes things easier for me.
>
> Male, 54

20 We ask the question on how clients receive and repay their loans to all Index participants. The digitization module was asked to clients of a subset of participating FSPs, and those figures don't span the full Index.

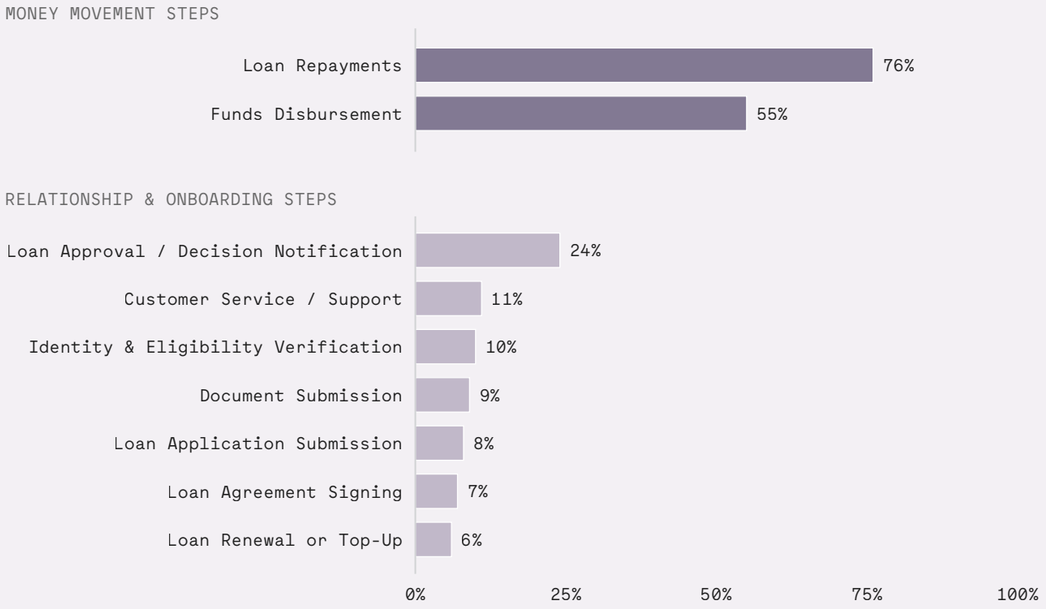
Delivery Channel Mix, 2025 vs. 2026

2026 n = 15,928 | 2025 n = 23,071



Loan Step Digitization Frequency, 2026 Only

% of hybrid clients reporting each loan step as digital. n = 1,760



Most clients are comfortable with digital finance. The biggest readiness gap is driven by age.

> Three in five clients are comfortable with digital loan delivery. The two in five who are not tend to be older, and cite a lack of trust and know-how as key barriers.

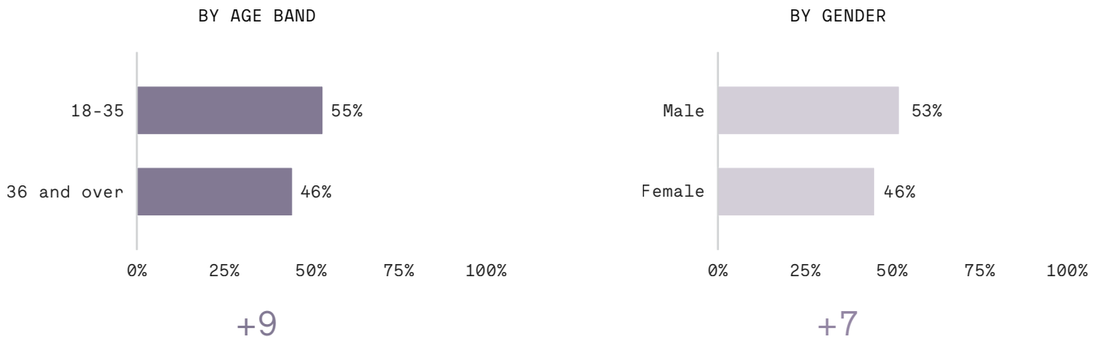
More than three in five clients are at least somewhat comfortable with digital financial services and find the technology trustworthy. Just under half of clients (48%) access at least part of their loan through a digital channel, while the rest borrow entirely in person.

Who lands on each side is mostly a matter of age. Younger clients, aged 18 to 35, are more likely than older ones to use a digital channel, and more likely to feel very comfortable doing so, scoring 10 to 13 points higher on every measure we ask. Gender separates clients less. Men are ahead throughout, but the gaps are smaller, with the age gap roughly 2 to 3 times the gender gap on comfort and trust with DFS.

The clients who are not yet comfortable, close to two in five, name barriers that are addressable. Fear of fraud or scams comes first, at 51% of those citing a concern, followed by a preference for doing things in person (34%), and not knowing how to use the tools (28%). Lack of a device is among the lowest, at 17%. Fear of fraud appears unconnected to experience: clients who name it report unexpected fees at nearly the same rate as those who don't (12% against 13%), so it likely reflects general wariness rather than a bad experience with their lender.[21] For the sector, bringing these clients along is the near-term work, and it requires proactive trust-building: onboarding support, fraud protection, and hands-on guidance, aimed especially at older clients, where readiness lags most.

Digital Loan Receipt by Age and Gender, 2026

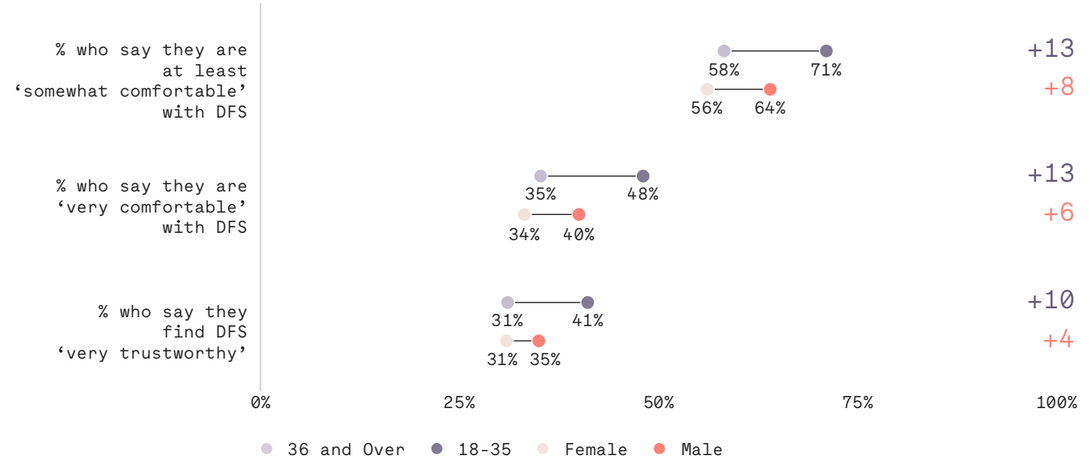
% reporting their loan was handled at least partly digitally. 18–35 n = 4,600 | 36 and Over n = 10,862 | Male n = 5,943 | Female n = 9,983



21 Our data tell us about clients' experience with the FSP participating in the Index, what they may have encountered elsewhere sits outside of this data.

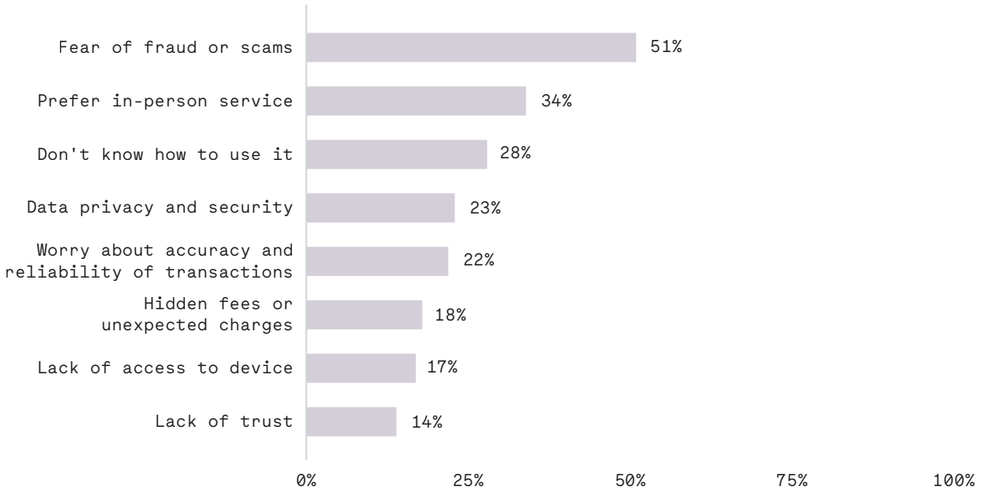
Digital Adoption, Comfort, and Trust by Age and Gender, 2026*

(n 18-35 = 673 | n 36 and over = 2,415 | n Male = 2,073 | n Female = 1,982)



Barriers to Using Digital Financial Services*

% of clients reporting concern out of the total clients citing any concern (n = 2,705)



* These questions were asked only to clients who answered the digitization module

Digital-only clients report weaker protection across the sample. Inside the same lender, most of that gap disappears.

> Most of the steep protection and impact gaps across the sample come from the institutions that lend only digitally. Inside the same lender those gaps close; lower satisfaction is the one difference that remains.

Client readiness is one question; how digital delivery affects outcomes is another. Last year we found that fully digital delivery carried real costs to satisfaction and client protection, concentrated almost entirely in individual lending.[22] This year's data confirm the satisfaction pattern and sharpen the picture on protection.

To separate the effect of *how* a loan is delivered from *who* delivers it, we look inside the same institution. Across the 31 lenders serving both digital and in-person clients at scale, the NPS penalty is real but far smaller than the 19-point gap across the whole sample: digital-only clients sit about 6 to 7 NPS points below in-person clients of the same lender, a gap that holds at 23 of the 31 FSPs. The remaining eight are not average institutions: five post an overall NPS of 60 or above, suggesting that digital delivery doesn't impact satisfaction when the institution's service is already strong.

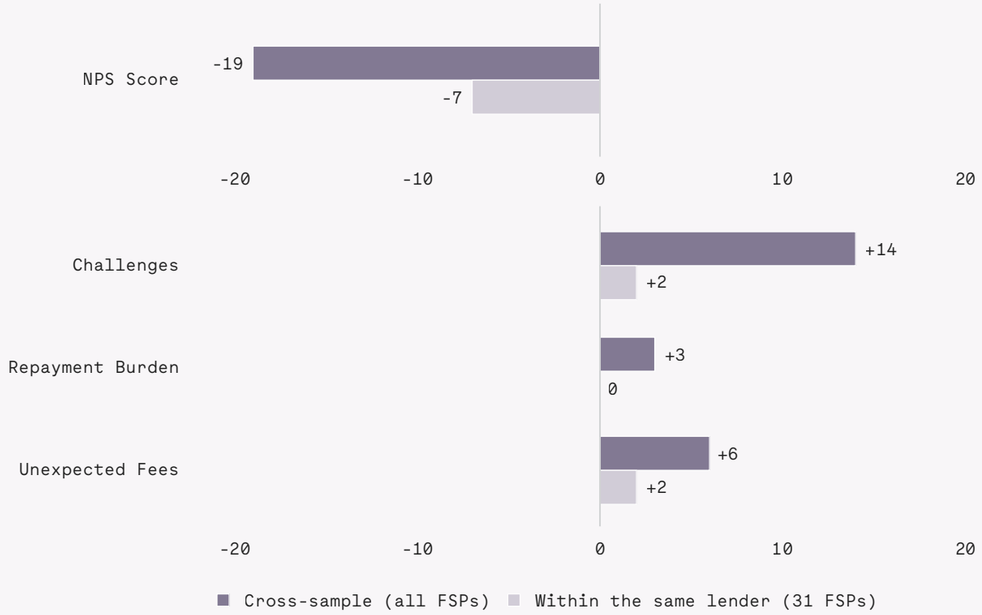
Client protection doesn't follow this pattern. Within the same lender, the heavy-burden gap disappears and the challenge gap shrinks below meaningful levels, so the steep protection differences across the sample come mostly from which institutions lend digital-only, not from what digital delivery does to a given lender's clients. Unexpected fees follow the same pattern: digital-only clients are about 6 points more likely to report them across the sample, but only about 2 points more likely inside the same lender. The year-on-year difference is less reassuring. Last year's edition found digital-only clients reporting unexpected fees at twice the in-person rate; this year the ratio is closer to 1.6, but it narrows because in-person clients are reporting more unexpected fees, while digital-only rates have barely moved. One note here: the lenders in this sample are overwhelmingly institutions built around an in-person relationship, so what this measures is what happens when that relationship is removed. What a lender designed to be digital from the start can do is a different question, one for future editions of the Index.

The impact measures follow the protection pattern rather than the satisfaction one. Outcomes are broadly similar across the sample: digital-only clients report slightly weaker results, but no gap is meaningful, and inside the same lender even those differences close. Hybrid clients are level with in-person clients throughout. Of everything we measure, satisfaction is the only place where digital-only delivery still trails once the institution is held constant.

This year's data can show what last year's could not: which loan touchpoints can be digitized without affecting outcomes. The module added this year asks hybrid clients which stages of a loan are handled digitally, and that lets us compare outcomes step by step.

Digital-Only Clients vs. In-Person Clients Results Gap, Across the Sample and Within the Same Lender

The gap is the difference in outcomes reported by digital-only clients and in-person clients (% of digital-only clients reporting an answer - % of in-person clients). Cross sample n = 28,438 | Within the same lender n = 6,544



22 60 Decibels, Microfinance Index Report, 2025.

Not all digital steps are equal. Unexpected fees rise wherever digitization goes beyond moving money.

> Among clients accessing loans through a mix of in-person and digital steps, moving payments online carries no protection penalty. Satisfaction and protection both fall when steps that involve relationship management go digital.

Hybrid clients complete some loan steps digitally and others in person; which steps are digital varies by client and by lender. When we compare digital against in-person delivery at each step, the differences fall along one line: digitizing how money moves costs little; digitizing the steps where a client deals with a person costs a lot.

We look here at the two areas where we found a significant difference between digital and in-person delivery last year: satisfaction and client protection. When fund disbursement is digital, NPS differences are minimal and not meaningful. When repayments are digital, NPS runs around 5 points lower. However, when identity and eligibility verification is digital, NPS runs 20 points lower, when customer service is digital, 18 points lower, and when loan approval notifications are digital, 17 points lower. The one step where digitizing seems to improve satisfaction is loan application submission, where NPS runs around 12 points higher on the digital side.

Client protection indicators also do not shift much when fund disbursement and repayments are digital: unexpected fees move by a point or less, and loan-term clarity drops slightly for digital repayments and rises slightly for digital disbursement, with neither at meaningful levels. The relationship steps are where the real differences lie. Where identity and eligibility verification is digital, clients are 16 points more likely to report an unexpected fee, and loan-term clarity is 6 points lower. Where customer service is digital, unexpected fees are 9 points higher and loan-term clarity is 15 points lower. Application submission is an exception here too, with digital clients around 12 points ahead on loan-term clarity, but unexpected fees remain 7 points higher for clients applying digitally. Repayment burden doesn't move much: it sits level or slightly lower for digital clients at nearly every step except customer service, where it runs 8 points higher. Unexpected fees are the one indicator that moves across nearly every step. Last year's clearest protection finding was that digital-only clients reported unexpected fees at twice the in-person rate; this year's data show the problem is not confined to one part of the process, as every digitized step outside disbursement and repayment raises the rate of clients reporting unexpected fees.

Having looked at how digitization plays out inside the loan process, we also wanted to understand the current demand for digital financial services. When asked what digital services they have used and would want, clients signal appetite well beyond payments: 51% would want a digital loan against 23% who have used one, and interest in online savings, insurance, and financial-management tools all run at double current use or more.

These expectations are being set outside microfinance, by wallets and digital banks, and they are reaching the FSPs. The early evidence points to how to meet them: digitize how money moves, but keep a person in the moments where understanding is built.

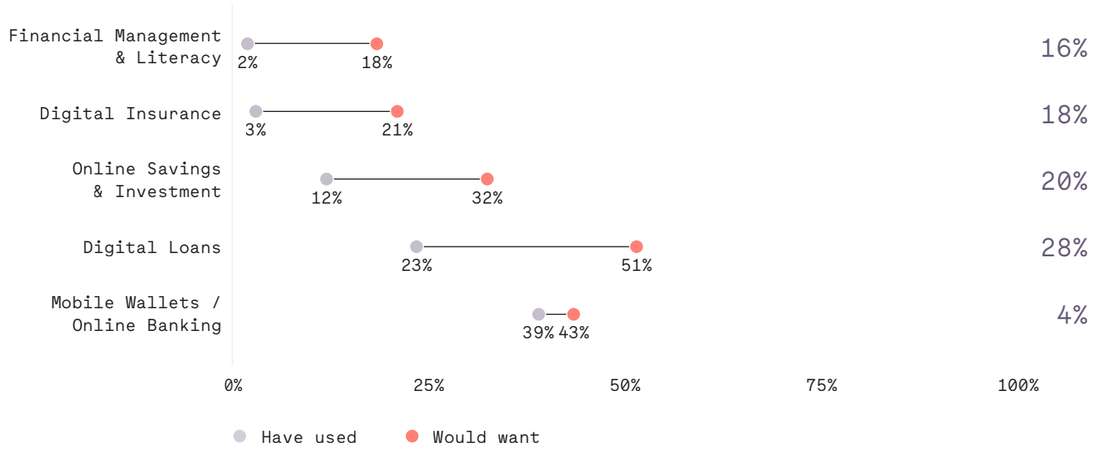
Satisfaction and Terms-Clarity Gaps by Digital Loan Steps, Hybrid Clients, 2026

Difference between hybrid clients where this step was digital and where this was in-person. n = 1,760



Digital Feature Appetite, 2026

Asked of clients who answered the digitization module. Have Used n = 2,581 | Would Want n = 2,717





What Comes Next



In this year's report, we dug deeper into a set of well-established findings. We structured our analysis to uncover the drivers of change, asking ourselves: how much of what clients report is about who they are; how much is about what they hold and who serves them; and how much is about how it reaches them?

Over previous editions, we have found differences in impact associated with gender, lending models, and productive loan usage. These headline findings align with how the sector understands and tracks microfinance, but this year's deeper analysis shows that each of these gaps shifts when other factors are accounted for. The gendered impact gap narrows once loan type and lending models are held steady. Group lending's stronger outcomes reflect the underserved nature of its clients. Even the idea that planned, productive borrowing came with better outcomes doesn't hold up cleanly. The 'productive' label covers loans as different from each other as they are from non-productive loans.

For FSPs, it should be reassuring that the shortlist of factors found to drive stronger outcomes is largely within their control. These include protection habits that group lending builds in by default, and that any lender can build deliberately, and the services around the loan (the one advantage that survived nearly every composition check we ran).

For investors and funders, the same findings can serve as due-diligence questions. A portfolio's loan type mix is part of its risk profile, because two portfolios with identical headline outcomes could include very different loans within them. A repayment record means different things depending on how each lender produces it, so PAR30 needs that context. Where a group book runs large, or a personal-lending segment grows fast, the next step is to ask about pathways and protection.

The sector has spent years saying access is not the goal; we are seeing evidence that measurement is beginning to catch up with this assertion. For example, the 2025 Global Findex broadens beyond access to capture more dimensions of financial health, building on the resilience question it has asked since 2014. The picture it paints is aligned with the findings of this report: account ownership has never been higher, yet well-being has not always risen with it.[23]

The UN Secretary-General's Special Advocate, a role reconstituted around financial health in 2024, has spent the last year pressing the case with finance ministers and development banks. A common measure to anchor that case is still being built: the World Bank's Findex is extending the data, and CGAP's Financial Inclusion 2.0 is developing the indicators to go with it.[24]

Five years of listening lets us go one step further than the usual headline and unpack why outcomes differ once you look underneath. The answer is consistent: impact is shaped less by who a client is than by what they borrow, who lends to them, and how the loan is delivered. Those are product choices institutions control, and can change.

That is also true of measurement. The sector counts who it reaches in fine detail, and should; reaching first-time borrowers, women, and people with no alternative matters, whatever the outcome. But what actually separates good outcomes from bad—the loan's purpose, the services around it, and which steps are digitized—is not widely measured or understood. Closing that gap is important to move from providing access to improving lives.

The sector, including 60 Decibels, needs to speak about the impact of credit with more precision. That is a step we have taken with this year's report, and a path we will continue to walk. In the last few years, we have focused increasingly on the effects of digitization and on specialized products. From next year, we will be expanding the Index as a whole, recruiting more lenders of different types, and with more varied product offerings, to understand how these products impact customers' lives. We will call this the 60 Decibels Inclusive Lending Index, to better reflect the diversity of the participating institutions. While the name of the Index will change, the purpose behind it is steadfast: to listen to what clients say matters most to them, and to share these data with the institutions and investors that show up every day to serve them.

23 Global Findex 2025, and CGAP's analysis of the Findex Financial Health Data
24 UNSGSA 2026 Spring Meetings on Financial Health

Appendix



Index Calculations 53

60dB Microfinance Index Question Set 53

Index Calculations

Indicator Scores

$$\text{Indicator Scores} = \frac{(\text{Company value} - \text{Minimum value in the region})}{(\text{Max value in the region} - \text{Minimum value in the region})}$$

$$\text{Quality of Life Score of Company X} = \frac{(30 - 3)}{(46 - 3)}$$

Dimension Scores

Average of all the indicators in the dimension, except for Loan Product Impact where results per dimension are weighted depending on the number of responses per indicator

Household Impact Dimension Score = average of 6 indicator scores

Loan Product Impact Dimension Score if 90% of borrowers in sample have business loans and 10% have housing loans = (Business Indicator Score × 0.9) + (Housing Indicator Score × 0.1)

Index Score

Average of all six dimension scores for Company X

60dB Index Score = Average of dimensions

60dB MFI Index Question Set

Dimension	Question Text	Answer Options
Access	Before your current loan from [FSP], did you have access to a loan like [FSP] provides?	Yes / no
	If you could no longer access loans and services from [FSP], how easy or difficult would it be to find another lending source that provides similar loans and services?	Very easy / somewhat easy / neither easy nor difficult / somewhat difficult / very difficult
	Poverty Probability Index questions	Country-Specific
Agency	Has your confidence in yourself and your abilities changed because of [FSP]?	Very much improved / Slightly improved / No change / Got slightly worse / Got much worse
	Has your influence on household decisions changed because of [FSP]?	Very much increased / Slightly increased / No change / Slightly decreased / Very much decreased
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 unexpected charges or fees from [FSP]?	Yes, regularly / Yes, sometimes / Yes, rarely (1 or 2 times) / No, never
	In the previous year, have you experienced any excessive pressure, or been treated unfairly by an agent or representative from [FSP], and did you report it to [FSP]?	Yes, I did and I reported it / Yes, I did, but I did not know how to report / Yes, I did, but I did not report for other reasons / No, I did not experience any excessive pressure or unfair treatment
	Thinking about your loan repayments to [FSP], are they a heavy burden, somewhat of a burden, or not a problem?	A heavy burden / Somewhat of a burden / Not a problem
	[If not a problem] Could you share the reason(s) why the loan repayments are not a problem for you? [If a burden] Could you share the reason(s) why loan repayment feels like a burden / heavy burden to you?	Open-ended
	Have you had to make changes to your household's food consumption in order to make loan repayments to [FSP]?	No change to food consumption / Borrowed food or relied on help from friends or relatives / Reduced the number of meals eaten by the household / Reduced portion sizes at meals for any household member / Reduced food consumption for adults / Relied on less preferred foods

Dimension	Question Text	Answer Options
Household Impact	Has your quality of life changed because of [FSP]? Has it:	Very much improved / Slightly improved / No change / Got slightly worse / Got much worse
	[If improved] How has your quality of life improved? [If no change] Why has your quality of life not changed? [If got worse] How has your quality of life gotten worse?	Open-ended
	Has your household income changed because of [FSP]?	Very much increased / Slightly increased / No change / Slightly decreased / Very much decreased
	Has your ability to pay school/university fees changed because of [FSP]?	Very much improved / Slightly improved / No change / Got slightly worse / Got much worse / Not applicable
	Has your or members of your households' ability to go to a healthcare provider for check-ups/if you fall ill changed because of [FSP]?	Very much improved / Slightly improved / No change / Got slightly worse / Got much worse
	Have your physical living conditions (e.g. the size, quality, or facilities at your home) changed because of [FSP]?	Very much improved / Slightly improved / No change / Got slightly worse / Got much worse
	Have the number and quality of meals your family eats changed because of [FSP]?	Very much increased / Slightly increased / No change / Slightly decreased / Very much decreased
Loan Product Impact (Business)	Have your business operations changed because of [FSP]?	Very much improved / Slightly improved / No change / Got slightly worse / Got much worse
	[If improved] How have your business operations changed because of [FSP]? [If got worse] How have your business operations changed because of [FSP]?	Improved: Increased scale of business / Better quality and/or quantity of inventory / Increased revenue and/or sales / Increased offerings / Better profits / Increase in paid employees / Other. Worsened: Decreased scale of business / Decrease in revenue/sales / Lower profits / Decrease in paid employees / Closed some revenue streams / Other
	Has the money your business earns changed because of [FSP]?	Very much increased / Slightly increased / No change / Slightly decreased / Very much decreased
Loan Product Impact (Education)	[If loan product is education] Has your own or your child's school attendance rate changed because of [FSP]?	Very much increased / Slightly increased / No change / Slightly decreased / Very much decreased
Loan Product Impact (Housing)	[If loan product is housing] Has how safe you feel in your home changed because of [FSP]?	Very much improved / Slightly improved / No change / Got slightly worse / Got much worse

Dimension	Question Text	Answer Options
Resilience	Has your ability to manage your finances changed because of [FSP]?	Very much improved / Slightly improved / No change / Got slightly worse / Got much worse
	How has your ability to manage your finances improved?	I can better plan for emergency expenses / I am better able to pay my expenses on time / I can better match my expenses with my income / I am better able to budget for my expenses / I am better able to set aside part of my income or save / Other
	Has the amount of time you spend worrying about your finances changed because of [FSP]? Has it:	Very much increased / Slightly increased / No change / Slightly decreased / Very much decreased
	Have your savings changed because of working with [FSP]? Has it:	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 [FSP] changed your ability to access [1/20 gross national income per capita in local currency] in the event of an emergency?	Very much improved / Slightly improved / No change / Got slightly worse / Got much worse
Lending Profile	When you took your [FSP] loan, was it for a planned or for an unplanned/emergency purpose?	Planned / Unplanned / Both
	Was your loan an individual loan or group loan?	Group / Individual
	What did you use your loan(s) from [FSP] for?	Used loan to start a new business / Used loan for an existing business / Used for something else (non-business purpose)
	a) What purpose did you use your loan(s) for in your existing or new business?	Open-ended
	b) What non-business purpose did you use your loan(s) for?	Open-ended
	How did you receive and repay your loan from [FSP]?	In person only / Digitally only / Both digital and in person

Dimension	Question Text	Answer Options
Additional Questions	On a scale of 0–10, how likely are you to recommend [FSP] to a friend or family member, where 0 is not at all likely and 10 is extremely likely?	0–10
	[If 0-6] What actions could [FSP] take to make you more likely to recommend it? [If 7-8] What specifically about [FSP] caused you to give it the score that you did? [If 9-10] What specifically about [FSP] would cause you to recommend it?	Open-ended
	Have you experienced any challenges with [FSP]?	Yes, in the last year / Yes, more than a year ago / No
	Please explain the challenge(s) you have experienced.	Open-ended
	In the previous year, have you received any services from [FSP] apart from your loan?	Savings / Insurance policy / Education or Training / Health services / Business-related services / None / Other
	Do you live in a city, town, or in a village or the countryside?	City / Town / Village or countryside / Don't know
	Including yourself, how many people live in your home?	# Adults / # Children



I own a nice home
> due to the loan.

Tell us what you think!

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We don't need to worry much
> about comfort
> and safety.

Female, 42