Housing Microfinance Forum Session 2

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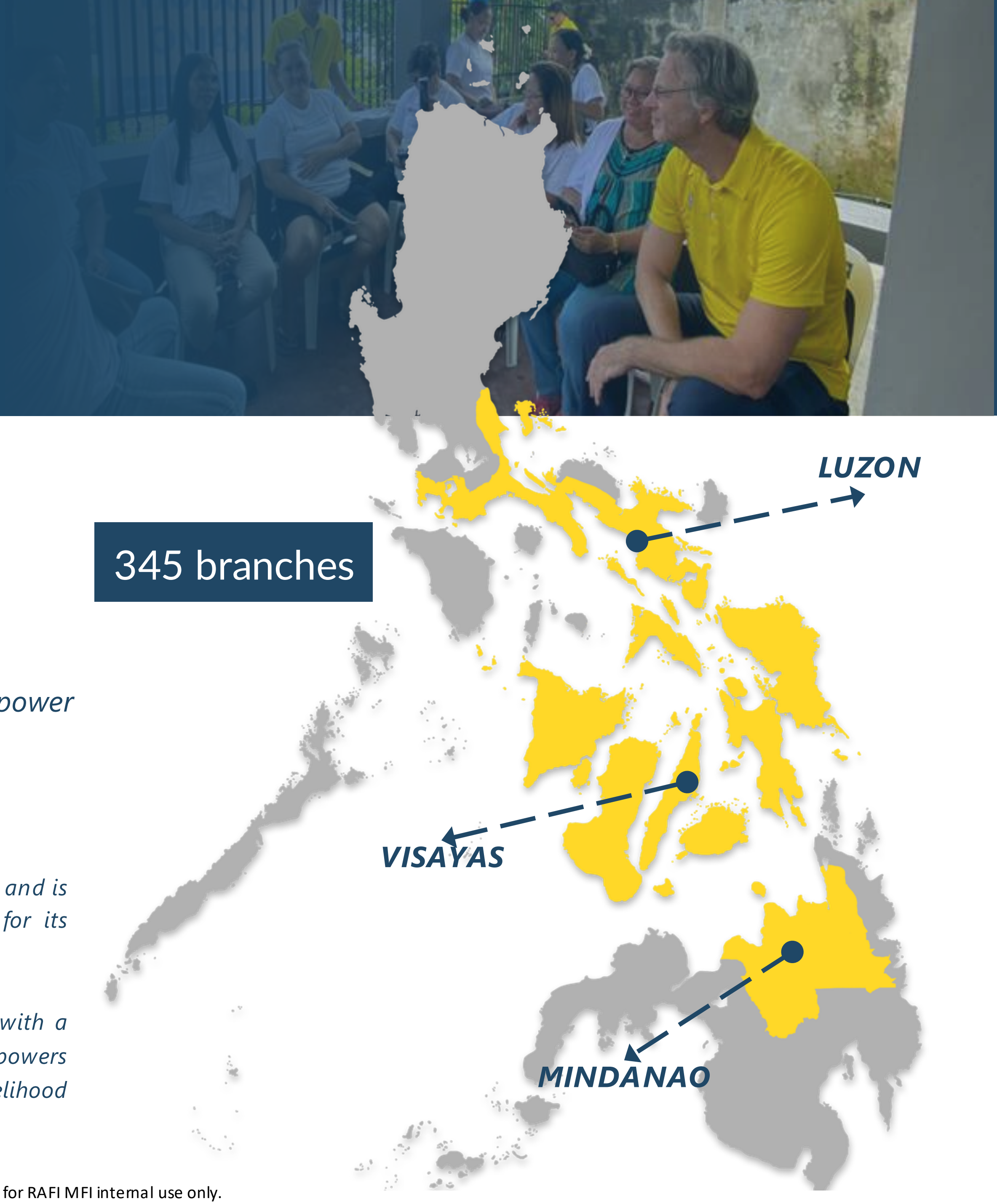
RAFi MICROFINANCE

KAAGAPAY MO

Elevating lives and the dignity of Filipino Microentrepreneurs



Our Vision

Empowered entrepreneurs achieving sustainability and growth with dignity

Our Mission

We are social entrepreneurs providing financial and non-financial services to empower the poor and elevate their lives.

Our Company

RAFI Microfinance, Inc., a leading microfinance institution in the Philippines, was established in 1998 and is duly accredited by the Microfinance NGO Regulatory Commission. It has since been recognized for its commitment to financial inclusion and community empowerment.

*We serve under the Economic Wellbeing Cluster of the **Ramon Aboitiz Foundation Inc. (RAFI)** with a mission to uplift communities through holistic microfinance services. As a social enterprise, it empowers underprivileged entrepreneurs by providing access to financial tools, capacity-building, and livelihood support across 300+ branches nationwide.*

RAFI MICROFINANCE

MFR

CLIENT PROTECTION CERTIFICATION

The MFR Certification Committee assigns to

RAFI Microfinance, Inc. Philippines

The SILVER level of achievement

The SILVER level of achievement signifies that the certified institution meets all the standards necessary for adequate client protection and demonstrates progress toward advanced practice.

Milan, April2026

Aldo Moauro
Managing Director and Head of MFR's Certification Committee

IN CASE NO RELEVANT MATERIAL CHANGES OCCUR, THE CERTIFICATE HAS A VALIDITY OF 36 MONTHS STARTING FROM THE ISSUE OF THE CERTIFICATE

rafimicrofinance | RAFI Microfiance, Inc. | rafimfi.org.ph | customercare@rafimfi.ph

SOCIAL IMPACT

4B+
TOTAL CAPITAL
for micro entrepreneurs

1.6M+
JOBS CREATED

675K+
CLIENTS REACHED

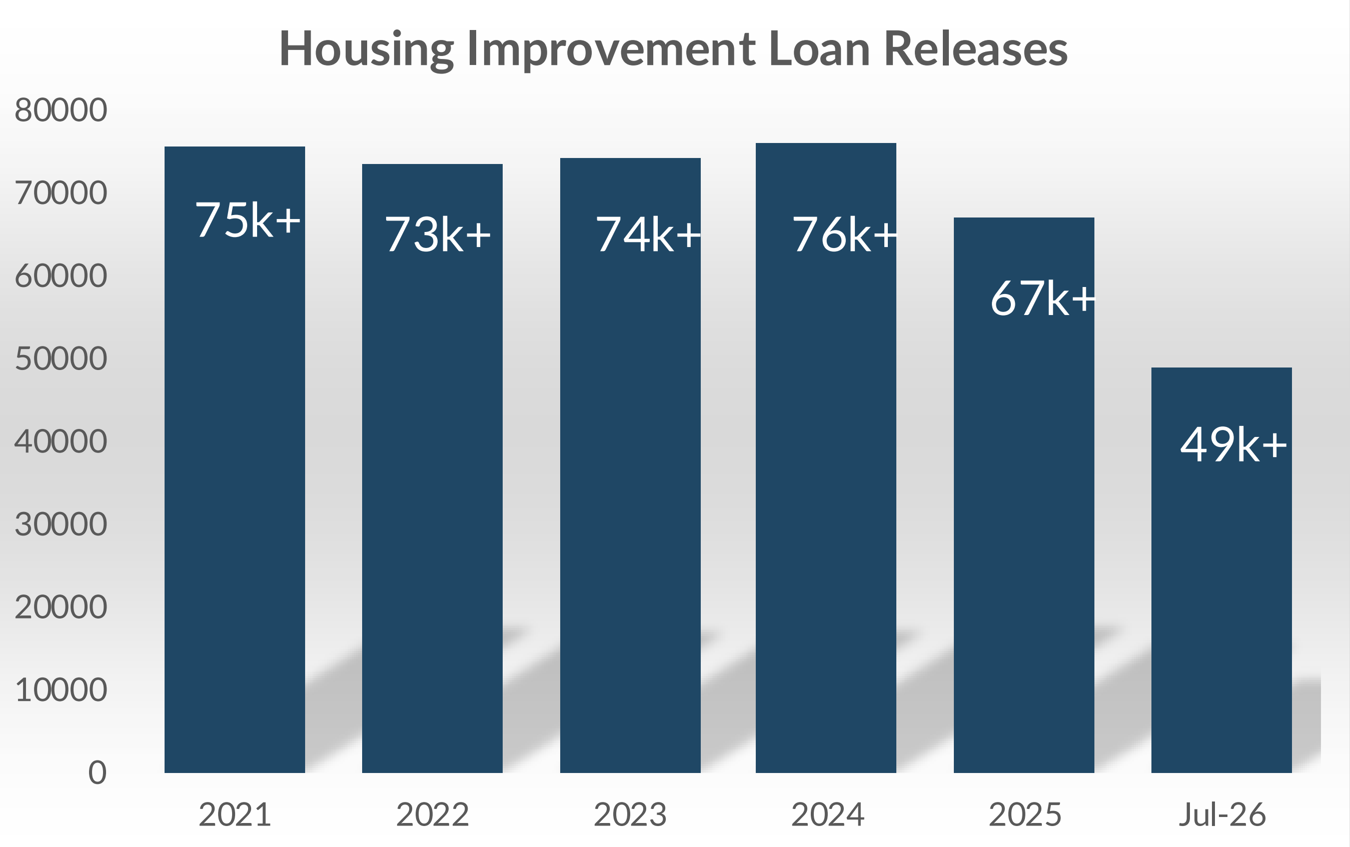
5.5M+
LIVES TOUCHED

26
PROVINCES REACHED

2M+
CHILDREN BENEFITED

HOUSING IMPROVEMENT LOAN

5-Year Product Performance



Over the past 5 years, the HIL portfolio exhibited a stable and resilient performance from 2021 to 2024, followed by a decline in 2025.

However, the 2026 year-to-date results suggest signs of continued market activity and potential recovery, rather than a sustained contraction.

Possible Contributing Factors to 2025 Decline:

- Rising construction and housing material costs.
- Reduced borrower purchasing power due to inflationary pressures.
- Stricter credit policies and risk management measures.
- Increased competition from alternative financing products.
- Lower demand for housing improvement investments amid economic uncertainty.

HOUSING IMPROVEMENT LOAN

PRODUCT FEATURES

Loan Amount

- ✓ P3,000 – P25,000
- ✓ *The HIL loan amount shall not exceed the active production loan amount*

Loan Term

- ✓ 3 and 6 months

Repayment Frequency

- ✓ Attached to Production Loan

Micro-Insurance Product Bundle

- ✓ Loan Redemption Fund

CLIENT ELIGIBILITY

- ✅ At least 2 completed production loan cycles
- ✅ Active production loan (3rd cycle onward)
- ✅ Sufficient repayment capacity
- ✅ Minimum 80% on-time payment record
- ✅ Previous production loan fully paid
- ✅ Existing house/water/toilet facility to improve (with photo documentation)

HOUSING IMPROVEMENT LOAN (HIL) JOURNEY

HOUSING IMPROVEMENT LOAN

2016
Supplemental Loan Product Development (HoPE – Housing Improvement, Philhealth & Education)

2017
Product Development Team installed, HoPE Awards & Water.org Partnership

2019
Expanded Product Development Team & Product Reviews

2020
Integrated WASH into Housing Loan

2023
Housing Improvement Loan (HIL) Product Review

2026
Strengthen Housing Resiliency Program & Solar Loan Implementation with UNEP & HSSI

Best Practices & Challenges

Our Best Practices

Market-based Product Development	HIL Product Reviews	Integrated WASH Loan in HIL
WASH Education campaigns and Housing resiliency programs	Product Refresher Orientation to branches	Word of Mouth Marketing from satisfied clients
Strong Inter-departmental Collaboration	Loan Utilization Checks & Controls (Moratorium, Cap)	Client Success Stories

Loan Utilization Checks for WASH & HIL Loans

RAFI MICROFINANCE

HOUSING IMPROVEMENT LOAN

PALUWAGIN ANG BUHAY AT NEGOSYO!

Kaagapay Mo ang pinakabagong HIL-SOLAR MFI!

"

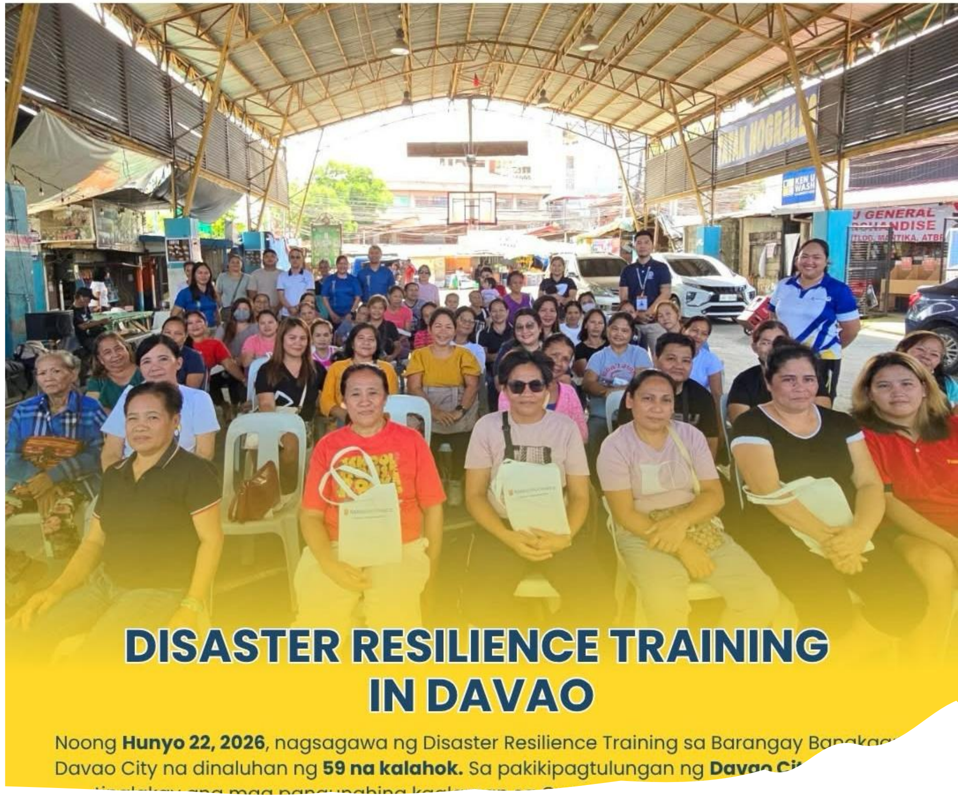
"Lagi kaming nakakaranas ng brownout, kaya malaking tulong ang mga solar lights sa bahay, negosyo na vulcanizing shop, at sa aking sakahan. Nakakatipid na din ako ng 500Pesos kada buwan sa bayaran ng kuryente."

Rogelio Dano-og
Client
Himamaylan, Negros Occidental

KAAGAPAY MO, ANG HIL-SOLAR MFI.

SCRAPS OF HOPE - LIVELIHOOD RESILIENCY PROGRAM

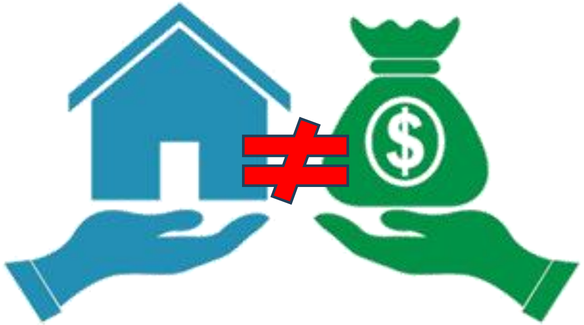
Noong **Hunyo 11, 2026**, ang awarding ng Livelihood Kits sa ilalim ng Scraps of Hope, bahagi ng Livelihood Resiliency Program, para sa mga **20 kabenepisyaryo mula sa Talisay at Naga, Cebu**



Disaster Resiliency Program

Trained more than **200** clients on disaster preparedness across 5 provinces.

Our Challenges & Lessons Learned



Loan Diversion

- Strengthened LUCs – with MO-based staff dedicated to conduct for 2nd level monitoring
- LUC should be done at least 1 month after loan release

Product Design & Features

- Regular Product Development & Pricing Review
- Lowered interest, shorter loan term
- Balance inclusion of insurance vs pricing

PAR Management

- Supplemental Loan Cap (25% of Branch Loan Portfolio)
- Moratorium

Way Forward for Housing Microfinance

- Strategic Institutional Partnerships
- Offer Incremental Housing Improvement Loan Product
- Integrate Technical Assistance
- Expand funding sources (e.g blended finance structure, climate resilient funds, etc)
- Promote Climate-Resilient Housing (with education)

"LIFE WAS DIFFICULT BEFORE BECAUSE OUR HOUSE WASN'T FINISHED. NOW, IT TRULY HELPS MY FAMILY,"

ROSANNA LUGMAY
Mampayag, Manolo Fortich

"BECAUSE OF THE HOUSING IMPROVEMENT LOAN, I WAS ABLE TO HAVE TILED FLOORS. BEFORE, OUR FLOORING WAS ONLY THE GROUND, IT IS MUDDY AND STICKY WHEN IT RAINS. "

As financial institutions, we are not merely lenders but **key enablers of housing improvement, financial inclusion**, and **community resilience.**

"Development consists of the removal of various types of unfreedoms that leave people with little choice and little opportunity." – *Amartya Sen, Nobel Prize-winning Economist*

And one of the greatest freedoms we can help provide for our clients is the **security of a decent home.**

Thank you and Mauswagon Ka!