



RAFi MICROFINANCE

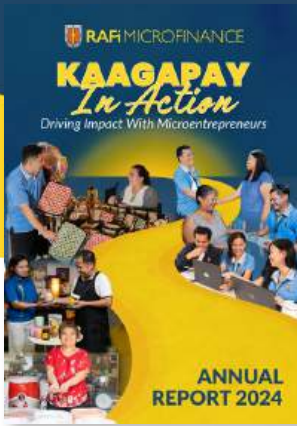
KAAGAPAY *In Action*

Driving Impact With Microentrepreneurs



**ANNUAL
REPORT 2024**

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ABOUT THE COVER

RAFI Microfinance, Inc. (RAFI MFI) remains steadfast after 26 years of service, staying true to its mission of elevating microentrepreneurs by providing financial and non-financial support that drives real, lasting impact. The 2024 Annual Report, themed Kaagapay in Action: Driving Impact with Microentrepreneurs, reflects its unwavering commitment to empowering the least, the last, and the lost.

Kaagapay in Action highlights RAFI MFI's active role as a true partner in empowering microentrepreneurs. Kaagapay—which means “partner” or “supporter”—reinforces that RAFI MFI is more than just a financial service provider; it stands alongside its clients, ensuring their progress and resilience. In Action signifies a hands-on approach, engaging with clients beyond loans by offering guidance, training, and resources to help them succeed.

Driving Impact captures the transformative effects of RAFI MFI's efforts. Through accessible financial products, capacity-building initiatives, and community support programs, the institution creates opportunities for microentrepreneurs to improve their livelihoods, expand their businesses, and uplift their communities. The measurable success of its clients reflects the effectiveness of this mission-driven approach.

As the organization moves forward, RAFI Microfinance remains committed to fostering inclusive growth—ensuring that every microentrepreneur it serves experiences meaningful progress and sustainable success.

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CHAIRMAN'S MESSAGE



Mauswagong Adlaw!

I am honored to assume the role of Chairman of the Board as we move through 2024, succeeding our esteemed former Chair, Mikel Alberto Aboitiz, whose strategic leadership has played a pivotal role in shaping our organization.



The past year was a defining chapter for RAFI Microfinance (RAFI MFI)—one marked by resilience, transformation, and renewed momentum. In the face of post-pandemic challenges and natural disasters, we emerged stronger: with a more agile structure, reinforced financial foundations, and a clear, forward-looking vision. Embracing change, we streamlined our operations, deepened collaboration, and strengthened our commitment to innovation. Through our transformational programs, we touched over 3.5 million lives across our 308 branches throughout the Philippines. These efforts not only accelerated our growth but also expanded our positive impact on the communities we serve.

As we look ahead to 2025 and beyond, we remain focused on sustainable growth and meaningful transformation. With a strengthened leadership team—led by Thomas Kocsis as CEO and President—a culture grounded

in accountability and innovation, and continued strategic investments in technology and digitalization, we are poised to redefine financial inclusion for the next generation.

Most importantly, our clients and communities remain at the heart of everything we do, as we stay true to our role as a Kaagapay. Together, through collaboration and shared purpose, we will build a brighter future—one where financial empowerment drives lasting, positive change for those who need it most.

Padayon ta sa pag BUGSAY!

Carlos Ramon C. Aboitiz

Chairman of the Board of Trustees



PRESIDENT'S MESSAGE



2024: A Year of Transformation and Resilience

2024 was a pivotal year for RAFI Microfinance—a period of transformative progress following the challenges of the post-pandemic era and the aftermath of Typhoon Odette. With renewed purpose and focus, we continued our operations and implemented key improvements, laying the groundwork for long-term success.

A major milestone was the inclusive restructuring of our organization. Streamlining decision-making across all functions increased our efficiency, while the strengthening of our finance and risk teams enhanced financial management, forward-looking business analytics, and control over our portfolio and enterprise risks.

Charting the Future

With this strengthened foundation, we took bold steps toward sustainable growth. Strategic enhancements helped us refine an ambitious vision for RAFI Microfinance by 2030. Through thoughtful strategy reviews and collaborative “blue-sky” sessions with our leadership team, we charted an inspiring path forward.

These initiatives position us for continued progress. Our optimism for the future is grounded in a clear strategic direction and a deep commitment to the communities we serve.

Embracing Change to Drive Impact

Navigating change was the defining challenge of 2024. Since I joined RAFI Microfinance in April, I introduced a leadership style that demanded both adaptation and resilience. Clear and open communication became the cornerstone of this transition, fostering collaboration and breaking down silos. The results are evident: faster execution, stronger alignment, and a more unified impact.

Insights from the Ground

One of the most rewarding aspects of 2024 was visiting nearly all 13 districts and engaging directly with our teams and clients. These visits offered valuable insights and opportunities for continuous improvement. Meeting clients at their businesses was especially inspiring—their stories of resilience and growth reaffirmed our mission.

A particularly moving experience took place in Bicol after Typhoon Kristin. Despite the devastation, I witnessed extraordinary resilience and unity. In Canaman, where our branch had been submerged, the community's swift recovery and unbreakable spirit stood as a powerful testament to the strength of those we serve.



Operational and Financial Success

In 2024, our loan portfolio grew by 11%, exceeding our annual targets despite typhoon-related challenges. Portfolio quality remained stable, reflecting our strategic focus and agility.

Our finance team made a notable streamlining accounting systems and identifying cost-saving measures. As a result, we achieved both gross and net interest income targets, reinforcing our financial stability and setting the stage for future investments.



Harnessing Technology for Transformation

With the appointment of a new Vice President for Information Technology, we streamlined our IT functions and established a dedicated Digital Transformation team. This group is actively shaping our digital future, from piloting cashless payments to exploring AI-powered, self-service loan applications, which is pushing into an exciting new era for RAFI Microfinance.

Steadfast Commitment to Our Social Mission

Even amid transformation, our commitment to social impact remains unwavering. In 2024, we expanded our community outreach, delivering essential health services and financial literacy training. During times of crisis, we mobilized quickly to provide relief packages, demonstrating our ongoing dedication to uplifting lives.

Partnerships for Greater Impact

Collaboration remains central to our success. Stronger partnerships with insurers and technology providers have enhanced our client services and fortified our capabilities for the future. Together, we are creating more impactful solutions for the communities we serve.

2025 and Beyond: A Vision for Innovation

As we look ahead, our focus is clear: enhance client services, nurture a culture of innovation, and build an inspiring workplace. With a solid foundation in place, we are poised to scale—empowered by our greatest asset: our people.



We are equipping leaders with tools for data-driven decisions and launching leadership development initiatives that foster sustainable growth. At the heart of this evolution are empathy and communication, ensuring RAFI Microfinance's leadership remains both effective and human centered.

With renewed energy and a shared vision, we are ready to deliver even greater value to our clients and team members. Our strategy is grounded in collaboration and built for impact. Improving lives is not just our mission, it's a shared journey, and we are proud to lead the way forward.

Thomas Kocsis
CEO and President



FOUNDATION OVERVIEW

BUILDING**BETTER
FUTURES****TOGETHER**

RAFI Microfinance, Inc., formerly known as Cebu Micro-Enterprise Development Foundation Inc. (CMEDFI), was established in 1998 under the Microfinance & Entrepreneurship focus area of the Ramon Aboitiz Foundation Inc. (RAFI). It is a social enterprise with the aim of enhancing the economic and social well-being of communities by offering holistic microfinance services to underprivileged entrepreneurs.

RAFI Microfinance expanded its operations across Luzon, Visayas, and Mindanao. It has established 308 branches, serving as beacons of hope for over 600,000 microentrepreneurs in underserved communities nationwide. The impact of RAFI Microfinance was extensive, touching the lives of over 3.5 million individuals.

What sets RAFI Microfinance apart from other microfinance NGOs is its commitment to accessibility and flexibility. Recognizing the unique business requirements and financial needs of each microentrepreneur,

RAFI Microfinance offers a diverse range of products. Whether it is life financing, micro-insurance, or any other financial need, RAFI Microfinance strives to provide comprehensive solutions to support the success of microentrepreneurs.

Moreover, RAFI Microfinance goes above and beyond by expanding its focus to provide a wide range of non-financial services. These services are designed to empower microentrepreneurs through access to education, knowledge, technology, markets, and support for health, social, and environmental well-being.



VISION AND MISSION



VISION

Empowered clients
who have elevated
their lives and their
families



MISSION

We are Social
Entrepreneurs
providing
financial & non-
financial services to
empower the poor &
elevate their lives.



CORE VALUES



GOD-CENTEREDNESS

We believe we are part of a greater whole. We respect the dignity of the human being and promote the greater good in all that we do.



INTEGRITY

We act with honesty and fairness. We honor our commitments no matter how difficult.



RESPECT

We treat all people, cultures, and the environment with respect. We care for, listen and extend empathy to one another always.



SERVICE

We are called to serve those who need us the most. Keeping to the Bugsay Principle, we contribute our resources to elevate the lives of the people and communities we serve.



EXPANDING OUR FOOTPRINT



TOTAL BRANCHES

308
ACROSS
THE PHILIPPINES

LUZON
50 Branches

VISAYAS
229 Branches

MINDANAO
29 Branches



FINANCIAL SERVICES

PRODUCTION LOANS



315K+
BORROWERS



Mauswagon Loan is a primary loan that gives the client additional capital for the development of their business.



An improved business loan product that aims to give financial support to Micro and Small Entrepreneurs in all productive sectors of the economy for the growth and development of their businesses for more employment generation and economic growth.



2K+
BORROWERS



Kabuhayan Loan is made for hog raisers. It can be used for purchasing feeds and additional piglets, for the construction of pig pens, and for other necessary materials.



6K+
BORROWERS

FINANCIAL SERVICES

SUPPLEMENTAL LOAN



76K+
BORROWERS



Housing Improvement Loan assists clients with their home improvement needs, such as ensuring access to safe water and decent toilet facilities.



Education Loan helps families by financing school-related expenses and ensuring that clients and/or their children are able to go to school or attend virtual and/or distance learning and finish their studies.



1K+
BORROWERS



150+
BORROWERS



SAGIP Loan is a unique loan product that offers financial assistance to clients during health or calamity-related emergencies.

FINANCIAL SERVICES

MICRO-INSURANCE



1,100+
CLAIMS



Family Relief Plan assists families with burial services and provides them with financial aid in times of death.

LRF | Loan Redemption Fund

Loan Redemption Fund is a mandatory micro-insurance products which provides financial coverage for liabilities in the event of a debtor's death so liability will no longer be inherited by the next of kin.



1,500+
CLAIMS



The enhanced Kaagabay provides comprehensive financial protection for the family in cases of accidental injury and death.



19,600+
CLAIMS

FINANCIAL SERVICES

MICRO-SAVINGS



479K+
ACCOUNTS



4,600+
ACCOUNTS



A mandatory savings product designed to help clients build a consistent savings habit, with the goal of generating equity for entrepreneurial ventures and creating reserves for bridge financing needs. In addition to fostering financial discipline, this product also supports clients in establishing their creditworthiness.

A voluntary savings product on top of the CBU and tied to a supplemental loan that offers a high interest rate. This product empowers clients financially by providing protection in the event of a financial emergency, fostering a greater sense of financial freedom and literacy.

CLIENT ENGAGEMENT AND DEVELOPMENT SERVICES



Sustainable Livelihood Training Program

This program provides clients with the opportunity to develop valuable skills for creating alternative livelihoods and income-generating businesses. Through hands-on training, participants will acquire practical, marketable skills that can be applied within their communities. This empowerment enables them to expand their economic opportunities and contribute to local development.

4,300+
clients trained
with livelihood initiatives



Scholar si Nanay Program

In line with its mission to create new opportunities for deserving individuals, RAFI Microfinance offers access to NC II-accredited courses. These courses equip participants with essential skills to build sustainable livelihoods, ultimately improving their quality of life, strengthening their families, and positively impacting their communities.

50
clients graduated
from TESDA-accredited courses



CLIENT ENGAGEMENT AND DEVELOPMENT SERVICES

Client Capacity Building

This program enhances the micro-entrepreneurial skills of RAFI Microfinance (RAFI MFI) clients by providing printed learning modules that offer practical Negosyo tips and essential business concepts. These resources help strengthen their knowledge and boost their confidence as entrepreneurs.

CO as Faculty Center Officer (CO) as Faculty

The Center Officer as Faculty initiative empowers Center Officers by equipping them with the skills to effectively facilitate Financial, Digital, and Entrepreneurial Literacy training for their members.

300+
COs capacitated

32,700+
clients educated
in Finlit via CMA

14,600+
clients
with improved business
proficiency



CLIENT ENGAGEMENT AND DEVELOPMENT SERVICES



TNN Online

Tindahan Ni Nanay Online empowers entrepreneurs through digital marketing-starting as a Facebook group, launching on Shopee, then shifting to a Facebook page to expand support.

26
clients assisted



Business Registration Services

"Empowering clients to be legally recognized entrepreneurs"

To support financial inclusion and formal business practices, a business registration campaign was implemented, offering Business Name and TIN registration across branches with assistance provided. This initiative aids in formalizing microenterprises and fostering business growth.

432 clients assisted
business name registration
and ORUS account creation
for TIN

149 clients trained
on Business Registration



CLIENT ENGAGEMENT AND DEVELOPMENT SERVICES

Clustering for Livelihood Program

The Business Incubation Program, through the Clustering for Livelihood Program (CLP), provides support and ongoing monitoring for selected micro-entrepreneurs. By utilizing a Clustering Approach, members work collaboratively to foster business growth and sustainability, benefiting from tailored interventions throughout their development journey.

4
clusters graduated
(Pinamungajan, Dumanjug, Daanbantayan,
and Aloguinsan Cluster)

20
clients assisted
(Daanbantayan and Aloguinsan Cluster)

47K
sales generated
(Daanbantayan and Aloguinsan Cluster)



One Branch One Product (OBOP)

One Branch One Product (O.B.O.P) is a non-financial effort under the RAFI MFI Tindahan Ni Nanay program that highlights the proud products of the RAFI Microfinance client members. This program allows the respective districts and branches of RAFI MFI to bring in unique and handmade products of the Ates and Kuyas. It aims to provide support in terms of product marketing and be able to introduce these selected products to the mainstream market.

108 curated products
for the year

403 nominated products
for the year

RELEASE
of Product
Catalogue 2024

149 clients trained
on Product Enhancement and
Resiliency Training (PEER)



CLIENT ENGAGEMENT AND DEVELOPMENT SERVICES

Trade Fair (Market & Linkages)

This initiative aims to connect curated merchants to buy-and-sell events, partnering with organizations and local units to foster business sustainability.

118
clients assisted
Through Trade Fair engagements

6.08M
sales generated
Through Trade Fair engagements

52
trade fairs completed
Within Cebu, Bohol, Leyte and Negros



Business to Business (Market & Linkages)

Business-to-Business (B2B) connects selected merchants to partner organizations for curated product requests/orders, creating linking opportunities that foster long-term business sustainability.

40
clients assisted
through Business-to-Business engagements

3.39M
sales generated
through Business-to-Business engagements



CLIENT ENGAGEMENT AND DEVELOPMENT SERVICES

MEA 2023 ADVANCE Program (Livelihood Resiliency Program)

5
client graduates
MEA Awardees 2023

5
business plan completed
MEA Awardees 2023

8
modules completed
MEA Awardees 2023



IPIFI Trash to Craft Project (Livelihood Resiliency Program)

The Trash to Crafts Livelihood Project aims to promote ecological waste management practices, providing livelihood skills training, and creating sustainable products from discarded backing paper.

2
trainings completed
In Cebu and Bohol branches

30
clients trained
Both in Cebu and Bohol branches



CLIENT ENGAGEMENT AND DEVELOPMENT SERVICES



Bugsay Scholarship Program (BSP)

BSP contributes to the national effort to reduce poverty by increasing the number of higher education graduates from low-income households and ensuring their employment in high-value jobs. The program specifically supports incoming college students who are children of RAFI Microfinance (RAFI MFI) clients.

107
active scholars

18
scholars graduated
from the 1st batch



PROJECT WASH

155,800+
individuals educated
on WASH and health

3K+
WASH Education Campaign



DACF Tigom Panglawas

500
clients and children
increase education about Nutrition



CLIENT ENGAGEMENT AND DEVELOPMENT SERVICES

Community Outreach Program

6,100+
clients participated
in COP



EJACC Barangay Panglawas

1K+
cancer awareness reached



Center Performance Incentive

The center plays a crucial role in the microfinance industry. As such, providing timely rewards to center leaders reflects RAFI MFI Management's appreciation for their service.

59K+
Total number of
Qualified Center
Officers

₱5.9M
Total incentive
amount
distributed

OUR JOURNEY OF EMPOWERMENT



MICRO OPERATIONS *Vemanda Bransuela*

Working with RAFI Microfinance for over 21 years has profoundly shown me the true meaning of being a “Kaagapay”—a genuine partner in our clients’ journeys. Being a Kaagapay goes beyond offering financial solutions; it involves walking alongside our clients during their most challenging times and providing the support they need to overcome obstacles and grow. This realization has significantly shaped my approach to work and has been integral to my mission of helping microentrepreneurs achieve stability and success.

In my fieldwork, I often engage in what we call “Kamustahan”—a conversation where we check in with our clients. I vividly recall speaking with a farmer in one of Cebu’s mountain barangays whose livelihood was severely impacted by unpredictable weather patterns. For years, he relied on his crops to support his family, but the weather conditions made his farm an unreliable source of income. Many of his neighbors were forced to abandon their farms, but this farmer refused to give up. With RAFI MFI’s products and services, we provided him with the support to diversify his crops and adapt to the changing

climate. Over time, his farm stabilized, and his income gradually returned.

This experience reinforced my belief in the essence of being a Kaagapay. After 21 years with RAFI, I remain deeply committed to helping more microentrepreneurs build resilience, adapt to change, and thrive in their businesses. By continuing to provide not only financial support but also guidance and encouragement, we can empower them to create lasting positive change in their lives, families, and communities.



MICRO PLUS OPERATIONS

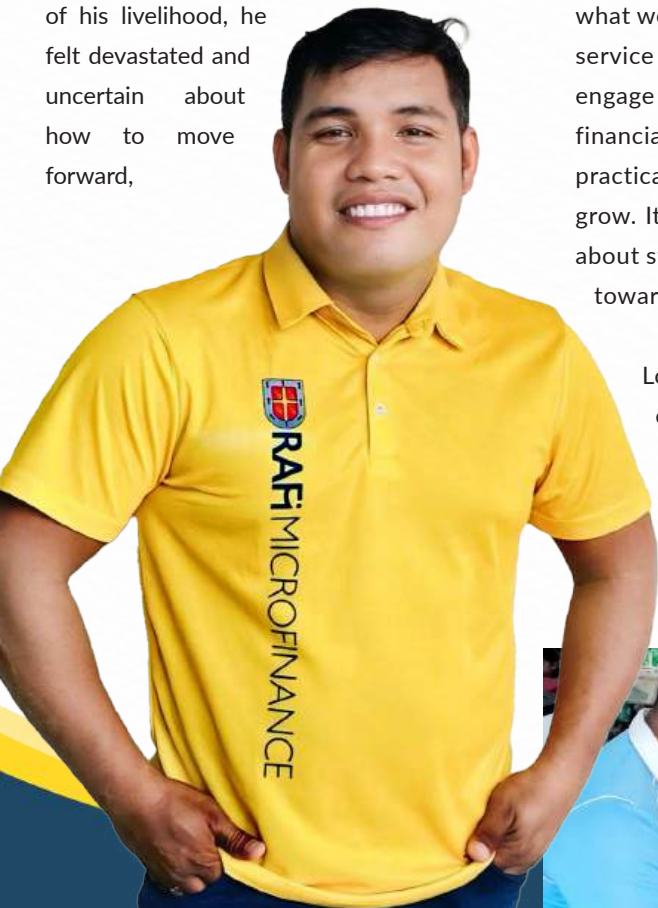
Danny Banol

Working with RAFI Microfinance, I have witnessed firsthand how we have become a true partner to our microentrepreneur clients, especially during their most challenging times. One client's story stands out. His small business, which he had spent years building, was devastated by a fire that destroyed his factory, taking away everything he had worked for, including his equipment and raw materials. Left with nothing but the ashes of his livelihood, he felt devastated and uncertain about how to move forward,

unsure if he could ever rebuild. That's when we stepped in. We provided the financial support and guidance he needed to start anew. With RAFI MFI's help, he was able to rebuild, regain his confidence, and gradually restore his business. Today, he runs a successful operation, provides for his family, and contributes to his community.

This experience embodies the essence of what we do—being more than just a financial service provider. As a Kaagapay, we actively engage with our clients, offering not only financial solutions but also emotional and practical support to help them rebuild and grow. It's not just about providing loans; it's about standing by our clients in their journey toward financial stability and success.

Looking ahead, my goal is to continue expanding our reach and assist even more microentrepreneurs facing their own challenges. By offering steadfast support, we can ensure their success and contribute to the broader growth of our community.



INFORMATION TECHNOLOGY

Maria Cecilia Palileo

As part of the IT team, I have witnessed how our digitalization initiative can transform the lives of our Nanay and Tatay microentrepreneurs. One of the most fulfilling moments in my work was assisting a Nanay in learning how to use the Kaagapay platform. Initially, she was hesitant to install the app on her phone, but after I explained its features, she came to understand its value. The Kaagapay platform allowed her to easily view her loan balances, transaction history, and savings account details. With better access to this information, she was able to make more informed decisions and streamline her business operations.

However, this journey hasn't been without its challenges. Many of our clients face difficulties with digital literacy and internet connectivity, which can slow the adoption of our digital tools. To address these challenges, we have focused on training our staff to fully understand and utilize the app so they can, in turn, support our clients. Additionally, we actively engage in community

outreach programs to raise awareness and help more people realize the benefits of our digital tools.

For me, 'Kaagapay' is more than just a name—it's a promise. It's about being there for our clients every step of the way, especially when they encounter difficulties. We don't just provide financial services; we walk alongside them, ensuring they have the support they need to succeed. This sense of partnership drives me every day in my work, and it's what makes Kaagapay truly special.



CLIENT ENGAGEMENT & DEVELOPMENT SERVICES

Ian Kith Dehayco

Each program within RAFI Microfinance is carefully designed to meet the needs of micro-entrepreneurs, their families, and communities. Our Community Outreach Program (COP), led by the Client Engagement Development Services team, provides micro-entrepreneurs and their families with access to essential health services, including free interventions, consultations, and medications.

Despite our efforts to deliver health assistance directly to communities, some clients find it challenging to leave their businesses for a day to participate in these initiatives. To address this, we have collaborated with various programs to schedule more COPs across Luzon, Visayas, and Mindanao. Through these collaborations, we have maximized resources and expanded our impact.

During our community outreach programs, I witness the joy and happiness of our clients as they receive health and medical assistance that was previously difficult for them to access. This truly embodies the spirit of “*kaagapay*.” The value of God-centeredness inspires me to serve others wholeheartedly. My personal goal is to equip myself with additional knowledge and skills to better serve our community. I believe that to create a greater impact, we must continue to engage with our clients, be present on the ground, and become more visible to them.



HUMAN CAPITAL

Nenito Gonzales Jr.

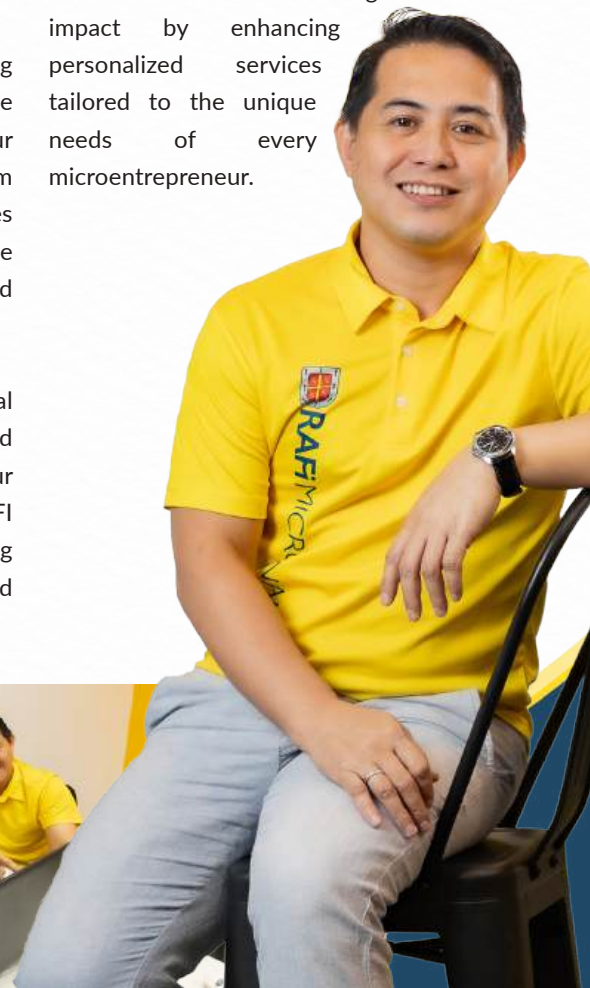
RAFI Microfinance has established a robust foundation and strategic vision by empowering microentrepreneurs through resources, technology, and financial support, thereby fostering business growth and stability. As part of the learning and development team, we are running the ACE Leadership Bootcamp, a program designed to prepare employees to play a more pivotal role in our organization.

The challenges we have faced in developing and deploying potential employees have significantly impacted the delivery of our services. To address these issues, our team provides comprehensive training courses for all employees, ensuring they possess the necessary skills and knowledge to be deployed effectively when needed.

Collaboration across teams is essential for achieving our mission of elevating and empowering clients and their families. Our brand essence, “*Kaagapay*,” represents RAFI Microfinance as a trusted partner, emphasizing collaboration, mentorship, and shared responsibility.

The core value I embody in my work is “respect,” which fosters inclusivity, professional communication, and a supportive environment. As I look ahead, my primary goal is to enhance my skills as a trainer and help individuals achieve their full potential.

RAFI Microfinance can create a more sustainable and wide-reaching impact by enhancing personalized services tailored to the unique needs of every microentrepreneur.



EMPOWERING LIVES, ENABLING CHANGE



MAUSWAGON LOAN *Virgilia Bonghanoy*

From a struggling mother of five, striving to provide for her family's basic needs, to becoming a thriving entrepreneur, Virgilia's journey is a testament to resilience and success. With an initial investment of just ₱5,000 and the support of RAFI Microfinance, Inc. (RAFI MFI), she launched her first general merchandise store while living in a single room with her children. Over time, she expanded her ventures, now owning four general merchandise stores, an agrivet shop, and a bakery.

RAFI MFI not only provided financial assistance through the Mauswagon Loan but also empowered her with valuable training opportunities. She completed a six-month business program at the University of San Carlos through the Boost Accelerator Program and attended a bakery training in Iligan, which helped her establish her bakery.

Virgilia expressed her gratitude, saying, "I am deeply thankful for the lessons RAFI Microfinance has taught me. My friends often ask why I remain with RAFI MFI when I now have sufficient capital to stand on my own. However, for me,

it's more than just financial support—it's the sense of community and unwavering guidance that make me proud to continue being part of this network."

Despite facing challenges such as store closures during the COVID-19 pandemic, she remained determined and reopened her businesses to support her family. Her perseverance earned her numerous awards, including the Leader of Decent Work and Economic Growth Award at the 2023 RAFI Microfinance Entrepreneurs Summit. Looking to the future, she hopes to retire and leave behind a legacy, ensuring a stable and comfortable life for her children.



MICRO-INSURANCE

Romulo Castro

When Romulo lost his beloved wife, life became an overwhelming challenge. She had been a dedicated member of RAFI Microfinance, Inc. (RAFI MFI), and through the insurance benefits provided, Romulo and his family received much-needed financial support during this difficult time. RAFI MFI not only helped cover funeral expenses but also ensured that his family

wouldn't struggle in the aftermath of their loss.

Romulo shared, *"The financial support we received helped not only with the funeral expenses but also in rebuilding our livelihood and sustaining our life after our loss. As a poor family, we wouldn't have overcome this challenge on our own. Now, as a RAFI MFI member, I have peace of mind knowing that when my time comes, I won't leave a burden on my children."*

With the assistance they received, Romulo made sure the money was put to good use. He purchased a small piece of land to build a farm, secured funds for their daily needs, and sustained their merchandise store—a business they had built together. Most importantly, the support helped in the education of their children, ensuring a brighter future for them.

Now, Romulo encourages other members to see the value of RAFI MFI beyond just financial support. He believes that the benefits they provide are a true lifeline, offering security during life's toughest moments. Despite having a small business, he prays that it will continue to thrive with divine guidance. His message is simple: *be responsible borrowers, because RAFI MFI's support extends beyond business—it helps protect and uplift families when they need it most.*



HOUSING IMPROVEMENT

LOAN - WASH

Jelly Laride

As a dedicated mother of five and a passionate entrepreneur, Jelly juggles multiple businesses to provide for her family. Despite her hard work, their way of living has not improved, and access to different kinds of renovations to their home, such as clean water facilities, has remained a challenge.

Through RAFI Microfinance (RAFI MFI), she secured a supplemental loan called the HIL-WASH Loan, which is designed to help clients improve access to safe water and sanitary toilet facilities. With this support, she was able to upgrade their water well into a fully functional faucet system, making water more accessible for daily use, improving its quality and flow, and making life easier for her family.

Jelly shared, *"My greatest wish in life is to see all my children complete their education. Once that happens, I can finally relax and maybe scale down to just one or two businesses. Without the support of RAFI MFI, I wouldn't have been able to send my kids to school or experience the security that comes from their insurance and benefits."*

Beyond household benefits, Jelly acknowledges that this opportunity and support has contributed to her businesses by ensuring better hygiene and convenience and creating a healthier environment for both her family and customers. With this type of access, she is more confident and empowered to continue sustaining her family's needs and continue to strive for their future.



SCHOLAR SI NANAY

Joseph Sanchez

When Joseph joined RAFI Microfinance (RAFI MFI), he never imagined that this opportunity would come his way, especially in a field traditionally dominated by women. However, his journey proved that dedication and passion can transcend boundaries.

During the pandemic, Joseph was among those who struggled with unemployment and uncertainty. It was a difficult time, but he has described RAFI MFI as a turning point in his

life—a providence, as he put it, that gave him a chance to rise again.

"I was given the opportunity to join the Scholar Si Nanay Program, a community-based training in cakes and pastries, which perfectly aligned with my passion for baking," Joseph said. "Through this program, I not only acquired technical skills but also discovered my creative and innovative side."

More than just the training, Joseph opened his eyes to new possibilities, inspiring him to embark on his food business journey and even look forward to opening his own store.

Joseph lives by the belief that every journey—whether successful or not—paves the way to success. He has learned to persevere through multiple business setbacks, understanding that each failure brings valuable lessons. "Don't be discouraged," he advises, embracing every challenge as a steppingstone toward growth.

Today, Joseph runs a successful venture, turning his once-hobby into a livelihood. He is grateful for the opportunity that not only honed his skills but also empowered him to build a brighter future for himself and his family.



BUGSAY SCHOLARSHIP

Niciel Arenilla

Niciel Arenilla has always aspired to pursue higher education in college, but her family's financial constraints have consistently hindered her ability to achieve her dreams. However, with the introduction of the Bugsay Scholarship Program by RAFI Microfinance, this became a pivotal moment in her journey.

The Bugsay Scholarship Program (BSP) of RAFI Microfinance, Inc. (RAFI MFI) is an initiative designed to provide financial assistance to deserving children of active RAFI MFI clients. This program empowers scholars to pursue quality tertiary education, break the cycle of poverty, and contribute meaningfully to their communities.

Thanks to this support, Niciel was able to focus on her studies without the burden of financial stress. Moreover, beyond the financial assistance, the Bugsay Scholarship Team provided her with a sense of encouragement and motivation.

"The greatest lesson I've carried from being a scholar to becoming an employee is that success stems from consistency and commitment," Niciel said. "This scholarship was a once-in-a-lifetime opportunity, and it gave me a true sense of purpose—the drive to support my family and

provide a better life, something we had never experienced before."

Niciel is now one of the select scholars who had the opportunity to join Philinsure, a partner of RAFI MFI in this scholarship program. As she embarks on her new journey as an employee, she lives by the motto, "We will never know unless we try." She believes that if she hadn't taken the chance to apply for the scholarship, she wouldn't have gained the opportunity that transformed her and her family's livelihood for the better.



KAAGAPAY MO!



THE KAAGAPAY POWER OF COMMUNITY OUTREACH PROGRAM

At RAFI Microfinance (RAFI MFI), elevating lives means more than supporting businesses—it's about holistic care for microentrepreneurs and their families. The Community Outreach Program (COP) brings this mission to life by partnering with like-minded organizations to deliver free essential services to clients, their families, and the community.

For Jovita Replan of Candelaria, Quezon, COP was a blessing. She and her family received free medical consultations and medicines. "Sa RAFI Microfinance lang may ganitong serbisyo," she shared. In Valencia, Bukidnon, Baby Jean Achivida was able to address her child's vision needs without financial strain.

In 2024, COP served 6,627 beneficiaries—5,299 clients and 1,328 non-clients—across the country. Services included medical, dental, and optical care;

breast cancer screening; business permit assistance via Tindahan ni Nanay; and access to the KaagAPPay Mobile App. Children also enjoyed the Children's Corner, where they received free toys and fun activities.

Dr. Rommel Sabig, Municipal Health Officer of La Carlota City, praised the initiative. "Napakaimportanteng programa ito para sa mga negosyante at sa komunidad," shared Dr. Sabig.

Through COP, RAFI Microfinance reaffirms its commitment to not only building businesses, but to elevating lives and empowering communities.



EMPOWERING MICROENTREPRENEURS FOR GROWTH AND SUCCESS

RAFI Microfinance (RAFI MFI) goes beyond financial support to help microentrepreneurs grow sustainable businesses. Launched during the COVID-19 pandemic, Tindahan ni Nanay (TNN) was created to connect clients to markets, enhance their products, and support business expansion through digital platforms and innovative programs.

"Tindahan ni Nanay is the steppingstone to every microentrepreneur's success," says Chantal Castanares, Client Business Services Supervisor for Incubator and Accelerator Services.

In 2024, TNN impacted 7,900 lives, created 820 market linkages, and generated ₱10.6 million in sales. Key initiatives included:

- One Brand One Product (OBOP): Trained 149 clients to market handmade products across districts.
- Business Registration Services: Helped 422 clients to formalize their businesses for long-term sustainability.



- Clustering for Livelihood Program: Mentored 20 clients in Bantayan and Aloguinsan toward business success.
- Market and Linkages Program: Enabled participation in trade fairs across Visayas and boosted online visibility through TNN's digital marketplace.
- Livelihood Resiliency Program: Trained clients in ecological waste management and sustainable product creation.
- Advanced Training Program: Graduated five 2023 Mauswagon Entrepreneur Awardees, strengthening their leadership and business skills.

For microentrepreneur Perigrina Arquio of Daanbantayan, Cebu, TNN was a game-changer. "Nakasali ako sa trade fair na libre, at dumadami ang aking mga customers," she shares.

With its holistic approach, Tindahan ni Nanay continues to uplift small business owners, equipping them with the tools, knowledge, and support to succeed.



SOCIAL PERFORMANCE MANAGEMENT

2025

- Updated SPM Manual
- Continuous improvement on the compliance
- Updated orientation and cascade
- SPM and CPP Certification completed by third party

2024

- Completed the SPM manual
- Defined and measured Social Performance Indicators in achieving the mission
- Continuous improvement on the compliance
- Program orientation and cascade
- Implementation on the ground and monitoring
- Conducted self-assessment on Client Protection Pathway (CPP)

2022 - 2023

- Design, definition, development, establishment, and operationalization of the Social Performance Management System
- Testing and alignment with processes and systems

DEEPENING COMMITMENT THROUGH SOCIAL PERFORMANCE

At the heart of RAFI Microfinance's mission is a deep and enduring commitment to responsible financial inclusion—where every client is seen, heard, and supported. In 2024, RAFI MFI advanced further on its Social Performance journey, guided by a resolute belief that true empowerment means going beyond financial services to uphold dignity, equity, and lasting change in the lives of the entrepreneurs and communities it serves.

Staying true to its Social Performance Management (SPM) Roadmap and its vision of empowered entrepreneurs achieving sustainable growth with dignity, RAFI MFI made significant strides that reflect both strategic intent and heartfelt commitment. In 2024, it achieved the following milestones:

1. Refined Focus: The organization streamlined its Social Performance Indicators from 15 to 6, allowing for more targeted, impactful tracking that centers the most meaningful outcomes for clients.

2. Self-Reflection and Accountability: RAFI MFI conducted a comprehensive self-

assessment using the Universal Standards for Social Performance Management (USSPM) and the Client Protection Pathway (CPP) assessment tool—reinforcing its dedication to continuous learning and transparency.

3. Institutional Commitment: To strengthen our commitment to client welfare, RAFI Microfinance established a dedicated Social Performance Management Unit and a cross-functional Working Group. These teams were formed to address gaps identified during the USSPM and CPP assessments and to build a strong foundation for CPP certification in 2025. In parallel, we initiated key process improvements, conducted product reviews, and enhanced client services to align with international standards. Beginning in 2024, Social Performance reporting has been institutionalized and is now regularly presented up to the Board level, ensuring strategic oversight and accountability.

The RAFI MFI Theory of Change

remains our compass as we “bugsay” forward to the achievement of the mission...



These efforts are guided by RAFI MFI's Impact Model, which stands on three pillars of transformation:

1. Enhancing the well-being of clients and their families,
2. Supporting sustainable and growing enterprises, and
3. Empowering clients and their businesses to positively impact their communities

Each step taken in 2024 reflects more than just process—it reflects purpose. The drive to put client welfare at the core of every decision is not just an operational

goal, but a moral imperative. That is why, in 2025, RAFI MFI looks ahead to achieving Client Protection Pathway certification—not as an end, but as a testament to the organization's unwavering promise: to protect, empower, and uplift the lives of microentrepreneurs and their families.

Because for RAFI MFI, social performance is not just a strategy—it is a commitment to being our clients' and their families' Kaagapays.

STRENGTHENING RISK MANAGEMENT: RAFI MFI's Strategic Initiatives



RAFI Microfinance Inc. (RAFI MFI) has undertaken significant steps to enhance its risk management framework, ensuring resilience and sustainability in the face of evolving challenges.

One of the key initiatives is the formation of District Risk Senior Officers, a pragmatic approach aimed at fortifying risk oversight at the district level. Additionally, the Risk Management Team has been restructured to report directly to the CEO and President, reinforcing its strategic importance within the organization.

RAFI MFI has also established its independence from RAFI in terms of Information Security and Data Privacy Policies, strengthening its governance and compliance structures. A Business Continuity Management (BCM) Awareness campaign was conducted across all



308 branches in Luzon, Visayas, and Mindanao, coupled with the finalization of the Incident Management Plan to enhance responsiveness to business disruptions.

To mitigate fraud risks, the organization has formalized the Red Flags Monitoring System while initiating a thorough review of its credit risk capabilities, with further enhancements planned for 2025. Additionally, the company has identified its Top Risks for 2030, aligning them with its strategic direction.

Furthermore, RAFI MFI has renewed and enhanced its non-life insurance policies while refining its Total Cost of Risk (TCOR) threshold, ensuring a balanced approach to risk exposure and financial sustainability.

CSAT



4.58/5.00
Satisfaction Score
(VERY SATISFIED)

With its continued commitment to serving as a Kaagapay for micro entrepreneurs, as well as their families and communities, RAFI Microfinance Inc. (RAFI MFI) conducted its 2024 Customer Satisfaction (CSAT) study through its Research and Knowledge Management team. The study aimed to assess overall borrower satisfaction and gather insights for enhancing RAFI MFI's products and services.

The results of the 2024 CSAT reveal that RAFI MFI has sustained strong performance, with active clients expressing high satisfaction with the services and products they receive. These findings reaffirm RAFI MFI's dedication to delivering quality financial solutions that empower entrepreneurs and support economic growth.

2024 PROJECT SUMMARY: Process Improvements & Cost Savings

This 2024, major process improvements and cost-saving initiatives were successfully implemented, enhancing efficiency, speed, and quality while reducing operational expenses. These initiatives resulted in total

cost savings of PHP 45,156,822.08 and the completion of 46 process improvements, including Standard Operating Procedures (SOPs) and procedural manuals.

Key Achievements by Workstream

*Bugsai 3.0 OPS
(PAR, Fraud, Client Retention)*

PHP 3.8M+
Cost Savings

24
Process Improvements

*Bugsai 3.0 HC
(TA & L&D)*

PHP 5.2M+
Cost Savings

8
Process Improvements

*Bugsai 3.0 STRAT
- Phase 1 OCR*

PHP 34M+
Cost Savings

10
Process Improvements



K-App

PHP 1.5M+
Cost Savings

3
Process Improvements

CAS Phase 1

PHP 50K+
Cost Savings

1
Process Improvement



Impact & Benefits

These enhancements streamlined operations, reduced fraud risks, optimized learning and development strategies, and achieved cost reductions through IT subscription management, asset policies, and procurement

improvements. Digital innovations via K-App and CAS have further strengthened operational efficiency, ensuring a strong foundation for sustained excellence.

Strengthening Brand Presence Across All RAFI MFI Branches

The Brand Development Group (BDG) and the Operations team across Luzon, Visayas, and Mindanao successfully completed the final phase of the Brand Cascade in November 2024. This initiative embodies RAFI MFI's

brand and values, ensuring that every message, image, and experience resonates deeply with Kaagapay.



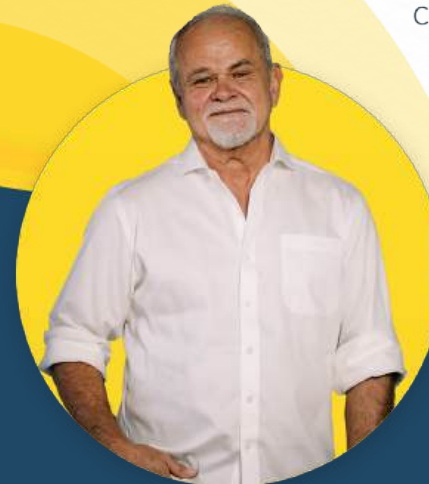
Together, BDG and the Operations team transformed the organization's mission into compelling Kaagapay stories—stories that inspire hope, foster connection, and drive transformation. Through strategic campaigns, community engagement, and targeted outreach, they not only enhanced the visibility of the RAFI MFI brand but also strengthened its emotional impact—amplifying its influence and honoring the aspirations of those they empower.



BOARD OF TRUSTEES



CARLOS RAMON C. ABOITIZ
CHAIRMAN



MIKEL ALBERTO M. ABOITIZ
MEMBER



DAVID MIKEL T. ABOITIZ
MEMBER

BOARD OF TRUSTEES



AMAYA CRISTINA A. FANSLER
MEMBER



ANA MARIA A. DELGADO
MEMBER



TERRY ALAN FARRIS
MEMBER



THOMAS KOCSIS
MEMBER



CARLOS RAMON C. ABOITIZ
CHAIRMAN



TRISTAN ROBERTO ABOITIZ
MEMBER



AMAYA CRISTINA A. FANSLER
MEMBER



EDUARDO ALFRED ABOITIZ
MEMBER

BOARD RISK MANAGEMENT AND COMPLIANCE COMMITTEE

BOARD AUDIT COMMITTEE



DAVID MIKEL ABOITIZ
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AMAYA CRISTINA A. FANSLER
MEMBER



TRISTAN ROBERTO ABOITIZ
MEMBER

MANAGEMENT COMMITTEE

**Thomas
Kocsis**

CEO & President



**Jonar
Dorado**

Chief Operating Officer



**Iris Louise
Dorado**

Chief Financial Officer



MANAGEMENT COMMITTEE

**Louie Julius
Bagoyado**

Vice President for IT

**Divine Grace
Golingay**

Human Capital Director

**Warren Clyde
Tompong**

Risk and Credit
Management Director



EXECUTIVE OFFICE



MICRO OPERATIONS



MICRO PLUS OPERATIONS



BUSINESS EXCELLENCE



HUMAN CAPITAL



FINANCE, PROCUREMENT, GENERAL ACCOUNTING



CLIENT ENGAGEMENT AND DEVELOPMENT SERVICES



BRAND DEVELOPMENT GROUP



INTERNAL AUDIT



GOVERNANCE AND COMPLIANCE



RISK MANAGEMENT



INFORMATION TECHNOLOGY



FINANCIAL STATEMENTS

RAFI MICRO-FINANCE, INC.

FINANCIAL STATEMENTS
December 31, 2024 and 2023

With Independent Auditors' Report

FINANCIAL STATEMENTS



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REPORT OF INDEPENDENT AUDITORS

The Board of Trustees
RAFI Micro-Finance, Inc.
35 Eduardo Aboitiz St.
Tinago, Cebu City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of RAFI Micro-Finance, Inc. (the Organization), which comprise the statement of financial position as at December 31, 2024, and the statements of activities and other comprehensive income (loss), changes in fund balance and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Member Regulatory Registration & Accreditation:
SEC Reg. No. 000-000000-000000, valid until September 20, 2025.
SEC Reg. No. 0003-IC, Group A, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group B, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group C, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group D, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group E, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group F, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group G, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group H, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group I, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group J, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group K, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group L, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group M, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group N, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group O, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group P, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group Q, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group R, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group S, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group T, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group U, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group V, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group W, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group X, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group Y, valid for five (5) years starting the audit of 2020 to 2024.
SEC Reg. No. 0003-IC, Group Z, valid for five (5) years starting the audit of 2020 to 2024.

FINANCIAL STATEMENTS



Other Matter

The accompanying financial statements of the Organization as at and for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on April 11, 2024.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

FINANCIAL STATEMENTS



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010 and RR 34-2020 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 21 to the basic financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

R.G. MANABAT & CO.

Tireso Randy F. Lapidez

TIRESO RANDY F. LAPIDEZ
Partner
CPA License No. 0092183
Tax Identification No. 162-411-175
BIR Accreditation No. 08-001987-034-2023
Issued May 25, 2023; valid until May 24, 2026
PTR No. MKT 10467182
Issued January 2, 2025 at Makati City

April 4, 2025
Makati City, Metro Manila

FINANCIAL STATEMENTS

RAFI MICRO-FINANCE, INC. STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	4	P144,960,442	P439,568,598
Loans receivable - net	5	3,519,251,049	3,108,843,643
Other current assets	6	226,125,588	342,081,758
Total Current Assets		3,890,337,079	3,890,493,999
Noncurrent Assets			
Property and equipment - net	7	102,653,355	92,577,209
Computer software - net	8	30,514,895	37,554,598
Right-of-use assets - net	17	86,320,935	58,591,020
Noncurrent Assets		219,489,185	188,722,827
		P4,109,826,264	P4,079,216,826
LIABILITIES AND FUND BALANCE			
Current Liabilities			
Capital build-up	9, 18	P1,121,248,810	P981,532,821
Accounts payable and other current liabilities	10	123,790,135	88,210,565
Short-term loans	11	1,118,695,015	1,600,000,000
Current portion of long-term loans	11	125,304,902	40,456,710
Current portion of lease liabilities	17	36,797,657	36,045,893
Income tax payable		11,658,377	8,875,559
Total Current Liabilities		2,537,494,896	2,755,121,548
Noncurrent Liabilities			
Noncurrent portion of lease liabilities	17	42,372,354	25,235,608
Noncurrent portion of long-term loans	11	58,737,000	39,231,415
Retirement benefits liability	16	40,284,150	34,946,367
Noncurrent Liabilities		141,393,504	99,413,390
Total Liabilities		2,678,888,400	2,854,534,938
Fund Balance			
General fund		1,357,995,235	1,158,842,458
Employee benefits reserve		72,942,629	65,839,430
Total Fund Balance		1,430,937,864	1,224,681,888
		P4,109,826,264	P4,079,216,826

See Notes to the Financial Statements.

FINANCIAL STATEMENTS

RAFI MICRO-FINANCE, INC. STATEMENTS OF ACTIVITIES AND OTHER COMPREHENSIVE INCOME (LOSS)

Years Ended December 31			
	Note	2024	2023
REVENUE FROM MICROFINANCE ACTIVITIES			
Interest on loans	5	P2,000,098,958	P1,750,490,642
Commission income	5	237,734,493	211,018,940
Service and general fees	5	61,959,498	16,218,516
		2,299,792,949	1,977,728,098
SUPPORTS AND OTHER INCOME			
Other supports		9,068,687	4,025,044
Interest from banks	4	1,133,208	2,306,014
		10,201,895	6,331,058
		2,309,994,844	1,984,059,156
COSTS AND EXPENSES			
Operating costs	12	1,811,266,750	1,698,702,635
Administrative expenses	13	253,680,387	207,276,454
		2,064,947,137	1,905,979,089
EXCESS OF REVENUE FROM MICROFINANCE ACTIVITIES, SUPPORTS AND OTHER INCOME OVER COSTS AND EXPENSES BEFORE INCOME TAX EXPENSE			
		245,047,707	78,080,067
INCOME TAX EXPENSE	14	45,894,930	39,017,342
NET EXCESS OF REVENUE FROM MICROFINANCE ACTIVITIES, SUPPORTS AND OTHER INCOME OVER COSTS AND EXPENSES			
		199,152,777	39,062,725
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Item that will not be reclassified to statement of activities</i>			
Remeasurement gain (loss) on retirement benefits	16	7,103,199	(3,798,086)
TOTAL COMPREHENSIVE INCOME		P206,255,976	P35,264,639

See Notes to the Financial Statements.

FINANCIAL STATEMENTS

RAFI MICRO-FINANCE, INC. STATEMENTS OF CHANGES IN FUND BALANCE

Years Ended December 31				
	Note	General Fund	Employee Benefits Reserve	Total Fund Balance
Balance at January 1, 2024		P1,158,842,458	P65,839,430	P1,224,681,888
Net excess of revenue from microfinance activities, support and other income over costs and expenses		199,152,777	-	199,152,777
Other comprehensive income:				
Remeasurement gain on retirement benefits	16	-	7,103,199	7,103,199
		199,152,777	7,103,199	P206,255,976
Balance at December 31, 2024		P1,357,995,235	P72,942,629	P1,430,937,864
Balance at January 1, 2023		P1,119,778,733	P69,637,516	P1,189,416,249
Net excess of revenue from microfinance activities, support and other income over costs and expenses		39,062,725	-	39,062,725
Other comprehensive loss:				
Remeasurement loss on retirement benefits	16	-	(3,798,086)	(3,798,086)
		39,062,725	(3,798,086)	35,264,639
Balance at December 31, 2023		P1,158,842,458	P65,839,430	P1,224,681,888

See Notes to the Financial Statements

FINANCIAL STATEMENTS

RAFI MICRO-FINANCE, INC. STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenue from microfinance activities, support and other income over costs and expenses before income tax expense		P245,047,707	P78,080,067
Adjustments for:			
Impairment losses on loans and other receivables	5, 6	114,699,010	177,002,647
Depreciation and amortization	7, 8, 12, 17	109,179,277	131,783,838
Interest expense	9, 11, 12, 17	100,504,138	123,962,947
Retirement benefits expense	12, 16	38,204,667	28,725,402
Interest on loans and deposits	4, 5	(2,001,232,166)	(1,752,796,656)
Impairment loss on property and equipment and computer software	7, 8	11,682,324	-
		(1,381,915,043)	(1,213,241,755)
Changes in:			
Loans receivable		(502,223,917)	(147,915,476)
Other current assets		99,977,642	(48,696,111)
Capital build-up		131,750,859	75,686,923
Accounts payable and other current liabilities		34,052,376	(14,208,260)
		(1,618,358,083)	(1,348,374,679)
Interest received	4, 5	1,994,328,195	1,721,910,616
Contributions to the retirement fund	16	(25,763,685)	(24,710,545)
Income taxes paid		(43,112,112)	(38,680,429)
Interest paid		(91,011,814)	(92,548,223)
Net cash provided by operating activities	19	216,082,501	217,596,740
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment	7	(53,058,141)	(20,354,711)
Additions to computer software	8	(20,853,166)	(8,304,401)
Total cash used in investing activities		(73,911,307)	(28,659,112)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans	11	2,164,214,056	3,610,932,000
Payments of lease obligations	17	(59,828,142)	(53,689,289)
Payments of loans	11	(2,541,165,264)	(3,840,003,211)
Net cash used in financing activities		(436,779,350)	(282,760,500)
NET DECREASE IN CASH		(294,608,156)	(93,822,872)
CASH AT BEGINNING OF YEAR		439,568,598	533,391,470
CASH AT END OF YEAR	4	P144,960,442	P439,568,598

See Notes to the Financial Statements.

MNRC ACCREDITATION



MICROFINANCE NGO REGULATORY COUNCIL

CERTIFICATE OF ACCREDITATION

MNRC Accreditation No.: 0021-22
SEC Registration No.: C199801112

THIS IS TO CERTIFY that

RAFI MICRO-FINANCE, INC.

Eduardo Aboitiz, St., Brgy. Tinago, Cebu City

is duly accredited by the Council for the purpose of availing the 2% preferential tax rate and for other purposes pursuant to Section 20 of Republic Act No. 10693, otherwise known as the "Microfinance NGOs Act".

This Certificate is valid for three (3) years, unless earlier revoked by the Council.

IN WITNESS WHEREOF, by the authority of the Council, I have hereunto set my hand to this Certificate in Pasay City, Metro Manila, this 21st day of March Two Thousand and Twenty-Two.



EMILIO B. AQUINO
Chairperson

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K-App Triumphs at the Asian Tech Excellence Awards

In a remarkable achievement, the KaagAPPay (K-App) mobile application, developed by RAFI Microfinance, Inc. (RAFI MFI), won the prestigious Philippines Technology Excellence Award for Fintech – Financial Services at the Asian Technology Excellence Awards in Bangkok, Thailand, on September 5, 2024.

Launched in 2022, K-App was designed to provide microentrepreneurs with a convenient and paperless way to manage their finances,

including savings and loans. This innovative app has gained widespread recognition for its role in empowering RAFI MFI clients by offering them easy access to financial services directly on their smartphones.

The award highlights K-App's significant impact on financial inclusion. Its user-friendly design and secure platform enable microentrepreneurs to effectively manage their finances, thereby giving them greater control over their economic future.

Winning this prestigious award is a testament to the success of K-App and RAFI MFI's commitment to driving digital empowerment. It marks a significant milestone in the journey of improving financial accessibility for RAFI MFI's clients, including the "Nanays and Tatays," who are integral to the organization's mission.



Philippines Technology Excellence Award for Fintech Financial Services
Asian Tech Excellence Awards, Bangkok, Thailand 2024
September 5, 2024



AWARDS

Digital Champion - MFI Category

3rd Digital Financial Inclusions Awards
December 13, 2024



Innovative Tech Company of the Year

DEVCON Mindanao Summit
June 30, 2024



Oradian Champion

Customer Summit 2024
October 3, 2024



Torch of Opportunities

USAID Opportunity 2.0 Program
and Education Development Center
November 8, 2024

Nominee

Innovative Tech
Company of the Year
June 29-30, 2024



Bronze Awardee






Team Innovations Awards:
Bugsay Impact Awards Category
November 15, 2024





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