



ANNUAL REPORT 2025

TRANSFORMING FORWARD ➤



ABOUT THE COVER

The 2025 cover design embodies “Transforming Forward,” reflecting RAFI Microfinance’s commitment to growth, innovation, and meaningful community partnership as we celebrate 27 years of serving our Kaagapays.

The cover features RAFI Microfinance client ambassador and 2025 Digital Financial Inclusion Awards winner (Microentrepreneur category) Ailyn Flormata. She symbolizes the modern, resilient, and future-ready microentrepreneur. Using digital tools to expand her handcrafted products business shows how technology can empower livelihoods, elevate creativity, and open wider opportunities for local artisans like her. Her story captures the spirit of transformation that continues to drive our mission of elevating the lives of every Kaagapay.

The honeycomb element that is eminent on this year’s theme represents strength, balance, and evolutionary growth. Like interconnected honeycomb cells, our programs, systems, and digital innovations work together to form a larger, unified purpose. The blend of curves and straight lines signifies people, purpose, and technology coming together to build thriving and inclusive communities. Its upward-reaching shapes reflect improved systems, enhanced livelihoods, and the collective determination shared by every Kaagapay.

Together, our past achievements and present progress celebrate how far we’ve come—and the innovative future we continue to shape as we *bugsay* (paddle) toward “Transforming Forward,” becoming stronger, more connected, and guided by purpose.

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STEWARDSHIP AND STRATEGIC DIRECTION

Carlos Ramon C. Aboitiz

Board of Trustees, Chairman



In 2025, RAFI Microfinance continued to advance with discipline and clarity of purpose. From the Board's vantage point, the year was defined by steady execution, prudent growth, and strengthened institutional oversight.

Performance indicators reflected a healthier, more balanced organization—one that is growing responsibly while maintaining strong controls and financial stability. Just as importantly, the institution demonstrated resilience amid external disruptions, continuing to serve clients and communities without compromising standards or governance.



The Board remained focused on its core mandate: safeguarding the long-term sustainability of RAFI Microfinance while guiding strategic direction. Throughout the year, we worked closely with management to refine priorities, reinforce enterprise risk management practices, and strengthen data and governance frameworks that support transparent, evidence-based decision-making. We also supported measured investments in technology and digital capabilities, ensuring that innovation is applied thoughtfully and responsibly. These efforts are designed to enhance accountability, protect the portfolio, and position the organization to

scale with confidence.

As we look to the years ahead, the Board remains committed to providing steady oversight and strategic guidance as RAFI Microfinance continues to evolve. Our responsibility is to ensure that growth is balanced with prudence, innovation with accountability, and ambition with sound governance. With strong leadership in place and a clear strategic compass, we are confident that the institution is well positioned to navigate opportunities and uncertainties alike, creating lasting value for our clients and their communities over the long term.



2025 BUILDING MOMENTUM ON A STRONG FOUNDATION



If 2024 was the year we rebuilt our footing, 2025 became the year we began to move forward with purpose and measurable momentum. The foundation we laid through restructuring, stronger governance, and enhanced risk discipline started to translate into tangible results. Growth returned steadily and sustainably, with over 45,000 net new borrowers added by year end, while loan releases and interest income exceeded plan. At the same time, continued efficiency initiatives improved our cost structure and supported consistent financial sustainability. Even in the face of natural calamities that temporarily disrupted parts of our operations, our teams demonstrated resilience and agility, ensuring business continuity and protecting both our clients and portfolio quality.



Operationally, we deepened our focus on discipline and capability. Streamlined processes and the stronger cost management and tighter controls enhanced institutional stability. We advanced our data agenda through a comprehensive data quality program, laying the groundwork for more sophisticated analytics and faster, evidence-based decision-making. Progress also continued in credit risk management, including the automation of predictive indicators and the development of new credit technologies and AI-driven applications that will strengthen underwriting and portfolio oversight. Equally important, we invested in our people. The successful completion of the first cohort of our talent development program and a



reduction in unwanted attrition reflect our commitment to building a high-performing organization and a workplace where colleagues feel empowered to grow and contribute meaningfully.

Looking ahead, we are confident that these efforts mark the beginning of a more transformative phase for RAFI Microfinance. Our strategy review has sharpened our direction and now guides the operating plans for the coming year. With stronger systems, enhanced risk management, and a culture increasingly defined by ownership and innovation, we are well positioned to scale responsibly, introduce thoughtful product enhancements, and deliver faster, more inclusive financial services to the communities we serve. The work of recent years has prepared us not only to grow, but to grow well—with resilience, discipline, and lasting impact.

Thomas Kocsis
President & CEO



FOUNDATION OVERVIEW

BUILDING FOUNDATIONS FOR LASTING IMPACT



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 323 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 5.5 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

Empowered entrepreneurs achieving sustainability and growth with dignity

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.

SERVICES

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 IMPACT

323

BRANCHES

ACROSS THE PHILIPPINES

LUZON: 54 Branches
VISAYAS: 229 Branches
MINDANAO: 40 Branches

4B+
TOTAL LOAN
PORTFOLIO

5.5M+
LIVES TOUCHED

2M+
CHILDREN BENEFITED

1.6M+
JOBS CREATED

675K+
CLIENTS REACHED

10
PROVINCES REACHED

FINANCIAL SERVICES

PRODUCTION LOANS

370K+
BORROWERS



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

3.6K+
BORROWERS



Mauswagon Plus Loan is a small business loan product that aims to give financial support to entrepreneurs in all productive sectors of the economy for the growth and development of their business for more employment generation and economic growth.

1.8K+
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.

FINANCIAL SERVICES

SUPPLEMENTAL LOANS

67K+
BORROWERS



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

1.5K+
BORROWERS



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.

500+
BORROWERS



SAGIP LOAN

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

FINANCIAL SERVICES

MICRO-INSURANCE

21K+
CLAIMS



Kaagabay Insurance ensures comprehensive financial protection for families during unforeseen events such as accidental injury or death.

1K+
CLAIMS



FRP provides financial assistance to the bereaved family in the event of a client's passing, helping ease immediate financial burdens during a difficult time.

1K+
CLAIMS

LRF | Loan Redemption Fund

LRF is a mandatory micro-insurance product that covers loan liabilities in case of the debtor's death, protecting the next of kin from inheriting the obligation.

5K+
CLAIMS

Funds for LIFE

Funds for LIFE is a holistic assistance program of RAFI Microfinance that supports clients affected by calamities such as typhoons, floods, earthquakes, landslides, and fire.

FINANCIAL SERVICES

MICRO-SAVINGS

CBU

Capital Build-Up

A mandatory savings product that encourages consistent saving, enabling clients to build equity for entrepreneurial ventures, maintain reserves for bridge financing, and establish creditworthiness through disciplined financial behavior.

399K+
ACCOUNTS



A voluntary, high-interest savings product designed to complement the Capital Build Up (CBU). It empowers clients to establish financial safety net for emergencies while promoting financial freedom and improving financial literacy.

7.3K+
ACCOUNTS

CLIENT ENGAGEMENT & DEVELOPMENT SERVICES

Upholding the dignity and empowering entrepreneurs, their families, and communities by boosting entrepreneurial capacity and self-sustainability through holistic and client-centric services



Tindahan Ni Nanay

Building capacity and supporting the growth of microentrepreneurs through product innovation, business registration, and market linkage opportunity



The Learning Hub

Empowering Individuals,
Transforming Communities



Kaagapay Mo



Kaagapay Mo

Building healthy and resilient entrepreneurs, their families and communities through access to social services and community engagement

Client Engagement & Development Services

The Learning Hub

Angat Ako! Program

Angat Ako! Program is designed to empower entrepreneurs by equipping them with essential skills and knowledge to grow and sustain their businesses. Comprising two sub-programs—the Sustainable Livelihood Training Program (SLTP) and Business Enhancement Trainings—the initiative focuses on strengthening product development, optimizing business operations, enhancing marketing strategies, and improving financial management.

Angat Ako: Sustainable Livelihood Training Program (SLTP)

As a sub-program under Angat Ako, the Sustainable Livelihood Training Program (SLTP) provides capability-building and support services to RAFI MFI clients to strengthen their livelihoods and develop income-generating business ideas.



515
Client
Participants



504
Clients Trained
with Business
Training

22

Partners Sustained

132
Clients Trained
with Business
Training



600
Centers Organized

Angat Ako: Business Enhancement Trainings

A specialized training initiative under Angat Ako that builds advanced client capabilities, with a focus on product innovation, entrepreneurial resilience, and strategic marketing.



Center Reformation

The Center Strengthening Initiative aims to standardize and strengthen center formation and reformation across all branches through close coordination between the Business Operations Unit (BOU) and Operations. It lays the foundation for effective center leadership by promoting Center Officer elections, stronger client engagement, improved monitoring, and readiness for future CAB activation.

Client Engagement & Development Services

Tindahan Ni Nanay

Livelihood Resiliency Program (LRP)

The Livelihood Resiliency Program (LRP) is a RAFI MFI initiative that strengthens microentrepreneurs' economic resilience through sustainable, skill-based support that helps them adapt, innovate, and thrive in their livelihoods such as the Scraps of Hope (in partnership with Uratex) and Padayon sa Pagbugsay (in partnership with VECO and Aboitiz Foundation, Inc.) projects.

22,829
Sales Distributed

82
Clients Supported

300,000
Sales Generated



313

Product Nominations

145

Clients Trained on PEER

85

Product Label and
Logo Enhanced

One Branch One Product

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.



Product Logo and Label Enhancement

Developed under the PEER+ Program, this initiative empowers microentrepreneurs through hands-on training and expert consultations, strengthening product development and elevating brand identity through logo and label enhancement.

Client Engagement & Development Services

Tindahan Ni Nanay

DOST Grants-in-Aid

The DOST Grants-in-Aid project aims to provide business support and interventions to RAFI Microfinance clients through packaging and labeling training, FDA accreditation support, production and packaging subsidies, product prototyping, and food preparation training under the Sustainable Livelihood Training Program.

85

Clients Trained on GMP, FDA, & Product Packaging and Labeling

85

Rebranded Products

85

Clients Awarded with Livelihood Kits



Business Registration

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.

7,594

Clients Reached

24

Business Registration Caravans

3

Video Modules Produced



Client Engagement & Development Services

Kaagapay Mo

Bugsay Scholarship Program

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.

40
New Scholars

14
School Partners

89
Scholars Supported

18
Alumni Engaged



Partnerships: Growth & Impact

This program focuses on strengthening RAFI MFI's capacity to scale and sustain its initiatives through strategic collaborations and effective resource mobilization. It facilitates access to funding, grants, and institutional partnerships that support key programs in health, education, and livelihood development. By establishing structured systems and fostering collaboration, the program enhances operational efficiency, transparency, and accountability.



6
New Partners

40
Partners Maintained

4.2M
Grants Received

5.2M
Cost Savings

Client Engagement & Development Services

Kaagapay Mo

Kaagapay Outreach Program

The Kaagapay Outreach Program focuses on delivering healthcare and social services to RAFI MFI clients, with an emphasis on preventive care and community well-being. It provides access to essential health services—including medical consultations, screenings, and health education—while also linking clients to vital social support systems.

24
Kaagapay Outreach

14K+
Individuals Reached

24
Konsulta sa Branch



151K
WASH Educated

Project WASH

HIL-WASH aims to improve the health and well-being of RAFI MFI clients and their communities by expanding access to safe water, sanitation, and hygiene services. The program integrates WASH-focused loan financing with strong staff capacity-building initiatives to ensure effective implementation and the responsible use of loans.



VILLASIS “BILLY” GIMARINO

IT, Operations & Process Risk Manager

“EVERY CLIENT SERVED REPRESENTS A FAMILY STRIVING FOR A BETTER FUTURE. THAT MISSION KEEPS ME GROUNDED AND INSPIRED,”

says Villasias “Billy” Gimarino, reflecting his 25 years of service at RAFI Microfinance.

Across those years, Billy transitioned through various roles that broadened his understanding of operations, leadership, and organizational sustainability. His most pivotal shift came when he moved from Learning and Development to Risk Management—a transition that required him to shift from building capabilities to critically evaluating processes, identifying gaps, and strengthening controls.

This transformed mindset proved invaluable in 2025, when he helped lead comprehensive branch assessments that strengthened compliance and revealed early indicators of potential fraud and risks.

For Billy, “Transforming Forward” means embracing change, new technologies, and sustainable growth. As he continues his journey with RAFI MFI, he focuses on fostering unity and purpose, guiding the organization to transform together.

EMPLOYEE FEATURE

THE VOICES BEHIND OUR MISSION



DEXTER H. CALMA

Talent Optimization and Development Manager – HC

At RAFI Microfinance, Dexter leads with a focus on developing people. Since joining in 2021, he has strengthened leadership pipelines and learning systems to prepare the organization for the future.

Dexter led the launch and refinement of TalentXcelerate last 2025, moving learning beyond traditional training toward immersive, strategy-aligned development

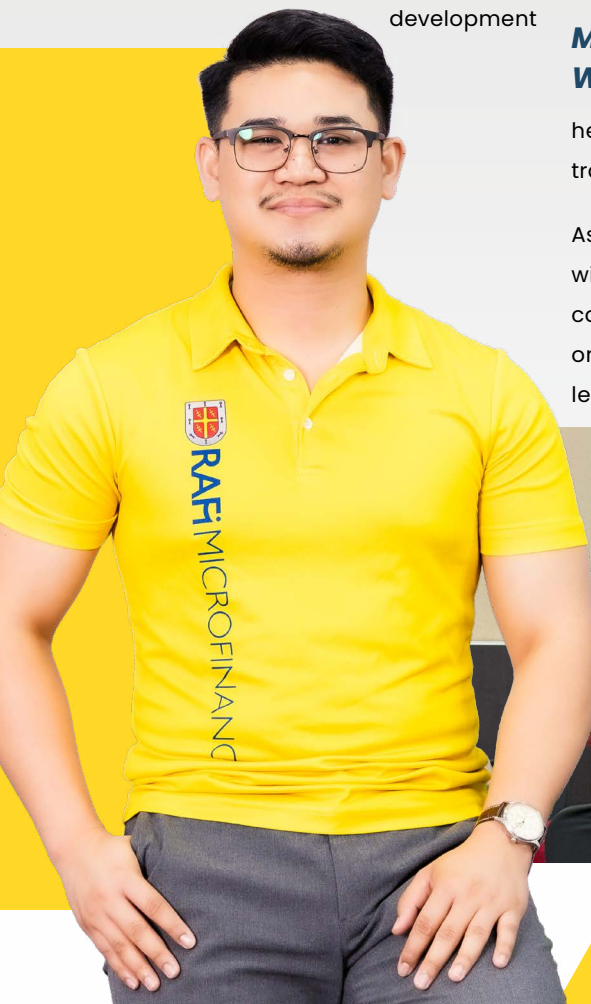
experiences. He also introduced structured follow-through assessments to ensure lessons translate into real leadership growth.

These efforts helped foster stronger accountability, deeper engagement, and a culture of continuous learning across the organization.

“TRANSFORMING FORWARD MEANS CHOOSING GROWTH WITH INTENTION,”

he shares emphasizing that transformation is a daily commitment.

As Dexter looks forward to bigger plans with his career at RAFI MFI, he aims to continuously help RAFI MFI build not only stronger systems, but stronger leaders, ensuring the organization moves forward with clarity, resilience, and a shared commitment to service.

**JEABELLE A. MICAYLE**

Business Process Senior Supervisor – BEX

“TRANSFORMING FORWARD MEANS MORE THAN IMPROVING SYSTEMS—IT MEANS CHOOSING GROWTH OVER COMFORT.”

This belief has guided Jeabelle throughout her eight years at RAFI Microfinance. It is the mindset behind her commitment to strengthening processes, empowering teams, and driving continuous improvement across the organization.

Bringing together process, people, and performance, Jeabelle ensures that workflows remain efficient, transparent, and aligned with RAFI MFI's evolving needs. Through end-to-end process reviews, she helps units identify gaps, simplify procedures, and build systems that better support staff and clients.

In the past year, her work played a key role in RAFI MFI's digital transformation. The

rollout of the new HRIS, the establishment of the Model Branch, and the launch of the internal call center marked important steps toward smarter, more responsive operations. For Jeabelle, these efforts reflect a meaningful shift: RAFI MFI is not just expanding—it is learning, adapting, and transforming forward.

For her, transforming forward means building systems and teams that continuously grow, ensuring RAFI MFI remains future-ready while transforming lives and communities.



FRANCIS JOHN MANAYAN

District Senior Supervisor – MPL Cebu North

For Francis, “Transforming Forward” means leading with purpose and developing future leaders. In his seven years of service, he has focused on helping his team grow and better serve every Kaagapay. A key moment for him was seeing his team improve in both performance and leadership through coaching and mentorship. Francis saw his staff evolve into stronger contributors, resulting in more resilient and high-performing

districts. Despite challenges, they grew stronger—building trust and commitment to integrity, stewardship,

teamwork, and heartfelt service while adapting to new systems.

“I BELIEVE THAT INVESTING IN PEOPLE’S DEVELOPMENT AND LEADERSHIP SUCCESSION WILL GREATLY IMPACT RAFI MFI’S GROWTH,”

shares Francis, as he continues shaping leaders who uphold RAFI MFI’s values and mission.

The past year became a period of significant transformation for Francis and his team. They strengthened their skills, embraced digital tools, and moved forward together with a mindset of continuous improvement.



GENEVEVE R. ZAMORA

BOU Senior Supervisor

“Transforming Forward means growing with purpose,” shares Geneveve Zamora, who has served RAFI Microfinance for over six years. Her journey reflects becoming more collaborative and grounded in the organization’s core values.

In 2025, she shifted from being a leader to a co-learner, building deeper trust, genuine two-way mentorship, and teamwork to adapt to the changing needs of clients and centers.

When the Client Advisory Board program was paused, she redirected her focus toward strengthening centers, supporting leaders, and extending assistance through Kaagapay Outreach. She also nurtured meaningful

partnerships with LGUs, universities, and medical institutions. Through challenges and setbacks, she learned that transformation isn’t defined by perfection but by persistence, patience, and relationships built with sincerity.

“MAY THIS SHARED JOURNEY CONTINUE TO INSPIRE HOPE AND STRENGTHEN COMMUNITIES,”

says Geneveve as she envisions RAFI MFI as the heart of holistic entrepreneurship—where every kaagapay is empowered, capable, and upheld with dignity.



DIOCLES ROSALEJOS

Procurement Supervisor - FPG

"I LIVE BY OUR CORE VALUES BY UPHOLDING INTEGRITY, SERVICE, AND RESPECT IN ALL PROCUREMENT ACTIVITIES,"

shares Diocles Rosalejos, who has dedicated over 10 years of his life with RAFI Microfinance.

In 2025, he played a great role in the organization's transformation journey by improving digital processes, reducing bottlenecks, and enhancing

transparency. His team achieved the highest audit rating among FPG teams last year,

reducing errors and improved turnaround times for better decision-making.

For Diocles, challenges such as data inconsistencies and manual workflows highlighted importance of accuracy and standardized processes. These experiences strengthened his resilience and commitment to continuous improvement beyond simply completing tasks.

"My goal is to strengthen leadership, accountability, and collaboration while supporting an adaptive procurement environment aligned with organizational growth and future direction," says Diocles, expressing gratitude to RAFI Microfinance for the opportunity to serve and contribute to its mission of empowering communities and transforming lives.

**NICOMEDES P. NINOLAS**

Regional Director – Micro Operations

"TRANSFORMING FORWARD IS AN INTENTIONAL TRANSFORMATION GUIDED BY VISION, DATA, AND A DEEP SENSE OF RESPONSIBILITY TO THE COMMUNITIES AND PEOPLE WE SERVE"

Over the past six and a half years, Nicomedes has focused on strengthening leadership, aligning teams, and fostering collaboration across branches. As Regional Director at RAFI Microfinance, he promotes innovation, digital adoption, and accountability in its leaders—ensuring that transformation becomes a collective effort.

His leadership was shaped by the TalentXcelerate Program, where he was part of its pioneering batch. The

experience strengthened his confidence, adaptability, and strategic thinking. One defining moment came when the region faced both the Bogo earthquake and Typhoon Tino, where he balanced operational stability with compassion for affected communities.

For Nicomedes, transforming forward means empowering people, strengthening systems, and leading with vision so RAFI MFI can continue transforming lives and communities across the region.



BUGSAY SCHOLARSHIP PROGRAM REY MART JAMES BAÑADOS



CLIENT FEATURE

TURNING POSSIBILITY INTO PROGRESS



Education once felt uncertain for Reymart until RAFI Microfinance helped change his path. The son of RAFI MFI member Marta Faye Bañados, Reymart is now pursuing a degree in Industrial Technology through the Bugsay Scholarship Program.

After high school, college seemed out of reach. "I wasn't sure I could continue studying, but the Bugsay Scholarship Program changed my life," he shares. The opportunity strengthened his determination to succeed and prepare for a future shaped by digital transformation.

RAFI MFI programs further built his confidence through leadership

activities, institutional exposure, and internship preparation. During his research year, financial support eased expenses and allowed him to stay focused on completing his academic requirements.

For Reymart, transforming forward means using technology to create opportunities for others. Guided by his belief that

"DON'T BE AFRAID TO TAKE RISKS, BECAUSE OPPORTUNITIES BEGIN THERE,"

he continues toward graduation, ready to make a difference.

FAMILY RELIEF PLAN HERMISA LABISTE



Through life's hardest times, the bond between siblings grows even stronger. Ate Hermisa and her brother Delfin shared a life of hardship and care. A RAFI Microfinance member since 2019, she supported her livelihood while guiding her brother to join as well.

When his wife passed away, Kuya Delfin received the insurance support and later became a member himself. Though he completed only two loan cycles, his membership proved meaningful during difficult moments.

When a typhoon destroyed his home, he

stayed with Ate Hermisa. As he battled illness, she cared for him until his passing. Through RAFI MFI's Family Relief Plan, she received support that helped her cover funeral costs and sustain her livelihood.

"IT IS VERY PAINFUL TO LOSE A SIBLING, BUT WE ARE DEEPLY THANKFUL BECAUSE THE INSURANCE TRULY HELPED US,"

she shares.

For Ate Hermisa, transforming forward means honoring her brother's memory while continuing to support her family.

HOUSING IMPROVEMENT LOAN NENA GABUNADA



For Ate Nena Gabunada of Malubog, Cebu City, transformation began with building a safe home for her family. A RAFI Microfinance member for nearly 3 years, she earns a living by supplying flowers while caring for her children.

Through the Housing Improvement Loan, she was able to complete their home.

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

she shares. She later improved their living conditions further through the WASH (Water, Sanitation, and Hygiene) Loan.

When storms and hardships tested their community, Ate Nena remained resilient and grateful for RAFI MFI's continued presence. "Because of RAFI MFI, we were able to recover," she says. With perseverance and faith, she remained confident through meaningful changes.

Today, with a more secure and comfortable home and steady livelihood, she continues moving forward—building a better future for her family, one step at a time.



PEER+ BENEFICIARY

SULLIDAD BALANSAG



Strengthening her products became the starting point of Ate Sullidad Balansag's journey toward a more secure future. A RAFI Microfinance member since 2018, she joined the PEER+ Program, where she learned how to improve the quality and presentation of her virgin coconut oil and spicy vinegar.

Through the program, she received guidance in product development, labeling, and registration, helping her goods become more market-ready. Promotional support and training sessions further strengthened her confidence as an entrepreneur.

After completing the program, Sullidad also received

financial assistance that helped her expand production and sustain her small business despite competition and financial pressures.

"EVEN WHEN THINGS WERE DIFFICULT, I KEPT GOING BECAUSE I NEEDED TO SUPPORT MY CHILDREN'S EDUCATION,"

she explains.

For her, transforming forward means continuing to grow step by step—improving her products, expanding her business, and building stability for her family while encouraging others to keep striving for progress.

DIGITAL CHAMPION

AILYN FLORMATA



From overcoming challenges to expanding her enterprise today, Ate Ailyn's journey reflects resilience, creativity, and a forward-looking vision. She runs a handmade bag and souvenir business in Minglanilla, supporting local weavers and single mothers in her community.

When the pandemic forced her business back to zero, RAFI Microfinance helped her reopen and rebuild. Determined to grow beyond recovery, she embraced digital tools and social media to promote her products, reach wider markets, and strengthen her enterprise's visibility.

Her innovation earned her the Mauswagon Entrepreneur Award in 2023 and the National Digital Financial Inclusion Award in December 2025,

recognizing her leadership in using technology to expand her business and champion financial inclusion.

"MY BUSINESS IS NOT ONLY FOR MYSELF, IT GIVES LIVELIHOOD TO OTHERS TOO."

she explains.

Looking ahead, Ate Ailyn continues to transform forward by continuously expanding her business, strengthening her digital presence, and proving that resilience, innovation, and community can grow opportunities for many.

EXPANDING REACH, EMPOWERING MORE COMMUNITIES

In 2025, RAFI Microfinance marked a major milestone with the launch of 15 new branches nationwide, expanding both its reach and impact. More than growth in numbers, the expansion reflects the organization's meaningful transformation guided by a clear purpose: to serve and empower microentrepreneurs and its families.

Each opening followed a structured plan to ensure brand consistency, operational readiness, and meaningful community engagement. The expansion opened branches in South Luzon—San Narciso, Santo Tomas, Calaca, and Calamba—and 11 locations in South Mindanao, including Davao City, Davao del Norte, and Davao del Sur.



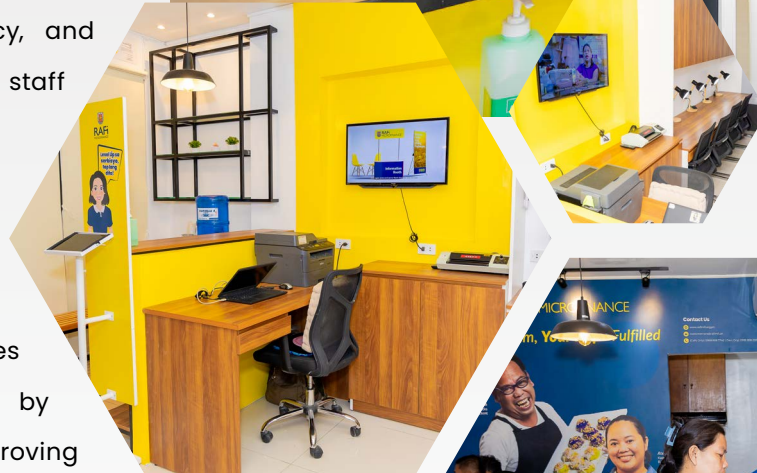
Each new branch provides micro loans, insurance, savings, livelihood training, and scholarships—reflecting the organization's deeper commitment to empower local entrepreneurs, strengthen communities, and promote inclusive growth.

With 15 new openings, RAFI Microfinance now operates 323 branches nationwide, as it continues to transform forward strategically, grow sustainably, and deliver impact.

TRANSFORMING SPACES, ELEVATING EXPERIENCE

The Model Branch pilot marks a meaningful evolution in how RAFI Microfinance serves its communities, redesigning branch spaces to foster dignity, efficiency, and meaningful connections between staff and clients.

Developed in collaboration with the University of San Carlos – Institute for Planning and Design, the Model Branch initiative addresses operational and branding gaps by standardizing branch design, improving space use, and reinforcing brand identity. The thoughtful design elements create welcoming spaces that help staff work productively while making clients feel respected and supported.



Piloted in Sibonga, Argao, and Danao, the branches showed clear improvements in daily operations and client experience. Staff felt more organized and motivated, while clients described the branches as welcoming and comfortable.

The pilot Model Branches provided valuable lessons that now guide future branch developments, strengthen consistency, enhance client experience, and shape for a more responsive and client-centered future for RAFI Microfinance.

RESPONSIBLE GROWTH THROUGH CLIENT PROTECTION

Ensuring that growth remains responsible and client-centered is at the core of RAFI Microfinance's Social Performance Management (SPM) efforts. RAFI MFI maintains its dedication to safeguarding and empowering the communities it serves through improved procedures and systems. A key milestone in this journey is the pursuit of the Client Protection Certification (CPC), which reinforces standards in fair treatment, transparency, and ethical service delivery. By aligning operations with these principles, RAFI MFI ensures that clients are not only supported financially but also safeguarded in every interaction.



To integrate client protection into day-to-day operations, this strategy necessitated ongoing evaluation, enhanced procedures, and increased staff awareness. Teams were urged to maintain responsibility and put the needs of their clients first in every decision. RAFI MFI builds trust with its clients through SPM and CPC, ensuring that the organization expands with honesty, accountability, and a strong dedication to changing people's lives and communities.





EMPOWERING ENTREPRENEURS, TRANSFORMING COMMUNITIES

RAFI Microfinance's commitment to empowering clients and building sustainable livelihoods is reflected in its Tindahan ni Nanay (TNN) and Client Training and Development (CTD) initiatives. Designed for microentrepreneurs, these programs strengthen business capacity, skills, and financial resilience at the community level.



CTD equips clients with essential skills in financial literacy, responsible borrowing, and enterprise development, while TNN provides women entrepreneurs opportunities to grow and expand their retail businesses. Together, these initiatives help clients make better financial decisions and manage their businesses more effectively and achieve long-term sustainability.

The shift toward more cohesive, client-centered programs placed greater emphasis on product

development, business growth, and continuous learning. As a result, clients became more confident, proactive, and resilient in overcoming challenges.

Now, TNN and CTD continue to expand RAFI MFI's impact by empowering entrepreneurs and strengthening communities—creating pathways toward sustainable growth and improved quality of life.



HEALTHY LIVES, SUSTAINABLE FUTURES

The Sustainable Health Program (SHP) of RAFI Microfinance was established to address the health needs of both clients and non-clients by managing health-related risks. Implemented by the Client Engagement and Development Services (CEDS) team, the program focuses on promoting preventive care and increasing health awareness.

SHP enables clients to sustain their livelihoods and maintain productivity by providing access to vital health education and assistance. This demonstrates RAFI MFI's improved ability to provide comprehensive support by integrating health into its development strategy.



The program addresses issues such as the high cost of medical care and limited access to healthcare information. SHP helps prevent health issues from becoming financial burdens by equipping clients and non-clients with necessary knowledge and resources.

Moving forward, SHP hopes to increase health service accessibility, strengthen preventive care initiatives, and keep enabling communities to live healthier, more sustainable lives.





Driven by feedback on the previous HRIS, PeopleCore strengthened internal processes and addressed system gaps. It supports RAFI MFI's growing operations by streamlining workflows, improving data management, and providing better

A SMARTER, CONNECTED WORKPLACE

The launch of PeopleCore as Human Capital's newest Human Resource Information System (HRIS) marked a digital turning point in the past year. Designed to improve employee experience, PeopleCore replaced the former system with a more unified, efficient, and scalable platform.

support for employees across departments.

The transition was not without challenges. Implementing the system within a tight timeline requires balancing daily responsibilities while adapting to change. Through patience, close monitoring, and quick response to issues, the Human Capital stabilized both the system and operations.

Today, PeopleCore enables a more connected and responsive workplace. As RAFI MFI moves forward, the platform supports stronger systems and improved employee experience—helping people grow alongside the organization.





DEVELOPING LEADERS FOR TOMORROW

The strengthening of the Talent Development Institute (TDI) and Talent Optimization (TO) marked a key step in RAFI Microfinance's effort to build future-ready leaders. TDI focused on three core programs: TalentXcelerate, the Universal Training Plan, and ACEnds—all designed to enhance employee growth and organizational performance. These initiatives introduced a more structured and proactive approach to learning. TalentXcelerate strengthened leadership capabilities, UTP ensured consistent learning across roles, and ACEnds supported continuous growth and performance alignment. Together, they helped employees become more confident, capable, and ready for evolving demands.

This shift moved teams from traditional training to a culture of continuous learning and shared accountability, encouraging employees to actively take responsibility for their own growth and support one another in achieving both personal and organizational goals.

Today, TDI and TO support a more empowered and resilient workforce—developing leaders who can adapt, innovate, and advance RAFI MFI's mission of transforming lives and communities.



ADVANCING CREDIT INTELLIGENCE



RAFI Microfinance is advancing its digital transformation efforts through a new partnership with London-based ProSyft Ltd. to enhance the speed, accuracy, and intelligence of its credit assessment processes.

Through this collaboration, RAFI MFI is adopting ProSyft's advanced software to streamline credit evaluations and improve portfolio management.

"This partnership allows us to move faster, smarter, and with greater confidence. It enhances how we serve clients today and builds the foundation for a more intelligent microfinance ecosystem," says RAFI Microfinance President and CEO Thomas Kocsis.

In May 2025, ProSyft CEO Daniel O'Connor and ProSyft developer Shankar Prakash visited RAFI MFI to conduct technical workshops, cross-team learning sessions, and branch immersions—ensuring smooth deployment aligned with frontline operations.

The partnership also sets out the foundation for an autonomous AI operations layer, transforming stand-alone digital tools into an integrated, scalable system. This milestone advances RAFI MFI's shift toward data-driven operations, greater efficiency, and expanded financial inclusion.



TRANSFORMING TREASURY MANAGEMENT

Strengthening financial control and efficiency became a top priority with RAFI Microfinance's implementation of Automated Treasury Management—a system designed to simplify treasury operations and enhance organization-wide monitoring, management, and reporting of funds.

By automating previously manual processes, the initiative improved real-time visibility of financial data, reduced processing time, and increased accuracy. This further supported RAFI MFI's growing operational demands, strengthened internal controls, and enabled faster decision-making.

The transformation addressed key issues such as manual errors, reporting delays, and a lack of fund management transparency. As a result, the organization now benefits from a more reliable, efficient, and organizationally aligned treasury function.

The Automated Treasury Management continues to uphold RAFI MFI's agility, accountability, and capacity to fulfill its mission of transforming lives and communities. To do this, it continues to optimize financial processes, incorporate cutting-edge digital tools, and facilitate data-driven decision-making.



ELEVATING CLIENT EXPERIENCE

Continuing its commitment to serving every Kaagapay, their families, and their communities, results from RAFI Microfinance's (RAFI MFI) 2024–2025 Customer Satisfaction (CSAT) study show that clients continue to rate their overall experience very positively. The institution recorded an average satisfaction score of 4.58 in 2024 and 4.62 in 2025, with the majority of clients indicating they were very satisfied with the services they received.

A comparison across both years revealed no significant difference in satisfaction levels, underscoring the consistency of RAFI MFI's service quality. Low levels of dissatisfaction further suggest that client needs and expectations are being effectively met. These findings reinforce RAFI MFI's dedication to providing dependable financial products that empower clients and contribute to sustainable community development.

4.62

*Satisfaction Score
(Very Satisfied)*



TRANSFORMING FORWARD THROUGH DIGITAL INNOVATION

Project Summary

Bugsay 3.0 Phase 2 is a strategic transformation initiative aimed at strengthening RAFI MFI's operations through improvements in People, Process, and System. The project focuses on enhancing staff well-being, engagement, and productivity while optimizing Front-to-End (F2E) operations for better quality and efficiency. Key initiatives include Pre-approved Client, Paperlite Loan Process, Centralized Loan Processing,

Digitized Loan Disbursement, and the Center Model Fortnightly, supported by end-to-end automation of the loan lifecycle to reduce processing time and operational errors.



Impact and Benefits

The initiative delivered strong operational results, including 100% branch compliance, 100% paperlite loan processing, and centralized loan TAT reduced to 2–3 days. Digitized disbursement shortened releasing-to-crediting time to 1–2 hours, with 100% successful digital transactions. Kaagapay client

outcomes improved with 100% on-time pre-approved releases and increased client retention. Overall, Bugsay 3.0 Phase 2 generated PHP 7.28 million in cost savings, strengthened governance through MCS, and established a scalable foundation for sustained digital excellence.

Cost Savings
PHP 7.2M+

"My work became faster because we no longer have to fill out forms manually since everything goes directly into the system. There were no major adjustments because I still followed the same process as before, only now it's easier since there's less paperwork. My work has become quicker. We can also create loans immediately and conduct CI (credit investigation) even while we are in the field."



John Russel Villas
Senior Trust Staff



"I prefer the loan process now because there's less paperwork already. Before, we still had to photocopy all the requirements, but now we don't anymore. It's easier and faster. It's no longer as tedious compared to before."

Lagrimas Lariosa
RAFI MFI Client

DRIVING IMPACT BEYOND NUMBERS



2025

Execute the Social Performance Management System

- Established SPM operationalization
- Established social outcome indicators
- Achieved SPM and CPP accreditation
- Conducted SPM onboarding and cascading



2024

Establishment of Social Performance Management System

- Emphasized ManComm and BOT's roles as SPM champions
- Enhanced documentation
- Developed draft social outcome indicators



2023

Action Planning and Implementation

- Created the RAFI Microfinance SPM Action Plan
- Implemented the action plan
- Conducted deep-dive client studies



2022

Initiation and Baseline Audit

- Conducted orientation for ManCom on SPM
- Studied USSPM and CPP
- Conducted SPM audit assessment (SPI4)

At RAFI Microfinance, financial inclusion is more than access to capital; it is a pathway to dignity and self-determination. Guided by a clear Theory of Change, RAFI MFI does not reduce its Kaagapays to numbers; but recognizes them as individuals capable of shaping their own futures. By integrating financial services with housing support and capacity-building, the institution enables families to overcome structural barriers and build progress that endures across generations.

This commitment is pursued with discipline. Through a robust Social Performance Management system, social objectives remain central to daily operations. RAFI MFI goes beyond outreach counts, using carefully designed indicators to

understand how lives improve across enterprise, housing, education, and employment. Each peso is measured by its ability to create meaningful and lasting change.

In 2025, this approach delivered measurable impact: 4,260 clients strengthened their business capabilities, while 448,242 borrowers gained access to financial services. A total of 244,868 families improved their housing and WASH conditions, and 2,055,645 children remained in school. Through client-led enterprises, 1,698,868 jobs were generated. Altogether, 5,529,130 lives were reached—demonstrating that intentional, data-driven strategies can translate scale into real and lasting human transformation.

The RAFI MFI Theory of Change

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



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Ana Maria A. Delgado
VICE CHAIRMAN



Nicolas Antonio Canova
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Thomas Kocsis
MEMBER



Nicolas Eduardo Aboitiz
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Amaya Cristina A. Fansler
MEMBER

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MANAGEMENT COMMITTEE



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PRESIDENT & CEO



Jonar B. Dorado
CHIEF OPERATING OFFICER



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Warren Clyde Valeree A. Tompong
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ADMIN AND FACILITIES



MICRO OPERATIONS



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BRAND DEVELOPMENT GROUP



PRODUCT DEVELOPMENT AND RESEARCH



CLIENT ENGAGEMENT AND DEVELOPMENT SERVICES



FIELD OPERATIONS TECHNICAL TRAINING



INTERNAL AUDIT



HUMAN CAPITAL



RISK, SAFETY, AND SECURITY



LEGAL AND COMPLIANCE



FINANCE, PROCUREMENT, AND GENERAL ACCOUNTING



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RAFI MICRO-FINANCE, INC.

FINANCIAL STATEMENTS December 31, 2025 and 2024

With Independent Auditors' Report

REPORT OF INDEPENDENT AUDITORS

The Board of Trustees
RAFI Micro-Finance, Inc.
3rd Floor, City Savings, Financial Plaza Osmeña Blvd.
Corner P. Burgos Street, 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 statements of financial position as at December 31, 2025 and 2024, and the statements of activities and other comprehensive income, changes in fund balance and cash flows for the years 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, 2025 and 2024, and its financial performance and its cash flows for the years 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.

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024
and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029
financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

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.

- 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 20 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

Partner

CPA License No. 0092183

SEC Accreditation No. 92183-SEC, Group A, valid for five (5) years
covering the audit of 2022 to 2026 financial statements

Tax Identification No. 162-411-175

BIR Accreditation No. 08-001987-034-2023

Issued May 25, 2023; valid until May 25, 2026

PTR No. MKT 10764398

Issued January 5, 2026 at Makati City

April 13, 2026
Makati City, Metro Manila

RAFI MICRO-FINANCE, INC.
STATEMENTS OF FINANCIAL POSITION

		December 31	
	<i>Note</i>	2025	2024
ASSETS			
Current Assets			
Cash and cash equivalents	4, 18	P70,304,781	P144,960,442
Loans receivable - net	5, 18	3,893,981,402	3,519,251,049
Other current assets	6, 18	158,232,861	226,125,588
Total Current Assets		4,122,519,044	3,890,337,079
Noncurrent Assets			
Property and equipment - net	7	107,399,212	102,653,355
Computer software - net	8	74,024,078	30,514,895
Right-of-use assets - net	17	103,608,078	86,320,935
Noncurrent Assets		285,031,368	219,489,185
		P4,407,550,412	P4,109,826,264
LIABILITIES AND FUND BALANCE			
Current Liabilities			
Capital build-up	9, 18	P1,288,366,169	P1,121,248,810
Accounts payable and other current liabilities	10, 18	294,294,557	123,790,135
Short-term loans	11, 18	431,108,412	1,118,695,015
Current portion of long-term loans	11, 18	263,630,562	125,304,902
Current portion of lease liabilities	17, 18	38,461,495	36,797,657
Income tax payable		11,923,235	11,658,377
Total Current Liabilities		2,327,784,430	2,537,494,896
Noncurrent Liabilities			
Noncurrent portion of lease liabilities	17, 18	44,380,514	42,372,354
Noncurrent portion of long-term loans	11, 18	129,004,636	58,737,000
Retirement benefits liability	16	21,908,085	40,284,150
Noncurrent Liabilities		195,293,235	141,393,504
Total Liabilities		2,523,077,665	2,678,888,400
Fund Balance			
General fund		1,757,803,155	1,357,995,235
Employee benefits reserve		126,669,592	72,942,629
Total Fund Balance		1,884,472,747	1,430,937,864
		P4,407,550,412	P4,109,826,264

See Notes to the Financial Statements.

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

		Years Ended December 31	
	<i>Note</i>	2025	2024
REVENUE FROM MICROFINANCE ACTIVITIES			
Interest on loans	5	P2,106,597,173	P2,000,098,958
Commission income	5	280,349,557	237,734,493
Service and general fees	5	106,863,024	61,959,498
		2,493,809,754	2,299,792,949
SUPPORTS AND OTHER INCOME			
Other supports		2,486,074	9,068,687
Interest from banks	4	586,517	1,133,208
		3,072,591	10,201,895
		2,496,882,345	2,309,994,844
COSTS AND EXPENSES			
Operating costs	12	1,831,771,382	1,811,266,750
Administrative expenses	13	215,115,197	253,680,387
		2,046,886,579	2,064,947,137
EXCESS OF REVENUE FROM MICROFINANCE ACTIVITIES, SUPPORTS AND OTHER INCOME OVER COSTS AND EXPENSES BEFORE INCOME TAX EXPENSE			
		449,995,766	245,047,707
INCOME TAX EXPENSE	14	50,187,846	45,894,930
NET EXCESS OF REVENUE FROM MICROFINANCE ACTIVITIES, SUPPORTS AND OTHER INCOME OVER COSTS AND EXPENSES			
		399,807,920	199,152,777
OTHER COMPREHENSIVE INCOME			
<i>Item that will not be reclassified to statement of activities</i>			
Remeasurement gain on retirement benefits	16	53,726,963	7,103,199
TOTAL COMPREHENSIVE INCOME		P453,534,883	P206,255,976

See Notes to the Financial Statements.

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

	Years Ended December 31		
	Note	General Fund	Total Fund Balance
Balance at January 1, 2025		P1,357,995,235	P72,942,629
Net excess of revenue from microfinance activities, supports and other income over costs and expenses		399,807,920	-
Other comprehensive income:			
Remeasurement gain on retirement benefits	16	-	53,726,963
		399,807,920	53,726,963
Balance at December 31, 2025		P1,757,803,155	P126,669,592
Balance at January 1, 2024		P1,158,842,458	P65,839,430
Net excess of revenue from microfinance activities, supports and other income over costs and expenses		199,152,777	-
Other comprehensive income:			
Remeasurement gain on retirement benefits	16	-	7,103,199
		199,152,777	7,103,199
Balance at December 31, 2024		P1,357,995,235	P72,942,629

See Notes to the Financial Statements.

RAFI MICRO-FINANCE, INC.
STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenue from microfinance activities, supports and other income over costs and expenses before income tax expense		P449,995,766	P245,047,707
Adjustments for:			
Impairment losses on loans and other receivables	5, 6	152,686,528	114,699,010
Depreciation and amortization	7, 8, 12, 17	108,531,326	109,179,277
Interest expense	11, 12, 17	60,677,739	100,504,138
Retirement benefits expense	12, 16	37,116,617	38,204,667
Impairment loss on property and equipment and computer software	7, 8	6,107,996	11,682,324
Loss on disposal of property and equipment disposal		1,125,713	-
Interest on loans and deposits	4, 5	(2,107,183,690)	(2,001,232,166)
		(1,290,942,005)	(1,381,915,043)
Changes in:			
Loans receivable		(571,197,817)	(502,223,917)
Other current assets		54,275,387	99,977,642
Capital build-up		164,965,738	131,750,859
Accounts payable and other current liabilities		172,115,655	34,052,376
		(1,470,783,042)	(1,618,358,083)
Interest received	4, 5	2,164,581,967	1,994,328,195
Contributions to the retirement fund	16	-	(25,763,685)
Income taxes paid		(49,922,988)	(43,112,112)
Interest paid		(60,137,351)	(91,011,814)
Benefits paid directly from the organization's operating funds		(1,765,719)	-
Net cash provided by operating activities		581,972,867	216,082,501
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment	7	(43,511,343)	(53,058,141)
Additions to computer software	8	(68,372,969)	(20,853,166)
Total cash used in investing activities		(111,884,312)	(73,911,307)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans	11	3,161,404,995	2,164,214,056
Payments of loans	11	(3,640,398,302)	(2,541,165,264)
Payment of lease obligation	17	(65,750,909)	(59,828,142)
Net cash used in financing activities		(544,744,216)	(436,779,350)
NET DECREASE IN CASH		(74,655,661)	(294,608,156)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		144,960,442	439,568,598
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	P70,304,781	P144,960,442

See Notes to the Financial Statements.



MICROFINANCE NGO REGULATORY COUNCIL

CERTIFICATE OF ACCREDITATION

MNRC Accreditation No.: 0018-25
SEC Registration No.: C199801112

THIS IS TO CERTIFY that

RAFI MICRO-FINANCE, INC.

35 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 from **21 March 2025**, 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 Makati City, Metro Manila, this 19th day of March Two Thousand and Twenty-Five.


EMILIO B. AQUINO
Chairperson



8th Floor, The SEC Headquarters, 7907 Makati Avenue Salcedo Village, Bel-air, Makati City
☎ (+632) 5322 7696 loc. 114 / www.sec.gov.ph | mnrc_secretariat@sec.gov.ph

AWARDS





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