



Thinking Beyond the Obvious: Owner Driven Construction

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Meet Ed & Gina

Family Size:
4-6 members

Occupations:
Agriculture,
self-owned
business or
daily labor

**Monthly
Income:**
USD 300-500

A photograph of a single-story house with a light-colored exterior and a dark roof. The house is partially obscured by large, spiky tropical plants in the foreground. A blue semi-transparent box is overlaid on the right side of the image, containing text about home improvement priorities.

Housing Need

Home
Improvement
Priorities:

- Roof Repair
- Toilet
- New Room



Philippines

In its financial inclusion dashboard, the central bank regularly tracks the microfinance industry's progress in the country. There are two types of microfinance activities tracked by the central bank: 1) Microfinance in the banking system-these are the microfinance activities conducted by formal banks regulated by the BSP. 2) Microfinance Outside the banking system-this includes cooperatives which are under the supervision of the Cooperative Development Authority (CDA) and Microfinance NGOs, which are regulated by the Microfinance NGO Regulatory Council led by the Security and Exchange Commission (SEC).

Both cooperatives and microfinance NGOs generally target low-income households.

The Microfinance NGOs Act was signed in 2015 to recognize the role of microfinance NGOs in providing financial services to marginalized sections of society and paving the way for the sector's effective functioning.

Microfinance in the banking system

		2018 Q4	2019 Q4
Microfinance	Banks	159	154
	Borrowers	1,986,683	2,410,677
	Amount (in million pesos)	22,615.4 (US\$452m)	27,294.7 (US\$545.8m)

Microfinance outside the banking system

Cooperatives	2017	2018
Number of member depositors (in millions)	8.0	9.4
Outstanding loans (in billion pesos)	194.1 (US\$3.8 b)	276 (US\$5.5 b)
Microfinance NGOs	2018	2019
Number of clients (in millions)	4.3	5.2
Outstanding loans (in billion pesos)	28.6 (US\$572 m)	41.9 (US\$838 m)



Philippines

MARKET POTENTIAL
on the next three (3) years

88%
plans to
improve their



85%
interested to loan
through **Microfinance**





Philippines

Preferred LOAN FEATURES

LOAN SIZE

\$900

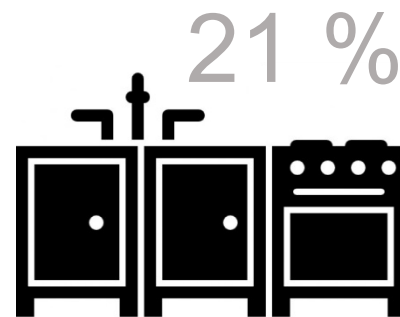
LOAN TENURE

24 months

INSTALLMENT

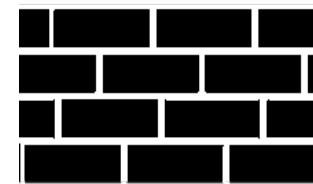
\$40

INTENDED LOAN UTILIZATION



21 %

Kitchen



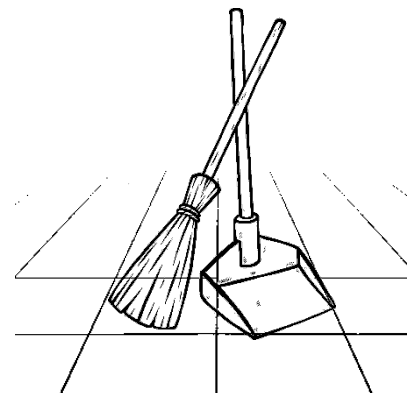
20 %

Wall



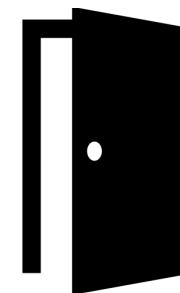
18 %

Roof



14 %

Floor



14 %

Room



11 %

Toilet



Philippines

Housing Microfinance Potential

- Significant opportunity exists among existing as well as new customer base
- Role of financial institutions serving the low-income segment is critical

\$1.56 Billion

Market Potential
among existing
Microfinance Borrowers



Bangladesh

KEY PLAYERS IN THE HOUSING FINANCE SYSTEM

Specialized housing finance providers

- House Building Finance Corporation (HBFC)
- Delta-Brac, Housing Finance (DBHF)
- National Housing Finance Investments Limited (NHFIL)

Other Financial Institutions (including NBFCs)

Banks

- Private Commercial Banks (PCB)
- State Owned Commercial Banks (SCB)
- Other Banks (foreign and specialized)

Microcredit Lenders

The total outstanding housing loans from banks and financial institutions as of the end of June 2019 amounted to BDT 902 billion (USD 10.63 billion), which was 8.9% of the total credit to the private sector. Private banks with a good deposit base have expanded their housing loan portfolio and had the highest market share in 2019. The SCBs had the second-largest share.

Source: IFC. 2017. [Barriers constraining the Low and Middle Income Housing Finance Market in Bangladesh](#) (accessed in February 2021)

LENDERS	TOTAL HOUSING LOANS OUTSTANDING					
	June-17		June-18		June-19	
	BDT billion	% of Total	BDT billion	% of Total	BDT billion	% of Total
Specialised housing finance providers	77.2	11.59%	76.1	9.48%	88.0	9.75%
i) HBFC	29.9	4.48%	31.0	3.86%	32.5	3.60%
ii) DBFC	39.1	5.87%	37.1	4.62%	43.9	4.86%
iii) NHF	8.2	1.23%	8.0	0.99%	11.6	1.28%
Banks	533.2	80.06%	675.7	84.19%	738.9	81.91%
i) PCB	372.8	55.9%	473.8	59.04%	491.6	54.5%
ii) SCB	140.4	21.08%	176.7	22.01%	211.9	23.49%
iii) Other banks	20.0	3.00%	25.2	3.14%	35.4	3.92%
Other FIs	55.3	8.3%	50.0	6.235	74.0	8.2%
Microcredit lenders	0.3	0.04%	0.7	0.08%	1.1	0.12%
Grameen Bank	0.3	0.04%	0.7	0.08%	1.1	0.12%
Total	666.0		802.5		902.0	

Source: Bangladesh Bank. [Annual Report 2018-19](#) (accessed in February 2021)