Hypothetical RHLF Actions: Unpa©king Exercise

1.) We enter into a Joint Venture with a nationwide building supplies retailer (e.g.: Cash Builders) to establish a network of RHLF Shops in Shops which solicit and administer loans direct to customer.

2.) We flight a national advertising campaign featuring a multitude of RHLF loan "impact stories" . The call to action is to access a RHLF loan through our existing intermediaries. Their logos feature prominently.

3.) We renegotiate terms with our intermediary partners; offering significant financial incentives to those who access their RHLF facility to market end-user client micro loans at interest rates at 33-50% less than current market averages.

4.) We deploy a national team of Account Executives to aggressively build a network of CBO intermediaries. Participating CBOs would be required to comply and regularly report to RHLF through our existing intermediary systems.

5.) We financially incentivize independent building supplies retailers to deploy door-to-door field agents. These agents aggressively (though responsibly) sell loans for building extensions as wise lower-income investments.

6.) Working through our existing intermediary network, we launch a RHLF branded "Gogo Loan" . This product is tailored to the unique housing needs and financial realities of rural grandmothers who may be caring for orphans and children.

7.) Based on receiving a very large cash injection from national government, we actively acquire intermediaries to build a nationwide RHLF retail network. We re brand and relaunch them under our umbrella and offer RHLF microloans at 50% below existing market norms.

8.) COSATU approaches the RHLF to establish itself as an intermediary partner but with the condition that COSATU enjoys 33% better terms than our current best intermediary customer. The RHLF Board approves the deal. Term details become public and are spun as a political scandal in the Sunday Times.

9.)   A large cellphone network aggressively enters into the under R10,000 microfinance market with a mobile banking product aimed at rural South Africans. Our intermediaries immediately begin to lose market share and we respond by limiting our exposure to losses by reducing their facility access.

10.)   The South African rural economy continues to worsen and we note a growing leakage of our loans being used for food and survival basics. Based on political pressure to deliver against our mandate, we insist our intermediaries comply with our guidelines or risk losing facility access.

11.) Our intermediaries experience a significant appetite for housing microloans in peri urban areas and concentrate the bulk of their attention and resources against this growing market. Default rates are lower and growth opportunity is significant. The board accepts a large facility from an overseas financial consortium to scale up RHLF's ability to service this market.

12.) A radically new and efficient housing construction material is invented that reduces the cost of building a room addition by +-50%. One of our intermediaries approaches us for financing to obtain the South Africa manufacturing franchise for this revolutionary material. We decline, saying it is out of our mandate.

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