THE MILLENNIUM ALLIANCE
for Social Investment

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FINAL REPORT

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By
INMED Partnerships for Children

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INMED Partnerships for Children
"Inspiring Communities, Creating Opportunities"

Summary for Program, Administrative and Financial Status

The three-year Millennium Alliance project met its goal of increasing private sector resources for international humanitarian and development assistance through NGOs, and has achieved its program objectives. In meeting and exceeding its first two objectives, the Millennium Alliance has developed 27 partnership opportunities and, of these, 16 are partnerships in progress. The third objective, to compile partnership tools and lessons learned, included tools for NGOs and a corporate volunteer training manual described in previous reports, and the additional document the third year: 'Public-Private Partnerships: The Role of the Nonprofit Leader.'

Financial objectives were also met. A cash match of $929,431 passed through INMED's books, and an additional $834,073 cash was granted directly to other NGOs during grant period. Approximately $4 million in additional funds have been committed to NGOs as a result of the Millennium Alliance over the next three years. Also, and very notably, the Millennium Alliance leveraged private sector in-kind resources totaling $18,299,338 during grant period, documented in INMED's books. All of these efforts are on-going and will yield additional private sector resources for humanitarian and development efforts through NGOs in the future.

The administrative structure reported in year 2 carried through the final year of the Millennium Alliance project, with the addition of a person the final five months of the project to aid in long term business planning for the future of the project.

While INMED plans to carry on with its partnership activities, a key lesson from this project is that it is extremely difficult for an outside entity – a consulting firm or a project like the Millennium Alliance – to broker and facilitate a partnership between NGOs and the private sector if it is not one of the partners in the future implementation of the partnership. All sides are looking for leadership, commitment and accountability from its potential partners, from the beginning of the process. An intermediary cannot provide this. The nonprofit leader in particular has a critical role to play in the formation of partnerships. The final publication of The Millennium Alliance, *Public-Private Partnerships: The Role of The Nonprofit Leader,* was developed and designed to provide the context and critical success factors that are essential for the nonprofit leader to know to fill this role.

Having pointed out the difficulties of being an intermediary, The Millennium Alliance was able to carve out a unique and important role in solidifying larger and longer term commitments for humanitarian and development projects through NGOs from companies with which INMED has had long and successful relationships. Another important niche for the Millennium Alliance has been bringing new companies, never before involved in international humanitarian and development programs, into this arena. Supply chain partnerships and those involving gifts-in-kind are important entry points for new companies, and increase valuable resources for foreign assistance. INMED is currently finalizing a business plan to carry on these important activities.

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I. BACKGROUND TO GRANT AND PROJECT CONTEXT

A. Historical and Technical Context

The Millennium Alliance for Social Investment is a project of USAID/PVC and INMED to increase private sector resources for humanitarian and development programs through NGOs. It began as an experimental project to test different approaches to partnership through a previous cooperative agreement and evolved to fill its current niche of developing and facilitating sustainable, long-term corporate commitments and bringing new companies (companies with little or no previous investments in international relief and development) into partnerships with NGOs. Documenting fundamental factors for success and the critical role that non-profit leaders play in the development and facilitation of public-private partnerships is also an important part of this project.

Since its establishment in 1986, INMED has been dedicated to strengthening communities worldwide and fostering their ability to develop healthy, educated children with increased opportunities for the future. To achieve this mission, INMED consistently involves the private sector in its efforts, guided by the belief that collaborative private sector and community partnerships offer the best opportunity to develop initiatives that will enable communities to improve their standards of living. At the end of 2003, INMED began the process of formally changing its legal name to INMED Partnerships for Children to more accurately reflect its mission and purpose.

The history of the Millennium Alliance project can best be characterized by four phases: the NGO corporate partnerships training phase; the PVC/corporate partnerships exploration phase; the corporate outreach phase; and the corporate/NGO sustainability phase.

NGO Corporate Partnerships Training Phase

In 1997, INMED held the last of its series of Millennium Partnership Conferences. This conference, co-sponsored by the World Bank, was attended by senior staff of BHR/PVC, and led to discussions between INMED and PVC about housing the Corporate Community Investment Service (CorCom), a USAID-supported project, within INMED. These discussions led to a three-year cooperative agreement to implement CorCom in conjunction with its developer/director, who had been working previously with PVC. CorCom was originally created in 1996 by its director as a means of *facilitating linkages between businesses and non-profit organizations with the purpose of achieving economic and social development goals*. During the first 15 months of the CorCom project, INMED/CorCom convened an informal network of PVOs who met on a monthly basis to share experiences and learn how to approach companies and build partnership development skills. The CorCom project also sponsored a series of meetings with business representatives and development practitioners to gather ideas about how the program should be designed.

PVC/Corporate Partnerships Exploration Phase

During the second year of the CorCom project, discrepancies arose between the CorCom director, and USAID and INMED concerning project ownership and future direction. At the end of December 1999, following unsuccessful efforts to mediate these differences, the director left INMED and the USAID contract, taking the CorCom name and website with her, with USAID's

approval. With her departure, the project was reorganized and renamed the Millennium Alliance for Social Investment.

At that time, numerous companies were approaching USAID to discuss potential projects. INMED and the Millennium Alliance project were asked to facilitate several of these discussions and to help explore ways in which USAID could work through these companies. Some of the meetings were with PVC contacts, and others came from requests from other USAID departments and divisions including Population, Health and Nutrition; the Global Bureau; the ENE Bureau; and the Forestry Department. INMED/the Millennium Alliance facilitated meetings and developed proposals at the request of PVC for working with companies including Monsanto in Russia, Bulgaria and Albania; a Brasilian forest products company; SmithKline Beecham; Johnson & Johnson; and Procter and Gamble. The USAID legal department was consulted as to appropriate ways for USAID to work with for-profit companies.

Also during this time PVC commissioned a study on the previous work of CorCom/the Millennium Alliance in organizing a network of NGOs and providing technical assistance.

Corporate Outreach Phase

The results of the study indicated that while NGOs felt the workshops and technical assistance had been helpful, they also felt that their main need now was for more corporate opportunities for NGOs. Also, with the advent of a new administration, corporate/USAID partnerships could not be effectively pursued until new USAID policies were in place. Therefore, an unsolicited proposal was prepared by INMED to PVC, leading to the current cooperative agreement that would focus on increasing private sector resources for development. A director, recommended by PVC, was appointed, and a deputy director with corporate experience was hired.

For the first year and seven months of the project, a vast corporate outreach program was initiated by the Millennium Alliance, reaching 132 companies. Of these, 46 were involved in comprehensive follow-up, 29 led to actual negotiations, 12 developing partnership opportunities were pursued, and partnerships were agreed to with 6 of these. The Millennium Alliance Director was also called upon by PVC to develop materials and plans for the Global Development Alliance (GDA).

Corporate/NGO Sustainability Phase

The final year and a half of the current Millennium Alliance project focused on solidifying long-term commitments from companies to reach important international relief and development goals, and bringing new companies (never before involved in international humanitarian or development programs) on board to begin investing in foreign assistance through NGOs. This has been an important niche for the Millennium Alliance. The broad outreach to the corporate sector of the previous phase made more companies aware of the advantages of partnering with NGOs and developed several creative scenarios for doing so. However, without the ability make commitments or assure outcomes (because INMED/the Millennium Alliance were facilitators rather than partners), and without matching funds to help jump-start new corporate partnerships (as in the GDA model), the Millennium Alliance focused on areas where it could make a bigger difference: building sustainable corporate commitments and bringing new companies into international partnerships with NGOs. This included corporate partners with little or no previous

international relief or development experience as well as a fortune 500 company that invested significantly in the past, although previously with no focused strategy and not generally through NGOs.

Also during the final phase, addressing its objective to develop tools and lessons learned, The Millennium Alliance produced a publication, *Public-Private Partnerships: The Role of the Non-Profit Leader*, highlighting the role that non-profit organizations and their leadership can play in partnership formation and implementation. This publication pays particular attention to the fundamental factors critical for successful partnerships that non-profits – particularly nonprofit leaders - must ensure are in place. The Millennium Alliance felt this was an important piece to produce, having heard repeatedly from companies about what they were looking for in their nonprofit partners, and having experienced partnership facilitation first-hand, both with and without the dedicated involvement of the relevant NGO leaders.

The Millennium Alliance has moved forward with its mandate and its objectives, utilizing a flexible framework to adjust to the numerous and swift changes in the partnership arena, bringing both challenges and opportunities. A major challenge from the outset of the project was the unstable global economic climate following September 11, 2001, immediately following approval of the Millennium Alliance project. A more recent and positive development is the increasing support for partnerships from the current administration, and the 'mainstreaming' of public/private/non-profit partnerships.

The Millennium Alliance positioned itself to build on opportunities and to meet challenges and identify strategic solutions. INMED remained highly invested in this project throughout its duration, taking into account the progress made and the lessons learned from its activities in order to continuously re-evaluate its approaches and meet the objectives it set out to accomplish.

II. PROJECT METHODOLOGY

A. Goals and Objectives

The **goal** of the Millennium Alliance project was to *increase private sector resources for international humanitarian and development assistance through innovative alliances among PVOs/NGOs, the private sector and USAID*. To achieve this goal, the Millennium Alliance project has focused its activities on meeting the following **three objectives**:

1. Develop private sector opportunities for NGOs.
2. Broker and facilitate partnerships.
3. Develop/compile tools, lessons learned, and best practices to support USAID policies for working with the private sector.

B. Strategies for Meeting the Goal and Objectives

Throughout the grant period, the three objectives of the project have remained the same. However, the overall project *strategy* and *methodology* for achieving these objectives has evolved to accommodate lessons learned and the changing partnership climate. As described in the background section, this evolution was occurring before the current cooperative agreement began in 2001, with the preceding CorCom and early Millennium Alliance agreement. With the initiation of the current agreement in October 2001, immediately following the September 11 attacks, the climate was different even from what it was at the time the grant proposal was written. The contrasting trends of decreasing corporate earnings on the one hand and increasing acceptance of public/private/non-profit partnerships as 'mainstream' on the other, required continual evaluation of strategy and methodology.

During the first year and a half of the current cooperative agreement, the Millennium Alliance concentrated its efforts on *identifying and approaching the private sector* – developing a broad base of corporate contacts from which to leverage opportunities for NGOs. Implementing this strategy, described in the following section, revealed that the vast majority of these corporate contacts, faced with declining earnings, were looking for partnerships that leveraged their investment, like the current GDA model. Most NGOs were looking for funding from the corporate sector, and without USAID funding to 'prime the pump', it was difficult to initiate large numbers of partnerships. The difficulty was compounded by the fact that The Millennium Alliance could not make any assurances on behalf of the partnership it was brokering, since it ultimately was not a partner in the project. Many creative concepts were developed, however, and the broad outreach served to raise awareness among the corporate sector of the need to focus their social investments on sound development goals through NGOs. The Millennium Alliance developed a corporate volunteer training manual during this period, responding to corporate interests in (but little knowledge about) developing volunteer programs for their employees to contribute their time and energy to international programs.

Based on the lessons of this phase, the Millennium Alliance shifted its strategy to focus on building *corporate/NGO partnership sustainability* – building and solidifying long-term commitments from companies to reach important international relief and development goals through NGOs. Currently, the Millennium Alliance is brokering and facilitating both large- and small-scale lasting partnerships in various sectors and regions and with various corporate partners. Part of this focus on building sustainable commitments involved bring new

companies, who never before had participated in international humanitarian or development programs, into partnerships with NGOs, in an effort to not only introduce new private sector resources, but to reinforce from the beginning the importance of long-term commitments. These partnerships are described in greater detail in Section IV.

To complement its efforts to work directly with the private sector, the Millennium Alliance developed tools, lessons learned and best practices to support USAID policies for working with the private sector. During the initial broad corporate outreach phase the tools and lessons were also broad, like tools for NGOs to develop corporate partnership policies and a corporate volunteer training manual. In its most recent phase, as its partnership building efforts were being consolidated, the collection of best practices and development of lessons learned became more focused – specifically, on the role of non-profit organizations and their leadership in developing and implementing partnerships with the commercial private sector. Interviews with non-profit and commercial organizations, a review of current literature and analysis of attempts by the Millennium Alliance to facilitate partnerships between NGOs and the private sector, with varying levels of involvement from the nonprofit leadership of those organizations, led to the development of 'Public-Private Partnerships: the Role of the Nonprofit Leader.' Research and experience shows that the nonprofit leader plays a critical role in the formation and sustainability of partnerships. This document outlines the trends and external drivers for partnerships, and analyzes the critical factors for success that a nonprofit leader serious about partnering with the private sector must know.

A review of the project methodology and the progress made in implementing the afore-mentioned strategies is summarized below, including highlights of lessons learned and actions taken to increase and more strategically allocate, through NGOs, the resources – both monetary and in-kind – that companies invest in international development.

C. Methodology – Key Inputs for Achieving Strategies

Consistent Criteria Applied to Develop a Qualified Corporate Pipeline

As a result of the findings from the report commissioned by PVC following the CorCom project, the Millennium Alliance placed considerable emphasis on developing private sector opportunities for PVOs/NGOs. With the resources available, it was very important to effectively and systematically weigh potential partnership opportunities. To do this, the Millennium Alliance adapted and implemented an industry tool referred to as a *SPACIT Analysis* (Attachment A, Development of a Corporate Pipeline). Using this approach, the Millennium Alliance was able to identify and qualify its corporate pipeline and monitor opportunities that were suspects, prospects, acquired, closed, and tracked. In other words, partnership opportunities were followed from the beginning when the initial research and contact was made, to the qualifying stage where it was decided whether or not to pursue the relationship further, to the negotiations of the partnership, throughout the development and finally the implementation phase.

Establishing a large, qualified pipeline is an important foundation for developing private sector opportunities for NGOs, and the SPACIT Analysis enabled the Millennium Alliance to develop private sector opportunities using consistent criteria. The qualified pipeline developed by the

Millennium Alliance was preceded by a list of 132 potential partners that were researched and contacted. Of these 132 potential opportunities, 46 were qualified and pursued, and 29 involved multiple meetings with specific options discussed. As a result, the Millennium Alliance acquired 27 partnerships that went to the development phase (opportunities developed and pursued with potential partners), and partnerships have begun with 16 of these.

Large-Scale Projects Nurtured

Since establishing and pursuing a large, qualified pipeline of corporate contacts, the Millennium Alliance has focused on brokering and facilitating corporate/NGO partnerships that will successfully bring private sector resources to humanitarian and development assistance programs for the long term. To help assure that solid, lasting partnerships are formed, the Millennium Alliance understands that large projects require a long timeline and involve a great deal of nurturing.

The premier example is the Millennium Alliance's ongoing work with the Monsanto Fund, which is proving well worth the investment in time and attention. Monsanto has made a significant corporate shift towards larger, longer-term grants, and to making these investments through NGOs. These investments now focus on an internationally recognized development objective, which they agreed upon through the work of the Millennium Alliance. This is a long-term commitment that will have considerably more impact on development work in the future. The Millennium Alliance has helped Monsanto make this strategic corporate shift over the past three years, and is helping put together the initial partnerships for Asia, Africa and Latin America. The Millennium Alliance may be needed to facilitate only these initial partnerships because it has put a strong process in place – but the success of these first partnerships will be crucial to maintaining the Monsanto corporate commitment to ongoing NGO partnerships.

Supply Chain and Gifts-in-Kind Partnerships Developed as an Important Partnership Option

In its role as a broker and facilitator, the Millennium Alliance has also learned that *supply chain* partnerships are crucial for local NGOs, and are an effective way to introduce new companies to international humanitarian and development work. The Millennium Alliance has called upon the considerable experience of INMED in procuring medicines for projects in the developing world to develop systems for carrying out these much broader supply chain partnerships.

As an example, INMED's Millennium Alliance leveraged partnerships with 51 companies for ICDDR,B (Centre for Health and Population Research in Bangladesh) in order to meet their supply chain needs (Attachment B). ICDDR,B had attempted to develop these partnerships directly but had not been successful because of fears held by multinational companies of potential dangers and liabilities of working with an organization in Bangladesh. The Millennium Alliance met with these companies initially to represent the work of ICDDR,B, with which it had become thoroughly aware. It was also important to the companies that the Millennium Alliance would help assure that their products arrived safely and were used appropriately. The Millennium Alliance could then negotiate the most favorable terms that put the most resources into the program. The Millennium Alliance called upon the experience INMED had gained in providing medicines from pharmaceutical companies, leveraging this fundamental expertise to facilitate partnerships to meet the much broader supply chain needs of NGOs through the

Millennium Alliance. Through this experience, the Millennium Alliance has learned that this broad supply chain partnership niche is one that is currently not being addressed for PVOs/NGOs. Additionally, approaching companies to provide product has proved to be an excellent entry point for encouraging *new companies*, with little or no previous involvement in international humanitarian and development programs, to dedicate corporate resources to these partnerships – something that the current administration is encouraging as partnerships become more 'mainstream'.

Image First, for example, a U.S. company that had never before committed resources to international humanitarian or development efforts, is now actively doing so, beginning with appropriate and needed gifts-in-kind (GIK). Image First is involved at the highest level of the corporation, the president, who is committed to developing this partnership further. It also brought a new corporate partner, Office Depot, into the Millennium Alliance. Office Depot, which has a history of partnering with nonprofit organizations in the U.S., had not yet extended this effort internationally. Novartis has been developed as a partner for NGOs through gifts-in-kind, and they also brought in a new partner, Matrix Labs.

It is important to note that while INMED has considerable experience in procurement, gifts-in-kind is a new arena for INMED, pursued through the Millennium Alliance at the request of NGO and corporate partners. As mentioned earlier, in addition to adding considerable private sector resources to humanitarian and development efforts, gifts-in-kind is also an entry point for companies into the arena of foreign assistance.

Acting as a Resource for the NGO/Corporate Partnership Community

One of the challenges of the current surge in partnerships is that many PVOs/NGOs enter into partnerships with the private sector without maintaining internal consensus on doing so. In response to requests, the Millennium Alliance provided guiding tools to PVOs seeking to formalize their partnership policies. To support USAID policies for working with the private sector, the Millennium Alliance drafted materials for PVC and GDA, developed a corporate volunteer training workshop and manual, supported PVO policy development with regard to the private sector, and begun compiling lessons learned in public-private partnerships (see Attachment C, Facilitation Tools and Guidelines; Tools for NGOs: Determining Internal Policies for Private Sector Partnerships, Corporate Volunteer Training: Introduction and Contents, Effective Social Investment: A Guide to Best Practices for Public-Private Partnerships, Strategy Papers prepared for GDA, and Developing and Implementing Program Evaluations – A Selection of Recommended On-Line Resources).

The guidelines, lessons learned, and materials developed by the Millennium Alliance are still being shared among PVOs/NGOs and the corporate community – Project Concern International approached the Millennium Alliance requesting materials to assist in developing its own policies for partnering with the private sector. APCO, a U.S. public relations company, also approached the Millennium Alliance at the recommendation of the PVC office in search of assistance for one of its corporate clients. The Director of the Millennium Alliance met with APCO's Vice President and Senior Associate to discuss the client's interest in establishing executive training for small businesses that want to expand globally. It was determined that the Millennium Alliance would be an ideal partner should the client decide to pursue the training. More recently,

International Development Enterprises (IDE) met with the Millennium Alliance in search of assistance in identifying and approaching appropriate corporate partners to support its development programs. INMED/the Millennium Alliance offered to provide its NGO workshop for corporate partnerships, tailored to the needs of IDE. A faith-based organization, Sisters of Mercy, has also sought the assistance of the Millennium Alliance in developing an evaluation tool for its grant-funded programs operating in Louisiana, Mississippi, and Belize, Central America. The Millennium Alliance gathered online tools and resources covering a range of topics within evaluation with some directed more towards community health and social services, and many providing examples of evaluation frameworks, guidelines to development and implementation, and links to additional resources.

In light of the tremendous push towards the business model for alliances and the increasing need for partnership guidelines, the Millennium Alliance has focused on collecting and documenting best practices and lessons learned in public-private partnerships in order to identify the critical success factors in pooling the knowledge and resources of multiple stakeholders. Specifically, the Millennium Alliance addressed the role of the non-profit leader in facilitating partnerships. See Section III, Monitoring and Evaluation, for further detail on this document, which reflects a refinement to the targeted outcome of objective 3.

D. Comparison of Actual Accomplishments with Original Targets

As the table below demonstrates, the Millennium Alliance has achieved its objectives. It developed private sector opportunities for NGOs, successfully brought new companies into international development and reworked sustainable policies for more established companies that will help assure that their international development investments are not just in the form of a single partnership, but will create new and lasting partnerships with NGOs into the future. We also believe that the guidelines and documents developed by The Millennium Alliance will be valuable partnership tools and references in the future as well as today.

Table 1
Summary: Accomplishments as Compared to Original Annual Targets

Objective	Original Target (per project year)	Actual Accomplishments (end Year 3)
1. Develop private sector opportunities for NGOs.	Identify an average of 2 new private sector funding sources.	= A total of 27 private sector partnership opportunities developed, 16 of which (see objective 2) are generating resources for humanitarian and development efforts through NGOs.
2. Broker and facilitate partnerships.	Establish an average of 1 new funded corporate/PVO/NGO partnership.	= A total of 16 partnerships brokered and facilitated, and are in various stages of implementation.
3. Develop / compile tools, lessons learned and best practices to support USAID policies for working with the private sector.	Guidelines for facilitating partnerships developed and standardized.	= Guidelines for working with the private sector and materials supporting PVO policy development disseminated to PVOs upon request. = Corporate volunteer training manual developed. = Interviews held with PVOs to document partnerships and the associated factors critical for success. = Publication highlighting the role of non-profit organizations and their senior staff in the formation and implementation of public-private partnerships completed, professionally designed and printed.

III. MONITORING AND EVALUATION

A. Enhancements / Refinements to Objectives and Measures

While the Millennium Alliance shifted its strategy and methodology to accommodate lessons learned and the changing partnership climate, the three original objectives and their targets as presented in the Detailed Implementation Plan (DIP) remain basically the same. One exception is the refined target for objective 3 – *to develop / compile tools, lessons learned, and best practices to support USAID policies for working with the private sector*. In year 3, the Millennium Alliance expanded its target for this objective to include documenting key partnership principles in an important work that demonstrates the role that non-profit organizations and their senior staff play in developing and implementing public-private partnerships.

Given the focus of the current administration for increased private sector partnerships, there is a need for information on how to effectively develop, implement and sustain partnerships. Much has already been published with regard to corporate social responsibility and factors to consider when leveraging partnerships. The purpose of this publication is to uncover the important role of the non-profit leader as a facilitator of partnerships and the critical factors for successful partnerships that must be in place. This publication demonstrates that leaders of non-profit organizations are in a unique position to communicate across sectors and skillfully facilitate the partnership process. Non-profit leaders willing to take on the challenge must ensure, through their facilitating function, the presence of the fundamental factors critical for the success of the partnership: committed leadership, common interests, and clear accountability for results.

The partnership construct presented in this publication emerged from the work of the Millennium Alliance, interviews with non-profit organizations and the commercial sector, a literature review, and INMED Partnerships for Children's 20 years of experience in promoting and participating in public-private partnerships. In addition, this publication reflects current thinking on partnerships as demonstrated by key issues being raised in conferences such as 'Business/NGO Engagement: How to Create Win-Win Outcomes,' to be hosted by the Ethical Corporation in London in February 2005.

The Millennium Alliance continued to meet its other two objectives – *to develop private sector opportunities for NGOs* and *to broker and facilitate partnerships*. However, during the last year its efforts were concentrated largely on developing and facilitating sustainable, long-term corporate commitments and bringing in new companies with little or no previous investments in international relief and development, into partnerships with NGOs. Recognizing the importance of including products, both gifts-in-kind and preferential procurement arrangements, into partnership options, the Millennium Alliance built on INMED's expertise with medicines and has developed a supply chain partnership niche as a result of requests by both NGOs and private sector companies. These important types of partnerships have expanded considerably during the last year. Increased private sector resources through gifts-in-kind was not a focus or expertise of INMED before the Millennium Alliance, but has proven to be an important source of increased resources for humanitarian and development efforts for NGOs. None were reported during the first year of the Millennium Alliance project, over $2 million were included in the second year, and in the final year of the project over $16 million requested products were generated for international and local NGOs.

Benchmarks of project progress for year 3 identified in the work plan of the DIP are presented below.

Third Year Program Management Benchmarks:

- Third year matching funds commitment achieved ☑ – Please refer to Attachment H: Actual Expenditures To Date.
- MIS including activity tracking system up to date ☑ - SPACIT Analysis adapted and implemented.
- Fees for service increased ☑
- Personnel review system in place and used ☑ - Changes made to key personnel during year 2 upheld for the remainder of grant. INMED personnel review guidelines updated.
- Strategic and marketing plan up to date ☑
- Consultant roster maintained ☑
- Follow up proposal submitted NO

Third Year Marketing and Partnership Development Benchmarks:

- Two new corporate contacts made per month Years 1 and 2 concentrated on quantity, and year 3 concentrated on quality and sustainability. Twelve new corporate contacts, or approximately one per month, were made during the last year.
- Fee for services generates $70,000 ☑ $83,563.
- Millennium Alliance working with four partnerships likely to result in resources for PVO/NGO program ☑ - Currently developing 27 partnership opportunities, 16 of which have become working partnerships in various stages of implementation.
- Dominican Republic Children Are the Future program on schedule – grants contracts made to PVOs/NGOs NO – Initial work and funding put on hold after 9/11 and economic decline in the country. Movement towards a return to the program is currently underway, but negotiations still to be finalized. MA met with USAID DR Mission Director to discuss the situation.
- Two corporate/PVO/NGO partnerships operationalized, with funding in place ☑ - Currently 16 corporate/PVO/NGO partnerships operationalized, with funding in place.

Third Year Information and Communication Benchmarks:

- One year training model and materials prepared and marketed ☑ - Prepared tools, guidelines and materials disseminated to PVOs/NGOs and companies upon request. Publication – Public-Private Partnerships: The Role of the Non-Profit Leader – completed, professionally designed, printed, and available for distribution.
- USAID entities aware of Millennium Alliance services - To some degree, but not marketed within USAID.
- Website is an effective public information tool ☑
- Millennium Alliance public information (non-website) materials available and used ☑ - New Millennium Alliance brochure updated to reflect services, developing opportunities and new partnerships.

IV. Review and Analysis of Project Results

The Millennium Alliance counts among its accomplishments, the development of 27 private sector partnership opportunities for NGOs, 16 of which have become working partnerships in various stages of implementation. Additionally, the Millennium Alliance developed strategy papers for USAID, tools for the private sector and for PVOs serious about partnerships, and has developed a publication on public-private partnerships focusing on the key role of the non-profit leader. The publication on the role of the nonprofit leader can be found in Attachment C, along with tools developed previously. To review details on the working partnerships and developing partnership opportunities, including: specific outputs achieved; problems encountered and how they have been addressed; and the impact on PVOs/NGOs who receive new private sector resources for their development programs and on people in the communities where development programs are implemented, please see the summaries provided below.

A. Working Partnerships

The Millennium Alliance continues to broker and facilitating partnerships with key constituents developed during the grant period. For example, with Monsanto and multiple NGOs in Asia, Africa and Latin America; with ICDDR,B: Centre for Health and Population Research in Bangladesh and multiple companies to meet its supply chain needs; with Image First, a company new to the international humanitarian and development world, and multiple NGOs in Africa, Asia and Latin America; with Novartis for humanitarian efforts through NGOs; with the National Cancer Coalition in Latin America and Aghanistan and with Office Depot and NGOs. The working 16 partnerships developed since the inception of the grant and progress made on implementing these partnerships is described below in further detail.

Monsanto Fund and Multiple NGOs in Asia, Africa and Latin America

Working with the Monsanto Fund, INMED's Millennium Alliance facilitated the development of a global social investment strategy to promote nutritional well-being through improved agriculture in the developing world. As part of the implementation of this strategy, the Monsanto Fund restructured its giving guidelines to support *fewer*, but *larger* and *longer-term* programs to achieve measurable impact and document a difference in people's lives. It also committed to provide this support to NGOs, rather than to a wide variety of entities as it had in the past. Over time, with the new global strategy, the Monsanto Fund will be able to increase its international giving for developing countries, focusing more on supporting agricultural production and on developing strategic partnerships. This strategy is planned for implementation throughout Africa, Asia and Latin America, with the specifics of implementation and the selection of NGO partners based on the community context and needs in each region. Monsanto Fund and its Board of Directors confirmed a commitment to reverse its past giving ratio, which was 20% to development and 80% to discretionary giving, to a ratio of 80% to its newly defined development objective and 20% to discretionary giving. In 2004, the first year the new focus was implemented, slightly over $800,000 was granted. This will be gradually increased over the next three years for a total of approximately $4 million additional funding for their development goal through NGOs. 2004 was the first year of movement toward that goal, and the following partnerships have been established.

PARTNERS: Monsanto Fund and Helen Keller International in the Philippines
SECTORS: Agriculture & Nutrition
PRIVATE SECTOR RESOURCES: $480,000 for 3 years

In June 2004, the Monsanto Fund approved funding for a project involving Monsanto Philippines and Helen Keller International (HKI). The proposal, *Toward Healthy, Dynamic and Vibrant Farming Communities in the Armm, Philippines: Interfacing Agricultural Technology, Nutrition and Economic Development through Homestead Food Production*, was developed by both HKI and Monsanto Philippines, and the project is expected to reach approximately 800 households in Mindanao. The Monsanto Fund is very enthusiastic about supporting this partnership and is providing $480,000 over the next 3 years.

During conference calls in late 2003, the Millennium Alliance discussed with Monsanto Philippines potential projects and partners. Particular attention was paid to the initial preference of Monsanto Philippines for a local rather than international NGO partner. This desire later resulted in the partnership with IRRI, described below. However, to begin, the local, regional and international sides of Monsanto were most impressed with Helen Keller International's (HKI) operations in the Philippines. After positive meetings between Monsanto Philippines and HKI Philippines, The Millennium alliance contacted the president of HKI in the U.S, to be sure there was organization-wide support for this partnership. The president of HKI presented this at their board meeting in early 2004, and received board support for the potential partnership with Monsanto. The program was then developed and, in June 2004, the partnership was initiated. According to HKI's regional director, Martin Bloem, "the success of the proposal was based on the combination of personal contacts, the right timing, coordinated technical support and the availability of information from the Homestead Food Production program in Bangladesh, Nepal and Cambodia."

PARTNERS: Monsanto Fund and IRRI (International Rice & Research Inst.), Philippines
SECTORS: Agriculture & Nutrition
PRIVATE SECTOR RESOURCES: $220,000

Following the successful development of the partnership with HKI, Monsanto Philippines staff, now more familiar with the partnership process, developed a project with the International Rice & Research Institute (IRRI). The Monsanto Fund checked on the international reputation of this institute through the Millennium Alliance. With positive feedback, Monsanto Philippines developed a program with IRRI to enhance its capacity to test micronutrients and other parameters in rice germplasm, and to evaluate the lines produced by the institute's breeding programs for micronutrient content. Funding was provided by the Monsanto Fund in 2004.

PARTNERS: Monsanto Fund and Acão Moradia in Brazil
SECTORS: Agriculture & Nutrition
PRIVATE SECTOR RESOURCES: $34,073 seed grant for 1 year to develop local project

This project with a local Brasilian NGO follows from the work that INMED and Monsanto did together to develop nutritional training and local gardening programs in Brazil. Through the restructuring of the Monsanto Fund, this project was adopted to help a relatively new, local NGO

incorporate nutrition and gardening training into their family education center in Uberlandia, Brazil.

PARTNERS: Monsanto Fund and ROP (Rural Outreach Program) in Kenya
SECTORS: Agriculture & Nutrition
PRIVATE SECTOR RESOURCES: $120,000

The Millennium Alliance worked with the Monsanto Fund and Monsanto Company Africa staff to develop partnerships in Africa. The first that was identified and developed was with a local NGO focusing on dairy production in Kenya. After the partnership was developed between the local company and local NGO, Monsanto Fund provided $120,000 to ROP to purchase 100 pregnant dairy cows to provide along with training to local poor families. The families in turn provide the calf and training to another poor family.

PARTNERS: Monsanto Fund & IDEM (Instituto para el Desarrollo de la Mixteca), Mexico
SECTORS: Agriculture & Nutrition
PRIVATE SECTOR RESOURCES: $100,000

One of the first partnerships developed after the reorganization work done by The Millennium Alliance with Monsanto was with a local Oaxaca-based NGO, IDEM. The partnership project is designed to help families in three southern Mexican states become self-sufficient through more efficient food production, better nutrition and farmers markets. The funding of $100,000 will specifically be applied to the development of backyard food production and nutrition training.

PARTNERS: ICDDR,B and Multiple Companies, Bangladesh
SECTORS: Health, Population & Nutrition
PRIVATE SECTOR RESOURCES: Supply Chain goods

INMED and ICDDR,B: Centre for Health and Population Research, an international institution for research, training and services in child and reproductive health, share the vision of a world where the use of cost-effective health technologies reduces preventable child deaths and improves the lives of millions around the globe.

Through the Millennium Alliance project, INMED has supported ICDDR,B by forging partnerships on its behalf with private sector companies to meet its supply chain needs. Thus far, INMED's Millennium Alliance has leveraged partnerships with 38 companies for ICDDR,B (including Sigma-Aldrich, Fisher Scientific, Roche, 3M, and Hardwood Products – see Attachment B for a full listing). The Millennium Alliance has secured equipment and supplies ranging from boats to computers to laboratory equipment for ICDDR,B's research laboratory, adjacent hospital and outlying facilities.

The partnership began when ICDDR,B first approached INMED to ask for help in identifying corporate partners, negotiating and helping to manage the relationships. ICDDR,B was having difficulty identifying and keeping corporate partners for its supply chain needs, and was experiencing delays and short-shipments while trying to manage excessive paperwork needed to

continue their vital work. The Millennium Alliance now facilitates ICDDR,B's supply chain partnerships. Its services include the following:

- Researching supply partners.
- Negotiating with vendors and partners.
- Consolidating orders to save on processing and shipping costs.
- Providing appropriate documentation and waiver certificates, including documentation for USAID reimbursements. (Detailed and unfamiliar documentation precluded many supply chain partnerships in the past.)
- Developing and implementing an on-line system to facilitate communication and lower its costs.

PARTNERS: Image First and Order of Malta, Argentina
SECTOR: Health
PRIVATE SECTOR RESOURCES: $250,260 GIK received

The Millennium Alliance is proactively encouraging new companies (companies new to social investments and partnerships) to become involved in international humanitarian and development programs. Image First is one such company.

In February 2003, as a result of hearing about INMED/the Millennium Alliance and reviewing our website, the president of Image First, a direct sale uniform company, asked for assistance in assessing the usefulness of their products in international relief and development work, and if useful, for assistance with the distribution of excess medical linens and clothing including: sheets, pillow cases, patient gowns, towels, blankets, lab coats, sweat suits and scrub suits. The Millennium Alliance conducted on-site inspections of the materials in their warehouses, and verified their quality and usefulness.

In May and June 2003, the Millennium Alliance connected the company with the Order of Malta, who was looking for donations to meet the needs of the Argentine province of Santa Fe after a catastrophic flood left thousands of families without clothes or shelter. With the assistance of the Millennium Alliance, Image First packed two 40-foot high cube containers of clothing including uniforms, dress shirts, polo shirts, slacks, fleece jackets, tee shirts and casual shirts worth $114,260. In 2004 the partnership continued, with Image First providing an additional $110,000 worth of new clothing and hospital linens.

The Millennium Alliance continues to work with Image First to become a true partner in relief and development. Millennium Alliance staff developed a newsletter for company employees and made a presentation to them in order to make the entire company feel part of the partnership. In turn, Image First brought to the Millennium Alliance a new partner, Office Depot.

PARTNERS: Order of Malta and Office Depot, Argentina
SECTOR: Health
PRIVATE SECTOR RESOURCES: $250,000 GIK received

Like Image First, Office Depot was looking for a way to become more involved in international humanitarian assistance, and helping with in-kind donations has proven to be an effective means.

Image First recommended to Office Depot, both the Millennium Alliance and the Order of Malta. The Millennium Alliance recently facilitated a donation valued at $250,000.

Because of the successful handling of this donation, Office Depot has agreed to a follow-up meeting to discuss ways for Office Deport to become more involved as partners in relief and development.

PARTNERS: ICDDR,B and Image First, Bangladesh
SECTOR: Health
PRIVATE SECTOR RESOURCES: $40,600 GIK

The success of the partnership between INMED/the Millennium Alliance, Image First and the Order of Malta has influenced Image First to become a true philanthropic partner in development. The manufacturer continues to work with INMED and is now expanding the reach of its donations to include Bangladesh.

Through the Millennium Alliance, a 40 foot container shipment of linens and institution-grade presses were sent to Bangladesh. Image First provided the up-front costs for storing the linens before shipment and ICDDR,B covered the costs of shipping and handling.

PARTNERS: Image First, Madre and Zenab Women in Development, Sudan
SECTOR: Humanitarian Relief
PRIVATE SECTOR RESOURCES: $ 250,000 GIK

The international NGO, Madre, contacted the Millennium Alliance to request clothing and fabric from which to fashion their own clothing for their local partner organization working in a refugee camp, Aboushok, in West Darfur. The Millennium Alliance then contacted Image First, which was very generous in this humanitarian effort.

PARTNERS: Novartis, Knights of Malta and Multiple Hospitals in Argentina
SECTOR: Health
PRIVATE SECTOR RESOURCES: $11,635,739 GIK

The Millennium Alliance is proud to count Novartis among its network of corporate partners whose generous donations make it possible for non-profit client organizations to gain access to essential medicines that would otherwise be out of their financial or logistical reach.

The Millennium Alliance is working with this company to facilitate a partnership with multiple hospitals run by local non-profit groups in Argentina. Working with the Argentine Embassy, the Millennium Alliance is supporting the process through diplomatic means during this time of rapid political change in that country. Working through the hospitals and a contact at an Argentine diplomatic post, the medicines are arriving without delay and without incurring unnecessary expenses – the shipment costs are covered by the Embassy and warehouse space is provided as a donation by the diplomatic post. Geneva Generics was especially pleased with the follow-up reporting from the local NGOs on the donation, facilitated by the Millennium Alliance. The Millennium Alliance visited the recipient hospitals and Knights of Malta in Argentina in October 2004.

Since this partnership began, millions of dollars of medicines have reached patients who otherwise might not have received the treatment they need. This partnership is growing and the Millennium Alliance is in the process of extending the reach of Geneva Generics Novartis donations to Africa.

PARTNERS: Novartis and Madre for Nicaragua
SECTOR: Health
PRIVATE SECTOR RESOURCES: $72,198 GIK

Separate Millennium successful projects with both Novartis and Madre led to the pairing of these two entities to benefit Hillside clinic in Nicaragua.

PARTNERS: Novartis and Wyoming Seminary for Malawi
SECTOR: Health
PRIVATE SECTOR RESOURCES: $4,090 GIK

When the Wyoming Seminary in Pennsylvania approached the Millennium Alliance for private sector resources in the form of medicines for their project in Malawi, they were matched with Sandoz (a division of Novartis), who provided the medicines through the Millennium Alliance

PARTNERS: Novartis, Rotary, Orchard Itnernational and Spirit of America for Iraq
SECTOR: Health
PRIVATE SECTOR RESOURCES: $1,751,372 GIK

This partnership took considerable effort, working with Rotary, Orchard International (California-based NGO) Spirit of America to identify the recipient nonprofit hospitals and their needs in Iraq. The effort took nearly a year to organize, but was successfully implemented in May of 2004.

PARTNERS: Atrix Labs and Spirit of America for Iraq
SECTOR: Health
PRIVATE SECTOR RESOURCES: $23,103 GIK

As part of the project with Novartis and Spirit of America, Novartis introduced Atrix Labs to the Millennium Alliance to provide medicines not available through Novartis.

PARTNERS: National Cancer Coalition, Novartis, Knights of Malta and Hospitals in Argentina
SECTOR: Health
PRIVATE SECTOR RESOURCES: $2,362,110 million GIK

This is a very interesting partnership. The National Cancer Coalition (NCC) contacted INMED/The Millennium Alliance asking for antibiotics to complement a cancer project they were supporting in Central America. These were provided by Novartis. In turn, the NCC offered a portion of their stock of the cancer drug Temoxafin, which had been donated to them fornonprofit hospital partners needing the drug. The Millennium Alliance put them together with

the Knights of Malta and hospitals in Argentina, resulting in this large donation of cancer medications. Millennium Alliance staff visited the hospitals in Argentina in October 2004 and saw first hand the benefit of this important donation to breast cancer patients who otherwise would have remained untreated.

PARTNERS: Hardwood Products and Albert Schweitzer Hospital for Haiti
SECTOR: Health
PRIVATE SECTOR RESOURCES: $6,685 GIK

Hardwood products is a corporate participant cultivated as a supply chain partner for ICDDR'B in Bangladesh. With the devastation in Haiti following the 2004 hurricane, this company called The Millennium Alliance to ask if any NGO partners in Haiti needed any of their hardwood products and, if so, they would donate them. The Millennium Alliance matched them with the Albert Schweitzer hospital in Haiti.

RESOURCES GENERATED DURING CURRENT GRANT:

- **Monetary Resources: $834,073 granted to NGOs during 2004 and approximately $4 million committed over next 3 years.**
- **Gifts-In-Kind: $18,299,338 (received during grant period)**

B. Other Opportunities Developed

The Millennium Alliance has developed and nurtured additional large- and small-scale partnership opportunities in various sectors and regions with various entities, including multinational corporations (Novartis, Fedex, Office Depot, Johnson & Johnson, El Paso Energy, Exxon Mobil and Polo Ralph Lauren), a consortium of investors originally designated for the Dominican Republic, a faith-based organization (Sisters of Mercy), international NGOs (International Development Enterprises and Africare) and a regional NGO (Compartamos Con Colombia). The services provided by the Millennium Alliance to these potential partners range from helping with the development of a social investment strategy and identifying NGO partners in Asia for Johnson & Johnson; to assisting Polo Ralph Lauren in identifying Latin American NGOs; to working directly with a Latin American umbrella NGO to develop a plan to educate Colombian companies on corporate social responsibility. Further detail on these opportunities that were developed is provided below.

Novartis and FedEx

The Millennium Alliance has been nurturing the relationship developed with Novartis, initially through the partnership with the Knights of Malta and hospitals in Argentina. During the time of writing this report, in the aftermath of the Asia Tsunami, INMED was approached by Rotary and asked to find a partner to provide antibiotics for victims in Asia. Novartis responded with the antibiotics, and we are in discussions with FedEx to cover the cost of shipping in order to mobilize more private sector resources for this humanitarian disaster.

Office Depot

In early 2004, at the recommendation of the company CEO and Vice President, Office Depot's Director of Community Affairs approached INMED/the Millennium Alliance as a potential partner in the planned roll-out of its global philanthropy program. Until now, Office Depot's philanthropic efforts have been only in the U.S., benefiting a wide range of programs – from ovarian cancer and autism to toys for tots and food banks. The current CEO has made philanthropy a priority for Office Depot since he took over three years ago, and plans to support efforts around the globe that are founded in a greater strategic focus – children at risk: health, education and welfare.

Office Depot plans to implement its global philanthropy program in 2005, with the help of an international NGO. Plans include supporting programs in one or two countries where Office Depot has a presence. The Millennium Alliance submitted a proposal to Office Depot for consideration as a partner in their philanthropic efforts. As of November 2004, a decision had not yet been made.

Johnson & Johnson

Building on a 10-year successful partnership between INMED and Johnson & Johnson (J&J) in Latin America, the Millennium Alliance has worked with J&J to facilitate meetings with USAID, develop a strategic focus for their Asia social investments, identify qualified NGOs in five key Asia markets and facilitate meetings between J&J and the NGOs. From the very beginning, J&J has remained committed to developing an Asia strategy that will focus on meeting a USAID development objective through partnerships with NGOs.

With the assistance of USAID, the Millennium Alliance identified 35 multinational NGOs/PVOs who expressed a keen interest in partnering with J&J at both the corporate and regional level. The Millennium Alliance produced an extensive report for J&J, a copy of which was submitted to PVC. From this group of 35, the Millennium Alliance facilitated a process of recommendations through meetings with J&J corporate and regional representatives and NGO finalists including Project Concern International, Pearl S. Buck Foundation, Christian Children's Fund and PLAN International. Ultimately, one NGO was chosen to develop a partnership with J&J. J&J was pleased with the partnership process and the efforts of the Millennium Alliance. However, a combination of events has stalled the process. Most significantly, one of the country directors for the PVO, for whom the Millennium Alliance organized several meetings with J&J, was opposed to corporate partnerships. As a final step, J&J Asia country representatives met with selected country directors for the PVO, and the Viet Nam country director indicated to J&J that he was not supportive of a corporate partnership. The company then lost interest in pursuing the partnerships because of the economic downturn and increasing security concerns.

In June of 2003, however, the J&J Asia Director for corporate philanthropy contacted the Millennium Alliance and expressed interest in resuming the project, but with new potential partners. This potentially large developing partnership for Asia demonstrates that, despite external circumstances, the continued interest and commitment of the private sector is key to moving partnerships forward. The positive note, however, is that J&J is now reorganizing its giving in Latin America, in the form of more involved partnerships and larger, longer term relationships with NGOs.

El Paso Energy

Building on a 10-year successful partnership between INMED and El Paso Energy in Latin America, the Millennium Alliance worked with El Paso Energy in 2003 to develop strategic social investment partnerships with other NGOs. Discussions centered on Indonesia – through its work with Johnson & Johnson, the Millennium Alliance had already identified qualified NGOs in five Asian markets, one of which was Indonesia. As a result of this, the Millennium Alliance stood ready to present to El Paso Energy several NGOs / PVOs that have been working in Indonesia, some for as many as 40 years.

Progress was stalled by the fall-out from the Enron crisis and resulting changes in leadership at El Paso Energy. The appointment of a new CEO and new regional heads in the second quarter of 2003 provided a renewed opportunity to move forward with this partnership. However, in 2004 there were additional major personnel changes in the company at the highest level. Currently, El Paso Energy is reevaluating the direction it should adopt for its social investments.

ExxonMobil

INMED began working on developing a relationship with ExxonMobil at the beginning of the Millennium Alliance project. In early 2002, ExxonMobil confirmed a need for assistance in developing strategies for its social investment initiatives in Chad and Nigeria, two countries that the corporation has been actively involved in for a number of years. Meetings were held between the ExxonMobil representative in DC and INMED/the Millennium Alliance to determine meaningful program initiatives relating to both the Chad Export Project and ExxonMobil's work in the Niger Delta. After these meetings, the Millennium Alliance developed concept papers to

provide a basis for continued dialogue and to illustrate the value that the Millennium Alliance can provide in social investment strategic planning and NGO partnership development.

Given ExxonMobil's long-term commercial commitment to the entire region, the Millennium Alliance recommended that any national strategy be created within the context of a regional strategy. The framework for a long-term regional strategy would provide a road map on which to build consistent programs and garner sustained support from both internal and external groups.

ExxonMobil showed an interest in the scope of work that the Millennium Alliance was offering, and follow up meetings took place between its Nigerian representative and the Millennium Alliance. A change in key personnel at ExxonMobil stalled communications. In early 2004, ExxonMobil contacted the Millennium Alliance to follow up on the concept paper and discuss how the Millennium Alliance can leverage its social investments with a large number of NGOs in various parts of Africa. The discussions highlighted the fact, however, that they are interested in a partner that brings significant financial resources to the table, as in the GDA model.

Polo Ralph Lauren

The Millennium Alliance worked with Polo Ralph Lauren as it considered developing a social investment strategy and expanding its corporate giving in Latin America. Polo Ralph Lauren, an industry leader in apparel and home furnishings, has stated that it has remained committed to organizing and funding philanthropic initiatives, primarily in the U.S., over the last 35 years. In light of its recent expansion into the global market, particularly in Latin America, Polo Ralph Lauren has been considering international social investments, but has been preoccupied with international compliance issues. Now it is focusing on the internal development of a corporate advisory committee for its social investment initiatives, and the Millennium Alliance has been working with Polo Ralph Lauren to help identify NGO partners.

Since the preliminary discussions between both organizations, the interests of Polo Ralph Lauren have evolved to encompass a larger social investment strategy that will draw on additional services by the Millennium Alliance. With its expansion and growing market in Latin America, Polo Ralph Lauren is struggling to identify an appropriate focus for its philanthropy in the region, and recognizes that strategic social investments are an important priority for global expansion.

The Global Compliance department at Polo Ralph Lauren is in the process of developing an advisory group within the company that includes its top decision-makers. The purpose of this restructuring is to ensure that all corporate social responsibility initiatives have full corporate backing. The philanthropic arm of the company now recognizes that garnering the support of high-level executives within the company is critical to enhancing its production and marketing image. The Millennium Alliance is providing advice to Polo Ralph Lauren to help in the formation of this committee and in preparing a larger social investment strategy that will incorporate a focus on corporate buy-in.

Consortium of Investors in the Dominican Republic

In 2001, ASIEX, the association of multinational corporations working in the Dominican Republic, introduced INMED to a consortium of investors, the MonteCristi Consortium, who were planning a large economic development project in the border region of the Dominican

Republic and Haiti. The investors were interested in simultaneously implementing a social development program in conjunction with their economic development program, the Caribbean Basin International Development Initiative. Through the Millennium Alliance, INMED agreed to work with this consortium of investors to put together a social investment strategy, develop detailed plans for implementation and facilitate broad partnerships with several local NGOs.

This large-scale social and economic development initiative, called 'Children Are The Future,' has been in the works for over two years. The Millennium Alliance has put together a strategy, developed details plans for implementation and determined the amount of funding needed. Initial meetings in the Dominican Republic were facilitated by the Millennium Alliance involving the director of the children's health bureau, CONANI, and Dominican NGOs working in the border zone, most prominently the Foundation for Community Development (FUDECO), a member of the Save the Children Federation.

Unfortunately, the initial work of the investors in the Dominican Republic and the initial funds promised to the Millennium Alliance were put on hold after the events of September 11, 2001. In the Dominican Republic, there was a decline in the economy and in investor confidence. As a result of delayed economic investments, a sharp decline in the value of the Dominican peso, and repeated financial crisis involving the central bank, the project was stalled.

However, persistence on the part of the Millennium Alliance and the investors yielded some movement towards a return to the program. In July 2003, the Millennium Alliance received written confirmation of intent to fund this program from the consortium of investors. One of the investors, The Barcelo Hotel chain, included the offer of free office space for the Millennium Alliance to organize this project in the Dominican Republic. In early 2004, however, the signer of the commitment letter died suddenly of heart failure.

Although the demise of the 'mover' behind the DR project has delayed the project even further, INMED/The Millennium Alliance has been working with lawyers representing the investors who indicate that funds have indeed been committed, although the requirement to focus on the Dominican Republic has been removed. Meetings are planned for early 2005 to try and move this forward.

In the meantime, the President of INMED met with the Mission Director of USAID/DR to discuss the situation.

Sisters of Mercy

The new Program Manager of this faith-based organization approached INMED/the Millennium Alliance in early 2004 for assistance in developing an evaluation tool for its grant-funded programs operating in Louisiana, Mississippi, and Belize, Central America. In her new role, the Program Manager sought evaluation mechanisms to enable Sisters of Mercy to leverage investments and to make the case for why their programs are so important to those in need. At the time that she approached the Millennium Alliance, no evaluation mechanisms were in place for any of their programs. The Millennium Alliance gathered on-line tools and resources covering a range of topics within evaluation with some directed more towards community health and social services, and many providing examples of evaluation frameworks, guidelines to

development and implementation, and links to additional resources. (see Appendix C: Developing and Implementing Program Evaluations – A Selection of Recommended On-Line Resources)

Since providing these evaluation tools, Sisters of Mercy has expanded organizationally. Its Board of Directors has grown from 3 to 12 professionals who will be providing the organization with strategic direction (e.g. where evaluations might be helpful for programs, and what they should include). The first Board of Directors meeting was scheduled to take place at the end of 2004, after which Sisters of Mercy would have better knowledge of the next steps for its programs.

International Development Enterprises

International Development Enterprises (IDE) initially approached the Millennium Alliance in 2003 seeking assistance in identifying and approaching potential private sector partners and building partnerships. IDE is very much a market-driven NGO, promoting business principles to drive its development work. Yet, despite a natural affinity to building alliances with the private sector, IDE has never forged a partnership with a corporate entity (company or foundation). Given its small size and recognition in the international NGO community, IDE has felt at a disadvantage to making the right contacts and getting its foot in the private sector partnership door. After initial discussions, the Millennium Alliance offered to provide its NGO workshop for corporate partnerships, tailored to meet the specific needs of IDE. IDE has elected to postpone further efforts until a dedicated corporate fundraiser is hired

Given IDE's expressed interest in developing corporate partnerships, INMED/the Millennium Alliance also discussed with them the potential for partnership with Monsanto India. IDE is a registered non-profit in India, working in the same region where Monsanto is interested in developing a partnership program. While IDE was interested initially in exploring this opportunity, the director at the local level was unwilling to work with a large, multinational corporation involved in biotechnology.

Africare

As mentioned in the previous section discussing working partnerships, the process of identifying additional potential projects that fit within the Monsanto Fund strategy is moving forward in Africa. In June 2004, the Millennium Alliance facilitated conference call meetings with the director of the Monsanto Fund and Monsanto Africa's regional representative to discuss the new strategy, target countries in Africa and focus of potential projects as well as criteria for potential partners. The Millennium Alliance facilitated this process, helping to identify NGO partners and projects in the priority country, Burkina Faso.

After a preliminary search, the Millennium Alliance identified Africare, a reputable international NGO with sustainable efforts in agriculture and nutrition in Burkina Faso. The Millennium Alliance received an enthusiastic response to the potential partnership opportunity from both Africare's country representative in Burkina Faso and regional program manager at its headquarters location. Unfortunately, Monsanto Africa's regional representative did not follow up on this opportunity with the Millennium Alliance or the Monsanto Fund at that time. This brings to bear the importance of leadership at all levels, including the regional level, to building any partnership – a factor that is highlighted in the Millennium Alliance publication on public-

private partnerships. Without the leadership of Monsanto Africa, the partnership with Africare was not been able to move forward. However, The President of the Monsanto Fund has stepped in, and The Millennium Alliance is organizing meetings between her and Africare. Subsequently, she plans to meet with the Monsanto regional representative to encourage him to be more proactive in the partnership process.

Compartamos Con Colombia

This Colombian NGO asked the Millennium Alliance for assistance after viewing our website and knowing of no other entity who might be able to help it strengthen corporate/NGO partnerships in its country. The Millennium Alliance worked with Compartamos Con Colombia to refine and further develop its idea of conducting a series of workshops directed to corporate executives and managers in Colombia. These workshops, which would be grounded in best practices in public-private partnerships, would provide practical means for executives and managers to evaluate the costs and benefits of social responsibility undertakings from the perspectives of both their operating communities and their corporate cultures and aspirations. Fundamentally, they would be given the perspective and 'language' needed to interact productively with their NGO counterparts.

The concept involved 12 workshops that would be offered over an 18-month period to a total of 240 executives and managers, with 20 participants per workshop. A subsequent stage was developed that involved replication of the corporate social responsibility training workshops model in other Latin American countries. In this phase, INMED's Millennium Alliance, Compartamos Con Colombia, and the Colombian trainers would work with organizations dedicated to objectives similar to those of Compartamos Con Colombia to train trainers, offer the training workshops, and strengthen the culture of corporate responsibility among executives and managers in the cooperating countries. Ultimately, the hope is that the combination of INMED's resources and Compartamos Con Colombia's network could be a catalyst for long-term change in Latin American corporate culture.

The Millennium Alliance and Compartamos Con Colombia intended that funding for this workshop series come partially from workshop fees and the remainder from foundation support. In 2003, the Millennium Alliance and Compartamos Con Colombia submitted their concept (see Attachment F, "Strengthening the "Corporate" in Corporate Social Responsibility: A Practical Training Program for Colombia") to several foundations for support of the workshop series, describing the planned approach which includes expansion to other countries in Latin America after the workshops are deployed in Colombia, but so far no foundation support has been received.

V. Management: Review and Analysis of Headquarters/Support Functions

The Millennium Alliance for Social Investment has been a high priority for INMED. INMED was founded and built on the philosophy of partnerships, and the success of this project is central to its future directions. To ensure that the Millennium Alliance project is fully integrated into INMED's overall mission and organizational objectives, adjustments to project staff and responsibilities were made during the second year of the current cooperative agreement. The retirement of the original project director and the current strategy of solidifying long-term corporate commitments, involving new companies and documenting the role of the non-profit leader in brokering and facilitating public-private partnerships has required the kind of leadership presented below. Resumes of these key personnel were submitted to PVC in August 2003.

Chief of Party: Because of the importance of this project, the expertise required and the relatively short period of time remaining, the project was led by Dr. Linda Pfeiffer, President and founder of INMED. Dr. Pfeiffer has a long history of successfully developing and implementing partnerships with the private sector, including the founding of INMED with private sector support, the development and implementation of partnership field programs and a series of seven *Millennium* partnership conferences. The former Millennium Alliance Director, who has recently retired, devoted 66.67% time to the Millennium Alliance project. Dr. Pfeiffer more than 60% of her time to this project in its final year. The strong management team at INMED made this allocation of time possible.

Program Manager: Ms. Alyssa Defrin-Adeyemi devoted 100% time to the position of Program Manager for the Millennium Alliance. Ms. Defrin-Adeyemi, who holds a Masters in International Education Policy from Harvard, has prior experience working on the design and implementation of USAID projects, and on the development, design and implementation of private sector contracts and partnerships. Ms. Defrin led the research and development of tools, best practices and lessons learned. She also continued to address the needs of PVOs, and provide training and logistical support to the partnership activities of the Millennium Alliance.

Marketing Director: The Marketing Director role, designed to bring private sector experience and expertise to the Millennium Alliance, was filled by Dr. Thad Jackson. Dr. Jackson worked on the Millennium Alliance project since the beginning as marketing specialist, meeting with companies identified through the SPACIT analysis. He moved to the Director position in March 2003, when the Deputy Director left the project. With the move from mass corporate outreach to solidifying long term partnerships and bringing in companies new to development, Dr. Jackson's experience and direct knowledge of these companies was more appropriate. Dr. Jackson was formerly Vice President of a $50 billion multinational corporation and was personally responsible for forming many partnerships with NGOs. Dr. Jackson led the marketing/private sector outreach component.

Supply Chain Manager: Ms. Eileen Badie, who has considerable experience working in the private sector, having started and run a successful business, and also experience in managing government contracts, supply chain needs and paperwork, lead the supply chain partnerships efforts for the Millennium Alliance. This required focused, specialized attention to the needs of NGOs to find and nurture private sector partners for their supply chain needs, and help assure the

partnership is successful. This position developed these new partners, and brought in companies that have never before participated in any kind of international humanitarian or development projects. Ms. Badie also developed specialized reporting, tracking and billing instruments for this project within the Millennium Alliance.

Program Specialist: Ms. Suzanne Wilcox, who also works on INMED's other USAID partnership initiative, Centers of Excellence for Teacher Training (CETT) Partnership Program, filled the role of program specialist at 30% time for the Millennium Alliance for 2003. In 2004 Mr. Gary Gertz was added to the team to help with business planning for the future of the Millennium Alliance. Ms. Wilcox has Master's level training and many years experience working in the private sector and on USAID contracts. Mr. Gertz comes from the private sector most recently, and from the government sector previously. Mr. Gertz helped to balance the broad NGO expertise of INMED and strengthen its private sector and government efforts. Mr. Gertz worked full time on the Millennium Alliance for the final 5 months of the project.

VI. Financial Report

Actual expenditures and the budget for the Millennium Alliance project can be found in Attachment G, along with form FR269. Total USAID budget figures are the same as stipulated in the agreement, $907,567. In 2004 the match requirement was changed to 1:1, therefore requiring a match of $907,567. The actual cash match that went through INMED books was $929,431. In addition, $834,074 was granted directly to other PVOs/NGOs as a result of Millennium Alliance during the grant period. This can be verified with the Monsanto Fund and the multiple recipients. An addition of approximately $4million is committed over the next three years. Also very significant are the in-kind contributions to the Millennium Alliance program and its NGO partners valued at $18,299,338. This passed through INMED's audited books.

The match originally was 2:1. This match requirement was reduced for several reasons:

1. **Elimination of the conference as one of the planned activities**. Given the large number of partnership conferences, this activity, which was projected to raise significant match ($500,000), no longer is relevant.
2. **The third objective had no potential for matching funds**. The third and very important objective, relating to the development of a publication on lessons and best practices from partnerships formed by past PVC Matching Grant recipients, involves research and writing activities for which matching funds would not be available.
3. **The first objective, developing a pipeline of opportunities for NGOs also has low match potential**. This objective is crucial to lead to the point of actually brokering and facilitating partnerships. It is also an avenue for providing opportunities for NGOs, which may not involve a brokering or facilitating role by the Millennium Alliance. However, while some match can be raised through the activities related to this objective, the potential is very low.
4. **The 'mainstreaming' of partnerships, and the GDA precedent of providing seed funding to start public-private partnerships, has removed the incentive to pay the fees of intermediaries in the process**. Rather, funding goes directly into the partnership activities themselves. The Millennium Alliance has been able to generate significant resources for humanitarian and development programs, which is the overarching goal of the project, rather than generating the originally envisioned match of nearly 2:1.

The second objective, involving brokering and facilitating partnerships, is where the matching funds were obtained.

VII. Lessons Learned and Long Term Project Implications

1. Estimates of Project Costs and Benefits

The financial investment of USAID of $907,567 over three years and the match of $929,431 brings the total financial investment to $1,840,904 over three years. This investment has generated resources for humanitarian and development programs of $834,073 cash and $18,229,338 in-kind during the grant period, and approximately $4 million in cash over the next three years. This represents a 6:1 cash return on investment and 26:1 cash and in-kind return on investment for USAID. The return is 3:1 and 13:1 for the project overall, including INMED match.

The benefits of the project go far beyond the financial investment. Most significantly, they include:

- Bringing new companies, those never before involved in international humanitarian and development programs, into partnerships with NGOs.
- Nurturing and developing these new corporate partners so they commit to these partnerships for the long-term.
- Changing corporate cultures for the long-term so that the philosophy of partnerships endures.

Benefits such as these will continue to yield benefits long after the project has ended.

2. Institution-Building Assessment

Because the Millennium Alliance project is not an organizational capacity-building matching grant, it does not have organizational development objectives. However, the monitoring and tracking systems developed by the project have strengthened INMED's organizational capability in monitoring and evaluation. Further, project efforts have enhanced INMED's leadership in partnership development work, and in facilitating supply chain partnerships. To better reflect its focus on partnerships, INMED began the process of formally changing its legal name in late 2003 to *INMED Partnerships for Children.* This better reflects its mission and purpose. INMED remains highly invested in the purpose of the Millennium Alliance and committed to involving the private sector in its efforts. Using matching funds, INMED is finalizing a business plan for the future of this work.

3. Estimate of Sustainability

As discussed under the first point, the focus of the Millennium Alliance on changing corporate cultures – integrating partnerships that support humanitarian and development goals into core activities – is perhaps the only way of assuring that corporate commitments are sustainable. Monsanto is a premier example of this.

Working creatively with new companies that have not previously been involved in international partnerships, helping them to first have successful partnerships involving useful in-kind donations, demonstrates our understanding of their needs and helps to build growing and sustainable commitments. With these new partners like Image First, the Millennium Alliance has also prepared materials for all the employees about the value of their company's contribution to international efforts. Building this corporate support at all levels of the company helps to move them to the next level of commitment, and to sustain that commitment.

4 – 6. Benefit Distribution, Local Participation and Leadership Development (disaggregated by gender)

These issues were not included in the objectives for this project.

7. Innovation and Technology transfer

Innovation has been key to the successful implementation of this project. The Millennium Alliance has been willing and flexible enough to work with companies and NGOs to develop unique opportunities:

- ranging geographically from Asia to Africa to Latin America;
- including components ranging from GIK, to supply chain partnerships, to traditional funding partnerships, to corporate volunteers, to new components developed through workshops and meetings.

Technology transfer was at the heart of the corporate workshops project developed with Compartamos con Colombia. The plan is for this umbrella NGO to increase private sector resources for development within Colombia through their network of NGOs. The plan is in place, and the process has enhanced their capabilities. Seed funding is being sought to launch the activities.

Technology transfer is also part of the partnership with ICDDR,B. The broad supply chain partnerships that we have facilitated for this NGO is helping it to work directly with companies that were beyond its reach in the past.

Monsanto Fund is another example of technology transfer. It is learning, through the Millennium Alliance, how to develop working partnerships with NGOs on the ground in countries where it has never done this; but where it will continue to work in the future.

8. Policy Implications

The Millennium Alliance has worked with USAID through this and a previous cooperative agreement on the role of USAID in private sector partnerships. The USAID legal department was consulted about the role of USAID in these partnerships. The Millennium Alliance director also worked with PVC on its strategy document, and helped to develop, through its CTO, some of the early guidelines for the GDA.

The current focus of the third objective, to develop models and lessons learned, is focusing on the role of non-profit leaders in bringing the private sector (for-profit and non-profit) together to create a stronger private sector role in public-private partnerships. We anticipate that the models and lessons learned emanating from this study will have policy implications.

9. Collaborating/Networking with other U.S. Agencies

U.S.- based multinational companies and U.S. PVOs are crucial collaborators in this project. The various collaborations are detailed earlier in this report. The network of PVOs that were part of the CorCom network from the previous cooperative agreement was instrumental in defining the goal and objectives of the present project. The experiences of the U.S. PVOs

through their partnerships with the public and commercial private sectors are also yielding important lessons that are detailed in the publication.

10. Partnering with Local Entities

The experience of the Millennium Alliance in working with the local markets of the companies and with local NGOs indicates that more facilitation is needed at this level. With Monsanto, for example, while the international executives are fully on board, much more work has had to be done with the local markets to encourage and help them work with local partners on project and partnership development.

On the NGO side, working with Compartamos Con Colombia was a learning experience on both sides. Its work in encouraging corporate investments within Colombia is much different than on an international level. Within Colombia, the whole concept of corporate social responsibility is relatively new.

11. Replication Potential of Project Approach and Activities

This project focuses on potential replication of partnership models, learning from the lessons of working partnerships.

In terms of replicating the approach of the Millennium Alliance to forming partnerships, the following lessons learned and their implications can be offered:

- **Non-profit executives are well-positioned to facilitate public-private partnerships.** The current climate of high visibility surrounding partnership activities requires the continuous involvement and engagement of all stakeholders in partnership formation and implementation. To ensure that this involvement and engagement takes place, the non-profit executive needs to assure this within his/her own organization, and is in a unique position to actively develop and facilitate partnerships with the public and for-profit partner organizations. If the non-profit executive assumes this role, his or her objective is to elicit leadership commitments from partner organizations, work with partner organizations to define common ground on which a partnership can be based, and ensure that the partnership entities commit to be accountable for accomplishing the partnership objectives. A more complete discussion of this can be found in the Millennium Alliance publication, *Public-Private Partnerships: The Role of the Non-Profit Leader.*

- **Leadership is the driving force behind successful partnership formation and implementation.** Determined leadership on the part of all partners is essential to leverage their diverse strengths and engage them in the pursuit of a common goal. Committed, visionary leadership requires interpersonal and negotiation skills, and the will and ability to lead an organization—as well as a partnership—toward turning a vision into a reality.

- **Understanding the core business, mission and geographic priorities of potential partners are prerequisites for establishing an engaged partnership.** When a partnership is grounded in common interests, the potential for achieving significant humanitarian and development objectives is greatly enhanced.

- **Public-private partnerships require that responsibilities be clearly defined and committed to by all partners.** Each of the organizations comprising a partnership must accept ultimate responsibility for keeping its promise to the community and stand behind achievement of any objectives that are made public through formal or informal communication.

- **Social investment is not the main business or priority of private sector companies.** Consequently, there is very little patience on the part of the private sector for long, drawn-out negotiations to form partnerships. In addition, it is difficult for NGOs to pinpoint partnership opportunities when they are not at the forefront of the company-wide agenda. In light of these realities and challenges, NGOs who are serious about partnering with the private sector should ensure that they have organizational commitment and policies in place for private sector partnerships, and that there is organization-wide investment in hiring appropriately trained and experienced staff, and in developing an appropriate pipeline of potential corporate partners.

- **Most private sector companies are decentralized.** This means that corporate buy-in at many levels is essential to getting a partnership off the ground. Agreement at either the headquarters, regional or local level does not necessarily mean there is support at all levels. Given these factors, NGOs need to invest in trained, experienced staff to develop and maintain relationships with partners throughout the corporate hierarchy.

- **There is a high turnover rate within private sector companies at the regional and local levels.** This means that new relationships need to be continuously built and nurtured, and that non-contractual agreements can easily be discarded by new executives. As a result, it is important that NGOs develop and maintain a broad funding base to cover potential losses and that they remain flexible in order to adjust to challenges and find appropriate solutions.

- **External factors are more important than internal processes.** As a result, priorities for the private sector can change with the business climate. Positive visibility is very important for NGOs, and to achieve this, NGOs need to invest in public relations personnel and infrastructure.

- **Companies, especially those interested in working with USAID, want to see some government matching.** This has proven to be successful for the GDA in leveraging partnerships as they offer USAID funds as part of the partnership agreement. However, in the case of the Millennium Alliance, which does not receive USAID funds to jump-start partnerships, it has found another niche that will be critical to demonstrating the key role that non-profit organizations play in facilitating public-private partnerships – the Millennium Alliance has documented factors that are critical to the success of partnerships: leadership, common ground and accountability. In this publication, practical information is provided that non-profit executives and senior staff can use to determine the presence and evaluate the strength of these critical success factors in their own organizations and in those of potential partners.

VIII. Attachments

A. Development of a Corporate Pipeline

B. **Private Sector Supply Chain Partnerships**

C. **Facilitation Tools and Guidelines**
- *Public-Private Partnerships: The Role of the Nonprofit Leader*
- Tools for NGOs: Determining Internal Policies for Private Sector Partnerships
- Corporate Volunteer Training: Introduction and Contents
- Effective Social Investment: A Guide to Best Practices for Public-Private Partnerships (Draft)
- Strategy Papers prepared for GDA
- Developing and Implementing Program Evaluations – A Selection of Recommended On-Line Resources

D. Letter of Appreciation from the Monsanto Fund

E. Sharing Resources, Saving Lives

F. Strengthening the "Corporate" in Corporate Social Responsibility: A Practical Training Program for Colombia

G. Financial Reports
- **Actual and Budget figures for the Millennium Alliance Project**
- **FR 269**

ATTACHMENT A

THE MILLENNIUM ALLIANCE
for Social Investment

DEVELOPMENT OF A CORPORATE PIPELINE

QUALIFYING CRITERIA
SPACIT ANALYSIS

INMED Partnerships for Children

"Inspiring Communities, Creating Opportunities"

MILLENNIUM ALLIANCE CORPORATE PARTNERS

QUALIFYING CRITERIA

Targeted Titles

It must be noted that CSR decision makers, like the corporations that employ them, can vary widely in their title, departments, purview and responsibilities. Over time, pipeline prospecting and other development activities may point to certain targets as more productive, however, limiting targeted titles on such tendencies may result in substantial missed opportunities.

Soft (staff) corporate targets:
Corporate Affairs, Geographic Corporate Affairs (e.g. LAC, Asia, Africa), Global Corporate Affairs, VP-Global Marketing, VP-Employee Relations, VP-Community Affairs, VP-Regulatory Compliance, VP-Public Relations, VP-Communications, VP-Corporate Social Responsibility, VP-Corporate Communications,

Hard (operations) targets:
VP-Supply Management, VP-Procurement, VP-Geographic Unit, VP-Marketing, VP-Branding, VP-Business Development, VP-Sales, VP-Human Resources, VP-Foundation, Manager-Foundation

Qualification Criteria Prioritized by Importance

Very High Importance
- In-country manufacturing/operational presence in USAID priority countries
- Stated commitment to USAID priority development objectives
- History of NGO cooperation
- In-country commercial relationships conducive to CSR collaboration
- Developing country operating unit(s)
- Reliance on lower socioeconomic strata for markets/employees
- Existing bad will
- At high risk for bad will

High Importance
- Global/regional profitability and growth profile
- GIK usefulness for programs
- Social investment infrastructure
- In-country export/import operations
- Existing in-country market (share)
- Potential in-country market
- "Transferability" of locally gained goodwill with audiences in mature markets
- Operational executives on foundation board
- Reliance on public sector support
- Sensitive regulatory environments

- Top industries/corporations/entrepreneurs in target country
- Stated commitment to children

Other Factors Contributing to Qualifying Process

- Tangential country market/operational/manufacturing/ presence
- Potential CSR benefit to corporation/operating unit
- Level of corporate volunteerism
- New/recent market entry into region
- Holder of US government contracts
- Bush campaign contributors
- Recent award of privatized industry
- Heavy consumer segment competition and advertising

SPACIT ANALYSIS

SUSPECT

0%: Business opportunity/suspect identified: invitation to tender, request for a proposal, any potential business that INMED is aware of.

PROSPECT

5%: Qualification: the prospect/customer is willing to go further; INMED went into further analysis and is willing to continue as well.

10%: Concept proposal submitted/client interested.

ACQUIRE

20%: The decision maker's name is known and discussions start in order to determine the customer's budget, its specific needs, the deadlines.

25%: On the basis of the details provided above the offer is prepared and submitted to the prospect/customer; competitors are still participating.

30%: The decision makers' remarks and objections to the offer are examined and met by INMED.

50%: Specific solution proposed by INMED is accepted but approval of amounts is still pending; at this stage also, competition is still active.

60%: Last round of negotiations: the economic decision maker can still oppose donation amount or disagree with first proposal; for this reason, amount can still be re-discussed.

CLOSE

70%: Formal agreement to proceed.

80%: Initial funding received, preliminary work begins.

IMPLEMENT

90%: Partnership project is initiated.

TRACK

100%: Ongoing resources are generated.

ATTACHMENT B

PRIVATE SECTOR SUPPLY CHAIN PARTNERSHIPS

[Leveraged by the Millennium Alliance for ICDDR, B: Centre for Health and Population Research]

3M	Applied Biosystems	Barnes & Noble	BAX Global	Becton Dickenson	BIOMED Diagnostics	Cardinal Health
Cathay Photo Store LTD	CDW	Cole Parmer	Corporate Express	ED's Marine Superstore	Erie Scientific	EverReady Office Supplies
Fisher Scientific	Gaumard Scientific	Geneva Generics Novartis	Hardwood Products	Harvard University Press	ICN Biomedical	Image First
Interlan Comm, Inc.	Invitrogen	Jackson Immuno Research Labs	Lake Ridge Outboard	Maxim Medical	McMaster-Carr	MedLine
Nat'l Institute of Technology	PANBIO	Roche Diagnostics	SECA	Sigma-Aldrich	Thermo Spectronic	Thomas Scientific
VWR	VWR Int'l	Wilkens Anderson	NEW IN 2004:	Borders Books	Drew Scientific/ DANAM	Elsevier Science
LABREPCO	KPL	Marcel Deller, Inc.	MTX Lab Systems	Neal-Shuman	R&D Systems	Southern Biotech
Wampole						

ATTACHMENT C

FACILITATION TOOLS AND GUIDELINES

PUBLIC-PRIVATE PARTNERSHIPS: THE ROLE OF THE NONPROFIT LEADER

TOOLS FOR NGOS:
DETERMINING INTERNAL POLICIES FOR PRIVATE SECTOR PARTNERSHIPS
[PREPARED FOR PROJECT CONCERN INTERNATIONAL – JULY 2003]

CORPORATE VOLUNTEER TRAINING: INTRODUCTION & CONTENTS

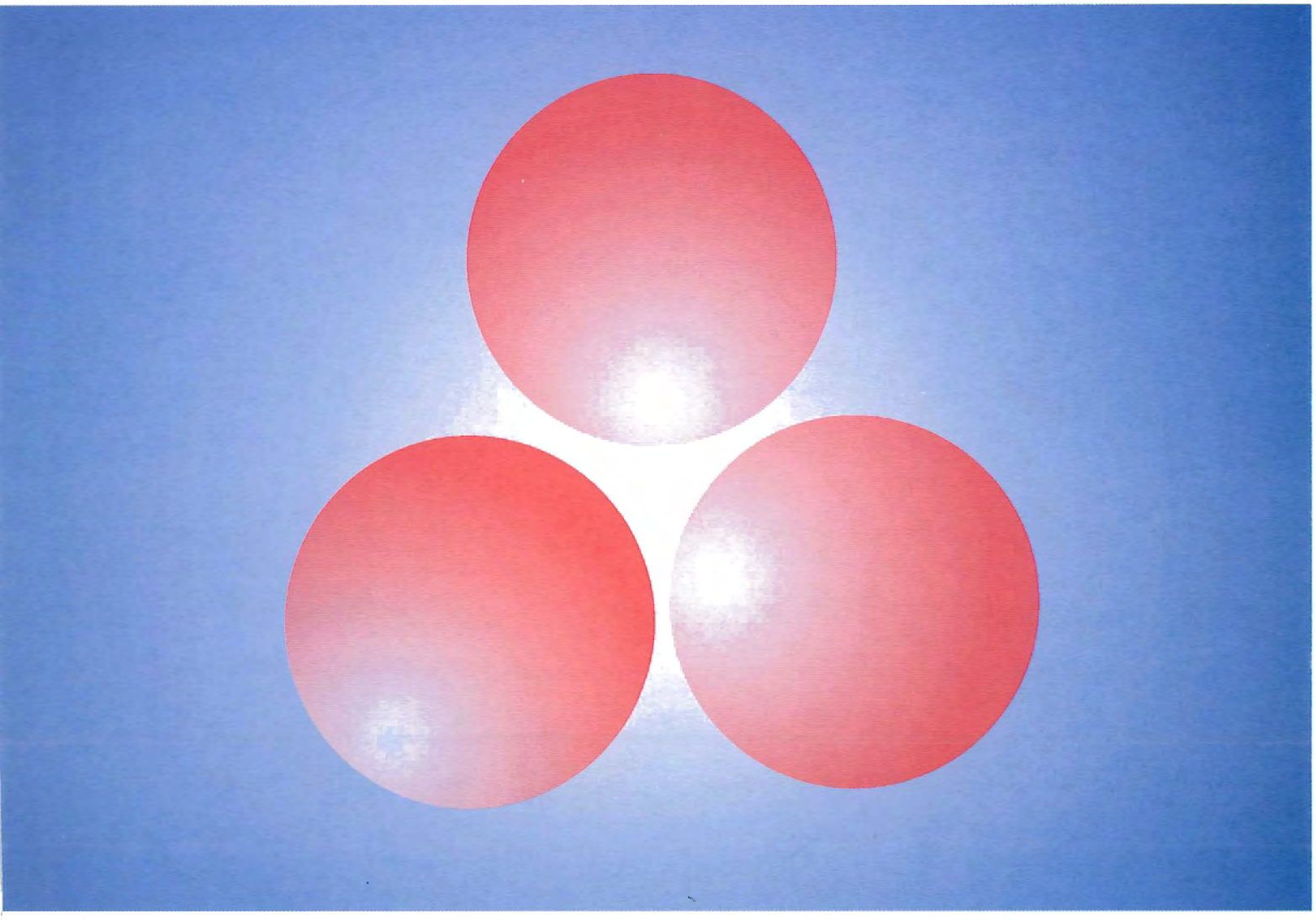
EFFECTIVE SOCIAL INVESTMENT:
A GUIDE TO BEST PRACTICES FOR PUBLIC-PRIVATE PARTNERSHIPS

STRATEGY PAPERS PREPARED FOR
THE GLOBAL DEVELOPMENT ALLIANCE

DEVELOPING AND IMPLEMENTING PROGRAM EVALUATIONS
A SELECTION OF RECOMMENDED ON-LINE RESOURCES
[PREPARED FOR SISTERS OF MERCY – MARCH 2004]

PUBLIC-PRIVATE PARTNERSHIPS:

THE ROLE OF THE NON-PROFIT LEADER



INMED Partnerships for Children

"Inspiring Communities, Creating Opportunities"

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Foreword

Public and private sector stakeholders in international development circles are increasingly championing public-private partnerships as a more effective approach to solving vexing problems in developing nations. The shared interests of global and local development stakeholders—corporations, foreign assistance agencies, governmental entities, foundations, non-profit agencies, and communities—are driving this broad support for partnerships. Advocates assert that the combined expertise and resources of governmental organizations, teamed with those of both commercial and non-profit private sector entities, offer more creative, effective and sustainable interventions than could otherwise be achieved by the stakeholders working independently.

What is most remarkable about the current interest in public-private partnership is that it is being enthusiastically advocated by governmental organizations in many developing and donor countries. Developing country governments – from countries as diverse as China, Angola, and Peru – are inviting private sector engagement in areas that traditionally are governmental responsibilities, including basic education and communicable disease.

The pioneering investment of USAID's Office of Private and Voluntary Cooperation (PVC) in capacity building for non-profit organizations and in measures to encourage non-profits to seek for-profit partners has been ongoing, and has yielded many lessons in public-private partnership development. More recently, USAID established the Global Development Alliance (GDA) to stimulate commercial sector investments in humanitarian and development efforts. The establishment of the GDA represented a move away from the traditional approach of limited government participation with for-profit companies and a move toward embracing cooperation with them in order to better leverage resources to achieve development objectives.

Most private sector organizations, whether for-profit or non-profit, do engage in some type of relationship with the public sector.[1] These interactions range from traditional grantor-grantee or contractor relationships to more dynamic and multi-faceted associations entailing greater engagement among stakeholders.[2] The latter implies deeper and longer-term commitments in which all parties are contributing resources and sharing both responsibilities and risks to reach a goal they otherwise could not achieve.

Within the context of this increased impetus for public-private partnerships, this publication highlights the role that non-profit organizations and their senior staff can play in partnership formation and implementation. Non-profits are in a unique position because both government and corporate stakeholders derive legitimacy and comfort from being associated with non-profit organizations whose sole purpose is humanitarian and which are committed to transparency of finances and results.

Non-profits have practical experience to offer both for-profit and government partners. They often have many years of experience in persuading government and commercial organizations to provide resources and, as a result, are familiar with the enormous cultural differences between government and business. Because many non-profits have business executives on their boards of directors or involved in local program structures, they know first hand that corporations offer much more than additional financial resources. They know where and why corporations are likely to be interested in social responsibility programs. Non-profit organizations also have a long-standing history of working with governmental partners in developing countries to achieve improvements in health, basic education, food security, the environment, and civil society. In short, non-profits can comfortably bridge the gap between the commercial private sector and governmental development agencies.

The most important messages that we wish to convey to all readers are the following:

- Programs implemented by public-private partnerships hold the promise of greater, longer-lasting social impact than programs operated by stakeholders working independently.
- There is no one-size-fits-all approach to partnership; what works best with one particular program, corporate culture, or partnership venture may not work at all in a different situation.
- Leaders of non-profits are in a position to assume a unique role in brokering and maintaining partnerships within the private sector, and in integrating the private sector contribution with that of governmental partners.
- This facilitating role is a demanding one and, to be effective, must be actively embraced by non-profit leadership.
- Non-profit leaders willing to take on the challenge must ensure, through their facilitating function, the presence of the fundamental factors critical for the success of the partnership.

As a backdrop for introducing these critical success factors, this publication begins by discussing the evolution of collaboration between development stakeholders. It then frames the current partnership environment by examining external "drivers" and trends that are motivating development stakeholders to seek public-private collaboration. This is followed by a discussion of the critical factors for success that have emerged from our research: leadership, common ground, and accountability. The discussion includes practical information that non-profit executives and senior staff can use to determine the presence and evaluate the strength of these critical success factors in their own organizations and in those of potential partners.

Going beyond the evaluation of critical success factors, publications are available that provide an ethical framework for analysis of and tools for charting organizational commitment and readiness.[3] These publications will assist organizations with conducting an in-depth internal analysis as they evaluate initiating or expanding their partnership activities.

The partnership construct presented in this publication has emerged from the work of the Millennium Alliance[4], interviews with non-profit organizations and the commercial sector, a literature review, and INMED Partnerships for Children's 20 years of experience in promoting and participating in public-private partnerships.

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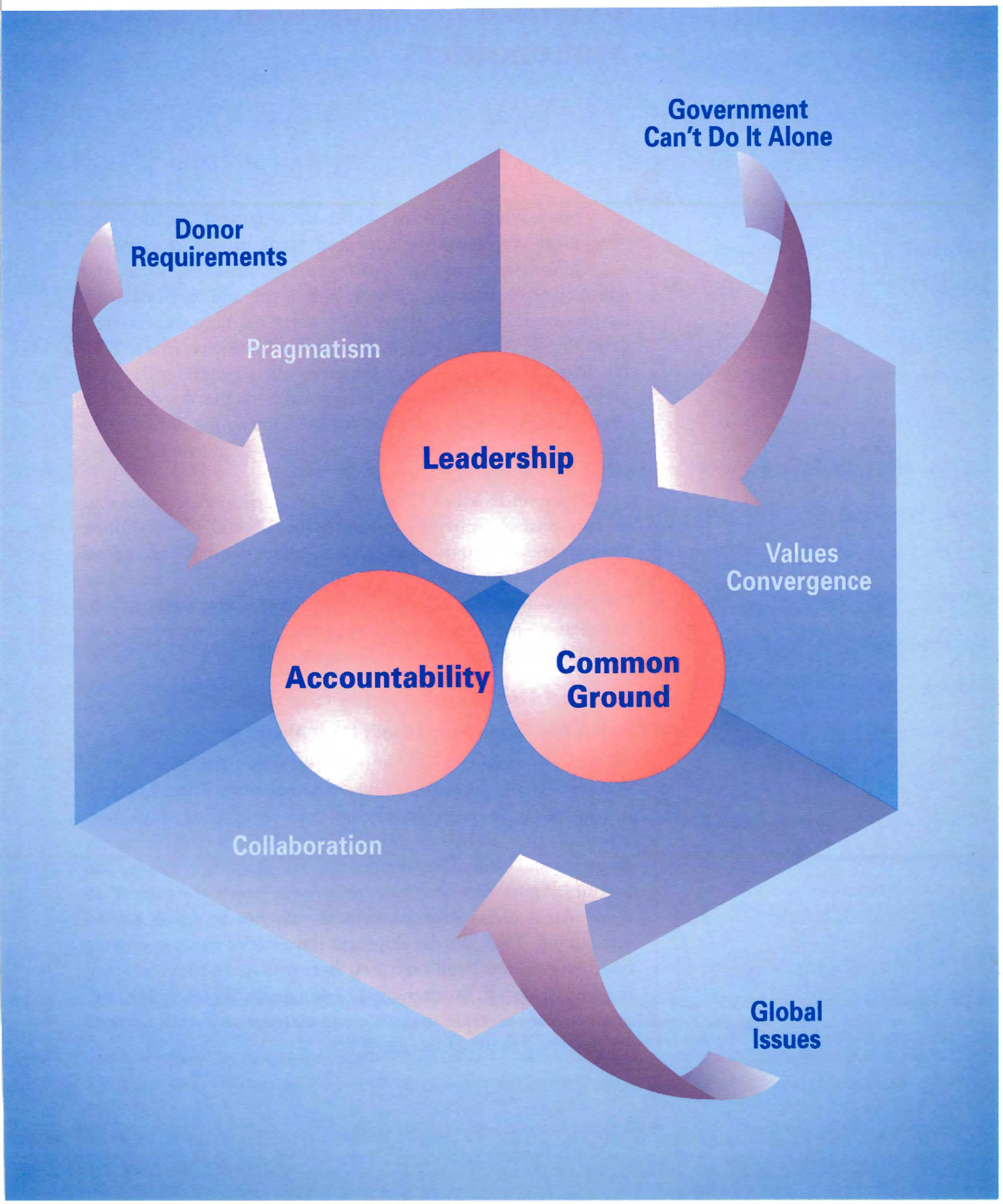
[1] Stakeholders in the international development and humanitarian arenas typically include representatives from both the public and private sectors. For purposes of this document we assume that governmental entities, along with multi- and bi-lateral agencies, comprise the public sector. Groups in the private sector are distinguished by whether or not they have commercial, profit-making, objectives. Private for-profit entities include multinational corporations and local companies. Private non-profit entities include non-governmental organizations (NGOs), along with other private international or community-based voluntary groups. For purposes of this discussion, we refer to three groupings that capture these delineations: public sector, private non-profit, and private for-profit.

[2] Harvard Business School Professor James Austin has published several articles, including *Connecting with Nonprofits* (HBS Working Knowledge, Pub. Date: Oct. 1, 2001), that discuss the complexities and multi-faceted nature of partnerships beyond traditional grants and donations.

[3] See Buzzard, Shirley. *Partnerships with Business: A Practical Guide for Nonprofit Organizations* and *Tool Kit: A compendium of tools for nonprofits to find and build alliances with business that go beyond philanthropy*. Developed by the Corporate Community Investment Service (CorCom), a project of INMED and USAID, Office of Private and Voluntary Cooperation. (1999).

[4] The Millennium Alliance is a program of INMED Partnerships for Children and USAID's Office of Private and Voluntary Cooperation to increase for-profit private sector resources for humanitarian and development programs through non-profit organizations.

THE PARTNERSHIP CONTEXT



Evolution Of Collaboration Between Development Stakeholders

Stakeholders in third world development include the local community, global and local private non-profits, foundations, foreign assistance organizations, local and national governmental entities, and local and multinational businesses. Until relatively recently, these multiple stakeholders generally did not form partnerships among themselves due to both ideological and parochial differences. As a general rule, they preferred to work independently to address the development challenges each felt were most critical. During the last 10 to 15 years, however, these stakeholders have increasingly sought serious collaboration with one another.

Based on INMED's 20 years of partnership experience and recent research activities sponsored by USAID's PVC Office through the Millennium Alliance Program, we have identified three external forces, or "drivers," that appear to have been most influential in encouraging public and private sector organizations to seriously entertain the notion that they can achieve more good by working together than by working alone.

External Drivers Influencing Collaboration

Driver #1 – Government Can't Do It Alone

The social welfare of the most vulnerable people is widely considered to be the responsibility of government. There has been a realization in both developed and developing countries, however, that initiatives dependent solely on public sector financing and leadership are subject to the changing priorities and fortunes of government. It has also become "politically correct" in more places to say that government may not be doing a good enough job. Thus, if a development stakeholder wants to provide basic education or health services, there may be a better chance of reaching that goal, or reaching it more rapidly, if both public and private sector revenue streams, competencies, and commitment are dedicated to its achievement.

Driver #2 – Transcendent Worldwide Issues

Worldwide problems that inherently transcend economic or social sectors cannot be effectively addressed for the long term without including the participation of both public and private stakeholders. HIV/AIDS and food security provide convincing examples of humanitarian problems that ignore borders and threaten to affect large populations, potentially fraying the very fabric of social stability. These problems are so large, so complex, and so potentially devastating that public and private entities have joined forces, each offering their unique competencies and resources in a spirit of cooperation and partnership for the common good.

Driver #3 – Donor-Imposed Requirements

In today's competitive fiscal environment, funders often require organizations to collaborate with multiple partners or otherwise contribute funds in order to receive a grant award. USAID, a major funder of development programs around the globe, is increasingly directing its support toward larger, more complex programs that involve collaboration among several organizations.[5] In addition, USAID's competitive solicitation process often requires private organizations, whether non-profit or for-profit, to contribute a specified percentage of private funds or other resources to augment public funding of a program.

Governmental foreign assistance entities are also increasingly promoting public-private partnership because they realize that the for-profit private sector has expertise and resources that are not available in governmental organizations or non-profits. USAID's establishment of the Global Development Alliance to stimulate private for-profit investment in humanitarian and development efforts is evidence of this realization. The GDA represents a move away from the traditional approach of limited government participation with the for-profit sector and a move toward embracing cooperation in order to leverage resources to better achieve development objectives.

Trends in Collaboration

These external forces—recognizing that government cannot successfully address all social issues alone, the emergence of transcendent global issues, and donor-imposed requirements for collaboration—have influenced some trends in behavior among development stakeholders that have resulted in increased numbers of public-private partnerships and intensified scrutiny of these partnerships within the development community.

Trend #1 – Increased Collaboration Between Public and Private Development Stakeholders

In recognition of the rich diversity of core competencies that varied stakeholders bring to addressing development issues, partnerships increasingly draw upon the skills, resources, and expertise of multiple entities working in close collaboration. Encouraging each partner to execute partnership responsibilities in areas of its strongest technical expertise makes sense and provides a foundation for successful

collaboration and program execution. In particular, the commercial private sector is viewed as offering a valuable skill set for resolution of social problems formerly seen as the purview of non-profit, university, and government experts.

In Uganda, a team of businesses and non-profits is pilot testing new technology to improve the accessibility and efficiency of a micro-finance program for rural entrepreneurs. This public-private consortium, convened by Hewlett Packard, involves several organizations, including Freedom from Hunger, ACCION International, Bizcredit, echange LLC, PRIDE AFRICA, FINCA, USAID, and the Grameen Foundation. These diverse organizations are providing the micro-finance, technological, and business resources and expertise necessary to set up a program that will increase rural entrepreneurs' access to financial resources.

Project HOPE developed state-of-the-art children's hospitals in Poland and China. Private sector contributions accounted for more than 50 percent of the hundred million dollar financing for each project. Project HOPE utilized a wide range of experts and specialists from leading children's hospitals and its staff managed the project through the construction, training, and operations phases. In addition, HOPE persuaded companies to donate expertise in biomedical engineering and interdisciplinary medical specialties in order to integrate technologies to enable their use across equipment brands and departments.

Trend #2 – Increased Pragmatism and Enlightened Self-Interest Among For-Profit Companies

Companies that a decade ago were reluctant to mix business objectives with their social investments, or even to talk about doing so, are increasingly unapologetic about focusing their social investments in locations where they do business and on programs that complement their corporate expertise. Benefits can accrue to multinational companies from this pragmatic approach in both local and international markets, including goodwill among consumers and opinion leaders and protection against undue regulation by local governments. While large local companies in developing countries have traditionally made limited community social investments, both large and small local companies are becoming more aware of the benefits of investing in humanitarian and development programs in their own countries.

Monsanto, a leading global provider of agricultural products and solutions, recently adopted a new global social investment strategy to promote nutritional well-being through improved agriculture. As part of the implementation of this strategy—grounded in its corporate competency in agriculture—Monsanto has outlined clear guidelines about the types of programs it will support, as well as where it will support them, and the types of partners with which it will work.[6]

Trend #3 – Convergence of Values and Strategies Among Public and Private Development Stakeholders

In order to accomplish their objectives, public, for-profit, and non-profit development stakeholders are increasingly adopting values and strategies traditionally associated with other types of stakeholders.

Non-profits are generating revenue to support social causes.
Some non-profits are initiating revenue-generating ventures to fund their social activities. Barro Sin Plomo, a Mexican potters' association, is embracing social entrepreneurship. Through a partnership involving Aid to Artisans, American Express, UNESCO, FONART, and USAID, Barro Sin Plomo has seized the opportunity to transform itself into a commercial entity for buyers and rural potters alike—a transformation that has attracted the interest of private investors in the U.S.

For-profits are formalizing social commitments and measuring a "second bottom line."
Some for-profit businesses have been formed specifically to generate income to fund social ventures. Stonyfield Farms, producer of organic yogurt products, was originally established for the express purpose of generating revenue to support social causes, especially in the environmental arena. However, like other successful companies founded with a strong commitment to a social credo, such as Ben and Jerry's, Stonyfield was sold to a larger, more traditional for-profit company.

Conventional for-profit companies, that were formed expressly to make a profit for their shareholders, are making public commitments by establishing corporate credos that emphasize social responsibility and measuring social commitment as a "second bottom line."

While a focus on social commitment can be difficult to maintain in the fast-paced business world, some companies strive hard to maintain this dual focus for very fundamental business reasons. In an essay in the August 1991 issue of *Scientific American*, Charles Ziegler, then senior Vice President of Ciba-Geigy (now part of Novartis), called attention to a "second bottom line"—public trust. According to Dr. Ziegler, "Unless corporations... adhere to the moral standards demanded by society, their future, like that of the planet, will be questionable indeed."

Johnson & Johnson reinforces its social commitment through its Credo, which puts responsibility to the communities it serves on equal footing with its responsibilities to its customers, employees, and stockholders. The social responsibility portion of Johnson & Johnson's Credo begins as follows: "We are responsible to the communities in which we live and work and to the world community as well."

These trends in public-private partnerships—increased collaboration, increased pragmatism and enlightened self-interest, and convergence of values and strategies—signify greater recognition among development stakeholders of the need to achieve a balance between social and business objectives as they work in partnership to achieve shared development goals.

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[5] Indefinite Quantity Contracts (IQCs) and Leader with Associate Agreements (LWAs) are examples of this trend.

[6] Monsanto's global strategy for social investments was developed with the support of INMED's Millennium Alliance program funded by USAID's PVC office.

Critical Factors For Success

The current climate of high visibility surrounding partnership activities requires the continuous involvement and engagement of all stakeholders in partnership formation and implementation. The non-profit executive may be well-positioned to act as a catalyst to ensure that this involvement and engagement take place by working within his or her own organization and by actively aligning with counterparts in public and for-profit partner organizations. If the non-profit executive assumes this role, his or her objective is to elicit leadership commitments from partner organizations, work with partner organizations to define common ground on which a partnership can be based, and ensure that the partnership entities commit to be accountable for accomplishing the partnership objectives.

The non-profit is traditionally the development partner charged with day-to-day implementation of health, education, or environmental programs in the field. The imperative of physical presence and accountability to the community provides the incentive and rationale for the non-profit leader to assume a facilitating role to ensure that the partnership in fact results in the achievement of goals that could not have been accomplished by one organization acting alone.

In order to successfully play the role of catalytic partnership facilitator, the non-profit executive must ensure that potential partners (including his or her own non-profit) meet the requirements of these three critical success factors:[7] ***leadership***, ***common ground***, and ***accountability***.

Critical Success Factor #1 – Leadership

The leadership of all partner organizations must be committed to the goals and objectives of the partnership. Leadership must be evidenced at all levels of the organization, beginning at the top and extending to regional and local field managers.

Critical Success Factor #2 – Common Ground

Understanding the core business, mission, and geographic priorities of potential partners are prerequisites for establishing an engaged partnership. When a partnership is grounded in common interests, the potential for achieving significant humanitarian and development objectives is greatly enhanced.

Critical Success Factor #3 – Accountability

Public-private partnerships require that responsibilities be clearly defined and committed to by all partners.

Although they do not guarantee success, all three critical factors must be present in a successful partnership.

[7] The critical success factors are based on the work of the Millennium Alliance, interviews with non-profits and the commercial sector, a literature review, and INMED Partnerships for Children's 20 years of experience in promoting and participating in public-private partnerships.

Leadership

Leadership Essentials

- Provide Visionary Leadership at the Top, Reinforced by Working Relationships at Multiple Levels
- Build and Secure Organizational Support
- Invest Time and Be Proactive

Leadership is the driving force behind successful partnership formation and implementation. Determined leadership on the part of all partners is essential to leverage their diverse strengths and engage them in the pursuit of a common goal. Committed, visionary leadership requires interpersonal and negotiation skills, and the will and ability to lead an organization—as well as a partnership—toward turning a vision into a reality.

Leadership Essentials

A partnership must count on committed leadership from each partner organization. Although one partner may take on a "lead" role in support of a specific partnership effort, the leadership essentials discussed in the following sections apply equally to non-profit, for-profit, and public development partners.

Leadership Essential #1 – Provide Visionary Leadership at the Top, Reinforced by Working Relationships at Multiple Levels

The leader's fundamental goal is to communicate a visionary rationale for the existence of a public-private partnership. Without a vision that inspires the expectation of appreciable results, the individual stakeholders are likely to continue pursuing their traditional separate approaches. This vision needs to be communicated continuously, not just during initial partnership formation. Through an ongoing process of stakeholder alignment, the leader should convey at all times his or her conviction that the partnership goals will be achieved and that more is being accomplished by working in collaboration.

The concept of corporate credos cited in the previous section illustrates the type of executive-level, organization-wide leadership that is required. Visionary leadership from top executives provides mid-level personnel at the international, national, regional, and field levels with reinforcement of their respective responsibilities in support of the partnership.

"Today's IBM Corporation is the product of an extraordinary leader who has not only turned the business around to be a global leader in technology solutions and services, but who has also shifted the company's paradigm in terms of its strategic philanthropy," according to Lois Jackson, IBM's Director of External and Corporate Programs for Latin America. "The presence of the CEO's involvement in our strategic philanthropy said that our focus shifted from having the foundation leader as the flag carrier to the executive [leading the way]. And this leadership has been mandated at the market level as well. He who is responsible for the community is the country general manager… he is measured for his growth of the business, for his development of people, and he is also measured for his presence in the country—his visibility, his contribution."

The multiple levels of leadership and engagement required to build a public-private partnership can be quite different from those involved in a traditional grant making relationship. Grantor-grantee relationships often focus solely on meeting the donor's requirements and requests and can be highly dependent on the rapport between individuals at the executive level. Program execution through partnership involves managing complex issues and implementing solutions by committed individuals at multiple levels within the organization.

While implementing a partnership program to increase awareness of diabetes and improve the quality and availability of diabetes care in China, Project HOPE involved all partners and interacted regularly across multiple levels of management during planning, monitoring, assessment, and ongoing evaluation activities. The partnership included the Chinese Ministry of Public Health and Department of Disease Control and three international health care companies (Becton Dickinson & Co., Eli Lilly & Co., and Boehringer Mannheim). As the need for program modifications arose, Project HOPE was able to successfully implement adjustments because of the cooperative relationships established at all levels with both government and for-profit partner organizations.

Leadership Essential #2 – Build and Secure Organizational Support

Building on the partnership vision, leaders must persuade the respective internal and external stakeholders to invest expertise, time, and resources by convincing them that significantly more can be accomplished by joining forces and that managing a joint effort will not be unduly complicated. The management process will be simplified if the leader provides a clear strategy and defines roles that make it simple for the stakeholders to participate, to be aware of progress, and to fulfill their respective internal reporting requirements.

Given diverse organizational cultures among partners, it may also be necessary to make adjustments to internal communication styles. For-profit companies generally speak in "executive summary" language characterized by succinct market-oriented terminology to define problems, decide on benchmarks, and take action. Non-profit organizations and the public sector tend to employ "dissertation" language, using lengthy explanations and arguments to communicate their points.

The issue of organizational culture often goes deeper than communication styles. A non-profit organization that is suspicious of the motives of for-profit entities is unlikely to form successful partnerships with them. Likewise, some for-profit organizations view potential public partners as bureaucratic and potential non-profit partners as idealistic and impractical. If an organization's leadership is committed to working in partnership, that leadership needs to ensure that a process of culture change takes place within the organization, if required.

Not doing so can doom a partnership effort. When the Millennium Alliance brought together a large international non-profit and a multinational pharmaceutical company as potential partners for a regional program in Asia, both entities provided leadership at the international level. However, the non-profit country manager in one country was distrustful of corporate partnerships, and his reluctance prevented the establishment of a regional partnership.

Leadership Essential #3 – Invest Time and Be Proactive

Engaged leaders who invest time and implement proactive approaches in support of public-private partnerships can reap great rewards. The time and initiative invested by a dedicated project director at Mercy Corps proved to be critical for the development of a partnership involving Mercy Corps, Pagjino (a local Nicaraguan NGO founded with assistance from Mercy Corps in the early 1990s), and Coffee Bean International, Inc.

Pagjino produces a high quality coffee, but needed assistance tapping into the gourmet coffee market. Mercy Corps project director Leslie Jones took the initiative to learn about the coffee industry and meet with several coffee roasting companies, before identifying an appropriate corporate partner that shared a commitment to aiding the coffee growing communities in Nicaragua. From there, she reported, "it took about seven months from the time we formed the relationship with Coffee Bean International to actually getting the coffee on the market." Mercy Corps, Coffee Bean International, and the coffee farmers represented by Pagjino are each benefiting from this partnership and the leadership engaged in its development.

Any committed partner can provide proactive leadership. In 2002, an environmental non-profit, the Institute for Transportation and Development Policy (ITDP), spearheaded a partnership program to mobilize communities in Africa and improve access to health and education, as well as open up a new market for the companies involved. The determined leadership of ITDP was critical to developing this program and fostering partnerships with companies including the Trek Bicycle Corporation, a leading producer of high-quality bicycles. Trek joined forces with ITDP and took on a leading role in the design of affordable, high-quality bicycles. Trek extended its role to include championing the involvement of SRAM (another top-tier U.S. bicycle company) and local companies in South Africa, Ghana, and Senegal. Leadership from both ITDP and Trek was instrumental to the success of this partnership.

Partnership benefits can endure for the long term. INMED Partnerships for Children has been engaged in a partnership with El Paso Energy in Brazil for 10 years. Initiated at the international level between the presidents of the non-profit and the corporation, the partnership was solidified by country directors. The regional and local managers of both INMED and El Paso finalized the agreements and carry out the partnership on a daily basis. With support from visionary leadership at the top and engagement at multiple levels in both organizations, this partnership has expanded to reach communities in four states in Brazil, benefiting more than 100,000 children and their families.

Common Ground

Finding a Good Fit with Potential Partners

- Geographic Alignment
- Business Alignment
- The Right Timing

When the interests of the community and of other potential non-profit, for-profit, and public sector stakeholders intersect, common ground exists on which creation of a partnership can be pursued. In the current environment of pragmatism and more clearly articulated enlightened self-interest, it is important that all potential partners focus their energies on cultivating partnerships that can claim this common ground. For everyone working in development and humanitarian relief, there is no time to waste on forcing an alliance that does not fit.

Finding a Good Fit with Potential Partners

The key factors for determining common ground are ***geographic*** and ***business alignment.*** For most private for-profit companies, geography—specifically the location of their current and projected business interests—is by far the more important factor.

Finding a Fit – Geographic Alignment

Companies with no specific sectoral expertise (e.g., education, health) related to the development objectives of a partnership, but with active business interests in a region, such as companies in the extraction industries in Africa, are committing to large, long-term partnerships with non-profit and public sector partners. ChevronTexaco is one such company that is making concerted social investments in Angola, where it has a current and long-term vested interest because of the country's wealth of oil resources. ChevronTexaco is currently financing non-profit humanitarian and development projects, not only in Cabinda where the company maintains its operations, but throughout the country. Expanding its geographic interests outside Cabinda is in ChevronTexaco's strategic interests and it also opens a wider door for partnerships with non-profits and local government. This

extraordinary step is grounded in ChevronTexaco's current and future geographic priorities.

Finding a Fit – Business Alignment

Business alignment is also important, especially when a company's products or expertise are vital to addressing an overwhelming global need or problem. There is a good "business fit" when pharmaceutical companies that produce HIV/AIDS drugs are involved in health programs worldwide, even where they have little or no geographic business interest or presence. For-profits with the capability to make drug donations or provide grants from their corporate foundations seek partnerships with governmental organizations and non-profits that have the expertise and accountability to assure the proper delivery and use of their products.

Where there is a good fit between program objectives and the business interests of a for-profit company, a partnership can be developed incorporating the company's expertise and/or products. In the education sector, Scholastic, Inc., a leading provider of educational products and services worldwide, partners with non-profits and governments to ensure that high quality children's reading materials are available in school classrooms. Through its participation in the Centers of Excellence for Teacher Training (CETT), a USAID program designed to improve child literacy, Scholastic is providing high quality books, materials, and technical expertise that are of substantial benefit to the CETT program and the children it serves. Simultaneously, Scholastic is increasing awareness among education ministry and school personnel about its products and services.

The INMED partnership with Johnson & Johnson combines the company's expertise, products, and support with the non-profit's program implementation know-how. INMED's association with Johnson & Johnson began with in-kind donations of medicines essential for humanitarian and development programs. This product donation relationship has evolved to a more fully engaged partnership over the years, grounded in mutual expertise in health, common geographic focus, committed executive leadership, and strong working relationships at the field, regional, and international levels.

A partnership grounded in common geographic and business interests has an enhanced potential for achieving significant humanitarian and development objectives. In 2003, Freedom from Hunger partnered with GlaxoSmithKline to develop an education module for malaria prevention and care in West Africa. Freedom from Hunger's strategy for fighting poverty and hunger, combined with the technical and financial resources of GlaxoSmithKline, is yielding important health benefits for thousands of women and their families living under the constant threat of malaria. This partnership program incorporates both the non-profit's core development model and the pharmaceutical company's core business interests. Freedom from Hunger is providing the education and assistance necessary for children to survive and people to move out of poverty, and GlaxoSmithKline is

expanding the distribution market for its products. As explained by Freedom from Hunger's President, Christopher Dunford, "When you have a greater connection between the core models of business of both partners, then there is potential for greater success in that the partnership resonates more with what both organizations are trying to accomplish."

Finding a Fit – The Right Timing

Timing often determines the feasibility of crafting a partnership, even when geographic and business interests intersect. Opportunity International, one of the world's largest micro-finance networks, is continually seeking partnerships to enhance opportunities for poor families through the provision of small business loans and entrepreneurial training. Its partnership with Nike, Inc., in Jakarta, Indonesia, is a result of being at the right place at the right time. When Opportunity International approached Nike, "Nike was interested in a particular area in Indonesia, and there happened to be a match," according to Dennis Ripley, Opportunity International's Senior Vice President for Programs. "But if that didn't line up for us, that partnership would not have been practical." Now, through this partnership, thousands of poor families enjoy access to the services of a new micro-finance institution.

In the fast-paced global market, geographic locations and business interests can change quickly, and can create new opportunities for partnership. Monitoring changes in global business conditions and humanitarian circumstances can present future opportunities for partnership.

Accountability

Ensuring that Outcomes are Achieved and Promises are Kept

- Understanding and Documenting Expectations and Accountabilities
- Setting Goals
- Moving Toward Sustainability

Each of the organizations comprising a partnership must accept ultimate responsibility for keeping its promise to the community and stand behind achievement of any objectives that are made public through formal or informal communication.

Ensuring that Outcomes are Achieved and Promises are Kept

Once geographic and business interests are aligned between the potential partners, committed leaders from all stakeholder groups must come to a mutual understanding about outcomes, expectations, and accountability. The partners should jointly explore and document expectations regarding the roles and responsibilities of each partner, set goals and objectives for the partnership's work, and establish mechanisms to foster local sustainability.

Understanding and Documenting Expectations and Accountabilities

Expected outcomes and accountabilities should be included in a formal document so that all major stakeholders clearly understand expectations and their respective roles. All partners need to demonstrate a commitment and determination to achieve the specified outcomes and agree to be accountable for defined aspects of the partnership activities. Even with a documented mutual commitment, however, a lead partner often takes on responsibility for assuring that implementation of program strategies results in achievement of outcomes. Most often the lead partner is a non-profit organization. Whether or not a lead partner is identified, all partners must consider themselves accountable for the overall success or failure of the program above and beyond their precise roles.

A challenge for the non-profit, accustomed to being accountable for defined program outputs and outcomes, is to be

sure it is not missing other, less familiar and often less explicit expectations of its for-profit partners. These expectations may include providing "executive summary" updates and pictures suitable for a corporate newsletter, creating local government awareness of the program, or conducting special events and other public relations activities to increase the visibility of the corporate partner at the local, national, or international level.

Setting Goals

At the outset of the partnership, partners should jointly craft a well-conceived evaluation plan with clear measurement criteria. Demonstration of results is important to all partners, but the culture of each partner traditionally dictates a particular bias or measurement perspective. Because of this, partners should first agree on a common language for defining and measuring progress. Bottom-line results, presented in a clear, concise fashion, are particularly important for the private sector. For non-profits accustomed to government and foundation grants, financial reporting to private sector partners can include some unfamiliar concepts. Cost/benefit ratios and return-on-investment indicators can be more important to corporate partners than line item details. Non-profits have traditionally placed more emphasis on human interest or "testimonial" measures of a program's impact. Exploring and resolving these different approaches to measuring performance and evaluating achievements is an essential part of partnership formation.

One of the realities faced by non-profit and governmental organizations in partnering with commercial entities is that market conditions encourage corporate investments that yield short-term, immediate results. Most development programs do not lend themselves to accomplishment of immediate results. However, companies also have long-term strategies and objectives, and may support a long-term plan that includes strong interim goals, with benchmarks and milestones and methods for evaluating their achievement. As noted by Dana de Kanter, Executive Director of the SEEP Network, "Because the timing of our work sometimes goes against their [the private sector's] own logic because they are moving at such a fast pace, and because development is long-term, we need to schedule in intermediate results to really show impact."

Documented interim results may also make it easier to encourage new or additional partners that require demonstration of program success before committing to participation. "Investing in measurement is so important," according to Monsanto Fund President, Deborah Patterson. "Non-profits should ask for money for evaluation right up front because it gives them ammunition to go to other donors and say, 'I have something that works.'"

Moving Toward Sustainability

Public-private partnerships, with the combined advantage of diverse expertise, resources, and perspective, hold the promise for not only meeting basic human

needs, but also for bringing about positive, sustainable change. Quality projects, sustained by the communities in which they are implemented, can improve health and education, create jobs and businesses, and attract local and multinational investment. While a partnership will not set out to change an entire society, the opportunities provided by such partnership-supported projects can help foster an environment in which communities themselves can move from incremental social change to social transformation.[8]

Local partners and communities have a profound stake in achievement of the partnership program goals, and the level of their interest and commitment will ultimately affect the program's sustainability. Objectives for both financial and institutional sustainability should be built into the partnership implementation strategy and incorporated into the partnership document. As milestones are reached and the partners become increasingly confident that success is possible, the accountability of the local partners for long-term sustainability must be reinforced. Sustainability objectives should be practical and achievable, and not assume a constant stream of support from outside the community.

While external organizations can promote sustainability, there is nothing like local engagement to ensure that it actually occurs. In partnership with USAID, the Aspen Institute, and four African business leaders, TechnoServe, a U.S.- based non-profit, is catalyzing Africa's private sector to play a greater role in addressing the continent's foremost challenges with its "Africa Leadership Initiative" (ALI). Through a series of four week-long seminars spanning 36 months, ALI challenges local business leaders, called Africa Leadership Fellows, to move "from success to significance" by opening constructive channels of dialogue with their governments rather than simply critiquing them from the sidelines. All Fellows are required to carry out a high-impact leadership project, prompting them to use their talents, networks, and resources to tackle critical social issues from illiteracy to corruption to HIV/AIDS. "Our goal is that, by 2006, ALI will become a freestanding African institution capable of raising its own funds and covering its own costs," said Peter Reiling, former President and CEO of TechnoServe.

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[8] The opportunity for social transformation is discussed in detail in *"High-Engagement Philanthropy: A Bridge to a More Effective Social Sector"* by Mario Morino, Chairman of Venture Philanthropy Partners, and Bill Shore, Chairman of Community Wealth Ventures.

Conclusion

Goals for the health and sustainability of our planet and its people, embodied in the Millennium Development Goals,[9] can more readily be achieved through the combined efforts of all development stakeholders—governmental, commercial, and non-profit—working together and applying their respective strengths and competencies to the fulfillment of these goals. The diversity of thought, expertise, and approaches that culminates in dynamic, synergistic partnerships also accounts for the complexity in forming those partnerships and ensuring their success.

We believe that leaders of non-profit organizations are in a unique position to communicate across sectors and skillfully facilitate the partnership process. Non-profit leaders willing to take on the challenge must ensure, through their facilitating function, the presence of the fundamental factors critical for the success of the partnership: committed leadership, common interests, and clear accountability for results.

While public-private partnerships will not guarantee the success of development programs, the combined expertise and resources of governmental organizations, teamed with those of commercial and non-profit private sector entities, offer the promise of more creative, effective, and sustainable interventions to achieve humanitarian and development objectives worldwide.

[9] The Millennium Development Goals are a refined and expanded version of the goals set forth in the United Nations Declaration of 2000, signed by 189 countries, to improve the lives of the world's poorest citizens by 2015.

Glossary

Private Sector The area of a nation's economy under private rather than governmental control. Groups in the private sector are distinguished by whether or not they have commercial, profit-making objectives.

Private For-Profit Commercial multinational corporations and local companies established to earn income and profit.

Private Non-Profit U.S.-based or local organizations, agencies, or institutions operating to achieve humanitarian or development goals, typically linked to improving the social and economic welfare of communities in need.

Public Sector National, state, and local governmental entities, along with multi- and bi-lateral agencies.

Public-Private Partnership A model of development cooperation in which private sector – commercial and non-profit – and public sector organizations pool complementary expertise and resources to achieve humanitarian or development goals. The level of involvement and responsibility shared by each partner varies in each partnership, as do the risks and rewards.

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Reducing Global Poverty: Engaging the Global Enterprise. A Statement by the Research and Policy Committee of the Committee for Economic Development. (July 2003).
http://www.ced.org/docs/report/report_globalization_enterprise.pdf

Also, try these organizations on-line:

www.bsr.org
Business for Social Responsibility
A non-profit organization providing a wide range of resources – including tools, training, and advisory services – to promote awareness of corporate social responsibility and provide opportunities for collaboration and networking across sectors.

http://www.bc.edu/centers/ccc/index.html
Center for Corporate Citizenship at Boston College
A research organization based at Boston College, working with global corporations to help them define, plan, and operationalize their corporate citizenship. Functions as both an educational and research center and informational resource.

www.ethicalcorp.com
Ethical Corporation
Independent provider of news, analysis, and events related to corporate, social, financial, and environmental responsibility. Accomplishes this through a website, print magazine, reports, and global conferences.

http://www.kenan-flagler.unc.edu/KI/
Kenan Institute of Private Enterprise
Based at UNC's Kenan-Flagler Business School, the Institute provides access to resources related to private enterprise and leveraging the resources and expertise of the private sector.

http://knowledge.wharton.upenn.edu/
Knowledge@Wharton
A bi-weekly on-line resource that offers the latest business insights, information, and research from a variety of sources. This website provides analysis from the business perspective, and includes up-to-date information on topics and trends, including social entrepreneurship.

http://www.pfdf.org/
Leader to Leader Institute
Formerly the Peter F. Drucker Foundation for Nonprofit Management, the Institute works to strengthen the leadership of the social sector through the provision of educational opportunities and resources. Its quarterly journal, *Leader to Leader*, is available on-line and provides information on leadership, management, and strategy from the perspectives of the public, private, and social sector.

http://www.independentsector.org/mission_market/index.html
Mission & Market: The Resource Center for Effective Corporate-Nonprofit Partnerships
The Center is a project of the Independent Sector – a coalition of non-profits, foundations, and corporations strengthening not-for-profit initiative, philanthropy, and citizen action. Activities include providing access to resources for non-profits and corporations seeking to build effective partnerships.

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ATTACHMENT C

THE MILLENNIUM ALLIANCE
for Social Investment

TOOLS FOR NGOS:
DETERMINING INTERNAL POLICIES FOR PRIVATE SECTOR PARTNERSHIPS

PREPARED FOR
PROJECT CONCERN INTERNATIONAL
JULY 2003

INMED Partnerships for Children
"Inspiring Communities, Creating Opportunities"

CHOOSING A PARTNER

Know the playing field

Many partnerships begin when someone from a business approaches an NGO for assistance, and partnerships will continue to be made that way. However, NGOs can be more strategic and proactive by approaching potential businesses and initiating a discussion about possible joint ventures. How do you know whom to approach? It is recommended that you start to mingle in places where business people gather. Business people know not only their own companies but those of their competitors, so they can be a rich source of information about potential partner companies.

First, obtain or make a list of businesses working in your country or geographic area. Make contacts with business associations, the Chamber of Commerce and the Ministry of Commerce. Look in the telephone book. You may also ask these groups about companies that have made inquiries about working in the country but do not yet have a presence there.

From that list, identify the businesses with common interests, such as products that relate to your objectives or a mutual interest in the economic development of a town or region. If you are a health organization, identify the pharmaceutical companies, medical suppliers and for-profit service institutions. If you are in credit or economic development, look for banks and cooperatives. If you are in education, look to textbook suppliers and construction firms that build schools.

Next, highlight businesses that have public relations problems or have been mentioned negatively in the press. Are their problems something you can help with? For example, if they are accused of exploiting workers, can you help them establish health care, literacy or housing programs for their workers? If they are accused of not hiring local workers, can you set up a training program for youth to give them the skills they need to work for the company?

Make a note of businesses with which you already have a philanthropic relationship. If you are already receiving grants from a charitable foundation connected with a company, this is an excellent start for a more substantive partnership. Many of the cases presented by CorCom network members started out as philanthropic relationships but by involving the business in the project, often through company volunteers, the relationship was able to change and grow.

Researching individual businesses

Many people have asked how to find out if a business is Asocially responsible.@ You can find out a lot about companies by looking at their site on the worldwide web. There are also investment funds that invest only in socially or environmentally friendly companies. These companies have employees whose job it is to ferret out the details of company holdings. In the complex world of international business, it is often difficult to know all the companies that are under the same corporate umbrella. Company reputations may vary from country to country and from time to time.

Certainly, before you approach a business, you should know as much about them as possible. At the minimum, this means you need an organizational chart of the company, its annual report for the past year or two, and its sales or promotional material. Most of this information can be obtained from a quick visit to corporate offices or with a phone call. But it is also helpful to know the unofficial information. All countries require foreign companies to obtain licenses to do business, and the information they submit is usually in the public records. Check with your local Chamber of Commerce, Better Business Bureau, and Ministry of Trade or Commerce and see what types of records they have that you can use.

A LESSON LEARNED

Both partners should be prepared to make a commitment of time and resources before the collaboration takes off. Companies may need to do research on new products or packaging, and NGOs may need to invest in training programs, community work and other start-up costs. It is important that both partners be well established and financially sound enough to weather the start-up.

Develop a strategic plan for engaging business

Now that you have a list of companies that could potentially be partners, you need a strategic plan for contacting them. This means developing some priorities and looking at some practical matters. Your strategic plan might look something like the one on the following page.

Highlight companies whose names fall in three or more of the columns. Next, look at some practical issues such as where the company headquarters is located and whether you have contacts who can get you in to see the CEO or local manager. Be sure to review the following section on ethical issues to be aware of areas in which companies might present problems. Complete the matrix with other factors that are important to your NGO.

When you have the matrix filled out, you should quickly be able to see the priority companies you should contact, those that might need more research and groundwork, and those with whom a partnership is unlikely or inappropriate.

Completion of the strategic plan may take time and energy for people to find the information they need. The development of the final plan must be done in a participatory way with all stakeholders, including field staff, the home office, and all partners in the process.

Strategic Planning Matrix for Identifying Potential Business Partners

	Doing business in this country or area	Businesses share common interest with NGO	Businesses with negative publicity or image	Businesses with current philanthropic relationship
Headquarters nearby				
Have contacts				
No ethical problems				
Other factors				
Other factors				

ATTACHMENT C

INTRODUCTION TO THIS TRAINING MANUAL

More and more companies are realizing how beneficial it is — for everyone involved — when the corporation is a socially conscious and active community citizen. We commend you for recognizing this and for beginning the process of establishing your corporate volunteer program.

Based on the interest of several Millennium Alliance Corporate clients, we have developed this training program for corporations and their employee volunteers. This training is designed primarily for developing country corporate sites that are investing in local community development projects. These sites may be linked to a larger corporate social investment strategy.

We were asked to develop a training package that will help local corporate sites in placing and supervising volunteers in a setting where organized community volunteer centers do not exist. This means we are providing a wide range of training for corporations interested in becoming more involved corporate citizens. That training includes how to develop the program, how to recruit and retain volunteers, how to assess the program and how to develop and maintain good relationships with community organizations or groups that may need volunteer services.

Ensuring there are appropriate volunteer opportunities for employee volunteers and then recruiting the right employees as volunteers for those opportunities are key. Studies of volunteer retention and satisfaction point out that people are most likely to volunteer, or continue to volunteer, when the volunteer program does the following:

- Makes good use of volunteer time
- Has a reputation of being well-managed
- Makes the best possible use of volunteer talents
- Defines tasks clearly
- Helps the volunteer's career
- Appreciates and thanks the volunteer

This program is designed for the integration of employee volunteers into corporate community-level social investment efforts. Our basic assumption is that a successful corporate volunteer program will result in benefits for all those involved — the corporation, a corporate volunteer coordinator, volunteers, projects with volunteer sites and the community.

This training manual will help you make the most of your investment so your company can make the most of its interests and resources.

We have organized our package into three Modules that focus on developing a strong foundation on which to build an enthusiastic and purposeful volunteer program. These Modules and the Appendix are described on the following two pages.

NOTE: The activities included in this training are suggested only as one way of working with this information.

Contents of this Manual

Module I: Establishing A Corporate Volunteer Program

This first section helps the corporation assess key stakeholder interests (internal and external), involve them in the process and obtain critical information from them. It includes surveys and activities for management, employees and for community organizations. Surveys can be used as written surveys, or in facilitator-conducted group sessions, depending on the best approach for a particular organization's situation.

As important as the information gathering is, timely and appropriate feedback and clarification of the data is also vital. These steps show the data providers (managers, employees and community organization representatives) that the corporation is truly interested and *listening* to what they have to say.

Module II: Managing A Corporate Volunteer Program

In this section, management systems, techniques and tools are provided to ensure good management practices are established and understood by key stakeholders. Some of what is offered here can serve as templates to help your company help community organizations with their own management of volunteer activities.

Module III: Monitoring & Evaluating A Corporate Volunteer Program

This final section provides tools for determining how well your program is meeting established goals.

Appendix: Forms

The various surveys and record keeping forms in Modules I-III are included here in formats easy to reproduce and use in your volunteer program. Companies hiring The Millennium Alliance may copy these forms for use in their corporate volunteer program. The Millennium Alliance continues to reserve its full copyright rights.

The following graphic appears at the beginning of each Module as a guide. As you can see, it shows the essentials of developing, implementing and evaluating a Corporate Volunteer Program and loops back to the beginning to indicate that after evaluation it is usually necessary to make whatever improvements are decided upon.

DEVELOPMENT, IMPLEMENTATION & EVALUATION LOOP

ESTABLISHING, MANAGING & MONITORING/EVALUATING A CORPORATE VOLUNTEER PROGRAM

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NOTE: COPIES OF FULL MANUAL ON FILE WITH USAID AND INMED

ATTACHMENT C

THE MILLENNIUM ALLIANCE
for Social Investment

EFFECTIVE SOCIAL INVESTMENT:
A GUIDE TO BEST PRACTICES FOR PUBLIC-PRIVATE PARTNERSHIPS

[BASED ON LESSONS LEARNED FROM OTHER PARTNERSHIPS]

AUGUST 2003

INMED Partnerships for Children
"Inspiring Communities, Creating Opportunities"

EFFECTIVE SOCIAL INVESTMENT THROUGH PUBLIC-PRIVATE PARTNERSHIPS

Corporations, foundations, international development institutions, and governments are increasingly working together to maximize the impact of social investment dollars through public-private partnerships. The underlying assumption is that more funds will be available to help the disadvantaged, including those who may fall outside governmental poverty definitions, but still could utilize a helping hand. It is believed that the expertise of the public and private sector when blended together with non-profit organizations will bring about more creative, more efficient, and more sustainable gains. Whereas the USA has long been a proponent of pluralistic approaches, what is especially striking is the growth of public-private partnerships worldwide. From Brazilia to Johannesberg; to Tokyo, Beijing, and Bombay; to Iman and Tel Aviv, to London, Moscow, and Prague; to Lima and San Salvador and Washington DC, there is an astounding growth of non-profit organizations, corporate contributions to them, and combined programs seeking innovation and increased impact through multiple stakeholders.

The Millennium Alliance funded by USAID and INMED seeks to encourage public-private partnerships by working with corporations to identify non-profit partners and formulating non-profit coalitions to seek corporate and governmental support in specific regions.

At INMED, we have begun to survey corporations, governmental organizations and NGOs engaged in exemplary partnerships and developed guidelines to key best practices. To determine which partnership elements should serve as models for others, we are looking at the following:

- What were the criteria for success and how were the criteria measured?
- Did the partnership produce tangible and sustainable results?
- Was the partnership sustainable or replicable in other regions by other local agencies?
- What were the lessons learned and did they point to a value added as a result of collaborative efforts?
- What are the most important benefits that governmental organizations bring to public-private partnerships from a private sector perspective?
- What are the most important benefits that private organizations bring from a governmental organization perspective?
- How is recognition of the participating stakeholders best pursued?

Our survey has, thus far, indicated certain common criteria for success, bearing in mind that while partnerships offer a means to enhance social investment, bringing together different stakeholders who traditionally acted independently of one another also involves a certain level of risk. A prevalent drawback to forging partnerships is that the organizational cultures of non-profit organizations, corporations, and governmental organizations are difficult to bridge, though they indeed constitute an expanded skill set and social values construct when joined together. Through our survey we are establishing that it is critical for partners to define opportunities where there is congruence around strategic factors, such that all partners are contributing resources and feel strongly about achieving success. Along these lines, it is tremendously important that all partners agree to identify achievable goals first before pursuing more elaborate and complex objectives. When the goals and expectations are clearly defined and committed to, the partnership can prove successful – leveraging increased resources for development in an effective, innovative and sustainable manner that is of benefit to both the partners and the community in need.

CRITICAL SUCCESS FACTORS

LOCAL OWNERSHIP

Providing the local partner with ownership of the project is a key element of success. One approach is to require that the local partner commit their own financial resources to the project in the form of matching funds. Another requires that project ideas originate with the local partner. In order to appropriately analyze the problem, stakeholders must involve the targeted community so that local participants feel part of the solution. *"It is critical that the public and private sectors work together in a way that enables the people who are most directly affected to determine their own needs and priorities."* Brenda Colatrella, Director of Worldwide Product Donation Policy and Programs, Merck & Co.

SHARED GOALS

Successful partnerships require shared goals that address the mission and core competencies of all partners. Throughout the partnership, it is critical to develop and nurture relationships through continuous dialogue to ensure that the reasons for the partnership remain in sync and are sustainable.
"You must develop relationships at both high levels within the organization and at operational levels where the program is delivered – a partnership at one of these levels but not the other results in a short-term relationship." Linda Pfeiffer, Ph.D. President of INMED.

CLEARLY DEFINED OUTCOMES

In all successful partnerships a key element is the establishment of clearly defined outcomes and the implementation of an evaluation tool. *"With any program we undertake, baseline data is gathered, and measureable objectives established according to a timeline (i.e. number of people trained as an immediate target, measureable impact on health status as an ultimate target,"* said Cary Kimble of Project HOPE.

FLEXIBILITY

A decentralized and flexible partnership structure allows involved stakeholders to negotiate agreements without difficulty and adapt to changes at both the organizational and community levels. Diverse organizations must be *"willing and able to set aside their own agendas in favour of shared commitments and responsibilities that are implemented with transparency and accountability,"* said Brenda Colatrella of Merck & Co.

SUSTAINABILITY THROUGH CAPACITY BUILDING

Establishing program sustainability is another key goal for international development institutions. Partnerships develop the institutional capacity of local NGOs by empowering partner organizations, and providing them with the skills, techniques, technical assistance and resources required for success. These skills help to ensure the self-sufficiency of the NGO and the continuation of the project even after the partnership ends.

GUIDELINES FOR IMPLEMENTING EFFECTIVE PUBLIC-PRIVATE PARTNERSHIPS

The following guidelines have been developed to ensure the implementation of effective partnerships that successfully leverage increased resources for development.

CRITICAL SUCCESS FACTORS	GUIDELINES
LOCAL OWNERSHIP	• Involve the targeted beneficiary community from the very beginning so that they feel a part of the solution to the problem being addressed. • Require all partners to provide matching funds (either cash or in-kind) to ensure local ownership and relevance. • Hold partners accountable for their individual responsibilities and results, whether they are contributing human or financial resources.
SHARED GOALS	• Partner with local NGOs who have similar missions, interests and commitments. • Develop the relationship before entering the partnership so that you can pre-select the organization who is the best fit for the partnership and the project. • Include all stakeholders (on both sides and in the community) in the planning, monitoring, assessment, and evaluation process; this is particularly important as circumstances may change throughout the partnership and the project.
CLEARLY DEFINED OUTCOMES	• Ensure that outcomes are not only clear, but are also realistic and fall within the capabilities of the partners. • Outcomes should be measurable . • Build interim evaluations to identify problems before they become insurmountable; evaluations can be an informal part of meetings, accomplished through interviews, or in a more formal process, involving a staff retreat, facilitator and formal methodology.
FLEXIBILITY	• Be willing to adapt to changes in the local environment and in organizational structures (personnel, stakeholders) and to re-evaluate processes to achieve original goals. • Flexibility should not compromise key project goals or affect transparency or accountability standards.
SUSTAINABILITY THROUGH CAPACITY BUILDING	• Provide technical assistance and training to local partner who must ultimately carry out the program work. • Use approaches like "train the trainer" to facilitate the expansion of knowledge and practical skills in the local community • Start with small projects that can be expanded over time as working together becomes easier, new opportunities present themselves, and more complex projects can be designed.

MODELS OF WIN-WIN PARTNERSHIPS

PARTNERSHIP	BEST PRACTICES	LESSONS LEARNED
CENTRAL AMERICAN HANDWASHING INITIATIVE[1] Colgate-Palmolive partnered with other soap manufacturing companies and USAID to reduce child mortality from diarrheal disease through a large-scale education campaign to promote handwashing with soap.	• Identified partners by determining competence and strength in the project. • Established system to pool resources and expertise, and build local capacity. • Local ownership established through stakeholder steering committee, which set project outcomes and timetable. • Identified goals by measuring: - Impact of campaign on target audience. - Improved behavior and disease reduction.	• Short-term programs have very little impact. • It is important to garner resources, expertise, support and enthusiasm from all partners to ensure sustainability.
MECTIZAN DONATION PROGRAM[2] Merck & Co., Inc. partnered with the World Health Organization, and other international and local NGOs to treat river blindness through a medical donation program.	• Established a flexible partnership structure to accept differences in organizational culture and scientific judgment. • Identified partners who could bring otherwise lacking resources and expertise to the partnership and the project. • Partnership based on common goals for the health needs of the people directly affected. • Nurtured relationships with local partners to build capacity and long-term sustainability. • Established local ownership through an expert committee to review NGO proposals. • Set up appropriate and productive forums for discussions and decision-making.	• Focus resources on feasible targets for clearly defined health priorities. • Be selective about identifying local NGO partners to ensure hi-quality medical distribution capability. • Measuring overall impact and how the program measures up as a public-private partnership is challenging. • Adapt projects to other interventions so that they are not strictly vertical in their approach and accomplishments.
HEALTHY CHILDREN, HEALTHY FUTURES PROGRAM[3] INMED partnered with Johnson & Johnson to improve child health, reduce incidences of parasitic disease, and address health and nutritional deficiencies through treatment and education.	• Partnership based on shared regional interest and mission to improve long-term health outcomes for children. • Developed relationships at all levels within the partner organization to ensure sustainability and project outcomes. • Flexible structure allows for adaptations to organizational circumstances.	• Due to turnover within companies, it is important to constantly develop new relationships within the company.
CHINESE DIABETES EDUCATION PROGRAM[4] Project HOPE partnered with the Chinese Ministry of Public Health, the Chinese Department of Disease Control, and 3 major international health care companies (Becton Dickinson & Co., Eli Lilly & Co., and Boehringer Mannheim) to increase awareness of diabetes and improve the quality and availability of diabetes care and education in China.	• Very clear and limited scope with defined outcomes. • Selection of partners with area expertise that can be applied and extended with full funding. • Enter partnership based on sustainability and benefit to the target community and all partners. • Involve all partners in the planning, monitoring, assessment, and ongoing evaluation.	• Accountability for program activities should be clearly delineated between public and private stakeholders. • As program modifications are required, they should always be dictated by the need to achieve programmatic objectives.
GLOBAL ALLIANCE TO ELIMINATE LYMPHATIC FILARIASIS[5] GlaxoSmithKline partnered with the World Health Organization and various international and local NGOs to eliminate Lymphatic Filariasis by 2020.	• Established clear and measurable outcomes. • Selected partners based on respective knowledge, resources and experience. • Set up a flexible, decentralized structure with minimal bureaucracy. • Establish maximum degree of local program ownership. • Expand partnerships to academic centers to create linkages between public and private sectors.	• This is an initiative of enormous proportion – targeting over 1 billion people in 80 countries. It is difficult to evaluate success and determine best practices at intermediate stages.

[1] Responses gathered from Diana Grina, Director of Personal Care Products, Colgate-Palmolive
[2] Responses gathered from Brenda Colatrella, Director of Worldwide Product Donation Policy and Programs, Merck & Co.
[3] Responses gathered from Linda Pfeiffer, President of INMED
[4] Responses gathered from Cary Kimble, Project HOPE
[5] Responses gathered from Brian Bagnall, GlaxoSmithKline

ATTACHMENT C

The Global Development Alliance

A New Business Model to Deliver Foreign Assistance

- Seeks to leverage new partners, resources, technologies and ideas
- Builds on past work—more intentional, less opportunistic, brings it to scale
- Involves investment of resources for partnerships
- Guided by small secretariat with emphasis on service to Agency operating units—Bureaus, Offices and Field Missions

Responding to Emerging Trends

Roles and responsibilities of business, civil society and governments are changing and becoming more interdependent

1. The expanded role of business
   - Responsibilities for the success of the community are emerging as business expands in developing countries
   - The bottom of line of business must be synchronized with the bottom line of communities
2. The expanded role of civil society
   - Civil society has more voice about behavior and governance of the state, business and individuals
   - Civil society plays a greater role in engaging business in development activities
     - Rewards community friendly behavior
     - Scrutinizes questionable behavior
3. The reinvention of governments
   - Governments take a more strategic approach
   - Governments work to foster trust and mobilize social energy from all stakeholders—business, civil society and government

New Forms of Partnerships and Alliances are Emerging

- Partners are designing activities that benefit long-term interests of the private sector while also meeting the social objectives of civil society and those of the state.

- These changes bring greater opportunity to leverage untapped resources in the US private sector, universities, and PVOs/NGOs.

- The time is ripe to assert the USAID comparative advantage: As a convenor and facilitator for inter-sectoral collaboration..

GDA Objectives

- To coordinate and increase the impact of the efforts, resources and interests of the public sector, corporate America, and non-government organizations in support of international development assistance.
- To make USAID more of a leader, facilitator, and collaborator in mobilizing lateral relations with other sectors to achieve economic development goals.
- To improve the quality and extent of partnership with PVOs/NGOs.
- To leverage private financing and skills
  Given the convergence of interests, increased attention to corporate social investing, and the depth and experience that USAID and its PVO/NGO partners have in implementing social development programs, it now makes sense to facilitate linkages between the three sectors.
- To enhance policy reform through advocacy
  Under the GDA, USAID could actively engage the expertise and resources of US corporations in technology transfer, trade and investment and policy and regulatory reform.

The GDA Operational Plan

A Small secretariat in USAID/Washington responsible for providing guidance and assistance to missions and bureaus in seeking, negotiating and designing GDA activities. Reports to Office of Administrator.

GDA Secretariat Functions

1. Outreach to prospective and current strategic partners

2. In-house outreach and education

3. Helping identify Agency policies and standards to assure fairness and transparency in forming partnership and to avoid ill-conceived partnerships

The GDA Operational Plan

Activity management responsibility resides with the operating unit most directly identified with the development objectives of the particular activity.

The USAID Administrator will establish an executive level consultative group to discuss GDA approaches and to provide insight on corporate, philanthropic, academic, PVO developments and priorities.

GDA Programming

Alliances will be concentrated on the three pillars of:

- Economic growth trade and agriculture;
- Global health and;
- Democracy, Conflict and Humanitarian Assistance

Alliances will result from active collaboration with partners on common interests, priorities, and programs.

Field missions, regional bureaus and central bureaus will be heavily involved in proposal generation, vetting resource allocation, alliance building and implementation.

GDA Programming

- A GDA Incentive Fund will support a set of large strategic alliances designed for high impact and visibility.

- The GDA Incentive Fund will support a set of large strategic alliances designed for high impact and visibility.

- Strategic alliances can be worldwide and involve numerous strategic partners.

- They can be highly focused and involve only a single country, activity or few parties to the alliance.
- The GDA Secretariat will be expected to entertain in-house and outside proposals addressing all three levels of Agency operation: country field missions, regional bureaus, and technical centers in Washington.

Streamlining Management

It will be incumbent upon USAID to streamline the way it does business – its contracts and grants – with its partners. Flexibility and innovation will need to be applied to funding and management. GC, M/OP and PPC will be engaged to explore more far-reaching ways to simplify requirements for acquisition and assistance to meet the needs of activities envisioned under the GDA.

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ATTACHMENT C

Developing & Implementing Program Evaluations

A Selection of Recommended On-Line Resources

RESOURCE	DESCRIPTION	PURPOSE
Innovation Network http://www.innonet.org	**Innovation Network** develops and shares evaluation tools with nonprofits and funders. You can register and become a workshop user free-of-charge. Their ***nonprofit workstation*** is designed to walk people through the processes of crafting a particular kind of planning framework (either a Logic Model or an Evaluation Plan), and to provide helpful information, examples, and resources along the way. The workstation is suitable for use by both experienced practitioners and novices.	Useful for getting started & planning an effective evaluation plan. ***Workshop station*** enables organization to design program-specific evaluation plan.
Community Toolbox http://ctb.ku.edu	**Community Toolbox**, developed and maintained by the University of Kansas, provides over 6,000 pages of practical information to support work that is critical in promoting community health and development (i.e. evaluation, strategic planning and community assessment to name a few). This website provides information on how to develop a plan for evaluation, methods for evaluation, and using evaluation to understand and improve the initiative, as well as trouble-shooting guides, how-to guides and examples of evaluating initiatives.	Useful for getting started & planning an effective evaluation plan. Includes ***frameworks, guides and examples***.
United Way Outcome Measurement Resource Network http://national.unitedway.org/outcomes	**United Way Outcome Measurement Resource Network** offers information, downloadable documents, and links to resources related to the identification and measurement of program- and community-level outcomes. The ***resource library*** provides listings of accessible documents related to concepts, theories, strategies, methods, and tools. Resources related to achieving and measuring community outcomes and tracking and reporting community conditions are also included.	Useful for ***accessing publications and reports*** (some case studies) related to community-level initiatives and program outcome measurement.

INMED Partnerships for Children
"Inspiring Communities, Creating Opportunities"

RESOURCE	DESCRIPTION	PURPOSE
American Evaluation Association http://www.eval.org	**American Evaluation Association** is an international professional association of evaluators devoted to the application and exploration of program evaluation, personnel evaluation, technology, and many other forms of evaluation.	Useful for ***accessing links*** to events, conferences, discussion listservs, university programs and academic centers, professional evaluation groups, etc. to explore various evaluation topics.
Management Assistance Program for nonprofits http://www.mapfornonprofits.org	**Management Assistance Program for nonprofits** provides management and board development services for nonprofits, governmental agencies and religious institutions. Several online resources are available through this website, specifically MAP's ***Free Management Library*** which includes a range of documents addressing different nonprofit management and capacity building activities. Materials on evaluation are provided here.	Useful for ***accessing web resources*** related to management activities in the nonprofit sector, including evaluation.
Centers for Disease Control Evaluation Working Group http://www.cdc.gov/eval/framework.htm	**CDC Evaluation Working Group** promotes program evaluation in public health. In addition to its own framework, this website provides resources with further information about evaluation or assistance in conducting an evaluation project (includes links to journals, step-by-step manuals, planning and performance improvement tools, etc.).	Useful for ***examining an evaluation framework*** for programs related to public health.
The Center for the Advancement of Community-Based Health http://www.cdc.gov/eval/evalcbph.pdf	**The Center for the Advancement of Community-Based Health** has produced an evaluation framework for community-based health programs. This document is based on the evaluation frameworks produced by CDC and the Community Toolbox.	Useful for ***examining an evaluation framework*** for programs related specifically to community-based health.

ATTACHMENT D

MONSANTO FUND

MONSANTO FUND
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ST. LOUIS, MISSOURI 63167
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May 8, 2003

Dr. Linda Pfeiffer, President
INMED
45449 Severn Way, Suite 161
Sterling, VA 20166

Dear Linda:

I wanted to take a moment to personally thank you and commend the work that INMED and The Millennium Alliance program have done for the Monsanto Fund.

I am pleased to share with you the news that the Monsanto Fund Board of Directors has approved the social investment strategy that The Millennium Alliance helped us to develop. This will enable us to concentrate our resources on an extremely important development goal – supporting nutritional well-being through improved agriculture – through NGOs in the developing regions where we work around the world. As a result of the work of The Millennium Alliance with our regional people, we have also decided to make larger and longer-term grants to individual NGOs to maximize impact.

As you can appreciate, with current economic conditions maximizing and effectively programming our social investment dollars is extremely important to Monsanto. With the downsizing of our own staff here at the Monsanto Fund, I could not have accomplished this without the professional expertise and thoughtful help of INMED and The Millennium Alliance.

Although this a great move forward, our work is not done. I am pleased that the Monsanto Fund will be able to further retain the assistance of The Millennium Alliance in rolling out this strategy to the regions, adapting it accordingly, and helping us to identify and form partnerships with the most effective NGOs in the regions. I have forwarded a contract to you separately for this purpose.

I also would like to take this opportunity to commend the USAID Office of Private and Voluntary Cooperation for their foresight in supporting The Millennium Alliance through INMED. Monsanto believes strongly in the principles of public-private partnership. Partnerships are essential not only to maximize the amount of funds and the number of programs reaching people in need, but also to assure that the assistance is as effective and efficient as possible. I know of no other mechanism through which we could have so quickly and effectively found the professional help we needed to move forward in our efforts to increase and more effectively program our financial resources to help assure food security around the world.

Thank you and Best Regards,

Deborah

Deborah J. Patterson
President
Monsanto Fund

ATTACHMENT E

Sharing Resources, Saving Lives: In-Kind Contributions from ImageFirst Support Vital Medical Treatment and Research in Bangladesh

As reflected in our name, the defining characteristic of INMED Partnerships for Children's broad range of health, social, education and community development programs around the world is our steadfast commitment to building multi-sector partnerships to achieve outcomes that are consistently greater than the sum of their parts. The procurement services offered through INMED's Millennium Alliance Program—initiated with support from the U.S. Agency for International Development to facilitate partnerships between the private sector and NGOs—are one way in which we are furthering this commitment by involving new companies in international humanitarian and development efforts and enabling them to become true philanthropic partners in development.

At ICDDR,B's Matlab Hospital, doctors administer oral rehydration treatment to save the lives of infant patients, who are most susceptible to diarrheal diseases such as cholera and the life-threatening dehydration these devastating illnesses cause.

We are proud to count ImageFirst among the Millennium Alliance network of corporate partners whose generous contributions make it possible for our non-profit client organizations to gain access to essential medicines, supplies and equipment that would otherwise be out of their financial or logistical reach. ImageFirst's extraordinary donation of thousands of units of hospital linens and clothing—enough to fill a 40-foot ocean shipping container—is a showcase example of how partnership facilitation can match a corporate donor's generosity to a closely targeted need at the community level—even halfway around the world.

The items contributed by ImageFirst, including hospital gowns and robes in a rainbow of colors, surgical linens, and towels, sheets and blankets in all sizes, will benefit the International Centre for Diarrhoeal Disease Research in Bangladesh (ICDDR,B). For more than 25 years, ICDDR,B has provided treatment free of charge to over two million patients—most of them children whose families live in abject poverty. ICCDR,B estimates that of these patients, close to 500,000 would have died without the treatment received at their facilities, Currently, more that 120,000 people receive direct medical care each year through ICDDR,B's hospitals.

Desperate rural families may travel long hours or days through challenging conditions to bring their children to ICDDR,B's treatment facilities. In Bangladesh, although significant advances in child survival are being made, thousands of infants and young children still die each year, many of them from diarrheal diseases. Parents know that ICDDR,B may offer the last hope for saving their children's lives.

Over the last four years, INMED's Millennium Alliance Procurement Program has forged partnerships with 38 private sector companies, including ImageFirst, that help ICDDR,B meet its supply chain needs—from medical equipment and laboratory supplies, to office products and computers, to boats and spare parts—for its internationally renowned non-profit research laboratory and its associated hospitals and field programs.

Because both INMED's Millennium Alliance and ICDDR,B operate on very tight budgets and channel as many funds as possible to direct services, we are grateful for in-kind contributions from our corporate partners like ImageFirst, which help leverage resources for the ultimate benefit of so many people we may never come to know personally, but whose lives may be changed as a result of our collective efforts and concern.

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ATTACHMENT F

STRENGTHENING THE "CORPORATE" IN CORPORATE SOCIAL RESPONSIBILITY: A PRACTICAL TRAINING PROGRAM FOR COLOMBIA

CONCEPT PAPER

PRESENTED TO:

W.K. KELLOGG FOUNDATION

BY:

INMED PARTNERSHIPS FOR CHILDREN: THE MILLENNIUM ALLIANCE PROGRAM

AND

COMPARTAMOS CON COLOMBIA

JULY 30, 2003

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COMPARTAMOS CON COLOMBIA

INMED Partnerships for Children and Corporación Compartamos con Colombia are pleased to present this Concept Paper to the W.K. Kellogg Foundation for support of a series of workshops to educate corporate executives and managers in Colombia about corporate social responsibility (CSR) and volunteerism.

WHY PROVIDE TRAINING TO CORPORATE EXECUTIVES?

Current thinking in development literature places priority on promoting philanthropy and volunteerism within the corporate sector in order to augment shrinking resources available through governments and non-governmental organizations (NGOs). Everyone seems to be jumping on the bandwagon – public/private partnerships are touted as a way to tap into critical new revenue streams and bring about the transfer of best demonstrated practices from the corporate world to the non-profit arena. Many organizations, including W.K. Kellogg Foundation, have invested significant resources on shoring up the capacity of NGOs to capitalize on this anticipated projected revenue stream through leadership development programs, promotion of networking among NGOs, and nonprofit management education programs.

The business community counterparts of NGO managers have been largely ignored in this effort to build receptive capacity. The assumption has been that enlightened corporations will understand all the reasons to invest resources in their communities and that all that is needed to productively use these resources for programs is an NGO community that is well managed, well trained, and well networked.

Through INMED's work with forming public-private partnerships over 15 years, we have found that corporations do not necessarily know how or why to be "socially responsible", and that many of the efforts they make are reactive rather than proactive, resulting in haphazard and ineffective contributions to both achieving community improvements and meeting corporate objectives. This is especially the case in developing countries, with locally based businesses where traditions of corporate social responsibility do not exist and where even enlightened self-interest is often a progressive concept.

In order to make fundamental, lasting changes in the landscape of corporate social responsibility, we believe it is crucial to stimulate a change process in all sectors involved. As a complement to the extensive capacity building work done within the not-for-profit sector, we propose to develop and conduct a series of workshops directed to corporate executives. These workshops, grounded in best practices in public-private partnerships, will provide practical means for executives and managers to evaluate the costs and benefits of social responsibility undertakings from the perspectives of both their operating communities and their corporate cultures and aspirations.

Just as much has been invested in building the capacity of NGOs to "absorb" private sector revenue streams, an investment needs to be made in building the capacity of corporate executives to understand the parameters of effective corporate social responsibility and how it can play a role in strengthening the communities in which they do business and in strengthening business performance.

THE COLOMBIAN CONTEXT

In the past few years, corporate social responsibility initiatives have increased in number and scope in Colombia, in response to the country's critical situation and in an effort to promote a more sustainable development process.

Presently, Colombia is facing a difficult economic and social crisis. Poverty levels today are similar to those of 10 years ago[1], the violence caused by war has deprived over 1.5 million Colombians of their homes[2] in the last five years, and countless children and families have lost their lives due to natural disasters, lack of food, and terrorism.

In an effort to foster positive change, a variety of corporate actors in Colombia have been developing initiatives aimed at actively involving the business community in the alleviation of Colombia's social problems and in the construction of a more sustainable society. In the late twentieth century, more than 90 corporate foundations, such as Fundación Carvajal, Fundación Smurfitt and Fundación Corona, were created to channel private social investment[3].

Additionally, the private sector has been contributing human and financial resources to the NGO sector in Colombia, through direct support and membership in non-profit organizations, donations, and volunteerism. An example of this contribution is the yearly membership fee that 30 leading Colombian-based companies give to support sustainable development practices in Colombia through CECODES[4]. Equally, there is a growing number of managers and professionals that are participating as volunteers in NGOs, carrying out operational tasks as well as making strategic contributions through active participation on boards and steering committees.

The increasing interest of the corporate sector in developing socially responsible initiatives is clear evidence of the beginning of a change in perception in Colombia's business community. This change provides an opportunity to promote a more active involvement of the private sector as a partner and catalyst of positive social change.

Although the interest and desire to help is present in the business community, there is a clear lack of knowledge, best practices, and tools to help focus and operationalize socially responsible initiatives. Many business people and managers are faced with the challenge of developing socially responsible strategies and programs without fully comprehending the scope of corporate social responsibility. Additionally, there is still a significant part of the private sector where corporate social responsibility is not part of the culture.

Corporate social responsibility practice in Colombia is at a pivotal crossroads, poised to play a catalytic role in the country's development. Information resources, training, and guidance about effective CSR practices directed to the corporate sector could significantly increase the impact and efficient allocation of the resources that the private sector is presently investing in the country and encourage additional, sustained investments in communities, employees, the environment, and society as a whole.

---

[1] A study by Eduardo Lora, consultant of the Inter-American Development Bank revealed that the income per capita in Colombia has increased less than 5% in the last decade while other Latin American countries such as Argentina, Costa Rica, Bolivia and Brazil increased between 17 and 27%.

[2] Codhes (Consultoría para los Derechos Humanos y el Desplazamiento) estimates that 1,512,300 Colombians were displaced by war and violence between 1997 and 2001.

[3] A study by the Centro Regional de Pobalción, 1999.

[4] CECODES is the representative of the World Business Council in Colombia.

A Partnership for Training Corporate Leaders in Colombia

Two organizations have agreed to collaborate to offer CSR effectiveness training for corporate executives and managers in Colombia – INMED Partnerships for Children and Compartamos Con Colombia.

INMED Partnerships for Children is a 501(c)(3) nonprofit based in the Washington, D.C. metropolitan area. Through our Millennium Alliance program, we work with private corporations, foundations, and NGOs to leverage public and private funds to achieve lasting improvements in the quality of life of people in developing nations. INMED has received startup funding from the United States Agency for International Development to support formation of public-private partnerships to increase resources for development.

Building on 15 years of forming public-private partnerships, INMED provides global CSR strategic planning, recommends NGO-implemented programs to achieve CSR objectives, and forms strategic alliances of NGOs to market jointly to the private sector. INMED has developed databases of regional NGOs, corporations, universities, and consultants with strong records of public-private partnership involvement.

Based on requests from our corporate partners, INMED developed a Corporate Volunteer Training Program. This training is designed primarily for either multinational or local corporations that are investing in local community development projects. The Corporate Volunteer Training Program helps companies assess the following: corporate interest and opportunities related to employee volunteers; employee interests and skills; resources needed to coordinate a volunteer program; and community needs for volunteers.

We have performed the initial design phase of a second corporate workshop entitled "Planning for Win-Win Corporate Giving". This workshop will equip participants to: analyze both economic benefits and social benefits in planning for corporate giving; evaluate potential partnership opportunities in terms of business strategies; and help their corporations plan for a strategic approach to corporate giving.

Compartamos con Colombia is an NGO based in Bogotá, Colombia. Compartamos is committed to providing strategic and institutional support to Colombian nonprofit organizations, while at the same time increasing the inflow of international funding to Colombia, and promoting social responsibility among young Colombian professionals and entrepreneurs.

Compartamos is supported by both national and international professional services firms in investment banking, management consulting, accounting, and law. They have established a niche working with well-established nonprofit organizations that are implementing child health, education, regional development, and corporate social responsibility programs.

Compartamos' CSR activities include providing institutional support to the Centro Colombiano de Responsabilidad Empresarial (The Colombian Center for Corporate Responsibility) and organizing joint activities with that organization to promote CSR in Colombia. In addition, Compartamos has offered workshops for corporations and family foundations to introduce them to concepts of social responsibility within the community and development of strategic philanthropy programs. A number of Compartamos' projects place a special focus on promoting social responsibility within college student populations through cooperative efforts with the University of the Andes and Ashoka.

ELEMENTS OF THE PROPOSED CORPORATE TRAINING PROGRAM

INMED Partnerships for Children and Compartamos con Colombia will offer two training workshops to executives and managers in Colombia: *Corporate Volunteer Training Program* and *Planning for Win-Win Corporate Giving.*

The *Corporate Volunteer Training Program* curriculum and materials are fully developed. The *Planning for Win-Win Corporate Giving* workshop has been designed, but not developed. Both workshops will need to be supported by training of trainers' sessions in Colombia and refinement of materials, including translation into Spanish.

Training design, materials development, training of trainers, and materials refinement will be INMED responsibilities, working in collaboration with Compartamos con Colombia. Parallel to INMED's work with the training workshops themselves, Compartamos will conduct a marketing/outreach campaign with local and multinational corporations conducting business in Colombia to enlist participants in the training workshops. In addition, Compartamos will be responsible for recruiting qualified Colombian trainers interested in participating in the training of trainers program and providing the workshops to corporate executives. Compartamos will support the ongoing training process with in-country logistics support for training of trainers' sessions and for the corporate workshops.

Our work products will be:

- Two fully tested training programs with curricula and materials, customized for the Colombian context but utilizable in other Latin American countries.
- A core group of Colombian trainers qualified to present both workshops.
- A cadre of Colombian corporate executives and managers who understand CSR on a par with their NGO counterparts and who are equipped and inspired to encourage effective, win-win CSR within their organizations.

We are proposing a two-year program. Workshop development would take place during the initial three to six months, during which time initial training sessions are planned for trainers. Also during the first six months, the corporate outreach campaign would be ongoing to promote the workshops and enlist attendees. In month seven, corporate workshops would begin, with two workshops offered each quarter. Over an 18-month period, 13 workshops would be offered to a total of 260 executives and managers, assuming 20 participants per workshop. If demand for the workshops is higher than expected, additional sessions would be offered.

AFTER COLOMBIA

We envision a subsequent stage – replication of the CSR training workshops model in other Latin American countries. In this phase, INMED Partnerships for Children, Compartamos con Colombia, and the Colombian trainers would work with organizations dedicated to objectives similar to those of Compartamos to train trainers, offer the training workshops, and strengthen the culture of corporate responsibility among executives and managers in the cooperating countries. Our objective in these countries would be similar to that in Colombia – increasing corporate resources dedicated to social development projects and increasing partnerships between corporations, NGOs, and the public sector by providing corporate leaders with information resources, training, and guidance about effective CSR practices.

Millennium Alliance Project
Cooperative Agreement # HFP-A-00-01-00026-00
October 1, 2001- September 30, 2004

ATTACHMENT G

	USAID ACTUAL	USAID BUDGET	DIFFERENCE	MATCH ACTUAL	MATCH BUDGET
PERSONNEL					
Subtotal Salaries	$493,161	506,190	13,029	333,364	
Benefits	140,042	147,588	7,546	75,745	
Subtotal Personnel	**633,203**	**653,778**	20,575	409,109	
CONSULTANTS	**21,303**	**14,300**	(7,003)	1,288	
TRAVEL					
International					
Airfare					
Per Diem					
Domestic					
Airfare					
Per Diem					
Other Travel/Mileage					
Subtotal Travel	**11,652**	**9,435**	(2,217)	4,633	
EQUIPMENT	**10,202**	**6,173**	(4,029)	405	
SUPPLIES	**1,400**	**845**	(555)	2,934	
OTHER DIRECT	-				
Conference					
Dues & Registration			-		
Website			-		
Transportation			-		
Communications			-		
Printing/copying			-		
Rent/utilities			-		
Subtotal Other Direct	**81,946**	**56,550**	(25,396)	401,716	
TOTAL DIRECT	**741,081**	**741,081**	-	820,085	
INDIRECT	**166,486**	**166,486**	-	109,346	
TOTAL EXPENSE	**907,567**	**907,567**	**0**	**929,431**	**907,567***
Gifts In-Kind	-			**18,299,338**	

Fringe	*Fringe*
7/02-12/03	0.2905
7/01-6/02	0.2663
Indirect	*Indirect*
7/02-12/03	0.2368
7/01-6/02	0.1744

*A 1:1 match ratio was approved in 2004.

TTACHMENT G

FINANCIAL STATUS REPORT

(Long Form)

(Follow instructions on the back)

1. Federal Agency and Organizational Element to Which Report is Submitted USAID	2. Federal Grant or Other Identifying Number Assigned By Federal Agency HFP-A-00-00026-00	OMB Approval No. 0348-0039	Page 1 of 1 pages

3. Recipient Organization (Name and complete address, including ZIP code)
International Medical Services for Health, Inc. 45449 Severn Way, Ste.161, Sterling, VA 20166

4. Employer Identification Number 52-1482339	5. Recipient Account Number or Identifying Number 12A9P	6. Final Report ☑ Yes ☐ No	7. Basis ☐ Cash ☑ Accrual

8. Funding/Grant Period *(See Instructions)* From: (Month, Day, Year) 09/29/2001	To: (Month, Day, Year) 09/28/2007	9. Period Covered by this Report From: (Month, Day, Year) 10/01/2004	To: (Month, Day, Year) 12/31/2004

10. Transactions:	I Previously Reported	II This Period	III Cumulative
a. Total outlays	1,807,673	29,325	1,836,998
b. Refunds, rebates, etc.			
c. Program income used in accordance with the deduction alternative			
d. Net outlays *(Line a, less the sum of lines b and c)*	1,807,673	29,325	1,836,998
Recipient's share of net outlays, consisting of: e. Third party (in-kind) contributions			
f. Other Federal awards authorized to be used to match this award			
g. Program income used in accordance with the matching or cost sharing alternative	907,567	21,864	929,431
h. All other recipient outlays not shown on lines e, f or g			
i. Total recipient share of net outlays *(Sum of lines e, f, g and h)*	907,567	21,864	929,431
j. Federal share of net outlays (line d less line i)	900,106	7,461	907,567
k. Total unliquidated obligations			
l. Recipient's share of unliquidated obligations			
m. Federal share of unliquidated obligations			
n. Total Federal share (sum of lines j and m)	900,106	7,461	907,567
o. Total Federal funds authorized for this funding period	907,567	0	907,567
p. Unobligated balance of Federal funds *(Line o minus line n)*	7,461	(7,461)	0
Program income, consisting of: q. Disbursed program income shown on lines c and/or g above			
r. Disbursed program income using the addition alternative			
s. Undisbursed program income			
t. Total program income realized *(Sum of lines q, r and s)*			

11. Indirect Expense	a. Type of Rate *(Place "X" in appropriate box)* ☑ Provisional ☐ Predetermined ☐ Final ☐ Fixed			
	b. Rate 31.25%	c. Base 2,885,117	d. Total Amount 901,505	e. Federal Share 901,505

12. *Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.*

13. Certification: **I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.**

Typed or Printed Name and Title Michael J Ahearn, Chief, Finance & Administration	Telephone (Area code, number and extension) 703 444-4477 x203
Signature of Authorized Certifying Official	Date Report Submitted

World Council of Credit Unions, Inc.

Nicaragua Remittance Implementation Project

Sponsored by the United States Agency for International Development

Fourth Quarter Report for 2003
December 31, 2003

April 2004

Prepared by:

Christopher McHugh, Team Leader / WOCCU, Nicaragua

WOCCU

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C. SPECIFIC GOALS - OUTREACH

Area	Actual Sept 2003	Goal Sept 2003
Savings	C$ 49,255,300	C$ 47,500,000
Loans	C$ 51,580,806	C$ 53,250,000
Assets	C$78,696,808	C$80,000,000
Members	26,539	27,500

D. MAIN ACTIVITIES FOR PROJECT IMPLEMENTATION

ACTIVITY	Year 1			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4
A. PROJECT STARTUP				
USAID - WOCCU Agreement	X			
IRnet – CSO Agreement	X			
Establish CSO – Credit Union Agreement	X			
Installation of Remittance Software and Training in CSO	X			
Install Office	X			
Finalize Workplan and Administrative Policies	X			
Credit Union Group Orientation Workshops	X			
B. INSTITUTIONAL STRENGTHENING AND TRAINING				
PEARLS Monitoring System	X	X	X	X
Business Plans				X
Liquidity Management	X	X	X	X
Development of Internal controls Policy Manual		X		
Resource Allocation		X	X	
C. IRnet PROCEDURES TRAINING				
Accessing and Processing Transaction Data Via Email	X	X		
Accessing and Processing Transaction Data Via Centralized Database			X	X
Accounting for Remittances	X	X		
Remittance Payment Procedures	X	X		
Internal Controls of Remittance Distribution	X	X	X	X
D. IRnet MARKETING STRATEGIES IN NICARAGUA				
Market Surveys to Determine Demand Levels and Perception of Credit Unions/Remittance	X			

ACTIVITY	Year 1			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Development of New Financial Products Linked to Remittances		X		
Launching of New Financial Products			X	X
Training in Cross Selling Other Financial Products			X	X
Implementation of Marketing Strategies for Cross Selling		X	X	X
Development of Marketing Campaign for Members and Savings through Remittances				X
Marketing Campaign to Increase Members and Savings through Remittances				X
E. IRnet MARKETING STRATEGIES IN US				
Form Alliances with US credit unions and US credit union leagues		X		
Implement Software and Training of Credit Unions			X	
Develop Marketing Strategies for US			X	X
F. REVIEW AND ADJUSTMENT FOR GREATER VOLUME				
Evaluate Procedures and Information Systems	X	X	X	X
Improve Liquidity Management Facilities			X	X
Identify New Niches in the Market			X	X
Implement Changes in Procedures and Information Systems		X	X	X

III. STATUS OF IMPLEMENTATION – BY ACTIVITY

A. OVERALL OBJECTIVES

A summary of the results of each of the overall objectives follows, with more detailed explanations in subsequent sections of this document.

1. *Select, monitor, maintain and train staff in internal controls and liquidity management standards required for safe and secure transfers.*

   For training in handling this new financial service, internal controls and liquidity management standards were the logical starting point. This was accomplished in general, although the real challenge for liquidity management will be seen when volume increases.

2. *Install updated payment clearing software systems in CSO and the selected credit unions to manage remittance flows.*

   At the close of this quarter, the information transfer and payment clearing software options are still being analyzed and have not yet been implemented. For the time being, the rudimentary systems in place in the CSO are accomplishing the task of information management.

3. *Train CSO and credit union staff in operations and management of remittance transfer systems.*

   Training in the current methods of operations have been carried out, but will have to be updated when the new software is implemented.

4. *Implement aggressive marketing programs locally in the credit unions and communities at large, tying in marketing plans with Vigo and IRnet officials.*

   The credit unions began marketing the remittance service locally, using flyers, radio announcements and word-of-mouth campaigns.

5. *Develop strategies for marketing remittance services and financial products for credit unions in areas of the US with high Nicaraguan immigrant populations so as to expand remittance outreach and community impact of remittance transfers through the partnerships and alliances that exist within WOCCU.*

   Currently, this powerful marketing option is being organized through the partnership that the Nicaraguan movement has with the Washington D.C. Credit Union League. This is not the area of highest Nicaraguan population within the US, but offers the possibilities to establish pilot plans to be replicated in other parts of the US with other credit unions or credit union movements.

6. *Develop financial products and services linked to remittances for value-added money transfer services, establishing ties between the formal financial sector and both the immigrant communities and receivers in country.*

   At the close of the quarter, Mr. Jose Linares was hired with assistance from PROMIFIN COSUDE in order to help the CSO establish needs for new financial product development.

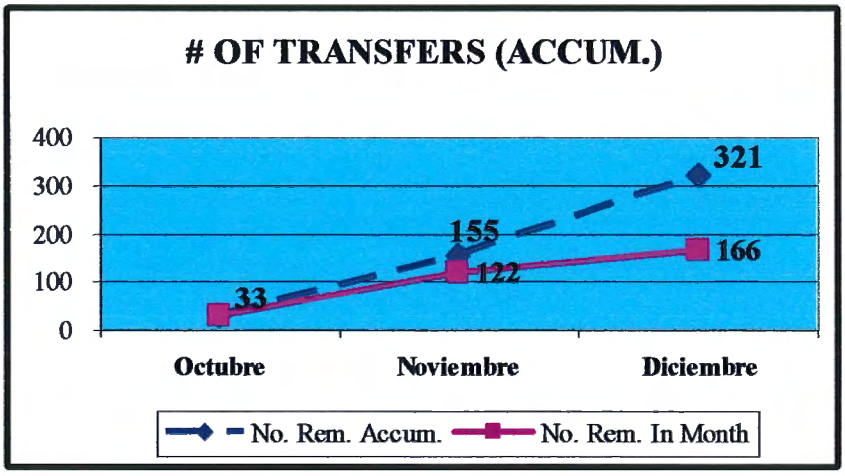
B. SPECIFIC GOALS - REMITTANCES

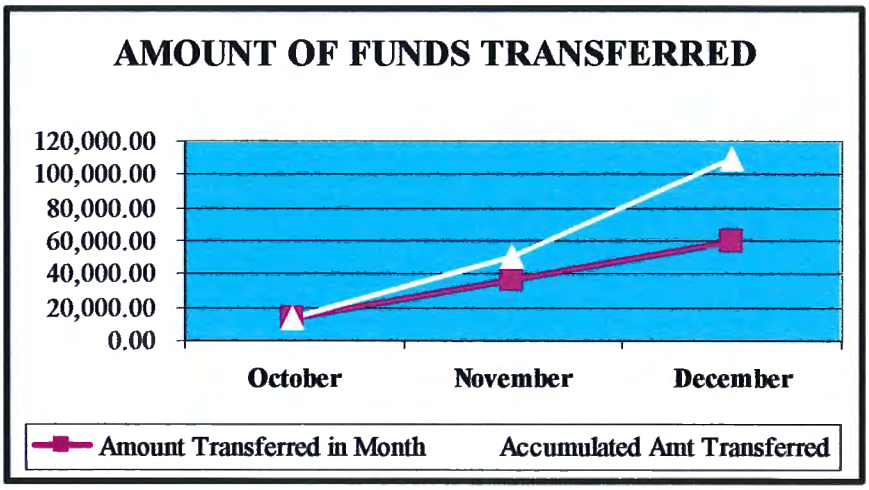
The IRnet service officially began on October 20th. As was expected, during the first weeks of offering the service, there were few transfers made, most of which came as a result of the previously established presence of Vigo in the capital city of Managua. Vigo had previously worked with a local currency exchange company and still maintained a weak flow of remittances with them. However, now that the remitters could channel their transfers to any one of the CSO's network's offices, not surprisingly, some of those transfers did in fact pass through IRnet.

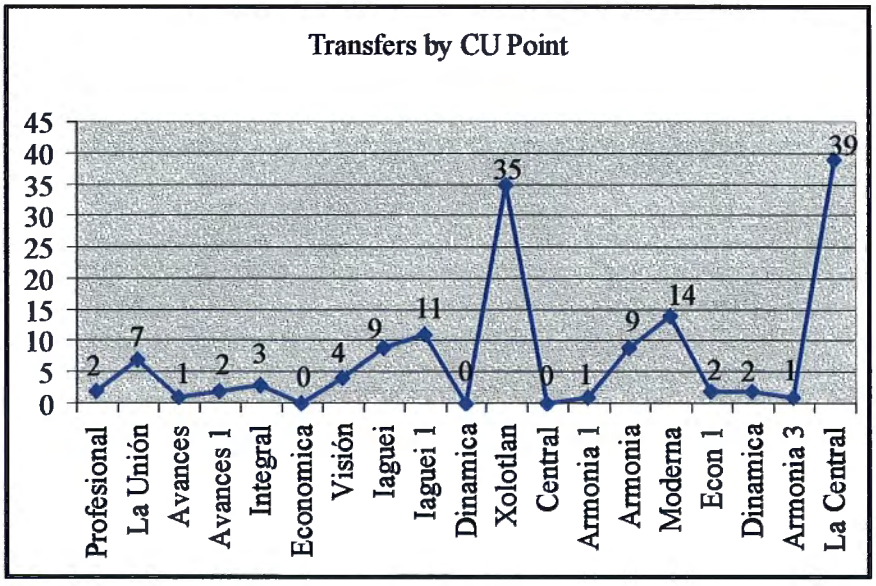
During the first two full months of service, November and December, the number of transfers hovered between 122 and 166, considerably less than was expected for the first two months. At the end of December a consultancy was initiated with two purposes in mind: 1) determine ways to improve local marketing of the remittance services, and 2) develop financial products and services linked to remittance services. The effects of the first part of this will be seen in future quarters, while the plans for the second point will be outlined in section

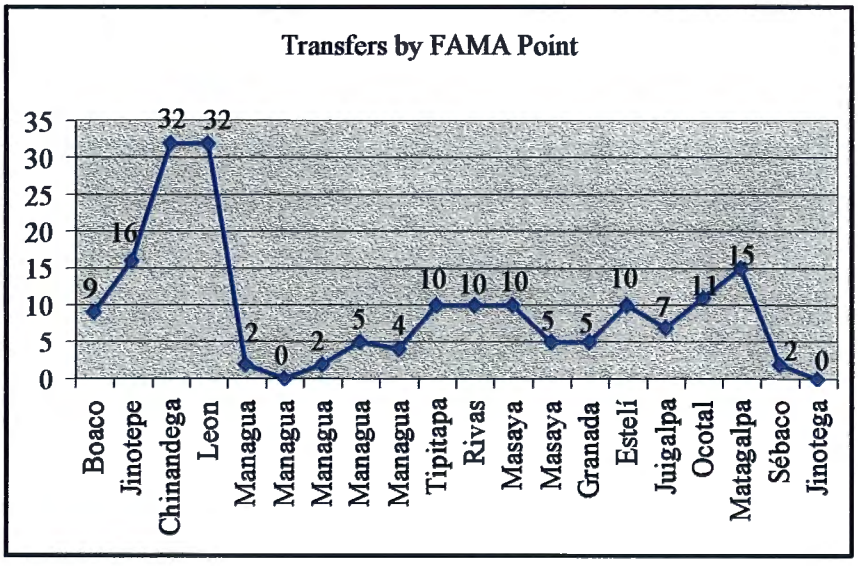
Month	No. Rem. In Month	No. Rem. Accum.	Average # Trans per Day, Current Month	Accum. Amt Trans.	Amount Trans in Month	Average Size of Remittance (Accum)
October	33	33	3.0	13,719.00	13,719.00	415.73
November	122	155	4.2	50,442.00	37,123.00	329.69
December	166	321	5.4	110,115.50	59,673.50	341.97

Graphically, the statistics are as follows:




AMOUNT OF FUNDS TRANSFERRED
120,000.00
100,000.00
80,000.00
60,000.00
40,000.00
20,000.00
0.00
October
November
December
Amount Transferred in Month
Accumulated Amt Transferred


Transfers by CU Point
45
40
35
30
25
20
15
10
5
0
2
7
1
2
3
0
4
9
11
0
35
0
1
9
14
2
2
1
39
Profesional
La Unión
Avances
Avances 1
Integral
Economica
Visión
Iaguei
Iaguei 1
Dinamica
Xolotlan
Central
Armonia 1
Armonia
Moderna
Econ 1
Dinamica
Armonia 3
La Central


Transfers by FAMA Point
35
30
25
20
15
10
5
0
9
16
32
32
2
0
2
5
4
10
10
10
5
5
10
7
11
15
2
0
Boaco
Jinotepe
Chinandega
Leon
Managua
Managua
Managua
Managua
Managua
Tipitapa
Rivas
Masaya
Masaya
Granada
Estelí
Juigalpa
Ocotal
Matagalpa
Sébaco
Jinotega

C. SPECIFIC GOALS - OUTREACH

As a critical part of the project's success, it will be important to monitor the effect of the remittance service on the overall growth and penetration of the credit unions. The group of credit unions that are currently offering the remittance service is slightly smaller than the control group of reports from the previous project, due to the fact that two of the credit unions were not deemed to be in sufficient financial capacity to manage the liquidity pressures of remittances. Therefore, in the case of some outreach targets, the group reflects a decrease or very slight increse with regards to the previous quarter.

Chart 1

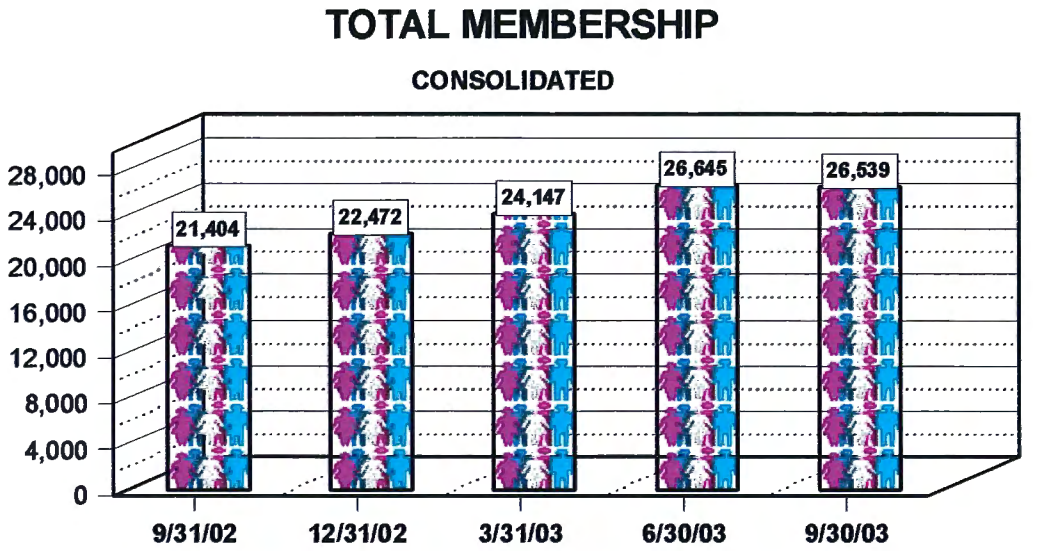


Chart 2

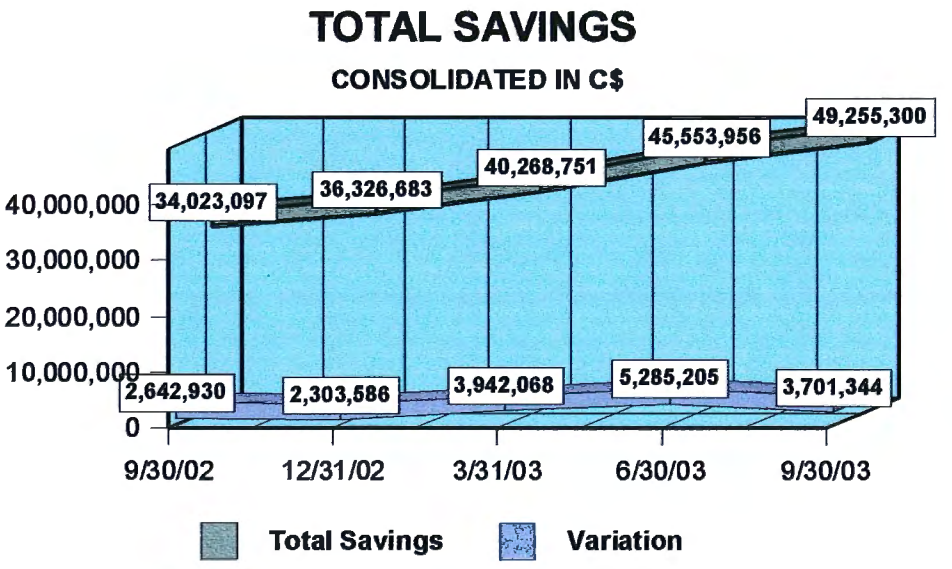


Chart 3

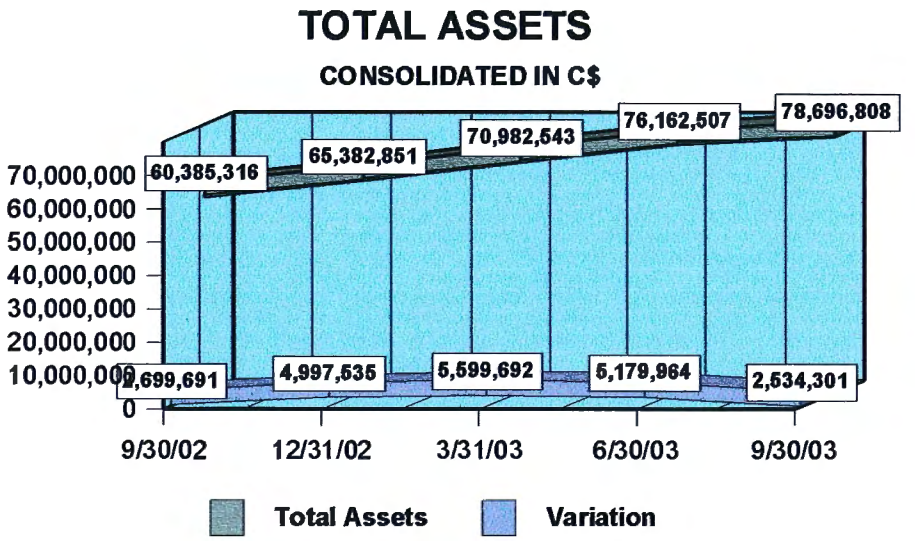
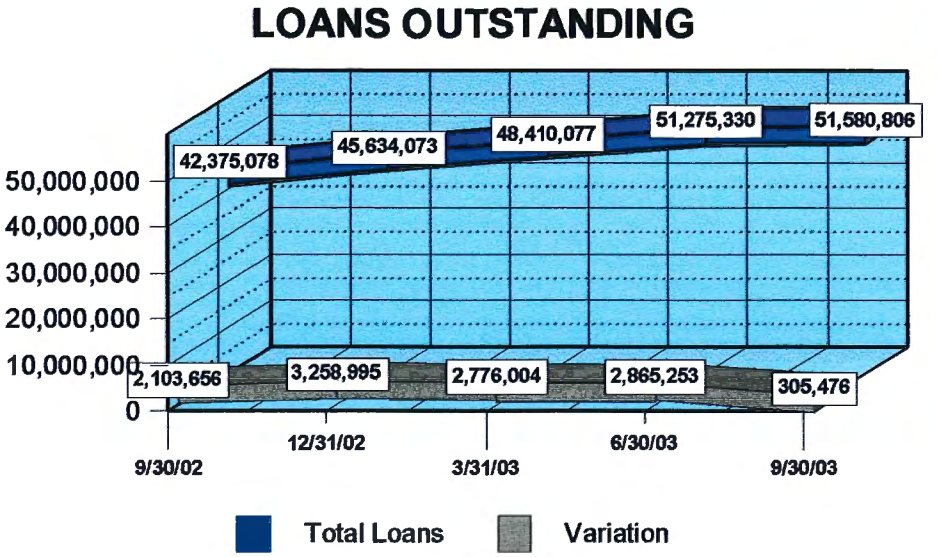


Chart 4



D. MAIN ACTIVITIES FOR PROJECT IMPLEMENTATION

1. PROJECT START-UP

The Nicaragua Remittance Implementation Project got underway in July of 2003, succeeding the Rural Credit Union Program begun by USAID and the World Council of Credit Unions in Nicaragua in 1996. This project builds on the momentum established in the previous project, designed to strengthen the Central Service Organization, or CSO, as a service provider to a select group of disciplined, sustainable credit unions operating with a unique branding and

standardized procedures, financial products and adherence to prudential norms, in the absence of a proper regulatory framework.

As a key part of the transformation of the CSO from a WOCCU / USAID sponsored project, towards its establishment as a sustainable, local entity owned and governed by the credit union movement, the project began by relocating the offices to the heart of the commercial district in Managua in newly remodeled installations. This was an important step in positioning the CSO as a highly visible, commercially attractive organization.

In the course of the first three months of the project, negotiations were held with a variety of organizations in order to form alliances and thus complete the chain of participants in the remittance service. The CSO plays a vital role as the control center for operations in Nicaragua, but is not alone in what is now a network of entities working together to take advantage of their unique strengths to be able to compete in this highly dynamic industry.

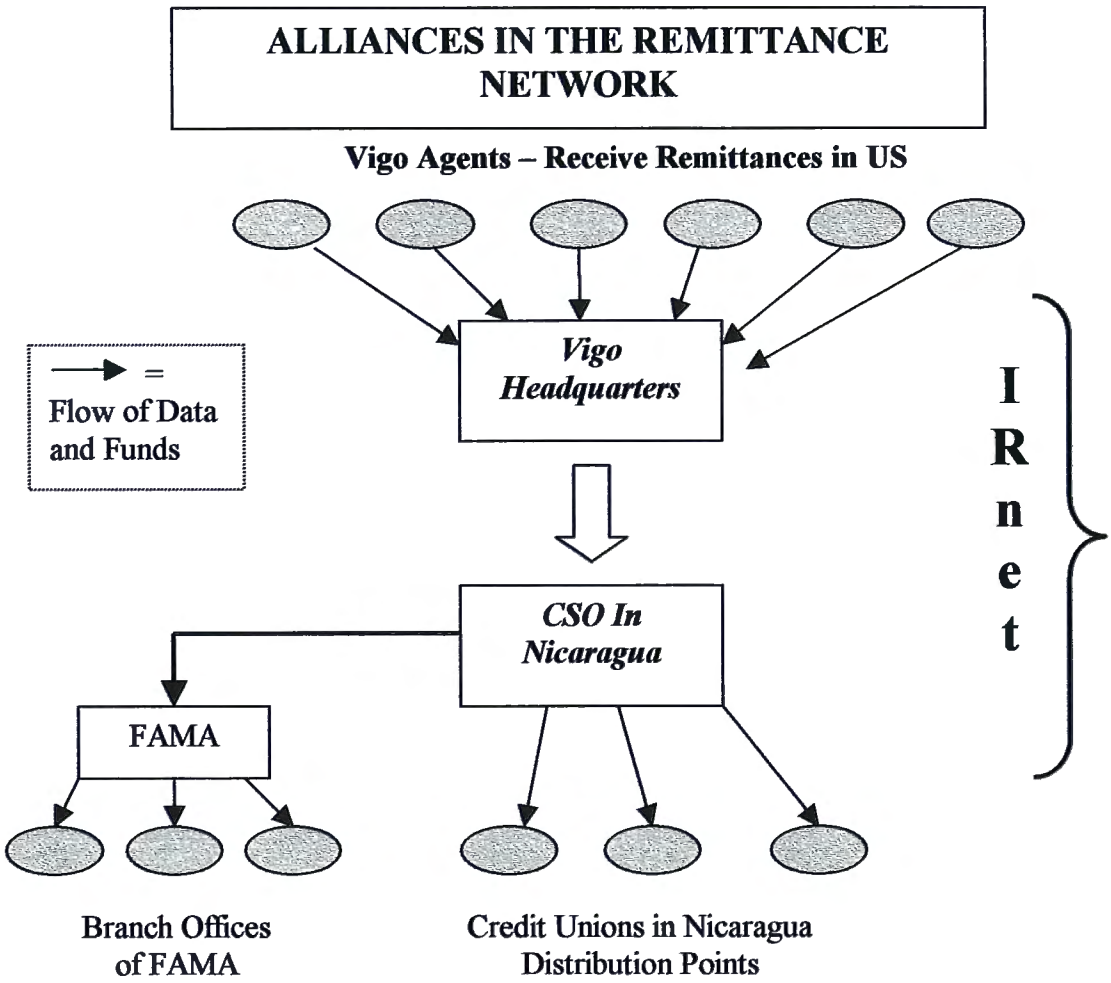
Meetings were held with Vigo Remittance Corporation in order to establish the terms of a contract to formalize an alliance between the CSO and Vigo for purposes of performing money transfers between the United States and Nicaragua. This contract established the rights and responsibilities of the two parties with regards to fees for the CSO and its credit unions, operating procedures and wire transfer instructions.

A contract between WOCCU's IRnet and the CSO was also established as a means to ensure the continued presence of WOCCU in the development of the new remittance service and facilitate innovation and support on the US side of the border as well as technical assistance in financial management and information systems. In addition, WOCCU provides essential assistance to the CSO regarding compliance to money laundering legislation and internal controls to be implemented.

Locally, the credit union network was reinforced with an alliance with the ACCION affiliated micro finance institution FAMA. FAMA offers increased coverage in such key areas as Managua, Leon and Chinandega, thereby allowing for the CSO distribution network to compete favorably with the traditional giants of the remittance industry.

In addition, upon determining the specifics of the operating procedures and the obligations of the CSO in the remittance program, a contract was developed and implemented between the CSO and the participating credit unions as well as between the CSO and FAMA. Here, operating procedures were clearly specified and internal control processes outlined, providing a framework for further training to the credit unions by the CSO.

Having defined the overall processes, preparations were made to begin providing the remittance service effective October 20, 2003. This consisted primarily in the development of a rudimentary system of distribution of payment instructions to the credit unions and FAMA, handled by email in pre-packaged Excel files.



In addition to the remittance service from the United States, the CSO also entered into an agreement with the Fondo de Desarrollo Latinoamericano (FOLADE) which has recently begun efforts to establish remittance services from Costa Rica to Nicaragua. This service began in mid-November, and operates under a similar structure as outlined above, with the exception that the CSO is not allied with FAMA in this service. The reason for this is that FOLADE has signed agreements with nine other micro finance institutions in Nicaragua to provide this service.

2. INSTITUTIONAL STRENGTHENING AND TRAINING

While it is expected that the credit unions have evolved into disciplined, sustainable financial institutions due in large part to the Rural Credit Union Project of the previous six years, experience shows that constant vigilance of adherence to the financial disciplines is a must for all credit union movements, and is especially important in Nicaragua due to the absence of a prudential regulatory framework. Therefore, the project will be monitoring the performance of the credit unions in certain key areas of financial discipline and outreach.

It is important to note that upon ending the Rural Credit Union Project, there were three credit unions that had not attained the same level of development as the rest of the group. Therefore, due to deficiencies in liquidity and solvency, these credit unions did not begin participating directly in the remittance project and will not be included until such time as they have undergone sufficient structural changes so as to be ready to take on the additional responsibility of responding to the demands of the remittance service. For that reason, the results shown in the following graphs are somewhat inconsistent with the earlier tendencies shown in the RCUP program, given that the number of offices represented has been reduced at least temporarily.

The project office, under the guise of the CSO, provided follow-up to the disciplines instilled in the previous project as necessary steps in assuring success in the remittance project as well as for the general safety and soundness of the movement as a whole. However, no doubt as an effect of the end of the formal phase of technical assistance by WOCCU in the credit unions, it can be noted that at least until September 2003, adherence to financial disciplines has tailed off somewhat. Preliminary results seen as of December 2003, although not presented here, have shown some improvement in some of these areas.

The following charts show the results of the key financial indicators of the movement.

Chart 5

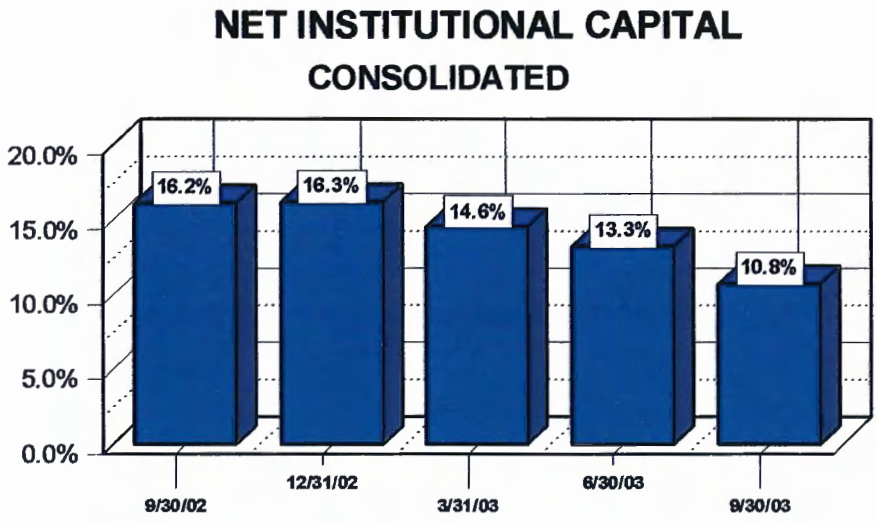


Chart 6

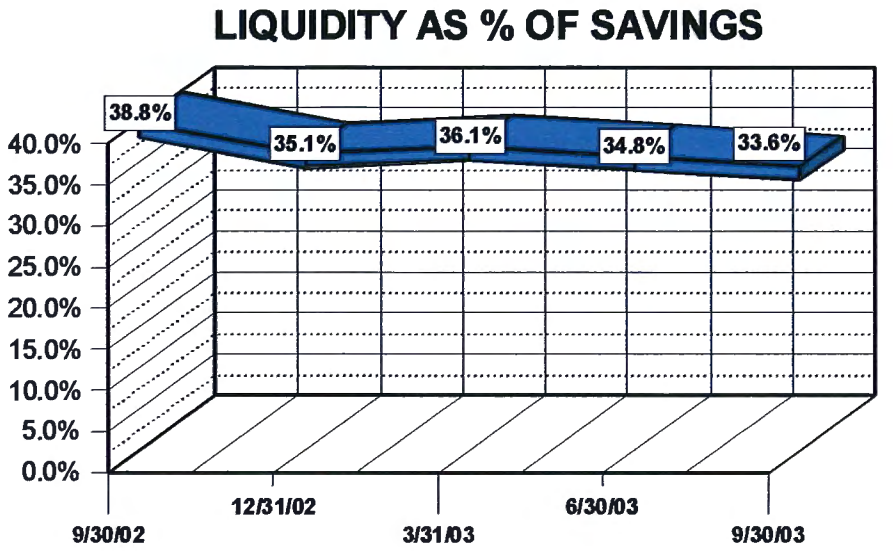
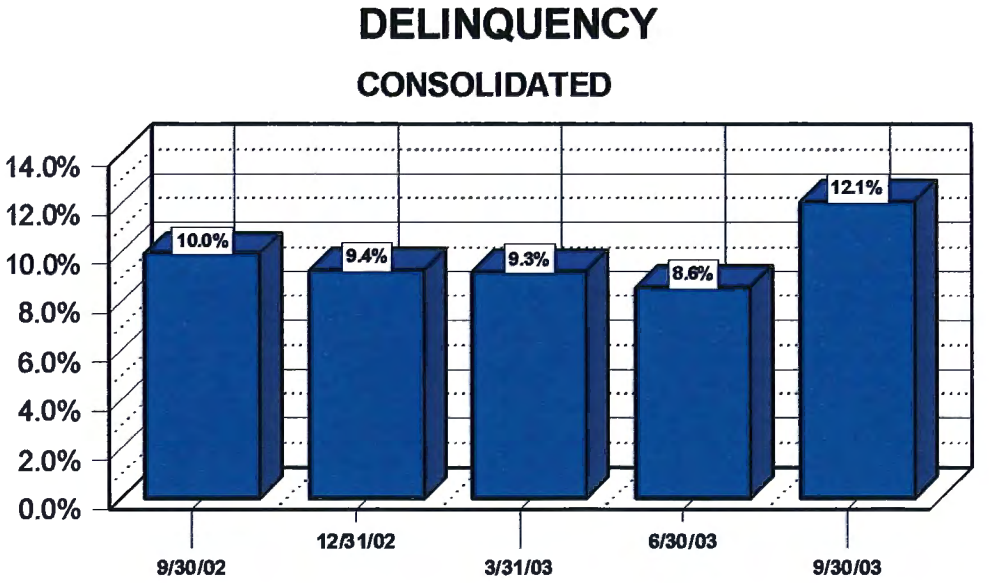


Chart 7



OUTREACH IN RURAL FINANCE

During this phase of project implementation, preliminary results of the pilot program begun under RCUP II are now available. The CSO continued its assistance in the formation of an alliance between the C.S.O., its member credit unions, and CLUSA, which has provided technical assistance to small farmers in production and commercialization of their harvests. CLUSA is also in a period of transition, since its USAID funded project has come to an end, but has formed a local NGO to continue in the work of commercialization of agricultural products as a sustainable business endeavor. The pilot for this alliance has been the bringing together of small farmers in the Pacific lowlands area (Chinandega) with a branch office of the Iaguei credit

union, which has traditionally had reluctance to penetrating the rural areas for agricultural lending.

The results of the pilot program have been very encouraging, as a group of 87 farmers are now active members of the credit union, using both savings and credit products as a way to stimulate development of their small farms. Specifically, the Supervised Agricultual Credit product, developed in the fourth quarter of last year has been instrumental in providing a framework for the credit union to manage risk in this area. CLUSA Nicaragua's role in this process is to complete the triangle of "Financial Services-Technical Assistance in Production-Commercialization" so as to maximize the possibilities of ensuring a successful harvest and repayment of credit.

The loan portfolio for this product amounted to $27,437 among 87 farmers, who have worked mainly with sesame seed during the pilot program. This translates into an average loan size of $315 per farmer. It is worth noting that in this highly impoverished area of the country, an incursion into the agricultural sector among such small farmers implied high risk for the credit union, especially given their lack of previous experience in agricultural lending. At the end of the agricultural cycle, however, the credit union had recovered all but **0.78%** of the portfolio of this product!

3. IRnet PROCEDURES TRAINING

IRnet procedures training consisted first in the creation of remittance processing instruments in the CSO, which could interact with Vigo's remittance software and thus provide a bridge for distributing the payment orders to the credit unions and FAMA and also manage the payment confirmations in a timely, if not fully automated, manner. That is to say, Vigo provided the CSO with a program to download the payment orders to a centralized location in the CSO. However, the program is not designed to allow for easy distribution of these orders to the payment centers.

As such, the information systems department of the CSO created an application that extracts the information from the Vigo program's database and packages the instructions in Excel files, separated by credit union or FAMA location. These files are then sent out to the distribution centers via email and inserted into an Excel database file which manages the instructions and facilitates communication to the CSO when the makes payment to the beneficiary of the remittance.

As a part of these procedures, it was important to provide training to the credit unions and FAMA service points in proper payment procedures. This includes procedures of how to use the information downloaded from the CSO to notify the beneficiary, at what time intervals, as well as procedures for providing authorization at the teller window. In addition, it is important to provide mechanisms for selling the credit union's other financial services. Lastly, procedures were established with the credit unions and FAMA for time intervals for informing the CSO of the payments made by updating the payment registers and emailing the CSO the notifications in a timely fashion.

Incorporated in the contract between the paying offices and the CSO were procedures of internal control to avoid fraud or unintentional payments to beneficiaries of remittances. Training sessions

were carried out to reinforce those procedures among the operating personnel of the credit unions and FAMA.

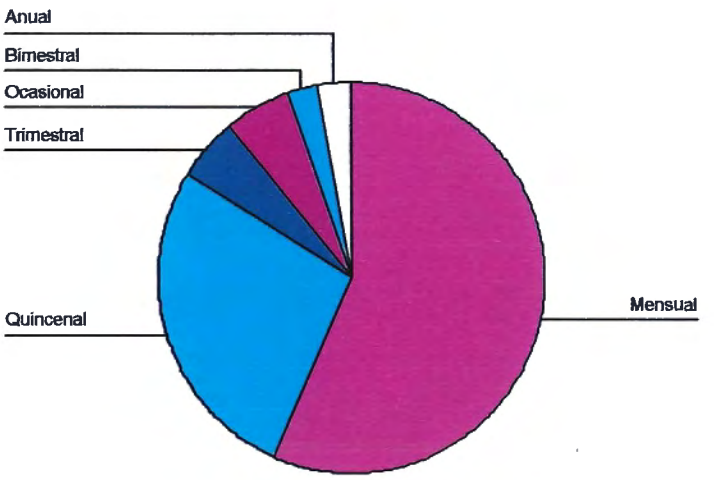
Lastly, the basic accounting procedures were established with the credit unions for how to account for the remittance operations with regards to the compensation with the CSO. The framework was already in place, given the credit unions' previous experience with intersystem operations.

4. *IRnet* MARKETING STRATEGIES IN NICARAGUA

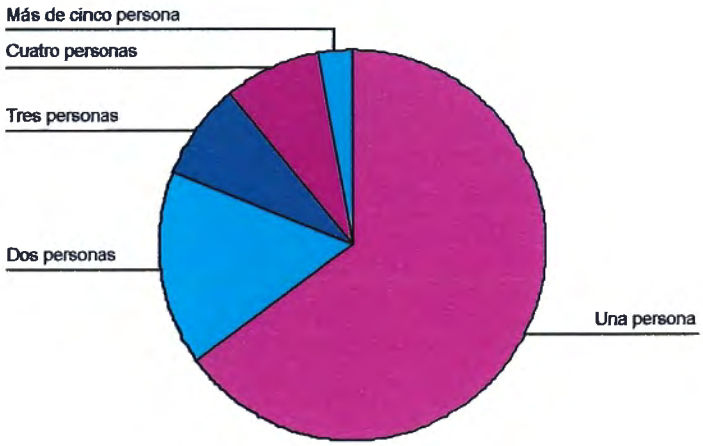
As the remittance service got underway, the project commissioned a market survey of membership and potential membership to determine the basic characteristics of the market and its behavior, including the frequency with which beneficiaries receive remittances, where the remitters reside, and what amounts are typically sent, crossed against their demographic information. The results of those surveys were incomplete, due to inconsistencies in the way the data was collected by the credit unions and the overall number of surveys returned.

More conclusive were the findings of a consultant who carried out focus groups with beneficiaries of remittances. This consultancy is being financed by COSUDE, a Swiss development agency. The main goal of the three part consultancy is to develop financial products and services linked to remittances. The following are some of the graphic results of the behavior of the remittance product. In subsequent missions, product concepts will be tested based the results of the opinions expressed in this first mission.

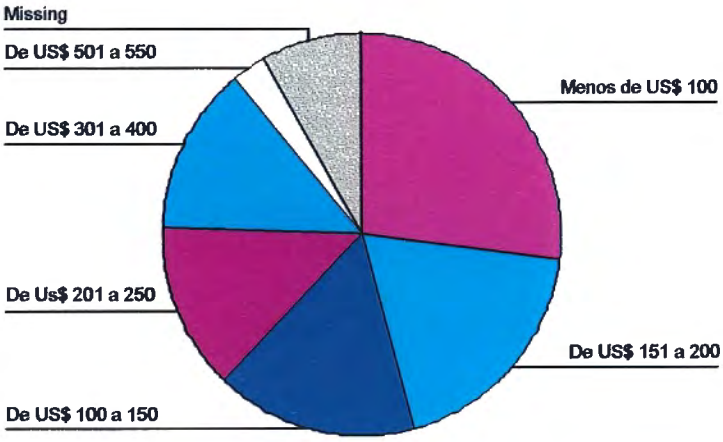
FRECUENCIA CON QUE ENVIAN LAS REMESAS



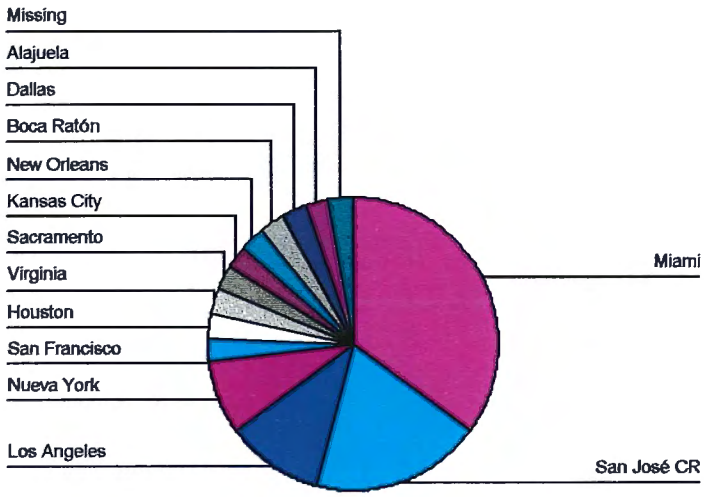
NUMERO DE PERSONAS QUE ENVIAN REMESAS



CANTIDAD PROMEDIO DE LA REMESA FIJA



CIUDAD EN USA DONDE VIVE EL EXPATRIADO



5. *IRnet* MARKETING STRATEGIES IN US

In addition to the strategies identified locally, the project office worked with representatives of Vigo to discuss their marketing strategies in the US for Nicaragua. It had been noted that Vigo does not have sufficient number of agents in key areas of the Miami, where Nicaraguans are highly concentrated. Therefore, Vigo committed to pursuing new agents in those areas to bolster the number. In addition, the project office participated in a press conference that was held in Miami. This press conference was timed to be held at the start of a prominent Nicaraguan cultural event held annually in Miami, called Expo Nica, but didn't seem to have the expected impact proposed by Vigo.

Additionally, the project office has identified, by means of the market studies carried out by the Linares consultancy, that a proper marketing strategy must include direct marketing by the Central to the remitters. The reasons for this are cited below, as translated from the consultant's report, and imbedded in the general conclusions of the consultant.

1. There is much ignorance concerning the remittance service;
    a. That the Credit union offers the service
    b. The location of the agents in the US
    c. Confusión about the information given by telephone in the customer service center.
2. The beneficiaries of remittances are not willing or prepared to sell the remittance service to their family members.
3. VIGO offers limited support for marketing and has a slow reaction time
4. Vigo has somewhat limited presence in the US and in many cases is not conveniently located,

5. The information systems offered by Vigo are not adequate for purposes of distributing information to the payers service points. Esta diseñado para manejar el punto de entrada y de pago de la remesa
6. There is a natural tendency to continue to use traditional money transfer companies and not experiment with Vigo, who is unknown in the Nicaraguan market.
7. Savings accounts linked to remittances are highly attractive
8. The cost of the transfer is not significant, compared to convenience and access.
9. The informal remittance system typically handles the small transfers, and the larger ones are sent through more easily recognizable institutions.
10. Family members of beneficiaries are already sending money to be deposited in savings accounts in dollars, but this process is not controlled by the sender, rather he/she depends on the beneficiary to make the deposits
11. Beneficiaries know very little about the social and financial aspects of their family members in the US
12. Remitters are the ones who make the decisions about where, when and how much money is to be sent, not the beneficiaries.
13. There is frequent communication via telephone between the remitters and beneficiaries.
14. Savings accounts linked to remittances received high marks in the focus groups.

Lastly, the Nicaraguan Partnership with the D.C. Credit Union League is showing potential for promoting the remittance service in the Washington area. The project office has conversed with representatives of the League to discuss joint marketing strategies, including initial talks with the Nicaraguan Consular office in D.C.

ANNEX A

RANKING OF THE CREDIT UNIONS

31-Dec-03

Number of Credit Unions in this Report 12

Based on Local currency

INDICATORS		VALUES		CENTRAL, R.L.		FINANCIERA AVANCES		FINANCIERA DINAMICA		FINANCIERA ECONOMICA		FINANCIERA IAGUEI		FINANCIERA LA ARMONIA	
		Min	Max	%	PTS.	%	PTS.	%	PTS.	%	PTS.	%	PTS.	%	PTS.
P2	Estim. Netas / Estim. Requeridas de 1-12 Meses	100%		146.69%	1	103.82%	1	100.00%	1	100.00%	1	103.89%	1	100.00%	1
P3	Depuración Completa de Morosidad > 12 Meses	Yes	Yes	No	0	No	0	Sí	1	No	0	No	0	Sí	1
E1	Préstamos Netos / Activo Total	70%	85%	54.37%	0	66.43%	0	79.61%	1	54.28%	0	73.43%	1	64.93%	0
E5	Depósitos de Ahorro / Activo Total	50%		58.96%	1	54.34%	1	47.07%	0	58.60%	1	86.32%	1	26.23%	0
E9	Capital Institucional Neto / Activo	5%		-7.68%	0	9.93%	1	21.46%	1	34.40%	1	4.38%	0	42.54%	1
A1	Morosidad Total / Cartera Bruta		10%	16.00%	0	7.83%	1	9.77%	1	8.79%	1	9.68%	1	5.56%	1
A2	Activo Improductivo / Activo Total		10%	33.81%	0	11.72%	0	13.02%	0	31.05%	0	6.90%	1	28.34%	0
R7	Costos-Fin: Aportaciones / Promedio Aportaciones	8%		3.85%	0	4.53%	0	9.99%	1	11.24%	1	12.70%	1	10.05%	1
R9	Gastos Operativos / Promedio Activos		10%	9.94%	1	14.74%	0	22.16%	0	15.57%	0	23.62%	0	41.99%	0
R12	Excedente Neto / Promedio Activos	1%		0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.01%	0	-0.04%	0
L1	Disponibilidades - CxP<=30 / Depósitos de Ahorro	20%	50%	17.56%	0	42.41%	1	18.16%	0	48.63%	1	26.66%	1	15.26%	0
S10	Asociados	5.04%		-0.08%	0	10.55%	1	21.41%	1	-16.44%	0	17.57%	1	1.90%	0
S11	Total Activos	4.03%		-11.53%	0	20.23%	1	18.47%	1	-12.39%	0	23.86%	1	23.34%	1
Total Puntos					**3**		**7**		**8**		**6**		**9**		**6**

31-Dec-03

Number of Credit Unions in this Report 12

Based on Local currency

INDICATORS		VALUES		FINANCIERA MODERNA		FINANCIERA PROFESIONAL		INTEGRAL		LA UNION		VISION		XOLOTLAN	
		Min	Max	%	PTS.	%	PTS.	%	PTS.	%	PTS.	%	PTS.	%	PTS.
P2	Estim. Netas / Estim. Requeridas de 1-12 Meses	100%		99.56%	0	33.33%	0	17.76%	0	100.00%	1	100.00%	1		
P3	Depuración Completa de Morosidad > 12 Meses	Yes	Yes	Sí	1	No	0	Sí	1	No	0	Sí	1		
E1	Préstamos Netos / Activo Total	70%	85%	43.43%	0	68.60%	0	69.34%	0	59.12%	0	79.84%	1		
E5	Depósitos de Ahorro / Activo Total	50%		81.03%	1	74.35%	1	75.38%	1	26.78%	0	48.30%	0		
E9	Capital Institucional Neto / Activo	5%		3.76%	0	4.79%	0	0.15%	0	38.48%	1	-33.92%	0		
A1	Morosidad Total / Cartera Bruta		10%	10.11%	0	13.77%	0	11.41%	0	35.64%	0	5.71%	1		
A2	Activo Improductivo / Activo Total		10%	27.04%	0	21.61%	0	14.07%	0	29.51%	0	5.32%	1		
R7	Costos-Fin: Aportaciones / Promedio Aportaciones	8%		10.62%	1	0.28%	0	1.49%	0	14.68%	1	14.54%	1		
R9	Gastos Operativos / Promedio Activos		10%	18.00%	0	14.66%	0	17.58%	0	22.50%	0	31.10%	0		
R12	Excedente Neto / Promedio Activos	1%		0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.01%	0		
L1	Disponibilidades - CxP<=30 / Depósitos de Ahorro	20%	50%	54.55%	0	20.44%	1	22.94%	1	47.52%	1	29.33%	1		
S10	Asociados	5.04%		13.64%	1	6.39%	1	22.98%	1	5.92%	1	19.16%	1		
S11	Total Activos	4.03%		36.42%	1	10.95%	1	39.02%	1	-3.16%	0	27.85%	1		
Total Puntos					**5**		**4**		**5**		**5**		**9**		

Consolidado Nicaragua

31-Dec-03

Ranking System Ratios

Number of Credit Unions in this Report 12

Based on Local currency

INDICATORS		VALUES		CENTRAL, R.L.		FINANCIERA AVANCES		FINANCIERA DINAMICA		FINANCIERA ECONOMICA		FINANCIERA IAGUEI		FINANCIERA LA ARMONIA	
		Min	Max	%	PTS.	%	PTS.	%	PTS.	%	PTS.	%	PTS.	%	PTS.
SERVICE															
E1	Préstamos Netos / Activo Total	70%	85%	54.37%	0	66.43%	0	79.61%	11	54.28%	0	73.43%	4	64.93%	0
E5	Depósitos de Ahorro / Activo Total	50%		58.96%	3	54.34%	1	47.07%	0	58.60%	3	86.32%	12	26.23%	0
S10	Asociados	5.04%		-0.08%	0	10.55%	3	21.41%	10	-16.44%	0	17.57%	8	1.90%	0
S11	Total Activos	4.03%		-11.53%	0	20.23%	5	18.47%	4	-12.39%	0	23.86%	6	23.34%	6
Total Puntos para Servicio					**3**		**9**		**25**		**3**		**30**		**6**
DISCIPLINE															
P2	Estim. Netas / Estim. Requeridas de 1-12 Meses	100%		146.69%	12	103.82%	12	100.00%	12	100.00%	12	103.89%	12	100.00%	12
P3	Depuración Completa de Morosidad > 12 Meses	Yes	Yes	No	0	No	0	Sí	12	No	0	No	0	Sí	12
E9	Capital Institucional Neto / Activo	5%		-7.68%	0	9.93%	8	21.46%	12	34.40%	12	4.38%	0	42.54%	12
A1	Morosidad Total / Cartera Bruta		10%	16.00%	0	7.83%	5	9.77%	0	8.79%	3	9.68%	0	5.56%	12
L1	Disponibilidades - CxP<=30 / Depósitos de Ahorro	20%	50%	17.56%	0	42.41%	9	18.16%	0	48.63%	12	26.66%	2	15.26%	0
Total Puntos para Disciplina					**12**		**34**		**36**		**39**		**14**		**48**
EFFICIENCY															
A2	Activo Improductivo / Activo Total		10%	33.81%	0	11.72%	0	13.02%	0	31.05%	0	6.90%	7	28.34%	0
R7	Costos-Fin: Aportaciones / Promedio Aportaciones	8%		3.85%	0	4.53%	0	9.99%	3	11.24%	5	12.70%	8	10.05%	3
R9	Gastos Operativos / Promedio Activos		10%	9.94%	12	14.74%	0	22.16%	0	15.57%	0	23.62%	0	41.99%	0
R12	Excedente Neto / Promedio Activos	1%		0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.01%	0	-0.04%	0
Total Puntos para Eficiencia					**12**		**0**		**3**		**5**		**15**		**3**
Total Puntos					**27**		**43**		**64**		**47**		**59**		**57**

Consolidado Nicaragua

Ranking of PEARLS Indicators - WOCCU Model

31-Dec-03

Number of Credit Unions in this Report 12

	Nicaragua		A	B	C	A+B+C
	CREDIT UNION	MODEL	SERVICE	DISCIPLINE	EFFICIENCY	TOTAL
1	XOLOTLAN	9	29	38	23	90
2	FINANCIERA DINAMICA	8	25	36	3	64
3	FINANCIERA IAGUEI	9	30	14	15	59
4	FINANCIERA LA ARMONIA	6	6	48	3	57
5	FINANCIERA ECONOMICA	6	3	39	5	47
6	LA UNION	5	34	13	0	47
7	VISION	5	0	35	12	47
8	FINANCIERA PROFESIONAL	5	28	12	4	44
9	FINANCIERA AVANCES	7	9	34	0	43
10	CENTRAL, R.L.	3	3	12	12	27
11	INTEGRAL	4	11	0	0	11

Number of Credit Unions in this Report 12

Based on Local currency

INDICATORS		VALUES		FINANCIERA MODERNA		FINANCIERA PROFESIONAL		INTEGRAL		LA UNION		VISION		XOLOTLAN	
		Min	Max	%	PTS.	%	PTS.	%	PTS.	%	PTS.	%	PTS.	%	PTS.
SERVICE															
E1	Préstamos Netos / Activo Total	70%	85%	43.43%	0	68.60%	0	69.34%	0	59.12%	0	79.84%	12		
E5	Depósitos de Ahorro / Activo Total	50%		81.03%	12	74.35%	9	75.38%	10	26.78%	0	48.30%	0		
S10	Asociados	5.04%		13.64%	5	6.39%	0	22.98%	12	5.92%	0	19.16%	9		
S11	Total Activos	4.03%		36.42%	11	10.95%	2	39.02%	12	-3.16%	0	27.85%	8		
Total Puntos para Servicio					**28**		**11**		**34**		**0**		**29**		
DISCIPLINE															
P2	Estim. Netas / Estim. Requeridas de 1-12 Meses	100%		99.56%	0	33.33%	0	17.76%	0	100.00%	12	100.00%	12		
P3	Depuración Completa de Morosidad > 12 Meses	Yes	Yes	Sí	12	No	0	Sí	12	No	0	Sí	12		
E9	Capital Institucional Neto / Activo	5%		3.76%	0	4.79%	0	0.15%	0	38.48%	12	-33.92%	0		
A1	Morosidad Total / Cartera Bruta		10%	10.11%	0	13.77%	0	11.41%	0	35.64%	0	5.71%	11		
L1	Disponibilidades - CxP<=30 / Depósitos de Ahorro	20%	50%	54.55%	0	20.44%	0	22.94%	1	47.52%	11	29.33%	3		
Total Puntos para Disciplina					**12**		**0**		**13**		**35**		**38**		
EFFICIENCY															
A2	Activo Improductivo / Activo Total		10%	27.04%	0	21.61%	0	14.07%	0	29.51%	0	5.32%	12		
R7	Costos-Fin: Aportaciones / Promedio Aportaciones	8%		10.62%	4	0.28%	0	1.49%	0	14.68%	12	14.54%	11		
R9	Gastos Operativos / Promedio Activos		10%	18.00%	0	14.66%	0	17.58%	0	22.50%	0	31.10%	0		
R12	Excedente Neto / Promedio Activos	1%		0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.01%	0		
Total Puntos para Eficiencia					**4**		**0**		**0**		**12**		**23**		
Total Puntos					**44**		**11**		**47**		**47**		**90**		

Consolidado Nicaragua

PEARLS Ranking for Individual Components

31-Dec-03

Number of Credit Unions in this Report 12

Ranking Indicators - Model

	CREDIT UNION	MODEL
1	FINANCIERA IAGUEI	9
2	XOLOTLAN	9
3	FINANCIERA DINAMICA	8
4	FINANCIERA AVANCES	7
5	FINANCIERA ECONOMICA	6
6	FINANCIERA LA ARMONIA	6
7	FINANCIERA PROFESIONAL	5
8	LA UNION	5
9	VISION	5
10	INTEGRAL	4
11	CENTRAL, R.L.	3

Ranking Indicators - Service

	CREDIT UNION	SERVICE
1	LA UNION	34
2	FINANCIERA IAGUEI	30
3	XOLOTLAN	29
4	FINANCIERA PROFESIONAL	28
5	FINANCIERA DINAMICA	25
6	INTEGRAL	11
7	FINANCIERA AVANCES	9
8	FINANCIERA LA ARMONIA	6
9	CENTRAL, R.L.	3
10	FINANCIERA ECONOMICA	3
11	VISION	0

Ranking Indicators - Discipline

	CREDIT UNION	DISCIPLINE
1	FINANCIERA LA ARMONIA	48
2	FINANCIERA ECONOMICA	39
3	XOLOTLAN	38
4	FINANCIERA DINAMICA	36
5	VISION	35
6	FINANCIERA AVANCES	34
7	FINANCIERA IAGUEI	14
8	LA UNION	13
9	CENTRAL, R.L.	12
10	FINANCIERA PROFESIONAL	12
11	INTEGRAL	0

Ranking Indicators - Efficiency

	CREDIT UNION	EFFICIENCY
1	XOLOTLAN	23
2	FINANCIERA IAGUEI	15
3	CENTRAL, R.L.	12
4	VISION	12
5	FINANCIERA ECONOMICA	5
6	FINANCIERA PROFESIONAL	4
7	FINANCIERA DINAMICA	3
8	FINANCIERA LA ARMONIA	3
9	FINANCIERA AVANCES	0
10	INTEGRAL	0
11	LA UNION	0

ANNEX B

TABLE 1A – CONSOLIDATED AND INDIVIDUAL

TABLE 1a Financial Services

Microenterprise Implementation Grant Program

Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248	31-Dec-03	15.5515
Number of Credit Unions in this Report	12		12		12		12		12	
Category										
Activities	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Amt Loans Outstanding - Start of Year	7,602,690		8,974,080		12,030,409		13,878,142		13,878,142	
Amt Loans Outstanding - End of Year	8,974,080		12,030,409		13,878,142		14,197,564		16,034,835	
Avg Amt Loans Outstanding	8,288,385		10,502,245		12,954,276		14,037,853		14,956,489	
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	3.79%		2.78%		4.75%		8.56%		8.23%	
Long Run Loss Rate	0.20%		0.25%		0.82%		0.00%		0.00%	
Interest Rates	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	18.20%		18.31%		14.51%		13.37%		13.28%	
Client/Member Revenues	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Interest Income From Clients/Members	2,253,922		2,897,847		3,526,487		972,376		1,994,382	
Fee Income From Clients/Members	700,968		741,638		762,159		130,770		309,925	
Other Income	308,627		452,166		547,569		386,959		776,565	
Total Client/Member Revenues	3,263,517		4,091,651		4,836,214		1,490,105		3,080,872	
Non-Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Administration	1,254,229		1,388,904		1,529,926		538,136		1,084,160	
Depreciation	78,590		74,655		54,626		21,760		44,776	
Loan Loss Allowances	20,473		32,008		366,159		180,028		208,055	
Total Non-Financial Expenses	1,353,292		1,495,567		1,950,711		739,924		1,336,991	
Adjusted Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Adjusted Financial Expenses	1,487,036		1,224,014		1,510,735		1,718,487		1,436,236	
Actual Weighted Cost Of Funds	1,711,691		2,116,139		2,431,810		714,980		1,610,879	
Totals	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Expenses - Adjusted Financial Expenses	2,840,328		2,719,581		3,461,446		2,458,411		2,773,227	
Total Expenses - Projected Financial Expenses	3,064,984		3,611,706		4,382,521		1,454,904		2,947,870	
Return On Operations - Adjusted Financial Expenses	114.90%		150.45%		139.72%		60.61%		111.09%	
Return On Operations- Actual Fin Exp	106.48%		113.29%		110.35%		102.42%		104.51%	
Other	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Number Of Savers	0		0		2,404		2,528		2,624	
Total Savings Outstanding	5,880,982		7,708,668		10,409,498		11,235,085		12,137,021	
Percent Of Women Borrowers	53.95%		48.37%		48.33%		48.64%		48.95%	
Number Of Clients/Members Per Loan Officer	NA		NA		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

FINANCIERA AVANCES

TABLE 1a Financial Services
Microenterprise Implementation Grant Program
Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248	31-Dec-03	15.5515
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Amt Loans Outstanding - Start of Year	8,146,826	606,158	10,007,592	690,179	14,171,963	938,460	17,071,240	1,113,962	17,071,240	1,097,723
Amt Loans Outstanding - End of Year	10,007,592	744,607	14,171,963	977,377	17,071,240	1,130,448	17,866,904	1,165,882	19,878,735	1,278,252
Avg Amt Loans Outstanding	9,077,209	675,383	12,089,778	833,778	15,621,601	1,034,454	17,469,072	1,139,922	18,474,987	1,187,987
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	3.58%		2.92%		4.78%		7.91%		7.83%	
Long Run Loss Rate	0.18%		0.22%		0.72%		0.07%		0.07%	
Interest Rates	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	18.00%		18.38%		14.41%		13.58%		13.39%	
Client/Member Revenues	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Interest Income From Clients/Members	2,539,151	188,924	3,461,129	238,699	4,435,441	293,713	1,275,496	83,231	2,588,718	166,461
Fee Income From Clients/Members	739,089	54,991	808,549	55,762	928,102	61,458	186,505	12,170	420,345	27,029
Other Income	343,798	25,580	527,305	36,366	623,218	41,269	407,003	26,558	819,658	52,706
Total Client/Member Revenues	3,622,039	269,495	4,796,983	330,826	5,986,760	396,440	1,869,003	121,959	3,828,721	246,196
Non-Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Administration	1,259,525	93,714	1,595,852	110,059	2,041,617	135,195	718,380	46,877	1,447,001	93,046
Depreciation	78,590	5,847	92,095	6,351	71,291	4,721	26,166	1,707	53,810	3,460
Loan Loss Allowances	25,197	1,875	52,987	3,654	407,892	27,010	221,542	14,456	266,613	17,144
Total Non-Financial Expenses	1,363,313	101,436	1,740,934	120,064	2,520,800	166,926	966,088	63,041	1,767,425	113,650
Adjusted Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Adjusted Financial Expenses	1,603,888	119,336	1,391,401	95,959	1,770,880	117,267	2,031,756	132,580	1,704,755	109,620
Actual Weighted Cost Of Funds	1,848,042	137,502	2,446,555	168,728	2,892,392	191,533	837,047	54,620	1,854,495	119,249
Totals	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Expenses - Adjusted Financial Expenses	2,967,201	220,772	3,132,336	216,023	4,291,680	284,193	2,997,844	195,620	3,472,180	223,270
Total Expenses - Projected Financial Expenses	3,211,355	238,938	4,187,490	288,792	5,413,192	358,459	1,803,136	117,661	3,621,920	232,898
Return On Operations - Adjusted Financial Expenses	122.07%		153.14%		139.50%		62.34%		110.27%	
Return On Operations- Actual Fin Exp	112.79%		114.56%		110.60%		103.65%		105.71%	
Other	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Number Of Savers	0		0		3,506		3,728		3,857	
Total Savings Outstanding	7,112,230	529,180	9,825,161	677,597	13,495,894	893,691	14,414,059	940,571	15,763,613	1,013,639
Percent Of Women Borrowers	57.86%		48.76%		49.07%		49.19%		49.38%	
Number Of Clients/Members Per Loan Officer	NA		NA		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

FINANCIERA DINAMICA

TABLE 1a Financial Services

Microenterprise Implementation Grant Program
Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248	31-Dec-03	15.5515
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Amt Loans Outstanding - Start of Year	1,401,510	104,278	1,786,197	123,186	1,742,974	115,419	2,470,719	161,224	2,470,719	158,873
Amt Loans Outstanding - End of Year	1,786,197	132,901	1,742,974	120,205	2,470,719	163,610	2,964,191	193,424	3,407,217	219,092
Avg Amt Loans Outstanding	1,593,854	118,589	1,764,585	121,696	2,106,847	139,514	2,717,455	177,324	2,938,968	188,983
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	22.61%		15.47%		10.69%		10.51%		9.77%	
Long Run Loss Rate	0.00%		17.35%		-1.67%		1.47%		2.86%	
Interest Rates	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	17.84%		18.51%		12.41%		12.60%		12.80%	
Client/Member Revenues	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Interest Income From Clients/Members	524,693	39,039	646,373	44,577	758,999	50,261	215,030	14,032	467,653	30,071
Fee Income From Clients/Members	66,040	4,914	58,048	4,003	105,242	6,969	42,152	2,751	90,472	5,818
Other Income	80,798	6,012	65,461	4,515	121,441	8,042	18,948	1,236	30,101	1,936
Total Client/Member Revenues	671,530	49,965	769,882	53,095	985,683	65,271	276,130	18,019	588,225	37,824
Non-Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Administration	310,903	23,132	387,530	26,726	523,853	34,689	115,492	7,536	266,779	17,155
Depreciation	16,287	1,212	15,930	1,099	13,501	894	4,694	306	10,007	643
Loan Loss Allowances	80,903	6,020	201,223	13,877	68,290	4,522	46,916	3,061	98,823	6,355
Total Non-Financial Expenses	408,094	30,364	604,683	41,702	605,644	40,105	167,103	10,904	375,610	24,153
Adjusted Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Adjusted Financial Expenses	234,746	17,466	153,606	10,594	184,120	12,192	249,547	16,284	204,044	13,121
Actual Weighted Cost Of Funds	262,909	19,562	265,635	18,320	235,451	15,591	73,352	4,786	162,405	10,443
Totals	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Expenses - Adjusted Financial Expenses	642,840	47,830	758,289	52,296	789,764	52,298	416,651	27,188	579,653	37,273
Total Expenses - Projected Financial Expenses	671,003	49,925	870,318	60,022	841,095	55,697	240,455	15,691	538,014	34,596
Return On Operations - Adjusted Financial Expenses	104.46%		101.53%		124.81%		66.27%		101.48%	
Return On Operations- Actual Fin Exp	100.08%		88.46%		117.19%		114.84%		109.33%	
Other	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	519,892	38,682	790,123	54,491	1,326,227	87,822	1,768,446	115,398	1,945,498	125,100
Percent Of Women Borrowers	36.28%		39.63%		42.03%		41.92%		42.65%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

TABLE 1a Financial Services

Microenterprise Implementation Grant Program

Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248	31-Dec-03	15.5515
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Amt Loans Outstanding - Start of Year	2,218,560	165,070	1,863,135	128,492	762,557	50,496	1,384,668	90,355	1,384,668	89,038
Amt Loans Outstanding - End of Year	1,863,135	138,625	762,557	52,590	1,384,668	91,692	1,227,818	80,120	1,174,019	75,492
Avg Amt Loans Outstanding	2,040,848	151,848	1,312,846	90,541	1,073,612	71,094	1,306,243	85,237	1,279,343	82,265
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	17.48%		29.98%		13.77%		16.89%		16.00%	
Long Run Loss Rate	0.00%		0.00%		0.00%		0.00%		0.00%	
Interest Rates	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	13.50%		14.95%		18.09%		5.48%		8.71%	
Client/Member Revenues	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Interest Income From Clients/Members	414,050	30,807	361,980	24,964	252,409	16,714	56,607	3,694	96,602	6,212
Fee Income From Clients/Members	103,667	7,713	82,971	5,722	37,950	2,513	15,521	1,013	21,389	1,375
Other Income	81,367	6,054	42,470	2,929	45,173	2,991	537	35	954	61
Total Client/Member Revenues	599,083	44,574	487,421	33,615	335,533	22,219	72,665	4,742	118,945	7,648
Non-Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Administration	466,889	34,739	581,960	40,135	385,286	25,513	162,760	10,621	289,803	18,635
Depreciation	14,115	1,050	8,726	602	2,200	146	0	0	0	0
Loan Loss Allowances	33,000	2,455	60,803	4,193	0	0	0	0	0	0
Total Non-Financial Expenses	514,004	38,244	651,488	44,930	387,486	25,659	162,760	10,621	289,803	18,635
Adjusted Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Adjusted Financial Expenses	288,710	21,481	132,256	9,121	153,348	10,155	189,768	12,383	147,694	9,497
Actual Weighted Cost Of Funds	106,110	7,895	150,683	10,392	224,107	14,840	33,863	2,210	73,127	4,702
Totals	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Expenses - Adjusted Financial Expenses	802,715	59,725	783,744	54,051	540,834	35,814	352,528	23,004	437,497	28,132
Total Expenses - Projected Financial Expenses	620,114	46,139	802,170	55,322	611,593	40,499	196,623	12,830	362,931	23,337
Return On Operations - Adjusted Financial Expenses	74.63%		62.19%		62.04%		20.61%		27.19%	
Return On Operations- Actual Fin Exp	96.61%		60.76%		54.86%		36.96%		32.77%	
Other	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	733,005	54,539	1,119,412	77,201	1,316,000	87,145	1,236,324	80,675	1,130,488	72,693
Percent Of Women Borrowers	29.40%		34.09%		38.28%		38.28%		38.31%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

TABLE 1a Financial Services

Microenterprise Implementation Grant Program

Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248	31-Dec-03	15.5515
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Amt Loans Outstanding - Start of Year	791,781	58,912	888,088	61,247	1,672,606	110,759	2,391,141	156,031	2,391,141	153,756
Amt Loans Outstanding - End of Year	888,088	66,077	1,672,606	115,352	2,391,141	158,340	2,251,772	146,936	1,615,447	103,877
Avg Amt Loans Outstanding	839,934	62,495	1,280,347	88,300	2,031,873	134,550	2,321,456	151,484	2,003,294	128,817
Number Loans Outstanding - End of Year	119		0		0		0		0	
Average Size of Loans Outstanding	7,463	555	NA		NA		NA		NA	
Delinquency Rate	21.20%		4.72%		10.46%		22.40%		8.79%	
Long Run Loss Rate	0.00%		5.52%		0.12%		0.00%		0.00%	
Interest Rates	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	20.28%		14.50%		10.05%		11.61%		10.01%	
Client/Member Revenues	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Interest Income From Clients/Members	338,419	25,180	468,338	32,299	600,001	39,732	209,483	13,670	279,532	17,975
Fee Income From Clients/Members	38,526	2,866	124,469	8,584	114,628	7,591	30,954	2,020	40,732	2,619
Other Income	27,242	2,027	56,205	3,876	71,148	4,711	24,379	1,591	33,409	2,148
Total Client/Member Revenues	404,187	30,073	649,012	44,759	785,777	52,034	264,816	17,280	353,673	22,742
Non-Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Administration	357,587	26,606	430,093	29,662	683,272	45,246	269,425	17,581	277,811	17,864
Depreciation	6,172	459	6,234	430	11,696	775	5,222	341	4,798	309
Loan Loss Allowances	65,535	4,876	30,000	2,069	75,061	4,970	117,745	7,683	12,773	821
Total Non-Financial Expenses	429,294	31,941	466,327	32,160	770,029	50,991	392,392	25,605	295,382	18,994
Adjusted Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Adjusted Financial Expenses	61,391	4,568	100,653	6,942	172,020	11,391	219,250	14,307	147,190	9,465
Actual Weighted Cost Of Funds	95,830	7,130	159,567	11,005	193,641	12,823	78,325	5,111	116,861	7,514
Totals	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Expenses - Adjusted Financial Expenses	490,685	36,509	566,980	39,102	942,049	62,382	611,642	39,912	442,572	28,458
Total Expenses - Projected Financial Expenses	525,124	39,071	625,894	43,165	963,670	63,814	470,717	30,716	412,243	26,508
Return On Operations - Adjusted Financial Expenses	82.37%		114.47%		83.41%		43.30%		79.91%	
Return On Operations- Actual Fin Exp	76.97%		103.69%		81.54%		56.26%		85.79%	
Other	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Number Of Savers	581		0		0		0		0	
Total Savings Outstanding	448,903	33,400	851,411	58,718	1,616,919	107,072	1,788,633	116,715	1,651,718	106,210
Percent Of Women Borrowers	38.73%		42.70%		46.76%		47.57%		44.82%	
Number Of Clients/Members Per Loan Officer	0		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	55		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	64		0		0		0		0	

FINANCIERA IAGUEI

TABLE 1a Financial Services

Microenterprise Implementation Grant Program

Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248	31-Dec-03	15.5515
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Amt Loans Outstanding - Start of Year	2,691,655	200,270	3,521,863	242,887	4,674,392	309,536	7,591,248	495,357	7,591,248	488,136
Amt Loans Outstanding - End of Year	3,521,863	262,041	4,674,392	322,372	7,591,248	502,688	8,643,849	564,043	9,376,543	602,935
Avg Amt Loans Outstanding	3,106,759	231,156	4,098,128	282,630	6,132,820	406,112	8,117,548	529,700	8,483,895	545,535
Number Loans Outstanding - End of Year	0		0		0		1,031		0	
Average Size of Loans Outstanding	NA		NA		NA		8,384	547	NA	
Delinquency Rate	7.57%		6.65%		7.22%		9.34%		9.68%	
Long Run Loss Rate	0.21%		0.00%		0.00%		0.03%		0.03%	
Interest Rates	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Nominal Interest Rate Charged	0.00%		0.00%		39.95%		39.03%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	17.92%		15.78%		12.01%		10.13%		10.55%	
Client/Member Revenues	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Interest Income From Clients/Members	1,546,308	115,052	1,801,493	124,241	2,531,003	167,602	840,583	54,851	1,650,400	106,125
Fee Income From Clients/Members	83,138	6,186	119,554	8,245	228,932	15,160	64,314	4,197	124,417	8,000
Other Income	88,902	6,615	194,189	13,392	391,265	25,909	24,616	1,606	38,489	2,475
Total Client/Member Revenues	1,718,347	127,852	2,115,236	145,878	3,151,200	208,671	929,513	60,654	1,813,306	116,600
Non-Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Administration	836,400	62,232	1,208,354	83,335	1,561,369	103,393	557,595	36,385	1,061,248	68,241
Depreciation	12,109	901	12,252	845	39,491	2,615	14,299	933	33,120	2,130
Loan Loss Allowances	97,863	7,281	103,249	7,121	157,090	10,402	90,497	5,905	148,861	9,572
Total Non-Financial Expenses	946,372	70,414	1,323,854	91,300	1,757,951	116,411	662,392	43,224	1,243,229	79,943
Adjusted Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Adjusted Financial Expenses	606,084	45,095	556,535	38,382	768,077	50,862	953,073	62,192	796,881	51,241
Actual Weighted Cost Of Funds	718,160	53,434	902,884	62,268	1,049,464	69,495	304,814	19,890	656,076	42,187
Totals	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Expenses - Adjusted Financial Expenses	1,552,456	115,509	1,880,389	129,682	2,526,028	167,272	1,615,465	105,415	2,040,110	131,184
Total Expenses - Projected Financial Expenses	1,664,532	123,848	2,226,739	153,568	2,807,414	185,905	967,205	63,114	1,899,305	122,130
Return On Operations - Adjusted Financial Expenses	110.69%		112.49%		124.75%		57.54%		88.88%	
Return On Operations- Actual Fin Exp	103.23%		94.99%		112.25%		96.10%		95.47%	
Other	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Number Of Savers	0		0		2,319		0		0	
Total Savings Outstanding	4,652,622	346,175	6,478,077	446,764	8,845,856	585,768	10,155,545	662,687	10,625,894	683,271
Percent Of Women Borrowers	45.58%		45.46%		51.10%		51.10%		52.77%	
Number Of Clients/Members Per Loan Officer	NA		NA		0		0		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		565		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		117		0		0	

FINANCIERA LA ARMONIA

TABLE 1a Financial Services

Microenterprise Implementation Grant Program
Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248	31-Dec-03	15.5515
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Amt Loans Outstanding - Start of Year	9,485,986	705,797	7,202,587	496,730	4,117,472	272,657	3,639,484	237,490	3,639,484	234,028
Amt Loans Outstanding - End of Year	7,202,587	535,903	4,117,472	283,964	3,639,484	241,005	4,418,345	288,313	4,805,666	309,016
Avg Amt Loans Outstanding	8,344,286	620,850	5,660,030	390,347	3,878,478	256,831	4,028,914	262,902	4,222,575	271,522
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	44.78%		32.86%		0.00%		7.08%		5.56%	
Long Run Loss Rate	0.00%		33.32%		-27.04%		0.00%		19.10%	
Interest Rates	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	9.77%		10.06%		13.42%		11.59%		10.71%	
Client/Member Revenues	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Interest Income From Clients/Members	2,610,136	194,205	2,190,742	151,086	1,489,237	98,616	498,112	32,504	1,061,526	68,259
Fee Income From Clients/Members	426,881	31,762	297,543	20,520	154,742	10,247	5,892	384	24,837	1,597
Other Income	637,178	47,409	530,686	36,599	1,354,642	89,704	264,835	17,281	397,289	25,547
Total Client/Member Revenues	3,674,195	273,376	3,018,971	208,205	2,998,621	198,567	768,838	50,170	1,483,652	95,403
Non-Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Administration	2,201,242	163,782	2,326,760	160,466	2,381,203	157,682	802,227	52,348	1,361,579	87,553
Depreciation	92,705	6,898	80,753	5,569	49,669	3,289	9,245	603	18,304	1,177
Loan Loss Allowances	495,000	36,830	1,067,270	73,605	295,152	19,545	51,181	3,340	94,726	6,091
Total Non-Financial Expenses	2,788,947	207,509	3,474,783	239,640	2,726,024	180,516	862,653	56,291	1,474,609	94,821
Adjusted Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Adjusted Financial Expenses	390,967	29,090	130,283	8,985	82,713	5,477	124,983	8,156	134,760	8,665
Actual Weighted Cost Of Funds	756,292	56,271	389,689	26,875	234,264	15,513	44,098	2,878	153,570	9,875
Totals	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Expenses - Adjusted Financial Expenses	3,179,915	236,599	3,605,067	248,625	2,808,737	185,993	987,636	64,447	1,609,369	103,486
Total Expenses - Projected Financial Expenses	3,545,239	263,781	3,864,472	266,515	2,960,287	196,029	906,751	59,169	1,628,179	104,696
Return On Operations - Adjusted Financial Expenses	115.54%		83.74%		106.76%		77.85%		92.19%	
Return On Operations- Actual Fin Exp	103.64%		78.12%		101.29%		84.79%		91.12%	
Other	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	420,379	31,278	408,627	28,181	688,609	45,599	1,122,949	73,277	1,903,744	122,415
Percent Of Women Borrowers	56.76%		52.66%		60.24%		62.67%		62.84%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

FINANCIERA MODERNA

TABLE 1a Financial Services

Microenterprise Implementation Grant Program

Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248	31-Dec-03	15.5515
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Amt Loans Outstanding - Start of Year	2,447,688	182,118	3,379,995	233,103	4,705,143	311,572	5,172,381	337,517	5,172,381	332,597
Amt Loans Outstanding - End of Year	3,379,995	251,486	4,705,143	324,493	5,172,381	342,512	5,548,041	362,030	7,105,336	456,891
Avg Amt Loans Outstanding	2,913,842	216,802	4,042,569	278,798	4,938,762	327,042	5,360,211	349,774	6,138,859	394,744
Number Loans Outstanding - End of Year	0		0		0		560		0	
Average Size of Loans Outstanding	NA		NA		NA		9,907	646	NA	
Delinquency Rate	7.06%		2.74%		24.36%		27.38%		28.80%	
Long Run Loss Rate	2.49%		0.40%		0.00%		0.00%		0.00%	
Interest Rates	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		84.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	15.86%		15.82%		15.17%		14.83%		12.93%	
Client/Member Revenues	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Interest Income From Clients/Members	1,207,448	89,839	1,554,836	107,230	2,205,044	146,017	505,550	32,989	1,192,580	76,686
Fee Income From Clients/Members	81,986	6,100	92,773	6,398	230,556	15,267	42,312	2,761	122,770	7,894
Other Income	110,458	8,219	173,052	11,935	178,709	11,834	47,102	3,074	89,929	5,783
Total Client/Member Revenues	1,399,891	104,158	1,820,662	125,563	2,614,309	173,118	594,963	38,824	1,405,279	90,363
Non-Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Administration	736,153	54,773	980,564	67,625	1,366,665	90,500	361,381	23,581	925,809	59,532
Depreciation	52,821	3,930	34,781	2,399	65,322	4,326	34,133	2,227	73,478	4,725
Loan Loss Allowances	67,644	5,033	23,884	1,647	491,469	32,545	95,472	6,230	302,055	19,423
Total Non-Financial Expenses	856,617	63,736	1,039,230	71,671	1,923,457	127,370	490,985	32,039	1,301,341	83,679
Adjusted Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Adjusted Financial Expenses	335,674	24,976	367,044	25,313	561,735	37,198	712,260	46,478	660,002	42,440
Actual Weighted Cost Of Funds	558,637	41,565	812,283	56,020	1,113,259	73,719	328,872	21,460	683,173	43,930
Totals	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Expenses - Adjusted Financial Expenses	1,192,291	88,711	1,406,274	96,984	2,485,192	164,568	1,203,245	78,516	1,961,343	126,119
Total Expenses - Projected Financial Expenses	1,415,254	105,301	1,851,513	127,691	3,036,716	201,090	819,857	53,499	1,984,513	127,609
Return On Operations - Adjusted Financial Expenses	117.41%		129.47%		105.20%		49.45%		71.65%	
Return On Operations- Actual Fin Exp	98.91%		98.33%		86.09%		72.57%		70.81%	
Other	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Number Of Savers	0		0		0		2,544		0	
Total Savings Outstanding	2,855,597	212,468	4,205,293	290,020	6,501,581	430,531	7,466,053	487,188	9,425,844	606,105
Percent Of Women Borrowers	58.37%		50.40%		49.57%		48.13%		48.13%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		0		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		231		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		200		0	

FINANCIERA PROFESIONAL

TABLE 1a Financial Services

Microenterprise Implementation Grant Program
Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248	31-Dec-03	15.5515
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Amt Loans Outstanding - Start of Year	575,557	42,824	732,813	50,539	1,163,912	77,074	1,978,324	129,093	1,978,324	127,211
Amt Loans Outstanding - End of Year	732,813	54,524	1,163,912	80,270	1,978,324	131,004	2,102,806	137,216	2,207,585	141,953
Avg Amt Loans Outstanding	654,185	48,674	948,363	65,404	1,571,118	104,039	2,040,565	133,154	2,092,954	134,582
Number Loans Outstanding - End of Year	186		313		609		661		653	
Average Size of Loans Outstanding	3,940	293	3,719	256	3,248	215	3,181	208	3,381	217
Delinquency Rate	2.80%		3.62%		11.20%		12.73%		10.11%	
Long Run Loss Rate	0.00%		0.00%		0.00%		0.00%		0.00%	
Interest Rates	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Nominal Interest Rate Charged	0.00%		42.00%		50.00%		48.50%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	16.86%		15.75%		13.83%		11.99%		11.89%	
Client/Member Revenues	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Interest Income From Clients/Members	302,556	22,511	452,761	31,225	673,129	44,574	202,505	13,214	426,492	27,424
Fee Income From Clients/Members	36,674	2,729	63,064	4,349	137,366	9,096	42,478	2,772	90,127	5,795
Other Income	41,191	3,065	99,190	6,841	139,232	9,220	44,932	2,932	92,872	5,972
Total Client/Member Revenues	380,421	28,305	615,015	42,415	949,727	62,890	289,915	18,918	609,491	39,192
Non-Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Administration	242,348	18,032	306,929	21,168	474,684	31,433	147,918	9,652	316,373	20,344
Depreciation	10,195	759	18,203	1,255	21,412	1,418	11,328	739	20,405	1,312
Loan Loss Allowances	5,492	409	13,135	906	84,274	5,581	12,829	837	34,187	2,198
Total Non-Financial Expenses	258,036	19,199	338,267	23,329	580,370	38,432	172,075	11,229	370,965	23,854
Adjusted Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Adjusted Financial Expenses	113,670	8,458	160,709	11,083	271,674	17,990	345,327	22,534	303,955	19,545
Actual Weighted Cost Of Funds	146,865	10,927	280,553	19,348	401,712	26,601	103,991	6,786	223,886	14,396
Totals	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Expenses - Adjusted Financial Expenses	371,706	27,656	498,975	34,412	852,044	56,422	517,402	33,762	674,920	43,399
Total Expenses - Projected Financial Expenses	404,901	30,126	618,819	42,677	982,082	65,033	276,066	18,014	594,851	38,250
Return On Operations - Adjusted Financial Expenses	102.34%		123.26%		111.46%		56.03%		90.31%	
Return On Operations- Actual Fin Exp	93.95%		99.39%		96.71%		105.02%		102.46%	
Other	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Number Of Savers	803		1,334		2,204		2,176		1,719	
Total Savings Outstanding	946,355	70,413	2,267,819	156,401	3,015,555	199,688	3,369,207	219,853	3,973,906	255,532
Percent Of Women Borrowers	43.14%		48.35%		54.94%		54.69%		57.08%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	103		189		458		479		449	
No.of Loans Outstanding with Initial Bal.Under US$1000	59		96		113		145		165	

TABLE 1a Financial Services

Microenterprise Implementation Grant Program

Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248	31-Dec-03	15.5515
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Amt Loans Outstanding - Start of Year	2,084,506	155,096	2,356,560	162,521	2,999,697	198,638	3,644,618	237,825	3,644,618	234,358
Amt Loans Outstanding - End of Year	2,356,560	175,338	2,999,697	206,876	3,644,618	241,345	3,744,384	244,335	3,752,632	241,304
Avg Amt Loans Outstanding	2,220,533	165,217	2,678,129	184,699	3,322,158	219,992	3,694,501	241,080	3,698,625	237,831
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	4.87%		8.83%		10.59%		13.80%		13.77%	
Long Run Loss Rate	2.17%		2.09%		6.78%		0.00%		0.00%	
Interest Rates	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	15.65%		13.49%		12.97%		10.59%		10.48%	
Client/Member Revenues	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Interest Income From Clients/Members	747,159	55,592	755,679	52,116	1,024,885	67,867	266,486	17,389	537,951	34,592
Fee Income From Clients/Members	10,746	800	22,007	1,518	20,082	1,330	21,919	1,430	37,729	2,426
Other Income	63,007	4,688	87,414	6,029	74,352	4,924	11,997	783	33,951	2,183
Total Client/Member Revenues	820,912	61,079	865,100	59,662	1,119,320	74,121	300,402	19,602	609,632	39,201
Non-Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Administration	506,673	37,699	573,188	39,530	674,198	44,645	169,338	11,050	360,917	23,208
Depreciation	13,356	994	22,899	1,579	26,424	1,750	6,900	450	13,800	887
Loan Loss Allowances	5,000	372	0	0	185,104	12,257	0	0	0	0
Total Non-Financial Expenses	525,029	39,064	596,087	41,109	885,726	58,652	176,238	11,500	374,717	24,095
Adjusted Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Adjusted Financial Expenses	257,854	19,185	241,145	16,631	359,927	23,834	428,636	27,970	363,853	23,397
Actual Weighted Cost Of Funds	297,862	22,162	379,355	26,162	492,609	32,620	121,542	7,931	232,263	14,935
Totals	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Expenses - Adjusted Financial Expenses	782,883	58,250	837,232	57,740	1,245,654	82,487	604,875	39,470	738,570	47,492
Total Expenses - Projected Financial Expenses	822,890	61,226	975,442	67,272	1,378,335	91,273	297,781	19,431	606,980	39,030
Return On Operations - Adjusted Financial Expenses	104.86%		103.33%		89.86%		49.66%		82.54%	
Return On Operations- Actual Fin Exp	99.76%		88.69%		81.21%		100.88%		100.44%	
Other	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	1,234,549	91,856	2,376,277	163,881	3,837,522	254,119	3,730,143	243,406	3,994,131	256,833
Percent Of Women Borrowers	45.42%		44.07%		44.38%		44.35%		44.35%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

TABLE 1a Financial Services

Microenterprise Implementation Grant Program
Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248	31-Dec-03	15.5515
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Amt Loans Outstanding - Start of Year	732,911	54,532	726,695	50,117	871,245	57,693	2,291,352	149,519	2,291,352	147,340
Amt Loans Outstanding - End of Year	726,695	54,069	871,245	60,086	2,291,352	151,732	3,129,763	204,229	3,293,155	211,758
Avg Amt Loans Outstanding	729,803	54,300	798,970	55,101	1,581,298	104,713	2,710,558	176,874	2,792,253	179,549
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	10.03%		13.77%		6.86%		5.02%		11.41%	
Long Run Loss Rate	1.07%		0.00%		16.60%		0.00%		0.00%	
Interest Rates	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	22.40%		21.55%		13.45%		11.05%		11.78%	
Client/Member Revenues	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Interest Income From Clients/Members	278,450	20,718	370,078	25,523	501,174	33,187	210,581	13,741	450,844	28,990
Fee Income From Clients/Members	21,298	1,585	36,038	2,485	81,079	5,369	16,023	1,046	35,304	2,270
Other Income	135,387	10,073	138,954	9,583	128,495	8,509	39,992	2,610	56,103	3,608
Total Client/Member Revenues	435,136	32,376	545,070	37,591	710,747	47,065	266,596	17,396	542,250	34,868
Non-Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Administration	362,701	26,986	449,924	31,029	414,784	27,467	126,982	8,286	280,392	18,030
Depreciation	59,578	4,433	50,817	3,505	42,402	2,808	8,490	554	24,222	1,558
Loan Loss Allowances	0	0	174,317	12,022	(18,076)	(1,197)	0	0	0	0
Total Non-Financial Expenses	422,278	31,419	675,058	46,556	439,111	29,078	135,472	8,840	304,614	19,587
Adjusted Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Adjusted Financial Expenses	98,193	7,306	116,722	8,050	230,332	15,252	350,870	22,896	297,515	19,131
Actual Weighted Cost Of Funds	160,207	11,920	285,569	19,694	315,027	20,861	99,036	6,462	226,316	14,553
Totals	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Expenses - Adjusted Financial Expenses	520,472	38,725	791,779	54,605	669,443	44,330	486,342	31,736	602,130	38,718
Total Expenses - Projected Financial Expenses	582,486	43,339	960,627	66,250	754,137	49,939	234,509	15,303	530,930	34,140
Return On Operations - Adjusted Financial Expenses	83.60%		68.84%		106.17%		54.82%		90.06%	
Return On Operations- Actual Fin Exp	74.70%		56.74%		94.25%		113.68%		102.13%	
Other	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	809,503	60,230	1,478,649	101,976	2,854,627	189,032	3,286,743	214,472	3,554,810	228,583
Percent Of Women Borrowers	39.12%		37.21%		42.22%		42.22%		51.97%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

TABLE 1a Financial Services

Microenterprise Implementation Grant Program

Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248	31-Dec-03	15.5515
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Amt Loans Outstanding - Start of Year	956,412	71,161	1,246,183	85,944	1,515,068	100,327	1,467,055	95,731	1,467,055	94,335
Amt Loans Outstanding - End of Year	1,246,183	92,721	1,515,068	104,487	1,467,055	97,148	1,500,934	97,942	1,520,746	97,788
Avg Amt Loans Outstanding	1,101,298	81,941	1,380,626	95,216	1,491,062	98,737	1,483,995	96,836	1,493,900	96,061
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	24.02%		16.45%		29.08%		33.51%		35.64%	
Long Run Loss Rate	7.54%		5.18%		6.70%		2.27%		2.25%	
Interest Rates	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	16.38%		16.15%		13.36%		12.89%		13.57%	
Client/Member Revenues	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Interest Income From Clients/Members	499,893	37,194	569,754	39,293	604,423	40,025	140,281	9,154	300,677	19,334
Fee Income From Clients/Members	15,396	1,146	(6,679)	(461)	32,556	2,156	3,512	229	11,566	744
Other Income	23,890	1,778	36,534	2,520	36,657	2,427	11,329	739	17,616	1,133
Total Client/Member Revenues	539,180	40,117	599,608	41,352	673,635	44,608	155,123	10,122	329,859	21,211
Non-Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Administration	287,622	21,400	429,891	29,648	433,495	28,706	124,702	8,137	264,504	17,008
Depreciation	2,537	189	7,669	529	12,437	824	4,037	263	8,554	550
Loan Loss Allowances	129,691	9,650	104,325	7,195	200,090	13,250	72,204	4,712	121,508	7,813
Total Non-Financial Expenses	419,850	31,239	541,885	37,371	646,022	42,779	200,944	13,112	394,565	25,372
Adjusted Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Adjusted Financial Expenses	20,126	1,497	47,882	3,302	64,571	4,276	62,698	4,091	46,305	2,978
Actual Weighted Cost Of Funds	55,765	4,149	113,190	7,806	147,515	9,768	42,957	2,803	87,273	5,612
Totals	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Expenses - Adjusted Financial Expenses	439,976	32,736	589,766	40,674	710,593	47,055	263,642	17,204	440,870	28,349
Total Expenses - Projected Financial Expenses	475,615	35,388	655,074	45,178	793,538	52,548	243,901	15,915	481,839	30,983
Return On Operations - Adjusted Financial Expenses	122.55%		101.67%		94.80%		58.84%		74.82%	
Return On Operations- Actual Fin Exp	113.36%		91.53%		84.89%		63.60%		68.46%	
Other	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	259,695	19,322	697,939	48,134	593,475	39,300	660,483	43,099	564,153	36,276
Percent Of Women Borrowers	43.96%		39.69%		41.03%		42.25%		42.57%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

TABLE 1a Financial Services

Microenterprise Implementation Grant Program

Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248	31-Dec-03	15.5515
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Amt Loans Outstanding - Start of Year	0	0	0	0	0	0	416,115	27,153	416,115	26,757
Amt Loans Outstanding - End of Year	0	0	0	0	416,115	27,555	577,360	37,675	523,913	33,689
Avg Amt Loans Outstanding	0	0	0	0	416,115	27,555	496,738	32,414	470,014	30,223
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	0.00%		0.00%		3.69%		6.78%		5.71%	
Long Run Loss Rate	0.00%		0.00%		0.00%		0.00%		0.00%	
Interest Rates	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	NA		NA		1.36%		11.08%		8.98%	
Client/Member Revenues	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Interest Income From Clients/Members	0	0	0	0	11,856	785	48,958	3,195	98,784	6,352
Fee Income From Clients/Members	0	0	0	0	20,356	1,348	18,580	1,212	31,080	1,999
Other Income	0	0	0	0	1,779	118	3,873	253	12,132	780
Total Client/Member Revenues	0	0	0	0	33,991	2,251	71,410	4,660	141,995	9,131
Non-Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Administration	0	0	0	0	107,184	7,098	107,573	7,020	240,605	15,471
Depreciation	0	0	0	0	0	0	0	0	0	0
Loan Loss Allowances	0	0	0	0	0	0	13,427	876	10,476	674
Total Non-Financial Expenses	0	0	0	0	107,184	7,098	121,000	7,896	251,081	16,145
Adjusted Financial Expenses	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Adjusted Financial Expenses	0	0	0	0	53,876	3,568	60,746	3,964	53,882	3,465
Actual Weighted Cost Of Funds	0	0	0	0	4,264	282	9,293	606	52,150	3,353
Totals	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Expenses - Adjusted Financial Expenses	0	0	0	0	161,060	10,665	181,746	11,860	304,964	19,610
Total Expenses - Projected Financial Expenses	0	0	0	0	111,448	7,380	130,294	8,502	303,231	19,499
Return On Operations - Adjusted Financial Expenses	NA		NA		21.10%		39.29%		46.56%	
Return On Operations- Actual Fin Exp	NA		NA		30.50%		54.81%		46.83%	
Other	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	0	0	0	0	119,523	7,915	256,717	16,752	310,615	19,973
Percent Of Women Borrowers	NA		NA		58.77%		54.59%		52.11%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

ANNEX C

DETAILED PEARLS REPORTS

Consolidated Nicaragua

P-E-A-R-L-S RATIOS

Based on US$

	P-E-A-R-L-S RATIOS	Goals (Excellence)	30-Jun-00	30-Jun-01	30-Jun-02	30-Jun-03	30-Sep-03	Annual Goal	% Complete
	Number of Credit Unions in this Report		11	11	11	12	12	0	
P	***PROTECTION***								
1.	Estimaciones / Morosidad > 12 Meses	75%	75.92%	86.81%	100.00%	100.00%	100.00%	0.00%	NA
2.	Estim. Netas / Estim. Requeridas de 1-12 Meses	35%	7.55%	15.59%	32.46%	32.51%	32.73%	0.00%	NA
3.	Depuración Completa de Morosidad > 12 Meses	Yes	No	No	No	No	No	0	NA
4.	Depuraciones Anuales / Cartera Promedia	Minimized	2.96%	0.37%	5.50%	-1.24%	-1.54%	0.00%	NA
5.	Recuperación Cartera Dep. / Depuraciones Accum.	75%	24.37%	34.76%	25.85%	29.89%	34.00%	0.00%	NA
6.	Solvencia	Min 111%	157.49%	140.73%	126.19%	120.50%	116.57%	0.00%	NA
E	***EFFECTIVE FINANCIAL STRUCTURE***								
1.	Préstamos Netos / Activo Total	Between 70 - 90%	78.47%	70.22%	69.01%	66.45%	65.54%	0.00%	NA
2.	Inversiones Líquidas / Activo Total	10-18%	9.64%	17.89%	20.09%	19.40%	18.66%	0.00%	NA
3.	Inversiones Financieras / Activo Total	Max 2%	0.00%	0.01%	0.20%	0.28%	0.26%	0.00%	NA
4.	Inversiones No Financieras / Activo Total	0%	0.01%	0.07%	0.05%	0.04%	0.04%	0.00%	NA
5.	Depósitos de Ahorro / Activo Total	Between 70 - 90%	29.73%	43.12%	56.97%	61.71%	62.59%	0.00%	NA
6.	Crédito Externo / Activo Total	0%	27.51%	19.97%	14.88%	11.45%	11.13%	0.00%	NA
7.	Aportaciones / Activo Total	10-20%	10.47%	9.14%	7.84%	6.82%	6.33%	0.00%	NA
8.	Capital Institucional / Activo Total	Minimum 10%	27.47%	23.11%	16.66%	13.50%	10.94%	0.00%	NA
9.	Capital Institucional Neto / Activo	Minimum 10%	22.23%	19.60%	16.75%	13.75%	10.79%	0.00%	NA
A	***ASSET QUALITY***								
1.	Morosidad Total / Cartera Bruta	Less Than or Equal To 5%	19.23%	16.36%	9.01%	9.16%	12.15%	0.00%	NA
2.	Activo Improductivo / Activo Total	Less Than or Equal To 5%	11.88%	11.81%	10.66%	13.83%	15.51%	0.00%	NA
3.	Fondos Sin Costo Neto / Activo Improductivo	Greater Than or Equal To 200%	227.80%	205.40%	187.00%	128.42%	108.37%	0.00%	NA
R	***RATES OF RETURN AND COSTS (ANNUALIZED)***								
1.	Ingresos por Préstamos / Promedio Préstamos Netos	Enterprenurial Rate	37.76%	38.71%	39.77%	39.91%	39.40%	0.00%	NA
2.	Ingresos por Inv. Líquidas / Promedio Inv. Líquidas	Market Rates	11.40%	16.55%	10.71%	9.99%	6.28%	0.00%	NA
3.	Ingresos por Inversiones Fin. / Promedio Inversiones Fin.	Market Rates	NA	0.00%	3.42%	124.20%	0.00%	0.00%	NA
4.	Ingresos por Inv. No Fin. / Promedio Inv. No Fin.	Greater Than or Equal to R1	0.00%	0.00%	0.00%	26.85%	0.00%	0.00%	NA
5.	Costos-Fin: Depósitos / Promedio Depósitos	Market Rates, > Inflation	16.64%	16.86%	16.17%	13.45%	12.08%	0.00%	NA
6.	Costos-Fin: Crédito Externo / Promedio Créd. Externo	Market Rates	12.51%	11.46%	9.10%	8.39%	7.48%	0.00%	NA
7.	Costos-Fin: Aportaciones / Promedio Aportaciones	Market Rates, > R5	13.21%	12.38%	12.68%	12.72%	10.98%	0.00%	NA
8.	Ingresos por otras comisiones / Activo Promedio	Pending	7.11%	4.77%	5.65%	9.19%	20.75%	0.00%	NA
9.	Margen Bruto / Promedio Activos	Amount Needed to Cover R11,	21.64%	21.03%	19.50%	20.48%	19.94%	0.00%	NA
10.	Gastos Operativos / Promedio Activos	<5%	16.66%	18.00%	18.58%	17.90%	19.85%	0.00%	NA
11.	Provisiones Activos de Riesgo / Promedio Activos	Sufficient for Estimated Losses	2.43%	2.28%	3.54%	3.06%	3.78%	0.00%	NA
12.	Otros Ingresos o Gastos / Promedio Activos	Amount Needed	-0.99%	0.01%	-0.12%	0.03%	-0.01%	0.00%	NA
13.	Excedente Neto / Promedio Activos	Enough to reach the goal for E8	1.56%	0.75%	-2.74%	-0.46%	-3.71%	0.00%	NA
14.	Excedente Neto / Promedio Cap. Inst. (ROE)	More Than Inflation	4.95%	2.84%	-13.22%	-3.02%	-29.30%	0.00%	NA
L	***LIQUIDITY***								
1.	Disponibilidades - CxP<=30 / Depósitos de Ahorro	Minimum 15%	41.58%	48.73%	38.17%	35.26%	33.56%	0.00%	NA
2.	Reservas para Liquidez / Total Depósitos	10%	0.00%	11.44%	14.03%	11.36%	10.21%	0.00%	NA
3.	Liquidez Ociosa / Activo Total	Less Than 1 %	2.92%	3.65%	2.36%	3.03%	2.72%	0.00%	NA
S	***SIGNS OF GROWTH (Year-To-Date Growth Rates)***								
1.	Cartera Neta de Préstamos	Sufficient to Achieve Goal in E1	48.10%	-0.45%	5.15%	23.75%	6.76%	0.00%	NA
2.	Inversiones Líquidas	Sufficient to Achieve Goal in E2	1.79%	106.48%	20.18%	24.11%	4.08%	0.00%	NA
3.	Inversiones Financieras	Sufficient to Achieve Goal in E3	0.00%	100.00%	3802.77%	81.03%	-0.30%	0.00%	NA
4.	Inversiones No Financieras	Sufficient to Achieve Goal in E4	691.24%	509.60%	-21.98%	-3.98%	-1.46%	0.00%	NA
5.	Depósitos de Ahorro	Sufficient to Achieve Goal in E5	133.70%	61.35%	41.40%	39.19%	9.78%	0.00%	NA
6.	Crédito Externo	0%	25.11%	-19.25%	-20.26%	-1.08%	5.21%	0.00%	NA
7.	Aportaciones	Sufficient to Achieve Goal in E7	2.08%	-2.86%	-8.21%	11.73%	0.48%	0.00%	NA
8.	Capital Institucional	Sufficient to Achieve Goal in E8	5.19%	-6.41%	-22.87%	4.12%	-12.26%	0.00%	NA
9.	Capital Institucional Neto	Sufficient to Achieve Goal in E9	-10.91%	-1.91%	-8.58%	5.48%	-15.08%	0.00%	NA
10.	Asociados	Minimum 15%	46.47%	38.73%	28.87%	31.05%	4.65%	0.00%	NA
11.	Total Activos	More Than Inflation + 20%	34.95%	11.24%	7.01%	28.50%	8.25%	0.00%	NA
	Inflation Rate (Annualized)		11.70%	15.50%	10.00%	10.00%	10.00%		

Consolidated Nicaragua

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Number of Credit Unions in this Report	11	11	11	12	12	0	
Number Of CU Members							
Men	4,641	5,876	7,322	9,226	9,723	0	NA
Women	4,575	6,918	9,137	12,400	12,915	0	NA
Gender not Reported	28	30	67	31	26	0	NA
Total Number Of Members	***9,244***	***12,824***	***16,526***	***21,657***	***22,664***	***0***	***NA***
Number of Other Service Users							
Youth	654	1,525	3,357	3,697	3,809	0	NA
Third Parties	58	55	56	52	66	0	NA
Total Number of Other CU Service Users	***712***	***1,580***	***3,413***	***3,749***	***3,875***	***0***	***NA***
Total Number Of Members & Other CU Service Users	**9,956**	**14,404**	**19,939**	**25,406**	**26,539**	**0**	**NA**

Assets

Earning Assets

Loans to Members							
Short Term (<=1 Year)	1,246,589	1,266,082	1,288,247	1,630,170	1,709,231	0	NA
Medium-Term (1-3 Years)	1,088,244	1,025,455	1,144,149	1,212,964	1,382,124	0	NA
Long-Term (> 3 Years)	151,949	216,755	215,675	435,944	430,790	0	NA
Other Special Loans	0	0	0	0	0	0	NA
Loan Loss Allowances	(53,100)	(85,634)	(100,549)	(126,491)	(156,306)	0	NA
Total Net Loans	***2,433,682***	***2,422,659***	***2,547,522***	***3,152,587***	***3,365,839***	***0***	***NA***
Liquid Investments							
Liquid Investments							
Liquidity Reserves - CFF	0	169,918	295,129	330,649	326,451	0	NA
Other Liquidity Reserves	0	316	0	0	1,574	0	NA
Short-Term CFF Deposits	0	0	0	37,466	40,759	0	NA
Short-Term Bank Deposits	298,885	446,821	438,816	540,026	571,119	0	NA
Short-Term Securities and Investments	0	73	67	65	64	0	NA
Other Liquid Investments 1	0	0	7,653	12,263	18,027	0	NA
Other Liquid Investments 2	0	0	0	0	0	0	NA
Other Liquid Investments 3	0	0	0	0	0	0	NA
Total Liquid Investments	***298,885***	***617,128***	***741,665***	***920,468***	***957,994***	***0***	***NA***
Liquid Investments Allowances	0	0	0	0	0	0	NA
Total Liquid Investments	***298,885***	***617,128***	***741,665***	***920,468***	***957,994***	***0***	***NA***
Financial Investments							
Financial Investments							
Shares - League/Affiliation	0	0	7,087	12,977	12,939	0	NA
Long-Term CFF Deposit	0	0	0	0	0	0	NA
Long-Term Bank Deposits	0	0	0	0	0	0	NA
Long-Term Securities & Investments	0	0	0	0	0	0	NA
Other Financial Investments 1	0	186	172	166	163	0	NA
Other Financial Investments 2	0	0	0	0	0	0	NA
Other Financial Investments 3	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***186***	***7,260***	***13,142***	***13,102***	***0***	***NA***
Financial Investments Allowances	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***186***	***7,260***	***13,142***	***13,102***	***0***	***NA***
Non-Financial Investments							
Various	401	2,444	1,907	1,831	1,804	0	NA
Non-Financial Investments Allowances	0	0	0	0	0	0	NA
Total Non-Financial Investments	***401***	***2,444***	***1,907***	***1,831***	***1,804***	***0***	***NA***
Total Earning Assets	**2,732,969**	**3,042,417**	**3,298,353**	**4,088,028**	**4,338,739**	**0**	**NA**

Additonal Loan Portfolio Information

Delinquency Based on Outstanding Balance of Loan?	Balance	Balance	Balance	Balance	Balance	Payment	
Delinquency							
UP TO 12 Months	404,664	313,128	217,271	285,525	405,503	0	NA
More Than 12 Months	73,552	97,142	21,282	14,835	22,505	0	NA
Total Balance Of Delinquent Loans	***478,216***	***410,270***	***238,554***	***300,360***	***428,008***	***0***	***NA***
Loans to Members (Gross)	2,486,782	2,508,293	2,648,071	3,279,078	3,522,145	0	NA
Accumulated Charge-Offs (Historical)	137,040	146,229	287,931	251,212	198,687	0	NA
Recovery of Loans Charged-Off (Historical)	33,397	50,836	74,419	75,096	67,561	0	NA

Consolidated Nicaragua

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Non-Earning Assets							
Liquid Assets							
Cash & Equivalents	42,967	83,402	78,598	123,748	116,925	0	NA
Current Accounts (Checking)	46,743	42,509	9,494	16,312	18,704	0	NA
Foreign Currency	0	0	(1,044)	1,508	2,000	0	NA
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	1,980	0	0	NA
Other Liquid Assets	789	0	138	132	2,081	0	NA
Total Liquid Assets	***90,499***	***125,911***	***87,186***	***143,680***	***139,711***	***0***	***NA***
Accounts Receivable							
Debtors	0	0	0	0	505	0	NA
Interest Receivable	0	0	0	7,432	12,230	0	NA
Notes Receivable	38,864	36,821	25,877	98,407	194,662	0	NA
Payroll Deductions Receivable	0	0	0	1,117	1,252	0	NA
Interbranch loans account receivable	0	0	0	21,783	1,003	0	NA
Other Accounts Receivable	46,758	14,624	15,553	60,287	122,702	0	NA
Receivable Loss Allowances	0	0	0	0	0	0	NA
Total Accounts Receivable	***85,622***	***51,445***	***41,430***	***189,025***	***332,354***	***0***	***NA***
Fixed Assets							
Land	24,377	22,179	22,792	21,885	19,451	0	NA
Buildings (Cost)	48,641	50,015	48,574	54,361	66,966	0	NA
Leasehold Improvements	7,119	7,607	13,756	23,329	17,008	0	NA
Furniture & Equipment	104,105	108,801	115,342	146,363	158,080	0	NA
Accumulated Depreciation - Buildings	(2,702)	(2,551)	(4,563)	(6,382)	(7,669)	0	NA
Accum. Depreciation - Leasehold Improv.	(1,217)	(1,767)	(5,932)	(7,426)	(5,026)	0	NA
Accum. Depreciation - Furniture & Equip.	(56,701)	(65,146)	(68,951)	(75,546)	(82,244)	0	NA
Total Net Fixed Assets	***123,622***	***119,139***	***121,017***	***156,584***	***166,565***	***0***	***NA***
Other Assets							
Assets in Liquidation	52,817	91,505	129,112	136,121	133,628	0	NA
Organization Expenses	2,734	460	0	0	0	0	NA
Prepaid Expenses	9,570	13,166	12,500	25,143	19,237	0	NA
Other Deferred Assets	3,056	5,972	2,145	5,364	5,025	0	NA
Accumulated Amortization	0	0	0	0	0	0	NA
Total Other Assets	***68,178***	***111,103***	***143,757***	***166,628***	***157,889***	***0***	***NA***
Problem Assets							
Doubtful Assets	0	0	0	0	0	0	NA
Accounting Discrepancy - Assets	0	0	0	0	0	0	NA
Other Problem Assets	486	0	0	0	0	0	NA
Problem Assets Allowances	0	0	0	0	0	0	NA
Total Problem Assets	***486***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Non-Earning Assets	**368,407**	**407,598**	**393,391**	**655,917**	**796,519**	**0**	**NA**
Total Assets	**3,101,376**	**3,450,015**	**3,691,744**	**4,743,946**	**5,135,258**	**0**	**NA**

Consolidated Nicaragua

Based on US$

BALANCE SHEET

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
Savings Deposits							
Regular Savings	650,700	1,105,724	1,425,057	2,117,145	2,301,093	0	NA
Term/Fixed Savings	271,209	363,697	661,105	769,201	853,578	0	NA
Youth Savings	0	18,122	17,203	41,335	59,010	0	NA
Special Savings	0	0	0	0	410	0	NA
Pledged Savings	0	0	0	0	0	0	NA
Total Savings Deposits	***921,909***	***1,487,543***	***2,103,365***	***2,927,681***	***3,214,091***	***0***	***NA***
External Credit							
External Credit - CFF (<= 1 Year)	0	0	0	59,120	29,198	0	NA
External Credit - CFF (> 1 Year)	0	0	17,241	28,571	87,365	0	NA
External Credit - Banks	219,840	100,207	30,153	(381)	3,436	0	NA
Other External Credit - External Institutions	633,248	588,655	519,146	543,754	568,266	0	NA
InterBranch Loans	0	0	0	31,218	36,694	0	NA
Total External Credit	***853,087***	***688,862***	***566,540***	***662,283***	***724,959***	***0***	***NA***
Total Interest Bearing Liabilities	***1,774,996***	***2,176,405***	***2,669,905***	***3,589,964***	***3,939,050***	***0***	***NA***
Non-Interest Bearing Liabilities							
Short-Term Accounts Payable (<=30 Days)	6,044	18,227	25,975	28,495	19,175	0	NA
Interbranch deposits account payable	0	0	0	4,345	12,194	0	NA
External Credit Payments (<=30 Days)	0	0	0	3,483	0	0	NA
Provisions (e.g. Employee Benefits)	15,391	18,357	18,512	27,476	37,780	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	101,200	66,262	64,375	112,023	207,503	0	NA
Total Non-Interest Bearing Liabilities	***122,635***	***102,846***	***108,862***	***175,822***	***276,653***	***0***	***NA***
Total Liabilities	**1,897,631**	**2,279,251**	**2,778,767**	**3,765,785**	**4,215,704**	**0**	**NA**
CAPITAL							
Share Capital							
Mandatory Shares	324,585	305,756	281,526	321,726	324,934	0	NA
Voluntary Shares	0	9,543	7,890	1,651	0	0	NA
Total Member Share Capital	***324,585***	***315,299***	***289,416***	***323,376***	***324,934***	***0***	***NA***
Transitory Capital							
Asset Appreciation Over Cost	0	0	0	0	0	0	NA
Education & Social Reserves	0	0	0	0	9,977	0	NA
Monetary Reserves	0	35,171	3,493	0	8,580	0	NA
Other Reserves	27,069	2,454	2,275	14,310	14,101	0	NA
Accounting Discrepancy - Capital	0	0	0	0	0	0	NA
Undistributed Net Income	0	20,385	2,694	0	0	0	NA
YTD Net Income (loss)	0	0	0	0	0	0	NA
Total Transitory Capital	***27,069***	***58,010***	***8,461***	***14,310***	***32,658***	***0***	***NA***
Institutional Capital							
Statutory & Legal Reserves	7,255	34,461	33,619	36,813	42,020	0	NA
Retained Earnings	101,721	127,933	146,038	168,609	167,148	0	NA
Other Reserves	24,933	19,833	46,463	35,265	15,427	0	NA
Donations	717,957	610,990	532,018	554,307	536,342	0	NA
Undistributed Losses	(60,880)	(20,382)	(45,286)	(135,232)	(152,952)	0	NA
YTD Net Income (Loss)	61,106	24,619	(97,750)	(19,288)	(46,021)	0	NA
Total Institutional Capital	***852,091***	***797,455***	***615,102***	***640,474***	***561,963***	***0***	***NA***
Total Capital	**1,203,744**	**1,170,764**	**912,979**	**978,160**	**919,555**	**0**	**NA**
Total Liabilities and Capital	**3,101,376**	**3,450,015**	**3,691,746**	**4,743,946**	**5,135,258**	**0**	**NA**

Consolidated Nicaragua

Income Statement

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
lumber of Credit Unions in this Report	11	11	11	12	12	0	
INCOME							
INCOME FROM LOANS							
nterest Income from Loans	699,530	819,061	871,253	999,093	291,663	0	NA
Delinquent Penalty Interest Income from Loans	32,819	53,190	42,936	44,139	10,393	0	NA
Commissions/Fees from Loans	37,280	67,601	82,850	109,785	25,341	0	NA
nsurance Premiums for Loans	0	0	(8,660)	(15,420)	(3,749)	0	NA
NET LOAN INCOME	***769,628***	***939,852***	***988,379***	***1,137,597***	***323,647***	***0***	***NA***
Income from Liquid Investments	33,771	75,788	72,787	83,035	14,867	0	NA
ncome from Financial Investments	0	0	127	12,670	0	0	NA
Income from Non-Financial Investments	0	0	0	502	0	0	NA
ees, commissions income (loans-unrelated)	0	0	0	0	1,443	0	NA
ncome from Other Sources	53,946	45,731	61,669	113,452	43,831	0	NA
Gross Income	**857,345**	**1,061,370**	**1,122,963**	**1,347,255**	**383,788**	**0**	**NA**
COSTS/EXPENSES							
FINANCIAL COSTS							
nterest Expense on Savings Deposits	109,492	194,772	276,222	318,509	87,185	0	NA
nsurance Premiums for Savings	0	8,351	14,123	19,812	6,320	0	NA
axes on Interest Paid For Savings	0	0	0	0	0	0	NA
Financial Cost - Savings Deposits	*109,492*	*203,123*	*290,345*	*338,321*	*93,505*	*0*	*NA*
inancial Cost on External Credit	96,020	88,361	56,323	45,845	10,517	0	NA
inancial Costs on Interbranch Leans	0	0	0	0	0	0	NA
Dividend Expense on Shares	42,438	38,949	36,562	36,205	8,412	0	NA
nsurance Premiums for Shares	0	661	1,779	2,760	556	0	NA
axes on Interest Paid for Shares	0	0	0	0	0	0	NA
Financial Cost - Shares	*42,438*	*39,610*	*38,341*	*38,965*	*8,968*	*0*	*NA*
ther Financial Costs	25,232	41,424	41,609	60,517	22,554	0	NA
OTAL FINANCIAL COSTS	***273,182***	***372,518***	***426,618***	***483,647***	***135,544***	***0***	***NA***
GROSS MARGIN	**584,164**	**688,852**	**696,345**	**863,608**	**248,244**	**0**	**NA**
OPERATING EXPENSES							
ersonnel	236,079	313,029	343,939	403,882	124,958	0	NA
Governance	25,322	33,559	30,242	28,259	11,179	0	NA
Marketing	21,424	37,513	71,319	67,601	15,838	0	NA
dministration	138,563	178,994	193,883	231,825	87,100	0	NA
Depreciation	28,447	26,671	24,163	23,564	8,125	0	NA
TOTAL OPERATING EXPENSES	***449,834***	***589,766***	***663,545***	***755,131***	***247,200***	***0***	***NA***
rovision for Risk Assets	65,498	74,800	126,289	128,886	47,101	0	NA
NET INCOME FROM OPERATIONS	**68,831**	**24,286**	**(93,490)**	**(20,409)**	**(46,057)**	**0**	**NA**
OTHER INCOME / EXPENSE							
ncome from Grants	0	0	0	0	0	0	NA
Previous periods adjustments (Net)	0	0	0	0	0	0	NA
xtraordinary income (Net)	(26,652)	333	(4,261)	1,114	(73)	0	NA
OTAL OTHER INCOME/EXPENSE	***(26,652)***	***333***	***(4,261)***	***1,114***	***(73)***	***0***	***NA***
Income Tax	0	0	0	0	0	0	NA
et Income/Loss	**42,180**	**24,619**	**(97,750)**	**(19,295)**	**(46,130)**	**0**	**NA**

Consolidated Nicaragua

TABLE 1a Financial Services

Microenterprise Implementation Grant Program

Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-00	12.6804	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248
Number of Credit Unions in this Report	12		12		12		12		12	
Category										
Activities	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Amt Loans Outstanding - Start of Year	0		0		0		416,115		416,115	
Amt Loans Outstanding - End of Year	0		0		416,115		577,360		523,913	
Avg Amt Loans Outstanding	0		0		416,115		496,738		470,014	
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	0.00%		0.00%		3.69%		6.78%		5.71%	
Long Run Loss Rate	0.00%		0.00%		0.00%		0.00%		0.00%	
Interest Rates	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	NA		NA		1.36%		11.08%		8.98%	
Client/Member Revenues	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Interest Income From Clients/Members	0		0		11,856		48,958		98,784	
Fee Income From Clients/Members	0		0		20,356		18,580		31,080	
Other Income	0		0		1,779		3,873		12,132	
Total Client/Member Revenues	0		0		33,991		71,410		141,995	
Non-Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Administration	0		0		107,184		107,573		240,605	
Depreciation	0		0		0		0		0	
Loan Loss Allowances	0		0		0		13,427		10,476	
Total Non-Financial Expenses	0		0		107,184		121,000		251,081	
Adjusted Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Adjusted Financial Expenses	0		0		53,876		60,746		53,882	
Actual Weighted Cost Of Funds	0		0		4,264		9,293		52,150	
Totals	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Expenses - Adjusted Financial Expenses	0		0		161,060		181,746		304,964	
Total Expenses - Projected Financial Expenses	0		0		111,448		130,294		303,231	
Return On Operations - Adjusted Financial Expenses	NA		NA		21.10%		39.29%		46.56%	
Return On Operations- Actual Fin Exp	NA		NA		30.50%		54.81%		46.83%	
Other	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	0		0		119,523		256,717		310,615	
Percent Of Women Borrowers	NA		NA		58.77%		54.59%		52.11%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

Consolidated Nicaragua

Comparative PEARLS Ratios

09/30/03

Number of Credit Unions in this Report: 12

Based on US$

	P-E-A-R-L-S RATIOS	Goals (Excellence)	CENTRAL, R.L.	FINANCIERA AVANCES	FINANCIERA DINAMICA	FINANCIERA	FINANCIERA IAGUEI	FINANCIERA LA
P	*PROTECTION*							
1.	Estimaciones / Morosidad > 12 Meses	75%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2.	Estim. Netas / Estim. Requeridas de 1-12 Meses	35%	146.69%	103.82%	100.00%	100.00%	103.89%	100.00%
3.	Depuración Completa de Morosidad > 12 Meses	Yes	No	No	Sí	No	No	Sí
4.	Depuraciones Anuales / Cartera Promedia	Minimized	0.00%	0.07%	2.86%	0.00%	0.03%	19.10%
5.	Recuperación Cartera Dep. / Depuraciones Accum.	75%	14.38%	45.52%	43.12%	100.00%	74.87%	3.77%
6.	Solvencia	Min 111%	88.39%	120.12%	142.82%	154.43%	104.86%	202.39%
7.	Estimaciones para Inversiones / Inversiones No Reguladas	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
E	*EFFECTIVE FINANCIAL STRUCTURE*							
1.	Préstamos Netos / Activo Total	Between 70 - 90%	54.37%	66.43%	79.61%	54.28%	73.43%	64.93%
2.	Inversiones Líquidas / Activo Total	10-18%	10.64%	21.69%	7.31%	13.92%	19.55%	6.73%
3.	Inversiones Financieras / Activo Total	Max 2%	0.00%	0.16%	0.06%	0.57%	0.13%	0.00%
4.	Inversiones No Financieras / Activo Total	0%	1.18%	0.00%	0.00%	0.18%	0.00%	0.00%
5.	Depósitos de Ahorro / Activo Total	Between 70 - 90%	58.96%	54.34%	47.07%	58.60%	86.32%	26.23%
6.	Crédito Externo / Activo Total	0%	34.57%	24.28%	21.09%	0.66%	3.35%	8.38%
7.	Aportaciones / Activo Total	10-20%	7.20%	1.58%	3.05%	4.59%	2.51%	15.31%
8.	Capital Institucional / Activo Total	Minimum 10%	-8.67%	9.86%	21.46%	34.40%	4.28%	42.54%
9.	Capital Institucional Neto / Activo	Minimum 10%	-7.68%	9.93%	21.46%	34.40%	4.38%	42.54%
A	*Asset Quality*							
1.	Morosidad Total / Cartera Bruta	Less Than or Equal To 5%	16.00%	7.83%	9.77%	8.79%	9.68%	5.56%
2.	Activo Improductivo / Activo Total	Less Than or Equal To 5%	33.81%	11.72%	13.02%	31.05%	6.90%	28.34%
3.	Fondos Sin Costo Neto / Activo Improductivo	Greater Than or Equal To 200%	0.74%	169.60%	221.22%	116.44%	115.78%	176.69%
R	*RATES OF RETURN AND COSTS (Annualized)*							
1.	Ingresos por Préstamos / Promedio Préstamos Netos	Enterprenurial Rate	20.39%	33.25%	39.06%	33.28%	42.85%	52.18%
2.	Ingresos por Inv. Líquidas / Promedio Inv. Líquidas	Market Rates	0.82%	8.36%	7.42%	7.93%	2.42%	1.99%
3.	Ingresos por Inversiones Fin. / Promedio Inversiones Fin.	Market Rates	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4.	Ingresos por Inv. No Fin. / Promedio Inv. No Fin.	Greater Than or Equal to R1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5.	Costos-Fin: Depósitos / Promedio Depósitos	Market Rates, > Inflation	8.71%	13.39%	12.80%	10.01%	10.55%	10.71%
6.	Costos-Fin: Crédito Externo / Promedio Créd. Externo	Market Rates	0.50%	5.59%	11.01%	0.00%	106.13%	10.45%
7.	Costos-Fin: Aportaciones / Promedio Aportaciones	Market Rates, > R5	3.85%	4.53%	9.99%	11.24%	12.70%	10.05%
8.	Ingresos por otras comisiones / Activo Promedio	Pending	63.89%	29.22%	4.14%	9.81%	17.92%	58.35%
9.	Margen Bruto / Promedio Activos	ount Needed to Cover R11, R12, R13 Increase Cap	9.94%	14.74%	22.16%	15.57%	23.62%	41.99%
10.	Gastos Operativos / Promedio Activos	<5%	28.15%	11.20%	14.41%	18.58%	19.51%	41.66%
11.	Provisiones Activos de Riesgo / Promedio Activos	Sufficient for Estimated Losses	0.00%	1.99%	5.14%	0.84%	2.65%	2.86%
12.	Otros Ingresos o Gastos / Promedio Activos	Amount Needed	0.00%	0.00%	0.00%	0.00%	0.01%	-0.04%
13.	Excedente Neto / Promedio Activos	Enough to reach the goal for E8	-18.21%	1.54%	2.61%	-3.85%	1.46%	-2.57%
14.	Excedente Neto / Promedio Cap. Inst. (ROE)	More Than Inflation	460.21%	13.48%	11.56%	-11.85%	31.09%	-5.39%
L	*LIQUIDITY*							
1.	Disponibilidades - CxP<=30 / Depósitos de Ahorro	Minimum 15%	17.56%	42.41%	18.16%	48.63%	26.66%	15.26%
2.	Reservas para Liquidez / Total Depósitos	10%	15.39%	11.72%	5.59%	11.82%	9.12%	0.00%
3.	Liquidez Ociosa / Activo Total	Less Than 1 %	2.95%	1.47%	2.04%	15.40%	3.66%	1.27%
S	*SIGNS OF GROWTH (Year-To-Date Growth Rates)*							
1.	Cartera Neta de Préstamos	Sufficient to Achieve Goal in E1	-16.81%	15.87%	38.37%	-33.14%	22.22%	32.79%
2.	Inversiones Líquidas	Sufficient to Achieve Goal in E2	-21.49%	7.79%	-53.57%	-2.74%	17.93%	114.50%
3.	Inversiones Financieras	Sufficient to Achieve Goal in E3	0.00%	53.40%	0.00%	2.98%	2.73%	0.00%
4.	Inversiones No Financieras	Sufficient to Achieve Goal in E4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5.	Depósitos de Ahorro	Sufficient to Achieve Goal in E5	-14.10%	16.80%	46.69%	2.15%	20.12%	176.46%
6.	Crédito Externo	0%	13.71%	11.52%	-8.96%	-95.25%	997.29%	261.18%
7.	Aportaciones	Sufficient to Achieve Goal in E7	0.42%	10.55%	17.40%	-6.66%	20.52%	-17.67%
8.	Capital Institucional	Sufficient to Achieve Goal in E8	-3721.05%	8.93%	6.00%	-2.25%	2.06%	-3.06%
9.	Capital Institucional Neto	Sufficient to Achieve Goal in E9	-554.75%	3.63%	6.00%	-2.25%	4.42%	-5.76%
10.	Asociados	Minimum 15%	-0.08%	10.55%	21.41%	-16.44%	17.57%	1.90%
11.	Total Activos	More Than Inflation + 20%	-11.53%	20.23%	18.47%	-12.39%	23.86%	23.34%
	Tasa de Inflación (Anualizado)		8.00%					

Consolidated Nicaragua

Comparative PEARLS Ratios

09/30/03

Number of Credit Unions in this Report: 12

Based on US$

	P-E-A-R-L-S RATIOS	Goals (Excellence)	FINANCIERA MODERNA	FINANCIERA	INTEGRAL	LA UNION	VISION	XOLOTLAN
P	*PROTECTION*							
1.	Estimaciones / Morosidad > 12 Meses	75%	100.00%	100.00%	100.00%	100.00%	100.00%	
2.	Estim. Netas / Estim. Requeridas de 1-12 Meses	35%	99.56%	33.33%	17.76%	100.00%	100.00%	
3.	Depuración Completa de Morosidad > 12 Meses	Yes	Sí	No	Sí	No	Sí	
4.	Depuraciones Anuales / Cartera Promedia	Minimized	0.00%	0.00%	0.00%	2.25%	0.00%	
5.	Recuperación Cartera Dep. / Depuraciones Accum.	75%	0.00%	0.00%	5.05%	52.87%	0.00%	
6.	Solvencia	Min 111%	104.40%	106.29%	100.19%	165.96%	33.94%	
7.	Estimaciones para Inversiones / Inversiones No Reguladas	NA	0.00%	0.00%	0.00%	0.00%	0.00%	
E	*EFFECTIVE FINANCIAL STRUCTURE*							
1.	Préstamos Netos / Activo Total	Between 70 - 90%	43.43%	68.60%	69.34%	59.12%	79.84%	
2.	Inversiones Líquidas / Activo Total	10-18%	28.57%	9.25%	15.99%	9.13%	14.83%	
3.	Inversiones Financieras / Activo Total	Max 2%	0.96%	0.54%	0.61%	2.24%	0.00%	
4.	Inversiones No Financieras / Activo Total	0%	0.00%	0.00%	0.00%	0.00%	0.00%	
5.	Depósitos de Ahorro / Activo Total	Between 70 - 90%	81.03%	74.35%	75.38%	26.78%	48.30%	
6.	Crédito Externo / Activo Total	0%	9.37%	15.53%	16.10%	0.00%	77.39%	
7.	Aportaciones / Activo Total	10-20%	4.53%	1.75%	3.64%	31.55%	3.04%	
8.	Capital Institucional / Activo Total	Minimum 10%	3.77%	7.00%	2.44%	38.48%	-33.92%	
9.	Capital Institucional Neto / Activo	Minimum 10%	3.76%	4.79%	0.15%	38.48%	-33.92%	
A	*Asset Quality*							
1.	Morosidad Total / Cartera Bruta	Less Than or Equal To 5%	10.11%	13.77%	11.41%	35.64%	5.71%	
2.	Activo Improductivo / Activo Total	Less Than or Equal To 5%	27.04%	21.61%	14.07%	29.51%	5.32%	
3.	Fondos Sin Costo Neto / Activo Improductivo	Greater Than or Equal To 200%	18.76%	28.50%	18.34%	141.19%	-539.79%	
R	*RATES OF RETURN AND COSTS (Annualized)*							
1.	Ingresos por Préstamos / Promedio Préstamos Netos	Enterprenurial Rate	51.00%	31.51%	34.83%	49.06%	55.43%	
2.	Ingresos por Inv. Líquidas / Promedio Inv. Líquidas	Market Rates	2.99%	6.17%	6.33%	8.93%	3.51%	
3.	Ingresos por Inversiones Fin. / Promedio Inversiones Fin.	Market Rates	0.00%	0.00%	0.00%	0.00%	0.00%	
4.	Ingresos por Inv. No Fin. / Promedio Inv. No Fin.	Greater Than or Equal to R1	0.00%	0.00%	0.00%	0.00%	0.00%	
5.	Costos-Fin: Depósitos / Promedio Depósitos	Market Rates, > Inflation	11.89%	10.48%	11.78%	13.57%	8.98%	
6.	Costos-Fin: Crédito Externo / Promedio Créd. Externo	Market Rates	0.00%	5.33%	12.46%	0.00%	17.30%	
7.	Costos-Fin: Aportaciones / Promedio Aportaciones	Market Rates, > R5	10.62%	0.28%	1.49%	14.68%	14.54%	
8.	Ingresos por otras comisiones / Activo Promedio	Pending	23.93%	5.02%	26.11%	3.44%	15.73%	
9.	Margen Bruto / Promedio Activos	ount Needed to Cover R11, R12, R13 Increase Cap	18.00%	14.66%	17.58%	22.50%	31.10%	
10.	Gastos Operativos / Promedio Activos	<5%	15.72%	14.55%	14.91%	25.30%	83.30%	
11.	Provisiones Activos de Riesgo / Promedio Activos	Sufficient for Estimated Losses	1.60%	0.00%	0.00%	11.26%	3.63%	
12.	Otros Ingresos o Gastos / Promedio Activos	Amount Needed	0.00%	0.00%	0.00%	0.00%	0.01%	
13.	Excedente Neto / Promedio Activos	Enough to reach the goal for E8	0.68%	0.10%	2.68%	-14.06%	-55.80%	
14.	Excedente Neto / Promedio Cap. Inst. (ROE)	More Than Inflation	16.49%	1.40%	123.55%	-34.32%	232.81%	
L	*LIQUIDITY*							
1.	Disponibilidades - CxP<=30 / Depósitos de Ahorro	Minimum 15%	54.55%	20.44%	22.94%	47.52%	29.33%	
2.	Reservas para Liquidez / Total Depósitos	10%	9.13%	9.67%	10.44%	15.40%	0.00%	
3.	Liquidez Ociosa / Activo Total	Less Than 1 %	16.00%	6.03%	1.39%	3.72%	1.22%	
S	*SIGNS OF GROWTH (Year-To-Date Growth Rates)*							
1.	Cartera Neta de Préstamos	Sufficient to Achieve Goal in E1	12.76%	3.39%	44.17%	-2.67%	23.39%	
2.	Inversiones Líquidas	Sufficient to Achieve Goal in E2	19.68%	-28.35%	16.02%	-44.68%	3092.10%	
3.	Inversiones Financieras	Sufficient to Achieve Goal in E3	52.39%	0.00%	0.00%	53.54%	0.00%	
4.	Inversiones No Financieras	Sufficient to Achieve Goal in E4	0.00%	0.00%	0.00%	0.00%	0.00%	
5.	Depósitos de Ahorro	Sufficient to Achieve Goal in E5	31.78%	4.08%	24.53%	-4.94%	159.88%	
6.	Crédito Externo	0%	205.99%	93.98%	182.20%	0.00%	18.71%	
7.	Aportaciones	Sufficient to Achieve Goal in E7	10.32%	14.48%	13.26%	19.02%	26.05%	
8.	Capital Institucional	Sufficient to Achieve Goal in E8	10.55%	0.71%	90.45%	-14.08%	285.33%	
9.	Capital Institucional Neto	Sufficient to Achieve Goal in E9	3.01%	-15.05%	-75.37%	-14.08%	251.94%	
10.	Asociados	Minimum 15%	13.64%	6.39%	22.98%	5.92%	19.16%	
11.	Total Activos	More Than Inflation + 20%	36.42%	10.95%	39.02%	-3.16%	27.85%	
	Tasa de Inflación (Anualizado)		8.00%					

Consolidated Nicaragua

Comparative B/S and I/S

Number of Credit Unions in this Report 12

09/30/03

Based on US$

	CENTRAL, R.L.	FINANCIERA AVANCES	FINANCIERA DINAMICA	FINANCIERA ECONOMICA	FINANCIERA IAGUEI	FINANCIERA LA ARMONIA
BALANCE SHEET						
EARNING ASSETS						
Loans to Members						
Corto Plazo (<= 1 Año).	6,138,292	3,132,542	0			
Mediano Plazo (1-3 Años)	7,428,964	3,590,918	0			
Largo Plazo (> de 3 Años).	2,467,580	59,039	0			
Otros Préstamos Especiales	0	0	0			
Estimaciones para Préstamos Incobrables	(498,627)	(267,963)	0			
Total Préstamos Netos	**15,536,208**	**6,514,536**	**0**			
Liquid Investments						
Liquid Investments						
Reservas para Liquidez - CCL	1,507,729	686,838	0			
Otras Reservas de Liquidez	0	0	0			
Depósitos en la CCL a Corto Plazo	0	379,195	0			
Depósitos a Corto Plazo en Bancos	4,075,923	426,033	0			
Valores e Inversiones a Corto Plazo	0	0	0			
Otras Inversiones Líquidas 1	0	0	0			
Otras Inversiones Líquidas 2	0	0	0			
Otras Inversiones Líquidas 3	0	0	0			
Total Inversiones Líquidas No Reguladas	***5,583,653***	***1,492,066***	***0***			
Regulated Liquid Investments						
Reserva para Liquidez	0	0	0			
Depósitos a corto plazo - Instituciones Reguladas	0	0	0			
Inversiones Reguladas/Gobierno a corto plazo	0	0	0			
Total Inversiones Líquidas Reguladas	***0***	***0***	***0***			
Estimaciones para Inversiones Líquidas	0	0	0			
Total Inversiones Líquidas	**5,583,653**	**1,492,066**	**0**			
Financial Investments						
Financial Investments						
Aportaciones - Federación	47,313	16,032	0			
Depósitos en la CCL a Largo Plazo	0	0	0			
Depósitos a Largo Plazo en Bancos	0	0	0			
Valores e Inversiones a Largo Plazo	0	0	0			
Otras Inversiones Financieras 1	0	0	0			
Otras Inversiones Financieras 2	0	0	0			
Otras Inversiones Financieras 3	0	0	0			
Total Inversiones Financieras No Reguladas	***47,313***	***16,032***	***0***			
Regulated Financial Investments						
Aportaciones en Instituciones Financieras	0	0	0			
Depósitos a largo Plazo - Instituciones Reguladas	0	0	0			
Inversiones Reguladas/Gobierno a largo plazo	0	0	0			
Inversiones entre Agencias	0	0	0			
Total Inversiones Financieras Reguladas	***0***	***0***	***0***			
Estimaciones para Inversiones Financieras	0	0	0			
Total Inversiones Financieras	**47,313**	**16,032**	**0**			
Non-Financial Investments						
Varios	0	0	0			
Estimaciones para Inv. No Financieras	0	0	0			
Total Inversiones No Financieras	**0**	**0**	**0**			
Total Activo Productivo	**21,167,174**	**8,022,634**	**0**			
ADDITONAL LOAN PORTFOLIO INFORMATION						
Delinquency						
Método de Cálculo de la Mora	**Saldo**	**Saldo**	**NA**			
< 12 Meses	1,293,792	751,979	0			
Más de 12 Meses	25,850	4,770	0			
Saldo Total en Mora	**1,319,642**	**756,749**	**0**			
Cartera de Préstamos	**16,034,835**	**6,782,499**	**0**			
Depuraciones Acumuladas (Históricas)	**179,710**	**0**	**0**			
Recuperaciones de Préstamos Depurados (Históric	**90,229**	**0**	**0**			

Consolidated Nicaragua

Comparative B/S and I/S

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09/30/03

Based on US$

	CENTRAL, R.L.	FINANCIERA AVANCES	FINANCIERA DINAMICA	FINANCIERA ECONOMICA	FINANCIERA IAGUEI	FINANCIERA LA ARMONIA
NON-EARNING ASSETS						
Liquid Assets						
Caja	363,768	222,107	0			
Cuenta Corriente (Chequera)	50,888	0	0			
Moneda Extranjera	0	0	0			
Reservas para Liquidez - CCL	0	0	0			
Otros Activos Líquidos	0	0	0			
Total Activos Líquidos	**414,656**	**222,107**	**0**			
Accounts Receivable						
Deudores	0	0	0			
Intereses por Cobrar	0	0	0			
Documentos por Cobrar	140,848	8,745	0			
Deducción de Planilla por Cobrar	0	0	0			
Otras Cuentas por Cobrar	1,683,850	0	0			
Estimaciones para Cuentas Incob.	0	0	0			
Total Cuentas por Cobrar	**1,824,698**	**8,745**	**0**			
Fixed Assets						
Terreno	0	20,000	0			
Edificio (Bruto)	322,986	47,540	0			
Depreciación Acumulada - Edificios	(54,547)	(8,891)	0			
Instalaciones Arrendadas	0	87,983	0			
Depreciación Acumulada - Instalaciones	0	(16,916)	0			
Muebles y Equipo	302,407	104,544	0			
Depreciación Acumulada - Muebles y Equipo	(111,630)	(54,549)	0			
Total Activos Fijos	**459,215**	**179,711**	**0**			
Other Assets						
Bienes en Liquidación	9,308	0	0			
Gastos de Organización	0	0	0			
Gastos Anticipados	21,420	0	0			
Otros Activos Diferidos	8,119	23,438	0			
Amortizaciones Acumuladas	0	0	0			
Total Otros Activos	**38,847**	**23,438**	**0**			
Problem Assets						
Activos de Valor Dudoso	0	0	0			
Discrepancia Contable - Activos	0	0	0			
Otros Activos Problemáticos	0	0	0			
Total Activos Problemáticos	**0**	**0**	**0**			
Total Activo Improductivo	**2,737,416**	**434,001**	**0**			
Total Activos	**23,904,590**	**8,456,635**	**0**			
MEMBERSHIP						
Number Of CU Members						
Hombres	1,340	1,229	0			
Mujeres	1,674	2,021	0			
Género no Reportado	2	15	0			
Número Total de Asociados	**3,016**	**3,265**	**0**			
Infanto Juvenil	404	487	0			
Terceros	0	0	0			
Número de Otros Usuarios de Servicos de la CAC	**3,420**	**3,752**	**0**			

Consolidated Nicaragua

Comparative B/S and I/S

Number of Credit Unions in this Report 12

09/30/03

Based on US$

	CENTRAL, R.L.	FINANCIERA AVANCES	FINANCIERA DINAMICA	FINANCIERA ECONOMICA	FINANCIERA IAGUEI	FINANCIERA LA ARMONIA
LIABILITIES						
INTEREST BEARING LIABILITIES						
Savings Deposits						
Ahorro Corriente	9,518,481	4,859,013	0			
Depósito a Plazo Fijo	2,301,981	2,146,199	0			
Ahorro Infanto Juvenil	316,560	0	0			
Ahorros Programado/Otro Ahorro	0	0	0			
Ahorro Obligatorio	0	0	0			
Total Depósitos de Ahorro	**12,137,021**	**7,005,212**	**0**			
External Credit						
Crédito Externo - CCL (<= 1 Año)	539,402	412,666	0			
Crédito Externo - CCL (> 1 Año)	0	0	0			
Crédito Externo - Bancos	0	0	0			
Otros Créditos Externos - Extranjeros	6,504,130	0	0			
Préstamos entre Agencias	0	0	0			
Total Crédito Externo	**7,043,532**	**412,666**	**0**			
Total Pasivo Con Costo	**19,180,553**	**7,417,878**	**0**			
Non-Interest Bearing Liabilities						
Cuentas por Pagar (<=30 Días)	25,563	17,412	0			
Pagos de Crédito Externo (<= 30 Días)	0	0	0			
Provisiones (ej. Prestaciones)	**50,192**	**54,222**	**0**			
Discrepancia Contable - Pasivos	0	0	0			
Otros Pasivos	1,523,650	274,380	0			
Total Pasivos Sin Costo	**1,599,405**	**346,013**	**0**			
Total Pasivos	**20,779,958**	**7,763,891**	**0**			
Capital						
Share Capital						
Aportaciones Obligatorias	301,600	166,273	0			
Aportaciones Voluntarias	0	0	0			
Total Capital de los Asociados	**301,600**	**166,273**	**0**			
Transitory Capital						
Reevaluación	0	0	0			
Reservas Educativas y Sociales	0	0	0			
Reservas Monetarias	0	0	0			
Otras Reservas	381,999	0	0			
Excedentes por Aplicar	0	0	0			
Discrepancia Contable - Capital	0	0	0			
Excedente (Pérdida) Neto del Año Actual	0	0	0			
Total Capital Transitorio	**381,999**	**0**	**0**			
Institutional Capital						
Reserva Legal	66,576	55,301	0			
Reserva Irrepartible	1,149,563	244,263	0			
Otras Reservas	0	104,784	0			
Donaciones	1,091,892	15,000	0			
Pérdidas por Aplicar	0	0	0			
Excedentes (Pérdidas) del Año por Capitalizar	133,002	114,828	0			
We do not use this in Latin America. It is not gaap.	0	0	0			
Total Capital Institucional	**2,441,034**	**534,176**	**0**			
Total Capital	**3,124,633**	**700,449**	**0**			
Total Pasivos y Capital	**23,904,591**	**8,464,340**	**0**			

Consolidated Nicaragua

Comparative B/S and I/S

Number of Credit Unions in this Report 12

09/30/03

Based on US$

	CENTRAL, R.L.	FINANCIERA AVANCES	FINANCIERA DINAMICA	FINANCIERA ECONOMICA	FINANCIERA IAGUEI	FINANCIERA LA ARMONIA
INCOME STATEMENT						
INCOME						
Income from Loans						
Intereses Sobre Préstamos	1,994,382	1,140,215	0			
Recargos por Mora	70,339	22,437	0			
Comisiones Sobre Préstamos	259,876	71,028	0			
Prima de Seguros Sobre Préstamos	(20,290)	(12,988)	0			
Ingresos Netos de Préstamos	**2,304,307**	**1,220,692**	**0**			
Ingresos por Inversiones Líquidas	**230,663**	**19,153**	**0**			
Ingresos por Inversiones Financieras	**0**	**0**	**0**			
Ingresos por Inversiones No Financieras	**0**	**0**	**0**			
Ingresos por Otras Fuentes	**545,902**	**9,184**	**0**			
Ingresos por Donaciones	**0**	**0**	**0**			
Total Ingreso Bruto	**3,080,872**	**1,249,029**	**0**			
Financial Costs						
Intereses Sobre Depósitos de Ahorro	737,674	343,158	0			
Seguros para Ahorros	16,895	29,035	0			
Impuestos Sobre Intereses Pagados	0	0	0			
Costo Financiero - Depósitos de Ahorro	**754,569**	**372,194**	**0**			
Costo Financiero Sobre Crédito Externo	188,288	76,386	0			
Costos Financieros sobre Préstamos entre Agencias	0	0	0			
Intereses Sobre Aportaciones	5,186	9,013	0			
Seguros para Aportaciones	1,458	307	0			
Impuestos por Intereses Pagados sobre Aportaciones	0	0	0			
Costo Financiero - Aportaciones	**6,645**	**9,320**	**0**			
Otros Costos Financieros	661,377	0	0			
Total Costos Financieros	**1,610,879**	**457,900**	**0**			
Margen Bruto	**1,469,993**	**791,129**	**0**			
EXPENSES TO COVER						
Operating Expenses						
Personal	685,453	378,872	0			
Mercadeo	47,775	32,744	0			
Gobernabilidad	70,637	99,818	0			
Depreciación	44,776	20,225	0			
Administración	280,296	169,047	0			
Total Gastos Operativos	**1,128,936**	**700,707**	**0**			
Provisiones para Activos de Riesgo	208,055	113,379	0			
Utilidad de Operaciones	**133,002**	**(22,957)**	**0**			
Extraordinarios (Neto)	0	284	0			
Ajustes de Años Anteriores (Neto)	0	0	0			
Impuestos	0	0	0			
Resultados del Ejercicio	**133,002**	**(22,673)**	**0**			

Consolidated Nicaragua

Ranking System Ratios

30-Sep-03

Number of Credit Unions in this Report 12

Based on US$

INDICATORS		VALUES		CENTRAL, R.L.		FINANCIERA AVANCES		FINANCIERA DINAMICA		FINANCIERA ECONOMICA		FINANCIERA IAGUEI		FINANCIERA LA ARMONIA	
		Min	Max	%	PTS.	%	PTS.	%	PTS.	%	PTS.	%	PTS.	%	PTS.
P2	Estim. Netas / Estim. Requeridas de 1-12 Meses	100%		146.69%	1	103.82%	1	100.00%	1	100.00%	1	103.89%	1	100.00%	1
P3	Depuración Completa de Morosidad > 12 Meses	Yes	Yes	No	0	No	0	Sí	1	No	0	No	0	Sí	1
E1	Préstamos Netos / Activo Total	70%	85%	54.37%	0	66.43%	0	79.61%	1	54.28%	0	73.43%	1	64.93%	0
E5	Depósitos de Ahorro / Activo Total	50%		58.96%	1	54.34%	1	47.07%	0	58.60%	1	86.32%	1	26.23%	0
E9	Capital Institucional Neto / Activo	5%		-7.68%	0	9.93%	1	21.46%	1	34.40%	1	4.38%	0	42.54%	1
A1	Morosidad Total / Cartera Bruta		10%	16.00%	0	7.83%	1	9.77%	1	8.79%	1	9.68%	1	5.56%	1
A2	Activo Improductivo / Activo Total		10%	33.81%	0	11.72%	0	13.02%	0	31.05%	0	6.90%	1	28.34%	0
R7	Costos-Fin: Aportaciones / Promedio Aportaciones	10%		3.85%	0	4.53%	0	9.99%	1	11.24%	1	12.70%	1	10.05%	1
R9	Gastos Operativos / Promedio Activos		10%	9.94%	1	14.74%	0	22.16%	0	15.57%	0	23.62%	0	41.99%	0
R12	Excedente Neto / Promedio Activos	1%		0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.01%	0	-0.04%	0
L1	Disponibilidades - CxP<=30 / Depósitos de Ahorro	20%	50%	17.56%	0	42.41%	1	18.16%	0	48.63%	1	26.66%	1	15.26%	0
S10	Asociados	2.52%		-0.08%	0	10.55%	1	21.41%	1	-16.44%	0	17.57%	1	1.90%	0
S11	Total Activos	2.52%		-11.53%	0	20.23%	1	18.47%	1	-12.39%	0	23.86%	1	23.34%	1
Total Puntos					**3**		**7**		**8**		**6**		**9**		**6**

30-Sep-03

Number of Credit Unions in this Report 12

Based on US$

	INDICATORS	VALUES		FINANCIERA MODERNA		FINANCIERA PROFESIONAL		INTEGRAL		LA UNION		VISION		XOLOTLAN	
		Min	Max	%	PTS.	%	PTS.	%	PTS.	%	PTS.	%	PTS.	%	PTS.
P2	Estim. Netas / Estim. Requeridas de 1-12 Meses	100%		99.56%	0	33.33%	0	17.76%	0	100.00%	1	100.00%	1		
P3	Depuración Completa de Morosidad > 12 Meses	Yes	Yes	Sí	1	No	0	Sí	1	No	0	Sí	1		
E1	Préstamos Netos / Activo Total	70%	85%	43.43%	0	68.60%	0	69.34%	0	59.12%	0	79.84%	1		
E5	Depósitos de Ahorro / Activo Total	50%		81.03%	1	74.35%	1	75.38%	1	26.78%	0	48.30%	0		
E9	Capital Institucional Neto / Activo	5%		3.76%	0	4.79%	0	0.15%	0	38.48%	1	-33.92%	0		
A1	Morosidad Total / Cartera Bruta		10%	10.11%	0	13.77%	0	11.41%	0	35.64%	0	5.71%	1		
A2	Activo Improductivo / Activo Total		10%	27.04%	0	21.61%	0	14.07%	0	29.51%	0	5.32%	1		
R7	Costos-Fin: Aportaciones / Promedio Aportaciones	10%		10.62%	1	0.28%	0	1.49%	0	14.68%	1	14.54%	1		
R9	Gastos Operativos / Promedio Activos		10%	18.00%	0	14.66%	0	17.58%	0	22.50%	0	31.10%	0		
R12	Excedente Neto / Promedio Activos	1%		0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.01%	0		
L1	Disponibilidades - CxP<=30 / Depósitos de Ahorro	20%	50%	54.55%	0	20.44%	1	22.94%	1	47.52%	1	29.33%	1		
S10	Asociados	2.52%		13.64%	1	6.39%	1	22.98%	1	5.92%	1	19.16%	1		
S11	Total Activos	2.52%		36.42%	1	10.95%	1	39.02%	1	-3.16%	0	27.85%	1		
Total Puntos					**5**		**4**		**5**		**5**		**9**		

Consolidated Nicaragua

30-Sep-03

Ranking System Ratios

Number of Credit Unions in this Report 12

Based on US$

	INDICATORS	VALUES		CENTRAL, R.L.		FINANCIERA AVANCES		FINANCIERA DINAMICA		FINANCIERA ECONOMICA		FINANCIERA IAGUEI		FINANCIERA LA ARMONIA	
		Min	Max	%	PTS.	%	PTS.	%	PTS.	%	PTS.	%	PTS.	%	PTS.
	SERVICE														
E1	Préstamos Netos / Activo Total	70%	85%	54.37%	0	66.43%	0	79.61%	11	54.28%	0	73.43%	4	64.93%	0
E5	Depósitos de Ahorro / Activo Total	50%		58.96%	3	54.34%	1	47.07%	0	58.60%	3	86.32%	12	26.23%	0
S10	Asociados	2.52%		-0.08%	0	10.55%	3	21.41%	10	-16.44%	0	17.57%	8	1.90%	0
S11	Total Activos	2.52%		-11.53%	0	20.23%	5	18.47%	4	-12.39%	0	23.86%	6	23.34%	6
	Total Puntos para Servicio				**3**		**9**		**25**		**3**		**30**		**6**
	DISCIPLINE														
P2	Estim. Netas / Estim. Requeridas de 1-12 Meses	100%		146.69%	12	103.82%	12	100.00%	12	100.00%	12	103.89%	12	100.00%	12
P3	Depuración Completa de Morosidad > 12 Meses	Yes	Yes	No	0	No	0	Sí	12	No	0	No	0	Sí	12
E9	Capital Institucional Neto / Activo	5%		-7.68%	0	9.93%	8	21.46%	12	34.40%	12	4.38%	0	42.54%	12
A1	Morosidad Total / Cartera Bruta		10%	16.00%	0	7.83%	5	9.77%	0	8.79%	3	9.68%	0	5.56%	12
L1	Disponibilidades - CxP<=30 / Depósitos de Ahorro	20%	50%	17.56%	0	42.41%	9	18.16%	0	48.63%	12	26.66%	2	15.26%	0
	Total Puntos para Disciplina				**12**		**34**		**36**		**39**		**14**		**48**
	EFFICIENCY														
A2	Activo Improductivo / Activo Total		10%	33.81%	0	11.72%	0	13.02%	0	31.05%	0	6.90%	7	28.34%	0
R7	Costos-Fin: Aportaciones / Promedio Aportaciones	10%		3.85%	0	4.53%	0	9.99%	3	11.24%	5	12.70%	8	10.05%	3
R9	Gastos Operativos / Promedio Activos		10%	9.94%	12	14.74%	0	22.16%	0	15.57%	0	23.62%	0	41.99%	0
R12	Excedente Neto / Promedio Activos	1%		0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.01%	0	-0.04%	0
	Total Puntos para Eficiencia				**12**		**0**		**3**		**5**		**15**		**3**
	Total Puntos				**27**		**43**		**64**		**47**		**59**		**57**

Consolidated Nicaragua

30-Sep-03

Ranking System Ratios

Number of Credit Unions in this Report 12

Based on US$

INDICATORS		VALUES		FINANCIERA MODERNA		FINANCIERA PROFESIONAL		INTEGRAL		LA UNION		VISION		XOLOTLAN	
		Min	Max	%	PTS.	%	PTS.	%	PTS.	%	PTS.	%	PTS.	%	PTS.
SERVICE															
E1	Préstamos Netos / Activo Total	70%	85%	43.43%	0	68.60%	0	69.34%	0	59.12%	0	79.84%	12		
E5	Depósitos de Ahorro / Activo Total	50%		81.03%	12	74.35%	9	75.38%	10	26.78%	0	48.30%	0		
S10	Asociados	2.52%		13.64%	5	6.39%	0	22.98%	12	5.92%	0	19.16%	9		
S11	Total Activos	2.52%		36.42%	11	10.95%	2	39.02%	12	-3.16%	0	27.85%	8		
Total Puntos para Servicio					**28**		**11**		**34**		**0**		**29**		
DISCIPLINE															
P2	Estim. Netas / Estim. Requeridas de 1-12 Meses	100%		99.56%	0	33.33%	0	17.76%	0	100.00%	12	100.00%	12		
P3	Depuración Completa de Morosidad > 12 Meses	Yes	Yes	Sí	12	No	0	Sí	12	No	0	Sí	12		
E9	Capital Institucional Neto / Activo	5%		3.76%	0	4.79%	0	0.15%	0	38.48%	12	-33.92%	0		
A1	Morosidad Total / Cartera Bruta		10%	10.11%	0	13.77%	0	11.41%	0	35.64%	0	5.71%	11		
L1	Disponibilidades - CxP<=30 / Depósitos de Ahorro	20%	50%	54.55%	0	20.44%	0	22.94%	1	47.52%	11	29.33%	3		
Total Puntos para Disciplina					**12**		**0**		**13**		**35**		**38**		
EFFICIENCY															
A2	Activo Improductivo / Activo Total		10%	27.04%	0	21.61%	0	14.07%	0	29.51%	0	5.32%	12		
R7	Costos-Fin: Aportaciones / Promedio Aportaciones	10%		10.62%	4	0.28%	0	1.49%	0	14.68%	12	14.54%	11		
R9	Gastos Operativos / Promedio Activos		10%	18.00%	0	14.66%	0	17.58%	0	22.50%	0	31.10%	0		
R12	Excedente Neto / Promedio Activos	1%		0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.01%	0		
Total Puntos para Eficiencia					**4**		**0**		**0**		**12**		**23**		
Total Puntos					**44**		**11**		**47**		**47**		**90**		

Consolidated Nicaragua

Ranking of PEARLS Indicators - WOCCU Model

30-Sep-03

Number of Credit Unions in this Report 12

Nicaragua			A	B	C	A+B+C
	CREDIT UNION	MODEL	SERVICE	DISCIPLINE	EFFICIENCY	TOTAL
1	XOLOTLAN	9	29	38	23	90
2	FINANCIERA DINAMICA	8	25	36	3	64
3	FINANCIERA IAGUEI	9	30	14	15	59
4	FINANCIERA LA ARMONIA	6	6	48	3	57
5	FINANCIERA ECONOMICA	6	3	39	5	47
6	LA UNION	5	34	13	0	47
7	VISION	5	0	35	12	47
8	FINANCIERA PROFESIONAL	5	28	12	4	44
9	FINANCIERA AVANCES	7	9	34	0	43
10	CENTRAL, R.L.	3	3	12	12	27
11	INTEGRAL	4	11	0	0	11

Consolidated Nicaragua

PEARLS Ranking for Individual Components

30-Sep-03

Number of Credit Unions in this Report 12

Ranking Indicators - Model

	CREDIT UNION	MODEL
1	FINANCIERA IAGUEI	9
2	XOLOTLAN	9
3	FINANCIERA DINAMICA	8
4	FINANCIERA AVANCES	7
5	FINANCIERA ECONOMICA	6
6	FINANCIERA LA ARMONIA	6
7	FINANCIERA PROFESIONAL	5
8	LA UNION	5
9	VISION	5
10	INTEGRAL	4
11	CENTRAL, R.L.	3

Ranking Indicators - Service

	CREDIT UNION	SERVICE
1	LA UNION	34
2	FINANCIERA IAGUEI	30
3	XOLOTLAN	29
4	FINANCIERA PROFESIONAL	28
5	FINANCIERA DINAMICA	25
6	INTEGRAL	11
7	FINANCIERA AVANCES	9
8	FINANCIERA LA ARMONIA	6
9	CENTRAL, R.L.	3
10	FINANCIERA ECONOMICA	3
11	VISION	0

Ranking Indicators - Discipline

	CREDIT UNION	DISCIPLINE
1	FINANCIERA LA ARMONIA	48
2	FINANCIERA ECONOMICA	39
3	XOLOTLAN	38
4	FINANCIERA DINAMICA	36
5	VISION	35
6	FINANCIERA AVANCES	34
7	FINANCIERA IAGUEI	14
8	LA UNION	13
9	CENTRAL, R.L.	12
10	FINANCIERA PROFESIONAL	12
11	INTEGRAL	0

Ranking Indicators - Efficiency

	CREDIT UNION	EFFICIENCY
1	XOLOTLAN	23
2	FINANCIERA IAGUEI	15
3	CENTRAL, R.L.	12
4	VISION	12
5	FINANCIERA ECONOMICA	5
6	FINANCIERA PROFESIONAL	4
7	FINANCIERA DINAMICA	3
8	FINANCIERA LA ARMONIA	3
9	FINANCIERA AVANCES	0
10	INTEGRAL	0
11	LA UNION	0

FINANCIERA AVANCES

P-E-A-R-L-S RATIOS

Based on US$

	P-E-A-R-L-S RATIOS	Goals (Excellence)	30-Jun-00	30-Jun-01	30-Jun-02	30-Jun-03	30-Sep-03	Annual Goal	% Complete
	Number of Credit Unions in this Report		1	1	1	1	1	0	
P	***PROTECTION***								
1.	Estimaciones / Morosidad > 12 Meses	75%	75.92%	86.81%	100.00%	100.00%	100.00%	0.00%	NA
2.	Estim. Netas / Estim. Requeridas de 1-12 Meses	35%	7.55%	15.59%	32.46%	32.51%	32.73%	0.00%	NA
3.	Depuración Completa de Morosidad > 12 Meses	Yes	No	No	No	No	No	0	NA
4.	Depuraciones Anuales / Cartera Promedia	Minimized	2.96%	0.37%	5.50%	-1.24%	-1.54%	0.00%	NA
5.	Recuperación Cartera Dep. / Depuraciones Accum.	75%	24.37%	34.76%	25.85%	29.89%	34.00%	0.00%	NA
6.	Solvencia	Min 111%	157.49%	140.73%	126.19%	120.50%	116.57%	0.00%	NA
E	***EFFECTIVE FINANCIAL STRUCTURE***								
1.	Préstamos Netos / Activo Total	Between 70 - 90%	78.47%	70.22%	69.01%	66.45%	65.54%	0.00%	NA
2.	Inversiones Líquidas / Activo Total	10-18%	9.64%	17.89%	20.09%	19.40%	18.66%	0.00%	NA
3.	Inversiones Financieras / Activo Total	Max 2%	0.00%	0.01%	0.20%	0.28%	0.26%	0.00%	NA
4.	Inversiones No Financieras / Activo Total	0%	0.01%	0.07%	0.05%	0.04%	0.04%	0.00%	NA
5.	Depósitos de Ahorro / Activo Total	Between 70 - 90%	29.73%	43.12%	56.97%	61.71%	62.59%	0.00%	NA
6.	Crédito Externo / Activo Total	0%	27.51%	19.97%	14.88%	11.45%	11.13%	0.00%	NA
7.	Aportaciones / Activo Total	10-20%	10.47%	9.14%	7.84%	6.82%	6.33%	0.00%	NA
8.	Capital Institucional / Activo Total	Minimum 10%	27.47%	23.11%	16.66%	13.50%	10.94%	0.00%	NA
9.	Capital Institucional Neto / Activo	Minimum 10%	22.23%	19.60%	16.75%	13.75%	10.79%	0.00%	NA
A	***ASSET QUALITY***								
1.	Morosidad Total / Cartera Bruta	Less Than or Equal To 5%	19.23%	16.36%	9.01%	9.16%	12.15%	0.00%	NA
2.	Activo Improductivo / Activo Total	Less Than or Equal To 5%	11.88%	11.81%	10.66%	13.83%	15.51%	0.00%	NA
3.	Fondos Sin Costo Neto / Activo Improductivo	Greater Than or Equal To 200%	227.80%	205.40%	187.00%	128.42%	108.37%	0.00%	NA
R	***RATES OF RETURN AND COSTS (ANNUALIZED)***								
1.	Ingresos por Préstamos / Promedio Préstamos Netos	Enterprenurial Rate	37.76%	38.71%	39.77%	39.91%	39.40%	0.00%	NA
2.	Ingresos por Inv. Líquidas / Promedio Inv. Líquidas	Market Rates	11.40%	16.55%	10.71%	9.99%	6.28%	0.00%	NA
3.	Ingresos por Inversiones Fin. / Promedio Inversiones Fin.	Market Rates	NA	0.00%	3.42%	124.20%	0.00%	0.00%	NA
4.	Ingresos por Inv. No Fin. / Promedio Inv. No Fin.	Greater Than or Equal to R1	0.00%	0.00%	0.00%	26.85%	0.00%	0.00%	NA
5.	Costos-Fin: Depósitos / Promedio Depósitos	Market Rates, > Inflation	16.64%	16.86%	16.17%	13.45%	12.08%	0.00%	NA
6.	Costos-Fin: Crédito Externo / Promedio Créd. Externo	Market Rates	12.51%	11.46%	9.10%	8.39%	7.48%	0.00%	NA
7.	Costos-Fin: Aportaciones / Promedio Aportaciones	Market Rates, > R5	13.21%	12.38%	12.68%	12.72%	10.98%	0.00%	NA
8.	Ingresos por otras comisiones / Activo Promedio	Pending	7.11%	4.77%	5.65%	9.19%	20.75%	0.00%	NA
9.	Margen Bruto / Promedio Activos	Amount Needed to Cover R11,	21.64%	21.03%	19.50%	20.48%	19.94%	0.00%	NA
10.	Gastos Operativos / Promedio Activos	<5%	16.66%	18.00%	18.58%	17.90%	19.85%	0.00%	NA
11.	Provisiones Activos de Riesgo / Promedio Activos	Sufficient for Estimated Losses	2.43%	2.28%	3.54%	3.06%	3.78%	0.00%	NA
12.	Otros Ingresos o Gastos / Promedio Activos	Amount Needed	-0.99%	0.01%	-0.12%	0.03%	-0.01%	0.00%	NA
13.	Excedente Neto / Promedio Activos	Enough to reach the goal for E8	1.56%	0.75%	-2.74%	-0.46%	-3.71%	0.00%	NA
14.	Excedente Neto / Promedio Cap. Inst. (ROE)	More Than Inflation	4.95%	2.84%	-13.22%	-3.02%	-29.30%	0.00%	NA
L	***LIQUIDITY***								
1.	Disponibilidades - CxP<=30 / Depósitos de Ahorro	Minimum 15%	41.58%	48.73%	38.17%	35.26%	33.56%	0.00%	NA
2.	Reservas para Liquidez / Total Depósitos	10%	0.00%	11.44%	14.03%	11.36%	10.21%	0.00%	NA
3.	Liquidez Ociosa / Activo Total	Less Than 1 %	2.92%	3.65%	2.36%	3.03%	2.72%	0.00%	NA
S	***SIGNS OF GROWTH (Year-To-Date Growth Rates)***								
1.	Cartera Neta de Préstamos	Sufficient to Achieve Goal in E1	48.10%	-0.45%	5.15%	23.75%	6.76%	0.00%	NA
2.	Inversiones Líquidas	Sufficient to Achieve Goal in E2	1.79%	106.48%	20.18%	24.11%	4.08%	0.00%	NA
3.	Inversiones Financieras	Sufficient to Achieve Goal in E3	0.00%	100.00%	3802.77%	81.03%	-0.30%	0.00%	NA
4.	Inversiones No Financieras	Sufficient to Achieve Goal in E4	691.24%	509.60%	-21.98%	-3.98%	-1.46%	0.00%	NA
5.	Depósitos de Ahorro	Sufficient to Achieve Goal in E5	133.70%	61.35%	41.40%	39.19%	9.78%	0.00%	NA
6.	Crédito Externo	0%	25.11%	-19.25%	-20.26%	-1.08%	5.21%	0.00%	NA
7.	Aportaciones	Sufficient to Achieve Goal in E7	2.08%	-2.86%	-8.21%	11.73%	0.48%	0.00%	NA
8.	Capital Institucional	Sufficient to Achieve Goal in E8	5.19%	-6.41%	-22.87%	4.12%	-12.26%	0.00%	NA
9.	Capital Institucional Neto	Sufficient to Achieve Goal in E9	-10.91%	-1.91%	-8.58%	5.48%	-15.08%	0.00%	NA
10.	Asociados	Minimum 15%	46.47%	38.73%	28.87%	31.05%	4.65%	0.00%	NA
11.	Total Activos	More Than Inflation + 20%	34.95%	11.24%	7.01%	28.50%	8.25%	0.00%	NA
	Inflation Rate (Annualized)		11.70%	15.50%	10.00%	10.00%	10.00%		

FINANCIERA AVANCES

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Number of Credit Unions in this Report	1	1	1	1	1	0	
Number Of CU Members							
Men	813	1,107	1,412	1,757	1,858	0	NA
Women	1,032	1,524	1,919	2,381	2,518	0	NA
Gender not Reported	1	3	3	3	3	0	NA
Total Number Of Members	***1,846***	***2,634***	***3,334***	***4,141***	***4,379***	***0***	***NA***
Number of Other Service Users							
Youth	0	0	602	711	740	0	NA
Third Parties	0	0	0	0	0	0	NA
Total Number of Other CU Service Users	***0***	***0***	***602***	***711***	***740***	***0***	***NA***
Total Number Of Members & Other CU Service Users	**1,846**	**2,634**	**3,936**	**4,852**	**5,119**	**0**	**NA**

Assets

Earning Assets

Loans to Members

Short Term (< =1 Year)	299,971	406,624	458,040	567,988	537,666	0	NA
Medium-Term (1-3 Years)	342,503	337,983	519,337	366,747	445,994	0	NA
Long-Term (> 3 Years)	0	0	0	195,714	182,222	0	NA
Other Special Loans	0	0	0	0	0	0	NA
Loan Loss Allowances	(8,593)	(9,826)	(9,974)	(29,101)	(34,979)	0	NA
Total Net Loans	***633,881***	***734,781***	***967,403***	***1,101,347***	***1,130,903***	***0***	***NA***

Liquid Investments

Liquid Investments

Liquidity Reserves - CFF	0	70,624	103,055	110,412	111,134	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Short-Term CFF Deposits	0	0	0	0	0	0	NA
Short-Term Bank Deposits	147,898	238,717	137,271	276,199	296,104	0	NA
Short-Term Securities and Investments	0	0	0	0	0	0	NA
Other Liquid Investments 1	0	0	0	0	0	0	NA
Other Liquid Investments 2	0	0	0	0	0	0	NA
Other Liquid Investments 3	0	0	0	0	0	0	NA
Total Liquid Investments	***147,898***	***309,342***	***240,326***	***386,611***	***407,237***	***0***	***NA***
Liquid Investments Allowances	0	0	0	0	0	0	NA
Total Liquid Investments	***147,898***	***309,342***	***240,326***	***386,611***	***407,237***	***0***	***NA***

Financial Investments

Financial Investments

Shares - League/Affiliation	0	0	1,024	2,042	2,042	0	NA
Long-Term CFF Deposit	0	0	0	0	0	0	NA
Long-Term Bank Deposits	0	0	0	0	0	0	NA
Long-Term Securities & Investments	0	0	0	0	0	0	NA
Other Financial Investments 1	0	0	0	0	0	0	NA
Other Financial Investments 2	0	0	0	0	0	0	NA
Other Financial Investments 3	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***1,024***	***2,042***	***2,042***	***0***	***NA***
Financial Investments Allowances	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***1,024***	***2,042***	***2,042***	***0***	***NA***

Non-Financial Investments

Various	0	0	0	0	0	0	NA
Non-Financial Investments Allowances	0	0	0	0	0	0	NA
Total Non-Financial Investments	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Earning Assets	**781,778**	**1,044,123**	**1,208,754**	**1,490,001**	**1,540,183**	**0**	**NA**

Additonal Loan Portfolio Information

Delinquency Based on Outstanding Balance of Loan?	Balance	Balance	Balance	Balance	Balance	Payment	
Delinquency							
UP TO 12 Months	24,552	25,886	28,496	54,043	88,004	0	NA
More Than 12 Months	0	766	0	0	4,179	0	NA
Total Balance Of Delinquent Loans	***24,552***	***26,652***	***28,496***	***54,043***	***92,184***	***0***	***NA***
Loans to Members (Gross)	642,474	744,607	977,377	1,130,448	1,165,882	0	NA
Accumulated Charge-Offs (Historical)	2,389	3,467	5,059	12,304	12,933	0	NA
Recovery of Loans Charged-Off (Historical)	1,857	2,788	2,665	3,101	4,143	0	NA

FINANCIERA AVANCES

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Non-Earning Assets							
Liquid Assets							
Cash & Equivalents	8,338	14,876	10,531	13,350	11,357	0	NA
Current Accounts (Checking)	3,651	823	8,122	764	7,628	0	NA
Foreign Currency	0	0	0	0	0	0	NA
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Other Liquid Assets	0	0	0	0	0	0	NA
Total Liquid Assets	***11,989***	***15,699***	***18,653***	***14,114***	***18,986***	***0***	***NA***
Accounts Receivable							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	0	0	0	0	0	0	NA
Notes Receivable	6,419	6,057	5,614	5,721	5,830	0	NA
Payroll Deductions Receivable	0	0	0	0	0	0	NA
Interbranch loans account receivable	0	0	0	0	0	0	NA
Other Accounts Receivable	40,258	11,860	13,740	54,103	107,970	0	NA
Receivable Loss Allowances	0	0	0	0	0	0	NA
Total Accounts Receivable	***46,677***	***17,917***	***19,354***	***59,824***	***113,800***	***0***	***NA***
Fixed Assets							
Land	0	0	0	0	0	0	NA
Buildings (Cost)	8,417	15,534	15,943	16,698	21,076	0	NA
Leasehold Improvements	3,169	0	1,460	0	0	0	NA
Furniture & Equipment	18,208	20,332	28,334	24,901	25,205	0	NA
Accumulated Depreciation - Buildings	(459)	(928)	(1,908)	(2,909)	(3,175)	0	NA
Accum. Depreciation - Leasehold Improv.	0	0	(973)	0	0	0	NA
Accum. Depreciation - Furniture & Equip.	(3,051)	(5,636)	(8,811)	(5,987)	(7,299)	0	NA
Total Net Fixed Assets	***26,284***	***29,302***	***34,044***	***32,703***	***35,807***	***0***	***NA***
Other Assets							
Assets in Liquidation	4,817	0	0	0	0	0	NA
Organization Expenses	1,072	460	0	0	0	0	NA
Prepaid Expenses	690	0	996	711	1,264	0	NA
Other Deferred Assets	1,279	946	560	538	800	0	NA
Accumulated Amortization	0	0	0	0	0	0	NA
Total Other Assets	***7,858***	***1,406***	***1,556***	***1,249***	***2,065***	***0***	***NA***
Problem Assets							
Doubtful Assets	0	0	0	0	0	0	NA
Accounting Discrepancy - Assets	0	0	0	0	0	0	NA
Other Problem Assets	0	0	0	0	0	0	NA
Problem Assets Allowances	0	0	0	0	0	0	NA
Total Problem Assets	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Non-Earning Assets	**92,809**	**64,323**	**73,607**	**107,890**	**170,657**	**0**	**NA**
Total Assets	**874,587**	**1,108,447**	**1,282,360**	**1,597,891**	**1,710,840**	**0**	**NA**

FINANCIERA AVANCES

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
Savings Deposits							
Regular Savings	237,216	422,645	520,850	673,248	704,643	0	NA
Term/Fixed Savings	88,515	106,535	156,747	197,781	210,779	0	NA
Youth Savings	0	0	0	22,661	25,148	0	NA
Special Savings	0	0	0	0	0	0	NA
Pledged Savings	0	0	0	0	0	0	NA
Total Savings Deposits	***325,731***	***529,180***	***677,597***	***893,691***	***940,571***	***0***	***NA***
External Credit							
External Credit - CFF (<= 1 Year)	0	0	0	0	0	0	NA
External Credit - CFF (> 1 Year)	0	0	0	0	0	0	NA
External Credit - Banks	0	0	0	0	0	0	NA
Other External Credit - External Institutions	342,479	380,201	398,669	418,232	418,232	0	NA
InterBranch Loans	0	0	0	0	0	0	NA
Total External Credit	***342,479***	***380,201***	***398,669***	***418,232***	***418,232***	***0***	***NA***
Total Interest Bearing Liabilities	***668,209***	***909,381***	***1,076,266***	***1,311,923***	***1,358,802***	***0***	***NA***
Non-Interest Bearing Liabilities							
Short-Term Accounts Payable (<=30 Days)	551	652	1,113	897	1,946	0	NA
Interbranch deposits account payable	0	0	0	0	0	0	NA
External Credit Payments (<=30 Days)	0	0	0	0	0	0	NA
Provisions (e.g. Employee Benefits)	2,086	3,135	2,521	6,185	8,974	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	41,357	17,780	23,828	63,214	121,175	0	NA
Total Non-Interest Bearing Liabilities	***43,994***	***21,566***	***27,461***	***70,296***	***132,094***	***0***	***NA***
Total Liabilities	**712,204**	**930,947**	**1,103,727**	**1,382,219**	**1,490,897**	**0**	**NA**
CAPITAL							
Share Capital							
Mandatory Shares	14,541	19,586	22,986	27,421	28,575	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	***14,541***	***19,586***	***22,986***	***27,421***	***28,575***	***0***	***NA***
Transitory Capital							
Asset Appreciation Over Cost	0	0	0	0	0	0	NA
Education & Social Reserves	0	0	0	0	0	0	NA
Monetary Reserves	0	0	0	0	0	0	NA
Other Reserves	27,069	2,454	2,275	14,310	14,101	0	NA
Accounting Discrepancy - Capital	0	0	0	0	0	0	NA
Undistributed Net Income	0	20,385	254	0	0	0	NA
YTD Net Income (loss)	0	0	0	0	0	0	NA
Total Transitory Capital	***27,069***	***22,839***	***2,528***	***14,310***	***14,101***	***0***	***NA***
Institutional Capital							
Statutory & Legal Reserves	0	226	2,111	3,974	7,356	0	NA
Retained Earnings	29,195	32,055	41,528	59,285	94,362	0	NA
Other Reserves	0	0	0	0	0	0	NA
Donations	84,723	72,761	67,443	72,305	71,250	0	NA
Undistributed Losses	(2,775)	(2,387)	0	0	0	0	NA
YTD Net Income (Loss)	9,630	32,420	42,038	38,377	4,298	0	NA
Total Institutional Capital	***120,774***	***135,075***	***153,119***	***173,940***	***177,267***	***0***	***NA***
Total Capital	**162,384**	**177,500**	**178,633**	**215,672**	**219,943**	**0**	**NA**
Total Liabilities and Capital	**874,587**	**1,108,447**	**1,282,360**	**1,597,891**	**1,710,840**	**0**	**NA**

FINANCIERA AVANCES

Income Statement

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
umber of Credit Unions in this Report	1	1	1	1	1	0	
INCOME							
INCOME FROM LOANS							
terest Income from Loans	121,607	188,924	238,699	293,713	83,231	0	NA
Delinquent Penalty Interest Income from Loans	3,902	5,560	5,879	7,658	2,573	0	NA
ommissions/Fees from Loans	21,130	49,431	54,396	58,632	10,727	0	NA
surance Premiums for Loans	0	0	(4,513)	(4,832)	(1,130)	0	NA
NET LOAN INCOME	***146,639***	***243,915***	***294,461***	***355,171***	***95,401***	***0***	***NA***
ncome from Liquid Investments	13,962	22,161	30,827	27,186	8,005	0	NA
come from Financial Investments	0	0	0	0	0	0	NA
Income from Non-Financial Investments	0	0	0	0	0	0	NA
ees, commissions income (loans-unrelated)	0	0	0	0	0	0	NA
come from Other Sources	4,287	3,419	5,539	14,083	18,554	0	NA
Gross Income	**164,888**	**269,495**	**330,826**	**396,440**	**121,959**	**0**	**NA**
OSTS/EXPENSES							
FINANCIAL COSTS							
terest Expense on Savings Deposits	38,344	71,669	103,393	107,401	30,185	0	NA
surance Premiums for Savings	0	3,615	3,964	3,857	979	0	NA
axes on Interest Paid For Savings	0	0	0	0	0	0	NA
Financial Cost - Savings Deposits	*38,344*	*75,284*	*107,357*	*111,258*	*31,164*	*0*	*NA*
nancial Cost on External Credit	14,049	20,754	21,264	29,828	6,100	0	NA
inancial Costs on Interbranch Leans	0	0	0	0	0	0	NA
Dividend Expense on Shares	1,844	3,429	3,954	4,620	500	0	NA
surance Premiums for Shares	0	0	0	411	97	0	NA
axes on Interest Paid for Shares	0	0	0	0	0	0	NA
Financial Cost - Shares	*1,844*	*3,429*	*3,954*	*5,030*	*597*	*0*	*NA*
ther Financial Costs	23,521	38,035	36,153	45,416	16,760	0	NA
OTAL FINANCIAL COSTS	***77,757***	***137,502***	***168,728***	***191,533***	***54,620***	***0***	***NA***
GROSS MARGIN	**87,131**	**131,993**	**162,098**	**204,907**	**67,339**	**0**	**NA**
OPERATING EXPENSES							
ersonnel	36,149	51,465	63,045	81,300	27,957	0	NA
Governance	2,206	3,982	2,712	4,378	431	0	NA
Marketing	4,119	6,806	9,885	8,790	2,778	0	NA
dministration	25,108	31,462	34,416	40,727	15,711	0	NA
Depreciation	2,095	5,847	6,351	4,721	1,707	0	NA
TOTAL OPERATING EXPENSES	***69,677***	***99,561***	***116,410***	***139,916***	***48,584***	***0***	***NA***
rovision for Risk Assets	9,662	1,875	3,654	27,010	14,456	0	NA
NET INCOME FROM OPERATIONS	**7,792**	**30,557**	**42,034**	**37,981**	**4,298**	**0**	**NA**
OTHER INCOME / EXPENSE							
come from Grants	0	0	0	0	0	0	NA
Previous periods adjustments (Net)	0	0	0	0	0	0	NA
xtraordinary income (Net)	(937)	1,863	4	396	0	0	NA
OTAL OTHER INCOME/EXPENSE	***(937)***	***1,863***	***4***	***396***	***0***	***0***	***NA***
Income Tax	0	0	0	0	0	0	NA
et Income/Loss	**6,855**	**32,420**	**42,038**	**38,377**	**4,298**	**0**	**NA**

FINANCIERA AVANCES

TABLE 1a Financial Services
Microenterprise Implementation Grant Program
Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-00	12.6804	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Amt Loans Outstanding - Start of Year	0		0		0		416,115		416,115	
Amt Loans Outstanding - End of Year	0		0		416,115		577,360		523,913	
Avg Amt Loans Outstanding	0		0		416,115		496,738		470,014	
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	0.00%		0.00%		3.69%		6.78%		5.71%	
Long Run Loss Rate	0.00%		0.00%		0.00%		0.00%		0.00%	
Interest Rates	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	NA		NA		1.36%		11.08%		8.98%	
Client/Member Revenues	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Interest Income From Clients/Members	0		0		11,856		48,958		98,784	
Fee Income From Clients/Members	0		0		20,356		18,580		31,080	
Other Income	0		0		1,779		3,873		12,132	
Total Client/Member Revenues	0		0		33,991		71,410		141,995	
Non-Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Administration	0		0		107,184		107,573		240,605	
Depreciation	0		0		0		0		0	
Loan Loss Allowances	0		0		0		13,427		10,476	
Total Non-Financial Expenses	0		0		107,184		121,000		251,081	
Adjusted Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Adjusted Financial Expenses	0		0		53,876		60,746		53,882	
Actual Weighted Cost Of Funds	0		0		4,264		9,293		52,150	
Totals	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Expenses - Adjusted Financial Expenses	0		0		161,060		181,746		304,964	
Total Expenses - Projected Financial Expenses	0		0		111,448		130,294		303,231	
Return On Operations - Adjusted Financial Expenses	NA		NA		21.10%		39.29%		46.56%	
Return On Operations- Actual Fin Exp	NA		NA		30.50%		54.81%		46.83%	
Other	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	0		0		119,523		256,717		310,615	
Percent Of Women Borrowers	NA		NA		58.77%		54.59%		52.11%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

FINANCIERA DINAMICA

P-E-A-R-L-S RATIOS

Based on US$

	P-E-A-R-L-S RATIOS	Goals (Excellence)	30-Jun-00	30-Jun-01	30-Jun-02	30-Jun-03	30-Sep-03	Annual Goal	% Complete
	Number of Credit Unions in this Report		1	1	1	1	1	0	
P	***PROTECTION***								
1.	Estimaciones / Morosidad > 12 Meses	75%	75.92%	86.81%	100.00%	100.00%	100.00%	0.00%	NA
2.	Estim. Netas / Estim. Requeridas de 1-12 Meses	35%	7.55%	15.59%	32.46%	32.51%	32.73%	0.00%	NA
3.	Depuración Completa de Morosidad > 12 Meses	Yes	No	No	No	No	No	0	NA
4.	Depuraciones Anuales / Cartera Promedia	Minimized	2.96%	0.37%	5.50%	-1.24%	-1.54%	0.00%	NA
5.	Recuperación Cartera Dep. / Depuraciones Accum.	75%	24.37%	34.76%	25.85%	29.89%	34.00%	0.00%	NA
6.	Solvencia	Min 111%	157.49%	140.73%	126.19%	120.50%	116.57%	0.00%	NA
E	***EFFECTIVE FINANCIAL STRUCTURE***								
1.	Préstamos Netos / Activo Total	Between 70 - 90%	78.47%	70.22%	69.01%	66.45%	65.54%	0.00%	NA
2.	Inversiones Líquidas / Activo Total	10-18%	9.64%	17.89%	20.09%	19.40%	18.66%	0.00%	NA
3.	Inversiones Financieras / Activo Total	Max 2%	0.00%	0.01%	0.20%	0.28%	0.26%	0.00%	NA
4.	Inversiones No Financieras / Activo Total	0%	0.01%	0.07%	0.05%	0.04%	0.04%	0.00%	NA
5.	Depósitos de Ahorro / Activo Total	Between 70 - 90%	29.73%	43.12%	56.97%	61.71%	62.59%	0.00%	NA
6.	Crédito Externo / Activo Total	0%	27.51%	19.97%	14.88%	11.45%	11.13%	0.00%	NA
7.	Aportaciones / Activo Total	10-20%	10.47%	9.14%	7.84%	6.82%	6.33%	0.00%	NA
8.	Capital Institucional / Activo Total	Minimum 10%	27.47%	23.11%	16.66%	13.50%	10.94%	0.00%	NA
9.	Capital Institucional Neto / Activo	Minimum 10%	22.23%	19.60%	16.75%	13.75%	10.79%	0.00%	NA
A	***ASSET QUALITY***								
1.	Morosidad Total / Cartera Bruta	Less Than or Equal To 5%	19.23%	16.36%	9.01%	9.16%	12.15%	0.00%	NA
2.	Activo Improductivo / Activo Total	Less Than or Equal To 5%	11.88%	11.81%	10.66%	13.83%	15.51%	0.00%	NA
3.	Fondos Sin Costo Neto / Activo Improductivo	Greater Than or Equal To 200%	227.80%	205.40%	187.00%	128.42%	108.37%	0.00%	NA
R	***RATES OF RETURN AND COSTS (ANNUALIZED)***								
1.	Ingresos por Préstamos / Promedio Préstamos Netos	Enterprenurial Rate	37.76%	38.71%	39.77%	39.91%	39.40%	0.00%	NA
2.	Ingresos por Inv. Líquidas / Promedio Inv. Líquidas	Market Rates	11.40%	16.55%	10.71%	9.99%	6.28%	0.00%	NA
3.	Ingresos por Inversiones Fin. / Promedio Inversiones Fin.	Market Rates	NA	0.00%	3.42%	124.20%	0.00%	0.00%	NA
4.	Ingresos por Inv. No Fin. / Promedio Inv. No Fin.	Greater Than or Equal to R1	0.00%	0.00%	0.00%	26.85%	0.00%	0.00%	NA
5.	Costos-Fin: Depósitos / Promedio Depósitos	Market Rates, > Inflation	16.64%	16.86%	16.17%	13.45%	12.08%	0.00%	NA
6.	Costos-Fin: Crédito Externo / Promedio Créd. Externo	Market Rates	12.51%	11.46%	9.10%	8.39%	7.48%	0.00%	NA
7.	Costos-Fin: Aportaciones / Promedio Aportaciones	Market Rates, > R5	13.21%	12.38%	12.68%	12.72%	10.98%	0.00%	NA
8.	Ingresos por otras comisiones / Activo Promedio	Pending	7.11%	4.77%	5.65%	9.19%	20.75%	0.00%	NA
9.	Margen Bruto / Promedio Activos	Amount Needed to Cover R11,	21.64%	21.03%	19.50%	20.48%	19.94%	0.00%	NA
10.	Gastos Operativos / Promedio Activos	<5%	16.66%	18.00%	18.58%	17.90%	19.85%	0.00%	NA
11.	Provisiones Activos de Riesgo / Promedio Activos	Sufficient for Estimated Losses	2.43%	2.28%	3.54%	3.06%	3.78%	0.00%	NA
12.	Otros Ingresos o Gastos / Promedio Activos	Amount Needed	-0.99%	0.01%	-0.12%	0.03%	-0.01%	0.00%	NA
13.	Excedente Neto / Promedio Activos	Enough to reach the goal for E8	1.56%	0.75%	-2.74%	-0.46%	-3.71%	0.00%	NA
14.	Excedente Neto / Promedio Cap. Inst. (ROE)	More Than Inflation	4.95%	2.84%	-13.22%	-3.02%	-29.30%	0.00%	NA
L	***LIQUIDITY***								
1.	Disponibilidades - CxP<=30 / Depósitos de Ahorro	Minimum 15%	41.58%	48.73%	38.17%	35.26%	33.56%	0.00%	NA
2.	Reservas para Liquidez / Total Depósitos	10%	0.00%	11.44%	14.03%	11.36%	10.21%	0.00%	NA
3.	Liquidez Ociosa / Activo Total	Less Than 1 %	2.92%	3.65%	2.36%	3.03%	2.72%	0.00%	NA
S	***SIGNS OF GROWTH (Year-To-Date Growth Rates)***								
1.	Cartera Neta de Préstamos	Sufficient to Achieve Goal in E1	48.10%	-0.45%	5.15%	23.75%	6.76%	0.00%	NA
2.	Inversiones Líquidas	Sufficient to Achieve Goal in E2	1.79%	106.48%	20.18%	24.11%	4.08%	0.00%	NA
3.	Inversiones Financieras	Sufficient to Achieve Goal in E3	0.00%	100.00%	3802.77%	81.03%	-0.30%	0.00%	NA
4.	Inversiones No Financieras	Sufficient to Achieve Goal in E4	691.24%	509.60%	-21.98%	-3.98%	-1.46%	0.00%	NA
5.	Depósitos de Ahorro	Sufficient to Achieve Goal in E5	133.70%	61.35%	41.40%	39.19%	9.78%	0.00%	NA
6.	Crédito Externo	0%	25.11%	-19.25%	-20.26%	-1.08%	5.21%	0.00%	NA
7.	Aportaciones	Sufficient to Achieve Goal in E7	2.08%	-2.86%	-8.21%	11.73%	0.48%	0.00%	NA
8.	Capital Institucional	Sufficient to Achieve Goal in E8	5.19%	-6.41%	-22.87%	4.12%	-12.26%	0.00%	NA
9.	Capital Institucional Neto	Sufficient to Achieve Goal in E9	-10.91%	-1.91%	-8.58%	5.48%	-15.08%	0.00%	NA
10.	Asociados	Minimum 15%	46.47%	38.73%	28.87%	31.05%	4.65%	0.00%	NA
11.	Total Activos	More Than Inflation + 20%	34.95%	11.24%	7.01%	28.50%	8.25%	0.00%	NA
	Inflation Rate (Annualized)		11.70%	15.50%	10.00%	10.00%	10.00%		

FINANCIERA DINAMICA

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Number of Credit Unions in this Report	1	1	1	1	1	0	
Number Of CU Members							
Men	297	406	499	735	824	0	NA
Women	170	267	369	601	667	0	NA
Gender not Reported	0	0	0	0	0	0	NA
Total Number Of Members	***467***	***673***	***868***	***1,336***	***1,491***	***0***	***NA***
Number of Other Service Users							
Youth	44	63	63	94	100	0	NA
Third Parties	0	0	0	0	0	0	NA
Total Number of Other CU Service Users	***44***	***63***	***63***	***94***	***100***	***0***	***NA***
Total Number Of Members & Other CU Service Users	**511**	**736**	**931**	**1,430**	**1,591**	**0**	**NA**

Assets

Earning Assets

Loans to Members							
Short Term (<=1 Year)	61,773	60,432	50,436	75,751	93,181	0	NA
Medium-Term (1-3 Years)	12,688	16,015	14,967	36,272	44,560	0	NA
Long-Term (> 3 Years)	36,065	56,454	54,802	51,587	55,683	0	NA
Other Special Loans	0	0	0	0	0	0	NA
Loan Loss Allowances	(2,111)	(8,116)	(6,509)	(6,124)	(6,883)	0	NA
Total Net Loans	***108,415***	***124,785***	***113,696***	***157,486***	***186,541***	***0***	***NA***
Liquid Investments							
Liquid Investments							
Liquidity Reserves - CFF	0	5,574	9,044	6,990	7,042	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Short-Term CFF Deposits	0	0	0	11,019	9,502	0	NA
Short-Term Bank Deposits	37,815	40,021	26,324	25,086	9,347	0	NA
Short-Term Securities and Investments	0	0	0	0	0	0	NA
Other Liquid Investments 1	0	0	0	0	59	0	NA
Other Liquid Investments 2	0	0	0	0	0	0	NA
Other Liquid Investments 3	0	0	0	0	0	0	NA
Total Liquid Investments	***37,815***	***45,596***	***35,368***	***43,095***	***25,950***	***0***	***NA***
Liquid Investments Allowances	0	0	0	0	0	0	NA
Total Liquid Investments	***37,815***	***45,596***	***35,368***	***43,095***	***25,950***	***0***	***NA***
Financial Investments							
Financial Investments							
Shares - League/Affiliation	0	0	0	0	0	0	NA
Long-Term CFF Deposit	0	0	0	0	0	0	NA
Long-Term Bank Deposits	0	0	0	0	0	0	NA
Long-Term Securities & Investments	0	0	0	0	0	0	NA
Other Financial Investments 1	0	186	172	166	163	0	NA
Other Financial Investments 2	0	0	0	0	0	0	NA
Other Financial Investments 3	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***186***	***172***	***166***	***163***	***0***	***NA***
Financial Investments Allowances	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***186***	***172***	***166***	***163***	***0***	***NA***
Non-Financial Investments							
Various	0	0	0	0	0	0	NA
Non-Financial Investments Allowances	0	0	0	0	0	0	NA
Total Non-Financial Investments	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Earning Assets	**146,230**	**170,567**	**149,237**	**200,746**	**212,654**	**0**	**NA**

Additonal Loan Portfolio Information

Delinquency Based on Outstanding Balance of Loan?	Balance	Balance	Balance	Balance	Balance	Payment	
Delinquency							
TO 12 Months	15,088	29,324	18,597	17,497	20,320	0	NA
More Than 12 Months	9,919	725	0	0	0	0	NA
Total Balance Of Delinquent Loans	***25,006***	***30,050***	***18,597***	***17,497***	***20,320***	***0***	***NA***
Loans to Members (Gross)	110,526	132,901	120,205	163,610	193,424	0	NA
Accumulated Charge-Offs (Historical)	8,755	8,260	28,768	25,292	27,530	0	NA
Recovery of Loans Charged-Off (Historical)	2,022	3,956	10,138	12,690	12,964	0	NA

FINANCIERA DINAMICA

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Non-Earning Assets							
Liquid Assets							
Cash & Equivalents	1,121	1,577	1,174	8,153	3,353	0	NA
Current Accounts (Checking)	0	0	0	252	219	0	NA
Foreign Currency	0	0	0	0	0	0	NA
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Other Liquid Assets	0	0	0	0	0	0	NA
Total Liquid Assets	***1,121***	***1,577***	***1,174***	***8,405***	***3,572***	***0***	***NA***
Accounts Receivable							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	0	0	0	0	0	0	NA
Notes Receivable	502	433	390	1,444	35,682	0	NA
Payroll Deductions Receivable	0	0	0	0	0	0	NA
Interbranch loans account receivable	0	0	0	16,937	136	0	NA
Other Accounts Receivable	0	0	0	0	0	0	NA
Receivable Loss Allowances	0	0	0	0	0	0	NA
Total Accounts Receivable	***502***	***433***	***390***	***18,381***	***35,818***	***0***	***NA***
Fixed Assets							
Land	0	0	0	0	0	0	NA
Buildings (Cost)	4,929	4,650	4,310	4,139	4,078	0	NA
Leasehold Improvements	0	0	0	0	0	0	NA
Furniture & Equipment	4,129	3,895	2,936	2,755	6,131	0	NA
Accumulated Depreciation - Buildings	(292)	(667)	(1,114)	(1,417)	(1,482)	0	NA
Accum. Depreciation - Leasehold Improv.	0	0	0	0	0	0	NA
Accum. Depreciation - Furniture & Equip.	(1,739)	(2,462)	(2,131)	(1,992)	(2,184)	0	NA
Total Net Fixed Assets	***7,026***	***5,417***	***4,001***	***3,484***	***6,543***	***0***	***NA***
Other Assets							
Assets in Liquidation	660	2,676	2,448	20	20	0	NA
Organization Expenses	0	0	0	0	0	0	NA
Prepaid Expenses	0	0	0	0	0	0	NA
Other Deferred Assets	0	0	0	0	0	0	NA
Accumulated Amortization	0	0	0	0	0	0	NA
Total Other Assets	***660***	***2,676***	***2,448***	***20***	***20***	***0***	***NA***
Problem Assets							
Doubtful Assets	0	0	0	0	0	0	NA
Accounting Discrepancy - Assets	0	0	0	0	0	0	NA
Other Problem Assets	0	0	0	0	0	0	NA
Problem Assets Allowances	0	0	0	0	0	0	NA
Total Problem Assets	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Non-Earning Assets	**9,309**	**10,102**	**8,013**	**30,290**	**45,953**	**0**	**NA**
Total Assets	**155,539**	**180,669**	**157,250**	**231,036**	**258,607**	**0**	**NA**

FINANCIERA DINAMICA

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
Savings Deposits							
Regular Savings	8,148	32,377	42,436	69,277	90,163	0	NA
Term/Fixed Savings	5,692	6,305	12,055	18,545	25,235	0	NA
Youth Savings	0	0	0	0	0	0	NA
Special Savings	0	0	0	0	0	0	NA
Pledged Savings	0	0	0	0	0	0	NA
Total Savings Deposits	***13,840***	***38,682***	***54,491***	***87,822***	***115,398***	***0***	***NA***
External Credit							
External Credit - CFF (<= 1 Year)	0	0	0	0	0	0	NA
External Credit - CFF (> 1 Year)	0	0	0	0	0	0	NA
External Credit - Banks	0	0	0	0	0	0	NA
Other External Credit - External Institutions	93,053	85,835	41,964	47,023	61,253	0	NA
InterBranch Loans	0	0	0	16,388	0	0	NA
Total External Credit	***93,053***	***85,835***	***41,964***	***63,410***	***61,253***	***0***	***NA***
Total Interest Bearing Liabilities	***106,893***	***124,517***	***96,455***	***151,233***	***176,651***	***0***	***NA***
Non-Interest Bearing Liabilities							
Short-Term Accounts Payable (<=30 Days)	1,031	1,482	1,790	3,440	215	0	NA
Interbranch deposits account payable	0	0	0	0	0	0	NA
External Credit Payments (<=30 Days)	0	0	0	0	0	0	NA
Provisions (e.g. Employee Benefits)	830	804	1,201	1,036	1,234	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	17,406	24,439	16,283	12,808	15,741	0	NA
Total Non-Interest Bearing Liabilities	***19,268***	***26,726***	***19,274***	***17,285***	***17,189***	***0***	***NA***
Total Liabilities	**126,161**	**151,243**	**115,729**	**168,517**	**193,840**	**0**	**NA**
CAPITAL							
Share Capital							
Mandatory Shares	4,621	5,309	5,666	7,103	7,766	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	***4,621***	***5,309***	***5,666***	***7,103***	***7,766***	***0***	***NA***
Transitory Capital							
Asset Appreciation Over Cost	0	0	0	0	0	0	NA
Education & Social Reserves	0	0	0	0	0	0	NA
Monetary Reserves	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Accounting Discrepancy - Capital	0	0	0	0	0	0	NA
Undistributed Net Income	0	0	2,440	0	0	0	NA
YTD Net Income (loss)	0	0	0	0	0	0	NA
Total Transitory Capital	***0***	***0***	***2,440***	***0***	***0***	***0***	***NA***
Institutional Capital							
Statutory & Legal Reserves	2,790	2,633	0	2,343	2,309	0	NA
Retained Earnings	15,067	12,435	12,501	14,256	25,958	0	NA
Other Reserves	0	0	0	0	0	0	NA
Donations	9,592	9,050	27,840	26,731	26,341	0	NA
Undistributed Losses	(2,692)	0	0	0	0	0	NA
YTD Net Income (Loss)	0	0	(6,927)	12,086	2,393	0	NA
Total Institutional Capital	***24,758***	***24,117***	***33,414***	***55,416***	***57,001***	***0***	***NA***
Total Capital	**29,378**	**29,426**	**41,520**	**62,519**	**64,767**	**0**	**NA**
Total Liabilities and Capital	**155,539**	**180,669**	**157,250**	**231,036**	**258,607**	**0**	**NA**

FINANCIERA DINAMICA

Income Statement

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
umber of Credit Unions in this Report	1	1	1	1	1	0	
INCOME							
INCOME FROM LOANS							
terest Income from Loans	35,705	39,039	44,577	50,261	14,031	0	NA
Delinquent Penalty Interest Income from Loans	1,674	3,232	2,706	1,511	447	0	NA
ommissions/Fees from Loans	1,442	1,682	1,959	6,402	2,375	0	NA
surance Premiums for Loans	0	0	(662)	(944)	(72)	0	NA
NET LOAN INCOME	***38,821***	***43,953***	***48,581***	***57,230***	***16,782***	***0***	***NA***
Income from Liquid Investments	5,215	5,824	4,278	2,963	803	0	NA
come from Financial Investments	0	0	0	0	0	0	NA
Income from Non-Financial Investments	0	0	0	0	0	0	NA
ees, commissions income (loans-unrelated)	0	0	0	0	0	0	NA
come from Other Sources	255	187	237	5,078	433	0	NA
Gross Income	**44,291**	**49,965**	**53,095**	**65,271**	**18,019**	**0**	**NA**
OSTS/EXPENSES							
FINANCIAL COSTS							
terest Expense on Savings Deposits	1,757	4,393	7,824	8,000	3,145	0	NA
surance Premiums for Savings	0	222	539	696	60	0	NA
axes on Interest Paid For Savings	0	0	0	0	0	0	NA
Financial Cost - Savings Deposits	*1,757*	*4,615*	*8,363*	*8,695*	*3,206*	*0*	*NA*
nancial Cost on External Credit	17,858	14,370	9,193	6,396	1,425	0	NA
inancial Costs on Interbranch Leans	0	0	0	0	0	0	NA
Dividend Expense on Shares	752	513	481	463	151	0	NA
surance Premiums for Shares	0	0	0	0	0	0	NA
axes on Interest Paid for Shares	0	0	0	0	0	0	NA
Financial Cost - Shares	*752*	*513*	*481*	*463*	*151*	*0*	*NA*
ther Financial Costs	610	64	283	37	5	0	NA
OTAL FINANCIAL COSTS	***20,977***	***19,562***	***18,320***	***15,591***	***4,786***	***0***	***NA***
GROSS MARGIN	**23,314**	**30,403**	**34,776**	**49,680**	**13,232**	**0**	**NA**
OPERATING EXPENSES							
ersonnel	13,484	14,598	16,176	18,357	5,169	0	NA
Governance	2,066	932	1,006	1,227	88	0	NA
arketing	1,799	1,679	3,852	4,370	52	0	NA
dministration	3,881	5,923	5,692	10,736	2,227	0	NA
epreciation	834	1,212	1,099	894	306	0	NA
TOTAL OPERATING EXPENSES	***22,064***	***24,344***	***27,825***	***35,583***	***7,843***	***0***	***NA***
ovision for Risk Assets	3,793	6,020	13,877	4,522	3,061	0	NA
NET INCOME FROM OPERATIONS	**(2,542)**	**39**	**(6,927)**	**9,575**	**2,328**	**0**	**NA**
OTHER INCOME / EXPENSE							
come from Grants	0	0	0	0	0	0	NA
Previous periods adjustments (Net)	0	0	0	0	0	0	NA
xtraordinary income (Net)	(149)	(39)	0	2,511	0	0	NA
OTAL OTHER INCOME/EXPENSE	***(149)***	***(39)***	***0***	***2,511***	***0***	***0***	***NA***
Income Tax	0	0	0	0	0	0	NA
et Income/Loss	**(2,692)**	**0**	**(6,927)**	**12,086**	**2,328**	**0**	**NA**

FINANCIERA DINAMICA

TABLE 1a Financial Services
Microenterprise Implementation Grant Program
Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-00	12.6804	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Amt Loans Outstanding - Start of Year	0		0		0		416,115		416,115	
Amt Loans Outstanding - End of Year	0		0		416,115		577,360		523,913	
Avg Amt Loans Outstanding	0		0		416,115		496,738		470,014	
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	0.00%		0.00%		3.69%		6.78%		5.71%	
Long Run Loss Rate	0.00%		0.00%		0.00%		0.00%		0.00%	
Interest Rates	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	NA		NA		1.36%		11.08%		8.98%	
Client/Member Revenues	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Interest Income From Clients/Members	0		0		11,856		48,958		98,784	
Fee Income From Clients/Members	0		0		20,356		18,580		31,080	
Other Income	0		0		1,779		3,873		12,132	
Total Client/Member Revenues	0		0		33,991		71,410		141,995	
Non-Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Administration	0		0		107,184		107,573		240,605	
Depreciation	0		0		0		0		0	
Loan Loss Allowances	0		0		0		13,427		10,476	
Total Non-Financial Expenses	0		0		107,184		121,000		251,081	
Adjusted Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Adjusted Financial Expenses	0		0		53,876		60,746		53,882	
Actual Weighted Cost Of Funds	0		0		4,264		9,293		52,150	
Totals	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Expenses - Adjusted Financial Expenses	0		0		161,060		181,746		304,964	
Total Expenses - Projected Financial Expenses	0		0		111,448		130,294		303,231	
Return On Operations - Adjusted Financial Expenses	NA		NA		21.10%		39.29%		46.56%	
Return On Operations- Actual Fin Exp	NA		NA		30.50%		54.81%		46.83%	
Other	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	0		0		119,523		256,717		310,615	
Percent Of Women Borrowers	NA		NA		58.77%		54.59%		52.11%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

FINANCIERA ECONOMICA

P-E-A-R-L-S RATIOS

Based on US$

P-E-A-R-L-S RATIOS		Goals (Excellence)	30-Jun-00	30-Jun-01	30-Jun-02	30-Jun-03	30-Sep-03	Annual Goal	% Complete
Number of Credit Unions in this Report			1	1	1	1	1	0	
P	***PROTECTION***								
1.	Estimaciones / Morosidad > 12 Meses	75%	75.92%	86.81%	100.00%	100.00%	100.00%	0.00%	NA
2.	Estim. Netas / Estim. Requeridas de 1-12 Meses	35%	7.55%	15.59%	32.46%	32.51%	32.73%	0.00%	NA
3.	Depuración Completa de Morosidad > 12 Meses	Yes	No	No	No	No	No	0	NA
4.	Depuraciones Anuales / Cartera Promedia	Minimized	2.96%	0.37%	5.50%	-1.24%	-1.54%	0.00%	NA
5.	Recuperación Cartera Dep. / Depuraciones Accum.	75%	24.37%	34.76%	25.85%	29.89%	34.00%	0.00%	NA
6.	Solvencia	Min 111%	157.49%	140.73%	126.19%	120.50%	116.57%	0.00%	NA
E	***EFFECTIVE FINANCIAL STRUCTURE***								
1.	Préstamos Netos / Activo Total	Between 70 - 90%	78.47%	70.22%	69.01%	66.45%	65.54%	0.00%	NA
2.	Inversiones Líquidas / Activo Total	10-18%	9.64%	17.89%	20.09%	19.40%	18.66%	0.00%	NA
3.	Inversiones Financieras / Activo Total	Max 2%	0.00%	0.01%	0.20%	0.28%	0.26%	0.00%	NA
4.	Inversiones No Financieras / Activo Total	0%	0.01%	0.07%	0.05%	0.04%	0.04%	0.00%	NA
5.	Depósitos de Ahorro / Activo Total	Between 70 - 90%	29.73%	43.12%	56.97%	61.71%	62.59%	0.00%	NA
6.	Crédito Externo / Activo Total	0%	27.51%	19.97%	14.88%	11.45%	11.13%	0.00%	NA
7.	Aportaciones / Activo Total	10-20%	10.47%	9.14%	7.84%	6.82%	6.33%	0.00%	NA
8.	Capital Institucional / Activo Total	Minimum 10%	27.47%	23.11%	16.66%	13.50%	10.94%	0.00%	NA
9.	Capital Institucional Neto / Activo	Minimum 10%	22.23%	19.60%	16.75%	13.75%	10.79%	0.00%	NA
A	***ASSET QUALITY***								
1.	Morosidad Total / Cartera Bruta	Less Than or Equal To 5%	19.23%	16.36%	9.01%	9.16%	12.15%	0.00%	NA
2.	Activo Improductivo / Activo Total	Less Than or Equal To 5%	11.88%	11.81%	10.66%	13.83%	15.51%	0.00%	NA
3.	Fondos Sin Costo Neto / Activo Improductivo	Greater Than or Equal To 200%	227.80%	205.40%	187.00%	128.42%	108.37%	0.00%	NA
R	***RATES OF RETURN AND COSTS (ANNUALIZED)***								
1.	Ingresos por Préstamos / Promedio Préstamos Netos	Enterprenurial Rate	37.76%	38.71%	39.77%	39.91%	39.40%	0.00%	NA
2.	Ingresos por Inv. Líquidas / Promedio Inv. Líquidas	Market Rates	11.40%	16.55%	10.71%	9.99%	6.28%	0.00%	NA
3.	Ingresos por Inversiones Fin. / Promedio Inversiones Fin.	Market Rates	NA	0.00%	3.42%	124.20%	0.00%	0.00%	NA
4.	Ingresos por Inv. No Fin. / Promedio Inv. No Fin.	Greater Than or Equal to R1	0.00%	0.00%	0.00%	26.85%	0.00%	0.00%	NA
5.	Costos-Fin: Depósitos / Promedio Depósitos	Market Rates, > Inflation	16.64%	16.86%	16.17%	13.45%	12.08%	0.00%	NA
6.	Costos-Fin: Crédito Externo / Promedio Créd. Externo	Market Rates	12.51%	11.46%	9.10%	8.39%	7.48%	0.00%	NA
7.	Costos-Fin: Aportaciones / Promedio Aportaciones	Market Rates, > R5	13.21%	12.38%	12.68%	12.72%	10.98%	0.00%	NA
8.	Ingresos por otras comisiones / Activo Promedio	Pending	7.11%	4.77%	5.65%	9.19%	20.75%	0.00%	NA
9.	Margen Bruto / Promedio Activos	Amount Needed to Cover R11,	21.64%	21.03%	19.50%	20.48%	19.94%	0.00%	NA
10.	Gastos Operativos / Promedio Activos	<5%	16.66%	18.00%	18.58%	17.90%	19.85%	0.00%	NA
11.	Provisiones Activos de Riesgo / Promedio Activos	Sufficient for Estimated Losses	2.43%	2.28%	3.54%	3.06%	3.78%	0.00%	NA
12.	Otros Ingresos o Gastos / Promedio Activos	Amount Needed	-0.99%	0.01%	-0.12%	0.03%	-0.01%	0.00%	NA
13.	Excedente Neto / Promedio Activos	Enough to reach the goal for E8	1.56%	0.75%	-2.74%	-0.46%	-3.71%	0.00%	NA
14.	Excedente Neto / Promedio Cap. Inst. (ROE)	More Than Inflation	4.95%	2.84%	-13.22%	-3.02%	-29.30%	0.00%	NA
L	***LIQUIDITY***								
1.	Disponibilidades - CxP<=30 / Depósitos de Ahorro	Minimum 15%	41.58%	48.73%	38.17%	35.26%	33.56%	0.00%	NA
2.	Reservas para Liquidez / Total Depósitos	10%	0.00%	11.44%	14.03%	11.36%	10.21%	0.00%	NA
3.	Liquidez Ociosa / Activo Total	Less Than 1 %	2.92%	3.65%	2.36%	3.03%	2.72%	0.00%	NA
S	***SIGNS OF GROWTH (Year-To-Date Growth Rates)***								
1.	Cartera Neta de Préstamos	Sufficient to Achieve Goal in E1	48.10%	-0.45%	5.15%	23.75%	6.76%	0.00%	NA
2.	Inversiones Líquidas	Sufficient to Achieve Goal in E2	1.79%	106.48%	20.18%	24.11%	4.08%	0.00%	NA
3.	Inversiones Financieras	Sufficient to Achieve Goal in E3	0.00%	100.00%	3802.77%	81.03%	-0.30%	0.00%	NA
4.	Inversiones No Financieras	Sufficient to Achieve Goal in E4	691.24%	509.60%	-21.98%	-3.98%	-1.46%	0.00%	NA
5.	Depósitos de Ahorro	Sufficient to Achieve Goal in E5	133.70%	61.35%	41.40%	39.19%	9.78%	0.00%	NA
6.	Crédito Externo	0%	25.11%	-19.25%	-20.26%	-1.08%	5.21%	0.00%	NA
7.	Aportaciones	Sufficient to Achieve Goal in E7	2.08%	-2.86%	-8.21%	11.73%	0.48%	0.00%	NA
8.	Capital Institucional	Sufficient to Achieve Goal in E8	5.19%	-6.41%	-22.87%	4.12%	-12.26%	0.00%	NA
9.	Capital Institucional Neto	Sufficient to Achieve Goal in E9	-10.91%	-1.91%	-8.58%	5.48%	-15.08%	0.00%	NA
10.	Asociados	Minimum 15%	46.47%	38.73%	28.87%	31.05%	4.65%	0.00%	NA
11.	Total Activos	More Than Inflation + 20%	34.95%	11.24%	7.01%	28.50%	8.25%	0.00%	NA
Inflation Rate (Annualized)			11.70%	15.50%	10.00%	10.00%	10.00%		

FINANCIERA ECONOMICA

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Number of Credit Unions in this Report	1	1	1	1	1	0	
Number Of CU Members							
Men	100	215	328	456	507	0	NA
Women	96	225	380	578	646	0	NA
Gender not Reported	0	0	0	0	0	0	NA
Total Number Of Members	***196***	***440***	***708***	***1,034***	***1,153***	***0***	***NA***
Number of Other Service Users							
Youth	0	140	182	202	205	0	NA
Third Parties	0	1	0	0	0	0	NA
Total Number of Other CU Service Users	***0***	***141***	***182***	***202***	***205***	***0***	***NA***
Total Number Of Members & Other CU Service Users	**196**	**581**	**890**	**1,236**	**1,358**	**0**	**NA**

Assets

Earning Assets

Loans to Members							
Short Term (<=1 Year)	22,964	44,152	84,854	105,248	115,910	0	NA
Medium-Term (1-3 Years)	39,478	21,926	30,498	53,092	31,027	0	NA
Long-Term (> 3 Years)	0	0	0	0	0	0	NA
Other Special Loans	0	0	0	0	0	0	NA
Loan Loss Allowances	(2,524)	(4,902)	(1,907)	(6,801)	(14,385)	0	NA
Total Net Loans	***59,917***	***61,175***	***113,446***	***151,539***	***132,551***	***0***	***NA***
Liquid Investments							
Liquid Investments							
Liquidity Reserves - CFF	0	5,071	8,911	11,768	12,340	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Short-Term CFF Deposits	0	0	0	5,285	25,074	0	NA
Short-Term Bank Deposits	1,305	2,332	4,058	6,886	5,950	0	NA
Short-Term Securities and Investments	0	73	67	65	64	0	NA
Other Liquid Investments 1	0	0	2,477	2,708	7,483	0	NA
Other Liquid Investments 2	0	0	0	0	0	0	NA
Other Liquid Investments 3	0	0	0	0	0	0	NA
Total Liquid Investments	***1,305***	***7,476***	***15,514***	***26,711***	***50,912***	***0***	***NA***
Liquid Investments Allowances	0	0	0	0	0	0	NA
Total Liquid Investments	***1,305***	***7,476***	***15,514***	***26,711***	***50,912***	***0***	***NA***
Financial Investments							
Financial Investments							
Shares - League/Affiliation	0	0	1,020	1,038	1,038	0	NA
Long-Term CFF Deposit	0	0	0	0	0	0	NA
Long-Term Bank Deposits	0	0	0	0	0	0	NA
Long-Term Securities & Investments	0	0	0	0	0	0	NA
Other Financial Investments 1	0	0	0	0	0	0	NA
Other Financial Investments 2	0	0	0	0	0	0	NA
Other Financial Investments 3	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***1,020***	***1,038***	***1,038***	***0***	***NA***
Financial Investments Allowances	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***1,020***	***1,038***	***1,038***	***0***	***NA***
Non-Financial Investments							
Various	401	378	351	337	332	0	NA
Non-Financial Investments Allowances	0	0	0	0	0	0	NA
Total Non-Financial Investments	***401***	***378***	***351***	***337***	***332***	***0***	***NA***
Total Earning Assets	**61,623**	**69,030**	**130,330**	**179,625**	**184,833**	**0**	**NA**

Additonal Loan Portfolio Information

Delinquency Based on Outstanding Balance of Loan?	Balance	Balance	Balance	Balance	Balance	Payment	
Delinquency							
UP TO 12 Months	5,097	14,006	5,448	15,017	29,403	0	NA
More Than 12 Months	557	0	0	1,545	3,514	0	NA
Total Balance Of Delinquent Loans	***5,653***	***14,006***	***5,448***	***16,562***	***32,918***	***0***	***NA***
Loans to Members (Gross)	62,441	66,077	115,352	158,340	146,936	0	NA
Accumulated Charge-Offs (Historical)	525	0	4,871	4,833	4,763	0	NA
Recovery of Loans Charged-Off (Historical)	0	0	1,659	4,833	0	0	NA

FINANCIERA ECONOMICA

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Non-Earning Assets							
Liquid Assets							
Cash & Equivalents	868	10,084	9,245	16,952	26,023	0	NA
Current Accounts (Checking)	473	454	0	0	0	0	NA
Foreign Currency	0	0	0	0	0	0	NA
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Other Liquid Assets	0	0	0	0	0	0	NA
Total Liquid Assets	***1,341***	***10,538***	***9,245***	***16,952***	***26,023***	***0***	***NA***
Accounts Receivable							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	0	0	0	0	0	0	NA
Notes Receivable	751	718	675	7,058	8,338	0	NA
Payroll Deductions Receivable	0	0	0	33	94	0	NA
Interbranch loans account receivable	0	0	0	0	0	0	NA
Other Accounts Receivable	0	0	57	149	26	0	NA
Receivable Loss Allowances	0	0	0	0	0	0	NA
Total Accounts Receivable	***751***	***718***	***732***	***7,240***	***8,457***	***0***	***NA***
Fixed Assets							
Land	0	0	0	0	0	0	NA
Buildings (Cost)	0	0	0	0	0	0	NA
Leasehold Improvements	0	0	0	0	0	0	NA
Furniture & Equipment	457	908	1,812	4,792	6,326	0	NA
Accumulated Depreciation - Buildings	0	0	0	0	0	0	NA
Accum. Depreciation - Leasehold Improv.	0	0	0	0	0	0	NA
Accum. Depreciation - Furniture & Equip.	(391)	(829)	(1,198)	(1,925)	(2,237)	0	NA
Total Net Fixed Assets	***66***	***79***	***614***	***2,867***	***4,089***	***0***	***NA***
Other Assets							
Assets in Liquidation	0	3,281	4,559	4,311	2,878	0	NA
Organization Expenses	0	0	0	0	0	0	NA
Prepaid Expenses	0	11	1,230	2,042	929	0	NA
Other Deferred Assets	0	0	0	0	137	0	NA
Accumulated Amortization	0	0	0	0	0	0	NA
Total Other Assets	***0***	***3,292***	***5,789***	***6,353***	***3,944***	***0***	***NA***
Problem Assets							
Doubtful Assets	0	0	0	0	0	0	NA
Accounting Discrepancy - Assets	0	0	0	0	0	0	NA
Other Problem Assets	0	0	0	0	0	0	NA
Problem Assets Allowances	0	0	0	0	0	0	NA
Total Problem Assets	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Non-Earning Assets	**2,158**	**14,627**	**16,380**	**33,413**	**42,512**	**0**	**NA**
Total Assets	**63,781**	**83,657**	**146,710**	**213,038**	**227,346**	**0**	**NA**

FINANCIERA ECONOMICA

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
Savings Deposits							
Regular Savings	7,705	29,201	48,012	75,895	81,269	0	NA
Term/Fixed Savings	1,130	1,446	10,706	31,177	35,446	0	NA
Youth Savings	0	2,753	0	0	0	0	NA
Special Savings	0	0	0	0	0	0	NA
Pledged Savings	0	0	0	0	0	0	NA
Total Savings Deposits	***8,836***	***33,400***	***58,718***	***107,071***	***116,715***	***0***	***NA***
External Credit							
External Credit - CFF (<= 1 Year)	0	0	0	0	0	0	NA
External Credit - CFF (> 1 Year)	0	0	0	0	19,576	0	NA
External Credit - Banks	0	0	0	0	0	0	NA
Other External Credit - External Institutions	7,733	9,906	39,973	21,100	6,285	0	NA
InterBranch Loans	0	0	0	4,890	12,441	0	NA
Total External Credit	***7,733***	***9,906***	***39,973***	***25,990***	***38,302***	***0***	***NA***
Total Interest Bearing Liabilities	***16,568***	***43,306***	***98,691***	***133,061***	***155,017***	***0***	***NA***
Non-Interest Bearing Liabilities							
Short-Term Accounts Payable (<=30 Days)	134	599	1,023	1,615	1,963	0	NA
Interbranch deposits account payable	0	0	0	0	0	0	NA
External Credit Payments (<=30 Days)	0	0	0	0	0	0	NA
Provisions (e.g. Employee Benefits)	480	488	711	1,001	1,343	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	0	64	325	2,512	8,043	0	NA
Total Non-Interest Bearing Liabilities	***614***	***1,152***	***2,059***	***5,128***	***11,349***	***0***	***NA***
Total Liabilities	**17,182**	**44,458**	**100,749**	**138,189**	**166,366**	**0**	**NA**
CAPITAL							
Share Capital							
Mandatory Shares	4,117	5,284	6,993	9,174	9,698	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	***4,117***	***5,284***	***6,993***	***9,174***	***9,698***	***0***	***NA***
Transitory Capital							
Asset Appreciation Over Cost	0	0	0	0	0	0	NA
Education & Social Reserves	0	0	0	0	0	0	NA
Monetary Reserves	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Accounting Discrepancy - Capital	0	0	0	0	0	0	NA
Undistributed Net Income	0	0	0	0	0	0	NA
YTD Net Income (loss)	0	0	0	0	0	0	NA
Total Transitory Capital	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Institutional Capital							
Statutory & Legal Reserves	0	0	0	0	0	0	NA
Retained Earnings	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Donations	49,155	47,628	50,084	77,448	67,082	0	NA
Undistributed Losses	(6,673)	(4,715)	(12,711)	0	(2,364)	0	NA
YTD Net Income (Loss)	0	(8,998)	1,594	(11,773)	(13,436)	0	NA
Total Institutional Capital	***42,482***	***33,914***	***38,967***	***65,675***	***51,282***	***0***	***NA***
Total Capital	**46,599**	**39,199**	**45,960**	**74,849**	**60,979**	**0**	**NA**
Total Liabilities and Capital	**63,781**	**83,657**	**146,710**	**213,038**	**227,346**	**0**	**NA**

FINANCIERA ECONOMICA

Income Statement

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
umber of Credit Unions in this Report	1	1	1	1	1	0	
INCOME							
INCOME FROM LOANS							
terest Income from Loans	15,191	25,180	32,299	39,732	13,670	0	NA
Delinquent Penalty Interest Income from Loans	901	718	1,530	821	397	0	NA
Commissions/Fees from Loans	1,435	2,149	7,054	7,291	1,623	0	NA
surance Premiums for Loans	0	0	0	(522)	0	0	NA
NET LOAN INCOME	***17,527***	***28,046***	***40,883***	***47,322***	***15,689***	***0***	***NA***
Income from Liquid Investments	1,494	651	2,536	1,827	315	0	NA
come from Financial Investments	0	0	0	0	0	0	NA
Income from Non-Financial Investments	0	0	0	0	0	0	NA
ees, commissions income (loans-unrelated)	0	0	0	0	0	0	NA
come from Other Sources	920	1,376	1,340	2,884	1,276	0	NA
Gross Income	**19,941**	**30,073**	**44,759**	**52,034**	**17,280**	**0**	**NA**
OSTS/EXPENSES							
FINANCIAL COSTS							
terest Expense on Savings Deposits	201	3,719	5,477	7,446	2,921	0	NA
surance Premiums for Savings	0	512	1,024	768	331	0	NA
axes on Interest Paid For Savings	0	0	0	0	0	0	NA
Financial Cost - Savings Deposits	*201*	*4,231*	*6,501*	*8,214*	*3,252*	*0*	*NA*
nancial Cost on External Credit	4,776	1,798	2,561	1,214	653	0	NA
inancial Costs on Interbranch Leans	0	0	0	0	0	0	NA
Dividend Expense on Shares	380	660	864	928	310	0	NA
surance Premiums for Shares	0	0	0	0	0	0	NA
axes on Interest Paid for Shares	0	0	0	0	0	0	NA
Financial Cost - Shares	*380*	*660*	*864*	*928*	*310*	*0*	*NA*
ther Financial Costs	0	441	1,078	2,467	897	0	NA
OTAL FINANCIAL COSTS	***5,357***	***7,130***	***11,005***	***12,823***	***5,111***	***0***	***NA***
GROSS MARGIN	**14,585**	**22,943**	**33,755**	**39,211**	**12,169**	**0**	**NA**
OPERATING EXPENSES							
ersonnel	8,376	19,846	17,709	28,515	10,696	0	NA
Governance	36	137	55	0	0	0	NA
Marketing	687	998	3,460	4,430	519	0	NA
dministration	3,249	5,624	8,437	12,301	6,367	0	NA
Depreciation	0	459	430	775	341	0	NA
TOTAL OPERATING EXPENSES	***12,348***	***27,065***	***30,092***	***46,020***	***17,922***	***0***	***NA***
rovision for Risk Assets	2,452	4,876	2,069	4,971	7,683	0	NA
NET INCOME FROM OPERATIONS	**(215)**	**(8,998)**	**1,594**	**(11,780)**	**(13,436)**	**0**	**NA**
OTHER INCOME / EXPENSE							
come from Grants	0	0	0	0	0	0	NA
Previous periods adjustments (Net)	0	0	0	0	0	0	NA
xtraordinary income (Net)	(9)	0	0	0	0	0	NA
OTAL OTHER INCOME/EXPENSE	***(9)***	***0***	***0***	***0***	***0***	***0***	***NA***
Income Tax	0	0	0	0	0	0	NA
et Income/Loss	**(223)**	**(8,998)**	**1,594**	**(11,780)**	**(13,436)**	**0**	**NA**

FINANCIERA ECONOMICA

TABLE 1a Financial Services

Microenterprise Implementation Grant Program
Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-00	12.6804	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Amt Loans Outstanding - Start of Year	0		0		0		416,115		416,115	
Amt Loans Outstanding - End of Year	0		0		416,115		577,360		523,913	
Avg Amt Loans Outstanding	0		0		416,115		496,738		470,014	
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	0.00%		0.00%		3.69%		6.78%		5.71%	
Long Run Loss Rate	0.00%		0.00%		0.00%		0.00%		0.00%	
Interest Rates	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	NA		NA		1.36%		11.08%		8.98%	
Client/Member Revenues	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Interest Income From Clients/Members	0		0		11,856		48,958		98,784	
Fee Income From Clients/Members	0		0		20,356		18,580		31,080	
Other Income	0		0		1,779		3,873		12,132	
Total Client/Member Revenues	0		0		33,991		71,410		141,995	
Non-Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Administration	0		0		107,184		107,573		240,605	
Depreciation	0		0		0		0		0	
Loan Loss Allowances	0		0		0		13,427		10,476	
Total Non-Financial Expenses	0		0		107,184		121,000		251,081	
Adjusted Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Adjusted Financial Expenses	0		0		53,876		60,746		53,882	
Actual Weighted Cost Of Funds	0		0		4,264		9,293		52,150	
Totals	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Expenses - Adjusted Financial Expenses	0		0		161,060		181,746		304,964	
Total Expenses - Projected Financial Expenses	0		0		111,448		130,294		303,231	
Return On Operations - Adjusted Financial Expenses	NA		NA		21.10%		39.29%		46.56%	
Return On Operations- Actual Fin Exp	NA		NA		30.50%		54.81%		46.83%	
Other	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	0		0		119,523		256,717		310,615	
Percent Of Women Borrowers	NA		NA		58.77%		54.59%		52.11%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

FINANCIERA IAGUEI

P-E-A-R-L-S RATIOS

Based on US$

	P-E-A-R-L-S RATIOS	Goals (Excellence)	30-Jun-00	30-Jun-01	30-Jun-02	30-Jun-03	30-Sep-03	Annual Goal	% Complete
	Number of Credit Unions in this Report		1	1	1	1	1	0	
P	***PROTECTION***								
1.	Estimaciones / Morosidad > 12 Meses	75%	75.92%	86.81%	100.00%	100.00%	100.00%	0.00%	NA
2.	Estim. Netas / Estim. Requeridas de 1-12 Meses	35%	7.55%	15.59%	32.46%	32.51%	32.73%	0.00%	NA
3.	Depuración Completa de Morosidad > 12 Meses	Yes	No	No	No	No	No	0	NA
4.	Depuraciones Anuales / Cartera Promedia	Minimized	2.96%	0.37%	5.50%	-1.24%	-1.54%	0.00%	NA
5.	Recuperación Cartera Dep. / Depuraciones Accum.	75%	24.37%	34.76%	25.85%	29.89%	34.00%	0.00%	NA
6.	Solvencia	Min 111%	157.49%	140.73%	126.19%	120.50%	116.57%	0.00%	NA
E	***EFFECTIVE FINANCIAL STRUCTURE***								
1.	Préstamos Netos / Activo Total	Between 70 - 90%	78.47%	70.22%	69.01%	66.45%	65.54%	0.00%	NA
2.	Inversiones Líquidas / Activo Total	10-18%	9.64%	17.89%	20.09%	19.40%	18.66%	0.00%	NA
3.	Inversiones Financieras / Activo Total	Max 2%	0.00%	0.01%	0.20%	0.28%	0.26%	0.00%	NA
4.	Inversiones No Financieras / Activo Total	0%	0.01%	0.07%	0.05%	0.04%	0.04%	0.00%	NA
5.	Depósitos de Ahorro / Activo Total	Between 70 - 90%	29.73%	43.12%	56.97%	61.71%	62.59%	0.00%	NA
6.	Crédito Externo / Activo Total	0%	27.51%	19.97%	14.88%	11.45%	11.13%	0.00%	NA
7.	Aportaciones / Activo Total	10-20%	10.47%	9.14%	7.84%	6.82%	6.33%	0.00%	NA
8.	Capital Institucional / Activo Total	Minimum 10%	27.47%	23.11%	16.66%	13.50%	10.94%	0.00%	NA
9.	Capital Institucional Neto / Activo	Minimum 10%	22.23%	19.60%	16.75%	13.75%	10.79%	0.00%	NA
A	***ASSET QUALITY***								
1.	Morosidad Total / Cartera Bruta	Less Than or Equal To 5%	19.23%	16.36%	9.01%	9.16%	12.15%	0.00%	NA
2.	Activo Improductivo / Activo Total	Less Than or Equal To 5%	11.88%	11.81%	10.66%	13.83%	15.51%	0.00%	NA
3.	Fondos Sin Costo Neto / Activo Improductivo	Greater Than or Equal To 200%	227.80%	205.40%	187.00%	128.42%	108.37%	0.00%	NA
R	***RATES OF RETURN AND COSTS (ANNUALIZED)***								
1.	Ingresos por Préstamos / Promedio Préstamos Netos	Enterprenurial Rate	37.76%	38.71%	39.77%	39.91%	39.40%	0.00%	NA
2.	Ingresos por Inv. Líquidas / Promedio Inv. Líquidas	Market Rates	11.40%	16.55%	10.71%	9.99%	6.28%	0.00%	NA
3.	Ingresos por Inversiones Fin. / Promedio Inversiones Fin.	Market Rates	NA	0.00%	3.42%	124.20%	0.00%	0.00%	NA
4.	Ingresos por Inv. No Fin. / Promedio Inv. No Fin.	Greater Than or Equal to R1	0.00%	0.00%	0.00%	26.85%	0.00%	0.00%	NA
5.	Costos-Fin: Depósitos / Promedio Depósitos	Market Rates, > Inflation	16.64%	16.86%	16.17%	13.45%	12.08%	0.00%	NA
6.	Costos-Fin: Crédito Externo / Promedio Créd. Externo	Market Rates	12.51%	11.46%	9.10%	8.39%	7.48%	0.00%	NA
7.	Costos-Fin: Aportaciones / Promedio Aportaciones	Market Rates, > R5	13.21%	12.38%	12.68%	12.72%	10.98%	0.00%	NA
8.	Ingresos por otras comisiones / Activo Promedio	Pending	7.11%	4.77%	5.65%	9.19%	20.75%	0.00%	NA
9.	Margen Bruto / Promedio Activos	Amount Needed to Cover R11,	21.64%	21.03%	19.50%	20.48%	19.94%	0.00%	NA
10.	Gastos Operativos / Promedio Activos	<5%	16.66%	18.00%	18.58%	17.90%	19.85%	0.00%	NA
11.	Provisiones Activos de Riesgo / Promedio Activos	Sufficient for Estimated Losses	2.43%	2.28%	3.54%	3.06%	3.78%	0.00%	NA
12.	Otros Ingresos o Gastos / Promedio Activos	Amount Needed	-0.99%	0.01%	-0.12%	0.03%	-0.01%	0.00%	NA
13.	Excedente Neto / Promedio Activos	Enough to reach the goal for E8	1.56%	0.75%	-2.74%	-0.46%	-3.71%	0.00%	NA
14.	Excedente Neto / Promedio Cap. Inst. (ROE)	More Than Inflation	4.95%	2.84%	-13.22%	-3.02%	-29.30%	0.00%	NA
L	***LIQUIDITY***								
1.	Disponibilidades - CxP<=30 / Depósitos de Ahorro	Minimum 15%	41.58%	48.73%	38.17%	35.26%	33.56%	0.00%	NA
2.	Reservas para Liquidez / Total Depósitos	10%	0.00%	11.44%	14.03%	11.36%	10.21%	0.00%	NA
3.	Liquidez Ociosa / Activo Total	Less Than 1 %	2.92%	3.65%	2.36%	3.03%	2.72%	0.00%	NA
S	***SIGNS OF GROWTH (Year-To-Date Growth Rates)***								
1.	Cartera Neta de Préstamos	Sufficient to Achieve Goal in E1	48.10%	-0.45%	5.15%	23.75%	6.76%	0.00%	NA
2.	Inversiones Líquidas	Sufficient to Achieve Goal in E2	1.79%	106.48%	20.18%	24.11%	4.08%	0.00%	NA
3.	Inversiones Financieras	Sufficient to Achieve Goal in E3	0.00%	100.00%	3802.77%	81.03%	-0.30%	0.00%	NA
4.	Inversiones No Financieras	Sufficient to Achieve Goal in E4	691.24%	509.60%	-21.98%	-3.98%	-1.46%	0.00%	NA
5.	Depósitos de Ahorro	Sufficient to Achieve Goal in E5	133.70%	61.35%	41.40%	39.19%	9.78%	0.00%	NA
6.	Crédito Externo	0%	25.11%	-19.25%	-20.26%	-1.08%	5.21%	0.00%	NA
7.	Aportaciones	Sufficient to Achieve Goal in E7	2.08%	-2.86%	-8.21%	11.73%	0.48%	0.00%	NA
8.	Capital Institucional	Sufficient to Achieve Goal in E8	5.19%	-6.41%	-22.87%	4.12%	-12.26%	0.00%	NA
9.	Capital Institucional Neto	Sufficient to Achieve Goal in E9	-10.91%	-1.91%	-8.58%	5.48%	-15.08%	0.00%	NA
10.	Asociados	Minimum 15%	46.47%	38.73%	28.87%	31.05%	4.65%	0.00%	NA
11.	Total Activos	More Than Inflation + 20%	34.95%	11.24%	7.01%	28.50%	8.25%	0.00%	NA
	Inflation Rate (Annualized)		11.70%	15.50%	10.00%	10.00%	10.00%		

FINANCIERA IAGUEI

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Number of Credit Unions in this Report	1	1	1	1	1	0	
Number Of CU Members							
Men	539	857	1,303	1,824	1,824	0	NA
Women	797	1,372	2,093	3,146	3,146	0	NA
Gender not Reported	23	20	28	0	0	0	NA
Total Number Of Members	***1,359***	***2,249***	***3,424***	***4,970***	***4,970***	***0***	***NA***
Number of Other Service Users							
Youth	371	710	1,127	1,134	1,134	0	NA
Third Parties	53	51	53	52	52	0	NA
Total Number of Other CU Service Users	***424***	***761***	***1,180***	***1,186***	***1,186***	***0***	***NA***
Total Number Of Members & Other CU Service Users	**1,783**	**3,010**	**4,604**	**6,156**	**6,156**	**0**	**NA**

Assets

Earning Assets

Loans to Members							
Short Term (<=1 Year)	112,439	120,524	205,601	332,740	363,037	0	NA
Medium-Term (1-3 Years)	61,588	106,171	92,272	164,503	197,074	0	NA
Long-Term (> 3 Years)	38,243	35,346	24,499	5,445	3,932	0	NA
Other Special Loans	0	0	0	0	0	0	NA
Loan Loss Allowances	(2,080)	(6,942)	(8,259)	(12,976)	(18,439)	0	NA
Total Net Loans	***210,189***	***255,099***	***314,113***	***489,712***	***545,604***	***0***	***NA***
Liquid Investments							
Liquid Investments							
Liquidity Reserves - CFF	0	48,053	56,267	61,697	62,088	0	NA
Other Liquidity Reserves	0	0	0	0	1,574	0	NA
Short-Term CFF Deposits	0	0	0	1,556	0	0	NA
Short-Term Bank Deposits	53,030	46,978	93,130	71,871	87,992	0	NA
Short-Term Securities and Investments	0	0	0	0	0	0	NA
Other Liquid Investments 1	0	0	0	0	0	0	NA
Other Liquid Investments 2	0	0	0	0	0	0	NA
Other Liquid Investments 3	0	0	0	0	0	0	NA
Total Liquid Investments	***53,030***	***95,032***	***149,397***	***135,124***	***151,654***	***0***	***NA***
Liquid Investments Allowances	0	0	0	0	0	0	NA
Total Liquid Investments	***53,030***	***95,032***	***149,397***	***135,124***	***151,654***	***0***	***NA***
Financial Investments							
Financial Investments							
Shares - League/Affiliation	0	0	1,019	1,033	1,032	0	NA
Long-Term CFF Deposit	0	0	0	0	0	0	NA
Long-Term Bank Deposit	0	0	0	0	0	0	NA
Long-Term Securities & Investments	0	0	0	0	0	0	NA
Other Financial Investments 1	0	0	0	0	0	0	NA
Other Financial Investments 2	0	0	0	0	0	0	NA
Other Financial Investments 3	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***1,019***	***1,033***	***1,032***	***0***	***NA***
Financial Investments Allowances	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***1,019***	***1,033***	***1,032***	***0***	***NA***
Non-Financial Investments							
Various	0	0	0	0	0	0	NA
Non-Financial Investments Allowances	0	0	0	0	0	0	NA
Total Non-Financial Investments	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Earning Assets	**263,219**	**350,130**	**464,528**	**625,869**	**698,290**	**0**	**NA**

Additonal Loan Portfolio Information

Delinquency Based on Outstanding Balance of Loan?	Balance	Balance	Balance	Balance	Balance	Payment	
Delinquency							
TO 12 Months	5,942	19,836	21,428	35,855	52,684	0	NA
More Than 12 Months	0	0	0	427	0	0	NA
Total Balance Of Delinquent Loans	***5,942***	***19,836***	***21,428***	***36,282***	***52,684***	***0***	***NA***
Loans to Members (Gross)	212,269	262,041	322,372	502,688	564,043	0	NA
Accumulated Charge-Offs (Historical)	497	955	0	0	150	0	NA
Recovery of Loans Charged-Off (Historical)	278	61	0	0	112	0	NA

FINANCIERA IAGUEI

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Non-Earning Assets							
Liquid Assets							
Cash & Equivalents	10,812	27,623	12,113	16,245	11,098	0	NA
Current Accounts (Checking)	333	212	0	0	0	0	NA
Foreign Currency	0	0	0	0	0	0	NA
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Other Liquid Assets	789	0	0	0	0	0	NA
Total Liquid Assets	***11,933***	***27,835***	***12,113***	***16,245***	***11,098***	***0***	***NA***
Accounts Receivable							
Debtors	0	0	0	0	505	0	NA
Interest Receivable	0	0	0	0	0	0	NA
Notes Receivable	181	328	103	162	108	0	NA
Payroll Deductions Receivable	0	0	0	40	0	0	NA
Interbranch loans account receivable	0	0	0	501	867	0	NA
Other Accounts Receivable	0	0	0	835	6,199	0	NA
Receivable Loss Allowances	0	0	0	0	0	0	NA
Total Accounts Receivable	***181***	***328***	***103***	***1,538***	***7,679***	***0***	***NA***
Fixed Assets							
Land	1,577	1,488	1,379	1,324	1,305	0	NA
Buildings (Cost)	1,735	1,637	1,843	1,820	7,833	0	NA
Leasehold Improvements	0	0	0	5,835	2,769	0	NA
Furniture & Equipment	1,560	2,143	3,783	7,035	9,992	0	NA
Accumulated Depreciation - Buildings	(419)	(477)	(518)	(564)	(1,405)	0	NA
Accum. Depreciation - Leasehold Improv.	0	0	0	(678)	(61)	0	NA
Accum. Depreciation - Furniture & Equip.	(780)	(1,555)	(2,210)	(3,296)	(3,940)	0	NA
Total Net Fixed Assets	***3,673***	***3,236***	***4,276***	***11,477***	***16,494***	***0***	***NA***
Other Assets							
Assets in Liquidation	0	0	0	0	0	0	NA
Organization Expenses	1,420	0	0	0	0	0	NA
Prepaid Expenses	158	3,296	1,895	2,037	1,088	0	NA
Other Deferred Assets	0	0	0	983	1,450	0	NA
Accumulated Amortization	0	0	0	0	0	0	NA
Total Other Assets	***1,577***	***3,296***	***1,895***	***3,020***	***2,537***	***0***	***NA***
Problem Assets							
Doubtful Assets	0	0	0	0	0	0	NA
Accounting Discrepancy - Assets	0	0	0	0	0	0	NA
Other Problem Assets	0	0	0	0	0	0	NA
Problem Assets Allowances	0	0	0	0	0	0	NA
Total Problem Assets	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Non-Earning Assets	**17,364**	**34,695**	**18,388**	**32,279**	**37,809**	**0**	**NA**
Total Assets	**280,584**	**384,825**	**482,916**	**658,149**	**736,099**	**0**	**NA**

FINANCIERA IAGUEI

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
Savings Deposits							
Regular Savings	180,771	223,709	300,502	436,391	499,523	0	NA
Term/Fixed Savings	69,048	107,682	146,262	149,377	163,164	0	NA
Youth Savings	0	14,784	0	0	0	0	NA
Special Savings	0	0	0	0	0	0	NA
Pledged Savings	0	0	0	0	0	0	NA
Total Savings Deposits	***249,819***	***346,175***	***446,764***	***585,768***	***662,687***	***0***	***NA***
External Credit							
External Credit - CFF (<= 1 Year)	0	0	0	2,490	1,465	0	NA
External Credit - CFF (> 1 Year)	0	0	0	0	0	0	NA
External Credit - Banks	0	0	0	0	0	0	NA
Other External Credit - External Institutions	0	0	0	0	0	0	NA
InterBranch Loans	0	0	0	0	0	0	NA
Total External Credit	***0***	***0***	***0***	***2,490***	***1,465***	***0***	***NA***
Total Interest Bearing Liabilities	***249,819***	***346,175***	***446,764***	***588,258***	***664,152***	***0***	***NA***
Non-Interest Bearing Liabilities							
Short-Term Accounts Payable (<=30 Days)	998	1,557	1,299	776	4,668	0	NA
Interbranch deposits account payable	0	0	0	0	0	0	NA
External Credit Payments (<=30 Days)	0	0	0	0	0	0	NA
Provisions (e.g. Employee Benefits)	1,896	2,705	2,280	4,851	6,543	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	5,100	7,608	9,715	13,085	15,480	0	NA
Total Non-Interest Bearing Liabilities	***7,994***	***11,870***	***13,294***	***18,712***	***26,691***	***0***	***NA***
Total Liabilities	**257,814**	**358,045**	**460,058**	**606,970**	**690,843**	**0**	**NA**
CAPITAL							
Share Capital							
Mandatory Shares	5,171	8,111	11,801	16,958	18,557	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	***5,171***	***8,111***	***11,801***	***16,958***	***18,557***	***0***	***NA***
Transitory Capital							
Asset Appreciation Over Cost	0	0	0	0	0	0	NA
Education & Social Reserves	0	0	0	0	0	0	NA
Monetary Reserves	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Accounting Discrepancy - Capital	0	0	0	0	0	0	NA
Undistributed Net Income	0	0	0	0	0	0	NA
YTD Net Income (loss)	0	0	0	0	0	0	NA
Total Transitory Capital	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Institutional Capital							
Statutory & Legal Reserves	586	1,243	1,443	1,629	3,908	0	NA
Retained Earnings	8,515	13,950	16,990	16,175	17,352	0	NA
Other Reserves	0	0	0	0	0	0	NA
Donations	1,183	1,116	1,034	2,004	979	0	NA
Undistributed Losses	(1,742)	(1,644)	(720)	(8,352)	6,877	0	NA
YTD Net Income (Loss)	9,057	4,004	(7,690)	22,765	(2,416)	0	NA
Total Institutional Capital	***17,599***	***18,669***	***11,057***	***34,221***	***26,699***	***0***	***NA***
Total Capital	**22,770**	**26,780**	**22,858**	**51,179**	**45,256**	**0**	**NA**
Total Liabilities and Capital	**280,584**	**384,825**	**482,916**	**658,149**	**736,099**	**0**	**NA**

FINANCIERA IAGUEI

Income Statement

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
umber of Credit Unions in this Report	1	1	1	1	1	0	
INCOME							
INCOME FROM LOANS							
terest Income from Loans	66,352	115,052	124,241	167,602	54,851	0	NA
Delinquent Penalty Interest Income from Loans	579	2,134	2,937	4,390	1,198	0	NA
ommissions/Fees from Loans	2,919	4,052	6,597	13,167	3,503	0	NA
surance Premiums for Loans	0	0	(1,289)	(2,397)	(505)	0	NA
NET LOAN INCOME	***69,850***	***121,238***	***132,486***	***182,761***	***59,048***	***0***	***NA***
Income from Liquid Investments	3,678	5,538	11,196	10,634	1,043	0	NA
come from Financial Investments	0	0	84	12,633	0	0	NA
Income from Non-Financial Investments	0	0	0	502	0	0	NA
ees, commissions income (loans-unrelated)	0	0	0	0	0	0	NA
come from Other Sources	189	1,076	2,112	2,140	563	0	NA
Gross Income	**73,717**	**127,852**	**145,878**	**208,671**	**60,654**	**0**	**NA**
OSTS/EXPENSES							
FINANCIAL COSTS							
terest Expense on Savings Deposits	31,849	50,284	57,540	56,670	14,275	0	NA
surance Premiums for Savings	0	1,848	3,043	4,259	1,557	0	NA
Taxes on Interest Paid For Savings	0	0	0	0	0	0	NA
Financial Cost - Savings Deposits	*31,849*	*52,132*	*60,584*	*60,929*	*15,832*	*0*	*NA*
nancial Cost on External Credit	0	0	0	283	37	0	NA
inancial Costs on Interbranch Leans	0	0	0	0	0	0	NA
Dividend Expense on Shares	749	1,302	1,621	1,684	519	0	NA
surance Premiums for Shares	0	0	63	185	49	0	NA
axes on Interest Paid for Shares	0	0	0	0	0	0	NA
Financial Cost - Shares	*749*	*1,302*	*1,684*	*1,869*	*568*	*0*	*NA*
ther Financial Costs	0	0	0	6,414	3,453	0	NA
OTAL FINANCIAL COSTS	***32,598***	***53,434***	***62,268***	***69,495***	***19,890***	***0***	***NA***
GROSS MARGIN	**41,119**	**74,418**	**83,610**	**139,176**	**40,764**	**0**	**NA**
OPERATING EXPENSES							
ersonnel	18,070	41,628	50,208	57,784	18,498	0	NA
Governance	1,347	3,137	3,958	5,368	4,599	0	NA
arketing	4,348	7,047	12,880	12,389	2,748	0	NA
dministration	7,676	10,420	16,288	27,852	10,540	0	NA
Depreciation	591	901	845	2,615	933	0	NA
TOTAL OPERATING EXPENSES	***32,031***	***63,133***	***84,180***	***106,008***	***37,318***	***0***	***NA***
ovision for Risk Assets	1,773	7,281	7,121	10,402	5,905	0	NA
NET INCOME FROM OPERATIONS	**7,315**	**4,004**	**(7,690)**	**22,765**	**(2,460)**	**0**	**NA**
OTHER INCOME / EXPENSE							
come from Grants	0	0	0	0	0	0	NA
Previous periods adjustments (Net)	0	0	0	0	0	0	NA
xtraordinary income (Net)	0	0	0	0	0	0	NA
OTAL OTHER INCOME/EXPENSE	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Income Tax	0	0	0	0	0	0	NA
et Income/Loss	**7,315**	**4,004**	**(7,690)**	**22,765**	**(2,460)**	**0**	**NA**

FINANCIERA IAGUEI

TABLE 1a Financial Services

Microenterprise Implementation Grant Program
Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-00	12.6804	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Amt Loans Outstanding - Start of Year	0		0		0		416,115		416,115	
Amt Loans Outstanding - End of Year	0		0		416,115		577,360		523,913	
Avg Amt Loans Outstanding	0		0		416,115		496,738		470,014	
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	0.00%		0.00%		3.69%		6.78%		5.71%	
Long Run Loss Rate	0.00%		0.00%		0.00%		0.00%		0.00%	
Interest Rates	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	NA		NA		1.36%		11.08%		8.98%	
Client/Member Revenues	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Interest Income From Clients/Members	0		0		11,856		48,958		98,784	
Fee Income From Clients/Members	0		0		20,356		18,580		31,080	
Other Income	0		0		1,779		3,873		12,132	
Total Client/Member Revenues	0		0		33,991		71,410		141,995	
Non-Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Administration	0		0		107,184		107,573		240,605	
Depreciation	0		0		0		0		0	
Loan Loss Allowances	0		0		0		13,427		10,476	
Total Non-Financial Expenses	0		0		107,184		121,000		251,081	
Adjusted Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Adjusted Financial Expenses	0		0		53,876		60,746		53,882	
Actual Weighted Cost Of Funds	0		0		4,264		9,293		52,150	
Totals	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Expenses - Adjusted Financial Expenses	0		0		161,060		181,746		304,964	
Total Expenses - Projected Financial Expenses	0		0		111,448		130,294		303,231	
Return On Operations - Adjusted Financial Expenses	NA		NA		21.10%		39.29%		46.56%	
Return On Operations- Actual Fin Exp	NA		NA		30.50%		54.81%		46.83%	
Other	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	0		0		119,523		256,717		310,615	
Percent Of Women Borrowers	NA		NA		58.77%		54.59%		52.11%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

FINANCIERA LA ARMONIA

P-E-A-R-L-S RATIOS

Based on US$

	P-E-A-R-L-S RATIOS	Goals (Excellence)	30-Jun-00	30-Jun-01	30-Jun-02	30-Jun-03	30-Sep-03	Annual Goal	% Complete
	Number of Credit Unions in this Report		1	1	1	1	1	0	
P	***PROTECTION***								
1.	Estimaciones / Morosidad > 12 Meses	75%	75.92%	86.81%	100.00%	100.00%	100.00%	0.00%	NA
2.	Estim. Netas / Estim. Requeridas de 1-12 Meses	35%	7.55%	15.59%	32.46%	32.51%	32.73%	0.00%	NA
3.	Depuración Completa de Morosidad > 12 Meses	Yes	No	No	No	No	No	0	NA
4.	Depuraciones Anuales / Cartera Promedia	Minimized	2.96%	0.37%	5.50%	-1.24%	-1.54%	0.00%	NA
5.	Recuperación Cartera Dep. / Depuraciones Accum.	75%	24.37%	34.76%	25.85%	29.89%	34.00%	0.00%	NA
6.	Solvencia	Min 111%	157.49%	140.73%	126.19%	120.50%	116.57%	0.00%	NA
E	***EFFECTIVE FINANCIAL STRUCTURE***								
1.	Préstamos Netos / Activo Total	Between 70 - 90%	78.47%	70.22%	69.01%	66.45%	65.54%	0.00%	NA
2.	Inversiones Líquidas / Activo Total	10-18%	9.64%	17.89%	20.09%	19.40%	18.66%	0.00%	NA
3.	Inversiones Financieras / Activo Total	Max 2%	0.00%	0.01%	0.20%	0.28%	0.26%	0.00%	NA
4.	Inversiones No Financieras / Activo Total	0%	0.01%	0.07%	0.05%	0.04%	0.04%	0.00%	NA
5.	Depósitos de Ahorro / Activo Total	Between 70 - 90%	29.73%	43.12%	56.97%	61.71%	62.59%	0.00%	NA
6.	Crédito Externo / Activo Total	0%	27.51%	19.97%	14.88%	11.45%	11.13%	0.00%	NA
7.	Aportaciones / Activo Total	10-20%	10.47%	9.14%	7.84%	6.82%	6.33%	0.00%	NA
8.	Capital Institucional / Activo Total	Minimum 10%	27.47%	23.11%	16.66%	13.50%	10.94%	0.00%	NA
9.	Capital Institucional Neto / Activo	Minimum 10%	22.23%	19.60%	16.75%	13.75%	10.79%	0.00%	NA
A	***ASSET QUALITY***								
1.	Morosidad Total / Cartera Bruta	Less Than or Equal To 5%	19.23%	16.36%	9.01%	9.16%	12.15%	0.00%	NA
2.	Activo Improductivo / Activo Total	Less Than or Equal To 5%	11.88%	11.81%	10.66%	13.83%	15.51%	0.00%	NA
3.	Fondos Sin Costo Neto / Activo Improductivo	Greater Than or Equal To 200%	227.80%	205.40%	187.00%	128.42%	108.37%	0.00%	NA
R	***RATES OF RETURN AND COSTS (ANNUALIZED)***								
1.	Ingresos por Préstamos / Promedio Préstamos Netos	Enterprenurial Rate	37.76%	38.71%	39.77%	39.91%	39.40%	0.00%	NA
2.	Ingresos por Inv. Líquidas / Promedio Inv. Líquidas	Market Rates	11.40%	16.55%	10.71%	9.99%	6.28%	0.00%	NA
3.	Ingresos por Inversiones Fin. / Promedio Inversiones Fin.	Market Rates	NA	0.00%	3.42%	124.20%	0.00%	0.00%	NA
4.	Ingresos por Inv. No Fin. / Promedio Inv. No Fin.	Greater Than or Equal to R1	0.00%	0.00%	0.00%	26.85%	0.00%	0.00%	NA
5.	Costos-Fin: Depósitos / Promedio Depósitos	Market Rates, > Inflation	16.64%	16.86%	16.17%	13.45%	12.08%	0.00%	NA
6.	Costos-Fin: Crédito Externo / Promedio Créd. Externo	Market Rates	12.51%	11.46%	9.10%	8.39%	7.48%	0.00%	NA
7.	Costos-Fin: Aportaciones / Promedio Aportaciones	Market Rates, > R5	13.21%	12.38%	12.68%	12.72%	10.98%	0.00%	NA
8.	Ingresos por otras comisiones / Activo Promedio	Pending	7.11%	4.77%	5.65%	9.19%	20.75%	0.00%	NA
9.	Margen Bruto / Promedio Activos	Amount Needed to Cover R11,	21.64%	21.03%	19.50%	20.48%	19.94%	0.00%	NA
10.	Gastos Operativos / Promedio Activos	<5%	16.66%	18.00%	18.58%	17.90%	19.85%	0.00%	NA
11.	Provisiones Activos de Riesgo / Promedio Activos	Sufficient for Estimated Losses	2.43%	2.28%	3.54%	3.06%	3.78%	0.00%	NA
12.	Otros Ingresos o Gastos / Promedio Activos	Amount Needed	-0.99%	0.01%	-0.12%	0.03%	-0.01%	0.00%	NA
13.	Excedente Neto / Promedio Activos	Enough to reach the goal for E8	1.56%	0.75%	-2.74%	-0.46%	-3.71%	0.00%	NA
14.	Excedente Neto / Promedio Cap. Inst. (ROE)	More Than Inflation	4.95%	2.84%	-13.22%	-3.02%	-29.30%	0.00%	NA
L	***LIQUIDITY***								
1.	Disponibilidades - CxP<=30 / Depósitos de Ahorro	Minimum 15%	41.58%	48.73%	38.17%	35.26%	33.56%	0.00%	NA
2.	Reservas para Liquidez / Total Depósitos	10%	0.00%	11.44%	14.03%	11.36%	10.21%	0.00%	NA
3.	Liquidez Ociosa / Activo Total	Less Than 1 %	2.92%	3.65%	2.36%	3.03%	2.72%	0.00%	NA
S	***SIGNS OF GROWTH (Year-To-Date Growth Rates)***								
1.	Cartera Neta de Préstamos	Sufficient to Achieve Goal in E1	48.10%	-0.45%	5.15%	23.75%	6.76%	0.00%	NA
2.	Inversiones Líquidas	Sufficient to Achieve Goal in E2	1.79%	106.48%	20.18%	24.11%	4.08%	0.00%	NA
3.	Inversiones Financieras	Sufficient to Achieve Goal in E3	0.00%	100.00%	3802.77%	81.03%	-0.30%	0.00%	NA
4.	Inversiones No Financieras	Sufficient to Achieve Goal in E4	691.24%	509.60%	-21.98%	-3.98%	-1.46%	0.00%	NA
5.	Depósitos de Ahorro	Sufficient to Achieve Goal in E5	133.70%	61.35%	41.40%	39.19%	9.78%	0.00%	NA
6.	Crédito Externo	0%	25.11%	-19.25%	-20.26%	-1.08%	5.21%	0.00%	NA
7.	Aportaciones	Sufficient to Achieve Goal in E7	2.08%	-2.86%	-8.21%	11.73%	0.48%	0.00%	NA
8.	Capital Institucional	Sufficient to Achieve Goal in E8	5.19%	-6.41%	-22.87%	4.12%	-12.26%	0.00%	NA
9.	Capital Institucional Neto	Sufficient to Achieve Goal in E9	-10.91%	-1.91%	-8.58%	5.48%	-15.08%	0.00%	NA
10.	Asociados	Minimum 15%	46.47%	38.73%	28.87%	31.05%	4.65%	0.00%	NA
11.	Total Activos	More Than Inflation + 20%	34.95%	11.24%	7.01%	28.50%	8.25%	0.00%	NA
	Inflation Rate (Annualized)		11.70%	15.50%	10.00%	10.00%	10.00%		

FINANCIERA LA ARMONIA

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Number of Credit Unions in this Report	1	1	1	1	1	0	
Number Of CU Members							
Men	942	685	680	433	389	0	NA
Women	628	899	763	665	653	0	NA
Gender not Reported	0	0	6	6	0	0	NA
Total Number Of Members	***1,570***	***1,584***	***1,449***	***1,104***	***1,042***	***0***	***NA***
Number of Other Service Users							
Youth	0	0	0	0	0	0	NA
Third Parties	0	0	0	0	0	0	NA
Total Number of Other CU Service Users	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Number Of Members & Other CU Service Users	**1,570**	**1,584**	**1,449**	**1,104**	**1,042**	**0**	**NA**

Assets

Earning Assets

Loans to Members							
Short Term (< =1 Year)	400,151	309,625	168,478	138,826	175,928	0	NA
Medium-Term (1-3 Years)	347,932	226,278	115,486	102,178	112,385	0	NA
Long-Term (> 3 Years)	0	0	0	0	0	0	NA
Other Special Loans	0	0	0	0	0	0	NA
Loan Loss Allowances	(19,715)	(34,686)	(46,489)	(6,023)	(7,146)	0	NA
Total Net Loans	***728,367***	***501,217***	***237,475***	***234,982***	***281,167***	***0***	***NA***
Liquid Investments							
Liquid Investments							
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Short-Term CFF Deposits	0	0	0	4,145	0	0	NA
Short-Term Bank Deposits	2,250	27,996	53,130	10,926	12,384	0	NA
Short-Term Securities and Investments	0	0	0	0	0	0	NA
Other Liquid Investments 1	0	0	0	0	0	0	NA
Other Liquid Investments 2	0	0	0	0	0	0	NA
Other Liquid Investments 3	0	0	0	0	0	0	NA
Total Liquid Investments	***2,250***	***27,996***	***53,130***	***15,072***	***12,384***	***0***	***NA***
Liquid Investments Allowances	0	0	0	0	0	0	NA
Total Liquid Investments	***2,250***	***27,996***	***53,130***	***15,072***	***12,384***	***0***	***NA***
Financial Investments							
Financial Investments							
Shares - League/Affiliation	0	0	0	0	0	0	NA
Long-Term CFF Deposit	0	0	0	0	0	0	NA
Long-Term Bank Deposits	0	0	0	0	0	0	NA
Long-Term Securities & Investments	0	0	0	0	0	0	NA
Other Financial Investments 1	0	0	0	0	0	0	NA
Other Financial Investments 2	0	0	0	0	0	0	NA
Other Financial Investments 3	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Financial Investments Allowances	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Non-Financial Investments							
Various	0	0	0	0	0	0	NA
Non-Financial Investments Allowances	0	0	0	0	0	0	NA
Total Non-Financial Investments	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Earning Assets	**730,618**	**529,213**	**290,605**	**250,053**	**293,552**	**0**	**NA**

Additonal Loan Portfolio Information

Delinquency Based on Outstanding Balance of Loan?	Balance	Balance	Balance	Balance	Balance	Payment	
Delinquency							
TO 12 Months	260,822	144,314	72,018	0	20,417	0	NA
More Than 12 Months	63,077	95,651	21,282	0	0	0	NA
Total Balance Of Delinquent Loans	***323,899***	***239,965***	***93,300***	***0***	***20,417***	***0***	***NA***
Loans to Members (Gross)	748,083	535,903	283,964	241,005	288,313	0	NA
Accumulated Charge-Offs (Historical)	0	0	130,055	55,430	0	0	NA
Recovery of Loans Charged-Off (Historical)	0	0	14,495	4,104	0	0	NA

FINANCIERA LA ARMONIA

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Non-Earning Assets							
Liquid Assets							
Cash & Equivalents	3,819	0	2,941	6,903	4,047	0	NA
Current Accounts (Checking)	39,653	41,883	1,476	13,296	6,161	0	NA
Foreign Currency	0	0	0	0	0	0	NA
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Other Liquid Assets	0	0	0	0	0	0	NA
Total Liquid Assets	***43,472***	***41,883***	***4,417***	***20,199***	***10,208***	***0***	***NA***
Accounts Receivable							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	0	0	0	7,432	12,194	0	NA
Notes Receivable	6,149	8,125	4,284	6,427	7,089	0	NA
Payroll Deductions Receivable	0	0	0	0	0	0	NA
Interbranch loans account receivable	0	0	0	4,345	0	0	NA
Other Accounts Receivable	0	0	0	4,509	3,296	0	NA
Receivable Loss Allowances	0	0	0	0	0	0	NA
Total Accounts Receivable	***6,149***	***8,125***	***4,284***	***22,712***	***22,580***	***0***	***NA***
Fixed Assets							
Land	2,555	0	2,234	2,146	0	0	NA
Buildings (Cost)	0	0	0	0	0	0	NA
Leasehold Improvements	3,558	0	3,428	3,292	0	0	NA
Furniture & Equipment	35,678	50,411	41,186	42,191	47,438	0	NA
Accumulated Depreciation - Buildings	0	0	0	0	0	0	NA
Accum. Depreciation - Leasehold Improv.	(1,054)	0	(2,059)	(2,326)	0	0	NA
Accum. Depreciation - Furniture & Equip.	(20,586)	(33,023)	(33,694)	(35,695)	(38,070)	0	NA
Total Net Fixed Assets	***20,151***	***17,388***	***11,096***	***9,607***	***9,367***	***0***	***NA***
Other Assets							
Assets in Liquidation	27,232	66,890	88,608	81,896	81,093	0	NA
Organization Expenses	0	0	0	0	0	0	NA
Prepaid Expenses	4,538	3,079	3,832	4,827	5,383	0	NA
Other Deferred Assets	384	0	333	320	315	0	NA
Accumulated Amortization	0	0	0	0	0	0	NA
Total Other Assets	***32,154***	***69,969***	***92,773***	***87,043***	***86,791***	***0***	***NA***
Problem Assets							
Doubtful Assets	0	0	0	0	0	0	NA
Accounting Discrepancy - Assets	0	0	0	0	0	0	NA
Other Problem Assets	0	0	0	0	0	0	NA
Problem Assets Allowances	0	0	0	0	0	0	NA
Total Problem Assets	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Non-Earning Assets	**101,926**	**137,365**	**112,570**	**139,561**	**128,946**	**0**	**NA**
Total Assets	**832,544**	**666,578**	**403,175**	**389,614**	**422,498**	**0**	**NA**

FINANCIERA LA ARMONIA

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
Savings Deposits							
Regular Savings	16,615	31,278	15,151	45,599	46,981	0	NA
Term/Fixed Savings	19,298	0	13,030	0	26,296	0	NA
Youth Savings	0	0	0	0	0	0	NA
Special Savings	0	0	0	0	0	0	NA
Pledged Savings	0	0	0	0	0	0	NA
Total Savings Deposits	***35,913***	***31,278***	***28,181***	***45,599***	***73,277***	***0***	***NA***
External Credit							
External Credit - CFF (<= 1 Year)	0	0	0	0	0	0	NA
External Credit - CFF (> 1 Year)	0	0	0	0	22,839	0	NA
External Credit - Banks	216,044	97,975	26,802	0	0	0	NA
Other External Credit - External Institutions	3,266	5,301	0	11,152	11,073	0	NA
InterBranch Loans	0	0	0	0	0	0	NA
Total External Credit	***219,310***	***103,276***	***26,802***	***11,152***	***33,912***	***0***	***NA***
Total Interest Bearing Liabilities	***255,223***	***134,554***	***54,983***	***56,751***	***107,189***	***0***	***NA***
Non-Interest Bearing Liabilities							
Short-Term Accounts Payable (<=30 Days)	0	11,925	14,973	14,774	3,302	0	NA
Interbranch deposits account payable	0	0	0	4,345	12,194	0	NA
External Credit Payments (<=30 Days)	0	0	0	0	0	0	NA
Provisions (e.g. Employee Benefits)	4,683	6,593	5,819	5,085	5,622	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	25,337	0	495	8,388	14,576	0	NA
Total Non-Interest Bearing Liabilities	***30,019***	***18,518***	***21,286***	***32,591***	***35,694***	***0***	***NA***
Total Liabilities	**285,242**	**153,072**	**76,269**	**89,342**	**142,883**	**0**	**NA**
CAPITAL							
Share Capital							
Mandatory Shares	136,041	126,005	102,389	89,384	81,646	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	***136,041***	***126,005***	***102,389***	***89,384***	***81,646***	***0***	***NA***
Transitory Capital							
Asset Appreciation Over Cost	0	0	0	0	0	0	NA
Education & Social Reserves	0	0	0	0	9,977	0	NA
Monetary Reserves	0	35,171	3,493	0	8,580	0	NA
Other Reserves	0	0	0	0	0	0	NA
Accounting Discrepancy - Capital	0	0	0	0	0	0	NA
Undistributed Net Income	0	0	0	0	0	0	NA
YTD Net Income (loss)	0	0	0	0	0	0	NA
Total Transitory Capital	***0***	***35,171***	***3,493***	***0***	***18,557***	***0***	***NA***
Institutional Capital							
Statutory & Legal Reserves	0	24,845	24,776	23,789	23,442	0	NA
Retained Earnings	25,627	31,952	29,616	31,791	0	0	NA
Other Reserves	0	0	28,080	19,610	0	0	NA
Donations	365,391	286,034	200,771	192,776	189,965	0	NA
Undistributed Losses	0	0	0	(59,616)	(24,918)	0	NA
YTD Net Income (Loss)	20,243	9,498	(62,217)	2,538	(9,076)	0	NA
Total Institutional Capital	***411,261***	***352,329***	***221,025***	***210,888***	***179,412***	***0***	***NA***
Total Capital	**547,302**	**513,506**	**326,906**	**300,272**	**279,615**	**0**	**NA**
Total Liabilities and Capital	**832,544**	**666,578**	**403,175**	**389,614**	**422,498**	**0**	**NA**

FINANCIERA LA ARMONIA

TABLE 1a Financial Services

Microenterprise Implementation Grant Program
Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-00	12.6804	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Amt Loans Outstanding - Start of Year	0		0		0		416,115		416,115	
Amt Loans Outstanding - End of Year	0		0		416,115		577,360		523,913	
Avg Amt Loans Outstanding	0		0		416,115		496,738		470,014	
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	0.00%		0.00%		3.69%		6.78%		5.71%	
Long Run Loss Rate	0.00%		0.00%		0.00%		0.00%		0.00%	
Interest Rates	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	NA		NA		1.36%		11.08%		8.98%	
Client/Member Revenues	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Interest Income From Clients/Members	0		0		11,856		48,958		98,784	
Fee Income From Clients/Members	0		0		20,356		18,580		31,080	
Other Income	0		0		1,779		3,873		12,132	
Total Client/Member Revenues	0		0		33,991		71,410		141,995	
Non-Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Administration	0		0		107,184		107,573		240,605	
Depreciation	0		0		0		0		0	
Loan Loss Allowances	0		0		0		13,427		10,476	
Total Non-Financial Expenses	0		0		107,184		121,000		251,081	
Adjusted Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Adjusted Financial Expenses	0		0		53,876		60,746		53,882	
Actual Weighted Cost Of Funds	0		0		4,264		9,293		52,150	
Totals	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Expenses - Adjusted Financial Expenses	0		0		161,060		181,746		304,964	
Total Expenses - Projected Financial Expenses	0		0		111,448		130,294		303,231	
Return On Operations - Adjusted Financial Expenses	NA		NA		21.10%		39.29%		46.56%	
Return On Operations- Actual Fin Exp	NA		NA		30.50%		54.81%		46.83%	
Other	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	0		0		119,523		256,717		310,615	
Percent Of Women Borrowers	NA		NA		58.77%		54.59%		52.11%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

FINANCIERA LA ARMONIA

Income Statement

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
umber of Credit Unions in this Report	1	1	1	1	1	0	
INCOME							
INCOME FROM LOANS							
terest Income from Loans	229,009	194,205	151,086	98,616	32,504	0	NA
Delinquent Penalty Interest Income from Loans	19,090	31,762	21,696	11,555	913	0	NA
Commissions/Fees from Loans	0	0	0	0	0	0	NA
surance Premiums for Loans	0	0	(1,175)	(1,308)	(529)	0	NA
NET LOAN INCOME	***248,100***	***225,967***	***171,606***	***108,863***	***32,888***	***0***	***NA***
Income from Liquid Investments	792	31,977	4,438	17,533	98	0	NA
come from Financial Investments	0	0	0	0	0	0	NA
Income from Non-Financial Investments	0	0	0	0	0	0	NA
es, commissions income (loans-unrelated)	0	0	0	0	0	0	NA
come from Other Sources	25,185	15,432	32,161	72,171	17,184	0	NA
Gross Income	**274,076**	**273,376**	**208,205**	**198,567**	**50,170**	**0**	**NA**
OSTS/EXPENSES							
FINANCIAL COSTS							
terest Expense on Savings Deposits	3,534	3,182	2,589	4,877	1,259	0	NA
surance Premiums for Savings	0	0	286	0	468	0	NA
axes on Interest Paid For Savings	0	0	0	0	0	0	NA
Financial Cost - Savings Deposits	*3,534*	*3,182*	*2,875*	*4,877*	*1,727*	*0*	*NA*
nancial Cost on External Credit	53,938	42,190	14,820	1,120	78	0	NA
inancial Costs on Interbranch Leans	0	0	0	0	0	0	NA
Dividend Expense on Shares	9,216	10,204	8,532	7,388	1,068	0	NA
surance Premiums for Shares	0	0	644	1,996	0	0	NA
axes on Interest Paid for Shares	0	0	0	0	0	0	NA
Financial Cost - Shares	*9,216*	*10,204*	*9,176*	*9,385*	*1,068*	*0*	*NA*
ther Financial Costs	66	696	4	131	4	0	NA
OTAL FINANCIAL COSTS	***66,755***	***56,271***	***26,875***	***15,513***	***2,878***	***0***	***NA***
GROSS MARGIN	**207,322**	**217,104**	**181,330**	**183,054**	**47,292**	**0**	**NA**
OPERATING EXPENSES							
ersonnel	71,962	76,824	76,129	74,448	19,249	0	NA
Governance	13,901	16,404	11,684	8,280	1,448	0	NA
Marketing	902	864	946	3,488	3,383	0	NA
dministration	54,446	69,689	71,707	71,466	28,269	0	NA
Depreciation	12,250	6,898	5,569	3,289	603	0	NA
TOTAL OPERATING EXPENSES	***153,460***	***170,679***	***166,035***	***160,971***	***52,952***	***0***	***NA***
ovision for Risk Assets	9,248	36,830	73,605	19,545	3,340	0	NA
NET INCOME FROM OPERATIONS	**44,614**	**9,595**	**(58,310)**	**2,538**	**(8,999)**	**0**	**NA**
OTHER INCOME / EXPENSE							
come from Grants	0	0	0	0	0	0	NA
Previous periods adjustments (Net)	0	0	0	0	0	0	NA
xtraordinary income (Net)	(24,370)	(97)	(3,907)	0	(77)	0	NA
OTAL OTHER INCOME/EXPENSE	***(24,370)***	***(97)***	***(3,907)***	***0***	***(77)***	***0***	***NA***
Income Tax	0	0	0	0	0	0	NA
et Income/Loss	**20,243**	**9,498**	**(62,217)**	**2,538**	**(9,076)**	**0**	**NA**

FINANCIERA MODERNA

P-E-A-R-L-S RATIOS

Based on US$

P-E-A-R-L-S RATIOS		Goals (Excellence)	30-Jun-00	30-Jun-01	30-Jun-02	30-Jun-03	30-Sep-03	Annual Goal	% Complete
Number of Credit Unions in this Report			1	1	1	1	1	0	
P	***PROTECTION***								
1.	Estimaciones / Morosidad > 12 Meses	75%	75.92%	86.81%	100.00%	100.00%	100.00%	0.00%	NA
2.	Estim. Netas / Estim. Requeridas de 1-12 Meses	35%	7.55%	15.59%	32.46%	32.51%	32.73%	0.00%	NA
3.	Depuración Completa de Morosidad > 12 Meses	Yes	No	No	No	No	No	0	NA
4.	Depuraciones Anuales / Cartera Promedia	Minimized	2.96%	0.37%	5.50%	-1.24%	-1.54%	0.00%	NA
5.	Recuperación Cartera Dep. / Depuraciones Accum.	75%	24.37%	34.76%	25.85%	29.89%	34.00%	0.00%	NA
6.	Solvencia	Min 111%	157.49%	140.73%	126.19%	120.50%	116.57%	0.00%	NA
E	***EFFECTIVE FINANCIAL STRUCTURE***								
1.	Préstamos Netos / Activo Total	Between 70 - 90%	78.47%	70.22%	69.01%	66.45%	65.54%	0.00%	NA
2.	Inversiones Líquidas / Activo Total	10-18%	9.64%	17.89%	20.09%	19.40%	18.66%	0.00%	NA
3.	Inversiones Financieras / Activo Total	Max 2%	0.00%	0.01%	0.20%	0.28%	0.26%	0.00%	NA
4.	Inversiones No Financieras / Activo Total	0%	0.01%	0.07%	0.05%	0.04%	0.04%	0.00%	NA
5.	Depósitos de Ahorro / Activo Total	Between 70 - 90%	29.73%	43.12%	56.97%	61.71%	62.59%	0.00%	NA
6.	Crédito Externo / Activo Total	0%	27.51%	19.97%	14.88%	11.45%	11.13%	0.00%	NA
7.	Aportaciones / Activo Total	10-20%	10.47%	9.14%	7.84%	6.82%	6.33%	0.00%	NA
8.	Capital Institucional / Activo Total	Minimum 10%	27.47%	23.11%	16.66%	13.50%	10.94%	0.00%	NA
9.	Capital Institucional Neto / Activo	Minimum 10%	22.23%	19.60%	16.75%	13.75%	10.79%	0.00%	NA
A	***ASSET QUALITY***								
1.	Morosidad Total / Cartera Bruta	Less Than or Equal To 5%	19.23%	16.36%	9.01%	9.16%	12.15%	0.00%	NA
2.	Activo Improductivo / Activo Total	Less Than or Equal To 5%	11.88%	11.81%	10.66%	13.83%	15.51%	0.00%	NA
3.	Fondos Sin Costo Neto / Activo Improductivo	Greater Than or Equal To 200%	227.80%	205.40%	187.00%	128.42%	108.37%	0.00%	NA
R	***RATES OF RETURN AND COSTS (ANNUALIZED)***								
1.	Ingresos por Préstamos / Promedio Préstamos Netos	Enterprenurial Rate	37.76%	38.71%	39.77%	39.91%	39.40%	0.00%	NA
2.	Ingresos por Inv. Líquidas / Promedio Inv. Líquidas	Market Rates	11.40%	16.55%	10.71%	9.99%	6.28%	0.00%	NA
3.	Ingresos por Inversiones Fin. / Promedio Inversiones Fin.	Market Rates	NA	0.00%	3.42%	124.20%	0.00%	0.00%	NA
4.	Ingresos por Inv. No Fin. / Promedio Inv. No Fin.	Greater Than or Equal to R1	0.00%	0.00%	0.00%	26.85%	0.00%	0.00%	NA
5.	Costos-Fin: Depósitos / Promedio Depósitos	Market Rates, > Inflation	16.64%	16.86%	16.17%	13.45%	12.08%	0.00%	NA
6.	Costos-Fin: Crédito Externo / Promedio Créd. Externo	Market Rates	12.51%	11.46%	9.10%	8.39%	7.48%	0.00%	NA
7.	Costos-Fin: Aportaciones / Promedio Aportaciones	Market Rates, > R5	13.21%	12.38%	12.68%	12.72%	10.98%	0.00%	NA
8.	Ingresos por otras comisiones / Activo Promedio	Pending	7.11%	4.77%	5.65%	9.19%	20.75%	0.00%	NA
9.	Margen Bruto / Promedio Activos	Amount Needed to Cover R11,	21.64%	21.03%	19.50%	20.48%	19.94%	0.00%	NA
10.	Gastos Operativos / Promedio Activos	<5%	16.66%	18.00%	18.58%	17.90%	19.85%	0.00%	NA
11.	Provisiones Activos de Riesgo / Promedio Activos	Sufficient for Estimated Losses	2.43%	2.28%	3.54%	3.06%	3.78%	0.00%	NA
12.	Otros Ingresos o Gastos / Promedio Activos	Amount Needed	-0.99%	0.01%	-0.12%	0.03%	-0.01%	0.00%	NA
13.	Excedente Neto / Promedio Activos	Enough to reach the goal for E8	1.56%	0.75%	-2.74%	-0.46%	-3.71%	0.00%	NA
14.	Excedente Neto / Promedio Cap. Inst. (ROE)	More Than Inflation	4.95%	2.84%	-13.22%	-3.02%	-29.30%	0.00%	NA
L	***LIQUIDITY***								
1.	Disponibilidades - CxP<=30 / Depósitos de Ahorro	Minimum 15%	41.58%	48.73%	38.17%	35.26%	33.56%	0.00%	NA
2.	Reservas para Liquidez / Total Depósitos	10%	0.00%	11.44%	14.03%	11.36%	10.21%	0.00%	NA
3.	Liquidez Ociosa / Activo Total	Less Than 1 %	2.92%	3.65%	2.36%	3.03%	2.72%	0.00%	NA
S	***SIGNS OF GROWTH (Year-To-Date Growth Rates)***								
1.	Cartera Neta de Préstamos	Sufficient to Achieve Goal in E1	48.10%	-0.45%	5.15%	23.75%	6.76%	0.00%	NA
2.	Inversiones Líquidas	Sufficient to Achieve Goal in E2	1.79%	106.48%	20.18%	24.11%	4.08%	0.00%	NA
3.	Inversiones Financieras	Sufficient to Achieve Goal in E3	0.00%	100.00%	3802.77%	81.03%	-0.30%	0.00%	NA
4.	Inversiones No Financieras	Sufficient to Achieve Goal in E4	691.24%	509.60%	-21.98%	-3.98%	-1.46%	0.00%	NA
5.	Depósitos de Ahorro	Sufficient to Achieve Goal in E5	133.70%	61.35%	41.40%	39.19%	9.78%	0.00%	NA
6.	Crédito Externo	0%	25.11%	-19.25%	-20.26%	-1.08%	5.21%	0.00%	NA
7.	Aportaciones	Sufficient to Achieve Goal in E7	2.08%	-2.86%	-8.21%	11.73%	0.48%	0.00%	NA
8.	Capital Institucional	Sufficient to Achieve Goal in E8	5.19%	-6.41%	-22.87%	4.12%	-12.26%	0.00%	NA
9.	Capital Institucional Neto	Sufficient to Achieve Goal in E9	-10.91%	-1.91%	-8.58%	5.48%	-15.08%	0.00%	NA
10.	Asociados	Minimum 15%	46.47%	38.73%	28.87%	31.05%	4.65%	0.00%	NA
11.	Total Activos	More Than Inflation + 20%	34.95%	11.24%	7.01%	28.50%	8.25%	0.00%	NA
Inflation Rate (Annualized)			11.70%	15.50%	10.00%	10.00%	10.00%		

FINANCIERA MODERNA

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Number of Credit Unions in this Report	1	1	1	1	1	0	
Number Of CU Members							
Men	586	745	904	1,159	1,320	0	NA
Women	809	1,050	1,335	1,673	1,784	0	NA
Gender not Reported	0	4	5	6	6	0	NA
Total Number Of Members	***1,395***	***1,799***	***2,244***	***2,838***	***3,110***	***0***	***NA***
Number of Other Service Users							
Youth	0	0	405	537	583	0	NA
Third Parties	2	0	0	0	14	0	NA
Total Number of Other CU Service Users	***2***	***0***	***405***	***537***	***597***	***0***	***NA***
Total Number Of Members & Other CU Service Users	**1,397**	**1,799**	**2,649**	**3,375**	**3,707**	**0**	**NA**

Assets

Earning Assets

Loans to Members

Short Term (<=1 Year)	31,743	26,586	35,662	39,458	49,884	0	NA
Medium-Term (1-3 Years)	127,738	145,550	152,456	156,952	159,463	0	NA
Long-Term (> 3 Years)	33,548	79,350	136,374	146,102	152,684	0	NA
Other Special Loans	0	0	0	0	0	0	NA
Loan Loss Allowances	(1,644)	(6,850)	(3,112)	(31,552)	(37,321)	0	NA
Total Net Loans	***191,385***	***244,635***	***321,381***	***310,961***	***324,709***	***0***	***NA***
Liquid Investments							
Liquid Investments							
Liquidity Reserves - CFF	0	0	38,849	57,606	49,472	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Short-Term CFF Deposits	0	0	0	2,618	1,906	0	NA
Short-Term Bank Deposits	8,118	47,581	17,521	46,703	66,325	0	NA
Short-Term Securities and Investments	0	0	0	0	0	0	NA
Other Liquid Investments 1	0	0	0	0	0	0	NA
Other Liquid Investments 2	0	0	0	0	0	0	NA
Other Liquid Investments 3	0	0	0	0	0	0	NA
Total Liquid Investments	***8,118***	***47,581***	***56,370***	***106,927***	***117,703***	***0***	***NA***
Liquid Investments Allowances	0	0	0	0	0	0	NA
Total Liquid Investments	***8,118***	***47,581***	***56,370***	***106,927***	***117,703***	***0***	***NA***
Financial Investments							
Financial Investments							
Shares - League/Affiliation	0	0	0	956	985	0	NA
Long-Term CFF Deposit	0	0	0	0	0	0	NA
Long-Term Bank Deposits	0	0	0	0	0	0	NA
Long-Term Securities & Investments	0	0	0	0	0	0	NA
Other Financial Investments 1	0	0	0	0	0	0	NA
Other Financial Investments 2	0	0	0	0	0	0	NA
Other Financial Investments 3	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***0***	***956***	***985***	***0***	***NA***
Financial Investments Allowances	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***0***	***956***	***985***	***0***	***NA***
Non-Financial Investments							
Various	0	0	0	0	0	0	NA
Non-Financial Investments Allowances	0	0	0	0	0	0	NA
Total Non-Financial Investments	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Earning Assets	**199,503**	**292,217**	**377,750**	**418,843**	**443,397**	**0**	**NA**

Additonal Loan Portfolio Information

Delinquency Based on Outstanding Balance of Loan?	Balance	Balance	Balance	Balance	Balance	Payment	
Delinquency							
UP TO 12 Months	26,655	17,766	8,892	79,830	95,112	0	NA
More Than 12 Months	0	0	0	3,611	4,025	0	NA
Total Balance Of Delinquent Loans	***26,655***	***17,766***	***8,892***	***83,441***	***99,137***	***0***	***NA***
Loans to Members (Gross)	193,029	251,486	324,493	342,512	362,030	0	NA
Accumulated Charge-Offs (Historical)	3,574	8,765	9,232	8,864	8,735	0	NA
Recovery of Loans Charged-Off (Historical)	590	4,836	4,688	4,501	4,428	0	NA

FINANCIERA MODERNA

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Non-Earning Assets							
Liquid Assets							
Cash & Equivalents	6,184	11,424	16,131	19,123	10,248	0	NA
Current Accounts (Checking)	0	0	0	0	0	0	NA
Foreign Currency	0	0	0	0	0	0	NA
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Other Liquid Assets	0	0	0	0	0	0	NA
Total Liquid Assets	***6,184***	***11,424***	***16,131***	***19,123***	***10,248***	***0***	***NA***
Accounts Receivable							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	0	0	0	0	0	0	NA
Notes Receivable	10,327	6,470	4,577	36,351	70,600	0	NA
Payroll Deductions Receivable	0	0	0	0	0	0	NA
Interbranch loans account receivable	0	0	0	0	0	0	NA
Other Accounts Receivable	2	0	0	0	154	0	NA
Receivable Loss Allowances	0	0	0	0	0	0	NA
Total Accounts Receivable	***10,329***	***6,470***	***4,577***	***36,351***	***70,754***	***0***	***NA***
Fixed Assets							
Land	0	0	0	0	0	0	NA
Buildings (Cost)	9,392	8,861	8,213	7,886	7,771	0	NA
Leasehold Improvements	0	0	860	4,613	4,545	0	NA
Furniture & Equipment	9,442	9,774	16,975	36,595	34,556	0	NA
Accumulated Depreciation - Buildings	0	0	0	0	0	0	NA
Accum. Depreciation - Leasehold Improv.	0	0	0	0	(277)	0	NA
Accum. Depreciation - Furniture & Equip.	(4,543)	(6,467)	(8,340)	(12,629)	(13,249)	0	NA
Total Net Fixed Assets	***14,291***	***12,167***	***17,708***	***36,464***	***33,346***	***0***	***NA***
Other Assets							
Assets in Liquidation	4,928	6,028	3,367	32,445	31,200	0	NA
Organization Expenses	0	0	0	0	0	0	NA
Prepaid Expenses	876	3,090	2,203	6,487	3,203	0	NA
Other Deferred Assets	356	0	0	278	0	0	NA
Accumulated Amortization	0	0	0	0	0	0	NA
Total Other Assets	***6,161***	***9,118***	***5,570***	***39,210***	***34,403***	***0***	***NA***
Problem Assets							
Doubtful Assets	0	0	0	0	0	0	NA
Accounting Discrepancy - Assets	0	0	0	0	0	0	NA
Other Problem Assets	486	0	0	0	0	0	NA
Problem Assets Allowances	0	0	0	0	0	0	NA
Total Problem Assets	***486***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Non-Earning Assets	**37,450**	**39,180**	**43,986**	**131,149**	**148,751**	**0**	**NA**
Total Assets	**236,953**	**331,397**	**421,736**	**549,992**	**592,149**	**0**	**NA**

FINANCIERA MODERNA

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
Savings Deposits							
Regular Savings	79,631	169,664	216,872	336,017	378,605	0	NA
Term/Fixed Savings	26,013	42,805	73,149	94,515	92,314	0	NA
Youth Savings	0	0	0	0	15,859	0	NA
Special Savings	0	0	0	0	410	0	NA
Pledged Savings	0	0	0	0	0	0	NA
Total Savings Deposits	***105,644***	***212,468***	***290,020***	***430,531***	***487,188***	***0***	***NA***
External Credit							
External Credit - CFF (<= 1 Year)	0	0	0	0	0	0	NA
External Credit - CFF (> 1 Year)	0	0	17,241	11,036	(17)	0	NA
External Credit - Banks	0	2,232	0	0	0	0	NA
Other External Credit - External Institutions	8,365	0	0	7,361	0	0	NA
InterBranch Loans	0	0	0	0	0	0	NA
Total External Credit	***8,365***	***2,232***	***17,241***	***18,398***	***-17***	***0***	***NA***
Total Interest Bearing Liabilities	***114,009***	***214,701***	***307,262***	***448,929***	***487,170***	***0***	***NA***
Non-Interest Bearing Liabilities							
Short-Term Accounts Payable (<=30 Days)	368	463	473	1,032	1,273	0	NA
Interbranch deposits account payable	0	0	0	0	0	0	NA
External Credit Payments (<=30 Days)	0	0	0	0	0	0	NA
Provisions (e.g. Employee Benefits)	875	788	1,004	1,127	2,446	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	77	177	714	0	15,675	0	NA
Total Non-Interest Bearing Liabilities	***1,319***	***1,428***	***2,191***	***2,159***	***19,394***	***0***	***NA***
Total Liabilities	**115,328**	**216,128**	**309,453**	**451,088**	**506,564**	**0**	**NA**
CAPITAL							
Share Capital							
Mandatory Shares	101,639	97,308	86,627	97,397	101,352	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	***101,639***	***97,308***	***86,627***	***97,397***	***101,352***	***0***	***NA***
Transitory Capital							
Asset Appreciation Over Cost	0	0	0	0	0	0	NA
Education & Social Reserves	0	0	0	0	0	0	NA
Monetary Reserves	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Accounting Discrepancy - Capital	0	0	0	0	0	0	NA
Undistributed Net Income	0	0	0	0	0	0	NA
YTD Net Income (loss)	0	0	0	0	0	0	NA
Total Transitory Capital	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Institutional Capital							
Statutory & Legal Reserves	77	0	0	0	0	0	NA
Retained Earnings	5,863	442	5,479	7,485	0	0	NA
Other Reserves	708	5,531	5,127	4,923	4,851	0	NA
Donations	14,171	13,370	22,147	26,342	25,958	0	NA
Undistributed Losses	(834)	0	(4,969)	(9,272)	(31,902)	0	NA
YTD Net Income (Loss)	0	(1,383)	(2,128)	(27,972)	(14,675)	0	NA
Total Institutional Capital	***19,985***	***17,960***	***25,656***	***1,506***	***-15,768***	***0***	***NA***
Total Capital	**121,625**	**115,268**	**112,283**	**98,904**	**85,585**	**0**	**NA**
Total Liabilities and Capital	**236,953**	**331,397**	**421,736**	**549,992**	**592,149**	**0**	**NA**

FINANCIERA MODERNA

Income Statement

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
umber of Credit Unions in this Report	1	1	1	1	1	0	
INCOME							
INCOME FROM LOANS							
terest Income from Loans	74,733	89,839	107,230	146,017	32,989	0	NA
Delinquent Penalty Interest Income from Loans	1,298	1,992	1,386	3,754	772	0	NA
Commissions/Fees from Loans	3,498	4,108	5,012	12,858	2,674	0	NA
surance Premiums for Loans	0	0	0	(1,345)	(684)	0	NA
ET LOAN INCOME	***79,530***	***95,939***	***113,628***	***161,284***	***35,750***	***0***	***NA***
Income from Liquid Investments	1,608	3,322	5,825	6,155	1,506	0	NA
come from Financial Investments	0	0	0	0	0	0	NA
Income from Non-Financial Investments	0	0	0	0	0	0	NA
ees, commissions income (loans-unrelated)	0	0	0	0	0	0	NA
come from Other Sources	6,191	4,897	6,110	5,679	1,568	0	NA
Gross Income	**87,329**	**104,158**	**125,563**	**173,118**	**38,824**	**0**	**NA**
OSTS/EXPENSES							
FINANCIAL COSTS							
Interest Expense on Savings Deposits	14,606	24,746	36,666	49,499	15,065	0	NA
surance Premiums for Savings	0	0	1,860	4,270	1,967	0	NA
axes on Interest Paid For Savings	0	0	0	0	0	0	NA
Financial Cost - Savings Deposits	*14,606*	*24,746*	*38,526*	*53,768*	*17,032*	*0*	*NA*
nancial Cost on External Credit	684	324	982	2,600	101	0	NA
nancial Costs on Interbranch Leans	0	0	0	0	0	0	NA
Dividend Expense on Shares	18,656	15,176	14,992	14,502	3,939	0	NA
surance Premiums for Shares	0	405	0	35	388	0	NA
axes on Interest Paid for Shares	0	0	0	0	0	0	NA
Financial Cost - Shares	*18,656*	*15,581*	*14,992*	*14,537*	*4,327*	*0*	*NA*
ther Financial Costs	5	914	1,519	2,813	0	0	NA
OTAL FINANCIAL COSTS	***33,951***	***41,565***	***56,020***	***73,719***	***21,460***	***0***	***NA***
GROSS MARGIN	**53,377**	**62,593**	**69,543**	**99,399**	**17,363**	**0**	**NA**
OPERATING EXPENSES							
ersonnel	27,694	28,934	32,767	42,467	12,110	0	NA
Governance	1,988	2,265	2,961	2,495	492	0	NA
Marketing	3,966	8,490	14,537	15,295	2,286	0	NA
dministration	15,164	15,084	17,360	30,243	8,693	0	NA
epreciation	2,997	3,930	2,399	4,326	2,227	0	NA
TOTAL OPERATING EXPENSES	***51,809***	***58,703***	***70,024***	***94,825***	***25,809***	***0***	***NA***
ovision for Risk Assets	2,372	5,033	1,647	32,545	6,230	0	NA
NET INCOME FROM OPERATIONS	**(804)**	**(1,143)**	**(2,128)**	**(27,972)**	**(14,675)**	**0**	**NA**
OTHER INCOME / EXPENSE							
come from Grants	0	0	0	0	0	0	NA
Previous periods adjustments (Net)	0	0	0	0	0	0	NA
Extraordinary income (Net)	(30)	(240)	0	0	0	0	NA
OTAL OTHER INCOME/EXPENSE	***(30)***	***(240)***	***0***	***0***	***0***	***0***	***NA***
Income Tax	0	0	0	0	0	0	NA
et Income/Loss	**(834)**	**(1,383)**	**(2,128)**	**(27,972)**	**(14,675)**	**0**	**NA**

FINANCIERA MODERNA

TABLE 1a Financial Services

Microenterprise Implementation Grant Program

Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-00	12.6804	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Amt Loans Outstanding - Start of Year	0		0		0		416,115		416,115	
Amt Loans Outstanding - End of Year	0		0		416,115		577,360		523,913	
Avg Amt Loans Outstanding	0		0		416,115		496,738		470,014	
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	0.00%		0.00%		3.69%		6.78%		5.71%	
Long Run Loss Rate	0.00%		0.00%		0.00%		0.00%		0.00%	
Interest Rates	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	NA		NA		1.36%		11.08%		8.98%	
Client/Member Revenues	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Interest Income From Clients/Members	0		0		11,856		48,958		98,784	
Fee Income From Clients/Members	0		0		20,356		18,580		31,080	
Other Income	0		0		1,779		3,873		12,132	
Total Client/Member Revenues	0		0		33,991		71,410		141,995	
Non-Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Administration	0		0		107,184		107,573		240,605	
Depreciation	0		0		0		0		0	
Loan Loss Allowances	0		0		0		13,427		10,476	
Total Non-Financial Expenses	0		0		107,184		121,000		251,081	
Adjusted Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Adjusted Financial Expenses	0		0		53,876		60,746		53,882	
Actual Weighted Cost Of Funds	0		0		4,264		9,293		52,150	
Totals	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Expenses - Adjusted Financial Expenses	0		0		161,060		181,746		304,964	
Total Expenses - Projected Financial Expenses	0		0		111,448		130,294		303,231	
Return On Operations - Adjusted Financial Expenses	NA		NA		21.10%		39.29%		46.56%	
Return On Operations- Actual Fin Exp	NA		NA		30.50%		54.81%		46.83%	
Other	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	0		0		119,523		256,717		310,615	
Percent Of Women Borrowers	NA		NA		58.77%		54.59%		52.11%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

FINANCIERA PROFESIONAL

P-E-A-R-L-S RATIOS

Based on US$

	P-E-A-R-L-S RATIOS	Goals (Excellence)	30-Jun-00	30-Jun-01	30-Jun-02	30-Jun-03	30-Sep-03	Annual Goal	% Complete
	Number of Credit Unions in this Report		1	1	1	1	1	0	
P	***PROTECTION***								
1.	Estimaciones / Morosidad > 12 Meses	75%	75.92%	86.81%	100.00%	100.00%	100.00%	0.00%	NA
2.	Estim. Netas / Estim. Requeridas de 1-12 Meses	35%	7.55%	15.59%	32.46%	32.51%	32.73%	0.00%	NA
3.	Depuración Completa de Morosidad > 12 Meses	Yes	No	No	No	No	No	0	NA
4.	Depuraciones Anuales / Cartera Promedia	Minimized	2.96%	0.37%	5.50%	-1.24%	-1.54%	0.00%	NA
5.	Recuperación Cartera Dep. / Depuraciones Accum.	75%	24.37%	34.76%	25.85%	29.89%	34.00%	0.00%	NA
6.	Solvencia	Min 111%	157.49%	140.73%	126.19%	120.50%	116.57%	0.00%	NA
E	***EFFECTIVE FINANCIAL STRUCTURE***								
1.	Préstamos Netos / Activo Total	Between 70 - 90%	78.47%	70.22%	69.01%	66.45%	65.54%	0.00%	NA
2.	Inversiones Líquidas / Activo Total	10-18%	9.64%	17.89%	20.09%	19.40%	18.66%	0.00%	NA
3.	Inversiones Financieras / Activo Total	Max 2%	0.00%	0.01%	0.20%	0.28%	0.26%	0.00%	NA
4.	Inversiones No Financieras / Activo Total	0%	0.01%	0.07%	0.05%	0.04%	0.04%	0.00%	NA
5.	Depósitos de Ahorro / Activo Total	Between 70 - 90%	29.73%	43.12%	56.97%	61.71%	62.59%	0.00%	NA
6.	Crédito Externo / Activo Total	0%	27.51%	19.97%	14.88%	11.45%	11.13%	0.00%	NA
7.	Aportaciones / Activo Total	10-20%	10.47%	9.14%	7.84%	6.82%	6.33%	0.00%	NA
8.	Capital Institucional / Activo Total	Minimum 10%	27.47%	23.11%	16.66%	13.50%	10.94%	0.00%	NA
9.	Capital Institucional Neto / Activo	Minimum 10%	22.23%	19.60%	16.75%	13.75%	10.79%	0.00%	NA
A	***ASSET QUALITY***								
1.	Morosidad Total / Cartera Bruta	Less Than or Equal To 5%	19.23%	16.36%	9.01%	9.16%	12.15%	0.00%	NA
2.	Activo Improductivo / Activo Total	Less Than or Equal To 5%	11.88%	11.81%	10.66%	13.83%	15.51%	0.00%	NA
3.	Fondos Sin Costo Neto / Activo Improductivo	Greater Than or Equal To 200%	227.80%	205.40%	187.00%	128.42%	108.37%	0.00%	NA
R	***RATES OF RETURN AND COSTS (ANNUALIZED)***								
1.	Ingresos por Préstamos / Promedio Préstamos Netos	Enterprenurial Rate	37.76%	38.71%	39.77%	39.91%	39.40%	0.00%	NA
2.	Ingresos por Inv. Líquidas / Promedio Inv. Líquidas	Market Rates	11.40%	16.55%	10.71%	9.99%	6.28%	0.00%	NA
3.	Ingresos por Inversiones Fin. / Promedio Inversiones Fin.	Market Rates	NA	0.00%	3.42%	124.20%	0.00%	0.00%	NA
4.	Ingresos por Inv. No Fin. / Promedio Inv. No Fin.	Greater Than or Equal to R1	0.00%	0.00%	0.00%	26.85%	0.00%	0.00%	NA
5.	Costos-Fin: Depósitos / Promedio Depósitos	Market Rates, > Inflation	16.64%	16.86%	16.17%	13.45%	12.08%	0.00%	NA
6.	Costos-Fin: Crédito Externo / Promedio Créd. Externo	Market Rates	12.51%	11.46%	9.10%	8.39%	7.48%	0.00%	NA
7.	Costos-Fin: Aportaciones / Promedio Aportaciones	Market Rates, > R5	13.21%	12.38%	12.68%	12.72%	10.98%	0.00%	NA
8.	Ingresos por otras comisiones / Activo Promedio	Pending	7.11%	4.77%	5.65%	9.19%	20.75%	0.00%	NA
9.	Margen Bruto / Promedio Activos	Amount Needed to Cover R11,	21.64%	21.03%	19.50%	20.48%	19.94%	0.00%	NA
10.	Gastos Operativos / Promedio Activos	<5%	16.66%	18.00%	18.58%	17.90%	19.85%	0.00%	NA
11.	Provisiones Activos de Riesgo / Promedio Activos	Sufficient for Estimated Losses	2.43%	2.28%	3.54%	3.06%	3.78%	0.00%	NA
12.	Otros Ingresos o Gastos / Promedio Activos	Amount Needed	-0.99%	0.01%	-0.12%	0.03%	-0.01%	0.00%	NA
13.	Excedente Neto / Promedio Activos	Enough to reach the goal for E8	1.56%	0.75%	-2.74%	-0.46%	-3.71%	0.00%	NA
14.	Excedente Neto / Promedio Cap. Inst. (ROE)	More Than Inflation	4.95%	2.84%	-13.22%	-3.02%	-29.30%	0.00%	NA
L	***LIQUIDITY***								
1.	Disponibilidades - CxP<=30 / Depósitos de Ahorro	Minimum 15%	41.58%	48.73%	38.17%	35.26%	33.56%	0.00%	NA
2.	Reservas para Liquidez / Total Depósitos	10%	0.00%	11.44%	14.03%	11.36%	10.21%	0.00%	NA
3.	Liquidez Ociosa / Activo Total	Less Than 1 %	2.92%	3.65%	2.36%	3.03%	2.72%	0.00%	NA
S	***SIGNS OF GROWTH (Year-To-Date Growth Rates)***								
1.	Cartera Neta de Préstamos	Sufficient to Achieve Goal in E1	48.10%	-0.45%	5.15%	23.75%	6.76%	0.00%	NA
2.	Inversiones Líquidas	Sufficient to Achieve Goal in E2	1.79%	106.48%	20.18%	24.11%	4.08%	0.00%	NA
3.	Inversiones Financieras	Sufficient to Achieve Goal in E3	0.00%	100.00%	3802.77%	81.03%	-0.30%	0.00%	NA
4.	Inversiones No Financieras	Sufficient to Achieve Goal in E4	691.24%	509.60%	-21.98%	-3.98%	-1.46%	0.00%	NA
5.	Depósitos de Ahorro	Sufficient to Achieve Goal in E5	133.70%	61.35%	41.40%	39.19%	9.78%	0.00%	NA
6.	Crédito Externo	0%	25.11%	-19.25%	-20.26%	-1.08%	5.21%	0.00%	NA
7.	Aportaciones	Sufficient to Achieve Goal in E7	2.08%	-2.86%	-8.21%	11.73%	0.48%	0.00%	NA
8.	Capital Institucional	Sufficient to Achieve Goal in E8	5.19%	-6.41%	-22.87%	4.12%	-12.26%	0.00%	NA
9.	Capital Institucional Neto	Sufficient to Achieve Goal in E9	-10.91%	-1.91%	-8.58%	5.48%	-15.08%	0.00%	NA
10.	Asociados	Minimum 15%	46.47%	38.73%	28.87%	31.05%	4.65%	0.00%	NA
11.	Total Activos	More Than Inflation + 20%	34.95%	11.24%	7.01%	28.50%	8.25%	0.00%	NA
	Inflation Rate (Annualized)		11.70%	15.50%	10.00%	10.00%	10.00%		

FINANCIERA PROFESIONAL

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Number of Credit Unions in this Report	1	1	1	1	1	0	
Number Of CU Members							
Men	199	305	436	628	672	0	NA
Women	222	393	689	1,112	1,161	0	NA
Gender not Reported	3	2	10	12	13	0	NA
Total Number Of Members	***424***	***700***	***1,135***	***1,752***	***1,846***	***0***	***NA***
Number of Other Service Users							
Youth	36	211	290	272	277	0	NA
Third Parties	0	0	0	0	0	0	NA
Total Number of Other CU Service Users	***36***	***211***	***290***	***272***	***277***	***0***	***NA***
Total Number Of Members & Other CU Service Users	**460**	**911**	**1,425**	**2,024**	**2,123**	**0**	**NA**

Assets

Earning Assets

Loans to Members

Short Term (< =1 Year)	45,122	47,519	64,253	88,059	99,568	0	NA
Medium-Term (1-3 Years)	267	7,005	16,017	42,945	37,648	0	NA
Long-Term (> 3 Years)	0	0	0	0	0	0	NA
Other Special Loans	0	0	0	0	0	0	NA
Loan Loss Allowances	(431)	(534)	(1,017)	(5,924)	(6,178)	0	NA
Total Net Loans	***44,959***	***53,991***	***79,253***	***125,079***	***131,038***	***0***	***NA***

Liquid Investments

Liquid Investments

Liquidity Reserves - CFF	0	10,482	23,201	23,224	23,227	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Short-Term CFF Deposits	0	0	0	9,888	10,239	0	NA
Short-Term Bank Deposits	15,427	17,486	63,706	44,413	55,000	0	NA
Short-Term Securities and Investments	0	0	0	0	0	0	NA
Other Liquid Investments 1	0	0	0	0	0	0	NA
Other Liquid Investments 2	0	0	0	0	0	0	NA
Other Liquid Investments 3	0	0	0	0	0	0	NA
Total Liquid Investments	***15,427***	***27,968***	***86,907***	***77,525***	***88,466***	***0***	***NA***
Liquid Investments Allowances	0	0	0	0	0	0	NA
Total Liquid Investments	***15,427***	***27,968***	***86,907***	***77,525***	***88,466***	***0***	***NA***

Financial Investments

Financial Investments

Shares - League/Affiliation	0	0	1,026	2,052	2,043	0	NA
Long-Term CFF Deposit	0	0	0	0	0	0	NA
Long-Term Bank Deposits	0	0	0	0	0	0	NA
Long-Term Securities & Investments	0	0	0	0	0	0	NA
Other Financial Investments 1	0	0	0	0	0	0	NA
Other Financial Investments 2	0	0	0	0	0	0	NA
Other Financial Investments 3	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***1,026***	***2,052***	***2,043***	***0***	***NA***
Financial Investments Allowances	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***1,026***	***2,052***	***2,043***	***0***	***NA***

Non-Financial Investments

Various	0	0	0	0	0	0	NA
Non-Financial Investments Allowances	0	0	0	0	0	0	NA
Total Non-Financial Investments	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Earning Assets	**60,386**	**81,959**	**167,185**	**204,657**	**221,546**	**0**	**NA**

Additonal Loan Portfolio Information

Delinquency Based on Outstanding Balance of Loan?	Balance	Balance	Balance	Balance	Balance	Payment	
Delinquency							
TO 12 Months	1,231	1,525	2,907	14,673	17,473	0	NA
More Than 12 Months	0	0	0	0	0	0	NA
Total Balance Of Delinquent Loans	***1,231***	***1,525***	***2,907***	***14,673***	***17,473***	***0***	***NA***
Loans to Members (Gross)	45,390	54,524	80,270	131,004	137,216	0	NA
Accumulated Charge-Offs (Historical)	0	0	0	0	0	0	NA
Recovery of Loans Charged-Off (Historical)	0	0	0	0	22	0	NA

FINANCIERA PROFESIONAL

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Non-Earning Assets							
Liquid Assets							
Cash & Equivalents	4,152	10,465	13,002	22,065	22,011	0	NA
Current Accounts (Checking)	469	0	0	(2,797)	0	0	NA
Foreign Currency	0	0	0	0	0	0	NA
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Other Liquid Assets	0	0	0	0	0	0	NA
Total Liquid Assets	***4,620***	***10,465***	***13,002***	***19,268***	***22,011***	***0***	***NA***
Accounts Receivable							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	0	0	0	0	0	0	NA
Notes Receivable	0	0	0	10,062	26,741	0	NA
Payroll Deductions Receivable	0	0	0	0	0	0	NA
Interbranch loans account receivable	0	0	0	0	0	0	NA
Other Accounts Receivable	0	0	0	0	1,268	0	NA
Receivable Loss Allowances	0	0	0	0	0	0	NA
Total Accounts Receivable	***0***	***0***	***0***	***10,062***	***28,008***	***0***	***NA***
Fixed Assets							
Land	312	295	273	262	258	0	NA
Buildings (Cost)	0	0	0	0	0	0	NA
Leasehold Improvements	0	0	0	0	0	0	NA
Furniture & Equipment	5,655	7,663	7,406	7,277	7,525	0	NA
Accumulated Depreciation - Buildings	0	0	0	0	0	0	NA
Accum. Depreciation - Leasehold Improv.	0	0	0	0	0	0	NA
Accum. Depreciation - Furniture & Equip.	(4,446)	(4,953)	(5,847)	(4,893)	(5,561)	0	NA
Total Net Fixed Assets	***1,522***	***3,004***	***1,833***	***2,646***	***2,223***	***0***	***NA***
Other Assets							
Assets in Liquidation	0	0	0	0	0	0	NA
Organization Expenses	0	0	0	0	0	0	NA
Prepaid Expenses	275	0	0	0	0	0	NA
Other Deferred Assets	0	0	0	1,432	522	0	NA
Accumulated Amortization	0	0	0	0	0	0	NA
Total Other Assets	***275***	***0***	***0***	***1,432***	***522***	***0***	***NA***
Problem Assets							
Doubtful Assets	0	0	0	0	0	0	NA
Accounting Discrepancy - Assets	0	0	0	0	0	0	NA
Other Problem Assets	0	0	0	0	0	0	NA
Problem Assets Allowances	0	0	0	0	0	0	NA
Total Problem Assets	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Non-Earning Assets	**6,417**	**13,469**	**14,835**	**33,408**	**52,764**	**0**	**NA**
Total Assets	**66,803**	**95,427**	**182,020**	**238,065**	**274,310**	**0**	**NA**

FINANCIERA PROFESIONAL

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
Savings Deposits							
Regular Savings	16,440	38,662	68,244	106,178	122,679	0	NA
Term/Fixed Savings	24,597	31,751	80,993	87,745	91,887	0	NA
Youth Savings	0	0	7,164	5,765	5,287	0	NA
Special Savings	0	0	0	0	0	0	NA
Pledged Savings	0	0	0	0	0	0	NA
Total Savings Deposits	***41,037***	***70,413***	***156,401***	***199,688***	***219,853***	***0***	***NA***
External Credit							
External Credit - CFF (<= 1 Year)	0	0	0	0	0	0	NA
External Credit - CFF (> 1 Year)	0	0	0	0	0	0	NA
External Credit - Banks	0	0	0	0	0	0	NA
Other External Credit - External Institutions	0	0	0	0	0	0	NA
InterBranch Loans	0	0	0	9,940	24,253	0	NA
Total External Credit	***0***	***0***	***0***	***9,940***	***24,253***	***0***	***NA***
Total Interest Bearing Liabilities	***41,037***	***70,413***	***156,401***	***209,628***	***244,106***	***0***	***NA***
Non-Interest Bearing Liabilities							
Short-Term Accounts Payable (<=30 Days)	1,485	312	285	1,769	653	0	NA
Interbranch deposits account payable	0	0	0	0	0	0	NA
External Credit Payments (<=30 Days)	0	0	0	0	0	0	NA
Provisions (e.g. Employee Benefits)	295	366	542	1,277	1,642	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	1,112	1,933	1,696	988	2,098	0	NA
Total Non-Interest Bearing Liabilities	***2,893***	***2,610***	***2,522***	***4,033***	***4,392***	***0***	***NA***
Total Liabilities	**43,929**	**73,023**	**158,923**	**213,661**	**248,498**	**0**	**NA**
CAPITAL							
Share Capital							
Mandatory Shares	6,952	8,656	10,617	13,323	13,881	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	***6,952***	***8,656***	***10,617***	***13,323***	***13,881***	***0***	***NA***
Transitory Capital							
Asset Appreciation Over Cost	0	0	0	0	0	0	NA
Education & Social Reserves	0	0	0	0	0	0	NA
Monetary Reserves	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Accounting Discrepancy - Capital	0	0	0	0	0	0	NA
Undistributed Net Income	0	0	0	0	0	0	NA
YTD Net Income (loss)	0	0	0	0	0	0	NA
Total Transitory Capital	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Institutional Capital							
Statutory & Legal Reserves	1,242	1,171	1,086	1,043	1,027	0	NA
Retained Earnings	1,482	4,993	2,939	2,822	427	0	NA
Other Reserves	5,402	0	0	0	0	0	NA
Donations	9,969	9,405	8,718	9,358	9,574	0	NA
Undistributed Losses	(2,173)	0	0	0	0	0	NA
YTD Net Income (Loss)	0	(1,821)	(262)	(2,143)	904	0	NA
Total Institutional Capital	***15,921***	***13,748***	***12,480***	***11,081***	***11,931***	***0***	***NA***
Total Capital	**22,873**	**22,404**	**23,097**	**24,404**	**25,812**	**0**	**NA**
Total Liabilities and Capital	**66,803**	**95,427**	**182,020**	**238,065**	**274,310**	**0**	**NA**

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Income Statement

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
umber of Credit Unions in this Report	1	1	1	1	1	0	
INCOME							
INCOME FROM LOANS							
terest Income from Loans	15,200	22,511	31,225	44,574	13,214	0	NA
Delinquent Penalty Interest Income from Loans	553	591	797	2,398	941	0	NA
ommissions/Fees from Loans	1,335	2,138	3,979	7,465	1,978	0	NA
surance Premiums for Loans	0	0	(427)	(766)	(147)	0	NA
NET LOAN INCOME	***17,088***	***25,240***	***35,574***	***53,671***	***15,986***	***0***	***NA***
Income from Liquid Investments	1,056	2,078	5,226	5,942	1,592	0	NA
come from Financial Investments	0	0	43	0	0	0	NA
Income from Non-Financial Investments	0	0	0	0	0	0	NA
es, commissions income (loans-unrelated)	0	0	0	0	0	0	NA
come from Other Sources	1,002	987	1,572	3,278	1,340	0	NA
Gross Income	**19,146**	**28,305**	**42,415**	**62,890**	**18,918**	**0**	**NA**
OSTS/EXPENSES							
FINANCIAL COSTS							
terest Expense on Savings Deposits	4,675	8,892	16,700	23,044	6,043	0	NA
surance Premiums for Savings	0	309	756	1,150	254	0	NA
axes on Interest Paid For Savings	0	0	0	0	0	0	NA
Financial Cost - Savings Deposits	*4,675*	*9,202*	*17,456*	*24,194*	*6,297*	*0*	*NA*
nancial Cost on External Credit	0	0	0	0	0	0	NA
nancial Costs on Interbranch Leans	0	0	0	0	0	0	NA
Dividend Expense on Shares	1,281	1,310	1,515	1,532	371	0	NA
surance Premiums for Shares	0	256	104	132	21	0	NA
axes on Interest Paid for Shares	0	0	0	0	0	0	NA
Financial Cost - Shares	*1,281*	*1,566*	*1,619*	*1,664*	*393*	*0*	*NA*
ther Financial Costs	39	160	273	743	96	0	NA
OTAL FINANCIAL COSTS	***5,996***	***10,927***	***19,348***	***26,601***	***6,786***	***0***	***NA***
GROSS MARGIN	**13,150**	**17,378**	**23,066**	**36,289**	**12,132**	**0**	**NA**
OPERATING EXPENSES							
ersonnel	7,888	8,027	9,381	15,531	4,957	0	NA
Governance	42	0	21	117	0	0	NA
Marketing	2,143	3,615	4,975	6,134	1,480	0	NA
dministration	4,208	6,390	6,791	9,652	3,215	0	NA
epreciation	1,112	759	1,255	1,418	739	0	NA
TOTAL OPERATING EXPENSES	***15,393***	***18,790***	***22,423***	***32,851***	***10,391***	***0***	***NA***
ovision for Risk Assets	(70)	409	906	5,581	837	0	NA
NET INCOME FROM OPERATIONS	**(2,173)**	**(1,821)**	**(262)**	**(2,143)**	**904**	**0**	**NA**
OTHER INCOME / EXPENSE							
come from Grants	0	0	0	0	0	0	NA
Previous periods adjustments (Net)	0	0	0	0	0	0	NA
xtraordinary income (Net)	0	0	0	0	0	0	NA
OTAL OTHER INCOME/EXPENSE	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Income Tax	0	0	0	0	0	0	NA
et Income/Loss	**(2,173)**	**(1,821)**	**(262)**	**(2,143)**	**904**	**0**	**NA**

FINANCIERA PROFESIONAL

TABLE 1a Financial Services

Microenterprise Implementation Grant Program
Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-00	12.6804	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Amt Loans Outstanding - Start of Year	0		0		0		416,115		416,115	
Amt Loans Outstanding - End of Year	0		0		416,115		577,360		523,913	
Avg Amt Loans Outstanding	0		0		416,115		496,738		470,014	
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	0.00%		0.00%		3.69%		6.78%		5.71%	
Long Run Loss Rate	0.00%		0.00%		0.00%		0.00%		0.00%	
Interest Rates	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	NA		NA		1.36%		11.08%		8.98%	
Client/Member Revenues	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Interest Income From Clients/Members	0		0		11,856		48,958		98,784	
Fee Income From Clients/Members	0		0		20,356		18,580		31,080	
Other Income	0		0		1,779		3,873		12,132	
Total Client/Member Revenues	0		0		33,991		71,410		141,995	
Non-Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Administration	0		0		107,184		107,573		240,605	
Depreciation	0		0		0		0		0	
Loan Loss Allowances	0		0		0		13,427		10,476	
Total Non-Financial Expenses	0		0		107,184		121,000		251,081	
Adjusted Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Adjusted Financial Expenses	0		0		53,876		60,746		53,882	
Actual Weighted Cost Of Funds	0		0		4,264		9,293		52,150	
Totals	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Expenses - Adjusted Financial Expenses	0		0		161,060		181,746		304,964	
Total Expenses - Projected Financial Expenses	0		0		111,448		130,294		303,231	
Return On Operations - Adjusted Financial Expenses	NA		NA		21.10%		39.29%		46.56%	
Return On Operations- Actual Fin Exp	NA		NA		30.50%		54.81%		46.83%	
Other	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	0		0		119,523		256,717		310,615	
Percent Of Women Borrowers	NA		NA		58.77%		54.59%		52.11%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

CENTRAL, R.L.

P-E-A-R-L-S RATIOS

Based on US$

P-E-A-R-L-S RATIOS		Goals (Excellence)	30-Jun-00	30-Jun-01	30-Jun-02	30-Jun-03	30-Sep-03	Annual Goal	% Complete
Number of Credit Unions in this Report			1	1	1	1	1	0	
P	***PROTECTION***								
1.	Estimaciones / Morosidad > 12 Meses	75%	75.92%	86.81%	100.00%	100.00%	100.00%	0.00%	NA
2.	Estim. Netas / Estim. Requeridas de 1-12 Meses	35%	7.55%	15.59%	32.46%	32.51%	32.73%	0.00%	NA
3.	Depuración Completa de Morosidad > 12 Meses	Yes	No	No	No	No	No	0	NA
4.	Depuraciones Anuales / Cartera Promedia	Minimized	2.96%	0.37%	5.50%	-1.24%	-1.54%	0.00%	NA
5.	Recuperación Cartera Dep. / Depuraciones Accum.	75%	24.37%	34.76%	25.85%	29.89%	34.00%	0.00%	NA
6.	Solvencia	Min 111%	157.49%	140.73%	126.19%	120.50%	116.57%	0.00%	NA
E	***EFFECTIVE FINANCIAL STRUCTURE***								
1.	Préstamos Netos / Activo Total	Between 70 - 90%	78.47%	70.22%	69.01%	66.45%	65.54%	0.00%	NA
2.	Inversiones Líquidas / Activo Total	10-18%	9.64%	17.89%	20.09%	19.40%	18.66%	0.00%	NA
3.	Inversiones Financieras / Activo Total	Max 2%	0.00%	0.01%	0.20%	0.28%	0.26%	0.00%	NA
4.	Inversiones No Financieras / Activo Total	0%	0.01%	0.07%	0.05%	0.04%	0.04%	0.00%	NA
5.	Depósitos de Ahorro / Activo Total	Between 70 - 90%	29.73%	43.12%	56.97%	61.71%	62.59%	0.00%	NA
6.	Crédito Externo / Activo Total	0%	27.51%	19.97%	14.88%	11.45%	11.13%	0.00%	NA
7.	Aportaciones / Activo Total	10-20%	10.47%	9.14%	7.84%	6.82%	6.33%	0.00%	NA
8.	Capital Institucional / Activo Total	Minimum 10%	27.47%	23.11%	16.66%	13.50%	10.94%	0.00%	NA
9.	Capital Institucional Neto / Activo	Minimum 10%	22.23%	19.60%	16.75%	13.75%	10.79%	0.00%	NA
A	***ASSET QUALITY***								
1.	Morosidad Total / Cartera Bruta	Less Than or Equal To 5%	19.23%	16.36%	9.01%	9.16%	12.15%	0.00%	NA
2.	Activo Improductivo / Activo Total	Less Than or Equal To 5%	11.88%	11.81%	10.66%	13.83%	15.51%	0.00%	NA
3.	Fondos Sin Costo Neto / Activo Improductivo	Greater Than or Equal To 200%	227.80%	205.40%	187.00%	128.42%	108.37%	0.00%	NA
R	***RATES OF RETURN AND COSTS (ANNUALIZED)***								
1.	Ingresos por Préstamos / Promedio Préstamos Netos	Enterprenurial Rate	37.76%	38.71%	39.77%	39.91%	39.40%	0.00%	NA
2.	Ingresos por Inv. Líquidas / Promedio Inv. Líquidas	Market Rates	11.40%	16.55%	10.71%	9.99%	6.28%	0.00%	NA
3.	Ingresos por Inversiones Fin. / Promedio Inversiones Fin.	Market Rates	NA	0.00%	3.42%	124.20%	0.00%	0.00%	NA
4.	Ingresos por Inv. No Fin. / Promedio Inv. No Fin.	Greater Than or Equal to R1	0.00%	0.00%	0.00%	26.85%	0.00%	0.00%	NA
5.	Costos-Fin: Depósitos / Promedio Depósitos	Market Rates, > Inflation	16.64%	16.86%	16.17%	13.45%	12.08%	0.00%	NA
6.	Costos-Fin: Crédito Externo / Promedio Créd. Externo	Market Rates	12.51%	11.46%	9.10%	8.39%	7.48%	0.00%	NA
7.	Costos-Fin: Aportaciones / Promedio Aportaciones	Market Rates, > R5	13.21%	12.38%	12.68%	12.72%	10.98%	0.00%	NA
8.	Ingresos por otras comisiones / Activo Promedio	Pending	7.11%	4.77%	5.65%	9.19%	20.75%	0.00%	NA
9.	Margen Bruto / Promedio Activos	Amount Needed to Cover R11,	21.64%	21.03%	19.50%	20.48%	19.94%	0.00%	NA
10.	Gastos Operativos / Promedio Activos	<5%	16.66%	18.00%	18.58%	17.90%	19.85%	0.00%	NA
11.	Provisiones Activos de Riesgo / Promedio Activos	Sufficient for Estimated Losses	2.43%	2.28%	3.54%	3.06%	3.78%	0.00%	NA
12.	Otros Ingresos o Gastos / Promedio Activos	Amount Needed	-0.99%	0.01%	-0.12%	0.03%	-0.01%	0.00%	NA
13.	Excedente Neto / Promedio Activos	Enough to reach the goal for E8	1.56%	0.75%	-2.74%	-0.46%	-3.71%	0.00%	NA
14.	Excedente Neto / Promedio Cap. Inst. (ROE)	More Than Inflation	4.95%	2.84%	-13.22%	-3.02%	-29.30%	0.00%	NA
L	***LIQUIDITY***								
1.	Disponibilidades - CxP<=30 / Depósitos de Ahorro	Minimum 15%	41.58%	48.73%	38.17%	35.26%	33.56%	0.00%	NA
2.	Reservas para Liquidez / Total Depósitos	10%	0.00%	11.44%	14.03%	11.36%	10.21%	0.00%	NA
3.	Liquidez Ociosa / Activo Total	Less Than 1 %	2.92%	3.65%	2.36%	3.03%	2.72%	0.00%	NA
S	***SIGNS OF GROWTH (Year-To-Date Growth Rates)***								
1.	Cartera Neta de Préstamos	Sufficient to Achieve Goal in E1	48.10%	-0.45%	5.15%	23.75%	6.76%	0.00%	NA
2.	Inversiones Líquidas	Sufficient to Achieve Goal in E2	1.79%	106.48%	20.18%	24.11%	4.08%	0.00%	NA
3.	Inversiones Financieras	Sufficient to Achieve Goal in E3	0.00%	100.00%	3802.77%	81.03%	-0.30%	0.00%	NA
4.	Inversiones No Financieras	Sufficient to Achieve Goal in E4	691.24%	509.60%	-21.98%	-3.98%	-1.46%	0.00%	NA
5.	Depósitos de Ahorro	Sufficient to Achieve Goal in E5	133.70%	61.35%	41.40%	39.19%	9.78%	0.00%	NA
6.	Crédito Externo	0%	25.11%	-19.25%	-20.26%	-1.08%	5.21%	0.00%	NA
7.	Aportaciones	Sufficient to Achieve Goal in E7	2.08%	-2.86%	-8.21%	11.73%	0.48%	0.00%	NA
8.	Capital Institucional	Sufficient to Achieve Goal in E8	5.19%	-6.41%	-22.87%	4.12%	-12.26%	0.00%	NA
9.	Capital Institucional Neto	Sufficient to Achieve Goal in E9	-10.91%	-1.91%	-8.58%	5.48%	-15.08%	0.00%	NA
10.	Asociados	Minimum 15%	46.47%	38.73%	28.87%	31.05%	4.65%	0.00%	NA
11.	Total Activos	More Than Inflation + 20%	34.95%	11.24%	7.01%	28.50%	8.25%	0.00%	NA
Inflation Rate (Annualized)			11.70%	15.50%	10.00%	10.00%	10.00%		

CENTRAL, R.L.

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Number of Credit Unions in this Report	1	1	1	1	1	0	
Number Of CU Members							
Men	610	769	654	702	702	0	NA
Women	315	376	408	480	480	0	NA
Gender not Reported	1	1	1	1	1	0	NA
Total Number Of Members	***926***	***1,146***	***1,063***	***1,183***	***1,183***	***0***	***NA***
Number of Other Service Users							
Youth	31	133	134	71	71	0	NA
Third Parties	0	0	0	0	0	0	NA
Total Number of Other CU Service Users	***31***	***133***	***134***	***71***	***71***	***0***	***NA***
Total Number Of Members & Other CU Service Users	**957**	**1,279**	**1,197**	**1,254**	**1,254**	**0**	**NA**

Assets

Earning Assets

Loans to Members							
Short Term (< =1 Year)	130,867	93,020	52,590	54,595	43,851	0	NA
Medium-Term (1-3 Years)	0	0	0	0	0	0	NA
Long-Term (> 3 Years)	44,093	45,605	0	37,097	36,269	0	NA
Other Special Loans	0	0	0	0	0	0	NA
Loan Loss Allowances	(10,534)	(1,095)	(1)	(8,714)	(8,587)	0	NA
Total Net Loans	***164,425***	***137,531***	***52,589***	***82,977***	***71,532***	***0***	***NA***
Liquid Investments							
Liquid Investments							
Liquidity Reserves - CFF	0	7,050	11,067	11,522	11,354	0	NA
Other Liquidity Reserves	0	316	0	0	0	0	NA
Short-Term CFF Deposits	0	0	0	0	0	0	NA
Short-Term Bank Deposits	18,229	3,537	6,217	5,299	6,449	0	NA
Short-Term Securities and Investments	0	0	0	0	0	0	NA
Other Liquid Investments 1	0	0	0	389	384	0	NA
Other Liquid Investments 2	0	0	0	0	0	0	NA
Other Liquid Investments 3	0	0	0	0	0	0	NA
Total Liquid Investments	***18,229***	***10,903***	***17,284***	***17,210***	***18,186***	***0***	***NA***
Liquid Investments Allowances	0	0	0	0	0	0	NA
Total Liquid Investments	***18,229***	***10,903***	***17,284***	***17,210***	***18,186***	***0***	***NA***
Financial Investments							
Financial Investments							
Shares - League/Affiliation	0	0	0	0	0	0	NA
Long-Term CFF Deposit	0	0	0	0	0	0	NA
Long-Term Bank Deposits	0	0	0	0	0	0	NA
Long-Term Securities & Investments	0	0	0	0	0	0	NA
Other Financial Investments 1	0	0	0	0	0	0	NA
Other Financial Investments 2	0	0	0	0	0	0	NA
Other Financial Investments 3	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Financial Investments Allowances	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Non-Financial Investments							
Various	0	2,066	1,556	1,494	1,472	0	NA
Non-Financial Investments Allowances	0	0	0	0	0	0	NA
Total Non-Financial Investments	***0***	***2,066***	***1,556***	***1,494***	***1,472***	***0***	***NA***
Total Earning Assets	**182,655**	**150,499**	**71,430**	**101,682**	**91,191**	**0**	**NA**

Additonal Loan Portfolio Information

Delinquency Based on Outstanding Balance of Loan?	Balance	Balance	Balance	Balance	Balance	Payment	
Delinquency							
UP TO 12 Months	35,551	24,233	15,766	8,855	8,291	0	NA
More Than 12 Months	0	0	0	3,774	5,240	0	NA
Total Balance Of Delinquent Loans	***35,551***	***24,233***	***15,766***	***12,629***	***13,532***	***0***	***NA***
Loans to Members (Gross)	174,960	138,625	52,590	91,692	80,120	0	NA
Accumulated Charge-Offs (Historical)	47,106	44,444	41,195	39,555	38,978	0	NA
Recovery of Loans Charged-Off (Historical)	4,406	5,445	5,752	5,688	5,605	0	NA

CENTRAL, R.L.

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Non-Earning Assets							
Liquid Assets							
Cash & Equivalents	1,458	2,042	722	1,622	2,351	0	NA
Current Accounts (Checking)	689	(1,042)	1,428	4,061	5,052	0	NA
Foreign Currency	0	0	0	0	0	0	NA
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Other Liquid Assets	0	0	0	0	0	0	NA
Total Liquid Assets	***2,147***	***1,000***	***2,150***	***5,683***	***7,404***	***0***	***NA***
Accounts Receivable							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	0	0	0	0	0	0	NA
Notes Receivable	11,475	10,730	4,525	24,105	27,016	0	NA
Payroll Deductions Receivable	0	0	0	0	0	0	NA
Interbranch loans account receivable	0	0	0	0	0	0	NA
Other Accounts Receivable	3,518	642	596	572	570	0	NA
Receivable Loss Allowances	0	0	0	0	0	0	NA
Total Accounts Receivable	***14,992***	***11,373***	***5,121***	***24,676***	***27,586***	***0***	***NA***
Fixed Assets							
Land	0	0	0	0	0	0	NA
Buildings (Cost)	0	0	0	0	0	0	NA
Leasehold Improvements	392	0	0	0	0	0	NA
Furniture & Equipment	8,232	2,663	814	660	650	0	NA
Accumulated Depreciation - Buildings	0	0	0	0	0	0	NA
Accum. Depreciation - Leasehold Improv.	(163)	0	0	0	0	0	NA
Accum. Depreciation - Furniture & Equip.	(8,232)	(2,663)	(21)	(166)	(163)	0	NA
Total Net Fixed Assets	***229***	***0***	***794***	***494***	***487***	***0***	***NA***
Other Assets							
Assets in Liquidation	14,870	4,853	23,538	9,064	9,121	0	NA
Organization Expenses	243	0	0	0	0	0	NA
Prepaid Expenses	0	0	31	120	118	0	NA
Other Deferred Assets	1,022	5,012	1,252	1,798	1,772	0	NA
Accumulated Amortization	0	0	0	0	0	0	NA
Total Other Assets	***16,135***	***9,865***	***24,821***	***10,982***	***11,011***	***0***	***NA***
Problem Assets							
Doubtful Assets	0	0	0	0	0	0	NA
Accounting Discrepancy - Assets	0	0	0	0	0	0	NA
Other Problem Assets	0	0	0	0	0	0	NA
Problem Assets Allowances	0	0	0	0	0	0	NA
Total Problem Assets	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Non-Earning Assets	**33,503**	**22,238**	**32,886**	**41,836**	**46,487**	**0**	**NA**
Total Assets	**216,158**	**172,738**	**104,316**	**143,518**	**137,678**	**0**	**NA**

CENTRAL, R.L.

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
Savings Deposits							
Regular Savings	38,870	30,359	32,911	60,166	53,368	0	NA
Term/Fixed Savings	20,407	24,180	44,290	26,979	27,307	0	NA
Youth Savings	0	0	0	0	0	0	NA
Special Savings	0	0	0	0	0	0	NA
Pledged Savings	0	0	0	0	0	0	NA
Total Savings Deposits	***59,278***	***54,539***	***77,201***	***87,145***	***80,675***	***0***	***NA***
External Credit							
External Credit - CFF (<= 1 Year)	0	0	0	0	0	0	NA
External Credit - CFF (> 1 Year)	0	0	0	0	0	0	NA
External Credit - Banks	0	0	3,351	0	0	0	NA
Other External Credit - External Institutions	118,017	55,366	0	38,604	43,072	0	NA
InterBranch Loans	0	0	0	0	0	0	NA
Total External Credit	***118,017***	***55,366***	***3,351***	***38,604***	***43,072***	***0***	***NA***
Total Interest Bearing Liabilities	***177,295***	***109,905***	***80,552***	***125,748***	***123,747***	***0***	***NA***
Non-Interest Bearing Liabilities							
Short-Term Accounts Payable (<=30 Days)	0	576	3,866	3,303	3,942	0	NA
Interbranch deposits account payable	0	0	0	0	0	0	NA
External Credit Payments (<=30 Days)	0	0	0	0	0	0	NA
Provisions (e.g. Employee Benefits)	1,185	1,090	1,519	1,263	1,470	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	4,072	3,859	2,177	3,792	4,791	0	NA
Total Non-Interest Bearing Liabilities	***5,257***	***5,525***	***7,562***	***8,358***	***10,202***	***0***	***NA***
Total Liabilities	**182,552**	**115,429**	**88,114**	**134,107**	**133,949**	**0**	**NA**
CAPITAL							
Share Capital							
Mandatory Shares	11,512	9,537	6,836	7,456	8,988	0	NA
Voluntary Shares	0	1,885	1,739	1,651	0	0	NA
Total Member Share Capital	***11,512***	***11,422***	***8,575***	***9,107***	***8,988***	***0***	***NA***
Transitory Capital							
Asset Appreciation Over Cost	0	0	0	0	0	0	NA
Education & Social Reserves	0	0	0	0	0	0	NA
Monetary Reserves	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Accounting Discrepancy - Capital	0	0	0	0	0	0	NA
Undistributed Net Income	0	0	0	0	0	0	NA
YTD Net Income (loss)	0	0	0	0	0	0	NA
Total Transitory Capital	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Institutional Capital							
Statutory & Legal Reserves	0	0	0	0	0	0	NA
Retained Earnings	3,191	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Donations	50,007	50,464	28,078	20,942	20,637	0	NA
Undistributed Losses	(31,119)	(1,858)	1,431	(2,358)	(19,249)	0	NA
YTD Net Income (Loss)	15	(2,719)	(21,879)	(18,281)	(6,646)	0	NA
Total Institutional Capital	***22,094***	***45,887***	***7,629***	***304***	***-5,259***	***0***	***NA***
Total Capital	**33,606**	**57,308**	**16,204**	**9,411**	**3,729**	**0**	**NA**
Total Liabilities and Capital	**216,158**	**172,738**	**104,318**	**143,518**	**137,678**	**0**	**NA**

CENTRAL, R.L.

Income Statement

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
umber of Credit Unions in this Report	1	1	1	1	1	0	
INCOME							
INCOME FROM LOANS							
terest Income from Loans	30,423	30,807	24,964	16,714	3,694	0	NA
Delinquent Penalty Interest Income from Loans	4,609	4,609	3,749	1,463	729	0	NA
ommissions/Fees from Loans	4,595	3,104	2,106	1,364	310	0	NA
surance Premiums for Loans	0	0	(133)	(314)	(26)	0	NA
NET LOAN INCOME	***39,628***	***38,520***	***30,686***	***19,227***	***4,707***	***0***	***NA***
ncome from Liquid Investments	2,948	1,400	2,085	2,482	35	0	NA
come from Financial Investments	0	0	0	0	0	0	NA
Income from Non-Financial Investments	0	0	0	0	0	0	NA
ees, commissions income (loans-unrelated)	0	0	0	0	1,442	0	NA
come from Other Sources	6,433	4,654	844	510	0	0	NA
Gross Income	**49,009**	**44,574**	**33,615**	**22,219**	**6,184**	**0**	**NA**
OSTS/EXPENSES							
FINANCIAL COSTS							
terest Expense on Savings Deposits	5,373	7,458	8,669	13,453	1,150	0	NA
surance Premiums for Savings	0	0	880	1,135	0	0	NA
Taxes on Interest Paid For Savings	0	0	0	0	0	0	NA
Financial Cost - Savings Deposits	*5,373*	*7,458*	*9,549*	*14,588*	*1,150*	*0*	*NA*
nancial Cost on External Credit	0	0	0	0	57	0	NA
inancial Costs on Interbranch Leans	0	0	0	0	0	0	NA
ividend Expense on Shares	1,626	437	831	231	69	0	NA
surance Premiums for Shares	0	0	0	0	0	0	NA
axes on Interest Paid for Shares	0	0	0	0	0	0	NA
Financial Cost - Shares	*1,626*	*437*	*831*	*231*	*69*	*0*	*NA*
ther Financial Costs	0	0	12	21	934	0	NA
OTAL FINANCIAL COSTS	***6,999***	***7,895***	***10,392***	***14,840***	***2,210***	***0***	***NA***
GROSS MARGIN	**42,010**	**36,679**	**23,223**	**7,379**	**3,974**	**0**	**NA**
OPERATING EXPENSES							
ersonnel	9,674	15,521	15,316	13,087	3,296	0	NA
Governance	3,107	3,653	4,983	2,978	2,588	0	NA
arketing	1,648	2,640	6,680	2,253	20	0	NA
dministration	8,047	12,924	13,156	7,194	4,717	0	NA
Depreciation	2,953	1,050	602	146	0	0	NA
OTAL OPERATING EXPENSES	***25,428***	***35,789***	***40,737***	***25,659***	***10,621***	***0***	***NA***
rovision for Risk Assets	15,410	2,455	4,193	0	0	0	NA
NET INCOME FROM OPERATIONS	**1,172**	**(1,565)**	**(21,707)**	**(18,281)**	**(6,646)**	**0**	**NA**
OTHER INCOME / EXPENSE							
come from Grants	0	0	0	0	0	0	NA
Previous periods adjustments (Net)	0	0	0	0	0	0	NA
xtraordinary income (Net)	(1,157)	(1,154)	(172)	0	0	0	NA
OTAL OTHER INCOME/EXPENSE	***(1,157)***	***(1,154)***	***(172)***	***0***	***0***	***0***	***NA***
Income Tax	0	0	0	0	0	0	NA
et Income/Loss	**15**	**(2,719)**	**(21,879)**	**(18,281)**	**(6,646)**	**0**	**NA**

CENTRAL, R.L.

TABLE 1a Financial Services

Microenterprise Implementation Grant Program
Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-00	12.6804	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Amt Loans Outstanding - Start of Year	0		0		0		416,115		416,115	
Amt Loans Outstanding - End of Year	0		0		416,115		577,360		523,913	
Avg Amt Loans Outstanding	0		0		416,115		496,738		470,014	
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	0.00%		0.00%		3.69%		6.78%		5.71%	
Long Run Loss Rate	0.00%		0.00%		0.00%		0.00%		0.00%	
Interest Rates	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	NA		NA		1.36%		11.08%		8.98%	
Client/Member Revenues	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Interest Income From Clients/Members	0		0		11,856		48,958		98,784	
Fee Income From Clients/Members	0		0		20,356		18,580		31,080	
Other Income	0		0		1,779		3,873		12,132	
Total Client/Member Revenues	0		0		33,991		71,410		141,995	
Non-Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Administration	0		0		107,184		107,573		240,605	
Depreciation	0		0		0		0		0	
Loan Loss Allowances	0		0		0		13,427		10,476	
Total Non-Financial Expenses	0		0		107,184		121,000		251,081	
Adjusted Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Adjusted Financial Expenses	0		0		53,876		60,746		53,882	
Actual Weighted Cost Of Funds	0		0		4,264		9,293		52,150	
Totals	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Expenses - Adjusted Financial Expenses	0		0		161,060		181,746		304,964	
Total Expenses - Projected Financial Expenses	0		0		111,448		130,294		303,231	
Return On Operations - Adjusted Financial Expenses	NA		NA		21.10%		39.29%		46.56%	
Return On Operations- Actual Fin Exp	NA		NA		30.50%		54.81%		46.83%	
Other	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	0		0		119,523		256,717		310,615	
Percent Of Women Borrowers	NA		NA		58.77%		54.59%		52.11%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

INTEGRAL

P-E-A-R-L-S RATIOS

Based on US$

	P-E-A-R-L-S RATIOS	Goals (Excellence)	30-Jun-00	30-Jun-01	30-Jun-02	30-Jun-03	30-Sep-03	Annual Goal	% Complete
	Number of Credit Unions in this Report		1	1	1	1	1	0	
P	***PROTECTION***								
1.	Estimaciones / Morosidad > 12 Meses	75%	75.92%	86.81%	100.00%	100.00%	100.00%	0.00%	NA
2.	Estim. Netas / Estim. Requeridas de 1-12 Meses	35%	7.55%	15.59%	32.46%	32.51%	32.73%	0.00%	NA
3.	Depuración Completa de Morosidad > 12 Meses	Yes	No	No	No	No	No	0	NA
4.	Depuraciones Anuales / Cartera Promedia	Minimized	2.96%	0.37%	5.50%	-1.24%	-1.54%	0.00%	NA
5.	Recuperación Cartera Dep. / Depuraciones Accum.	75%	24.37%	34.76%	25.85%	29.89%	34.00%	0.00%	NA
6.	Solvencia	Min 111%	157.49%	140.73%	126.19%	120.50%	116.57%	0.00%	NA
E	***EFFECTIVE FINANCIAL STRUCTURE***								
1.	Préstamos Netos / Activo Total	Between 70 - 90%	78.47%	70.22%	69.01%	66.45%	65.54%	0.00%	NA
2.	Inversiones Líquidas / Activo Total	10-18%	9.64%	17.89%	20.09%	19.40%	18.66%	0.00%	NA
3.	Inversiones Financieras / Activo Total	Max 2%	0.00%	0.01%	0.20%	0.28%	0.26%	0.00%	NA
4.	Inversiones No Financieras / Activo Total	0%	0.01%	0.07%	0.05%	0.04%	0.04%	0.00%	NA
5.	Depósitos de Ahorro / Activo Total	Between 70 - 90%	29.73%	43.12%	56.97%	61.71%	62.59%	0.00%	NA
6.	Crédito Externo / Activo Total	0%	27.51%	19.97%	14.88%	11.45%	11.13%	0.00%	NA
7.	Aportaciones / Activo Total	10-20%	10.47%	9.14%	7.84%	6.82%	6.33%	0.00%	NA
8.	Capital Institucional / Activo Total	Minimum 10%	27.47%	23.11%	16.66%	13.50%	10.94%	0.00%	NA
9.	Capital Institucional Neto / Activo	Minimum 10%	22.23%	19.60%	16.75%	13.75%	10.79%	0.00%	NA
A	***ASSET QUALITY***								
1.	Morosidad Total / Cartera Bruta	Less Than or Equal To 5%	19.23%	16.36%	9.01%	9.16%	12.15%	0.00%	NA
2.	Activo Improductivo / Activo Total	Less Than or Equal To 5%	11.88%	11.81%	10.66%	13.83%	15.51%	0.00%	NA
3.	Fondos Sin Costo Neto / Activo Improductivo	Greater Than or Equal To 200%	227.80%	205.40%	187.00%	128.42%	108.37%	0.00%	NA
R	***RATES OF RETURN AND COSTS (ANNUALIZED)***								
1.	Ingresos por Préstamos / Promedio Préstamos Netos	Enterprenurial Rate	37.76%	38.71%	39.77%	39.91%	39.40%	0.00%	NA
2.	Ingresos por Inv. Líquidas / Promedio Inv. Líquidas	Market Rates	11.40%	16.55%	10.71%	9.99%	6.28%	0.00%	NA
3.	Ingresos por Inversiones Fin. / Promedio Inversiones Fin.	Market Rates	NA	0.00%	3.42%	124.20%	0.00%	0.00%	NA
4.	Ingresos por Inv. No Fin. / Promedio Inv. No Fin.	Greater Than or Equal to R1	0.00%	0.00%	0.00%	26.85%	0.00%	0.00%	NA
5.	Costos-Fin: Depósitos / Promedio Depósitos	Market Rates, > Inflation	16.64%	16.86%	16.17%	13.45%	12.08%	0.00%	NA
6.	Costos-Fin: Crédito Externo / Promedio Créd. Externo	Market Rates	12.51%	11.46%	9.10%	8.39%	7.48%	0.00%	NA
7.	Costos-Fin: Aportaciones / Promedio Aportaciones	Market Rates, > R5	13.21%	12.38%	12.68%	12.72%	10.98%	0.00%	NA
8.	Ingresos por otras comisiones / Activo Promedio	Pending	7.11%	4.77%	5.65%	9.19%	20.75%	0.00%	NA
9.	Margen Bruto / Promedio Activos	Amount Needed to Cover R11,	21.64%	21.03%	19.50%	20.48%	19.94%	0.00%	NA
10.	Gastos Operativos / Promedio Activos	<5%	16.66%	18.00%	18.58%	17.90%	19.85%	0.00%	NA
11.	Provisiones Activos de Riesgo / Promedio Activos	Sufficient for Estimated Losses	2.43%	2.28%	3.54%	3.06%	3.78%	0.00%	NA
12.	Otros Ingresos o Gastos / Promedio Activos	Amount Needed	-0.99%	0.01%	-0.12%	0.03%	-0.01%	0.00%	NA
13.	Excedente Neto / Promedio Activos	Enough to reach the goal for E8	1.56%	0.75%	-2.74%	-0.46%	-3.71%	0.00%	NA
14.	Excedente Neto / Promedio Cap. Inst. (ROE)	More Than Inflation	4.95%	2.84%	-13.22%	-3.02%	-29.30%	0.00%	NA
L	***LIQUIDITY***								
1.	Disponibilidades - CxP<=30 / Depósitos de Ahorro	Minimum 15%	41.58%	48.73%	38.17%	35.26%	33.56%	0.00%	NA
2.	Reservas para Liquidez / Total Depósitos	10%	0.00%	11.44%	14.03%	11.36%	10.21%	0.00%	NA
3.	Liquidez Ociosa / Activo Total	Less Than 1 %	2.92%	3.65%	2.36%	3.03%	2.72%	0.00%	NA
S	***SIGNS OF GROWTH (Year-To-Date Growth Rates)***								
1.	Cartera Neta de Préstamos	Sufficient to Achieve Goal in E1	48.10%	-0.45%	5.15%	23.75%	6.76%	0.00%	NA
2.	Inversiones Líquidas	Sufficient to Achieve Goal in E2	1.79%	106.48%	20.18%	24.11%	4.08%	0.00%	NA
3.	Inversiones Financieras	Sufficient to Achieve Goal in E3	0.00%	100.00%	3802.77%	81.03%	-0.30%	0.00%	NA
4.	Inversiones No Financieras	Sufficient to Achieve Goal in E4	691.24%	509.60%	-21.98%	-3.98%	-1.46%	0.00%	NA
5.	Depósitos de Ahorro	Sufficient to Achieve Goal in E5	133.70%	61.35%	41.40%	39.19%	9.78%	0.00%	NA
6.	Crédito Externo	0%	25.11%	-19.25%	-20.26%	-1.08%	5.21%	0.00%	NA
7.	Aportaciones	Sufficient to Achieve Goal in E7	2.08%	-2.86%	-8.21%	11.73%	0.48%	0.00%	NA
8.	Capital Institucional	Sufficient to Achieve Goal in E8	5.19%	-6.41%	-22.87%	4.12%	-12.26%	0.00%	NA
9.	Capital Institucional Neto	Sufficient to Achieve Goal in E9	-10.91%	-1.91%	-8.58%	5.48%	-15.08%	0.00%	NA
10.	Asociados	Minimum 15%	46.47%	38.73%	28.87%	31.05%	4.65%	0.00%	NA
11.	Total Activos	More Than Inflation + 20%	34.95%	11.24%	7.01%	28.50%	8.25%	0.00%	NA
	Inflation Rate (Annualized)		11.70%	15.50%	10.00%	10.00%	10.00%		

INTEGRAL

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Number of Credit Unions in this Report	1	1	1	1	1	0	
Number Of CU Members							
Men	341	430	617	779	831	0	NA
Women	309	476	673	865	918	0	NA
Gender not Reported	0	0	0	0	0	0	NA
Total Number Of Members	***650***	***906***	***1,290***	***1,644***	***1,749***	***0***	***NA***
Number of Other Service Users							
Youth	136	139	234	305	321	0	NA
Third Parties	3	3	3	0	0	0	NA
Total Number of Other CU Service Users	***139***	***142***	***237***	***305***	***321***	***0***	***NA***
Total Number Of Members & Other CU Service Users	**789**	**1,048**	**1,527**	**1,949**	**2,070**	**0**	**NA**

Assets

Earning Assets

Loans to Members

Short Term (< =1 Year)	77,137	97,230	97,188	121,763	128,412	0	NA
Medium-Term (1-3 Years)	87,251	78,108	109,687	119,582	115,923	0	NA
Long-Term (> 3 Years)	0	0	0	0	0	0	NA
Other Special Loans	0	0	0	0	0	0	NA
Loan Loss Allowances	(453)	(2,991)	(6,391)	(5,320)	(5,243)	0	NA
Total Net Loans	***163,935***	***172,347***	***200,485***	***236,025***	***239,092***	***0***	***NA***

Liquid Investments

Liquid Investments

Liquidity Reserves - CFF	0	11,563	21,180	27,519	26,473	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Short-Term CFF Deposits	0	0	0	0	0	0	NA
Short-Term Bank Deposits	8,136	11,142	12,400	18,425	5,330	0	NA
Short-Term Securities and Investments	0	0	0	0	0	0	NA
Other Liquid Investments 1	0	0	0	0	0	0	NA
Other Liquid Investments 2	0	0	0	0	0	0	NA
Other Liquid Investments 3	0	0	0	0	0	0	NA
Total Liquid Investments	***8,136***	***22,705***	***33,580***	***45,943***	***31,803***	***0***	***NA***
Liquid Investments Allowances	0	0	0	0	0	0	NA
Total Liquid Investments	***8,136***	***22,705***	***33,580***	***45,943***	***31,803***	***0***	***NA***

Financial Investments

Financial Investments

Shares - League/Affiliation	0	0	1,020	1,927	1,899	0	NA
Long-Term CFF Deposit	0	0	0	0	0	0	NA
Long-Term Bank Deposits	0	0	0	0	0	0	NA
Long-Term Securities & Investments	0	0	0	0	0	0	NA
Other Financial Investments 1	0	0	0	0	0	0	NA
Other Financial Investments 2	0	0	0	0	0	0	NA
Other Financial Investments 3	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***1,020***	***1,927***	***1,899***	***0***	***NA***
Financial Investments Allowances	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***1,020***	***1,927***	***1,899***	***0***	***NA***

Non-Financial Investments

Various	0	0	0	0	0	0	NA
Non-Financial Investments Allowances	0	0	0	0	0	0	NA
Total Non-Financial Investments	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Earning Assets	**172,071**	**195,052**	**235,085**	**283,894**	**272,794**	**0**	**NA**

Additonal Loan Portfolio Information

Delinquency Based on Outstanding Balance of Loan?	Balance	Balance	Balance	Balance	Balance	Payment	
Delinquency							
UP TO 12 Months	15,400	8,546	18,259	23,959	33,173	0	NA
More Than 12 Months	0	0	0	1,597	536	0	NA
Total Balance Of Delinquent Loans	***15,400***	***8,546***	***18,259***	***25,556***	***33,708***	***0***	***NA***
Loans to Members (Gross)	164,388	175,338	206,876	241,345	244,335	0	NA
Accumulated Charge-Offs (Historical)	10,727	13,700	16,555	30,821	30,371	0	NA
Recovery of Loans Charged-Off (Historical)	2,654	6,880	7,417	7,875	7,761	0	NA

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Non-Earning Assets							
Liquid Assets							
Cash & Equivalents	4,682	1,596	7,021	13,015	19,409	0	NA
Current Accounts (Checking)	734	(356)	172	496	39	0	NA
Foreign Currency	0	0	0	572	0	0	NA
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Other Liquid Assets	0	0	0	0	0	0	NA
Total Liquid Assets	***5,416***	***1,240***	***7,193***	***14,084***	***19,449***	***0***	***NA***
Accounts Receivable							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	0	0	0	0	0	0	NA
Notes Receivable	74	612	539	517	300	0	NA
Payroll Deductions Receivable	0	0	0	1,043	1,159	0	NA
Interbranch loans account receivable	0	0	0	0	0	0	NA
Other Accounts Receivable	2,980	2,121	1,161	0	3,215	0	NA
Receivable Loss Allowances	0	0	0	0	0	0	NA
Total Accounts Receivable	***3,054***	***2,733***	***1,699***	***1,560***	***4,673***	***0***	***NA***
Fixed Assets							
Land	0	0	0	0	0	0	NA
Buildings (Cost)	6,851	6,836	6,681	6,415	6,321	0	NA
Leasehold Improvements	0	0	0	0	0	0	NA
Furniture & Equipment	7,009	6,549	6,175	8,643	8,750	0	NA
Accumulated Depreciation - Buildings	0	0	0	0	0	0	NA
Accum. Depreciation - Leasehold Improv.	0	0	0	0	0	0	NA
Accum. Depreciation - Furniture & Equip.	(4,091)	(4,853)	(3,559)	(5,167)	(5,542)	0	NA
Total Net Fixed Assets	***9,769***	***8,531***	***9,298***	***9,891***	***9,529***	***0***	***NA***
Other Assets							
Assets in Liquidation	0	7,484	6,321	7,522	8,466	0	NA
Organization Expenses	0	0	0	0	0	0	NA
Prepaid Expenses	1,676	2,009	2,312	3,702	2,787	0	NA
Other Deferred Assets	15	14	0	0	0	0	NA
Accumulated Amortization	0	0	0	0	0	0	NA
Total Other Assets	***1,691***	***9,507***	***8,633***	***11,224***	***11,253***	***0***	***NA***
Problem Assets							
Doubtful Assets	0	0	0	0	0	0	NA
Accounting Discrepancy - Assets	0	0	0	0	0	0	NA
Other Problem Assets	0	0	0	0	0	0	NA
Problem Assets Allowances	0	0	0	0	0	0	NA
Total Problem Assets	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Non-Earning Assets	**19,929**	**22,011**	**26,823**	**36,759**	**44,904**	**0**	**NA**
Total Assets	**192,000**	**217,063**	**261,909**	**320,653**	**317,698**	**0**	**NA**

INTEGRAL

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
Savings Deposits							
Regular Savings	46,870	79,349	107,858	159,313	153,749	0	NA
Term/Fixed Savings	12,439	12,507	47,184	81,898	76,941	0	NA
Youth Savings	0	0	8,839	12,908	12,716	0	NA
Special Savings	0	0	0	0	0	0	NA
Pledged Savings	0	0	0	0	0	0	NA
Total Savings Deposits	***59,309***	***91,856***	***163,881***	***254,119***	***243,406***	***0***	***NA***
External Credit							
External Credit - CFF (<= 1 Year)	0	0	0	28,487	0	0	NA
External Credit - CFF (> 1 Year)	0	0	0	0	5,642	0	NA
External Credit - Banks	1,943	0	0	0	3,800	0	NA
Other External Credit - External Institutions	51,922	48,921	38,246	0	28,071	0	NA
InterBranch Loans	0	0	0	0	0	0	NA
Total External Credit	***53,866***	***48,921***	***38,246***	***28,487***	***37,513***	***0***	***NA***
Total Interest Bearing Liabilities	***113,175***	***140,777***	***202,127***	***282,605***	***280,919***	***0***	***NA***
Non-Interest Bearing Liabilities							
Short-Term Accounts Payable (<=30 Days)	1,172	328	518	650	634	0	NA
Interbranch deposits account payable	0	0	0	0	0	0	NA
External Credit Payments (<=30 Days)	0	0	0	3,483	0	0	NA
Provisions (e.g. Employee Benefits)	1,571	2,023	2,350	3,562	4,614	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	720	1,279	651	191	1,203	0	NA
Total Non-Interest Bearing Liabilities	***3,464***	***3,630***	***3,519***	***7,887***	***6,451***	***0***	***NA***
Total Liabilities	**116,639**	**144,407**	**205,647**	**290,492**	**287,370**	**0**	**NA**
CAPITAL							
Share Capital							
Mandatory Shares	11,819	2,826	3,806	5,450	5,806	0	NA
Voluntary Shares	0	7,658	6,151	0	0	0	NA
Total Member Share Capital	***11,819***	***10,484***	***9,957***	***5,450***	***5,806***	***0***	***NA***
Transitory Capital							
Asset Appreciation Over Cost	0	0	0	0	0	0	NA
Education & Social Reserves	0	0	0	0	0	0	NA
Monetary Reserves	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Accounting Discrepancy - Capital	0	0	0	0	0	0	NA
Undistributed Net Income	0	0	0	0	0	0	NA
YTD Net Income (loss)	0	0	0	0	0	0	NA
Total Transitory Capital	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Institutional Capital							
Statutory & Legal Reserves	651	614	569	546	538	0	NA
Retained Earnings	6,626	0	0	1,997	1,968	0	NA
Other Reserves	2,378	8,495	7,874	5,564	5,483	0	NA
Donations	57,333	54,092	55,566	55,003	54,201	0	NA
Undistributed Losses	(3,445)	(882)	(9,909)	(19,716)	(37,839)	0	NA
YTD Net Income (Loss)	0	(147)	(7,795)	(18,683)	171	0	NA
Total Institutional Capital	***63,542***	***62,172***	***46,305***	***24,711***	***24,522***	***0***	***NA***
Total Capital	**75,362**	**72,656**	**56,262**	**30,162**	**30,328**	**0**	**NA**
Total Liabilities and Capital	**192,000**	**217,063**	**261,909**	**320,653**	**317,698**	**0**	**NA**

INTEGRAL

Income Statement

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
umber of Credit Unions in this Report	1	1	1	1	1	0	
INCOME							
INCOME FROM LOANS							
terest Income from Loans	42,923	55,592	52,116	67,867	17,389	0	NA
Delinquent Penalty Interest Income from Loans	204	800	1,518	2,949	1,558	0	NA
Commissions/Fees from Loans	0	0	0	0	0	0	NA
surance Premiums for Loans	0	0	0	(1,620)	(128)	0	NA
NET LOAN INCOME	***43,127***	***56,391***	***53,634***	***69,197***	***18,819***	***0***	***NA***
Income from Liquid Investments	542	961	2,134	2,816	500	0	NA
icome from Financial Investments	0	0	0	0	0	0	NA
Income from Non-Financial Investments	0	0	0	0	0	0	NA
ees, commissions income (loans-unrelated)	0	0	0	0	0	0	NA
icome from Other Sources	1,680	3,727	3,895	2,107	283	0	NA
Gross Income	**45,349**	**61,079**	**59,662**	**74,121**	**19,602**	**0**	**NA**
OSTS/EXPENSES							
FINANCIAL COSTS							
terest Expense on Savings Deposits	8,070	10,690	15,970	24,690	6,391	0	NA
surance Premiums for Savings	0	879	827	1,996	201	0	NA
axes on Interest Paid For Savings	0	0	0	0	0	0	NA
Financial Cost - Savings Deposits	*8,070*	*11,569*	*16,797*	*26,686*	*6,592*	*0*	*NA*
nancial Cost on External Credit	2,623	8,377	6,155	3,795	1,109	0	NA
inancial Costs on Interbranch Leans	0	0	0	0	0	0	NA
Dividend Expense on Shares	2,104	1,390	994	409	6	0	NA
surance Premiums for Shares	0	0	741	0	0	0	NA
axes on Interest Paid for Shares	0	0	0	0	0	0	NA
Financial Cost - Shares	*2,104*	*1,390*	*1,734*	*409*	*6*	*0*	*NA*
ther Financial Costs	810	827	1,477	1,730	223	0	NA
OTAL FINANCIAL COSTS	***13,607***	***22,162***	***26,162***	***32,620***	***7,931***	***0***	***NA***
GROSS MARGIN	**31,742**	**38,917**	**33,500**	**41,500**	**11,671**	**0**	**NA**
OPERATING EXPENSES							
ersonnel	20,717	22,969	24,722	27,288	7,490	0	NA
Governance	259	2,017	1,608	1,756	199	0	NA
Marketing	1,539	2,911	5,766	6,678	1,317	0	NA
dministration	7,714	9,802	7,435	8,923	2,044	0	NA
epreciation	1,257	994	1,579	1,750	450	0	NA
TOTAL OPERATING EXPENSES	***31,486***	***38,692***	***41,109***	***46,395***	***11,500***	***0***	***NA***
rovision for Risk Assets	3,073	372	0	12,257	0	0	NA
NET INCOME FROM OPERATIONS	**(2,817)**	**(147)**	**(7,610)**	**(17,152)**	**171**	**0**	**NA**
OTHER INCOME / EXPENSE							
come from Grants	0	0	0	0	0	0	NA
Previous periods adjustments (Net)	0	0	0	0	0	0	NA
xtraordinary income (Net)	0	0	(185)	(1,531)	0	0	NA
OTAL OTHER INCOME/EXPENSE	***0***	***0***	***(185)***	***(1,531)***	***0***	***0***	***NA***
Income Tax	0	0	0	0	0	0	NA
et Income/Loss	**(2,817)**	**(147)**	**(7,795)**	**(18,683)**	**171**	**0**	**NA**

TABLE 1a Financial Services

Microenterprise Implementation Grant Program

Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-00	12.6804	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Amt Loans Outstanding - Start of Year	0		0		0		416,115		416,115	
Amt Loans Outstanding - End of Year	0		0		416,115		577,360		523,913	
Avg Amt Loans Outstanding	0		0		416,115		496,738		470,014	
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	0.00%		0.00%		3.69%		6.78%		5.71%	
Long Run Loss Rate	0.00%		0.00%		0.00%		0.00%		0.00%	
Interest Rates	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	NA		NA		1.36%		11.08%		8.98%	
Client/Member Revenues	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Interest Income From Clients/Members	0		0		11,856		48,958		98,784	
Fee Income From Clients/Members	0		0		20,356		18,580		31,080	
Other Income	0		0		1,779		3,873		12,132	
Total Client/Member Revenues	0		0		33,991		71,410		141,995	
Non-Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Administration	0		0		107,184		107,573		240,605	
Depreciation	0		0		0		0		0	
Loan Loss Allowances	0		0		0		13,427		10,476	
Total Non-Financial Expenses	0		0		107,184		121,000		251,081	
Adjusted Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Adjusted Financial Expenses	0		0		53,876		60,746		53,882	
Actual Weighted Cost Of Funds	0		0		4,264		9,293		52,150	
Totals	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Expenses - Adjusted Financial Expenses	0		0		161,060		181,746		304,964	
Total Expenses - Projected Financial Expenses	0		0		111,448		130,294		303,231	
Return On Operations - Adjusted Financial Expenses	NA		NA		21.10%		39.29%		46.56%	
Return On Operations- Actual Fin Exp	NA		NA		30.50%		54.81%		46.83%	
Other	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	0		0		119,523		256,717		310,615	
Percent Of Women Borrowers	NA		NA		58.77%		54.59%		52.11%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

LA UNION

P-E-A-R-L-S RATIOS

Based on US$

	P-E-A-R-L-S RATIOS	Goals (Excellence)	30-Jun-00	30-Jun-01	30-Jun-02	30-Jun-03	30-Sep-03	Annual Goal	% Complete
	Number of Credit Unions in this Report		1	1	1	1	1	0	
P	***PROTECTION***								
1.	Estimaciones / Morosidad > 12 Meses	75%	75.92%	86.81%	100.00%	100.00%	100.00%	0.00%	NA
2.	Estim. Netas / Estim. Requeridas de 1-12 Meses	35%	7.55%	15.59%	32.46%	32.51%	32.73%	0.00%	NA
3.	Depuración Completa de Morosidad > 12 Meses	Yes	No	No	No	No	No	0	NA
4.	Depuraciones Anuales / Cartera Promedia	Minimized	2.96%	0.37%	5.50%	-1.24%	-1.54%	0.00%	NA
5.	Recuperación Cartera Dep. / Depuraciones Accum.	75%	24.37%	34.76%	25.85%	29.89%	34.00%	0.00%	NA
6.	Solvencia	Min 111%	157.49%	140.73%	126.19%	120.50%	116.57%	0.00%	NA
E	***EFFECTIVE FINANCIAL STRUCTURE***								
1.	Préstamos Netos / Activo Total	Between 70 - 90%	78.47%	70.22%	69.01%	66.45%	65.54%	0.00%	NA
2.	Inversiones Líquidas / Activo Total	10-18%	9.64%	17.89%	20.09%	19.40%	18.66%	0.00%	NA
3.	Inversiones Financieras / Activo Total	Max 2%	0.00%	0.01%	0.20%	0.28%	0.26%	0.00%	NA
4.	Inversiones No Financieras / Activo Total	0%	0.01%	0.07%	0.05%	0.04%	0.04%	0.00%	NA
5.	Depósitos de Ahorro / Activo Total	Between 70 - 90%	29.73%	43.12%	56.97%	61.71%	62.59%	0.00%	NA
6.	Crédito Externo / Activo Total	0%	27.51%	19.97%	14.88%	11.45%	11.13%	0.00%	NA
7.	Aportaciones / Activo Total	10-20%	10.47%	9.14%	7.84%	6.82%	6.33%	0.00%	NA
8.	Capital Institucional / Activo Total	Minimum 10%	27.47%	23.11%	16.66%	13.50%	10.94%	0.00%	NA
9.	Capital Institucional Neto / Activo	Minimum 10%	22.23%	19.60%	16.75%	13.75%	10.79%	0.00%	NA
A	***ASSET QUALITY***								
1.	Morosidad Total / Cartera Bruta	Less Than or Equal To 5%	19.23%	16.36%	9.01%	9.16%	12.15%	0.00%	NA
2.	Activo Improductivo / Activo Total	Less Than or Equal To 5%	11.88%	11.81%	10.66%	13.83%	15.51%	0.00%	NA
3.	Fondos Sin Costo Neto / Activo Improductivo	Greater Than or Equal To 200%	227.80%	205.40%	187.00%	128.42%	108.37%	0.00%	NA
R	***RATES OF RETURN AND COSTS (ANNUALIZED)***								
1.	Ingresos por Préstamos / Promedio Préstamos Netos	Enterprenurial Rate	37.76%	38.71%	39.77%	39.91%	39.40%	0.00%	NA
2.	Ingresos por Inv. Líquidas / Promedio Inv. Líquidas	Market Rates	11.40%	16.55%	10.71%	9.99%	6.28%	0.00%	NA
3.	Ingresos por Inversiones Fin. / Promedio Inversiones Fin.	Market Rates	NA	0.00%	3.42%	124.20%	0.00%	0.00%	NA
4.	Ingresos por Inv. No Fin. / Promedio Inv. No Fin.	Greater Than or Equal to R1	0.00%	0.00%	0.00%	26.85%	0.00%	0.00%	NA
5.	Costos-Fin: Depósitos / Promedio Depósitos	Market Rates, > Inflation	16.64%	16.86%	16.17%	13.45%	12.08%	0.00%	NA
6.	Costos-Fin: Crédito Externo / Promedio Créd. Externo	Market Rates	12.51%	11.46%	9.10%	8.39%	7.48%	0.00%	NA
7.	Costos-Fin: Aportaciones / Promedio Aportaciones	Market Rates, > R5	13.21%	12.38%	12.68%	12.72%	10.98%	0.00%	NA
8.	Ingresos por otras comisiones / Activo Promedio	Pending	7.11%	4.77%	5.65%	9.19%	20.75%	0.00%	NA
9.	Margen Bruto / Promedio Activos	Amount Needed to Cover R11,	21.64%	21.03%	19.50%	20.48%	19.94%	0.00%	NA
10.	Gastos Operativos / Promedio Activos	<5%	16.66%	18.00%	18.58%	17.90%	19.85%	0.00%	NA
11.	Provisiones Activos de Riesgo / Promedio Activos	Sufficient for Estimated Losses	2.43%	2.28%	3.54%	3.06%	3.78%	0.00%	NA
12.	Otros Ingresos o Gastos / Promedio Activos	Amount Needed	-0.99%	0.01%	-0.12%	0.03%	-0.01%	0.00%	NA
13.	Excedente Neto / Promedio Activos	Enough to reach the goal for E8	1.56%	0.75%	-2.74%	-0.46%	-3.71%	0.00%	NA
14.	Excedente Neto / Promedio Cap. Inst. (ROE)	More Than Inflation	4.95%	2.84%	-13.22%	-3.02%	-29.30%	0.00%	NA
L	***LIQUIDITY***								
1.	Disponibilidades - CxP<=30 / Depósitos de Ahorro	Minimum 15%	41.58%	48.73%	38.17%	35.26%	33.56%	0.00%	NA
2.	Reservas para Liquidez / Total Depósitos	10%	0.00%	11.44%	14.03%	11.36%	10.21%	0.00%	NA
3.	Liquidez Ociosa / Activo Total	Less Than 1 %	2.92%	3.65%	2.36%	3.03%	2.72%	0.00%	NA
S	***SIGNS OF GROWTH (Year-To-Date Growth Rates)***								
1.	Cartera Neta de Préstamos	Sufficient to Achieve Goal in E1	48.10%	-0.45%	5.15%	23.75%	6.76%	0.00%	NA
2.	Inversiones Líquidas	Sufficient to Achieve Goal in E2	1.79%	106.48%	20.18%	24.11%	4.08%	0.00%	NA
3.	Inversiones Financieras	Sufficient to Achieve Goal in E3	0.00%	100.00%	3802.77%	81.03%	-0.30%	0.00%	NA
4.	Inversiones No Financieras	Sufficient to Achieve Goal in E4	691.24%	509.60%	-21.98%	-3.98%	-1.46%	0.00%	NA
5.	Depósitos de Ahorro	Sufficient to Achieve Goal in E5	133.70%	61.35%	41.40%	39.19%	9.78%	0.00%	NA
6.	Crédito Externo	0%	25.11%	-19.25%	-20.26%	-1.08%	5.21%	0.00%	NA
7.	Aportaciones	Sufficient to Achieve Goal in E7	2.08%	-2.86%	-8.21%	11.73%	0.48%	0.00%	NA
8.	Capital Institucional	Sufficient to Achieve Goal in E8	5.19%	-6.41%	-22.87%	4.12%	-12.26%	0.00%	NA
9.	Capital Institucional Neto	Sufficient to Achieve Goal in E9	-10.91%	-1.91%	-8.58%	5.48%	-15.08%	0.00%	NA
10.	Asociados	Minimum 15%	46.47%	38.73%	28.87%	31.05%	4.65%	0.00%	NA
11.	Total Activos	More Than Inflation + 20%	34.95%	11.24%	7.01%	28.50%	8.25%	0.00%	NA
	Inflation Rate (Annualized)		11.70%	15.50%	10.00%	10.00%	10.00%		

LA UNION

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Number of Credit Unions in this Report	1	1	1	1	1	0	
Number Of CU Members							
Men	118	190	276	373	373	0	NA
Women	129	205	304	464	464	0	NA
Gender not Reported	0	0	14	3	3	0	NA
Total Number Of Members	***247***	***395***	***594***	***840***	***840***	***0***	***NA***
Number of Other Service Users							
Youth	36	129	223	259	259	0	NA
Third Parties	0	0	0	0	0	0	NA
Total Number of Other CU Service Users	***36***	***129***	***223***	***259***	***259***	***0***	***NA***
Total Number Of Members & Other CU Service Users	**283**	**524**	**817**	**1,099**	**1,099**	**0**	**NA**

Assets

Earning Assets

Loans to Members							
Short Term (< =1 Year)	32,487	26,387	34,997	43,249	44,122	0	NA
Medium-Term (1-3 Years)	25,312	27,682	25,088	108,483	160,107	0	NA
Long-Term (> 3 Years)	0	0	0	0	0	0	NA
Other Special Loans	0	0	0	0	0	0	NA
Loan Loss Allowances	(2,043)	(1,897)	(10,875)	(1,546)	(1,523)	0	NA
Total Net Loans	***55,756***	***52,172***	***49,210***	***150,186***	***202,705***	***0***	***NA***
Liquid Investments							
Liquid Investments							
Liquidity Reserves - CFF	0	9,475	16,085	15,163	17,788	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Short-Term CFF Deposits	0	0	0	1,990	1,421	0	NA
Short-Term Bank Deposits	1,134	2,812	20,740	25,886	19,090	0	NA
Short-Term Securities and Investments	0	0	0	0	0	0	NA
Other Liquid Investments 1	0	0	0	0	0	0	NA
Other Liquid Investments 2	0	0	0	0	0	0	NA
Other Liquid Investments 3	0	0	0	0	0	0	NA
Total Liquid Investments	***1,134***	***12,287***	***36,824***	***43,039***	***38,299***	***0***	***NA***
Liquid Investments Allowances	0	0	0	0	0	0	NA
Total Liquid Investments	***1,134***	***12,287***	***36,824***	***43,039***	***38,299***	***0***	***NA***
Financial Investments							
Financial Investments							
Shares - League/Affiliation	0	0	959	1,891	1,863	0	NA
Long-Term CFF Deposit	0	0	0	0	0	0	NA
Long-Term Bank Deposits	0	0	0	0	0	0	NA
Long-Term Securities & Investments	0	0	0	0	0	0	NA
Other Financial Investments 1	0	0	0	0	0	0	NA
Other Financial Investments 2	0	0	0	0	0	0	NA
Other Financial Investments 3	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***959***	***1,891***	***1,863***	***0***	***NA***
Financial Investments Allowances	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***959***	***1,891***	***1,863***	***0***	***NA***
Non-Financial Investments							
Various	0	0	0	0	0	0	NA
Non-Financial Investments Allowances	0	0	0	0	0	0	NA
Total Non-Financial Investments	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Earning Assets	**56,890**	**64,458**	**86,994**	**195,116**	**242,867**	**0**	**NA**

Additonal Loan Portfolio Information

Delinquency Based on Outstanding Balance of Loan?	Balance	Balance	Balance	Balance	Balance	Payment	
Delinquency							
TO 12 Months	5,836	5,421	8,276	10,414	10,262	0	NA
More Than 12 Months	0	0	0	0	0	0	NA
Total Balance Of Delinquent Loans	***5,836***	***5,421***	***8,276***	***10,414***	***10,262***	***0***	***NA***
Loans to Members (Gross)	57,799	54,069	60,086	151,732	204,229	0	NA
Accumulated Charge-Offs (Historical)	15,970	15,648	0	17,379	17,126	0	NA
Recovery of Loans Charged-Off (Historical)	3,988	3,571	0	2,378	2,422	0	NA

LA UNION

Based on US$

BALANCE SHEET

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Non-Earning Assets							
Liquid Assets							
Cash & Equivalents	1,511	3,693	5,697	2,318	2,284	0	NA
Current Accounts (Checking)	371	186	(1,878)	2	(762)	0	NA
Foreign Currency	0	0	(1,044)	935	2,000	0	NA
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Other Liquid Assets	0	0	138	132	131	0	NA
Total Liquid Assets	***1,881***	***3,879***	***2,913***	***3,388***	***3,652***	***0***	***NA***
Accounts Receivable							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	0	0	0	0	36	0	NA
Notes Receivable	2,300	2,615	2,919	2,783	7,622	0	NA
Payroll Deductions Receivable	0	0	0	0	0	0	NA
Interbranch loans account receivable	0	0	0	0	0	0	NA
Other Accounts Receivable	0	0	0	36	0	0	NA
Receivable Loss Allowances	0	0	0	0	0	0	NA
Total Accounts Receivable	***2,300***	***2,615***	***2,919***	***2,819***	***7,658***	***0***	***NA***
Fixed Assets							
Land	0	0	0	0	0	0	NA
Buildings (Cost)	17,317	12,497	11,584	11,122	10,960	0	NA
Leasehold Improvements	0	7,607	7,051	8,581	8,699	0	NA
Furniture & Equipment	13,096	3,168	3,986	7,284	7,341	0	NA
Accumulated Depreciation - Buildings	(1,531)	(479)	(1,023)	(1,492)	(1,607)	0	NA
Accum. Depreciation - Leasehold Improv.	0	(1,767)	(2,847)	(4,037)	(4,227)	0	NA
Accum. Depreciation - Furniture & Equip.	(8,291)	(1,995)	(2,007)	(2,218)	(2,265)	0	NA
Total Net Fixed Assets	***20,592***	***19,032***	***16,744***	***19,241***	***18,902***	***0***	***NA***
Other Assets							
Assets in Liquidation	310	292	271	863	850	0	NA
Organization Expenses	0	0	0	0	0	0	NA
Prepaid Expenses	1,358	1,681	0	3,198	2,776	0	NA
Other Deferred Assets	0	0	0	0	0	0	NA
Accumulated Amortization	0	0	0	0	0	0	NA
Total Other Assets	***1,668***	***1,974***	***271***	***4,060***	***3,626***	***0***	***NA***
Problem Assets							
Doubtful Assets	0	0	0	0	0	0	NA
Accounting Discrepancy - Assets	0	0	0	0	0	0	NA
Other Problem Assets	0	0	0	0	0	0	NA
Problem Assets Allowances	0	0	0	0	0	0	NA
Total Problem Assets	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Non-Earning Assets	**26,441**	**27,500**	**22,847**	**29,508**	**33,838**	**0**	**NA**
Total Assets	**83,331**	**91,958**	**109,841**	**224,624**	**276,705**	**0**	**NA**

LA UNION

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
Savings Deposits							
Regular Savings	18,433	33,600	39,015	115,643	120,849	0	NA
Term/Fixed Savings	4,069	26,630	62,961	73,389	93,624	0	NA
Youth Savings	0	0	0	0	0	0	NA
Special Savings	0	0	0	0	0	0	NA
Pledged Savings	0	0	0	0	0	0	NA
Total Savings Deposits	***22,502***	***60,230***	***101,976***	***189,032***	***214,472***	***0***	***NA***
External Credit							
External Credit - CFF (<= 1 Year)	0	0	0	0	0	0	NA
External Credit - CFF (> 1 Year)	0	0	0	17,535	39,325	0	NA
External Credit - Banks	1,853	0	0	0	0	0	NA
Other External Credit - External Institutions	8,413	3,125	295	284	280	0	NA
InterBranch Loans	0	0	0	0	0	0	NA
Total External Credit	***10,266***	***3,125***	***295***	***17,819***	***39,605***	***0***	***NA***
Total Interest Bearing Liabilities	***32,768***	***63,355***	***102,271***	***206,851***	***254,077***	***0***	***NA***
Non-Interest Bearing Liabilities							
Short-Term Accounts Payable (<=30 Days)	283	324	482	123	179	0	NA
Interbranch deposits account payable	0	0	0	0	0	0	NA
External Credit Payments (<=30 Days)	0	0	0	0	0	0	NA
Provisions (e.g. Employee Benefits)	640	365	565	1,232	1,929	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	729	620	1,024	2,368	4,242	0	NA
Total Non-Interest Bearing Liabilities	***1,652***	***1,309***	***2,071***	***3,722***	***6,350***	***0***	***NA***
Total Liabilities	**34,420**	**64,664**	**104,342**	**210,573**	**260,427**	**0**	**NA**
CAPITAL							
Share Capital							
Mandatory Shares	14,011	10,372	10,302	10,045	10,236	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	***14,011***	***10,372***	***10,302***	***10,045***	***10,236***	***0***	***NA***
Transitory Capital							
Asset Appreciation Over Cost	0	0	0	0	0	0	NA
Education & Social Reserves	0	0	0	0	0	0	NA
Monetary Reserves	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Accounting Discrepancy - Capital	0	0	0	0	0	0	NA
Undistributed Net Income	0	0	0	0	0	0	NA
YTD Net Income (loss)	0	0	0	0	0	0	NA
Total Transitory Capital	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Institutional Capital							
Statutory & Legal Reserves	0	0	0	0	0	0	NA
Retained Earnings	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Donations	44,329	36,781	42,263	43,064	42,436	0	NA
Undistributed Losses	(9,429)	(8,896)	(18,408)	(35,918)	(38,488)	0	NA
YTD Net Income (Loss)	0	(10,963)	(28,659)	(3,140)	2,094	0	NA
Total Institutional Capital	***34,900***	***16,922***	***-4,803***	***4,006***	***6,041***	***0***	***NA***
Total Capital	**48,911**	**27,294**	**5,499**	**14,051**	**16,277**	**0**	**NA**
Total Liabilities and Capital	**83,331**	**91,958**	**109,841**	**224,624**	**276,705**	**0**	**NA**

LA UNION

Income Statement

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
umber of Credit Unions in this Report	1	1	1	1	1	0	
INCOME							
INCOME FROM LOANS							
terest Income from Loans	20,289	20,718	25,523	33,187	13,741	0	NA
Delinquent Penalty Interest Income from Loans	9	648	739	4,843	207	0	NA
ommissions/Fees from Loans	925	937	1,746	1,337	1,172	0	NA
surance Premiums for Loans	0	0	0	(811)	(334)	0	NA
NET LOAN INCOME	***21,223***	***22,303***	***28,008***	***38,556***	***14,787***	***0***	***NA***
Income from Liquid Investments	773	1,362	2,437	3,512	485	0	NA
come from Financial Investments	0	0	0	36	0	0	NA
Income from Non-Financial Investments	0	0	0	0	0	0	NA
ees, commissions income (loans-unrelated)	0	0	0	0	0	0	NA
come from Other Sources	1,516	8,711	7,146	4,961	2,125	0	NA
Gross Income	**23,512**	**32,376**	**37,591**	**47,065**	**17,396**	**0**	**NA**
OSTS/EXPENSES							
FINANCIAL COSTS							
terest Expense on Savings Deposits	1,083	8,539	16,420	18,256	5,327	0	NA
surance Premiums for Savings	0	583	585	1,035	254	0	NA
axes on Interest Paid For Savings	0	0	0	0	0	0	NA
Financial Cost - Savings Deposits	*1,083*	*9,122*	*17,005*	*19,291*	*5,581*	*0*	*NA*
nancial Cost on External Credit	2,092	549	0	345	772	0	NA
nancial Costs on Interbranch Leans	0	0	0	0	0	0	NA
Dividend Expense on Shares	2,736	1,961	1,652	865	41	0	NA
surance Premiums for Shares	0	0	228	0	0	0	NA
axes on Interest Paid for Shares	0	0	0	0	0	0	NA
Financial Cost - Shares	*2,736*	*1,961*	*1,880*	*865*	*41*	*0*	*NA*
ther Financial Costs	181	287	810	359	68	0	NA
OTAL FINANCIAL COSTS	***6,092***	***11,920***	***19,694***	***20,861***	***6,462***	***0***	***NA***
GROSS MARGIN	**17,421**	**20,456**	**17,897**	**26,204**	**10,934**	**0**	**NA**
OPERATING EXPENSES							
ersonnel	13,682	19,584	18,261	18,358	4,949	0	NA
Governance	244	920	1,254	1,583	712	0	NA
Marketing	59	463	4,032	1,677	623	0	NA
dministration	4,171	6,020	7,482	5,849	2,002	0	NA
Depreciation	4,294	4,433	3,505	2,808	554	0	NA
TOTAL OPERATING EXPENSES	***22,451***	***31,419***	***34,534***	***30,275***	***8,840***	***0***	***NA***
ovision for Risk Assets	640	0	12,022	(1,197)	0	0	NA
NET INCOME FROM OPERATIONS	**(5,671)**	**(10,963)**	**(28,659)**	**(2,873)**	**2,094**	**0**	**NA**
OTHER INCOME / EXPENSE							
come from Grants	0	0	0	0	0	0	NA
Previous periods adjustments (Net)	0	0	0	0	0	0	NA
xtraordinary income (Net)	0	0	0	(267)	0	0	NA
OTAL OTHER INCOME/EXPENSE	***0***	***0***	***0***	***(267)***	***0***	***0***	***NA***
Income Tax	0	0	0	0	0	0	NA
et Income/Loss	**(5,671)**	**(10,963)**	**(28,659)**	**(3,140)**	**2,094**	**0**	**NA**

LA UNION

TABLE 1a Financial Services

Microenterprise Implementation Grant Program
Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-00	12.6804	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Amt Loans Outstanding - Start of Year	0		0		0		416,115		416,115	
Amt Loans Outstanding - End of Year	0		0		416,115		577,360		523,913	
Avg Amt Loans Outstanding	0		0		416,115		496,738		470,014	
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	0.00%		0.00%		3.69%		6.78%		5.71%	
Long Run Loss Rate	0.00%		0.00%		0.00%		0.00%		0.00%	
Interest Rates	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	NA		NA		1.36%		11.08%		8.98%	
Client/Member Revenues	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Interest Income From Clients/Members	0		0		11,856		48,958		98,784	
Fee Income From Clients/Members	0		0		20,356		18,580		31,080	
Other Income	0		0		1,779		3,873		12,132	
Total Client/Member Revenues	0		0		33,991		71,410		141,995	
Non-Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Administration	0		0		107,184		107,573		240,605	
Depreciation	0		0		0		0		0	
Loan Loss Allowances	0		0		0		13,427		10,476	
Total Non-Financial Expenses	0		0		107,184		121,000		251,081	
Adjusted Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Adjusted Financial Expenses	0		0		53,876		60,746		53,882	
Actual Weighted Cost Of Funds	0		0		4,264		9,293		52,150	
Totals	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Expenses - Adjusted Financial Expenses	0		0		161,060		181,746		304,964	
Total Expenses - Projected Financial Expenses	0		0		111,448		130,294		303,231	
Return On Operations - Adjusted Financial Expenses	NA		NA		21.10%		39.29%		46.56%	
Return On Operations- Actual Fin Exp	NA		NA		30.50%		54.81%		46.83%	
Other	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	0		0		119,523		256,717		310,615	
Percent Of Women Borrowers	NA		NA		58.77%		54.59%		52.11%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

VISION

P-E-A-R-L-S RATIOS

Based on US$

P-E-A-R-L-S RATIOS	Goals (Excellence)	30-Jun-00	30-Jun-01	30-Jun-02	30-Jun-03	30-Sep-03	Annual Goal	% Complete
Number of Credit Unions in this Report		1	1	1	1	1	0	
P ***PROTECTION***								
1. Estimaciones / Morosidad > 12 Meses	75%	75.92%	86.81%	100.00%	100.00%	100.00%	0.00%	NA
2. Estim. Netas / Estim. Requeridas de 1-12 Meses	35%	7.55%	15.59%	32.46%	32.51%	32.73%	0.00%	NA
3. Depuración Completa de Morosidad > 12 Meses	Yes	No	No	No	No	No	0	NA
4. Depuraciones Anuales / Cartera Promedia	Minimized	2.96%	0.37%	5.50%	-1.24%	-1.54%	0.00%	NA
5. Recuperación Cartera Dep. / Depuraciones Accum.	75%	24.37%	34.76%	25.85%	29.89%	34.00%	0.00%	NA
6. Solvencia	Min 111%	157.49%	140.73%	126.19%	120.50%	116.57%	0.00%	NA
E ***EFFECTIVE FINANCIAL STRUCTURE***								
1. Préstamos Netos / Activo Total	Between 70 - 90%	78.47%	70.22%	69.01%	66.45%	65.54%	0.00%	NA
2. Inversiones Líquidas / Activo Total	10-18%	9.64%	17.89%	20.09%	19.40%	18.66%	0.00%	NA
3. Inversiones Financieras / Activo Total	Max 2%	0.00%	0.01%	0.20%	0.28%	0.26%	0.00%	NA
4. Inversiones No Financieras / Activo Total	0%	0.01%	0.07%	0.05%	0.04%	0.04%	0.00%	NA
5. Depósitos de Ahorro / Activo Total	Between 70 - 90%	29.73%	43.12%	56.97%	61.71%	62.59%	0.00%	NA
6. Crédito Externo / Activo Total	0%	27.51%	19.97%	14.88%	11.45%	11.13%	0.00%	NA
7. Aportaciones / Activo Total	10-20%	10.47%	9.14%	7.84%	6.82%	6.33%	0.00%	NA
8. Capital Institucional / Activo Total	Minimum 10%	27.47%	23.11%	16.66%	13.50%	10.94%	0.00%	NA
9. Capital Institucional Neto / Activo	Minimum 10%	22.23%	19.60%	16.75%	13.75%	10.79%	0.00%	NA
A ***ASSET QUALITY***								
1. Morosidad Total / Cartera Bruta	Less Than or Equal To 5%	19.23%	16.36%	9.01%	9.16%	12.15%	0.00%	NA
2. Activo Improductivo / Activo Total	Less Than or Equal To 5%	11.88%	11.81%	10.66%	13.83%	15.51%	0.00%	NA
3. Fondos Sin Costo Neto / Activo Improductivo	Greater Than or Equal To 200%	227.80%	205.40%	187.00%	128.42%	108.37%	0.00%	NA
R ***RATES OF RETURN AND COSTS (ANNUALIZED)***								
1. Ingresos por Préstamos / Promedio Préstamos Netos	Enterprenurial Rate	37.76%	38.71%	39.77%	39.91%	39.40%	0.00%	NA
2. Ingresos por Inv. Líquidas / Promedio Inv. Líquidas	Market Rates	11.40%	16.55%	10.71%	9.99%	6.28%	0.00%	NA
3. Ingresos por Inversiones Fin. / Promedio Inversiones Fin.	Market Rates	NA	0.00%	3.42%	124.20%	0.00%	0.00%	NA
4. Ingresos por Inv. No Fin. / Promedio Inv. No Fin.	Greater Than or Equal to R1	0.00%	0.00%	0.00%	26.85%	0.00%	0.00%	NA
5. Costos-Fin: Depósitos / Promedio Depósitos	Market Rates, > Inflation	16.64%	16.86%	16.17%	13.45%	12.08%	0.00%	NA
6. Costos-Fin: Crédito Externo / Promedio Créd. Externo	Market Rates	12.51%	11.46%	9.10%	8.39%	7.48%	0.00%	NA
7. Costos-Fin: Aportaciones / Promedio Aportaciones	Market Rates, > R5	13.21%	12.38%	12.68%	12.72%	10.98%	0.00%	NA
8. Ingresos por otras comisiones / Activo Promedio	Pending	7.11%	4.77%	5.65%	9.19%	20.75%	0.00%	NA
9. Margen Bruto / Promedio Activos	Amount Needed to Cover R11,	21.64%	21.03%	19.50%	20.48%	19.94%	0.00%	NA
10. Gastos Operativos / Promedio Activos	<5%	16.66%	18.00%	18.58%	17.90%	19.85%	0.00%	NA
11. Provisiones Activos de Riesgo / Promedio Activos	Sufficient for Estimated Losses	2.43%	2.28%	3.54%	3.06%	3.78%	0.00%	NA
12. Otros Ingresos o Gastos / Promedio Activos	Amount Needed	-0.99%	0.01%	-0.12%	0.03%	-0.01%	0.00%	NA
13. Excedente Neto / Promedio Activos	Enough to reach the goal for E8	1.56%	0.75%	-2.74%	-0.46%	-3.71%	0.00%	NA
14. Excedente Neto / Promedio Cap. Inst. (ROE)	More Than Inflation	4.95%	2.84%	-13.22%	-3.02%	-29.30%	0.00%	NA
L ***LIQUIDITY***								
1. Disponibilidades - CxP<=30 / Depósitos de Ahorro	Minimum 15%	41.58%	48.73%	38.17%	35.26%	33.56%	0.00%	NA
2. Reservas para Liquidez / Total Depósitos	10%	0.00%	11.44%	14.03%	11.36%	10.21%	0.00%	NA
3. Liquidez Ociosa / Activo Total	Less Than 1 %	2.92%	3.65%	2.36%	3.03%	2.72%	0.00%	NA
S ***SIGNS OF GROWTH (Year-To-Date Growth Rates)***								
1. Cartera Neta de Préstamos	Sufficient to Achieve Goal in E1	48.10%	-0.45%	5.15%	23.75%	6.76%	0.00%	NA
2. Inversiones Líquidas	Sufficient to Achieve Goal in E2	1.79%	106.48%	20.18%	24.11%	4.08%	0.00%	NA
3. Inversiones Financieras	Sufficient to Achieve Goal in E3	0.00%	100.00%	3802.77%	81.03%	-0.30%	0.00%	NA
4. Inversiones No Financieras	Sufficient to Achieve Goal in E4	691.24%	509.60%	-21.98%	-3.98%	-1.46%	0.00%	NA
5. Depósitos de Ahorro	Sufficient to Achieve Goal in E5	133.70%	61.35%	41.40%	39.19%	9.78%	0.00%	NA
6. Crédito Externo	0%	25.11%	-19.25%	-20.26%	-1.08%	5.21%	0.00%	NA
7. Aportaciones	Sufficient to Achieve Goal in E7	2.08%	-2.86%	-8.21%	11.73%	0.48%	0.00%	NA
8. Capital Institucional	Sufficient to Achieve Goal in E8	5.19%	-6.41%	-22.87%	4.12%	-12.26%	0.00%	NA
9. Capital Institucional Neto	Sufficient to Achieve Goal in E9	-10.91%	-1.91%	-8.58%	5.48%	-15.08%	0.00%	NA
10. Asociados	Minimum 15%	46.47%	38.73%	28.87%	31.05%	4.65%	0.00%	NA
11. Total Activos	More Than Inflation + 20%	34.95%	11.24%	7.01%	28.50%	8.25%	0.00%	NA
Inflation Rate (Annualized)		11.70%	15.50%	10.00%	10.00%	10.00%		

VISION

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Number of Credit Unions in this Report	1	1	1	1	1	0	
Number Of CU Members							
Men	96	167	213	253	263	0	NA
Women	68	131	204	254	270	0	NA
Gender not Reported	0	0	0	0	0	0	NA
Total Number Of Members	***164***	***298***	***417***	***507***	***533***	***0***	***NA***
Number of Other Service Users							
Youth	0	0	97	112	106	0	NA
Third Parties	0	0	0	0	0	0	NA
Total Number of Other CU Service Users	***0***	***0***	***97***	***112***	***106***	***0***	***NA***
Total Number Of Members & Other CU Service Users	**164**	**298**	**514**	**619**	**639**	**0**	**NA**

Assets

Earning Assets

Loans to Members

Short Term (< =1 Year)	31,937	33,984	36,147	43,674	36,409	0	NA
Medium-Term (1-3 Years)	43,487	58,738	68,340	53,473	61,532	0	NA
Long-Term (> 3 Years)	0	0	0	0	0	0	NA
Other Special Loans	0	0	0	0	0	0	NA
Loan Loss Allowances	(2,972)	(7,795)	(6,015)	(12,409)	(14,744)	0	NA
Total Net Loans	***72,453***	***84,926***	***98,472***	***84,739***	***83,198***	***0***	***NA***
Liquid Investments							
Liquid Investments							
Liquidity Reserves - CFF	0	2,024	7,469	4,747	5,532	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Short-Term CFF Deposits	0	0	0	2,179	1,291	0	NA
Short-Term Bank Deposits	5,542	8,218	4,319	6,921	3,558	0	NA
Short-Term Securities and Investments	0	0	0	0	0	0	NA
Other Liquid Investments 1	0	0	5,176	9,166	10,102	0	NA
Other Liquid Investments 2	0	0	0	0	0	0	NA
Other Liquid Investments 3	0	0	0	0	0	0	NA
Total Liquid Investments	***5,542***	***10,242***	***16,965***	***23,013***	***20,483***	***0***	***NA***
Liquid Investments Allowances	0	0	0	0	0	0	NA
Total Liquid Investments	***5,542***	***10,242***	***16,965***	***23,013***	***20,483***	***0***	***NA***
Financial Investments							
Financial Investments							
Shares - League/Affiliation	0	0	1,019	2,037	2,037	0	NA
Long-Term CFF Deposit	0	0	0	0	0	0	NA
Long-Term Bank Deposits	0	0	0	0	0	0	NA
Long-Term Securities & Investments	0	0	0	0	0	0	NA
Other Financial Investments 1	0	0	0	0	0	0	NA
Other Financial Investments 2	0	0	0	0	0	0	NA
Other Financial Investments 3	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***1,019***	***2,037***	***2,037***	***0***	***NA***
Financial Investments Allowances	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***1,019***	***2,037***	***2,037***	***0***	***NA***
Non-Financial Investments							
Various	0	0	0	0	0	0	NA
Non-Financial Investments Allowances	0	0	0	0	0	0	NA
Total Non-Financial Investments	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Earning Assets	**77,995**	**95,168**	**116,455**	**109,788**	**105,717**	**0**	**NA**

Additonal Loan Portfolio Information

Delinquency Based on Outstanding Balance of Loan?	Balance	Balance	Balance	Balance	Balance	Payment	
Delinquency							
TO 12 Months	8,490	22,271	17,186	24,366	27,810	0	NA
More Than 12 Months	0	0	0	3,881	5,010	0	NA
Total Balance Of Delinquent Loans	***8,490***	***22,271***	***17,186***	***28,247***	***32,821***	***0***	***NA***
Loans to Members (Gross)	75,424	92,721	104,487	97,148	97,942	0	NA
Accumulated Charge-Offs (Historical)	47,497	50,990	52,196	56,734	58,102	0	NA
Recovery of Loans Charged-Off (Historical)	17,604	23,300	27,607	29,926	30,105	0	NA

VISION

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Non-Earning Assets							
Liquid Assets							
Cash & Equivalents	24	22	21	20	20	0	NA
Current Accounts (Checking)	371	350	172	166	163	0	NA
Foreign Currency	0	0	0	0	0	0	NA
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	1,980	0	0	NA
Other Liquid Assets	0	0	0	0	1,951	0	NA
Total Liquid Assets	***394***	***372***	***193***	***2,165***	***2,134***	***0***	***NA***
Accounts Receivable							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	0	0	0	0	0	0	NA
Notes Receivable	687	733	2,252	3,753	5,002	0	NA
Payroll Deductions Receivable	0	0	0	0	0	0	NA
Interbranch loans account receivable	0	0	0	0	0	0	NA
Other Accounts Receivable	0	0	0	0	0	0	NA
Receivable Loss Allowances	0	0	0	0	0	0	NA
Total Accounts Receivable	***687***	***733***	***2,252***	***3,753***	***5,002***	***0***	***NA***
Fixed Assets							
Land	19,933	20,396	18,905	18,152	17,888	0	NA
Buildings (Cost)	0	0	0	6,281	8,925	0	NA
Leasehold Improvements	0	0	957	1,008	994	0	NA
Furniture & Equipment	638	1,296	1,934	2,853	2,811	0	NA
Accumulated Depreciation - Buildings	0	0	0	0	0	0	NA
Accum. Depreciation - Leasehold Improv.	0	0	(53)	(384)	(462)	0	NA
Accum. Depreciation - Furniture & Equip.	(552)	(709)	(1,133)	(1,578)	(1,736)	0	NA
Total Net Fixed Assets	***20,019***	***20,983***	***20,610***	***26,332***	***28,421***	***0***	***NA***
Other Assets							
Assets in Liquidation	0	0	0	0	0	0	NA
Organization Expenses	0	0	0	0	0	0	NA
Prepaid Expenses	0	0	0	2,020	1,689	0	NA
Other Deferred Assets	0	0	0	0	0	0	NA
Accumulated Amortization	0	0	0	0	0	0	NA
Total Other Assets	***0***	***0***	***0***	***2,020***	***1,689***	***0***	***NA***
Problem Assets							
Doubtful Assets	0	0	0	0	0	0	NA
Accounting Discrepancy - Assets	0	0	0	0	0	0	NA
Other Problem Assets	0	0	0	0	0	0	NA
Problem Assets Allowances	0	0	0	0	0	0	NA
Total Problem Assets	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Non-Earning Assets	**21,101**	**22,087**	**23,055**	**34,271**	**37,246**	**0**	**NA**
Total Assets	**99,096**	**117,256**	**139,510**	**144,059**	**142,963**	**0**	**NA**

VISION

Based on US$

BALANCE SHEET

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
Savings Deposits							
Regular Savings	0	14,880	33,207	33,215	36,863	0	NA
Term/Fixed Savings	0	3,857	13,728	6,085	6,236	0	NA
Youth Savings	0	585	1,199	0	0	0	NA
Special Savings	0	0	0	0	0	0	NA
Pledged Savings	0	0	0	0	0	0	NA
Total Savings Deposits	***0***	***19,322***	***48,134***	***39,300***	***43,099***	***0***	***NA***
External Credit							
External Credit - CFF (<= 1 Year)	0	0	0	0	0	0	NA
External Credit - CFF (> 1 Year)	0	0	0	0	0	0	NA
External Credit - Banks	0	0	0	0	0	0	NA
Other External Credit - External Institutions	0	0	0	0	0	0	NA
InterBranch Loans	0	0	0	0	0	0	NA
Total External Credit	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Interest Bearing Liabilities	***0***	***19,322***	***48,134***	***39,300***	***43,099***	***0***	***NA***
Non-Interest Bearing Liabilities							
Short-Term Accounts Payable (<=30 Days)	22	7	153	111	77	0	NA
Interbranch deposits account payable	0	0	0	0	0	0	NA
External Credit Payments (<=30 Days)	0	0	0	0	0	0	NA
Provisions (e.g. Employee Benefits)	850	0	0	657	1,768	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	5,289	8,504	7,468	4,532	4,407	0	NA
Total Non-Interest Bearing Liabilities	***6,160***	***8,511***	***7,621***	***5,300***	***6,253***	***0***	***NA***
Total Liabilities	**6,160**	**27,833**	**55,755**	**44,600**	**49,352**	**0**	**NA**
CAPITAL							
Share Capital							
Mandatory Shares	14,162	12,762	13,503	36,986	37,227	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	***14,162***	***12,762***	***13,503***	***36,986***	***37,227***	***0***	***NA***
Transitory Capital							
Asset Appreciation Over Cost	0	0	0	0	0	0	NA
Education & Social Reserves	0	0	0	0	0	0	NA
Monetary Reserves	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Accounting Discrepancy - Capital	0	0	0	0	0	0	NA
Undistributed Net Income	0	0	0	0	0	0	NA
YTD Net Income (loss)	0	0	0	0	0	0	NA
Total Transitory Capital	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Institutional Capital							
Statutory & Legal Reserves	1,910	3,729	3,635	3,490	3,439	0	NA
Retained Earnings	6,155	32,106	36,985	34,798	27,082	0	NA
Other Reserves	16,445	5,807	5,383	5,168	5,093	0	NA
Donations	32,104	30,289	28,075	26,957	26,564	0	NA
Undistributed Losses	0	0	0	0	0	0	NA
YTD Net Income (Loss)	22,160	4,729	(3,825)	(7,940)	(5,793)	0	NA
Total Institutional Capital	***78,773***	***76,661***	***70,252***	***62,474***	***56,385***	***0***	***NA***
Total Capital	**92,935**	**89,423**	**83,755**	**99,459**	**93,612**	**0**	**NA**
Total Liabilities and Capital	**99,096**	**117,256**	**139,510**	**144,059**	**142,963**	**0**	**NA**

VISION

Income Statement

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
umber of Credit Unions in this Report	1	1	1	1	1	0	
INCOME							
INCOME FROM LOANS							
terest Income from Loans	48,097	37,194	39,293	40,025	9,154	0	NA
Delinquent Penalty Interest Income from Loans	0	1,146	0	2,717	362	0	NA
ommissions/Fees from Loans	0	0	0	0	0	0	NA
surance Premiums for Loans	0	0	(461)	(562)	(133)	0	NA
NET LOAN INCOME	***48,097***	***38,340***	***38,833***	***42,180***	***9,383***	***0***	***NA***
Income from Liquid Investments	1,702	513	1,806	1,971	479	0	NA
come from Financial Investments	0	0	0	0	0	0	NA
Income from Non-Financial Investments	0	0	0	0	0	0	NA
ees, commissions income (loans-unrelated)	0	0	0	0	0	0	NA
come from Other Sources	6,288	1,265	714	457	260	0	NA
Gross Income	**56,087**	**40,117**	**41,352**	**44,608**	**10,122**	**0**	**NA**
OSTS/EXPENSES							
FINANCIAL COSTS							
terest Expense on Savings Deposits	0	1,201	4,973	5,079	1,142	0	NA
surance Premiums for Savings	0	381	358	632	187	0	NA
axes on Interest Paid For Savings	0	0	0	0	0	0	NA
Financial Cost - Savings Deposits	*0*	*1,583*	*5,332*	*5,711*	*1,329*	*0*	*NA*
nancial Cost on External Credit	0	0	1,349	99	0	0	NA
inancial Costs on Interbranch Leans	0	0	0	0	0	0	NA
Dividend Expense on Shares	3,094	2,567	1,126	3,574	1,413	0	NA
surance Premiums for Shares	0	0	0	0	0	0	NA
axes on Interest Paid for Shares	0	0	0	0	0	0	NA
Financial Cost - Shares	*3,094*	*2,567*	*1,126*	*3,574*	*1,413*	*0*	*NA*
ther Financial Costs	0	0	0	384	61	0	NA
OTAL FINANCIAL COSTS	***3,094***	***4,149***	***7,806***	***9,768***	***2,803***	***0***	***NA***
GROSS MARGIN	**52,993**	**35,968**	**33,546**	**34,839**	**7,319**	**0**	**NA**
OPERATING EXPENSES							
ersonnel	8,382	13,633	20,224	20,905	5,683	0	NA
Governance	126	112	0	0	622	0	NA
arketing	214	1,999	4,306	2,015	241	0	NA
dministration	4,901	5,657	5,118	5,786	1,591	0	NA
epreciation	63	189	529	824	263	0	NA
TOTAL OPERATING EXPENSES	***13,686***	***21,589***	***30,177***	***29,529***	***8,401***	***0***	***NA***
ovision for Risk Assets	17,146	9,650	7,195	13,250	4,712	0	NA
NET INCOME FROM OPERATIONS	**22,160**	**4,729**	**(3,825)**	**(7,940)**	**(5,793)**	**0**	**NA**
OTHER INCOME / EXPENSE							
come from Grants	0	0	0	0	0	0	NA
Previous periods adjustments (Net)	0	0	0	0	0	0	NA
xtraordinary income (Net)	0	0	0	0	0	0	NA
OTAL OTHER INCOME/EXPENSE	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Income Tax	0	0	0	0	0	0	NA
et Income/Loss	**22,160**	**4,729**	**(3,825)**	**(7,940)**	**(5,793)**	**0**	**NA**

TABLE 1a Financial Services

Microenterprise Implementation Grant Program

Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-00	12.6804	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Amt Loans Outstanding - Start of Year	0		0		0		416,115		416,115	
Amt Loans Outstanding - End of Year	0		0		416,115		577,360		523,913	
Avg Amt Loans Outstanding	0		0		416,115		496,738		470,014	
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	0.00%		0.00%		3.69%		6.78%		5.71%	
Long Run Loss Rate	0.00%		0.00%		0.00%		0.00%		0.00%	
Interest Rates	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	NA		NA		1.36%		11.08%		8.98%	
Client/Member Revenues	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Interest Income From Clients/Members	0		0		11,856		48,958		98,784	
Fee Income From Clients/Members	0		0		20,356		18,580		31,080	
Other Income	0		0		1,779		3,873		12,132	
Total Client/Member Revenues	0		0		33,991		71,410		141,995	
Non-Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Administration	0		0		107,184		107,573		240,605	
Depreciation	0		0		0		0		0	
Loan Loss Allowances	0		0		0		13,427		10,476	
Total Non-Financial Expenses	0		0		107,184		121,000		251,081	
Adjusted Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Adjusted Financial Expenses	0		0		53,876		60,746		53,882	
Actual Weighted Cost Of Funds	0		0		4,264		9,293		52,150	
Totals	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Expenses - Adjusted Financial Expenses	0		0		161,060		181,746		304,964	
Total Expenses - Projected Financial Expenses	0		0		111,448		130,294		303,231	
Return On Operations - Adjusted Financial Expenses	NA		NA		21.10%		39.29%		46.56%	
Return On Operations- Actual Fin Exp	NA		NA		30.50%		54.81%		46.83%	
Other	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	0		0		119,523		256,717		310,615	
Percent Of Women Borrowers	NA		NA		58.77%		54.59%		52.11%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

XOLOTLAN

P-E-A-R-L-S RATIOS

Based on US$

	P-E-A-R-L-S RATIOS	Goals (Excellence)	30-Jun-00	30-Jun-01	30-Jun-02	30-Jun-03	30-Sep-03	Annual Goal	% Complete
	Number of Credit Unions in this Report		0	0	0	1	1	0	
P	***PROTECTION***								
1.	Estimaciones / Morosidad > 12 Meses	75%	75.92%	86.81%	100.00%	100.00%	100.00%	0.00%	NA
2.	Estim. Netas / Estim. Requeridas de 1-12 Meses	35%	7.55%	15.59%	32.46%	32.51%	32.73%	0.00%	NA
3.	Depuración Completa de Morosidad > 12 Meses	Yes	No	No	No	No	No	0	NA
4.	Depuraciones Anuales / Cartera Promedia	Minimized	2.96%	0.37%	5.50%	-1.24%	-1.54%	0.00%	NA
5.	Recuperación Cartera Dep. / Depuraciones Accum.	75%	24.37%	34.76%	25.85%	29.89%	34.00%	0.00%	NA
6.	Solvencia	Min 111%	157.49%	140.73%	126.19%	120.50%	116.57%	0.00%	NA
E	***EFFECTIVE FINANCIAL STRUCTURE***								
1.	Préstamos Netos / Activo Total	Between 70 - 90%	78.47%	70.22%	69.01%	66.45%	65.54%	0.00%	NA
2.	Inversiones Líquidas / Activo Total	10-18%	9.64%	17.89%	20.09%	19.40%	18.66%	0.00%	NA
3.	Inversiones Financieras / Activo Total	Max 2%	0.00%	0.01%	0.20%	0.28%	0.26%	0.00%	NA
4.	Inversiones No Financieras / Activo Total	0%	0.01%	0.07%	0.05%	0.04%	0.04%	0.00%	NA
5.	Depósitos de Ahorro / Activo Total	Between 70 - 90%	29.73%	43.12%	56.97%	61.71%	62.59%	0.00%	NA
6.	Crédito Externo / Activo Total	0%	27.51%	19.97%	14.88%	11.45%	11.13%	0.00%	NA
7.	Aportaciones / Activo Total	10-20%	10.47%	9.14%	7.84%	6.82%	6.33%	0.00%	NA
8.	Capital Institucional / Activo Total	Minimum 10%	27.47%	23.11%	16.66%	13.50%	10.94%	0.00%	NA
9.	Capital Institucional Neto / Activo	Minimum 10%	22.23%	19.60%	16.75%	13.75%	10.79%	0.00%	NA
A	***ASSET QUALITY***								
1.	Morosidad Total / Cartera Bruta	Less Than or Equal To 5%	19.23%	16.36%	9.01%	9.16%	12.15%	0.00%	NA
2.	Activo Improductivo / Activo Total	Less Than or Equal To 5%	11.88%	11.81%	10.66%	13.83%	15.51%	0.00%	NA
3.	Fondos Sin Costo Neto / Activo Improductivo	Greater Than or Equal To 200%	227.80%	205.40%	187.00%	128.42%	108.37%	0.00%	NA
R	***RATES OF RETURN AND COSTS (ANNUALIZED)***								
1.	Ingresos por Préstamos / Promedio Préstamos Netos	Enterprenurial Rate	37.76%	38.71%	39.77%	39.91%	39.40%	0.00%	NA
2.	Ingresos por Inv. Líquidas / Promedio Inv. Líquidas	Market Rates	11.40%	16.55%	10.71%	9.99%	6.28%	0.00%	NA
3.	Ingresos por Inversiones Fin. / Promedio Inversiones Fin.	Market Rates	NA	0.00%	3.42%	124.20%	0.00%	0.00%	NA
4.	Ingresos por Inv. No Fin. / Promedio Inv. No Fin.	Greater Than or Equal to R1	0.00%	0.00%	0.00%	26.85%	0.00%	0.00%	NA
5.	Costos-Fin: Depósitos / Promedio Depósitos	Market Rates, > Inflation	16.64%	16.86%	16.17%	13.45%	12.08%	0.00%	NA
6.	Costos-Fin: Crédito Externo / Promedio Créd. Externo	Market Rates	12.51%	11.46%	9.10%	8.39%	7.48%	0.00%	NA
7.	Costos-Fin: Aportaciones / Promedio Aportaciones	Market Rates, > R5	13.21%	12.38%	12.68%	12.72%	10.98%	0.00%	NA
8.	Ingresos por otras comisiones / Activo Promedio	Pending	7.11%	4.77%	5.65%	9.19%	20.75%	0.00%	NA
9.	Margen Bruto / Promedio Activos	Amount Needed to Cover R11,	21.64%	21.03%	19.50%	20.48%	19.94%	0.00%	NA
10.	Gastos Operativos / Promedio Activos	<5%	16.66%	18.00%	18.58%	17.90%	19.85%	0.00%	NA
11.	Provisiones Activos de Riesgo / Promedio Activos	Sufficient for Estimated Losses	2.43%	2.28%	3.54%	3.06%	3.78%	0.00%	NA
12.	Otros Ingresos o Gastos / Promedio Activos	Amount Needed	-0.99%	0.01%	-0.12%	0.03%	-0.01%	0.00%	NA
13.	Excedente Neto / Promedio Activos	Enough to reach the goal for E8	1.56%	0.75%	-2.74%	-0.46%	-3.71%	0.00%	NA
14.	Excedente Neto / Promedio Cap. Inst. (ROE)	More Than Inflation	4.95%	2.84%	-13.22%	-3.02%	-29.30%	0.00%	NA
L	***LIQUIDITY***								
1.	Disponibilidades - CxP<=30 / Depósitos de Ahorro	Minimum 15%	41.58%	48.73%	38.17%	35.26%	33.56%	0.00%	NA
2.	Reservas para Liquidez / Total Depósitos	10%	0.00%	11.44%	14.03%	11.36%	10.21%	0.00%	NA
3.	Liquidez Ociosa / Activo Total	Less Than 1 %	2.92%	3.65%	2.36%	3.03%	2.72%	0.00%	NA
S	***SIGNS OF GROWTH (Year-To-Date Growth Rates)***								
1.	Cartera Neta de Préstamos	Sufficient to Achieve Goal in E1	48.10%	-0.45%	5.15%	23.75%	6.76%	0.00%	NA
2.	Inversiones Líquidas	Sufficient to Achieve Goal in E2	1.79%	106.48%	20.18%	24.11%	4.08%	0.00%	NA
3.	Inversiones Financieras	Sufficient to Achieve Goal in E3	0.00%	100.00%	3802.77%	81.03%	-0.30%	0.00%	NA
4.	Inversiones No Financieras	Sufficient to Achieve Goal in E4	691.24%	509.60%	-21.98%	-3.98%	-1.46%	0.00%	NA
5.	Depósitos de Ahorro	Sufficient to Achieve Goal in E5	133.70%	61.35%	41.40%	39.19%	9.78%	0.00%	NA
6.	Crédito Externo	0%	25.11%	-19.25%	-20.26%	-1.08%	5.21%	0.00%	NA
7.	Aportaciones	Sufficient to Achieve Goal in E7	2.08%	-2.86%	-8.21%	11.73%	0.48%	0.00%	NA
8.	Capital Institucional	Sufficient to Achieve Goal in E8	5.19%	-6.41%	-22.87%	4.12%	-12.26%	0.00%	NA
9.	Capital Institucional Neto	Sufficient to Achieve Goal in E9	-10.91%	-1.91%	-8.58%	5.48%	-15.08%	0.00%	NA
10.	Asociados	Minimum 15%	46.47%	38.73%	28.87%	31.05%	4.65%	0.00%	NA
11.	Total Activos	More Than Inflation + 20%	34.95%	11.24%	7.01%	28.50%	8.25%	0.00%	NA
	Inflation Rate (Annualized)		11.70%	15.50%	10.00%	10.00%	10.00%		

XOLOTLAN

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Number of Credit Unions in this Report	0	0	0	1	1	0	
Number Of CU Members							
Men	0	0	0	127	160	0	NA
Women	0	0	0	181	208	0	NA
Gender not Reported	0	0	0	0	0	0	NA
Total Number Of Members	***0***	***0***	***0***	***308***	***368***	***0***	***NA***
Number of Other Service Users							
Youth	0	0	0	0	13	0	NA
Third Parties	0	0	0	0	0	0	NA
Total Number of Other CU Service Users	***0***	***0***	***0***	***0***	***13***	***0***	***NA***
Total Number Of Members & Other CU Service Users	**0**	**0**	**0**	**308**	**381**	**0**	**NA**

Assets

Earning Assets

Loans to Members

Short Term (<=1 Year)	0	0	0	18,818	21,264	0	NA
Medium-Term (1-3 Years)	0	0	0	8,737	16,410	0	NA
Long-Term (> 3 Years)	0	0	0	0	0	0	NA
Other Special Loans	0	0	0	0	0	0	NA
Loan Loss Allowances	0	0	0	0	(876)	0	NA
Total Net Loans	***0***	***0***	***0***	***27,555***	***36,799***	***0***	***NA***

Liquid Investments

Liquid Investments

Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Short-Term CFF Deposits	0	0	0	(1,214)	(8,675)	0	NA
Short-Term Bank Deposits	0	0	0	1,411	3,591	0	NA
Short-Term Securities and Investments	0	0	0	0	0	0	NA
Other Liquid Investments 1	0	0	0	0	0	0	NA
Other Liquid Investments 2	0	0	0	0	0	0	NA
Other Liquid Investments 3	0	0	0	0	0	0	NA
Total Liquid Investments	***0***	***0***	***0***	***198***	***-5,083***	***0***	***NA***
Liquid Investments Allowances	0	0	0	0	0	0	NA
Total Liquid Investments	***0***	***0***	***0***	***198***	***-5,083***	***0***	***NA***

Financial Investments

Financial Investments

Shares - League/Affiliation	0	0	0	0	0	0	NA
Long-Term CFF Deposit	0	0	0	0	0	0	NA
Long-Term Bank Deposits	0	0	0	0	0	0	NA
Long-Term Securities & Investments	0	0	0	0	0	0	NA
Other Financial Investments 1	0	0	0	0	0	0	NA
Other Financial Investments 2	0	0	0	0	0	0	NA
Other Financial Investments 3	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Financial Investments Allowances	0	0	0	0	0	0	NA
Total Financial Investments	***0***	***0***	***0***	***0***	***0***	***0***	***NA***

Non-Financial Investments

Various	0	0	0	0	0	0	NA
Non-Financial Investments Allowances	0	0	0	0	0	0	NA
Total Non-Financial Investments	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Earning Assets	**0**	**0**	**0**	**27,753**	**31,715**	**0**	**NA**

Additonal Loan Portfolio Information

Delinquency Based on Outstanding Balance of Loan?	Payment	Payment	Payment	Balance	Balance	Payment	
Delinquency							
TO 12 Months	0	0	0	1,016	2,553	0	NA
More Than 12 Months	0	0	0	0	0	0	NA
Total Balance Of Delinquent Loans	***0***	***0***	***0***	***1,016***	***2,553***	***0***	***NA***
Loans to Members (Gross)	0	0	0	27,555	37,675	0	NA
Accumulated Charge-Offs (Historical)	0	0	0	0	0	0	NA
Recovery of Loans Charged-Off (Historical)	0	0	0	0	0	0	NA

XOLOTLAN

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
Non-Earning Assets							
Liquid Assets							
Cash & Equivalents	0	0	0	3,983	4,723	0	NA
Current Accounts (Checking)	0	0	0	72	204	0	NA
Foreign Currency	0	0	0	0	0	0	NA
Liquidity Reserves - CFF	0	0	0	0	0	0	NA
Other Liquidity Reserves	0	0	0	0	0	0	NA
Other Liquid Assets	0	0	0	0	0	0	NA
Total Liquid Assets	***0***	***0***	***0***	***4,055***	***4,927***	***0***	***NA***
Accounts Receivable							
Debtors	0	0	0	0	0	0	NA
Interest Receivable	0	0	0	0	0	0	NA
Notes Receivable	0	0	0	24	334	0	NA
Payroll Deductions Receivable	0	0	0	0	0	0	NA
Interbranch loans account receivable	0	0	0	0	0	0	NA
Other Accounts Receivable	0	0	0	83	4	0	NA
Receivable Loss Allowances	0	0	0	0	0	0	NA
Total Accounts Receivable	***0***	***0***	***0***	***108***	***338***	***0***	***NA***
Fixed Assets							
Land	0	0	0	0	0	0	NA
Buildings (Cost)	0	0	0	0	0	0	NA
Leasehold Improvements	0	0	0	0	0	0	NA
Furniture & Equipment	0	0	0	1,377	1,357	0	NA
Accumulated Depreciation - Buildings	0	0	0	0	0	0	NA
Accum. Depreciation - Leasehold Improv.	0	0	0	0	0	0	NA
Accum. Depreciation - Furniture & Equip.	0	0	0	0	0	0	NA
Total Net Fixed Assets	***0***	***0***	***0***	***1,377***	***1,357***	***0***	***NA***
Other Assets							
Assets in Liquidation	0	0	0	0	0	0	NA
Organization Expenses	0	0	0	0	0	0	NA
Prepaid Expenses	0	0	0	0	0	0	NA
Other Deferred Assets	0	0	0	15	29	0	NA
Accumulated Amortization	0	0	0	0	0	0	NA
Total Other Assets	***0***	***0***	***0***	***15***	***29***	***0***	***NA***
Problem Assets							
Doubtful Assets	0	0	0	0	0	0	NA
Accounting Discrepancy - Assets	0	0	0	0	0	0	NA
Other Problem Assets	0	0	0	0	0	0	NA
Problem Assets Allowances	0	0	0	0	0	0	NA
Total Problem Assets	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Total Non-Earning Assets	**0**	**0**	**0**	**5,554**	**6,651**	**0**	**NA**
Total Assets	**0**	**0**	**0**	**33,307**	**38,367**	**0**	**NA**

XOLOTLAN

BALANCE SHEET

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
LIABILITIES							
INTEREST BEARING LIABILITIES							
Savings Deposits							
Regular Savings	0	0	0	6,204	12,403	0	NA
Term/Fixed Savings	0	0	0	1,711	4,349	0	NA
Youth Savings	0	0	0	0	0	0	NA
Special Savings	0	0	0	0	0	0	NA
Pledged Savings	0	0	0	0	0	0	NA
Total Savings Deposits	***0***	***0***	***0***	***7,915***	***16,752***	***0***	***NA***
External Credit							
External Credit - CFF (<= 1 Year)	0	0	0	28,143	27,733	0	NA
External Credit - CFF (> 1 Year)	0	0	0	0	0	0	NA
External Credit - Banks	0	0	0	(381)	(363)	0	NA
Other External Credit - External Institutions	0	0	0	0	0	0	NA
InterBranch Loans	0	0	0	0	0	0	NA
Total External Credit	***0***	***0***	***0***	***27,762***	***27,369***	***0***	***NA***
Total Interest Bearing Liabilities	***0***	***0***	***0***	***35,677***	***44,121***	***0***	***NA***
Non-Interest Bearing Liabilities							
Short-Term Accounts Payable (<=30 Days)	0	0	0	6	324	0	NA
Interbranch deposits account payable	0	0	0	0	0	0	NA
External Credit Payments (<=30 Days)	0	0	0	0	0	0	NA
Provisions (e.g. Employee Benefits)	0	0	0	199	196	0	NA
Accounting Discrepancy - Liabilities	0	0	0	0	0	0	NA
Other Liabilities	0	0	0	146	74	0	NA
Total Non-Interest Bearing Liabilities	***0***	***0***	***0***	***351***	***594***	***0***	***NA***
Total Liabilities	**0**	**0**	**0**	**36,028**	**44,715**	**0**	**NA**
CAPITAL							
Share Capital							
Mandatory Shares	0	0	0	1,027	1,202	0	NA
Voluntary Shares	0	0	0	0	0	0	NA
Total Member Share Capital	***0***	***0***	***0***	***1,027***	***1,202***	***0***	***NA***
Transitory Capital							
Asset Appreciation Over Cost	0	0	0	0	0	0	NA
Education & Social Reserves	0	0	0	0	0	0	NA
Monetary Reserves	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Accounting Discrepancy - Capital	0	0	0	0	0	0	NA
Undistributed Net Income	0	0	0	0	0	0	NA
YTD Net Income (loss)	0	0	0	0	0	0	NA
Total Transitory Capital	***0***	***0***	***0***	***0***	***0***	***0***	***NA***
Institutional Capital							
Statutory & Legal Reserves	0	0	0	0	0	0	NA
Retained Earnings	0	0	0	0	0	0	NA
Other Reserves	0	0	0	0	0	0	NA
Donations	0	0	0	1,377	1,357	0	NA
Undistributed Losses	0	0	0	0	(5,070)	0	NA
YTD Net Income (Loss)	0	0	0	(5,125)	(3,838)	0	NA
Total Institutional Capital	***0***	***0***	***0***	***-3,748***	***-7,551***	***0***	***NA***
Total Capital	**0**	**0**	**0**	**-2,721**	**-6,349**	**0**	**NA**
Total Liabilities and Capital	**0**	**0**	**0**	**33,307**	**38,367**	**0**	**NA**

XOLOTLAN

Income Statement

Based on US$

	06/30/00	06/30/01	06/30/02	06/30/03	09/30/03	Annual Goal	% Complete
umber of Credit Unions in this Report	0	0	0	1	1	0	
INCOME							
INCOME FROM LOANS							
terest Income from Loans	0	0	0	785	3,195	0	NA
Delinquent Penalty Interest Income from Loans	0	0	0	80	296	0	NA
ommissions/Fees from Loans	0	0	0	1,268	979	0	NA
surance Premiums for Loans	0	0	0	0	(62)	0	NA
NET LOAN INCOME	***0***	***0***	***0***	***2,133***	***4,407***	***0***	***NA***
Income from Liquid Investments	0	0	0	13	8	0	NA
come from Financial Investments	0	0	0	0	0	0	NA
Income from Non-Financial Investments	0	0	0	0	0	0	NA
ees, commissions income (loans-unrelated)	0	0	0	0	0	0	NA
come from Other Sources	0	0	0	104	245	0	NA
Gross Income	**0**	**0**	**0**	**2,251**	**4,660**	**0**	**NA**
OSTS/EXPENSES							
FINANCIAL COSTS							
terest Expense on Savings Deposits	0	0	0	94	281	0	NA
surance Premiums for Savings	0	0	0	14	62	0	NA
axes on Interest Paid For Savings	0	0	0	0	0	0	NA
Financial Cost - Savings Deposits	*0*	*0*	*0*	*108*	*343*	*0*	*NA*
nancial Cost on External Credit	0	0	0	164	184	0	NA
nancial Costs on Interbranch Leans	0	0	0	0	0	0	NA
Dividend Expense on Shares	0	0	0	10	25	0	NA
surance Premiums for Shares	0	0	0	1	0	0	NA
axes on Interest Paid for Shares	0	0	0	0	0	0	NA
Financial Cost - Shares	*0*	*0*	*0*	*11*	*25*	*0*	*NA*
ther Financial Costs	0	0	0	0	54	0	NA
OTAL FINANCIAL COSTS	***0***	***0***	***0***	***282***	***606***	***0***	***NA***
GROSS MARGIN	**0**	**0**	**0**	**1,968**	**4,053**	**0**	**NA**
OPERATING EXPENSES							
ersonnel	0	0	0	5,843	4,903	0	NA
Governance	0	0	0	76	0	0	NA
Marketing	0	0	0	83	392	0	NA
dministration	0	0	0	1,096	1,724	0	NA
Depreciation	0	0	0	0	0	0	NA
TOTAL OPERATING EXPENSES	***0***	***0***	***0***	***7,098***	***7,020***	***0***	***NA***
rovision for Risk Assets	0	0	0	0	876	0	NA
NET INCOME FROM OPERATIONS	**0**	**0**	**0**	**(5,129)**	**(3,842)**	**0**	**NA**
OTHER INCOME / EXPENSE							
come from Grants	0	0	0	0	0	0	NA
Previous periods adjustments (Net)	0	0	0	0	0	0	NA
xtraordinary income (Net)	0	0	0	4	4	0	NA
OTAL OTHER INCOME/EXPENSE	***0***	***0***	***0***	***4***	***4***	***0***	***NA***
Income Tax	0	0	0	0	0	0	NA
et Income/Loss	**0**	**0**	**0**	**(5,125)**	**(3,838)**	**0**	**NA**

XOLOTLAN

TABLE 1a Financial Services

Microenterprise Implementation Grant Program
Simplified Activity and Financial Statement in Local Currency and $US

Date / Local Exchange Rate	30-Jun-00	12.6804	30-Jun-01	13.4401	30-Jun-02	14.5	30-Jun-03	15.1013	30-Sep-03	15.3248
Number of Credit Unions in this Report	1		1		1		1		1	
Category										
Activities	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Amt Loans Outstanding - Start of Year	0		0		0		416,115		416,115	
Amt Loans Outstanding - End of Year	0		0		416,115		577,360		523,913	
Avg Amt Loans Outstanding	0		0		416,115		496,738		470,014	
Number Loans Outstanding - End of Year	0		0		0		0		0	
Average Size of Loans Outstanding	NA		NA		NA		NA		NA	
Delinquency Rate	0.00%		0.00%		3.69%		6.78%		5.71%	
Long Run Loss Rate	0.00%		0.00%		0.00%		0.00%		0.00%	
Interest Rates	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Nominal Interest Rate Charged	0.00%		0.00%		0.00%		0.00%		0.00%	
Inter-Bank Lending Rate (Annualized)	0.00%		0.00%		0.00%		0.00%		0.00%	
Inflation Rate (Annualized)	15.50%		10.00%		10.00%		10.00%		8.00%	
Actual Weighted Cost Of Funds Rate	NA		NA		1.36%		11.08%		8.98%	
Client/Member Revenues	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Interest Income From Clients/Members	0		0		11,856		48,958		98,784	
Fee Income From Clients/Members	0		0		20,356		18,580		31,080	
Other Income	0		0		1,779		3,873		12,132	
Total Client/Member Revenues	0		0		33,991		71,410		141,995	
Non-Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Administration	0		0		107,184		107,573		240,605	
Depreciation	0		0		0		0		0	
Loan Loss Allowances	0		0		0		13,427		10,476	
Total Non-Financial Expenses	0		0		107,184		121,000		251,081	
Adjusted Financial Expenses	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Adjusted Financial Expenses	0		0		53,876		60,746		53,882	
Actual Weighted Cost Of Funds	0		0		4,264		9,293		52,150	
Totals	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Expenses - Adjusted Financial Expenses	0		0		161,060		181,746		304,964	
Total Expenses - Projected Financial Expenses	0		0		111,448		130,294		303,231	
Return On Operations - Adjusted Financial Expenses	NA		NA		21.10%		39.29%		46.56%	
Return On Operations- Actual Fin Exp	NA		NA		30.50%		54.81%		46.83%	
Other	USD	US$	USD	US$	USD	US$	USD	US$	USD	US$
Total Number Of Savers	0		0		0		0		0	
Total Savings Outstanding	0		0		119,523		256,717		310,615	
Percent Of Women Borrowers	NA		NA		58.77%		54.59%		52.11%	
Number Of Clients/Members Per Loan Officer	NA		NA		NA		NA		NA	
No.of Loans Outstanding with Initial Bal.Under US$300	0		0		0		0		0	
No.of Loans Outstanding with Initial Bal.Under US$1000	0		0		0		0		0	

ANNEX D

SAVINGS AND LOAN STRUCTURES

Proye **u-Nicara** **ttances**

Información Estadística de Cartera

Cifras en Dólares

FECHA	Proyecto	cartera de prestamos por destino								Totales		Cartera de préstamos según números y montos												Promedios	Promedios Percapita
		Agricultura	No.	Microempresa	No.	Vivienda		Consumo	No.	Monto	No.	de $ 1 a $300		$301 a $ 500		$ 501 a $ 1,000		$1,001 a $2,000		$2,001 y más		Totales			
	Mexico																							#¡DIV/0!	#¡DIV/0!
	Honduras																							#¡DIV/0!	#¡DIV/0!
30-Sep-03	Nicaragua	518,813	593	1,626,729	3,384	498,730	779	702,908	3,360	3,347,180	8,116	408,356	4,026	334,718	1,526	595,798	1,331	696,213	730	1,312,095	503	3,347,180	8,116	412.42	1
	Bolivia																							#¡DIV/0!	#¡DIV/0!
	Ecuador																							#¡DIV/0!	#¡DIV/0!
	0																							#¡DIV/0!	#¡DIV/0!
	0																							#¡DIV/0!	#¡DIV/0!
	0																							#¡DIV/0!	#¡DIV/0!
	0																							#¡DIV/0!	#¡DIV/0!
	0																							#¡DIV/0!	#¡DIV/0!
	0																							#¡DIV/0!	#¡DIV/0!
	Totales	518,813	593	1,626,729	3,384	498,730	779	702,908	3,360	3,347,180	8,116	408,356	4,026	334,718	1,526	595,798	1,331	696,213	730	1,312,095	503	3,347,180	8,116	0.002424728	2.98759E-07

TIPO CAMBIO A LA FECHA		PERCAPITA		NUMERO COOPERATIVAS	
Cambio del dólar Mexico		Percapita México		Numero Coop.Mexico	
Cambio del dólar Honduras		Percapita Honduras		Numero Coop.Honduras	
Cambio del dólar Nicaragua	15.3248	Percapita Nicaragua	485.9	Numero Coop.Nicaragua	17
Cambio del dólar Bolivia		Percapita Bolivia		Numero Coop.Bolivia	
Cambio del dólar Ecuador		Percapita Ecuador		Numero Coop.Ecuador	

Proyecto Woccu-Nicaragua Remittances
Información Estadística sobre Depósitos (21 Cooperativas)
Cifras en Dolares

	Cooperativa	Totales		Aportaciones numero de cuentas según tamaño										Promedio	Promedio Percapita
		Monto	Numero	de $ 1 a $100		$101 a $ 300		$ 301 a $ 500		$ 501 a $ 1,000		$1,001 y más			
				Monto	No cuentas	Monto	No cuentas	Monto	No cuentas	Monto	No cuentas	Monto	No cuentas		
30-Sep-03	Mexico													#¡DIV/0!	#¡DIV/0!
30-Sep-03	Honduras													#¡DIV/0!	#¡DIV/0!
30-Sep-03	**Nicaragua**	**318,464.00**	**24,953**	**202,847**	**24,534**	**61,174**	**351**	**15,226**	**37**	**18,129**	**24**	**21,088**	**7**	**12.76**	**0.026266**
30-Sep-03	Bolivia													#¡DIV/0!	#¡DIV/0!
30-Sep-03	Ecuador													#¡DIV/0!	#¡DIV/0!
30-Sep-03	0													#¡DIV/0!	#¡DIV/0!
30-Sep-03	0													#¡DIV/0!	#¡DIV/0!
30-Sep-03	0													#¡DIV/0!	#¡DIV/0!
30-Sep-03														#¡DIV/0!	#¡DIV/0!
30-Sep-03														#¡DIV/0!	#¡DIV/0!
		-	0	-	#¡DIV/0!	0	#¡DIV/0!	0	#¡DIV/0!	0	#¡DIV/0!	0	#¡DIV/0!	#¡DIV/0!	
	Totales	318,464.00	24,953	202,847	#¡DIV/0!	61,174	#¡DIV/0!	15,226	#¡DIV/0!	18,129	#¡DIV/0!	21,088	#¡DIV/0!	13	

TIPO CAMBIO A LA FECHA		PERCAPITA		NUMERO COOPERATIVAS	
Cambio del dólar Mexico		Percapita México		Numero Coop.Mexico	
Cambio del dólar Honduras		Percapita Honduras		Numero Coop.Honduras	
Cambio del dólar Nicaragua	**15.3248**	Percapita Nicaragua	485.9	Numero Coop.Nicaragua	21
Cambio del dólar Bolivia		Percapita Bolivia		Numero Coop.Bolivia	
Cambio del dólar Ecuador		Percapita Ecuador		Numero Coop.Ecuador	

Proyecto Woccu-Nicaragua Remittances
Información Estadística sobre Depósitos 21 Cooperativas)
Cifras en Dolares

	Cooperativa	Totales		Ahorros a la Vista y plazo, numero de cuentas según tamaño										Promedio	Promedio Percapita
		Monto	Numero	de $ 1 a $100		$101 a $ 300		$ 301 a $ 500		$ 501 a $ 1,000		$1,001 y más			
				Monto	No cuentas	Monto	No cuentas	Monto	No cuentas	Monto	No cuentas	Monto	No cuentas		
30-Sep-03	Mexico													#¡DIV/0!	#¡DIV/0!
30-Sep-03	Honduras													#¡DIV/0!	#¡DIV/0!
30-Sep-03	**Nicaragua**	**3,161,147.00**	**17,842**	**300,457**	**14,510**	**359,510**	**1,731**	**242,144**	**509**	**436,735**	**529**	**1,822,301**	**564**	**177.18**	**0.364636754**
30-Sep-03	Bolivia													#¡DIV/0!	#¡DIV/0!
30-Sep-03	Ecuador													#¡DIV/0!	#¡DIV/0!
30-Sep-03														#¡DIV/0!	#¡DIV/0!
30-Sep-03														#¡DIV/0!	#¡DIV/0!
	Totales	3,161,147.00	17,842	300,457	14,510	359,510	1,731	242,144	509	436,735	529	1,822,301	564	177	0

ANNEX E

JOSE LINARES CONSULTANCY REPORT

INFORME DE CONCLUSIONES Y RECOMENDACIONES DE LA PRIMERA MISION PARA EVALUAR LAS REMESAS Y PRODUCTOS ASOCIADOS EN LAS COOPERATIVAS FINANCIERAS – CENTRAL DE COOPERATIVAS

Managua, Nicaragua

DICIEMBRE 2003

José Linares Fontela
Consultor
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INFORME DE CONCLUSIONES Y RECOMENDACIONES DE LA PRIMERA MISION PARA EVALUAR LAS REMESAS Y PRODUCTOS ASOCIADOS EN LAS COOPERATIVAS FINANCIERAS – CENTRAL DE COOPERATIVAS
Managua, Nicaragua

1.- ANTECEDENTES

En un proyecto conjunto de la CENTRAL de Cooperativas de Ahorro y Crédito de Nicaragua y la COOPERACION SUIZA PARA EL DESARROLLO (COSUDE) se realizó un diagnóstico sobre el tema de las remesas, con la finalidad de aumentar la participación de las empresas que operan remesas a través de la CENTRAL (Las Cooperativas Financieras y FAMA) y dar el mayor valor agregado posible al servicio de remesas internacionales. Dentro de este marco de referencia, el Consultor realizó una primera misión de diagnóstico para determinar las mejores opciones para ensamblar un conjunto de productos financieros relacionados con el envío de remesas a familiares en Nicaragua, de parte de los expatriados residentes y que trabajan en países desarrollados en el exterior

2.- OBJETIVOS

Los objetivos de esta asistencia técnica son los siguientes:

1. Evaluar los productos financieros existentes, con los que cuenta las CFs afiliadas.
2. Identificar los productos financieros que puedan ser reorientados y proponer el rediseño de los mismos para los residentes en Nicaragua
3. Identificar aquellos nuevos productos financieros y servicios que puedan ser integrados a las remesas para los residentes en Nicaragua
4. Desarrollar la estrategia de mercadeo, promoción y venta de los productos financieros integrados a las remesas para los residentes en Nicaragua
5. Capacitar a los empleados y dirigentes de la CENTRAL y las Cooperativas Financieras para manejar y ofrecer los productos

financieros asociados a las remesas para los residentes en Nicaragua

6. Definir y desarrollar las campañas publicitarias y promociónales para impulsar los productos financieros integrados a las remesas para los residentes en Nicaragua

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3.- ACTIVIDADES REALIZADAS EN LA MISION

1. Se revisaron en la CENTRAL los procedimientos y sistema de remesas y la operatividad con VIGO, que es la remesadota en Estados Unidos con la cuál opera la CENTRAL en Nicaragua
2. Se realizaron entrevistas con Gerentes tanto de Cooperativas Financieras como de Sucursales, para conocer en detalle la problemática relacionada con los socios que reciben remesas. El Consultor visitó las siguientes oficinas:
    a. Cooperativa Financiera Integral – Sébacos
    b. Cooperativa Financiera Metropolitana – León
    c. Cooperativa Financiera Iaguei – Corinto
    d. Cooperativa Financiera Moderna – Estelí
    e. Cooperativa Financiera Moderna – Trinidad
    f. Cooperativa Financiera Dinámica – Condega
    g. Cooperativa Financiera Xolotlan – Managua
3. Se realizaron sesiones de grupo con socios de un grupo de Cooperativas Financieras en cuatro instituciones, contando como asistentes a las mismas a un grupo de socios que reciben regularmente remesas
    a. Cooperativa Financiera Iaguei – Corinto
    b. Cooperativa Financiera Dinámica – Condega
    c. Cooperativa Financiera Xolotlan – Managua
4. Como parte de las sesiones de grupo se pasó una encuesta preliminar para conocer algunos patrones de conducta que sirvieran de guía para elaborar una encuesta más detallada con una muestra representativa de socios
    a. Cooperativa Financiera Integral – Sébacos
    b. Cooperativa Financiera Iaguei – Corinto
    c. Cooperativa Financiera Dinámica – Condega
    d. Cooperativa Financiera Xolotlan – Managua

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4.- CONCLUSIONES DE LA MISION

4.1.- EVALUACION DEL PROCESO DE MANEJO DE REMESAS A TRAVES DE VIGO, PRESENCIA Y CALIDAD DE SERVICIO DE VIGO EN LAS ZONAS DE PRESENCIA DE NICARAGUENSES

La relación con VIGO se originó en el entorno de WOCCU a través de la IRNet, como una opción para que las Cooperativas de Ahorro y Préstamo en el mundo, y en particular Latinoamérica, tengan acceso al manejo de remesas desde Estados Unidos. Aún cuando originalmente la idea era que todas las Credit Unions afiliadas a CUNA en Estados Unidos se incorporarían como receptoras del proyecto, en la práctica no ha sido así, el servicio se presta mayormente a través de puntos de recolección en comercios y supermercados. La realidad es que VIGO tiene presencia básicamente en la costa oeste de Estados Unidos y en la región de California. En la práctica, debido al origen de la emigración centroamericana la costa este de los Estados Unidos ha sido particularmente cubierta (Migración de Guatemala y El Salvador), de hecho FENACOAC Y FEDECACES son las federaciones que manejan los volúmenes más altos de la región. Sin embargo sectores de la costa oeste y en particular el sur (Florida) no están adecuadamente atendidos con presencia masiva de captadores de remesas hacia Nicaragua y otros países cuyos emigrantes tienden a movilizarse hacia Miami y Nueva York

Los aspectos más significativos que se detectaron en el servicio de VIGO fueron los siguientes:

1. La única forma de acceso de los expatriados a VIGO es a través de un número telefónico, el 1- 800 – 777-8784, y el site de Internet www.vigousa.com que se encuentra en construcción
2. No existe o VIGO no ha suministrado un listado de centros de recepción de remesas que sirva a las Centrales y Federaciones para orientar a sus afiliados respecto a donde deben remitir a los expatriados. El Consultor no quisiera pensar que la razón para mantener la relación de puntos de servicio en un secreto tan hermético pueda obedecer a dos razones:
    a. Para no mostrar la debilidad de la cobertura geográfica de VIGO
    b. Para evitar que los presionen para aumentar la cobertura geográfica

La realidad es que existe un vínculo muy significativo entre VIGO, WOCCU y las Cooperativas de Ahorro y Crédito en Centroamérica, todos estamos en este negocio y quisiéramos que fuera mayor la participación ya que redundaría en el beneficio de todos, por lo que la transparencia es un elemento clave del éxito, desafortunadamente la percepción de parte del Consultor es que VIGO no tiene suficiente voluntad para mostrar esa transparencia necesaria que debe existir en una alianza estratégica exitosa

3. Aún cuando no se sabe exactamente cuantos puntos de recolección tiene VIGO en la región de Florida y en particular de Miami. Según sus comentarios insisten en que tienen presencia en Hialeah, esta es solo una de las áreas en donde hay presencia de nicaragüenses, hay otras áreas en el Dade County y en Broward County donde la CENTRAL ignora si hay o no puntos de recepción de remesas (Ver Tablas No. 1, 2 y 3, 4, y 5 tomados del US Census 2000)

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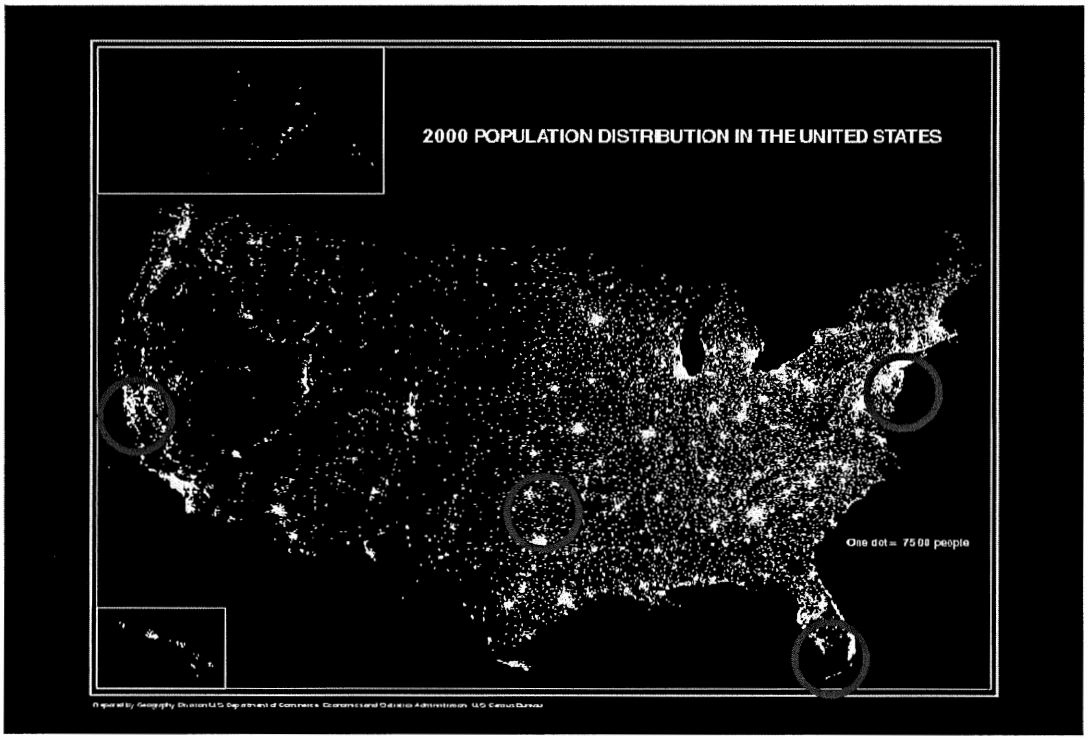
TABLA No. 1

PRINCIPALES ESTADO	NICARAGUENSES	% DEL TOTAL
Florida	86.750	44.60%
California	56.414	29.01%
New York	9.310	4.79%
Texas	7.951	4.09%
New Jersey	4.423	2.27%
Virginia	3.488	1.79%
Maryland	3.294	1.69%
Louisiana	3.036	1.56%
Nevada	2.001	1.03%
Resto de los Estados	17.826	9.17%
TOTAL USA	**194.493**	**100,00%**

Distribución geográfica de los nicaragüenses en los Estados Unidos

MAPA No. 1



Zonas de USA con presencia significativa de nicaraguenses

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4. Analizando la distribución de los nicaragüenses en los Estados Unidos, basando este análisis en los datos del último censo del 2000, se destaca con claridad que los estados con mayor presencia son Florida (44.6%) y California (29.01%) la presencia en el resto del país esta muy atomizada. Hay que aclarar que si bien el censo tiene cuatro años de atraso, la proporción de la distribución de los nicaragüenses no cambia significativamente, lo que si puede cambiar con seguridad es el número. Se podría hacer una proyección basada en el impacto total de nicaragüenses en USA basado en cifras recientes y ponderar cada región ajustando el número, pero dado que lo que se pretende con esta información es estimular la presencia de centros de recepción de remesas de VIGO, la proporcionalidad es el dato necesario y no la magnitud poblacional
5. En la Tabla No. 2, se observa la distribución de la presencia de nicaragüenses en el sur de la Florida, se han jerarquizado las respuestas de mayor a menor y se han considerado solo las áreas con más de 100 nicaragüenses, para tener una visión apropiada. Se analizaran básicamente las áreas con 1000 o más nicaragüenses, que suman 146.433 personas representando el 84.37% de la población de estas personas en el Sur de la Florida. Las áreas con más de 1.000 nicaraguenses cada una son Miami City (29,6%), Hialeah City (13,3%), Fountainbleau (8,0%) y Broward County (4,7%). De esta distribución hay que destacar que VIGO tiene presencia en Hialeah, pero esta área representa mucho menos que en Miami City, el Consultor no sabe si VIGO cubre Fountaiblue y Broward, habría que evaluar esta situación. OLAM Beach y Tampa son dos áreas que tienen más de 1.000 nicaraguenses cada una

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TABLA No. 2

AREAS GEOGRAFICAS SUR FLORIDA	NICARAGUENSES	% DEL TOTAL
Miami city, FL	22571	29.60%
Hialeah city, FL	10161	13.33%
Fountainbleau CDP, FL	6120	8.03%
Broward County, FL	3566	4.68%
Tamiami CDP, FL	2757	3.62%
Sweetwater city, FL	2404	3.15%
Palm Beach County, FL	2105	2.76%
Carol City CDP, FL	1448	1.90%
Richmond West CDP, FL	1209	1.59%
West Little River CDP, FL	1133	1.49%
Hillsborough County, FL	1017	1.33%
SUB-TOTAL MAS DE 1.000	**54.491**	**71.46%**
Miami Beach city, FL	992	1.30%
Orange County, FL	885	1.16%
University Park CDP, FL	854	1.12%
Hialeah Gardens city, FL	843	1.11%
Gladeview CDP, FL	823	1.08%
Coral Terrace CDP, FL	753	0.99%
North Miami city, FL	716	0.94%
Miramar city, FL	645	0.85%
Hollywood city, FL	601	0.79%
Country Club CDP, FL	592	0.78%
The Crossings CDP, FL	582	0.76%
Westchester CDP, FL	562	0.74%
Osceola County, FL	510	0.67%
Tampa city, FL	468	0.61%
Opa-locka city, FL	439	0.58%
Monroe County, FL	418	0.55%
Coral Gables city, FL	392	0.51%
Pembroke Pines city, FL	367	0.48%
Homestead city, FL	361	0.47%
Sunset CDP, FL	347	0.46%
Miami Springs city, FL	328	0.43%
Jacksonville city, FL	317	0.42%
Duval County, FL	317	0.42%
Collier County, FL	315	0.41%
Glenvar Heights CDP, FL	299	0.39%
North Miami Beach city, FL	293	0.38%
Leisure City CDP, FL	290	0.38%
Orlando city, FL	272	0.36%
Cutler CDP, FL	255	0.33%
Olympia Heights CDP, FL	240	0.31%
Osceola County, FL	228	0.30%
Brownsville CDP, FL	227	0.30%
Davie town, FL	227	0.30%
Polk County, FL	225	0.30%
Westgate-Belvedere Homes CDP, FL	224	0.29%
SUB-TOTAL	**70.698**	**92.71%**

Distribución de áreas con más de 100 nicaragüenses en el área del Sur de la Florida

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TABLA No. 2 (Continuación)

AREAS GEOGRAFICAS SUR FLORIDA	NICARAGUENSES	% DEL TOTAL
West Palm Beach city, FL	221	0.13%
Westview CDP, FL	219	0.13%
Pinellas County, FL	213	0.12%
Lee County, FL	209	0.12%
Princeton CDP, FL	206	0.12%
Sunrise city, FL	201	0.12%
Ives Estates CDP, FL	184	0.11%
Key West city, FL	184	0.11%
Sarasota County, FL	177	0.10%
Country Walk CDP, FL	169	0.10%
West Miami city, FL	160	0.09%
Kissimmee city, FL	159	0.09%
Okeechobee County, FL	157	0.09%
Naranja CDP, FL	155	0.09%
Alachua County, FL	155	0.09%
Seminole County, FL	154	0.09%
Fort Lauderdale city, FL	153	0.09%
Golden Glades CDP, FL	147	0.08%
Plantation city, FL	145	0.08%
Pine Hills CDP, FL	143	0.08%
Manatee County, FL	141	0.08%
Hallandale city, FL	140	0.08%
Coral Springs city, FL	130	0.07%
Brandon CDP, FL	121	0.07%
Miami Lakes CDP, FL	120	0.07%
Town 'n' Country CDP, FL	118	0.07%
Yeehaw Junction CDP, FL	114	0.07%
Miami Shores village, FL	112	0.06%
Three Lakes CDP, FL	112	0.06%
Bradenton city, FL	110	0.06%
Sarasota city, FL	107	0.06%
South Miami city, FL	107	0.06%
Richmond Heights CDP, FL	106	0.06%
Boca Raton city, FL	102	0.06%
Pompano Beach city, FL	102	0.06%
Westwood Lakes CDP, FL	102	0.06%
Miami Gardens CDP, FL	101	0.06%
Oakland Park city, FL	100	0.06%
TOTAL	**74.519**	**100.00%**

Distribución de áreas con más de 100 nicaragüenses en el área del Sur de la Florida

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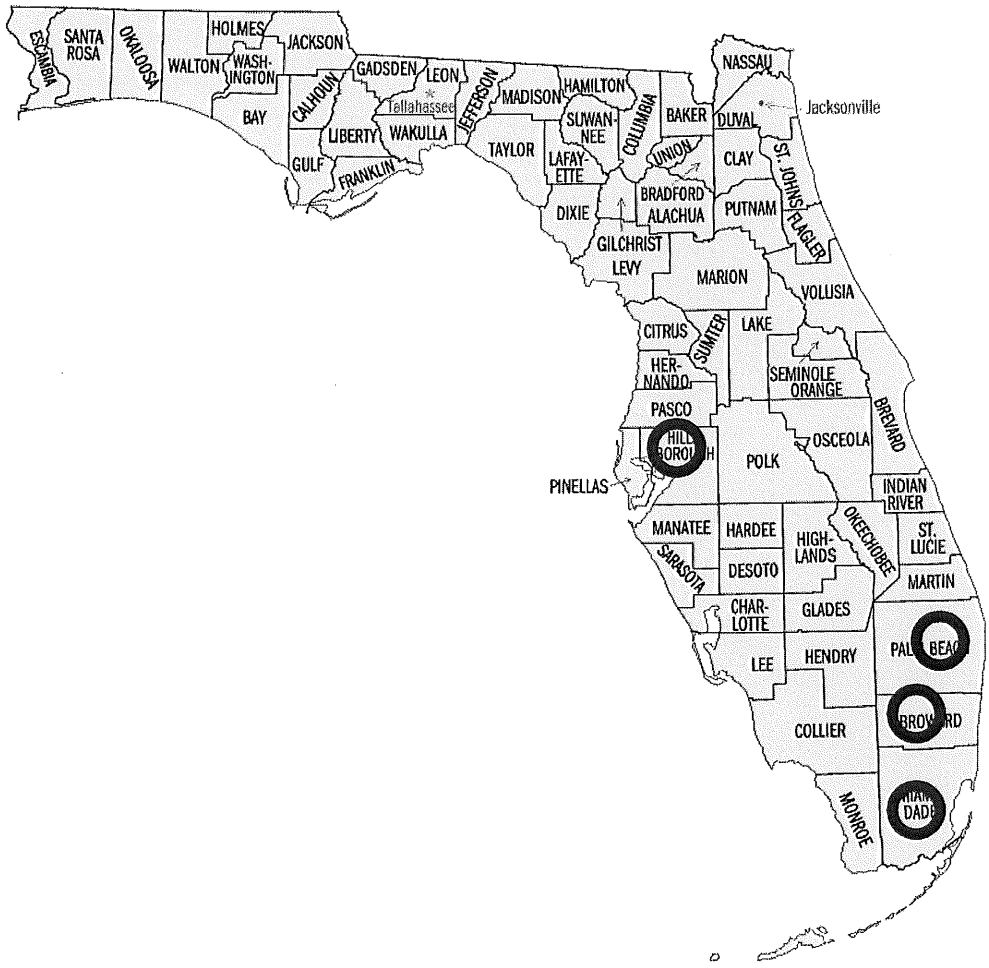
MAPA No. 1



Mapa del Estado de Florida

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6. La presencia en segundo lugar es en el Estado de California, en este estado, la presencia más significativa ocurre en Los Angeles City (8,2%), San Francisco City (5,6%), San Mateo County (4,4%), Contra Costa County (3,4%), Alameda County (2,4%), San Bernardino County (2,3%), Santa Clara County (1,8%) y San José City (1,7%). Nuevamente, al desconocer los puntos de servicio de VIGO en estas zonas, el Consultor no tiene como determinar el nivel de cobertura

TABLA No. 3

AREA GEOGRAFICA EN CALIFORNIA	NICARAGUENSES	% DEL TOTAL
Los Angeles city, CA	9.625	17.78%
San Francisco city, CA	6.481	11.97%
San Mateo County, CA	5.125	9.47%
Contra Costa County, CA	3.985	7.36%
Alameda County, CA	3.909	5.21%
San Bernardino County, CA	2.821	4.92%
Orange County, CA	1.973	3.64%
Daly City, CA	1.933	3.57%
Hayward City, CA	1.176	2.17%
Riverside County, CA	1.162	2.15%
Sacramento County, CA	1.029	1.90%
TOTAL	**32.219**	**70.14%**
Solano County, CA	758	1.40%
San Bruno city, CA	685	1.27%
San Pablo city, CA	559	1.03%
Anaheim city, CA	538	0.99%
Richmond city, CA	531	0.98%
Ventura County, CA	500	0.92%
Fremont city, CA	486	0.90%
Redwood City , CA	465	0.86%
Antioch city, CA	459	0.85%
Pittsburg city, CA	459	0.85%
Concord city, CA	449	0.83%
Marin County, CA	448	0.83%
San Joaquin County, CA	436	0.81%
San Diego city, CA	407	0.75%
Sonoma County, CA	392	0.72%
Fontana city, CA	373	0.69%
San Mateo city, CA	352	0.65%
Stockton city, CA	323	0.60%
Rialto city, CA	322	0.59%
Vallejo city, CA	306	0.57%
Simi Valley city, CA	294	0.54%
Rancho Cucamonga city, CA	281	0.52%
Oakley city, CA	280	0.52%
Ontario city, CA	316	0.58%
Pacifica city, CA	274	0.51%
Santa Ana city, CA	264	0.49%
Florence-Graham CDP, CA	253	0.47%
San Leandro city, CA	242	0.45%
Stanislaus County, CA	220	0.41%
San Jacinto city, CA	216	0.40%
Vacaville city, CA	212	0.39%
San Rafael city, CA	203	0.37%
Inglewood city, CA	196	0.36%
Rollingwood CDP, CA	185	0.34%
Chino Hills city, CA	172	0.32%
TOTAL	**51.614**	**95.34%**

Distribución de áreas con más de 100 nicaragüenses en el área de California

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TABLA No. 3 (Continuación)

AREA GEOGRAFICA EN CALIFORNIA	NICARAGUENSES	% DEL TOTAL
Rohnert Park city, CA	166	0.31%
Monrovia city, CA	162	0.30%
Ashland CDP, CA	151	0.28%
Fresno County, CA	148	0.27%
Buena Park city, CA	143	0.26%
Upland city, CA	142	0.26%
San Luis Obispo County, CA	139	0.26%
Alameda city, CA	138	0.25%
Riverside city, CA	134	0.25%
Bayview-Montalvin CDP, CA	133	0.25%
Millbrae city, CA	133	0.25%
Moreno Valley city, CA	132	0.24%
El Dorado County, CA	132	0.24%
Modesto city, CA	131	0.24%
Castro Valley CDP, CA	126	0.23%
Newark city, CA	125	0.23%
San Bernardino city, CA	122	0.23%
Fairfield city, CA	167	0.31%
TOTAL	**54.138**	**100.00%**

Distribución de áreas con más de 100 nicaragüenses en el área de California

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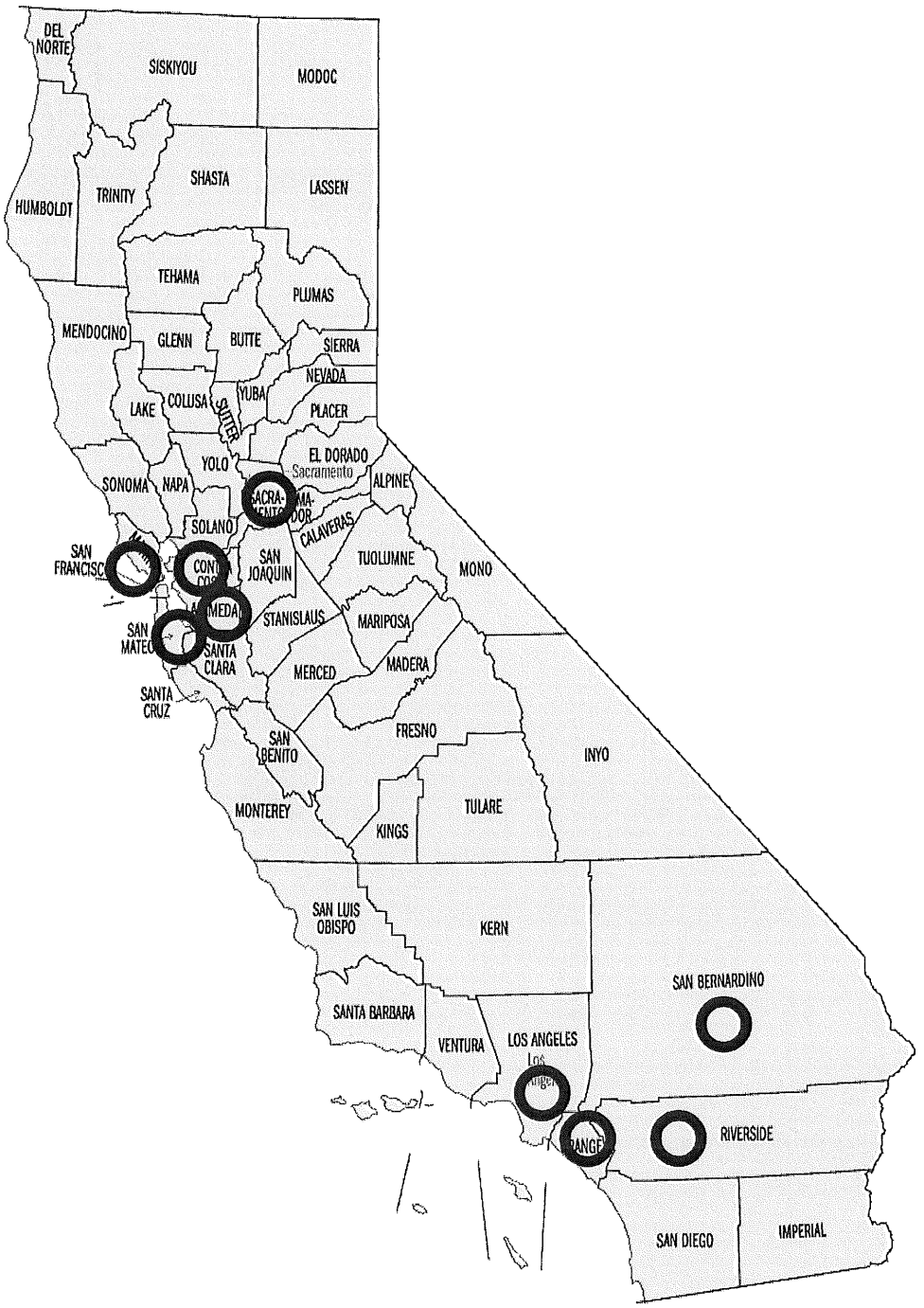
MAPA No. 2



Mapa del Estado de California

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7. En el Estado de Nueva York la mayor concentración está en la ciudad de Nueva York (85.5%) que incluye el Bronx, Nassau, Queen, Kings y Richmond, adicionalmente hay presencia en Suffolk County, Rockland County, Orange County y en el noroeste hay un grupo en Monroe County

TABLA No. 4

AREA GEOGRAFICA EN NEW YORK	NICARAGUENSES	% DEL TOTAL
New York city, NY	7.412	85.48%
SUB-TOTAL	**7.412**	**85.48%**
Yonkers city, NY	573	6.61%
Suffolk County, NY	217	2.50%
Orange County, NY	128	1.48%
Richmond County, NY	121	1.40%
Rockland County, NY	120	1.38%
Monroe County, NY	100	1.15%
TOTAL	**8.671**	**100.00%**

Distribución de áreas con más de 100 nicaragüenses en el área de Nueva York

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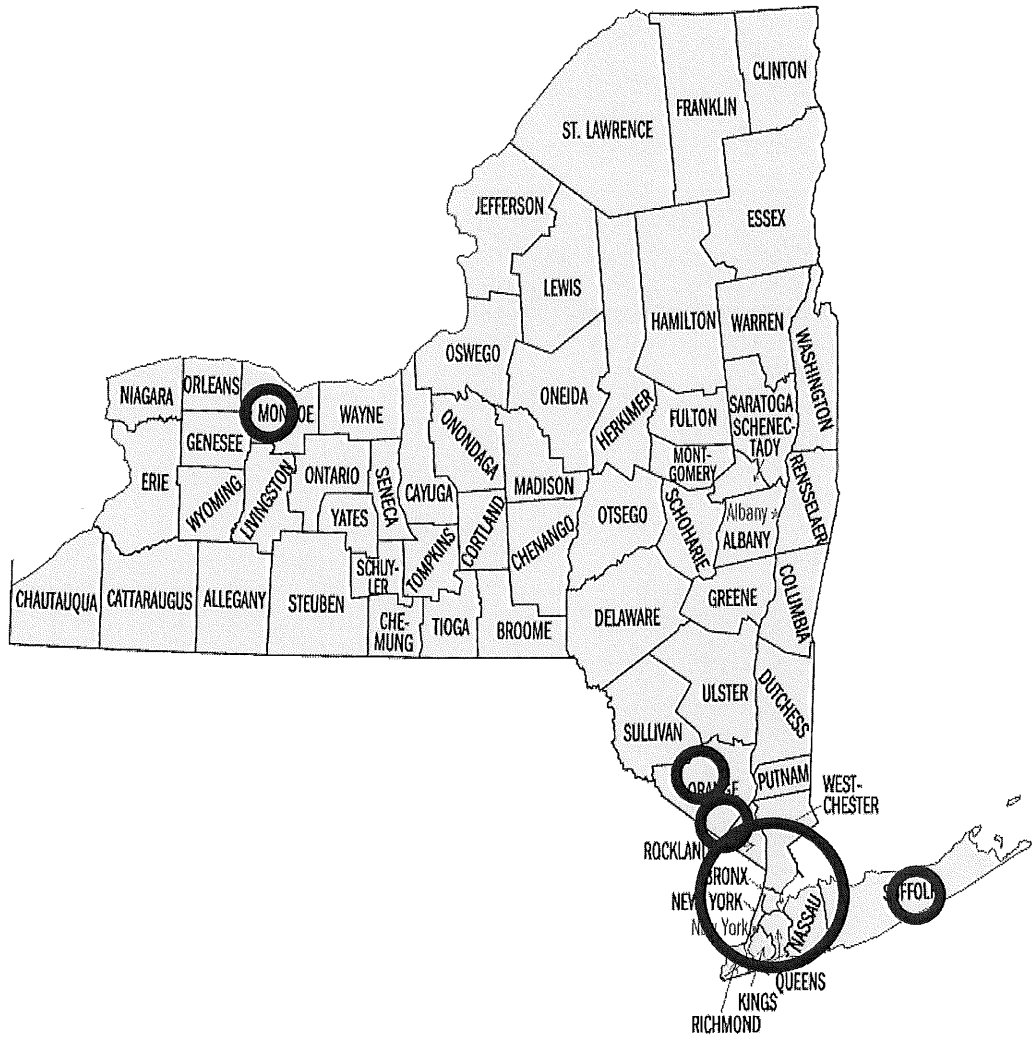
MAPA No. 3



Mapa del Estado de Nueva York

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8. En el Estado de Texas, la población de nicaragüenses está concentrada en tres áreas: Abbot City (26.5%), Abbernathy City (18.2%) y en Abilene City (9.1%). Esta población esta muy concentrada estas tres ciudades y el resto que representa muy poca gente atomizada por todo el estado

TABLA No. 5

AREA GEOGRAFICA EN TEXAS	NICARAGUENSES	% DEL TOTAL
Abbott city, TX – Hill County	3.485	26.50%
Abernathy city, TX – Hale County	2.390	18.17%
Abilene city, TX – Taylor County	1.197	9.10%
SUB-TOTAL MAS DE 1.000	**7.072**	**100.00%**

Distribución de áreas con más de 1.000 nicaragüenses en el área de Texas

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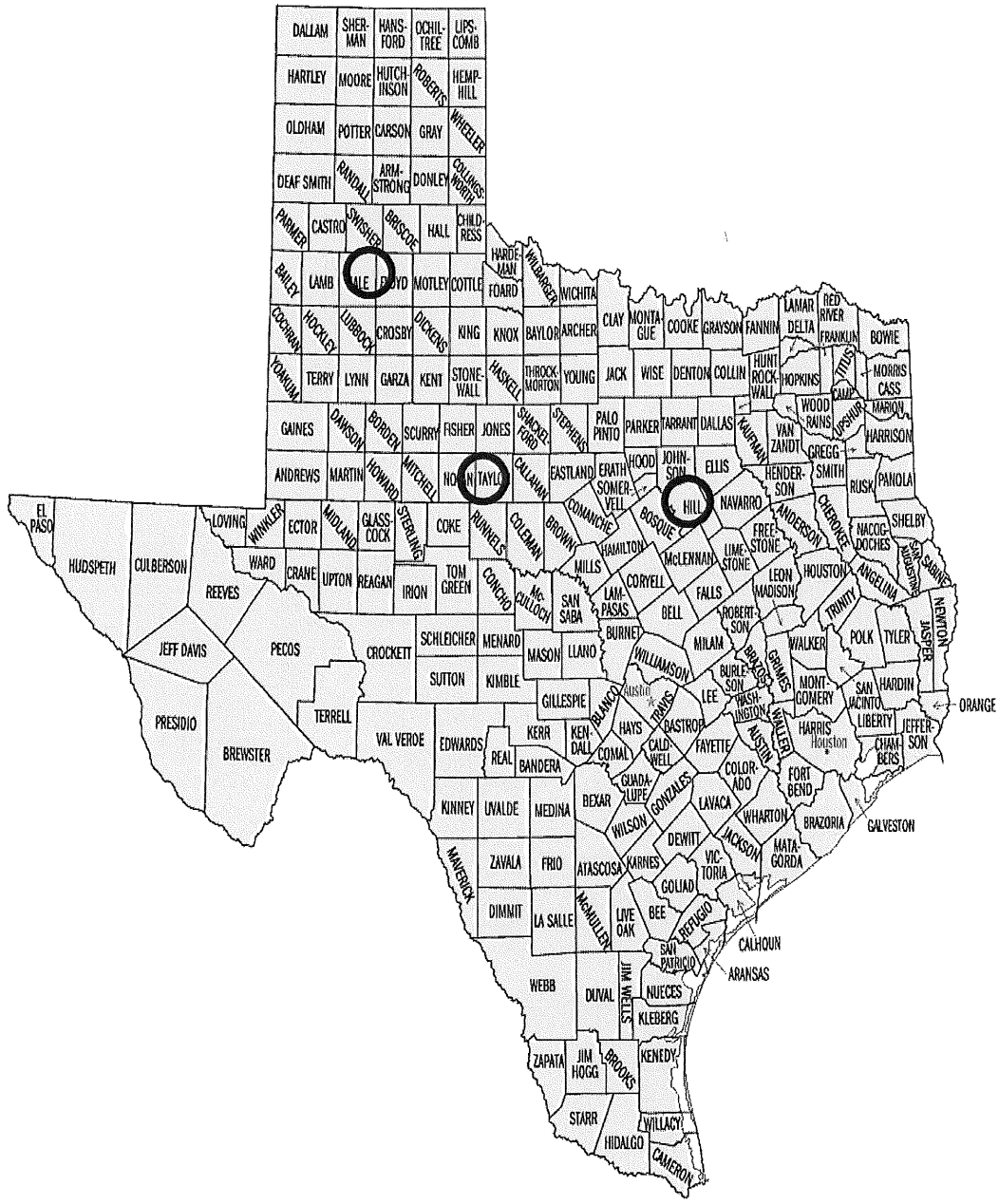
MAPA No. 4



Mapa del Estado de Texas

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9. En el Estado de New Jersey, la mayor concentración de nicaragüenses esta en el Hudson County (25,7%) que colinda con Maniatan, es pues el área dormitorio de la gente que trabaja en Nueva York, cercanas están las concentraciones en los counties de Essex y Unión, un grupo importante de nicaragüenses reside en Carden County al suroeste del estado (19,3%)

TABLA No. 6

AREA GEOGRAFICA EN NEW JERSEY	NICARAGUENSES	% DEL TOTAL
Hudson County, NJ	1.121	25.65%
SUB-TOTAL MAS DE 1.000	**1.121**	**25.65%**
Camden County, NJ	845	19.33%
Union County, NJ	512	11.71%
Essex County, NJ	465	10.64%
Middlesex County, NJ	378	8.65%
Bergen County, NJ	241	5.51%
Monmouth County, NJ	228	5.22%
Camden County, NJ	191	4.37%
Atlantic County, NJ	139	3.18%
Passaic County, NJ	130	2.97%
Somerset County, NJ	121	2.77%
TOTAL MAS DE 100	**4.371**	**100.00%**

Distribución de áreas con más de 100 nicaragüenses en el área de New Jersey

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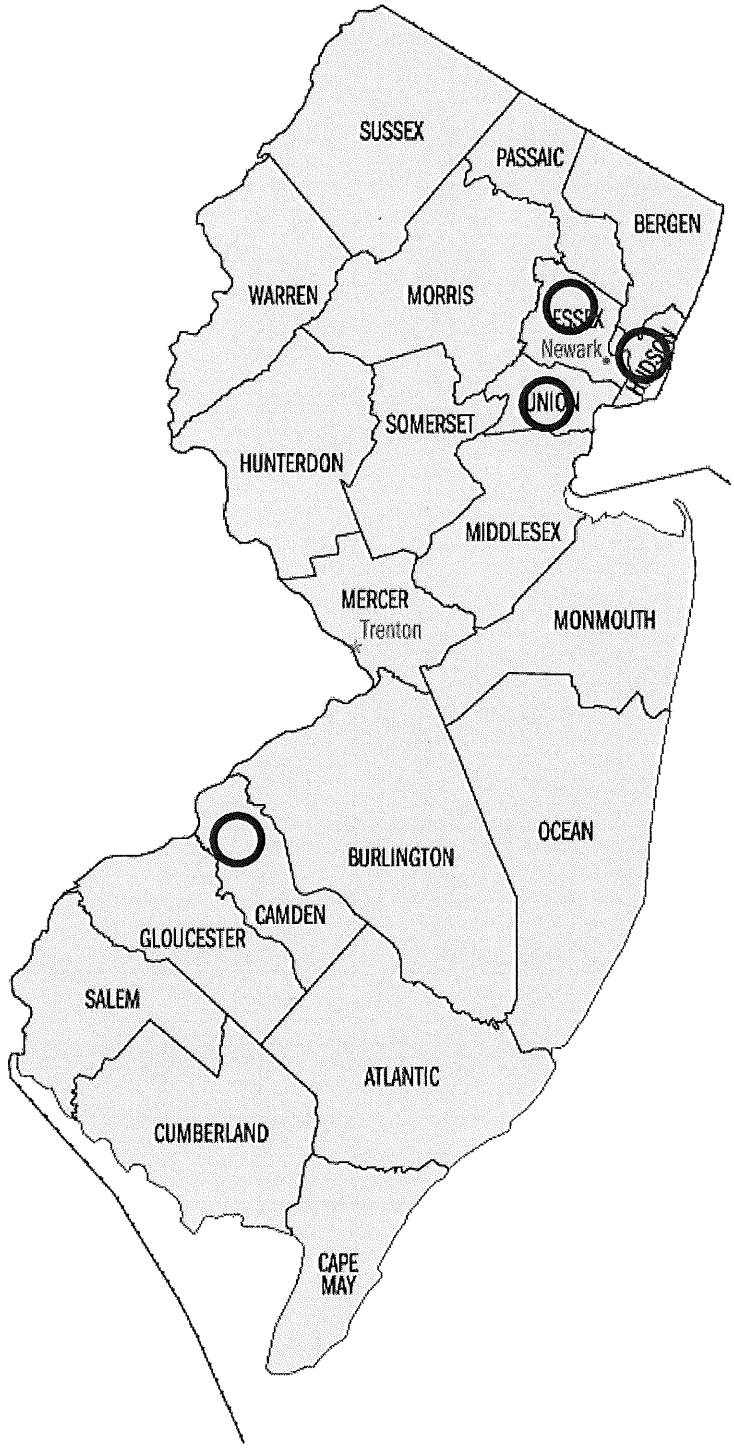
MAPA No. 5



Mapa del Estado de New Jersey

10. Aparentemente, y esta sujeto a verificación en Miami, la información telefónica del 800 es muy deficiente por falta de información sobre cada país y la necesidad de las operadoras de consultar con terceras personas, lo que dilata la comunicación
11. Las esperas al teléfono 800 son muy prolongadas
12. La complejidad de navegación de los menús en la central telefónica parece confundir a muchos de los expatriados, quienes por su nivel cultural se enredan y lo perciben como hostil, en particular las personas de la tercera edad
13. Frente a la amplia proliferación de Western Union y otras remesadoras con alta presencia y cobertura, VIGO se percibe como deficiente en su cobertura lo que impone en los expatriados la necesidad de trasladarse grandes distancias para enviar las remesas y en horarios limitados, lo que afecta su ritmo de vida y trabajo. La comodidad y facilidades de acceso son elementos tan críticos que se antepone al precio. Es decir, que VIGO aún cuando tiene un precio competitivo nos es atractivo por la incomodidad de acceso a los puntos de envío
14. Adicionalmente a la limitación numérica, se impone de parte de VIGO un misterio y resistencia a divulgar los puntos de servicio (Según tiene entendido el Consultor por comentarios de terceros ,para evitar beneficiar a algunos receptores en contra de otros, lo cuál es incomprensible ya que los expatriados siempre seleccionarán el que más le convenga al margen de que haya otros disponibles. Es un asunto de comodidad de los clientes y el azar)
15. El sistema de cómputos VIGO esta diseñado para manejar las transferencias entre un receptor, VIGO y un pagador. No contempla ningún intermediario como lo es la CENTRAL, de manera que el asunto se convierte en un proceso engorroso, complejo y totalmente manual, lo que incurre en atrasos y errores
16. La información contenida en la base de datos de VIGO que se utiliza para notificar las remesas y confirmar el pago es muy limitada, por lo que se requiere ampliarla, a los efectos de la operación de la CENTRAL con las Cooperativas y con FAMA
17. En la Tabla No. 8 se puede observar que los nicaragüenses registrados en el censo del 2000 (194.493) son menos que los registrados en el censo del de 1990 (202.658). Si bien el censo no especifica si estos nicaragüenses son o no ilegales (Normalmente el censo no discrimina por asuntos legales, ya que su objetivo es inventariar poblaciones) esto no significa que en el 2004 no existan más nicaragüenses en USA que en los censos anteriores. En todo caso, los nicaragüenses ocupan el cuarto lugar de

emigrantes centroamericanos y el séptimo lugar de emigrantes latinoamericanos (Ver Tabla No. 8)

18. Respecto a las tarifas de VIGO, se observaron los siguientes criterios de cobro:

    Hasta $250 = $10 flat.

    Más de $250 (US$ 250 y más) = 4% sobre el monto remesado

    Esta tarifa implica que para un expatriado sería mal negocio enviar menos de US$ 100 por VIGO porque la tarifa representaría un 10%, es decir más o menos lo que cobra WESTERN UNION, el 4% sería para las remesas de US$ 250 o más

19. La Distribución de la comisión es:

Rango	Total	CACs	Central	WOCCU
<1501	3.00	1.25	1.50	0.25
1,500-3000	8.00	3.50	4.25	0.25
3,001 - 10,000	15.00	6.70	8.05	0.25

20. Si analizamos las remesas de menos de US$ 250, que representan el 82,4% de las remesas regulares que reciben los beneficiarios en Nicaragua, el costo de las misma estaría en US$ 5% y si consideramos el envío de remesas de menos de US$ 100, que representa el 29% el costo estaría en un 10%, cuando hay remesadoras que cobran entre 5% y 6%, lo que limitaría la competitividad de las CFs (Ver Tabla No. 7)

TABLA No. 7
CANTIDAD PROMEDIO DE LA REMESA FIJA

	Frecuencia	Porcentaje	Porcentaje Válido	Porcentaje Acumulado
Menos de US$ 100	10	27.0	**29.4**	29.4
De US$ 151 a 200	7	18.9	20.6	50.0
De US$ 100 a 150	6	16.2	17.6	67.6
De US$ 201 a 250	5	13.5	14.7	**82.4**
De US$ 301 a 400	5	13.5	14.7	97.1
De US$ 501 a 550	1	2.7	2.9	100.0
Total	**34**	**91.9**	**100.0**	
Missing	**3**	**8.1**		
Total	**37**	**100.0**		

Fuente: Encuesta a los participantes en las sesiones de grupo

21. La operatividad de las remesas en VIGO tiene una serie de características que la hacen engorrosa, lenta y difícil:
    a. El software está diseñado para operar entre VIGO y un centro de recepción o pago, no contempla la operación a través de una CENTRAL
    b. La limitación del software hace que la CENTRAL se vea en la necesidad de realizar una serie de tareas engorrosas y que implican atrasos y errores:
        i. Hay que estar chequeando manualmente en la CENTRAL, cada hora si se han recibido remesas
        ii. Si hay remesas, hay que bajar el archivo de la base de datos de VIGO y copiar las remesas a un archivo Excel
        iii. Con un macro se ordena la información por CF
        iv. Se copia y pega a un archivo Excel para cada CF y para FAMA
        v. Se envía cada CF y a cada FAMA por correo
        vi. Se le notifica a la CF para que entren a Internet y bajen el archivo
        vii. Las CF notifican a la CENTRAL cuando pagaron la remesa al interesado
    c. No se puede concebir el mantener este sistema para manejar un mayor volumen de transacciones de remesas sin incurrir en errores y retrasos (Por ejemplo: Para manejar 5.000 remesas mensuales)
    d. VIGO no tiene una solución al problema, por lo menos inmediata

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TABLA No. 8

. Hispanic Origin Population by Detailed Group: 2000 and 1990

Hispanic Population by Origin Response	1990 Census 2/		Census 2000 2/	
	Number	Percent	Number	Percent
Total	21,900,089	100.0	35,238,481	100.0
General Hispanic	1,403,150	6.4	5,540,627	15.7
Hispanic	390,945	1.8	2,316,515	6.6
Latino	1,577	0.0	411,559	1.2
Spanish	444,896	2.0	765,879	2.2
Other Hispanic response 1/	565,732	2.6	2,046,674	5.8
Mexican	13,393,208	61.2	20,900,102	59.3
Puerto Rican	2,651,815	12.1	3,403,510	9.7
Cuban	1,053,197	4.8	1,249,820	3.5
Dominican	520,151	2.4	799,768	2.3
Central American	1,323,830	6.0	1,811,676	5.1
Costa Rican	57,223	0.3	72,175	0.2
Guatemalan	268,779	1.2	407,127	1.2
Honduran	131,066	0.6	237,431	0.7
Nicaraguan	202,658	0.9	194,493	0.6
Panamanian	92,013	0.4	98,475	0.3
Salvadoran	565,081	2.6	708,741	2.0
Other Central American	7,010	0.0	93,234	0.3
South American	1,035,602	4.7	1,419,979	4.0
Argentinian	100,921	0.5	107,275	0.3
Bolivian	38,073	0.2	45,188	0.1
Chilean	68,799	0.3	73,951	0.2
Colombian	378,726	1.7	496,748	1.4
Ecuadorian	191,198	0.9	273,013	0.8
Paraguayan	6,662	0.0	8,929	0.0
Peruvian	175,035	0.8	247,601	0.7
Uruguayan	21,996	0.1	20,242	0.1
Venezuelan	47,997	0.2	96,091	0.3
Other South American	6,195	0.0	50,941	0.1
Spaniard	519,136	2.4	112,999	0.3

1/ Includes: (1) people who wrote responses such as "Latin American" and "Spanish American," (2) people of mixed Hispanic ethnicities (only collected in Census 2000), and (3) people who checked the "Other" box but did not provide a write-in entry.

2/ These Census 2000 and 1990 census numbers are based on sample data representing the total population.

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4.2.- CONCLUSIONES DE LAS ENTREVISTAS A LOS GERENTES

El Consultor viajó a cada oficina donde se llevó a cabo la entrevista con cada Gerente, se le plantearon las siguientes preguntas:

1. Población
2. Tipo de gente que recibe remesas
3. Empresas remesadoras que utilizan
4. Porcentaje de socios que reciben regularmente remesas
5. Quejas y reclamos en el servicio de remesas
6. Conocimientos de cambios y comisiones
7. Conocimiento e influencia de los beneficiarios sobre los expatriados que envían remesas

Las opiniones de los Gerentes fueron procesadas por el Consultor y se llegó a las siguientes conclusiones:

1. Entre 30 y 50% de los residentes reciben remesas
2. Un 40% de los socios reciben remesas
3. El líder en remesas es Western Union
4. Western Union es también es el servicio más costoso
5. Las tarifas de los remesadores más serios e importantes van desde US$ 7 a US$ 15, dependiendo de la ciudad de USA desde donde se envíe la remesa. VIGO, cobrando 4% a partir de US$ 250, con US$ 10 de base es más económica que las demás
6. El sistema de remesas informal maneja un volumen más bajo de remesas y montos más pequeños, usualmente moviendo efectivo. Este servicio esta en manos de personas y usan a vecinos para distribuir y ofrecer el servicio
    a. El costo es bajo
    b. Hay ciertos riesgos de que se pierda el dinero
    c. Solo lo usan para envíos pequeños, menos de US$ 50
7. Las Cooperativas Financieras promueven las remesas a través de:
    a. Volantes
    b. Perifoneo
    c. Mantas
    d. Radio local
    e. Televisión local por cable
8. La información que VIGO ofrece a través de la línea de atención es incompleta y confusa, en algunos casos
9. Las distancias de los centros de envío de remesas en USA son muy largas o lejanas
10. El servicio de remesas de Costa Rica es muy deficiente

11. Hay poca o falta de publicidad y comunicación con los remesadores en USA
12. Western Union le queda más cerca de los remesadores
13. Los socios esta depositando en cuentas parte de las remesas
14. A los socios se les olvida decir a los expatriados sobre el envío a través de la Cooperativa
15. Los que reciben remesas están poco informados
16. La información que los socios transmiten a sus parientes en el exterior es incompleta
17. Varios gerentes desconocen el mercado y la competencia
18. La realidad es que el volumen de las remesas en cada Cooperativa Entrevistada es muy reducido, dándose el caso de agencias que no han pagado ninguna remesa

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4.3.- CONCLUSIONES DE LA ENCUESTA A LOS PARTICIPANTES EN LAS SESIONES DE GRUPO

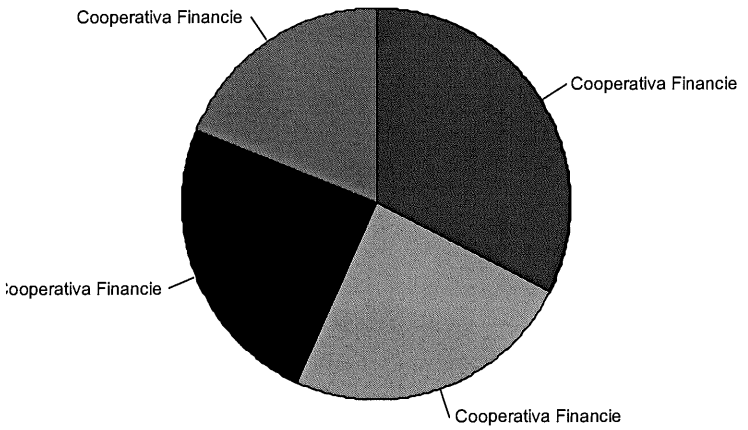
Como parte de las sesiones de grupo se pasó una encuesta preliminar para conocer algunos patrones de conducta que sirvieran de guía para elaborar una encuesta más detallada con una muestra representativa de socios (Ver las tablas detalladas Anexo H)

a. Cooperativa Financiera Integral – Sébacos
b. Cooperativa Financiera Iaguei – Corinto
c. Cooperativa Financiera Dinámica – Condega
d. Cooperativa Financiera Xolotlan – Managua

Los resultados de la encuesta fueron los siguientes:

GRAFICO No. 1

COOPERATIVA A LA QUE PERTENECE



La muestra se distribuyó uniformemente entre las CF visitadas, de manera que la muestra es superior a 30 participantes (Fueron 37 participantes en total) y representativa del universo de socios que reciben remesas (Solo 5 socios que participaron no recibían remesas y uno de estos las iba a recibir de un pariente que recientemente había emigrado a USA)

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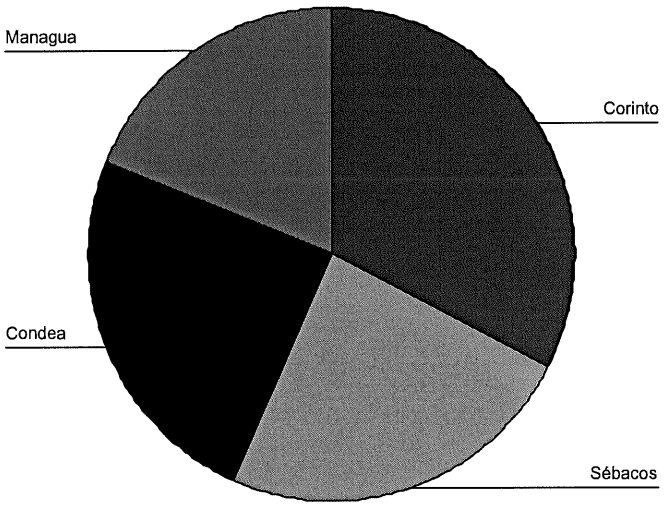
GRAFICO No. 2

CIUDAD DE LA SESION DE GRUPO

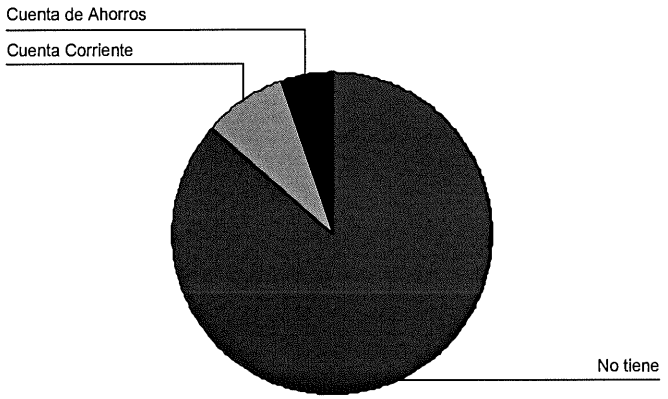


La muestra fue distribuida igualmente entre cuatro ciudades, dos muy rurales (Condea y Sébacos) una portuaria (Corinto) y la capital (Managua). Por lo menos se puede afirmar que representa las zonas de influencia de las CFs

GRAFICO No. 3

INSTRUMENTOS EN

OTRAS INSTITUCIONES FINANCIERAS



La gran mayoría de los participantes son socios prácticamente con exclusividad de las CFs y no tienen cuentas en otras instituciones financieras. Solo una minoría, tienen cuenta de ahorros (5,4%) o cuenta corriente (8,1%)

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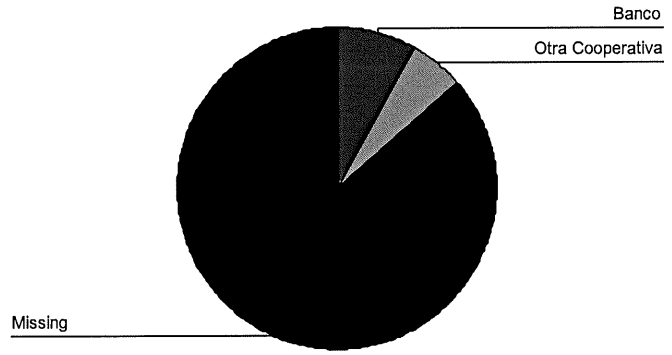
GRAFICO No. 4

TIPO DE INSTITUCION DONDE TIENE

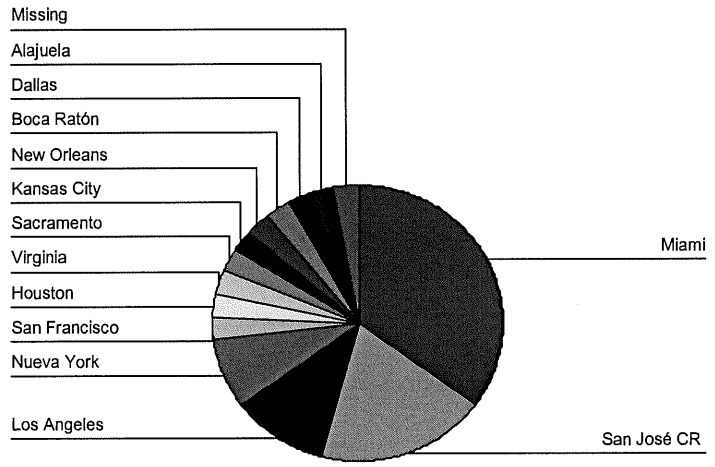
LOS INSTRUMENTOS FINANCIEROS



Los socios que reciben remesas que tienen cuentas en otras instituciones financieras, usualmente las tienen en un banco (8,1%) o en otra Cooperativa (5,4%)

GRAFICO No. 5

CIUDAD EN USA DONDE VIVE EL EXPATRIADO



Los parientes expatriados de los socios que reciben remesas viven en Miami (36,1%), en San José de Costa Rica (19,4%), en Los Angeles (11,1%) o en Nueva York (8,3%). Esta distribución coincide con la distribución observada en el Censo de los Estados Unidos:

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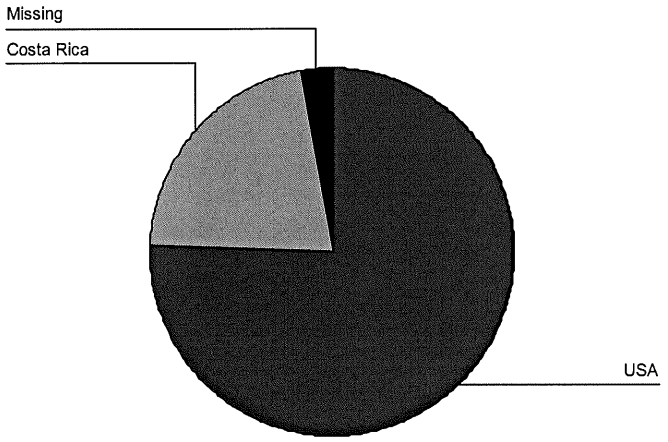
DISTRIBUCION DE LOS EXPATRIADOS

ZONA	SEGÚN LA ENCUESTA	SEGÚN EL CENSO DE USA
Florida/Miami	36,1%	44.6%
California/Los Angeles	11,1%	29.0%
New York and New Jersey	8,3%	7.1%
Otros	44.5%	19.3%

GRAFICO No. 6

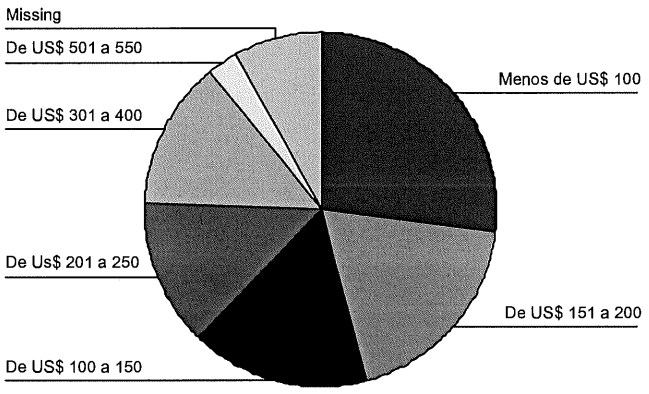
PAIS DONDE VIVE EL EXPATRIADO



La gran mayoría de los expatriados viven en los Estados Unidos (75,7%) y en menor grado en Costa Rica (21,6%)

GRAFICO No. 7

CANTIDAD PROMEDIO DE LA REMESA FIJA



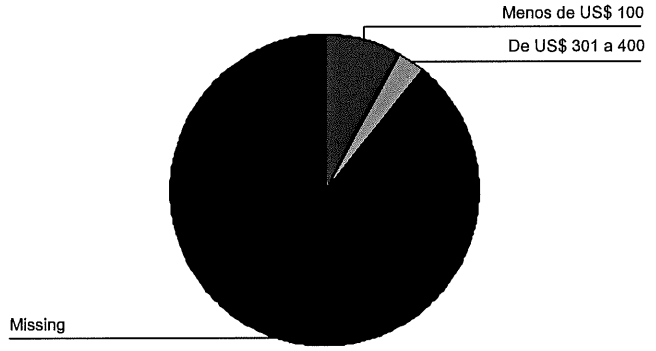
La cantidad promedio de la remesa fija esta en menos de US$ 250 (82,4%) con énfasis en menos de US$ 150 (67,6%), hay que destacar

que un número significativo ocurre en el rango de menos de US$ 100 (29,4%)

GRAFICO No. 8

CANTIDAD PROMEDIO DE LA

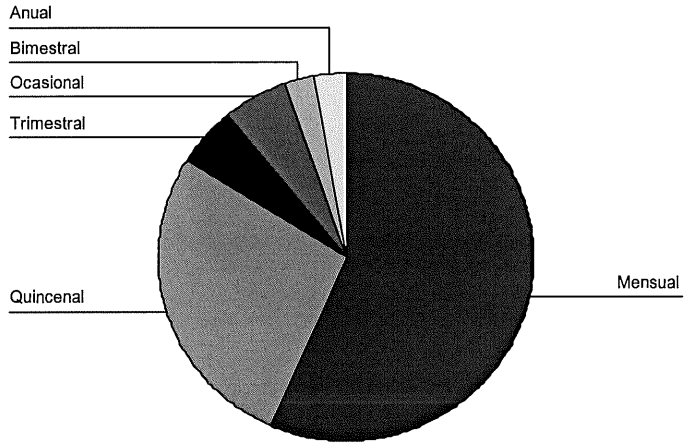
REMESA VARIABLE



La remesa variable, es muy baja, se sitúa en el rango de menos de US$ 100 (75,0%) o muy alta, de US$ 301 a 400 (25%)

GRAFICO No. 9

FRECUENCIA CON QUE ENVIAN LAS REMESAS



La remesa más frecuente es el envío mensual (56,8%) o quincenal (27,0%), coincidiendo con la frecuencia de pago de los expatriados

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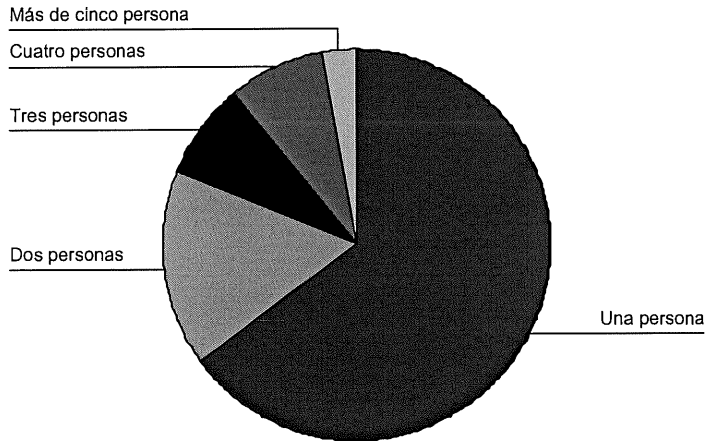
GRAFICO No. 10

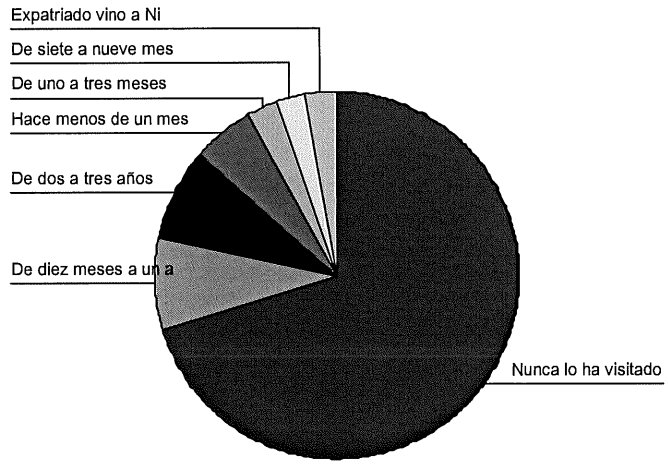
NUMERO DE PERSONAS QUE ENVIAN REMESAS



Usualmente un expatriado (64,9%) o dos expatriados (16,2%) envían remesas a un beneficiario. Excepcionalmente se dan más de dos expatriados enviando remesas (18,9%)

GRAFICO No. 11

ULTIMA VEZ QUE VISITO A LA PERSONA



La gran mayoría de los beneficiarios no visitan a los expatriados (70,3%) y los que los han visitado lo hicieron hace diez meses a tres años (16,2%)

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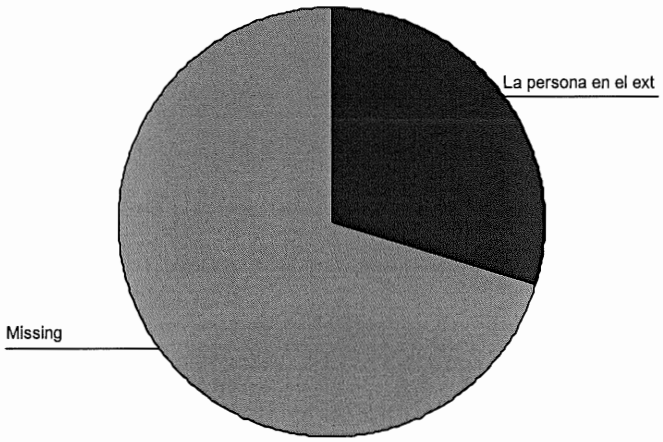
GRAFICO No. 12

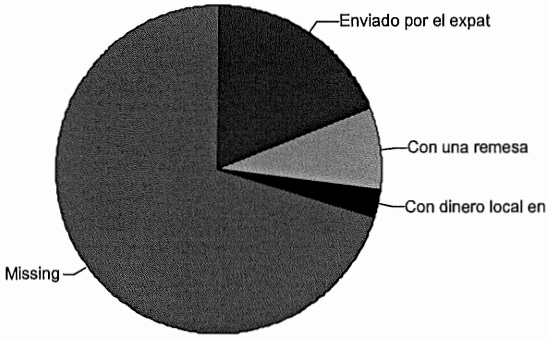
PERSONA QUE PAGO EL PASAJE PARA VISITAR AL EXPATRIADO



La totalidad de los expatriados compraron el pasaje del beneficiario (100%)

GRAFICO No. 13

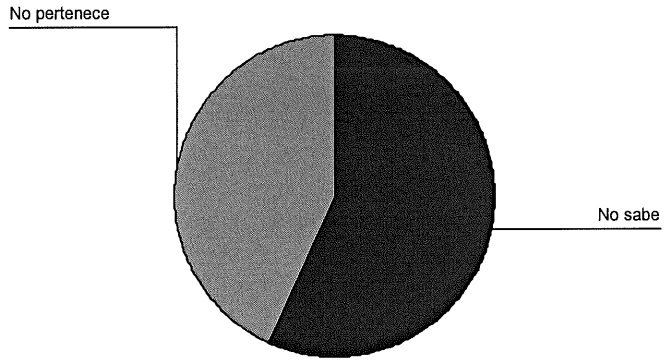
ORIGEN DEL DINERO QUE PAGO EL PASAJE



Usualmente el expatriado le manda el pasaje al beneficiario (63,6%) o le envía una remesa para adquirirlo en Nicaragua (27,3%)

GRAFICO No. 14

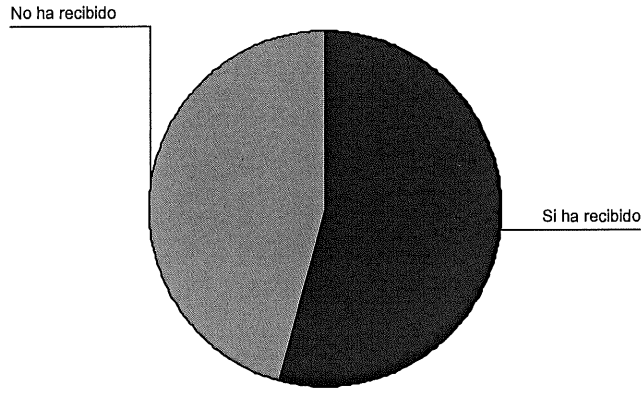
AFILIACION DEL EXPATRIADO A ALGUNA ASOCIACION DE EMIGRANTES



Los beneficiarios afirmaron con certeza que los expatriados no están afiliados a ninguna asociación de emigrantes (43,2%) o no sabe con certeza

GRAFICO No. 15

RECEPCION DE UN MICROCREDITO



La mitad de los participantes recibió un Microcrédito, o lo que ellos entienden como un Microcrédito (54,1%)

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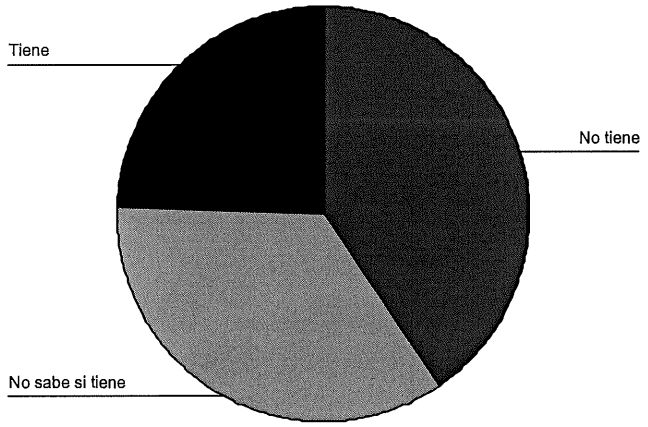
GRAFICO No. 16

ACCESO A CORREO ELECTRONICO

DEL EXPATRIADO

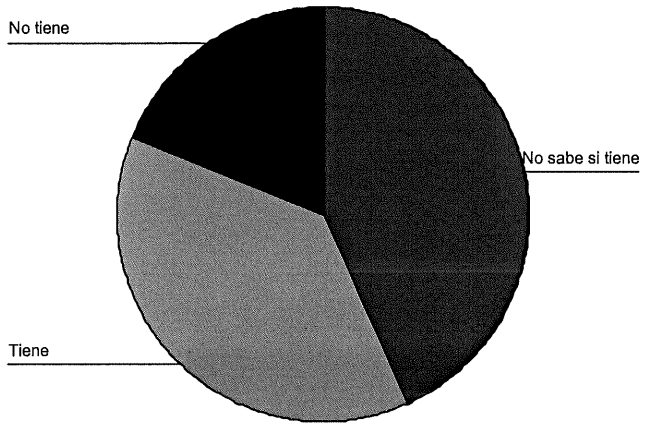


Un número significativo de beneficiarios afirmaron que el expatriado que les envía remesas no tiene acceso al correo electrónico (40,5%), otro número significativo afirmó no saber (35,1%) y una minoría de los beneficiarios dijo que si tienen (24,3%), aún cuando este último grupo que saben con certeza que el expatriado tiene correo electrónico, representa una cuarta parte del universo

GRAFICO No. 17

POSESION DEL EXPATRIADO DE CUENTA

BANCARIA EN EL EXTERIOR



La mayoría de los beneficiarios desconoce si los expatriados que le mandan remesas tienen cuenta bancaria en el exterior (42,3%), un número significativo afirmó que tienen la certeza de que el expatriado tiene cuenta bancaria en el exterior (37,8%)

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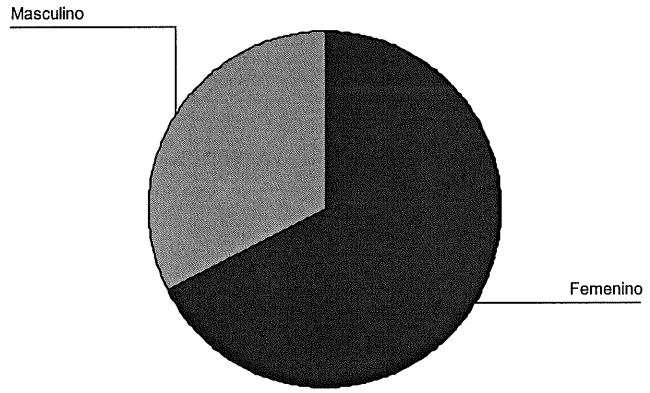
GRAFICO No. 18

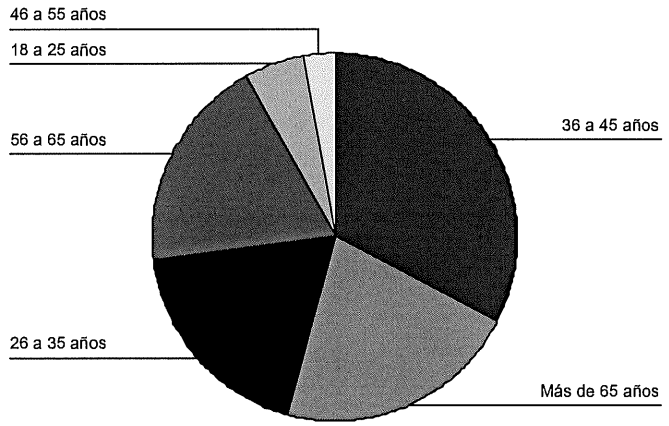
GENERO DEL PARTICIPANTE EN LA SESION



La mayoría de los asistentes a las sesiones fueron mujeres (67,6%)

GRAFICO No. 19

EDAD DEL PARTICIPANTE EN LA SESION



La edad de los participantes se situó en dos grupos: de 26 a 45 años (51,3%) los más jóvenes y de más de 56 años (40,5%) los más viejos

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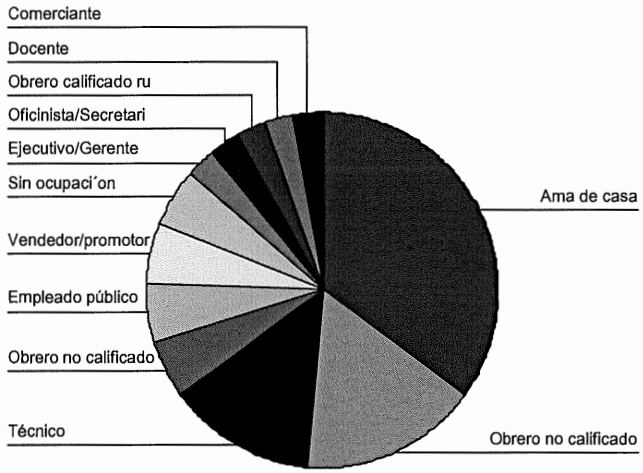
GRAFICO No. 20

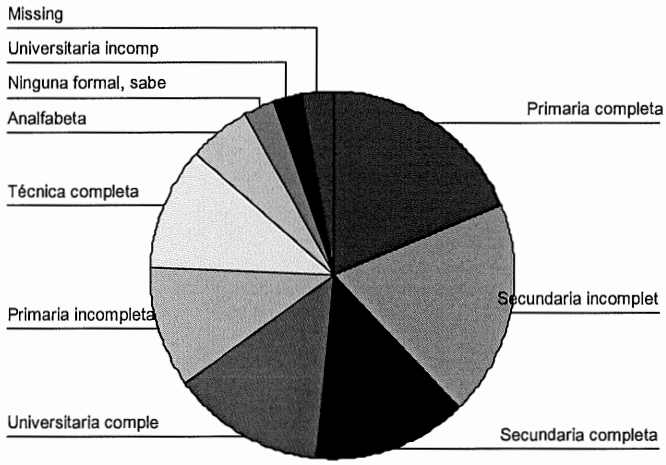
OCUPACION DEL ASISTENTE A LA SESION



La mayoría de las personas que asistieron a las sesiones fueron amas de casa (35,1%), obreros calificados (16,2%) y técnicos (13,5%). El primer grupo se justifica ya que seguramente viven de las remesas, los otros dos grupos no son tan justificables a menos que sean jubilados o retirados

GRAFICO No. 21

EDUCACION DEL ASISTENTE A LA SESION



El nivel educativo de los participantes y beneficiarios de las remesas fue sorprendentemente alto: Primaria completa (19,4%), secundaria incompleta (19,4%), secundaria completa (13,9%), universitaria completa (13,9%), primaria incompleta (11,1%) y técnica completa (11,1%). Más de la mitad de los beneficiarios tienen algún nivel completo educativo de educación

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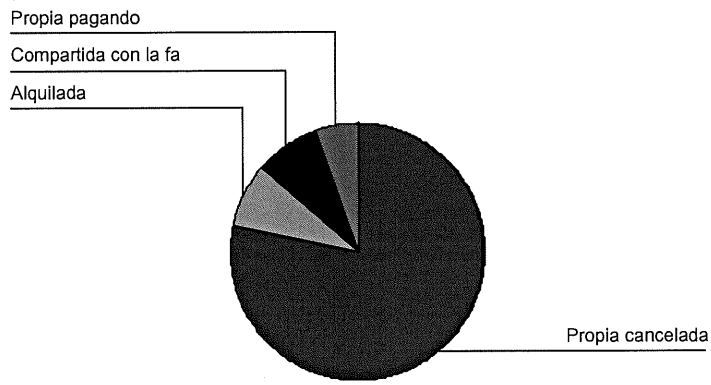
GRAFICO No. 22

SITUACION DE LA VIVIENDA

DEL ASISTENTE A LA SESION

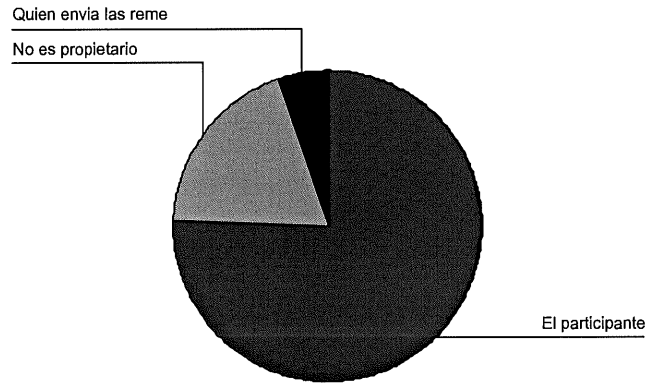


La mayor parte de los beneficiarios viven en una casa propia totalmente cancelada (78,4%)

GRAFICO No. 23

PROPIEDAD DE LA VIVIENDA DEL

ASISTENTE A LA SESION



La mayoría de los participantes son los dueños de su vivienda (75,7%)

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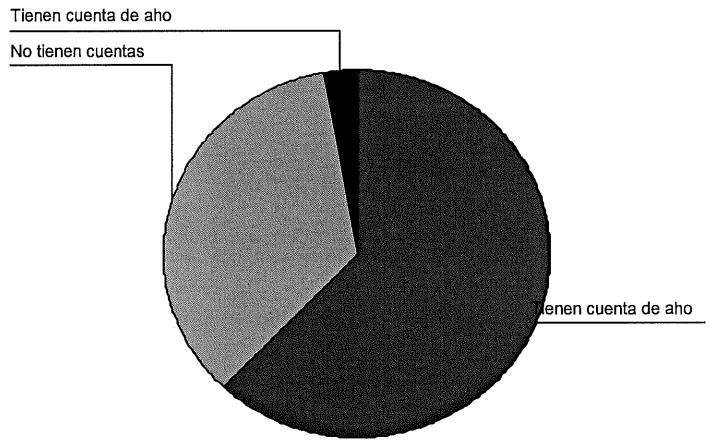
GRAFICO No. 24

INSTRUMENTO QUE TIENEN EN LA COOPERATIVA

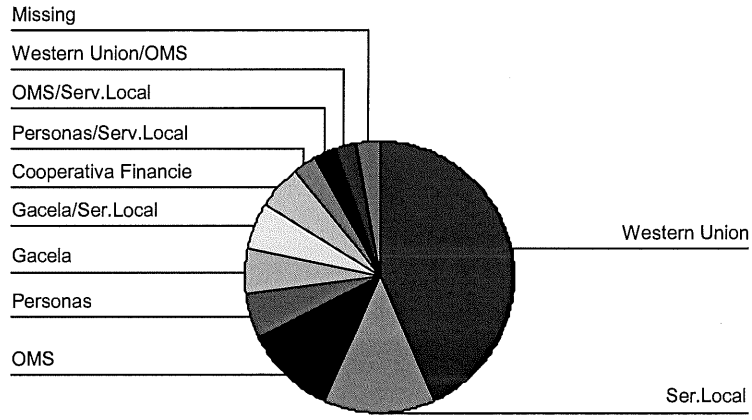


Los asistentes a la sesión y beneficiarios de las remesas tienen en su mayoría cuenta de ahorros en la CF (62,2%), sin embargo, hay que destacar que una tercera parte de los participantes solo hacen aportaciones a la CF

GRAFICO No. 25

EMPRESA REMESADORA EN LA

CUAL RECIBE LA REMESA



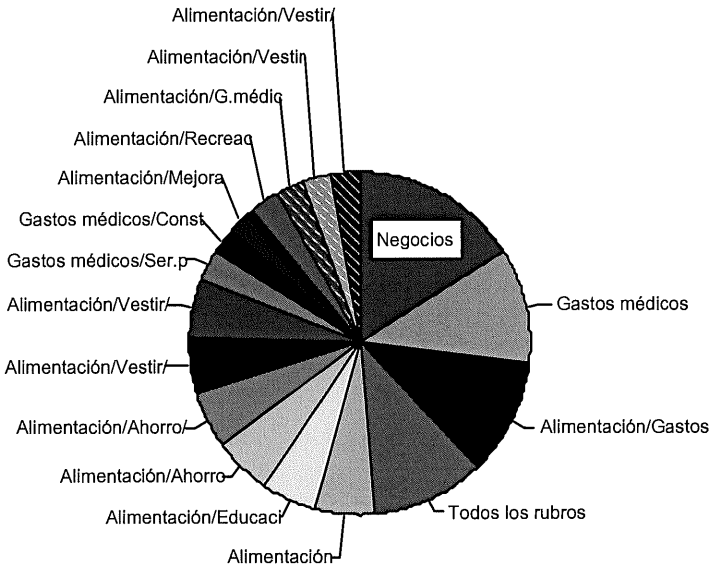
La gran mayoría de los expatriados, parientes de los participantes a las sesiones de grupo les envían sus remesas a través de la Western Union (44,4%), por un servicio local (13,9%) o por OMS (11,1%). En las

sesiones de grupo se detectó que si bien usan el servicio local frecuentemente, lo hacen para el envío de cantidades pequeñas (Menos de US$ 100), ya que si la cantidad es importante usan una remesadora de prestigio establecida

GRAFICO No. 26

APLICACION DEL DINERO DE LAS REMESAS

PARA EL RECEPTOR



Los beneficiarios de las remesas tienden a aplicarlas para invertir en negocios, el pago de alimentación y el pago de gastos médicos (Esto se detectó particularmente entre la gente de la tercera edad)

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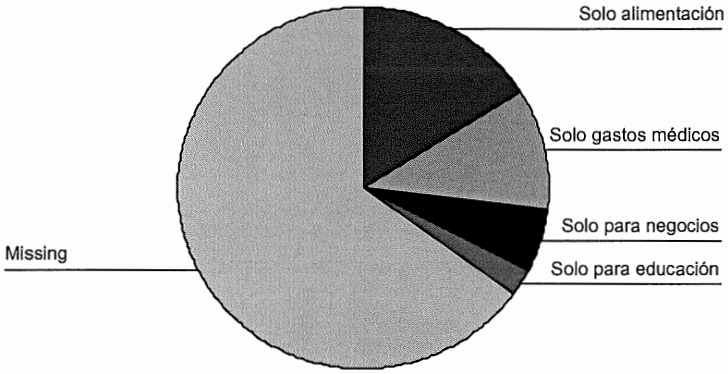
GRAFICO No. 27

APLICACION DEL DINERO DE LAS REMESAS PARA EL RECEPTOR

(PRINCIPAL GASTO)

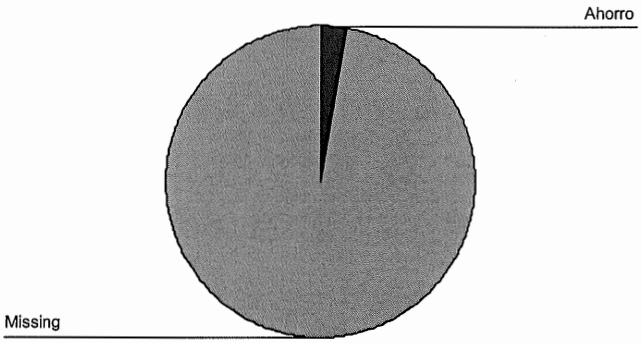


Detallando aún más la aplicación de las remesas de parte de los beneficiarios, destacaron la alimentación (46,2%), los gastos médicos (30,8%) y para invertir en negocios (15,4%)

GRAFICO No. 28

APLICACION DEL DINERO DE LAS REMESAS

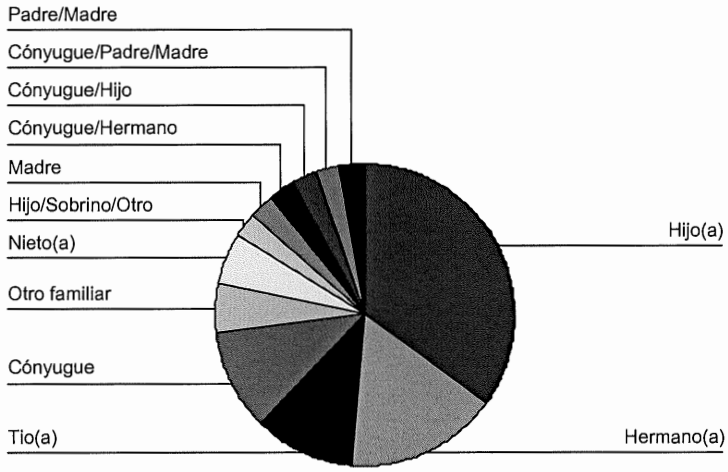
PARA EL EXPATRIADO



El expatriado usualmente no aplica sus remesas a asuntos relacionados consigo mismo, excepto en mantener una cuenta de ahorros en Nicaragua (100%)

GRAFICO No. 29

PARENTESCO DE LA PERSONA QUE ENVIA

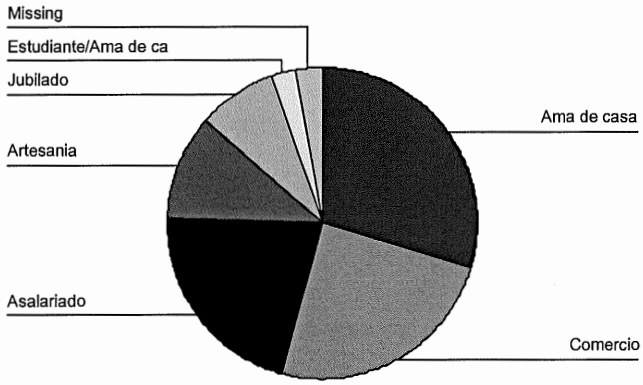


Generalmente los expatriados envían las remesas a sus padres (35,1%), hermanos (16,6%), sobrinos (10,8%) y esposa (10,8%)

GRAFICO No. 30

ACTIVIDAD A LA QUE SE DEDICA EL

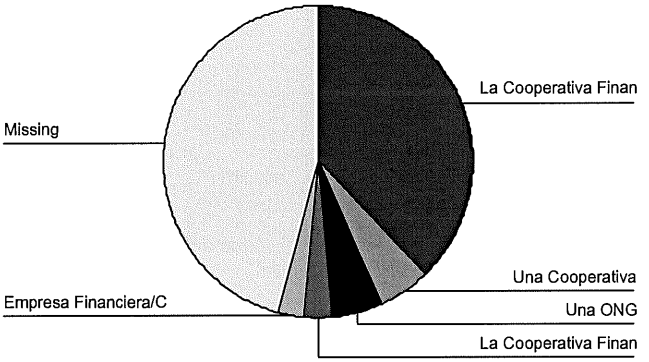
RECEPTOR DE REMESAS



Los beneficiarios de las remesas en Nicaragua, se ocupan como amas de casa (30,6%), comercio (25,0%), son asalariados (22,2%) o se dedican a hacer artesanías (11,1%)

GRAFICO No. 31

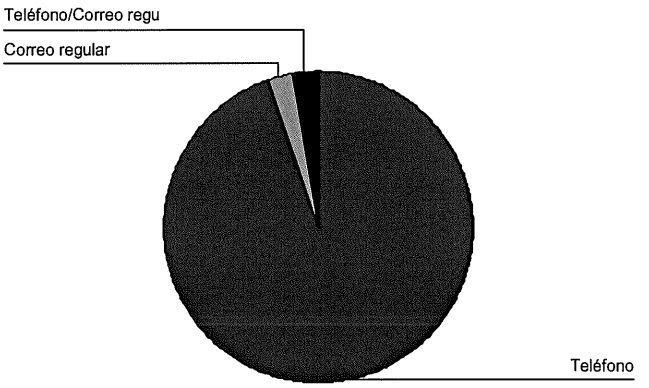
INSTITUCION QUE LE OTORGO EL MICROCREDITO



De los participantes en las sesiones que recibieron un Microcrédito o lo que ellos consideran un Microcrédito, la mayoría lo recibió de la CF (70,0%)

GRAFICO No. 32

COMUNICACION CON LA PERSONA EN EL EXTERIOR



Los participantes en la sesión de grupo se comunica con los expatriados que le envían las remesas principalmente por teléfono (94,6%). En las sesiones de grupo se pudo observar que generalmente el expatriado llama desde el exterior y si el beneficiario tiene que comunicarse desde Nicaragua lo hace desde su teléfono en su casa o desde un ciber café

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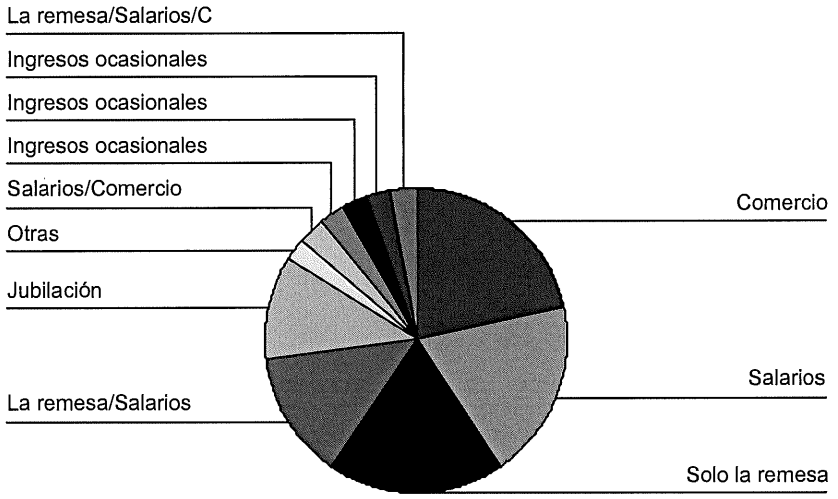
GRAFICO No. 33

OTRAS FUENTES DE INGRESOS DEL RECEPTOR DE REMESAS



Además de las remesas, los beneficiarios tienen ingresos producto de la actividad comercial (21,6%) y salarios (18,9%). Un número significativo solo tiene de ingreso la remesa (18,9%) y otro tiene la remesa como complemento del salario (13,5%)

En resumen la encuesta presentó las siguientes conclusiones:

1. La mayoría de los socios no tienen cuenta de ahorros en las Cooperativas (63%) ni en los bancos (86%)
2. Muchos expatriados tienen cuenta bancaria (38%)
3. Las ciudades donde se originan más remesas de los socios son
    a. Miami (36%)
    b. San José de Costa Rica (20%)
    c. Los Angeles (11%)
    d. Nueva York (8%)
4. Las remesas presentan la siguiente distribución en magnitud:

   a. Pequeñas (Menos US$ 100) (29%)
   b. Medianas (De US$ 101 a 250) (53%)
   c. Grandes (De US$ 251 a 400) (15%)
5. Las remesas son mensuales (57%) o quincenales (27%)
6. Se aplican principalmente a la alimentación(16%), los negocios (16%)(Prestamista de último recurso) y los gastos médicos(11%)
7. Los expatriados no aplican las remesas en Nicaragua para sus propias necesidades
8. Las remesas se originan principalmente de los hijos y de los hermanos (50%)
9. La mayoría de los receptores tienen otras actividades que les generan ingresos (50%)
10. Los que viven solo de las remesas representan una minoría (20%)
11. La gran mayoría de los socios se comunican por teléfono con sus parientes en el exterior (95%)
12. Un número significativo de los expatriados tienen correo electrónico (23%), aún cuando muchos socios desconocen si sus parientes en el exterior tienen correo electrónico (35%)
13. La mayoría de los expatriados no pertenecen a un asociación de emigrantes (43%), o bien el socio lo desconoce (57%)
14. Los socios que reciben remesas se dividen en tres grandes grupos:
    a. Personas de la tercera edad (Más de 55 años) 41%
    b. Adultos maduros (35 a 45 años) 32%
    c. Adultos jóvenes (25 a 35 años) 19%
15. El nivel educativo de los socios que reciben remesas es bueno:
    a. Primaria 31%
    b. Secundaria 32%
    c. Universitaria 14%
    d. Técnica 11%

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4.4.- CONCLUSIONES DE LAS SESIONES DE GRUPO

1. Los socios que reciben remesas desconocen muchos aspectos relacionados con los familiares en el exterior que les envían remesas
2. El momento, el monto, la forma de enviar la remesa y el precio es una decisión que toman los que envían las remesas
3. La cercanía y acceso del punto para poner las remesas es importante
4. Los socios solo influyen el envio de las remesas en forma excepcional cuando tienen una emergencia, pero no influyen en la forma y precio de cómo se enviará
5. A veces los beneficiarios le sugieren la forma de enviar la remesa a donde le quede más cerca (En Nicaragua) y donde sea más rápido, esta es la excepción de la regla
6. Lo más frecuente es que el expatriado lo pone y luego llama por teléfono al beneficiario
7. a velocidad de la remesa es un elemento crítico para el socio que recibe la remesa
8. La conveniencia y la cercanía del centro en el cuál se pone la remesa en el exterior es un elemento critico para el expatriado que envia la remesa
9. A los socios les da pena molestar a los parientes que envian las remesas
10. Los socios no se sienten capaces para trasmitir a los parientes que envian las remesas la información de la cooperativa
11. Muchos expatriados que no pueden tener cuenta en USA por ser ilegales, la mantienen en Nicaragua y el beneficiario le hace el depósito siguiendo las instrucciones del expatriado
12. Los beneficiarios mantienen el dinero de la remesa en su casa y lo cambian en isntituciones financieras formales o en cualquier negocio (Ferretería, farmacia, mercado, etc.)
13. Los beneficiarios son muy cuidadadosos con las opiniones que involucren a los expatriados
14. La mayoría de los socios desconoce cuanto le cuesta al pariente enviar las remesas, solo se limitan a esperar la llamada y buscar el dinero
15. Los socios usualmente esperan la llamada de los parientes en el exterior (Pasividad). Solo en situaciones excepcionales llaman a los parientes en el exterior para pedirles ayuda, estas llamadas las hacen desde el teléfono de su casa y las pagan ellos directamente en Nicaragua
16. Cuando los beneficiarios llaman a los parientes en el exterior lo hacen desde los teléfonos de su casa a través de un operador
17. Algunos beneficiarios usan centros de llamadas privados y pagan la llamada

18. El envío de remesas puede ser regular u ocasional (Navidad, cumpleaños, etc.)
19. Los envíos informales los llevan a la casa, no así los de instituciones formales (Western Union)
20. Los beneficiarios son pasivos frente a solicitar dinero a los expatriados, solo lo hacen en casos extremos de enfermedad o problemas serios
21. Aparentemente es más frecuente el envío variable que el fijo
22. La velocidad de entrega al beneficiario y la comodidad de colocación de la remesa para el expatriado son muy críticas, de hecho el horario tanto del centro de recepción en USA como del centro de entrega en Nicaragua es muy importante (Muchas receptoras de remesas trabajan los sábados)
23. Cuando quieren que el envío llegue más rápido lo envían por Western Union
24. A un residente en USA que visitaba Nicaragua le resulto atractivo el envío de remesas con cargo telefónico a la tarjeta de débito
25. Western Union cobra el 15%
26. Amigos Express cobre US$ 20 por cada US$ 100
27. Los beneficiarios cambian sus dólares en el banco y en el comercio, en mucho menor grado los cambian en la CFs
28. Muchos socios desconocían que pueden cambiar dólares en su CF
29. Es importante destacar que la cuenta que abrirían para depositar las remesas sería en US$ y sería a la vista
30. Rapido Giros cobra el 6%
31. Una de las principales motivaciones para abrir cuentas de ahorros es como freno a no gastar el dinero
32. Cuando los beneficiarios le sugieren a los expatriados que manden las remesas a la CF, encuentran que no pueden ubicar las receptorías de VIGO y al final, las mandan por el lugar de siempre
33. Un número significativo de beneficiarios usan ciber cafés para llamar por teléfono
34. Cualquier solicitud de información que se haga al beneficiario, se la mandaría al expatriado
35. Muchos expatriados le piden a la mamá o hermana que les abran una cuenta en US$ y mandan plata para ahorro; no se sabe si es porque están ilegales y los bancos no les abren cuentas o por confianza en su país
36. Dos horas se considera un plazo aceptable para que la remesa se realice
37. Aparentemente los expatriados que tienen mucho tiempo en USA tienen cuenta bancaria allá
38. Un aspecto crítico es la seguridad en el envio de la remesa, este aspecto no es tan importante para las remesas pequeñas (US$ 50 a

100) pero si es crítico para las remesas más altas. Se da el caso que una persona manda remesas pequeñas a traves de medios informales para abaratar costos, pero cuando necesita mandar más dinero lo hace por Western Union aún cuando le salga más costoso

39. Para los que envian las remesas es importante saber donde están los puntos de envio en el exterior para no perder el tiempo
40. El nivel educativo de muchos de los parientes que envian remesas es bajo, lo que dificulta la comprensión de las instrucciones para ubicar los centros de envios
41. El envio de remesas regular puede sufrir cambios y alteraciones dependiendo de los problemas financieros de los parientes en el exterior
42. Hay un desconocimiento de los socios en relación a los servicios que presta la Cooperativa (Cambios por ejemplo)
43. La cuenta de ahorros asociada a las remesas fue atractiva debido a:
    a. Se gasta menos el dinero
    b. Se reduce el riesgo de robo
    c. Evita cargar exceso de efectivo
    d. Evita el apuro para retirar la remesa ya que el dinero esta en la cuenta ganando intereses
    e. Se saca el dinero en la medida en que se necesita
44. Hay bastantes socios que ahorran con las remesas
45. La cuenta de ahorros a nombre del pariente para que este ahorre, podría ser atractivo debido a:
46. En algunos casos ya envian a socios remesas para que se las depositen en una segunda cuenta
47. Es difícil para muchos expatriados venir a Nicaragua y abrir la cuenta porque como ilegales no podrían regresar
48. El ahorro de remesas les facilita cubrir sus gastos cuando visitan Nicaragua (Residentes legales)
49. El préstamo con aval de los parientes expatriados fue atractivo debido a que:
    a. Muchos socios con parientes en el exterior tienen una capacidad de pago limitada
    b. Cualquier actividad de construcción, ampliación de vivienda es alta para hacerla con remesas
    c. Muchos parientes en el exterior desean que los socios en Nicaragua generen ingresos propios, financiando alguna actividad comercial

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4.5.- CONCLUSIONES GENERALES

1. Hay un desconocimiento sobre las remesas;
    a. Que la Cooperativa ofrece el servicio
    b. La ubicación de los centros de envío de remesas
    c. Confusión en la información telefónica que suministra VIGO sobre tarifas y precios
2. Los socios no están dispuestos o preparados para vender el servicio a sus parientes
3. VIGO presenta una capacidad lenta de respuesta y su mercadeo y apoyo ha sido limitado
4. Hay presencia limitada de VIGO en el exterior y los puntos están muy distantes
5. El sistema actual de VIGO no esta adecuado para la operación con intermediarios como la CENTRAL
    a. Esta diseñado para manejar el punto de entrada y de pago de la remesa
    b. Se requiere realizar una serie de operaciones complejas y engorrosas para enviar a las CFs la información
    c. El esquema manual de trabajo genera retrasos
    d. El esquema manual de trabajo genera errores
6. No se puede delegar en los socios que reciben remesas para que convenzan e informen a sus parientes en el exterior
    a. Aún cuando el nivel educativo es bueno, no han sabido trasmitir la información o no la tienen
    b. No tienen claros los conceptos y argumentos
    c. Les da pena molestar a los parientes
    d. Son pasivos
    e. Desconocen muchos aspectos financieros relacionados con sus parientes en el exterior
7. Hay una inercia natural de los remisores de remesas a seguir usando el medio tradicional
8. La cercanía y conveniencia de los centros de envío de remesas en el exterior son muy relevantes
9. La rapidez de envío es critica para los receptores de la remesa
10. La cuenta de ahorros vinculada a la remesa es muy atractiva
11. El costo de las remesas no es significativo frente a la comodidad y el acceso para el remisor
12. El costo de las remesas de VIGO esta muy por debajo de las instituciones confiables en su misma categoría
13. El sistema informal maneja remesas pequeñas (Menos de US$ 100), las remesas mayores se envían por instituciones reconocidas
14. Los servicios de remesas de Costa Rica son muy deficientes

15. Ya los parientes en el exterior de muchos socios envían remesas para ser depositadas en una cuenta de ahorros en US$
16. El líder absoluto es Western Union y es al mismo tiempo, el más costoso
17. a Los socios desconocen mucho sobre los aspectos financieros y sociales de sus parientes en el exterior
18. Las decisiones sobre remesas las tienen los expatriados
19. La comodidad, horario y acceso de los puntos de envío en el exterior son críticos
20. La rapidez del envío es critico, en particular para el receptor
21. El costo de envio de las remesas superiores a US$ 100 es menos importante que la calidad de atención, el servicio y la seguridad del dinero
22. Hay una intensa comunicación telefónica entre los socios y sus parientes en el exterior, usualmente los expatriados son los que llaman
23. La cuenta de ahorros vinculada a las remesas fue muy bien recibida
24. Los préstamos con aval del expatriado fueron bien recibidos por los socios, pero con mucha cautela respecto a que hay que hablar con el pariente en el exterior. Es posible que el préstamo se limite a mejoras y construcción de vivienda dado que un número significativo de los socios (78%) son propietarios de vivienda cancelada
25. El servicio de receptoría de correo electrónico fue bien recibido, su aplicación principal podría ser el manejo de fotocopias y fotografías
26. Prácticamente las remesas solo se están promoviendo a través de un número telefónico, se desconoce el resto de la información
27. Hay problemas de identificación de receptores debido a las discrepancias entre los nombres que pone el remisor y las cédulas, esto es debido al tratamiento de los nombres y apellidos en USA, en particular los de casada

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5.- RECOMENDACIONES

1. Hay que acceder directamente a los expatriados para ofrecerles los servicios y venderles la idea
2. Los expatriados pueden ser accedidos por teléfono (95%) y por correo electrónico (23%)
3. La cuenta de ahorros vinculada a las remesas puede ser un producto que atraiga fondos de los expatriados, los cuales serían:
    a. Para cubrir sus gastos en Nicaragua
    b. Como fondo de emergencia de reserva para sus parientes
    c. Dinero estable
4. Hay que realizar la encuesta a los socios para conocer y validar las actitudes y conductas de remesas
5. Hay que extender la encuesta a la región de Centroamérica y Suramérica
6. Hay que iniciar el proceso de recolección de información de los repatriados y los receptores de remesas, de manera de desarrollar un data warehouse para alimentar intenso mercadeo directo
7. Hay que negociar con VIGO para que se cobre 5% por la remesa, de manera de hacer un fondo de mercadeo con el 1% (Aún así se estaría por lo menos 1% por debajo de la institución confiable más barata)
8. Hay negociar con VIGO una mayor presencia en Miami
9. Hay que exigir a VIGO la lista de los agentes en el exterior indicando
    a. Empresa/Persona
    b. Nombre contacto
    c. Dirección
    d. Teléfono
    e. Zip code
10. Hay que auditar el servicio telefónico de VIGO
11. Hay que auditar los puntos de recepción de remesas de VIGO
12. Hay que evaluar las tarifas de remesas en Miami
13. Hay que revisar los guiones del servicios de teléfono de VIGO, si los usan, para asegurarse de que informan correctamente. Si es necesario habría que capacitar a las operadoras de teléfono y elaborar los guiones con los que van a trabajar
14. Hay que desarrollar nuevos esquemas de trámite de remesa a distancia
    a. Por teléfono con cargo a la tarjeta de débito que los expatriados usan para pagar en el comercio
    b. Por teléfono con cargo a la tarjeta de crédito
15. Hay que revisar los procedimientos de operación en Nicaragua para agilizar las transacciones
16. Se debe activar la caja de la Central con posibilidad de una ventanilla de servicios extendidos que trabaje en la noche y los fines de semana

para atender, entre otras cosas las remesas, de manera de estar abiertos cuando la Western Union y OMS están cerrados

17. Se debe desarrollar la cuenta de ahorros vinculada a remesas:
    a. Que se pueda abrir a distancia
    b. Que se pueda movilizar a distancia
    c. Que el expatriado pueda depositar directamente sin necesidad de intermediario
18. Inicialmente se debería desarrollar y probar el préstamo vinculado a la vivienda y avalado o a nombre del expatriado como codeudor
19. En una segunda etapa se debería considerar el préstamo para negocios, con el expatriado como codeudor
20. Hay que estudiar los aspectos jurídicos de la operación a distancia y la identificación y cobro en caso de incumplimiento
21. Hay que desarrollar una política para resolver los problemas de identificación de los receptores
22. Hay que contactar en Costa Rica a las Cooperativas más grandes y de mayor cobertura para hacer alianzas virtuales para manejar las remesas con ese país
23. Hay que desarrollar un software eficiente alrededor del software de VIGO para automatizar los procesos de remesas y comunicaciones