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# PERFORMANCE MONITORING REPORT

**MICROENTERPRISE ACCESS TO BANKING  
SERVICES (MABS) PROGRAM  
THIRTY-FIFTH QUARTER  
JULY 1 – SEPTEMBER 30, 2006**

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Rural Bankers Association of the Philippines (RBAP)  
Mindanao Economic Development Council (MEDCo)**

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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## Acronyms Used in this Report

ARMDEV	Associated Resources for Management and Development Inc.
AO	Account Officer
BSP	Bangko Sentral ng Pilipinas
CIBI	Character/Background Investigation
EAGLE	Efficiency, Asset Quality, Growth, Liquidity, and Earnings
LC	Learning Center
LCDP	Loan Collection and Disbursements Points
MABS	Microenterprise Access to Banking Services
MABSTeRS	MABS Technical Resource Specialists
MAP	Micro Agri-Loan Product
MATTS	<i>MABS Approach</i> Training and Technical Services
MEDCo	Mindanao Economic Development Council
MIS	Management Information System
MPMS	MABS Performance Monitoring System
MSP	MABS Service Providers
PB	Participating Bank
PDA	Personal Digital Assistant
RB2000	Rural Banker 2000
RBAP	Rural Bankers Association of the Philippines
RBRDFI	Rural Bankers Research and Development Foundation Inc
SAF	Special Activities Fund
SMS	Short Messaging Service
TAP	Text A Payment
USAID	United States Agency for International Development

## Executive Summary

This document serves as the Microenterprise Access to Banking Services (MABS) Program's Thirty-fifth Quarterly Performance Monitoring Report, covering the period from July 1 through September 30, 2006. It also lays out the workplan for the next quarter.

The MABS Program is a United States Agency for International Development (USAID)-financed program implemented by the Rural Bankers Association of the Philippines (RBAP) with oversight provided by the Mindanao Economic Development Council (MEDCo) under the Office of the President. The Program is one of the principal elements of USAID/Philippines' efforts to accelerate the economic transformation of the country, particularly Mindanao, through expanded participation of lower-income groups in productive activities. MABS is directed at bringing about a sizable expansion of banking services—both loans and savings—to microenterprises and other groups at lower socio-economic levels by assisting rural banks in the Philippines develop the capability to profitably provide these microfinance services. The Program provides participating rural banks with the *MABS Approach* Training and Technical Services (MATTS) package, a systematic, step-by-step, training and technical assistance package followed by rural banks as they develop the full capability to profitably provide loan and deposit services to microenterprises. MABS initially worked with banks in Mindanao but has since expanded technical support to Luzon and Visayas rural banks.

From the Program's inception until 2003, the Program's technical staff provided training and technical assistance. In 2003, MABS launched the MABS Service Provider (MSP) Program to accelerate the installation of MATTS and to ensure the sustainability of the Program's activities. MSPs— private organizations – were trained by MABS and accredited by RBAP to offer MATTS to interested rural banks. There are presently two MSPs – Associated Resources for Management and Development (ARMDEV) and Punla sa Tao Foundation – providing MATTS to interested rural banks. MSPs will have the capability to install MATTS in 70 to 80 additional banks per year.

Until September 2007, MABS will focus on expanding the number of microenterprises served by participating banks (PBs), expanding support to thrift banks, developing and pilot-testing a new micro agri-loan product (MAP) that will serve agriculture-based microenterprises, and developing and introducing microbanking technologies and innovations.

To extend microfinance services to more microentrepreneurs, the Program will further reinforce the capabilities of PBs through close monitoring, periodic training and microfinance knowledge sharing. PBs will be assisted in reviewing, identifying and modifying existing counter-productive practices. MABS will work with MSPs to modify the orientation and training of new PBs according to new, expanded targets.

To give small farmers and owners of agriculture-based microenterprises access to financial services, MABS developed a micro agri-loan product. After successfully pilot testing the product in 2004-2005, MABS is now rolling this product out to other interested participating rural banks.

Innovations, such as personal digital assistants (PDAs) and mobile phone banking applications, were also explored and developed. Participating banks are already offering three new mobile phone banking applications - the microlan repayment service Text-A-Payment (TAP); the deposit service, Text-A-Deposit (TAD); and the payroll service, Text-A-Sweldo (TAS). These applications utilize Globe Telecom's electronic money facility, G-Cash; all transactions – registration, authentication, authorization, and confirmation – are conducted through SMS.

MABS is currently developing another innovation, the distance-learning program. The Web-based training program will reduce the costs of training bank staff and scale up the delivery of training to the continuously increasing number of MF staff that need to be trained and re-trained.

MABS will assist a minimum of 350 rural and cooperative rural bank branches in the Philippines to significantly increase the services they provide to the microenterprise sector. In addition, at least one of the larger thrift banks will be enrolled in the Program and will implement the MABS Approach in the majority of their branches.

During the 35<sup>th</sup> Quarter, MABS facilitated the annual planning workshops of 11 of its larger participating banks. As part of the Program's strategy for expanding outreach, special technical support is being provided to "large" participating banks - new and existing banks that have nine or more units (including the head office) which have demonstrated their management commitment to microfinance, have made significant investments in their microfinance operations, and have the potential for further expansion in the microfinance services to reach a significant number of clients.

The planning workshops were structured to train and prepare the staff of the banks to conduct their own strategic and operational planning. Participants of the planning workshops drew up three-year targets for its microfinance products using *Micro-Pinoy*, MABS' financial projections tool. The banks also developed their over-all microfinance operations strategy and its corresponding action plans.

Major initiatives aiming to institutionalize the *MABS Approach* to microfinance in PBs were launched during the Quarter. The MABSTeRS training module was modified to reflect the re-direction of MABSTeRS as in-house trainers of their respective banks. The enhanced module was rolled out in the training of additional MABSTeRS.

To date, a total of 66 MABSTeRS have been trained and the first batch (12) has been accredited by MABS. The MABSTeRS conducted training on MF best practices and principles, CI/BI and cashflow lending techniques, zero tolerance against delinquency and remedial management during 2006. Eight accredited MABSTeRS have so far served

as resource speakers in at least three training courses from 2003-2004. The MABSTeRS accreditation process has been streamlined to ensure that new and existing MABSTeRS continuously improve their training skills through the conduct of regular trainings.

MABS also rolled out a new course - hardcore delinquency management – during the Quarter. The course gives an in-depth understanding of delinquency and its causes and presents alternative collection remedies including remedial management through legal options and debt recovery. Guidelines for writing off loans and setting up remedial management units - specialized units created to manage the collection and recovery of all written off or hardened accounts – form part of the course.

MABS also hosted the 4<sup>th</sup> Rural Banker 2000 (RB2000) Users' Conference. Users of the banking software discussed installation, deployment, and maintenance issues with technical personnel of RB2000 rollout companies.

During the Quarter, MABS secured approval from the Bangko Sentral ng Pilipinas for the implementation of the Text-A-Deposit service. Under this service, depositors of accredited rural banks can now receive G-Cash via their bank accounts. The service also creates new business opportunities and increases business flexibility, as small businessmen can now accept G-Cash as payment for goods and services and easily deposit funds to their bank accounts through SMS.

MABS and SMART Communications also started preparations for the rollout of mobile phone banking applications using SMART Money during the Quarter. A request for the approval of the implementation of mobile phone banking applications using SMART Money was submitted to the BSP.

MABS continued to monitor the micro agri-loan product (MAP) rollout. As of August 2006, 28 bank units have been trained in the *MABS Approach* to micro agri-credit; 24 of these banks are currently offering MAP and collectively have 2,365 active borrowers, with an outstanding loan portfolio of more than PhP16 million. The portfolio-at-risk ratio over 30 days is 1.17%. Five MABS PBs - Bangko Luzon, First Macro Bank, Rural Bank (RB) of Solano, GM Bank, and RB Mabitac - were selected for the third rollout of the MAP. Selection was based on portfolio quality, adequate liquidity, willingness to assign a full-time supervisor and account officers and to fully adapt new approaches and policies for agri-lending, and concentration of small farmers/agriculture-based microenterprises in the banks' service areas. Staff of the third rollout banks were trained on MAP features and procedures, market research, and product development.

As of the close of the 35<sup>th</sup> quarter, the Program's participating bank units have disbursed a total of PhP10.5 billion (approximately US\$209 million) totaling more than 876,000 microloans to more than 310,000 new microborrowers. From January 1998 up to September 2006, the number of microdeposit accounts increased by 388,000 and the microdeposit balance increased by PhP602 million (about US\$12 million). As of September 2006, MABS PBs' loan portfolio balance totaled more than PhP775 million



(about US\$15 million) comprising more than 105,000 active borrowers. MABS has provided direct support to 84 banks with 301 rural banking units.

## **Contractor's Report**

### ***a) MABS Oversight.***

MABS receives overall program guidance from a Steering Committee, composed of a representative from the Office of the President, the Executive Director of the Rural Bankers Research and Development Foundation Inc. (RBRDFI), a USAID representative, the RBAP President, and the Chairperson of the MEDCo. This committee identifies focal areas for program coverage and formulates and concurs with major policies that guide the MABS Program.

MABS receives guidance and support on implementation matters from a Management Committee. This committee is composed of the Executive Director of MEDCo and the USAID Cognizant Technical Officer (CTO). The Management Committee approves all expenditures from the MABS Special Activities Fund (SAF), which is used to implement activities such as conducting special studies and training, providing commodity and technical support and incentive schemes, and procuring services of organizations or individuals needed to carry out specialized tasks.

The MABS Program got underway in April 1998 and has been extended to September 2007.

### ***b) Expected Results***

The objectives and targets for September 2007 are:

1. Expansion of the average number of borrowers of participating bank units from the present 400 to a new average of 800.
2. All participating bank units initiating lending will have an average of 800 microborrowers after 24 months of operation of the *MABS Approach to Microfinance*.
3. A minimum of 350 rural banks and bank branches from throughout the Philippines will receive MABS assistance.
4. These banks will altogether expand their portfolios to reach a total of at least 160,000 active borrowers by September 2007 and reach 350,000 cumulative new borrowers by September 2007.
5. Enroll at least 400,000 new microdepositors among all participating banks.

6. At least eight of the 18 rural banks which have at least nine branches will be enrolled into the MABS Program and will be offering the *MABS Approach* to Microfinance in the majority of their branches.
7. One or more of the larger thrift banks will be enrolled into the MABS Program and will be offering the *MABS Approach* to Microfinance in a majority of their branches.
8. MABS Service Providers will have the capability of offering MATTS to at least 70 to 80 banks per year.
9. RB2000 will be copyright-protected and will be procured and installed by at least 150 bank units.
10. A micro agri-loan product will be developed and tested. If it appears to be a viable product, it will be disseminated to and offered by at least 50-100 rural bank units.

***c) Current Core Activities: MABS Activities***

The Program's activities and objectives for the third phase (October 2004 to September 2007) are focused on six main areas:

1. Bank Strengthening & Outreach
2. Full Development of Various Anti-Backsliding & Microfinance Promotion Institutions
3. Bank Management Software & Related Peripheral Technologies
4. Development of Rural Finance Products
5. Support & Other Activities
6. Program Management

Below are highlights of the tasks accomplished under each core component in the Thirty-fifth Quarter (April 1 – June 30, 2006) and tasks planned for the Thirty-fifth Quarter (July 1 – September 30, 2006).

**1. Bank Strengthening & Outreach**

Activities and initiatives under this component aim to significantly expand the number of microenterprise clients being served by each PB unit by modifying the orientation and training of existing and new PBs, implementing special programs for banks with extensive branch networks, and expanding the *MABS Approach* to thrift banks.

MABS will work with PBs in reviewing, identifying and modifying counter-productive policies, programs, and procedures. Among the recommendations are: shifting loan

payment schedules from daily to weekly, implementing a performance-based incentives program for account officers, increasing loan ceilings, and revising mandatory savings policies. Scaling-up of targets and marketing programs will be the focus of MABS' training and support. Orientation and training of new banks (by the MSPs) will reflect these modifications. MABS will also implement special programs and focused technical support to banks that have a branch network of nine or more.

Until 2004, the *MABS Approach* to microfinance had been exclusively installed in rural banks. This was based on the assessment that only rural banks had the cost and overhead structure low enough to allow for the profitable provision of microfinance services. Over the past years, however, some of the larger thrift banks have implemented cost-cutting measures, giving them the potential to offer microfinance services at a profit. This development gives thrift banks a very significant, albeit potential, role in assuring availability of reasonably priced financial services to microenterprises, given that there are some 93 thrift banks in the Philippines, with a total of about 1200 branches. Recognizing this, the *MABS Approach* to microfinance will be offered to at least one of the larger thrift banks. Depending on the success of that effort, MABS could also be offered to several additional large thrift banks.

#### **Tasks completed in the Thirty-fifth Quarter:**

*Task One. Conduct training on managing hardcore delinquent accounts.* MABS conducted a course designed to help PBs manage and handle hardcore delinquent accounts; 26 participants from 11 Luzon and Visayas PBs attended the course. The course provided participants with an in-depth understanding of delinquency and its causes and taught them how to analyze and interpret their loan portfolio. The course also presented participants with alternative collection remedies including remedial management through legal options and debt recovery. Guidelines for writing off loans and setting up remedial management units, specialized units created to manage the collection and recovery of all written off or hardened accounts, were also discussed during the course.

The course also presented the advantages of the Special Purpose Asset Vehicle (SPAV) Law to rural banks. The SPAV Law or RA 9182 sets out the legal, regulatory and taxation framework for the sale by banks and other financial institutions of their non-performing assets (loans and acquired assets) with fiscal incentives and regulatory relief.

*Task Two. Conduct strategic planning and operations reviews for large banks that plan to expand.* MABS facilitated the strategic planning workshops of 11 of its larger participating banks during the quarter. The banks included Philippine Rural Bank, Mallig Plains Rural Bank, Bangko Kabayan, Cantilan Bank, Banco Santiago de Libon, 1<sup>st</sup> Valley Bank, First Macro Bank, Rural Bank of Dulag, Green Bank of Caraga, GM Bank, and the Rural Bank of Montevista. Participants of the planning workshops prepared three-year targets for their microfinance products using *Micro-Pinoy*, MABS' financial projections tool. The banks also developed their overall microfinance operations strategy and corresponding action plans for the next year.

*Task Three. Convert three MABS training module (Account Officers' Course, Delinquency and Remedial Management, and Middle Management Training Course) into distance-learning training courses.* Staff from five PBs participated in the pilot-test of the distance-learning course and completed one module of the Account Officers' Course. The results of the pilot-test are now being used to develop and convert the following MABS training courses into an e-learning platform for posting on the MABS Moodle Distance Learning website ([www.moodle.rbapmabs.org](http://www.moodle.rbapmabs.org)) and for adaptation to stand-alone/CD-based training materials:

- Getting started in Distance Learning – “Navigating the MABS Moodle Distance Learning website”
- Account Officers' Training Course
- Delinquency and Remedial Management Course
- Basic tools for Microfinance Supervision
- Market Research for Microfinance Services
- Product Development/Pilot-testing
- Savings Mobilization strategies

*Task Four. Monitor the expansion of PlantersBank to additional branches in Luzon.* PlantersBank's Bulacan branch is already offering microfinance products; the bank will be submitting performance reports in the next quarter.

*Task Five. Deliver Senior Management Orientation Module to officers of additional thrift banks.* MABS will be meeting with officers of Kauswagan Bank, a thrift bank with branches in Iloilo, in the next quarter.

**Tasks to be completed in the Thirty-sixth Quarter:**

*Task One. Conduct strategic planning and operations reviews for large banks that plan to expand.*

*Task Two. Rollout the enhanced market research and product development course.*

**2. Full Development of Various Anti-Backsliding & Microfinance Promotion Institutions**

MABS will continue to develop and implement the microfinance promotion institutions and measures that were established during the second phase. These programs and institutions were established to ensure continuity and sustainability in the provision of microfinance services at a profit - both by new and existing participating banks.

MABS will closely monitor the performance of PBs to ensure strict adherence to the *MABS Approach* through collecting weekly and monthly performance monitoring reports and periodically conducting roundtables, forums, and refresher courses. Practitioner

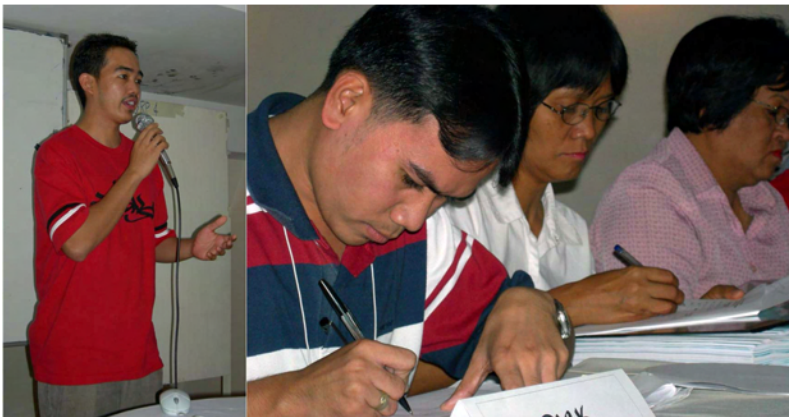
learnings, experiences, developments, updates, and trends will continue to be discussed and shared during these events. MABS will work to achieve a status of full viability and maturity for the microfinance promotion institutions establish during the second phase. These include the MABS Compliance Certification, EAGLE rating, the Credit Bureau, Learning Centers, MABS Technical Resource Specialists, and MSPs.

**Tasks completed in the Thirty-fifth Quarter:**

**Task One. Re-design, enhance, and rollout MABSTeRS training modules.** The role of the MABSTeRS has been re-focused to that of being in-house trainers of their respective banks. Accrediting more internal trainers reinforces the institutionalization of the *MABS Approach*, which in turn, ensures profitability and sustainability of microfinance operations.

In line with the new focus of the MABSTeRS Program, MABS re-designed and enhanced the MABSTeRS training modules. Two new, separate modules focusing on character based-analysis and repayment capacity analysis have been developed under the Client selection Module. These split-modules give account officers a more detailed guide to client selection.

**Task Two. Select and train additional MABSTeRS.** MABS conducted two training-workshops to train additional MABSTeRS during the quarter. Sixteen participants from seven MABS Visayas and Mindanao participating banks (PBs) completed the four-day workshop in July. Nine of the 16 participants are new MABSTeRS- candidates. Fifteen new MABSTeRS-candidates from nine Luzon PBs completed training on the modules and effective delivery of the Account Officers Training Course in August.



Participants learned the basics of the Account Officers' (AO) Training Course modules and the appropriate training techniques and methodologies that they can employ in delivering the course. They also completed written diagnostics tests that were designed to measure their core

knowledge of the training course and delivered a lecture/presentation designed to assess their presentation\communications skills. To be accredited, MABSTeRS-candidates must conduct at least two AO Training Courses within a period of six months after the training workshop.

*Task Three. Hold the Luzon/Visayas and Mindanao Regional Roundtable Conferences.* The Luzon/Visayas and Mindanao Roundtable Conferences will be held in the next quarter. Both conferences will focus on measures to address increasing competition.

**Tasks to be completed in the Thirty-sixth Quarter:**

*Task One. Hold the Mindanao Regional Roundtable Conference.*

*Task Two. Hold the Luzon and Visayas Roundtable Conference.*

**3. Bank Management Software & Related Peripheral Technologies**

USAID advanced the development of Rural Banker 2000 (RB2000), a banking software package that is comprehensive, flexible, user friendly, scalable, and affordable to the majority of small, medium, and large rural banks. The latest-developed version of RB2000 meets all the requirements for data collection and reporting of traditional banking and microfinance operations. It has also been certified by the Bangko Sentral ng Pilipinas as compliant with its reporting formats.

During the Program's third phase, MABS will continue to work with the RBAP MIS Steering Committee to monitor the rollout progress of RB2000. The MABS Program will also work closely with the RB2000 Service Providers to ensure that a high level of installation and support services are provided to rural banks, which will guarantee continued expansion and usage of the software. In 2006, MABS will work with the RB2000 service providers to develop an RB2000 website which will include practical, on-line troubleshooting tips to frequently asked questions. To protect the software, MABS will review its license and acquire the appropriate copyright.

MABS will continue to develop and pilot test new technologies that will complement RB2000 (e.g., greater utilization of the PDA technology and the use of mobile phones to handle loan payments via SMS). The rapid rate of technological advancement over the past five years has lowered costs to a level that allows rural banks to invest in technologies that improve efficiency and outreach. MABS will expand the use of the mobile PDA program that enables loan officers to capture data in the field and upload these to the computer, reducing paperwork and man-hours. MABS will also pilot test and roll out the electronic repayment/collection of loans, deposits, and sending of remittances through SMS. SMS sent through mobile phones (which will function as "electronic wallets") will facilitate microloan payments/collection and the sending of domestic and overseas remittances.

**Tasks completed in the Thirty-fifth Quarter:**

*Task One. Hold the 4<sup>th</sup> RB2000 Users' Conference.* Eighteen participants from 11 banks using Rural Banker 2000 (RB2000) and 15 technical personnel from the software's rollout companies, Automated Systems and Equipment Corporation (ASECSoft) and Integrated Systems, Services and Equipment Corporation (ISSEC), attended the 4<sup>th</sup> RB2000 Users' Conference. The software's users provided feedback on RB2000 and



discussed installation, implementation, and maintenance issues with the representatives of the rollout companies.

Mr. Vicente De Villa III, Director of the Supervisory Data Center of the Bangko Sentral ng Pilipinas (BSP), was present to discuss the New Financial Reporting Package (FRP), BSP's new financial reporting format. Mr. George Dyaico, General Manager of RB2000 pilot test site Rural Bank of Mabalacat, gave a user testimonial, outlining the development of the software - from the beta-testing to the software issues presently being addresses by the rollout providers. Rollout company ASECSOFT presented RB2000's new features and improvements. Participants were able to hold in-depth discussions with their service providers during the conference's breakout sessions. After the breakout sessions, representatives of the rollout companies presented their users' frequently encountered problems and other maintenance and after-sales service issues and discussed how they will address the issues raised.



Mr. Vicente De Villa III, Director of the Supervisory Data Center of the BSP, presents the New Financial Reporting Package (FRP) to participants of the 4<sup>th</sup> RB2000 Users' Conference.

*Task Two. Set up the RB2000 website.* MABS is working with RB2000 rollout company ASECSOFT for the integration of a link on RB2000 with ASECSOFT's website

*Task Three. Work with SMART Telecommunications to pilot test mobile banking applications utilizing SMART Money, SMART's electronic money facility.* A workplan for the rollout has been developed; rollout will be implemented in the next quarter.

*Task Four. Rollout Text-A-Payment and Cash-in/Cash-out of Globe Telecom's G-Cash for all interested rural banks.* 187 bank branches have been approved to offer G-Cash services; 67 rural bank branches' applications are being processed.

*Task Five. Seek BSP approval of Text-A-Deposit service utilizing G-Cash.* The BSP approved the implementation of the Text-A-Deposit service, a new mobile banking application that allows clients of accredited rural banks to send deposits to or receive remittances directly to their bank account via short messaging services (SMS) for fees as low as 1%. Like the BSP-approved microloan repayment facility - Text-A-Payment -

Text-A-Deposit also uses Globe Telecom's electronic money platform, G-Cash. G-Cash turns mobile phones into virtual electronic wallets for sending and receiving remittances, making deposits, making payments and selling goods and services.

*Task Six. Train additional rural bank staff on mobile banking application features and procedures.* With the support of MABS, the Rural Bankers Association of the Philippines (RBAP) and Globe Telecom subsidiary GXchange conducted a training/workshop on the features and uses of mobile phone banking applications Text-A-Payment, Text-A-Deposit, and Cash-in/Cash-out money transfer services. Twenty-four participants from 14 rural banks attended the workshop held in September at the RBAP office.



Rural bankers participating in the RBAP-MABS Mobile Phone Banking Applications workshop.

Participants learned how to download the G-Cash menu, register their Globe mobile phones to use G-Cash, how to send and receive money from phone-to-phone (P2P), and how to accept payments, remittances, and deposits via G-Cash. Participants were also provided with a detailed outline of an e-banking contingency plan as well as manuals on risk management, internal control procedures, and information security policies for mobile phone banking services.

Thirty-one rural banks are now

accredited to offer mobile phone banking services to their clients utilizing the G-Cash platform.

*Task Seven. Hire lawyer to finalize copyright and licensing for RB2000.* Subject to USAID approval, the copyright and licensing for RB2000 will be finalized in the next quarter.

**Tasks to be completed in the Thirty-sixth Quarter:**

*Task One. Set up the RB2000 website.*

*Task Two. Work with SMART Telecommunications to pilot test mobile banking applications utilizing SMART Money, SMART's electronic money facility.*

*Task Three. Continue to rollout Text-A-Payment, Text-A-Deposit, Text-A-Sweldo, and Cash-in/Cash-out of Globe Telecom's G-Cash for all interested rural banks.*

*Task Four. Train additional rural bank staff on mobile banking application features and procedures.*



*Task Five. Hire lawyer to finalize copyright and licensing for RB2000.*

#### **4. Development of Rural Finance Products**

The Program has promoted microfinance technology in the rural areas but has not given PBs technical support in developing micro agri-loan products. The furthest the Program has gone in this area is to allow anticipated income from certain farm activities (i.e., poultry raising) to be included in the calculation of the microborrower's ability to repay a loan. Under the traditional *MABS Approach*, crop income was considered too risky to accurately determine total income and was not included in the cashflow analysis for microfinance loans. This limited the amounts that farmers could borrow.

During the third phase of the Program, MABS developed and pilot-tested a new micro agri-loan product. The product's development, introduction, and pilot-testing is similar to that of other microloan products developed under the Program. At the end of Phase 3, at least 50 PB units are expected to offer the micro-agri loan product.

#### **Tasks completed in the Thirty-fifth Quarter:**

*Task One. Continue to closely monitor the micro agri-loan rollout.* As of August 2006, 28 bank units have been trained in the *MABS Approach* to micro agri credit; 24 of these banks are currently offering MAP and collectively have 2,365 active borrowers, with an outstanding loan portfolio of more than PhP16 million. The portfolio-at-risk ratio over 30 days is 1.17%.

*Task Two. Select banks for the third MAP rollout.* Five MABS PBs - Bangko Luzon, First Macro Bank, Rural Bank (RB) of Solano, GM Bank, and RB Mabitac - were selected for the third rollout of the MAP. Selection was based on portfolio quality, adequate liquidity, willingness to assign a full-time supervisor and account officers and to fully adapt new approaches and policies for agri-lending, and concentration of small farmers/agriculture-based microenterprises in the banks' service areas.

*Task Three. Train staff of selected 3<sup>rd</sup> rollout banks on MAP's features and procedures.* Seventeen microfinance unit staff from the five 3<sup>rd</sup> rollout banks completed the market research and product development training-workshop. The workshop participants learned the principles, framework, rationale, and steps of market research and product development. Participants also completed fieldwork in three *barangays* (villages); they gathered secondary data and conducted household interviews using the survey instrument developed by MABS. In the subsequent workshop sessions, they tabulated, processed, analyzed and interpreted the survey results and secondary data.

For the sessions on MAP lending process and client selection, the participants learned how to conduct character and background investigation and loan application interviews, analyze client information, prepare clients' cash flow reports, and make financial projections using the MABS-developed template, *MicroPinoy*. To ensure proper management and monitoring of their banks' MAP lending, participants were oriented on the MAP loan forms, reports, and reporting schedule. At the end of the workshop,

participants drafted a product development and market research action plan for their banks' MAP lending. The 3<sup>rd</sup> rollout banks are expected to start offering MAP within six months.

**Tasks to be completed in the Thirty-sixth Quarter:**

*Task One. Continue to closely monitor the micro agri-loan rollout.*

*Task Two. Conduct the MAP practitioner learning sessions.*

*Task Three. Conduct product and operations reviews of MAP pilot banks.*

**5. Support & Other Activities**

To support the expansion of the *MABS Approach* to additional rural banks, MABS will continue implementing its communications and performance monitoring and evaluation programs. Additional support activities will be conducted in 2005, such as assisting RBAP in obtaining support from other donors for expansion of the *MABS Approach*, ensuring continued linkages between MABS PBs and other Philippine and international microfinance practitioners, and implementing deposit mobilization programs to enhance micro-deposit mobilization strategies of PBs.

**Tasks completed in the Thirty-fifth Quarter:**

*Task One. Continue to evaluate monthly MFU performance.* As of September 30, 2006, the Program's participating bank units have disbursed a total of PhP10.5 billion (approximately US\$209 million) totaling more than 876,000 microloans to more than 310,000 new microborrowers. From January 1998 up to September 2006, the number of microdeposit accounts increased by 388,000 and the microdeposit balance increased by PhP602 million (about US\$12 million).

*Task Two. Complete the survey of microenterprise borrowers and submit the survey final report.* A study to estimate the growth in employment, growth in assets, and growth in savings generated by microenterprises that have availed of the financial services of MABS PBs was completed in 35<sup>th</sup> Quarter. Summary of the findings is provided below:

- Impact on Improved Access to Formal Credit
  - MABS participating banks provided the first formal bank loans for most of the microentrepreneur-clients of said banks. The majority of the clients rely on their microenterprise as their family's main source of income.
  - Average number of loans per repeat borrower has increased from 4 loans per borrower in 2001, to 6 in 2003 and to 10 loans in 2005. Average initial amount of loans is the same for repeat and new clients at less than P12,000. Incremental increases over an average of 10 loan cycles have more than doubled their loan sizes to more than P25,000.

- Impact on Asset Buildup
  - Increased access to financial services from MABS PBs has had positive impacts on business and household assets of clients. Data showed that 60% of repeat clients increased their level of business assets since their first loan. On average, clients' assets increased by more than 20% since taking their first loan from the bank. As a result of the buildup in business assets, almost half of the clients had an increase in household income.
  - Increasing trend in household income from the time of first availment of the loan suggests that the loans enable the clients to become more productive. This change in household income is not only derived from a one-time increase in inventory or supplies made possible through the loan but more on the incremental effects of business investments purchased by borrowers over the years, i.e., purchase of minor and major tools to enhance operations, enhancement of their business facilities, etc., which contribute to the microenterprises' overall productivity.
- Impact on Business Activities and Income
  - Participation in the program overall also has had positive impacts on income-generating activities of the borrowers, in terms of number and amount. Almost half of the clients had an increase in sales in the last 12 months due to access to micro-credit from a MABS PB.
  - Reliable access to credit enables borrowers to expand their existing activities and potentially operate them more profitably and regularly. Six out of 10 respondents attributed sales increase to "high demand for their product/services" and "increased stocks/production of goods". Program-wide, loans received by the borrowers are estimated to have facilitated the expansion/branching out of more than 23,000 additional business activities since 2001. Eight out of 10 borrowers plan to further expand, by adding new products/services, expanding by branching out in other areas or by starting another related business.
  - Proportion of borrowers with multiple business activities increased from 30% in 2001 to 37% in 2003 and to 47% in 2005, indicating that banks are focusing more on borrowers with diversified business activities.
- Impact on Savings Generation
  - MABS PBs have contributed in setting up a conducive environment for microentrepreneurs to save, as it enabled borrowers to open a savings account. The savings balances of clients, especially for repeat borrowers, have been rising and this has helped build the asset base for clients and assisted them in weathering unexpected fluctuations in income and expenses. Overall, clients have increased their savings since taking their first loan from the bank. Results also show that

clients from the rural areas are inclined to become better savers than those from the urban areas, given their higher current savings balance (more than P7,000) and the considerable growth in their savings since their first loan. By island group, Luzon borrowers have the largest amount of current savings (P9,626) but Mindanao borrowers have the highest growth rate, as its average savings balance grew from about P200 to close to P4,800. Estimated amount of increased savings generated as of December 2005 totaled almost P603.8 Million.

- Impact on Employment

- Improvement in income and expenditure level of the borrowers and their microenterprises would enhance the welfare of the society as a whole by generating additional employment within the borrowers' community. Provision of credit from the MABS participating banks tends to increase employment. As of December 2005, MABS PBs in total are helping support microenterprises that provide employment to close to 200,000 people.
- Borrowers who have been with the bank longer and received increasingly larger loans are afforded better opportunity for expanding existing micro business and/or establishing additional business activities, thereby creating additional demand for labor services. Local communities benefit from the expansion of business activities that the clients undertake, through the additional employment they generate since getting their first loan from the rural bank.

*Task Three. Nominate clients from MABS PBs to the 2006 Citigroup Microentrepreneur of the Year Awards.* Citigroup Philippines, the Microfinance Council of the Philippines Inc., and the Bangko Sentral ng Pilipinas are conducting the fourth run of the Microentrepreneur of the Year (MOTY) Awards, a nationwide search for outstanding Filipino microentrepreneurs. The awards has two categories – the *Masikap* category, which covers microenterprises with asset market values of up to PhP300,000 and are reliable sources of income for the owners' families and the *Maunlad* category, which includes microenterprises that have asset market values of up to PhP1 million and are generating employment for people apart from household or family members. MABS submitted 14 nominees to the *Maunlad* category and 13 nominees to the *Masikap* category. Six of the *Maunlad* nominees and 4 of the *Masikap* nominees were among the semi-finalists. The winners will be announced in the next quarter.

*Task Four. Host Mongolia Micro-Finance Development Fund study group.* A high-level delegation from Mongolia headed by the director of the Mongolia Micro-Finance Development Fund (MMDF) conducted a study visit to the Philippines to learn about the Philippine microfinance sector and the best practices of its major microfinance providers. As part of the visit, the seven-member group was given an overview of the MABS Program and its impact on the Philippine rural banking system and the microfinance industry.

The MMDF is a wholesale microfinance lending institution that is supported by the World Bank and aims to support the microfinance industry in Mongolia in order to expand financial services to meet the needs of microenterprises and others in the rural areas of Mongolia. The study group also had representatives from the public and private sectors of Mongolia: the Mongolian Central Bank, the Ministries of Finance and Social Labor, non-governmental organizations, and the academia.

**Tasks to be completed in the Thirty-sixth Quarter:**

*Task One: Coordinate with the staff of 1<sup>st</sup> Valley Bank on the preparations for the visit of United States Ambassador to the Philippines Kristie A. Kenney.* Amb. Kenney will be the principal honoree of a ceremony that will launch a series of activities marking the bank's 50<sup>th</sup> foundation anniversary. The bank will recognize its major partners and clients and unveil its 50<sup>th</sup> Year Commemorative Logo during the ceremony. Amb. Kenney will be accepting a plaque recognizing the outstanding contribution of USAID, through MABS, to the development of the bank.

1<sup>st</sup> Valley Bank will also present a Plaque of Appreciation to its new partner, Globe Telecom, and will present gold distinction awards to its outstanding clients.

*Task Two. Attend the awarding ceremonies of the 2006 Citigroup MOTY Awards.*

*Task Three. Participate in the Rural Bank National Management Conference.*

**6. Program Management**

Program management takes into account meetings, program evaluations, report submission, visits by Chemonics' Head Office staff, and other activities related to overall program management. For the most part, the tasks illustrated in the workplan calendar are self-explanatory, including submission of the quarterly report and the annual inventory of commodities. Visits by Chemonics' head office staff, including specific scopes of work, will be approved by USAID on a case-to-case basis.

**Tasks completed in the Thirty-fifth Quarter:**

*Task One. Submit the Thirty-fourth Quarterly Performance Monitoring Report covering April 1 – June 30, 2006.* Chemonics submitted the Thirty-fourth Quarterly Performance Monitoring Report covering April 1 – June 30, 2006.

*Task Two. Complete the MABS Progress Report.* The completed report is still being reviewed by USAID.

Tasks to be completed in the Thirty-sixth Quarter:

*Task One. Submit the Thirty-fifth Quarterly Performance Monitoring Report covering July 1 – September 30, 2006.*

*Task Two. Submit the MABS Progress Report.*

**d) Performance**

**Table 1: MABS Phase 3 Targets vs. September 2006 Results**

MABS Phase 3 Targets	Results: September 30, 2006
1. Expansion of the average number of borrowers of the 125 participating MABS bank units (as of February 2004) from 400 to a new average of 800.	MABS PB units (pilot to 6 <sup>th</sup> rollout banks) have an average of <b>646</b> borrowers per bank unit – <b>92%</b> of the December 2006 target ( <b>700</b> ).
2. All participating bank units initiating lending during the period of the extension will have an average of 800 micro-borrowers after 24 months of operation of the <i>MABS Approach</i> to Microfinance.	New PB units that started lending during the period of extension have an average of <b>248</b> borrowers per bank unit. (Note: Most of the new PB units have been lending for less than six months.)
3. At least 200 additional bank units will begin offering the <i>MABS Approach</i> to microfinance for a total of at least 350 PB units.	Three hundred ( <b>301</b> ) bank units are implementing or starting to implement the <i>MABS Approach</i> to microfinance – <b>100%</b> of the December 2006 target.
4. Total number of micro-borrowers with outstanding loans in all participating bank units will reach at least 160,000	As of September 30, 2006, the total number of outstanding MF borrowers for the banks/bank branches reporting was <b>105,159</b> – <b>81%</b> of the December 2006 target ( <b>130,000</b> ).
5. Total number of microenterprise borrowers from participating MABS banks will reach at least 350,000.	As of September 30, 2006, the cumulative number of new borrowers reached by PBs was <b>310,558</b> – <b>104%</b> of the <b>300,000</b> December 2006 target.
6. Total number of microdepositors in MABS participating banks will reach at least 400,000	As of September 30, 2006, MABS PBs have served <b>388,142</b> new microdepositors – <b>108%</b> of the <b>360,000</b> December 2006 target.
7. At least eight of the eighteen rural banks which have at least nine (9) branches will be enrolled into the MABS Program, and will be offering the <i>MABS Approach</i> to Microfinance in the majority of their branches	Nine MABS PBs with at least 9 branches are in the Program: Bangko Kabayan, Cantilan Bank, First Valley Bank, RB Montevista, First Macro Bank, Green Bank of Caraga, RB Mallig Plains, PR Bank, and GM Bank. Of these banks, last three above are new (banks that enrolled starting February 2004). MABS conducted training and/or TA for RB Mallig Plains, PR Bank, RB Cantilan, GreenBank, Montevista, and Kabayan. Expansion started in 26 branches of PR Bank in Luzon in 2005. Potential expansion to 30 additional bank branches is targeted for 2006.

<p>8. One or more of the larger “thrift banks” will be enrolled into the MABS Program and will be offering <i>MABS Approach</i> microfinance in a majority of its branches</p>	<p>The merger between Microenterprise Bank - the thrift bank that joined MABS in 2004 - and parent company PlantersBank was finalized in June 2006. A microfinance department has been created in PlantersBank. The merger of MEB with PlantersBank will potentially allow for microfinance activities to be implemented in more branches than previously planned (5 branches/loan collection and disbursement points). Microfinance department staff of PlantersBank completed the training on the MABS Performance Monitoring System on March 3-4 in Davao City. In March 2006, PlantersBank opened a new branch in Bulacan. The branch has started lending microlending operations.</p> <p>Officers of Kauswagan Bank are scheduled for a senior management briefing on the <i>MABS Approach</i> in the next quarter.</p>
<p>9. RB2000 will be copyright protected; RB2000 will be procured by and installed in at least 150 bank units during the period of the extension for a total of 250 bank units by September 2007.</p>	<p>As of September 2006, 169 bank units (77 banks) were using RB2000.</p> <p>MABS will acquire copyright protection for RB2000 in 2006. Initial meetings with copyright lawyers from three law firms held in February and June; MABS will evaluate the proposals submitted by the three firms.</p>
<p>10. A micro agri-loan product will be developed, tested, and, if it appears to be a viable product, disseminated to and offered by at least 50 rural bank branches</p>	<p>Five banks started offering the MAP in October 2004; 4 additional banks were selected to pilot MAP in September 2005.</p> <p>MAP design was modified after an assessment of the pilot test implementation. Six training/workshops on the MAP (features/ processes /product development) have been conducted: September 2004, April &amp; October 2005, and March, June, and August 2006.</p> <p>5 PBs - Bangko Luzon, First Macro Bank, RB Solano, GM Bank, and RB Mabitac - were selected for the third rollout of the MAP. 17 MFU staff from the five 3rd rollout banks completed the market research and product development training-workshop held on August 21-25 in Pangil, Laguna.</p> <p>As of August 2006, 28 bank units have been trained in the MABS Approach to micro agri credit; 24 of these banks are currently offering MAP and collectively have 2,365 active borrowers, with an outstanding loan portfolio of more than PhP16 million. The portfolio-at-risk ratio over 30 days is 1.17%.</p>

*e) Administrative Information*

**Table 2: Project Fund Status: July 1 – September 30, 2006**

<b>Project Fund Status</b>	
<b>As of the Quarter Ending September 30, 2006</b>	
CLIN #1 Total Estimated Cost	\$ 14,374,052.00
1. Expenditures July 1 to September 30, 2006	\$ 320,399.00
2. Cumulative Expenditures Through September 30, 2006	\$ 12,669,797.15
3. Remaining Balance September 30, 2006	\$ 1,704,254.85
CLIN #2 Total Estimated Cost	\$ 3,025,948.00
1. Expenditures July 1 to September 30, 2006	\$ 6,177.70
2. Cumulative Expenditures Through September 30, 2006	\$ 2,320,947.05
3. Remaining Balance September 30, 2006	\$ 705,000.95
CLIN #1 & #2 Total Estimated Cost	\$ 17,400,000.00
1. Total Expenditures July 1 to September 30, 2006	\$ 326,576.70
2. Total Cumulative Expenditures Through September 30, 2006	\$ 14,990,744.20
3. Total Remaining Balance September 30, 2006	\$ 2,409,255.80



\* No Special Activities Fund (SAF) Request for the Quarter

Annex 1.2 SAF Tracker

Philippines Microenterprise Access to Banking Services  
 Chemonics International Inc.  
 Contract no. 492-C-00-98-00008-00  
 Quarter Number 35, September 30, 2006  
 Special Activities Fund - In USD

SAF	Title	Results	Date Approved	Status	Budgeted Amount	Expenses To Date Quarter 34	Quarter 35				Expenses To Date Quarter 35	Budget Remaining	Budget Overruns	Cumulative Invoiced	
							Invoice 104 Jul-06	Invoice 105 Aug-06	Invoice 106 Sep-06	Quarter 35 Total				Invoiced	Remaining
	<b>Grant Programs</b>														\$ 2,755,551.00
1	Best Practices Workshop	Attendance was successful. Participating banks came from 89 rural/cooperative banks in Mindanao. MABS program was defined. Interest in MABS was established.	Apr-98	Closed	\$ 4,131.00	\$ 1,545.28				\$ -	\$ 1,545.28	\$ 2,585.72	\$ -	\$ 1,545.28	\$ 2,754,005.72
2	MIS Study	RBRDFI staff involvement in MIS assessment.	Apr-98	Closed	\$ 805.47	\$ 283.29				\$ -	\$ 283.29	\$ 522.18	\$ -	\$ 283.29	\$ 2,753,722.43
3	Product Development Workshop	Rural banks and regional Federation presidents were invited. Participants rated invited speakers from CARD and San Leonardo Rural Bank very helpful.	Jun-98	Closed	\$ 4,728.72	\$ 3,208.62				\$ -	\$ 3,208.62	\$ 1,520.10	\$ -	\$ 3,208.62	\$ 2,750,513.81
4	Market Survey, Fixed-Price	TRENDS-MBL will conduct a survey of microenterprises in each of the PB market areas. This request also includes 2 research assistants for one month each. Exceeded budget due to forex drop.	Jul-98	Closed	\$ 15,373.81	\$ 17,162.14				\$ -	\$ 17,162.14	\$ (1,788.33)	\$ (1,788.33)	\$ 17,162.14	\$ 2,733,351.67
5	Training Preparation - Boypee Panganiban	Boypee Panganiban will come to Davao for 5 days to assist in preparing training sessions for upcoming regional workshops.	Jul-98	Closed	\$ 2,155.79	\$ 1,042.13				\$ -	\$ 1,042.13	\$ 1,113.66	\$ -	\$ 1,042.13	\$ 2,732,309.54
6	RBRDFI Involvement in MIS Development	P. Crisotosomo's (RBRDFI) Staff travels.	Jul-98	Closed	\$ 1,640.00	\$ 3,188.88				\$ -	\$ 3,188.88	\$ (1,548.88)	\$ (1,548.88)	\$ 3,188.88	\$ 2,729,120.66
7	Loan Repayment Workshop	B. Pendleton's Loan Repayment workshop.	Aug-98	Closed	\$ 5,734.76	\$ 3,978.81				\$ -	\$ 3,978.81	\$ 1,755.95	\$ -	\$ 3,978.81	\$ 2,725,141.85
8	Cash Flow Lending workshop	B. Panganiban's Regional Workshops.	Sep-98	Closed	\$ 25,573.29	\$ 20,142.07				\$ -	\$ 20,142.07	\$ 5,431.22	\$ -	\$ 20,142.07	\$ 2,704,999.78
9	Case Study of PAICOP	D. Capeding, a case study of PAICOP. Exceeded budget due to extension of services.	Sep-98	Closed	\$ 834.87	\$ 1,552.35				\$ -	\$ 1,552.35	\$ (717.48)	\$ (717.48)	\$ 1,552.35	\$ 2,703,447.43
10	Pilot Bank Agreement	Pilot Bank Agreement Implementation.	Oct-98	Closed	\$ 72,895.87	\$ 60,064.77				\$ -	\$ 60,064.77	\$ 12,831.10	\$ -	\$ 60,064.77	\$ 2,643,382.66
11	Panganiban Book Publication	Publication of Barefoot Banking Book.	Dec-98	Closed	\$ 8,461.54	\$ 7,753.77				\$ -	\$ 7,753.77	\$ 707.77	\$ -	\$ 7,753.77	\$ 2,635,628.89
12	Research Assistant-Roll-out	Luisa Cadiz, RA for Roll-out.	Nov-98	Closed	\$ 3,010.90	\$ 6,417.42				\$ -	\$ 6,417.42	\$ (3,406.52)	\$ (3,406.52)	\$ 6,417.42	\$ 2,629,211.47
13	Mindanao Fed. RB Meeting	Regional Conference completed.	Dec-98	Closed	\$ 2,448.11	\$ 456.33				\$ -	\$ 456.33	\$ 1,991.78	\$ -	\$ 456.33	\$ 2,628,755.14
14	Enhancement of MicroBanker	Pilot Bank MIS Enhancement.	Dec-98	Closed	\$ 13,282.07	\$ 13,976.59				\$ -	\$ 13,976.59	\$ (694.52)	\$ (694.52)	\$ 13,976.59	\$ 2,614,778.55
15	RBAP Strategic Planning	Laurel Druben, ITI, fixed-price subcontract.	Feb-99	Closed	\$ 32,996.50	\$ 25,091.26				\$ -	\$ 25,091.26	\$ 7,905.24	\$ -	\$ 25,091.26	\$ 2,589,687.29
16	NRBSL Exposure Trip	Pilot Bank Managers and staff trip to NRBSL completed.	Feb-99	Closed	\$ 7,105.41	\$ 4,854.03				\$ -	\$ 4,854.03	\$ 2,251.38	\$ -	\$ 4,854.03	\$ 2,584,833.26
17	SGV Corporate Finance to RBAP	Canceled	Canceled	Canceled	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,584,833.26
18	Follow-up trip by Druben	Start up implementation of RBAP/RBRDFI Strategic Development Program.	May-99	Closed	\$ 30,883.58	\$ 14,476.06				\$ -	\$ 14,476.06	\$ 16,407.52	\$ -	\$ 14,476.06	\$ 2,570,357.20
19	Training Modules with PBs	Pilot Banks Training Modules	May-99	Closed	\$ 2,629.48	\$ 920.44				\$ -	\$ 920.44	\$ 1,709.04	\$ -	\$ 920.44	\$ 2,569,436.76
20	Orientation Course of Senior Officers of New PBs	Workshop Orientation of new PBs done.	June-99	Closed	\$ 8,284.27	\$ 4,907.72				\$ -	\$ 4,907.72	\$ 3,376.55	\$ -	\$ 4,907.72	\$ 2,564,529.04
21	Commodities and Support	Commodities assistance completed.	July-99	Closed	\$ 178,096.78	\$ 115,180.72				\$ -	\$ 115,180.72	\$ 62,916.06	\$ -	\$ 115,180.72	\$ 2,449,348.32
22	Training course for MF staff and PBs Supervisors	MF Workshop training course new PBs attended and participated by PBs.	Jul-99	Closed	\$ 19,211.43	\$ 14,800.02				\$ -	\$ 14,800.02	\$ 4,411.41	\$ -	\$ 14,800.02	\$ 2,434,548.30
23	ITI subcontract for presentation of finalized plan and full start-up implementation of RBAP/RBRDFI Strategic Development Program	Presentation of finalized plan for RBAP/RBRDFI completed.	Aug-99	Closed	\$ 36,543.00	\$ 34,456.02				\$ -	\$ 34,456.02	\$ 2,086.98	\$ -	\$ 34,456.02	\$ 2,400,092.28

Annex 1.2 SAF Tracker

Philippines Microenterprise Access to Banking Services  
 Chemonics International Inc.  
 Contract no. 492-C-00-98-00008-00  
 Quarter Number 35, September 30, 2006  
 Special Activities Fund - In USD

SAF	Title	Results	Date Approved	Status	Budgeted Amount	Expenses To Date Quarter 34	Quarter 35				Expenses To Date Quarter 35	Budget Remaining	Budget Overruns	Cumulative Invoiced	
							Invoice 104 Jul-06	Invoice 105 Aug-06	Invoice 106 Sep-06	Quarter 35 Total				Invoiced	Remaining
24	Enhancement of PC Banker system for participant bank RB Ozamis	RB Ozamis PC Banker enhancement delivered.	Sep-99	Closed	\$ 5,331.11	\$ 4,378.55				\$ -	\$ 4,378.55	\$ 952.56	\$ -	\$ 4,378.55	\$ 2,395,713.73
25	Internship training at Enterprise Bank for MFU of Sarangani and Montevista Banks	Internship completed.	Sep-99	Closed	\$ 530.97	\$ 528.57				\$ -	\$ 528.57	\$ 2.40	\$ -	\$ 528.57	\$ 2,395,185.16
26	Enhancement of MicroBanker system for participant banks	Microbanker for PBs enhancement completed	Sept-99	Closed	\$ 24,987.38	\$ 22,180.00				\$ -	\$ 22,180.00	\$ 2,807.38	\$ -	\$ 22,180.00	\$ 2,373,005.16
27	Workshop on Zero Tolerance on Past Due Loans	Zero Tolerance workshops completed.	Sept-99	Closed	\$ 7,048.24	\$ 4,484.07				\$ -	\$ 4,484.07	\$ 2,564.17	\$ -	\$ 4,484.07	\$ 2,368,521.09
28	Canceled	Canceled	Canceled	Canceled	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,368,521.09
29	Enhancement of Loan & Savings Ledger	Enhancement of Loans & Savings Ledger completed.	Oct-99	Closed	\$ 5,440.16	\$ 4,756.67				\$ -	\$ 4,756.67	\$ 683.49	\$ -	\$ 4,756.67	\$ 2,363,764.42
30	Purchase of MBXD95+	Software delivered and completed.	Nov-99	Closed	\$ 10,442.84	\$ 9,398.15				\$ -	\$ 9,398.15	\$ 1,044.69	\$ -	\$ 9,398.15	\$ 2,354,366.27
31	Delinquency Measurement and Control Course	Course done and completed.	Nov-99	Closed	\$ 569.75	\$ 223.32				\$ -	\$ 223.32	\$ 346.43	\$ -	\$ 223.32	\$ 2,354,142.95
32	Canceled	Canceled	Canceled	Canceled	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,354,142.95
33	ST consultancy of Guillermo Bolanos	Completed	Dec-99	Closed	\$ 22,550.00	\$ 27,441.91				\$ -	\$ 27,441.91	\$ (4,891.91)	\$ (4,891.91)	\$ 27,441.91	\$ 2,326,701.04
34	Use of CLIN2 Funds for MABS expansion	RB2000 system completed.	Dec-99	Closed	\$ 1,300,000.00	\$ 1,292,058.22				\$ -	\$ 1,292,058.22	\$ 7,941.78	\$ -	\$ 1,292,058.22	\$ 1,034,642.82
35	Canceled	Canceled	Canceled	Canceled	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,034,642.82
36	Orentation for Sr. Officers of new PBs	Orientation of done.	Jan-00	Closed	\$ 3,596.15	\$ 1,717.76				\$ -	\$ 1,717.76	\$ 1,878.39	\$ -	\$ 1,717.76	\$ 1,032,925.06
37	Refresher course MicroBanker loans module	Course conducted and completed.	Jan-00	Closed	\$ 1,755.09	\$ 1,339.96				\$ -	\$ 1,339.96	\$ 415.13	\$ -	\$ 1,339.96	\$ 1,031,585.10
38	Microfinance staff training course	Participant banks staff training completed.	Jan-00	Closed	\$ 6,378.00	\$ 5,061.67				\$ -	\$ 5,061.67	\$ 1,316.33	\$ -	\$ 5,061.67	\$ 1,026,523.43
39	Pilot Banks Reps. Consultation and Evaluation meeting	Pilot Banks Consultation and Evaluation meeting.	Jan-00	Closed	\$ 150.00	\$ 135.25				\$ -	\$ 135.25	\$ 14.75	\$ -	\$ 135.25	\$ 1,026,388.18
40	Purchase of MicroBanker MBXD95+Software for RB Lebak	Rural Bank of Lebak MBXD95+software delivered.	Jan-00	Closed	\$ 900.65	\$ 793.28				\$ -	\$ 793.28	\$ 107.37	\$ -	\$ 793.28	\$ 1,025,594.90
41	Commodities and Support	PBA and Commodities Support	Feb-00	Closed	\$ 105,057.52	\$ 71,999.58				\$ -	\$ 71,999.58	\$ 33,057.94	\$ -	\$ 71,999.58	\$ 953,595.32
42	Consultation and Evaluation meeting with roll out banks	Rollout banks and evaluation meeting.	Feb-00	Closed	\$ 1,767.61	\$ 1,487.51				\$ -	\$ 1,487.51	\$ 280.10	\$ -	\$ 1,487.51	\$ 952,107.81
43	Purchase of MicroBanker and related services Oroquieta/Green	Microbanker and related services of RB Oroquieta and Green Bank.	Mar-00	Closed	\$ 5,707.20	\$ 4,168.03				\$ -	\$ 4,168.03	\$ 1,539.17	\$ -	\$ 4,168.03	\$ 947,939.78
44	Consultation and Planning Meeting with the RBAP ExeCom	RBAP Excom Consultation and Planning Meeting conducted.	Mar-00	Closed	\$ 618.75	\$ 311.57				\$ -	\$ 311.57	\$ 307.18	\$ -	\$ 311.57	\$ 947,628.21
45	Support for Expansion to Branches	Support for expansion to branches	Apr-00	Open	\$ 35,750.00	\$ 1,226.42				\$ -	\$ 1,226.42	\$ 34,523.58	\$ -	\$ 1,226.42	\$ 946,401.79
46	Workshop on Cashflow Lending	Cashflow Lending Workshop of Rural Bankers in Mindanao completed.	May-00	Closed	\$ 6,045.61	\$ 3,654.26				\$ -	\$ 3,654.26	\$ 2,391.35	\$ -	\$ 3,654.26	\$ 942,747.53
47	Enhancement for Hardcode Computer System for RB-Talisayan	Hardcode Computer System for RB Talisayan enhancement completed.	May-00	Closed	\$ 4,778.67	\$ 4,122.73				\$ -	\$ 4,122.73	\$ 655.94	\$ -	\$ 4,122.73	\$ 938,624.80
48	Purchase of Microbanker MBXD95 and Software for CRB Bukidnon	Microbanker MBXD95 + Software for CRB Bukidnon delivered.	May-00	Closed	\$ 872.64	\$ 389.11				\$ -	\$ 389.11	\$ 483.53	\$ -	\$ 389.11	\$ 938,235.69
49	Canceled	Canceled	Canceled	Canceled	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -	\$ -	\$ 938,235.69
50	Consultation and Planning Workshop with RBAP and MABS Technical	RBAP and MABS Technical Consultation and Planning Workshop.	Jun-00	Closed	\$ 1,561.90	\$ 1,125.51				\$ -	\$ 1,125.51	\$ 436.39	\$ -	\$ 1,125.51	\$ 937,110.18
51	Big Byte Savings & Loans System for RB of Montevista	Enhancement of Big ByteShoppe Savings & Loans System completed.	Jan-00	Closed	\$ 5,136.79	\$ 4,113.04				\$ -	\$ 4,113.04	\$ 1,023.75	\$ -	\$ 4,113.04	\$ 932,997.14
52	SEEP/APPEND Financial Ratio Analysis Course	Technical staff attended the Financial Ratio Analysis Course.	Aug-00	Closed	\$ 537.78	\$ 243.52				\$ -	\$ 243.52	\$ 294.26	\$ -	\$ 243.52	\$ 932,753.62

Annex 1.2 SAF Tracker

Philippines Microenterprise Access to Banking Services  
 Chemonics International Inc.  
 Contract no. 492-C-00-98-00008-00  
 Quarter Number 35, September 30, 2006  
 Special Activities Fund - In USD

SAF	Title	Results	Date Approved	Status	Budgeted Amount	Expenses To Date Quarter 34	Quarter 35				Expenses To Date Quarter 35	Budget Remaining	Budget Overruns	Cumulative Invoiced	
							Invoice 104 Jul-06	Invoice 105 Aug-06	Invoice 106 Sep-06	Quarter 35 Total				Invoiced	Remaining
53	MABS Phase out Consultative Meeting	Pilot Banks President, Gen. Manager and MFU Supervisor and MABS Management attended the Consultative Meeting.	Sept-00	Closed	\$ 220.00	\$ 204.16				\$ -	\$ 204.16	\$ 15.84	\$ -	\$ 204.16	\$ 932,549.46
54	New RBAP Technical Staff Salaries & Support	Completed.	Nov-00	Open	\$ 96,289.86	\$ 89,292.40				\$ -	\$ 89,292.40	\$ 6,997.46	\$ -	\$ 89,292.40	\$ 843,257.06
55	Training course for Sr. Management and MF Staff and Supervisors for Luzon and Visayas Banks	Conducted workshops/trainings in the Visayas and Luzon.	Apr-01	Closed	\$ 9,085.71	\$ 6,754.41				\$ -	\$ 6,754.41	\$ 2,331.30	\$ -	\$ 6,754.41	\$ 836,502.65
56	Impact Evaluation Study	Evaluation completed.	Jun-01	Closed	\$ 1,345.05	\$ 1,426.15				\$ -	\$ 1,426.15	\$ (81.10)	\$ (81.10)	\$ 1,426.15	\$ 835,076.50
57	Travel to Hongkong of Ms. Solis & Pineda	Attended by Mrs. Solis and Mrs Pineda from RB of Sto Tomas.	Aug-01	Closed	\$ 3,478.16	\$ 2,052.43				\$ -	\$ 2,052.43	\$ 1,425.73	\$ -	\$ 2,052.43	\$ 833,024.07
58	Credit Reference Bureau Development Support	On-going. Pilot testing conducted.	Sep-01	Open	\$ 2,480.43	\$ 1,778.53				\$ -	\$ 1,778.53	\$ 701.90	\$ -	\$ 1,778.53	\$ 831,245.54
59	Training on USAID admin and financial management requirements	Two MABS staff attended the training.	Feb-02	Closed	\$ 717.05	\$ 721.70				\$ -	\$ 721.70	\$ (4.65)	\$ (4.65)	\$ 721.70	\$ 830,523.84
60	Roundtable events for Senior Management	Conducted twice in Davao, and once in Dipolog City and Cebu City.	Mar-02	Closed	\$ 4,536.53	\$ 4,434.02				\$ -	\$ 4,434.02	\$ 102.51	\$ -	\$ 4,434.02	\$ 826,089.82
61	Videos for RBAP-MABS	Produced videos of MABS successes.	Mar-02	Closed	\$ 4,180.09	\$ 4,161.02				\$ -	\$ 4,161.02	\$ 19.07	\$ -	\$ 4,161.02	\$ 821,928.80
62	Strategic Planning for New Banks in Mindanao	Attended by Mgt. Staff of RB of Paglas, RB of Isulan and Maranao Bank.	Apr-02	Closed	\$ 4,871.83	\$ 4,306.32				\$ -	\$ 4,306.32	\$ 565.51	\$ -	\$ 4,306.32	\$ 817,622.48
63	Funds for Three (3) Participant Rural Banks: Commodities and Other Support	On-going. Commodities and trainings had been delivered.	Jun-02	Open	\$ 42,932.44	\$ 18,120.62				\$ -	\$ 18,120.62	\$ 24,811.82	\$ -	\$ 18,120.62	\$ 799,501.86
64	Funds for Conduct of the MFU Supervisor' Forum	Conducted in Dipolog in July 2002.	Jul-02	Closed	\$ 1,768.05	\$ 844.26				\$ -	\$ 844.26	\$ 923.79	\$ -	\$ 844.26	\$ 798,657.60
65	N/A	Canceled	Canceled	Canceled	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -	\$ -	\$ 798,657.60
66	Funds for Participant Rural Bank: Commodities & Other Support	On-going. Bank training has been conducted.	Sep-02	Open	\$ 8,461.54	\$ 193.44				\$ -	\$ 193.44	\$ 8,268.10	\$ -	\$ 193.44	\$ 798,464.16
67	Microfinance Supervisors' Forum #2 and #3 Mindanao Partners Banks	Fora conducted in Davao City, Cagayan de Oro City and Butuan City	Oct-02	Closed	\$ 3,115.56	\$ 2,385.49				\$ -	\$ 2,385.49	\$ 730.07	\$ -	\$ 2,385.49	\$ 796,078.67
68	BSP Participation in the MABS Modular Training Course	Completed	Oct-02	Closed	\$ 988.29	\$ -				\$ -	\$ -	\$ 988.29	\$ -	\$ -	\$ 796,078.67
69	PDA Loan Collection Module Enhancement of the MB System	Testing of the Microbanker PDA module testing completed.	Jan-03	Closed	\$ 857.45	\$ 519.03				\$ -	\$ 519.03	\$ 338.42	\$ -	\$ 519.03	\$ 795,559.64
70	MABS PSP Market Demand Study	Survey done March 27, 2003.	Feb-03	Closed	\$ 639.17	\$ 528.87				\$ -	\$ 528.87	\$ 110.30	\$ -	\$ 528.87	\$ 795,030.77
71	Development/Production of RBAP/MABS Videos	Videos approved and delivered.	Feb-03	Closed	\$ 3,142.36	\$ 2,480.13				\$ -	\$ 2,480.13	\$ 662.23	\$ -	\$ 2,480.13	\$ 792,550.64
72	Development of MABS Technical Support Providers	Development of MABSers and Learning Centers are on-going. MSPs are now active in the MABS roll out.	Mar-03	Closed	\$ 20,564.66	\$ 16,625.44		\$ 380.81		\$ 380.81	\$ 17,006.25	\$ 3,558.41	\$ -	\$ 17,006.25	\$ 775,544.39
73	Senior Management Orientation for 6th Roll Out Banks	Done Mar 26-27, 2003.	Mar-03	Closed	\$ 693.99	\$ 668.02				\$ -	\$ 668.02	\$ 25.97	\$ -	\$ 668.02	\$ 774,876.37
74	Microfinance Supervisors Forum #4 & #5	Conducted in May 22-23, 2003 in Cagayan de Oro City.	May-03	Closed	\$ 2,546.79	\$ 449.63				\$ -	\$ 449.63	\$ 2,097.16	\$ -	\$ 449.63	\$ 774,426.74
75	Global Summit for Women in Marakech	Attended by a delegate from RB of Tacurong.	May-03	Closed	\$ 2,399.02	\$ 1,748.70				\$ -	\$ 1,748.70	\$ 650.32	\$ -	\$ 1,748.70	\$ 772,678.04
76	Funds for commodities and other support of three (3) participating banks	On-going. Commodities and trainings have been delivered.	Jun-03	Open	\$ 9,409.12	\$ 3,535.53				\$ -	\$ 3,535.53	\$ 5,873.59	\$ -	\$ 3,535.53	\$ 769,142.51
77	MABS Training Materials for Web Production	Production completed.	Jul-03	Open	\$ 6,096.42	\$ 2,032.54				\$ -	\$ 2,032.54	\$ 4,063.88	\$ -	\$ 2,032.54	\$ 767,109.97
78	Support for BSP Training in MF Examination	Examiners training on microfinance conducted.	Jul-03	Closed	\$ 1,392.80	\$ 992.00				\$ -	\$ 992.00	\$ 400.80	\$ -	\$ 992.00	\$ 766,117.97
79	Video Production for MABS Approach	Video production completed, delivered and approved.	Aug-03	Closed	\$ 12,056.92	\$ 10,745.66				\$ -	\$ 10,745.66	\$ 1,311.26	\$ -	\$ 10,745.66	\$ 755,372.31

Annex 1.2 SAF Tracker

Philippines Microenterprise Access to Banking Services  
 Chemonics International Inc.  
 Contract no. 492-C-00-98-00008-00  
 Quarter Number 35, September 30, 2006  
 Special Activities Fund - In USD

SAF	Title	Results	Date Approved	Status	Budgeted Amount	Expenses To Date Quarter 34	Quarter 35				Expenses To Date Quarter 35	Budget Remaining	Budget Overruns	Cumulative Invoiced		
							Invoice 104 Jul-06	Invoice 105 Aug-06	Invoice 106 Sep-06	Quarter 35 Total				Invoiced	Remaining	
80	Support for RBAP Cost accounting system	Completed with reports and recommendations from the auditors.	Aug-03	Closed	\$ 1,470.32	\$ 1,375.00				\$ -	\$ 1,375.00	\$ 95.32	\$ -	\$ 1,375.00	\$ 753,997.31	
81	MSP Program Roll Out	Roll out conducted in Mindanao, Visayas and Luzon by the MSPs.	Oct-03	Closed	\$ 6,892.12	\$ 4,218.53				\$ -	\$ 4,218.53	\$ 2,673.59	\$ -	\$ 4,218.53	\$ 749,778.78	
82	Microfinance Council Workshop	Attended by RB of Kapatagan Valley manager.	Oct-03	Closed	\$ 278.63	\$ 200.28				\$ -	\$ 200.28	\$ 78.35	\$ -	\$ 200.28	\$ 749,578.50	
83	2003 MABS ME Clients Survey	Survey done by Ateneo de Davao.	Nov-03	Closed	\$ 3,286.89	\$ 3,237.43				\$ -	\$ 3,237.43	\$ 49.46	\$ -	\$ 3,237.43	\$ 746,341.07	
84	MABS Rollout Support Program for Rural Banks	On-going	Nov-03	Open	\$ 33,723.02	\$ 26,535.54				\$ -	\$ 26,535.54	\$ 7,187.48	\$ -	\$ 26,535.54	\$ 719,805.53	
85	MABS support to train other MABSTeRs	Conducted in Manila City in Feb. 2004.	Jan-04	Closed	\$ 1,227.28	\$ 580.23				\$ -	\$ 580.23	\$ 647.05	\$ -	\$ 580.23	\$ 719,225.30	
86	MABS support for 2 other banks in AARM/CAAM	On-going. Commodities and trainings have been delivered.	Apr-04	Open	\$ 11,273.93	\$ 3,095.51				\$ -	\$ 3,095.51	\$ 8,178.42	\$ -	\$ 3,095.51	\$ 716,129.79	
87	RB2000 User Conference	Conducted in March and November 2004.	Feb-04	Open	\$ 4,404.10	\$ 3,294.77	\$ 734.54			\$ 734.54	\$ 4,029.31	\$ 374.79	\$ -	\$ 4,029.31	\$ 712,100.48	
88	Video Production for EAGLE Awards 2004	Video production completed, approved and presented during the awards.	Feb-04	Closed	\$ 4,743.66	\$ 4,394.09				\$ -	\$ 4,394.09	\$ 349.57	\$ -	\$ 4,394.09	\$ 707,706.39	
89	National Roundtable and EAGLE Awards	Completed and attended by the participating banks.	Feb-04	Closed	\$ 3,071.81	\$ 1,612.03				\$ -	\$ 1,612.03	\$ 1,459.78	\$ -	\$ 1,612.03	\$ 706,094.36	
90	Performance Monitoring System Training	Conducted in Mindanao, Luzon and the Visayas.	Feb-04	Closed	\$ 2,421.96	\$ 2,265.16				\$ -	\$ 2,265.16	\$ 156.80	\$ -	\$ 2,265.16	\$ 703,829.20	
91	MABS Rollout Support Program for 10 Additional Rural Banks	On-going	May-04	Open	\$ 13,494.06	\$ 8,304.96				\$ -	\$ 8,304.96	\$ 5,189.10	\$ -	\$ 8,304.96	\$ 695,524.24	
92	Micro-Agri Loan Product Training for Pilot Banks	On-going	Sep-04	Open	\$ 3,500.18	\$ 1,349.16				\$ -	\$ 1,349.16	\$ 2,151.02	\$ -	\$ 1,349.16	\$ 694,175.08	
93	MABS support for new PBs	On-going	Oct-04	Open	\$ 40,178.57	\$ 3,032.50	\$ 1,408.98		\$ 891.09	\$ 2,300.07	\$ 5,332.57	\$ 34,846.00	\$ -	\$ 5,332.57	\$ 688,842.51	
94	Support for the Official Trip of Anthony Petalcorin to BRI to Lead the Rural Banks Study Tour	Trip with staff of participating rural bank rural banks has been completed.	Oct-04	Closed	\$ 2,104.11	\$ 1,747.96				\$ -	\$ 1,747.96	\$ 356.15	\$ -	\$ 1,747.96	\$ 687,094.55	
95	Support for the Supervisors Forum	Conducted in Cebu City, Naga and Manila City.	Jan-05	Closed	\$ 1,633.93	\$ 1,302.15				\$ -	\$ 1,302.15	\$ 331.78	\$ -	\$ 1,302.15	\$ 685,792.40	
96	Development and production of videos for the 2005 EAGLE Awards	Development and production completed.	Feb-05	Closed	\$ 6,250.00	\$ 5,827.49				\$ -	\$ 5,827.49	\$ 422.51	\$ -	\$ 5,827.49	\$ 679,964.91	
97	Support for the National Roundtable Conference and EAGLE Awards	Conducted in the Davao City in April 2005.	Feb-05	Closed	\$ 7,562.50	\$ 5,622.97				\$ -	\$ 5,622.97	\$ 1,939.53	\$ -	\$ 5,622.97	\$ 674,341.94	
98	Development and production of RBAP documentary video	Development and production completed.	May-05	Closed	\$ 645.99	\$ 645.99				\$ -	\$ 645.99	\$ -	\$ -	\$ 645.99	\$ 673,695.95	
99	Support to MABS Approach Rollout	On-going	Jul-05	Open	\$ 27,272.73	\$ -				\$ -	\$ -	\$ 27,272.73	\$ -	\$ -	\$ 673,695.95	
100	Rollout of the Micro Agri Loan Product Training for the Rollout of RBAP Text-A-Payment for interested and qualified rural banks in Mindanao, Visayas, and Luzon	On-going	Sep-05	Open	\$ 4,200.92	\$ 3,352.29		\$ 606.52	\$ 268.83	\$ 875.35	\$ 4,227.64	\$ (26.72)	\$ (26.72)	\$ 4,227.64	\$ 669,468.31	
101	Funding to conduct 2005 Survey of Borrowers of MABS Participating Banks	On-going	Oct-05	Open	\$ 7,634.86	\$ 1,800.65				\$ -	\$ 1,800.65	\$ 5,834.21	\$ -	\$ 1,800.65	\$ 667,667.66	
102	Support for the National Roundtable Conference & EAGLE Awards 2006	The contractors have completed and submitted the survey results and MABS has approved the same.	Nov-05	Closed	\$ 9,478.67	\$ 9,775.47				\$ -	\$ 9,775.47	\$ (296.80)	\$ (296.80)	\$ 9,775.47	\$ 657,892.19	
103	Training on Micro-Agri Loan product rollout under the Micro-Agri loan product activity	On-going	Feb-06	Closed	\$ 9,844.68	\$ 9,844.49			\$ (2,844.23)	\$ (2,844.23)	\$ 7,000.26	\$ 2,844.42	\$ -	\$ 7,000.26	\$ 650,891.93	
104	Development and production of videos for 2005 EAGLE Awards & MABS Video	On-going	Mar-06	Closed	\$ 8,856.73	\$ 6,552.52			\$ 606.52	\$ (12.05)	\$ 594.47	\$ 1,537.90	\$ (109.47)	\$ (109.47)	\$ 1,537.90	\$ 649,354.03
105	Training on Enhanced Account Officers Course for MABSTeRs (Existing and New)	On-going	Jun-06	Open	\$ 4,095.24	\$ -	\$ 806.50	\$ 2,755.86	\$ -	\$ 3,562.36	\$ 3,562.36	\$ 532.88	\$ -	\$ 3,562.36	\$ 639,239.15	
<b>SUBTOTAL</b>					<b>\$ 2,499,586.06</b>	<b>\$ 2,110,708.48</b>	<b>\$ 2,950.02</b>	<b>\$ 4,349.71</b>	<b>\$ (1,696.36)</b>	<b>\$ 5,603.37</b>	<b>\$ 2,116,311.85</b>	<b>\$ 383,274.22</b>	<b>\$ (13,566.38)</b>	<b>\$ 2,116,311.85</b>	<b>\$ 639,239.15</b>	
<b>General &amp; Administrative Costs</b>						\$ 93,776.04	\$ 147.50	\$ 217.49	\$ (84.81)	\$ 280.18	\$ 94,056.22			\$ 94,056.22	\$ 32,226.78	
<b>Fee</b>						\$ 110,284.89	\$ 154.88	\$ 228.35	\$ (89.08)	\$ 294.15	\$ 110,579.04			\$ 110,579.04	\$ 33,534.96	
<b>GRAND TOTAL</b>					<b>\$ 2,499,586.06</b>	<b>\$ 2,314,769.41</b>	<b>\$ 3,252.40</b>	<b>\$ 4,795.55</b>	<b>\$ (1,870.25)</b>	<b>\$ 6,177.70</b>	<b>\$ 2,320,947.11</b>	<b>\$ 383,274.22</b>	<b>\$ (13,566.38)</b>	<b>\$ 2,320,947.11</b>	<b>\$ 705,000.89</b>	

**MABS Philippines Home Office Reports Tracker**  
**Contract No. 492-C-00-98-00008-00**

Technical Deliverables	Submitted By	Report Date	Submitted to CDIE	HO Electronic	HO Hard Copy
An Alternative Approach to Rural Financial Intermediation (The Philippine Experience)	Meliza Agabin/Jorge L. Daly	May 1, 1996	Yes	Yes	
Microenterprise Sector Study	Raike Quinones	June 1, 1997	Yes	No	Yes
MIS Assessment of Candidate Pilot Banks	Peter Glibbery & A. Petalcorin	August 1, 1998	Yes	No	Yes
Familiarization with Related USAID Projects: ( MABS-M Brief)	Chemonics International	September 1, 1998	Yes	Yes	
Innovations to Increase Access to Microcredit	Gerald Andersen	September 1, 1998	Yes	Yes	Yes
Consultancy Completion Report	Ms. Meliza H. Agabin	September 15, 1998	Yes	No	Yes
Microfinance and the Bank Regulatory Environment	Bill Pendleton	September 25, 1998	Yes	No	Yes
Training Program Report	Bill Pendleton	September 30, 1998	Yes	No	Yes
Completion Report (Seminar on Microfinance Products of Rural Bank of Talisayan) (final draft)	Chemonics International	November 14, 1998	Yes	No	Yes
Cash Flow Lending and Loan Pricing Seminar Report	Andres Panganiban	December 1, 1998	Yes	No	Yes
Mindanao Rural Banks: Funding Sources and Credit Programs for Microenterprises (Final Draft)	Meliza Agabin & Arah Limpao-Osop	December 1, 1998	Yes	Yes	
Panabo Agro-Industrial Cooperative An Integrated Rice Commodity System (A Case Study)	Dehlia Capeding	December 1, 1998	Yes	No	Yes
Rural Banks and Microfinancing	Joseph Y. Lim	December 1, 1998	Yes	Yes	
Microenterprise Survey Report - Digos, Davao Del Sur	Arah Limpao & Raike Quinones	February 1, 1999	Yes	Yes	
Microenterprise Survey Report - Sto. Tomas, Davao Province	Arah Limpao & Raike Quinones	February 1, 1999	Yes	Yes	
Evaluation of the Pilot Phase of MABS-M Program	Virginia Abiad	March 22, 1999	Yes	Yes	
Deposits & Loan Management System Study	Peter Glibbery	April 1, 1999	Yes		Yes
RBAP Strategic Development Plan 2000-2003	Laurel Druben	May 1, 1999	Yes		Yes
Feasibility Study:Expanding MABS' Outreach to Muslim Clients	L.Doerring/R. Quinones/C. Cornejo	April 20, 2001	Yes	Yes	
A Survey of Microenterprise Client of MABS Partner Banks					
Survey Results, Sampling and Data Tables	M. Agabin/C. Cornejo/D.Capeding	September 1, 2001	Yes	Yes	
Service Provider Feasibility Study		February 1, 2002	Yes	Yes	
Reports on Financial Trends in Mindanao		May 1, 2002	Yes	Yes	
BSP Inception Report	Carlos Alba	October 1, 2002	yes	yes	
Rural Bank Market Survey	Arah Sadava	October 1, 2002	Yes	Yes	

**Annex 1.3 Reports Tracker**

BSP Examination and CAMELS Manual for Microfinance Loans	Carlos Alba	February 1, 2003	Yes	No	Yes
MABS Service Provider Program Consultancy Completion Report	Michael Alcorn Ms. C.y. Nunez-Ollero	May 1, 2003 August 3-27, 1998	Yes Yes	Yes	Yes
First Operations Review of NMTK Micro Loan of Enterprise Private Service Provider Installation of MABS Approach	C. Dicdiquin/B. Bunao/R. Quinones Michael Alcorn	March 2002 November, 2002	Yes Yes	Yes Yes	
Market Study to Expand Microfinance in MABS Banks	Anita Campion	October, 2003	Yes	Yes	Yes
Consultancy Services to Bangko Sentral NG Pilipinas on Micrfinance Supervision	Carlos Alba/International Consulting Consortium	January 1, 2005	Yes	Yes	Yes
Work Plans	Submitted By	Report Date	Submitted to CDIE	HO Electronic Files	HO Hard Copy
Year 1 Work Plan (1998)	Chemonics International	Dec-97	Yes	Yes	
Year 2 Work Plan (1999)	Chemonics International	Dec-98	Yes	Yes	
Year 3 Work Plan (2000)	Chemonics International	Dec-99	Yes	Yes	
Year 4 Work Plan (2001)	Chemonics International	Dec-00	Yes	Yes	
Year 5 Work Plan (2002)	Chemonics International	Dec-01	Yes		Yes
Year 6 Work Plan (2003)	Chemonics International	Dec-02	Yes	Yes	
Year 7 Work Plan (2004)	Chemonics International	Dec-03	Yes	Yes	
Year 8 Work Plan (2005)	Chemonics International	Dec-04		Yes	Yes
Year 9 Work Plan (2006)	Chemonics International	Dec-05		Yes	Yes
Year 10 Work Plan (2007)	Chemonics International	Dec-06			
Quarterly Progress Reports	Submitted By	Report Date	Submitted to CDIE	HO Electronic Files	HO Hard Copy
Quarterly Performance Monitoring Report (First)	Chemonics International	April 1, 1998	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Second)	Chemonics International	July 1, 1998	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Third)	Chemonics International	October 1, 1998	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Fourth)	Chemonics International	January 1, 1999	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Fifth)	Chemonics International	April 1, 1999		Yes	Yes
Quarterly Performance Monitoring Report (Sixth)	Chemonics International	July 1, 1999	Yes		Yes
Quarterly Performance Monitoring Report (Seventh)	Chemonics International	October 1, 1999	Yes		Yes
Quarterly Performance Monitoring Report (Eighth)	Chemonics International	January 1, 2000	Yes		Yes
Quarterly Performance Monitoring Report (Ninth)	Chemonics International	April 1, 2000	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Tenth)	Chemonics International	July 1, 2000	Yes		Yes
Quarterly Performance Monitoring Report (Eleventh)	Chemonics International	October 1, 2000	Yes		Yes

Annex 1.3 Reports Tracker

Quarterly Performance Monitoring Report (Twelfth)	Chemonics International	January 1, 2001			Yes
Quarterly Performance Monitoring Report (Thirteenth)	Chemonics International	April 1, 2001	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Fourteenth)	Chemonics Internatioinal	July 1, 2001	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Fifteenth)	Chemonics International	November 1, 2001	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Sixteenth)	Chemonics International	February 1, 2002	Yes	Yes	No
Quarterly Performance Monitoring Report (Seventeenth)	Chemonics International	May 1, 2002	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Eighteenth)	Chemonics International	July 1, 2002	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Nineteenth)	Chemonics International	November 1, 2002	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Twentieth)	Chemonics International	February 1, 2003	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Twenty-first)	Chemonics International	April 1, 2003	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Twenty-second)	Chemonics International	July 1, 2003	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Twenty-third)	Chemonics International	November 1, 2004	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Twenty-fourth)	Chemonics International	January 1, 2004	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Twenty-fifth)	Chemonics International	April 1, 2004	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Twenty-sixth)	Chemonics International	July 1, 2004	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Twenty-seventh)	Chemonics International	November 1, 2004	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Twenty-eighth)	Chemonics International	January 1, 2005	?	Yes	Yes
Quarterly Performance Monitoring Report (Twenty-ninth)	Chemonics International	April 1, 2005	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Thirtieth)	Chemonics International	July 1, 2005	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Thirty-first)	Chemonics International	October 1, 2005	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Thirty-second)	Chemonics International	January 1, 2006	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Thirty-third)	Chemonics International	April 1, 2006	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Thirty-fourth)	Chemonics International	July 1, 2006	Yes	Yes	Yes



## MICROENTERPRISE ACCESS TO BANKING SERVICES (MABS) PROGRAM JULY 2006 HIGHLIGHTS

### 4<sup>th</sup> RB2000 Users' Conference

Eighteen participants from 11 banks using Rural Banker 2000 (RB2000) and 15 technical personnel from the software's rollout companies, Automated Systems and Equipment Corporation (ASECSoft) and Integrated Systems, Services and Equipment Corporation (ISSEC), attended the 4<sup>th</sup> RB2000 Users' Conference held on July 14 at the Heritage Hotel in Manila. The software's users provided feedback on RB2000 and discussed installation, implementation, and maintenance issues with the representatives of the rollout companies.

Mr. Vicente De Villa III, Director of the Supervisory Data Center of the Bangko Sentral ng Pilipinas (BSP), was present to discuss the New Financial Reporting Package (FRP), BSP's new financial reporting format. Director de Villa encouraged the rural bankers present to raise to the BSP questions and clarifications and to give feedback on the new reporting format. These, he said, will help the BSP identify and address the difficulties being encountered by banks in complying with the FRP. Mr. George Dyaico, General Manager of RB2000 pilot test site Rural Bank of Mabalacat, gave a user testimonial, outlining the development of the software - from the beta-testing to the software issues presently being addressed by the rollout providers. Rollout company ASECSoft presented RB2000's new features and improvements. Participants were able to hold in-depth discussions with their service providers during the conference's breakout sessions. After the breakout sessions, representatives of the rollout companies presented their users' frequently encountered problems and other maintenance and after-sales service issues and discussed how they will address the issues raised.



Mr. Vicente De Villa III, Director of the Supervisory Data Center of the BSP, presents the New Financial Reporting Package (FRP) to participants of the 4<sup>th</sup> RB2000 Users' Conference.

### MABSTeRS Training Workshop

MABS conducted a training-workshop to train additional MABS Technical Resource Specialists (MABSTeRS) from July 11 to 14

in Cagayan de Oro City. Sixteen participants from seven MABS Visayas and Mindanao participating banks (PBs) completed the four-day workshop; nine of the participants are new MABSTeRS-candidates. The MABSTeRS Program began in 2003 to help

MABS PBs develop their own pool of resource personnel to provide in-house training to their banks' account



officers.

Participants learned and discussed the basics of the Account Officers' (AO) Training Course modules and the appropriate training techniques and methodologies that they can employ in delivering the course. They also completed written diagnostics tests that were designed to measure their core knowledge of the training course and delivered a lecture/presentation designed to assess their presentation/communications skills. To be accredited, MABSTeRS-candidates must conduct at least two AO Training Courses within a period of six months after the July training workshop.

### Hardcore Delinquent Accounts Management Course

MABS conducted a course designed to help PBs manage and handle hardcore delinquent accounts. Twenty-six participants from 11 Luzon and Visayas PBs attended the course held July 27-28 in Manila. The course provided participants with an in-depth understanding of delinquency and its causes and taught them how to analyze and interpret their loan portfolio. The course also presented participants with alternative collection remedies including remedial management through legal options and debt recovery. Guidelines for writing off loans and setting up remedial management units, specialized units created to manage the collection and recovery of all written off or hardened accounts, were also discussed during the course.

The course also presented the advantages of the Special Purpose Asset Vehicle (SPAV) Law to rural banks. The SPAV

Law or RA 9182 sets out the legal, regulatory and taxation framework for the sale by banks and other financial institutions of their non-performing assets (loans and acquired assets) with fiscal incentives and regulatory relief.

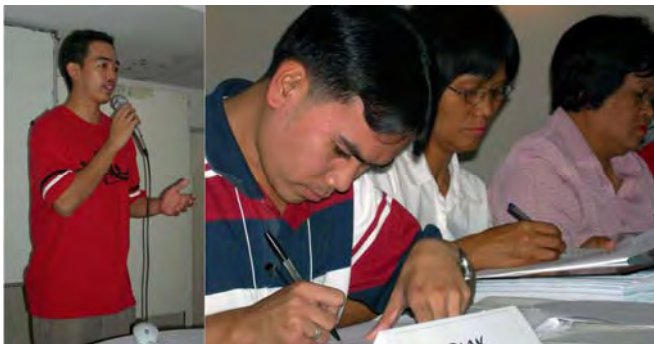
## MICROENTERPRISE ACCESS TO BANKING SERVICES (MABS) PROGRAM AUGUST 2006 HIGHLIGHTS

### MABS Participating Banks Reach New Microfinance Milestones

The number of active microloan clients of MABS Participating Banks (PBs) surpassed the 100,000-mark in August 2006. The active microloan portfolio managed by PBs increased to over PhP740 million (around US\$14 million). Since 1998, MABS PBs have collectively disbursed more than 850,000 microloans totaling more than PhP10 billion (around US\$192 million) to approximately 300,000 new microborrowers. Over the last eight years, the number of microdeposit accounts has increased by more than 355,000 with the total amount of microsavings increasing by more than PhP601 million (about US\$11.5 million).

### MABS Technical Resource Specialists (MABSTeRS) Training-Workshop

MABS conducted a training-workshop to train additional MABSTeRS on August 8 to 11 in Manila. Fifteen new MABSTeRS-candidates from nine Luzon PBs completed training on the modules and effective delivery of the Account Officers Training Course. Participants learned and discussed the basic course modules and the appropriate training techniques and methodologies that they can employ in delivering the course. To measure their core knowledge of the course's content, participants took written diagnostic tests. They also delivered a lecture/presentation designed to assess their presentation and communications skills.



The MABSTeRS program was launched in 2003 to develop a pool of resource persons who can effectively provide in-house training to PBs' account officers. Sixty microfinance managers have been trained to date; 24 of these managers are new MABSTeRS-candidates. The training is the first phase of the accreditation process. To be accredited, MABSTeRS-candidates must conduct at least two AO Training Courses within a period of six months after the workshop.

### Micro Agri-Loan Product (MAP) 3<sup>rd</sup> Rollout Banks Complete Market Research Training-Workshop

Five MABS PBs - Bangko Luzon, First Macro Bank, Rural Bank (RB) of Solano, GM Bank, and RB Mabitac - were selected for the third rollout of the MAP. Selection was based on portfolio quality, adequate liquidity, willingness to assign a full-time supervisor and account officers and to fully adapt new approaches and policies for agri-lending, and concentration of small farmers/agriculture-based

microenterprises in the banks' service areas. Seventeen microfinance unit staff from the five 3<sup>rd</sup> rollout banks completed the market research and product development training-workshop held on August 21-25 in Pangil, Laguna.



The participants learned the principles, framework, rationale, and steps of market research and product development. Participants also completed fieldwork in three *baranggays* in Laguna; they gathered secondary data and conducted household interviews using the survey instrument developed by MABS. In the subsequent workshop sessions, they tabulated, processed, analyzed and interpreted the survey results and secondary data.

For the sessions on MAP lending process and client selection, the participants learned how to conduct character and background investigation and loan application interviews, analyze client information, prepare clients' cash flow reports, and make financial projections using the MABS-developed template, *MicroPinoy*. To ensure proper management and monitoring of their banks' MAP lending, participants were oriented on the MAP loan forms, reports, and reporting schedule. At the end of the workshop, participants drafted a product development and market research action plan for their banks' MAP lending. The 3<sup>rd</sup> rollout banks are expected to start offering MAP within six months.

### Rural Bankers Association of the Philippines (RBAP) Celebrates Rural Banking Week

The RBAP spearheaded the celebration of the Rural Banking Week. The annual event, celebrated on August 21 to 25 for this year, showcases the major contributions of the rural banking sector in promoting the growth of local economies and in advancing the goals of government in national development. The theme for this year's celebration was "*Global Competitiveness through Institutional Strengthening*". A special supplement published in the August 21 issue of a leading national newspaper, the Philippine Star, highlighted the achievements of the rural banking system. The supplement also featured several articles on the RBAP-MABS Program including an overview of the activities and achievements of the MABS Program, an article on e-commerce and mobile banking in rural banks, and a success story featuring an outstanding microloan client of MABS PB the Rural Bank of Dulag.



## MICROENTERPRISE ACCESS TO BANKING SERVICES (MABS) PROGRAM SEPTEMBER 2006 HIGHLIGHTS

### MABS Designed Text-A-Deposit Service Expands Mobile Phone Banking Applications for Rural Bank Clients

The RBAP-MABS Program launched a new mobile banking application, the Text-A-Deposit service. The new service allows clients to send deposits to or receive remittances directly to their bank account via short messaging services (SMS) for fees as low as 1%. The service greatly reduces the costs of remittances and bank transfers, even for those without mobile phones, since fund transfers are made directly to their rural bank deposit accounts.

Microentrepreneurs can also now accept G-Cash for the payment of goods and services and easily convert the electronic funds they receive by texting these funds directly to their bank account for fees as low as 1%. This fee is much lower than the 3-5% charged by major credit card companies so accepting payments via G-Cash helps businesses earn more.



Rural bankers participating in the RBAP-MABS Mobile Phone Banking Applications workshop.

The Text-A-Deposit and Text-A-Payment services offered by rural banks for their clients currently use Globe Telecom's electronic money platform, G-Cash. G-Cash turns mobile phones into virtual electronic wallets for sending and receiving remittances, making deposits, making payments and selling goods and services. In September 2006, the Bangko Sentral ng Pilipinas (BSP) approved the RBAP Text-A-Deposit service for G-Cash-accredited rural banks. Globe has also increased the wallet limit from PhP 10,000 to PhP 40,000 so that there are more opportunities for clients to send and receive funds via G-Cash.

With the support of MABS, the Rural Bankers Association of the Philippines (RBAP) and GXchange - a subsidiary of Globe Telecom - conducted a training/workshop on the features and use of mobile phone banking applications Text-A-Payment and Text-A-Deposit. Twenty-four participants from 14 rural banks attended the workshop held in September at the RBAP office.

Participants learned how to download the G-Cash menu, register their Globe mobile phones to use G-Cash, how to send and receive money from phone-to-phone (P2P), and how to accept payments, remittances, and deposits via G-Cash. Participants were also provided with a detailed outline of an e-banking contingency plan as well as manuals on risk management, internal control procedures, and information security policies for mobile phone banking services. Thirty-one rural banks are now accredited to offer mobile phone banking services to their clients utilizing the G-Cash platform.

### Mongolia Micro-Finance Development Fund Study Visit to RBAP

A high-level delegation from Mongolia headed by the director of the Mongolia Micro-Finance Development Fund (MMDF) conducted a study visit to the Philippines to learn about the Philippine microfinance sector and the best practices of its major microfinance providers. As part of the visit, the seven-member group was given an overview of the MABS Program and its impact on the Philippine rural banking system and the microfinance industry.

Mr. Bayarsaikhan Demberaldash, the head of the delegation, said that observations and learnings from the study visit would help them develop the roadmap for the MMDF's and the Mongolian microfinance industry's expansion. The MMDF is a wholesale microfinance lending institution that is supported by the World Bank and aims to support the microfinance industry in Mongolia in order to expand financial services to meet the needs of microenterprises and others in the rural areas of Mongolia.

The study group also included representatives from the public and private sectors of Mongolia: the Mongolian Central Bank, the Ministries of Finance and Social Labor, non-governmental organizations, and the academia.

### MABS Participating Banks Hold Strategic Planning Workshops

MABS facilitated the strategic planning workshops of 11 of its larger participating banks during September. The banks included Philippine Rural Bank, Mallig Plains Rural Bank, Bangko Kabayan, Cantilan Bank, Banco Santiago de Libon, 1<sup>st</sup> Valley Bank, First Macro Bank, Rural Bank of Dulag, Green Bank of Caraga, GM Bank, and the Rural Bank of Montevista. This special initiative focused on participating rural banks with more than nine bank units. Participants of the planning workshops prepared three-year targets for their microfinance products using *Micro-Pinoy*, MABS' financial projections tool. The banks also developed their overall microfinance operations strategy and corresponding action plans for the next year.