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# QUARTERLY REPORT

**MICROENTERPRISE ACCESS TO BANKING  
SERVICES (MABS) PROGRAM  
THIRTY-EIGHTH QUARTER  
APRIL 1 – JUNE 30, 2007**

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SERVICES (MABS) PROGRAM  
THIRTY-EIGHTH QUARTER  
JANUARY 1 – MARCH 31, 2007**

**Contract No.492-C-00-98-00008-00  
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
USAID	United States Agency for International Development

## Executive Summary

This document serves as the Microenterprise Access to Banking Services (MABS) Program's Thirty-eighth Quarterly Performance Monitoring Report, covering the period from April 1 through June 30, 2007. 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 services. MSPs— private organizations – were trained by MABS and accredited by RBAP to offer MATTS to interested rural banks. There are two MSPs – Associated Resources for Management and Development (ARMDEV) and Punla sa Tao Foundation – providing MATTS to interested rural banks. As of the end of the 38<sup>th</sup> Quarter, the MSPs have trained 136 additional bank branches.

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 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 and 2005, MABS is rolling the MAP out to other interested participating rural banks. As of end-June 2007, 28 participating bank units are offering the MAP; these banks have disbursed more than 10,200 MAP loans totaling more than Php109 million to more than 4,800 new micro agri-loan borrowers. MAP participating banks collectively have 3,179 active borrowers, with an outstanding loan portfolio of more than Php27 million. The portfolio-at-risk ratio over 30 days is 2.4%.

Innovations, such as personal digital assistant (PDA)-based loan collection and mobile phone banking applications, were also explored and developed. MABS, RBAP, and GXchange (GXI), the mobile commerce subsidiary of leading telecommunications company Globe Telecom, started developing mobile phone banking applications in 2004. Using Globe's electronic money platform – GCash - the applications turn mobile phones into virtual wallets, allowing subscribers to transfer money through short-messaging services (SMS). The new applications give clients of participating rural banks more convenient, affordable, and secure modes of repaying microloans, making deposits and withdrawals, paying for bills and purchases of goods and services, and sending money. The new services also give rural banks and partner-merchants fee-based income opportunities and gains in efficiency and productivity.

Participating banks are already offering the following MABS-designed mobile phone banking applications: the microloan repayment service Text-A-Payment (TAP); the deposit service Text-A-Deposit (TAD); the payroll service Text-A-Sweldo (TAS), the bills payment service Text-A-BillPay, and Text-A-Withdrawal (TAW), which was approved by the Bangko Sentral ng Pilipinas (BSP) for rollout during the 38<sup>th</sup> Quarter. MABS is currently working on the procedures for a new service called Text-A-Credit (TAC), which will allow rural banks to release microloans up to Php40,000 (US\$888) through SMS to the mobile wallets of their clients.

During the Quarter, MABS, RBAP, and GXI set up and launched a new website for mobile phone banking clients of rural banks – [www.mobilephonebanking.rbap.org](http://www.mobilephonebanking.rbap.org). From the website, rural banks and merchants applying for accreditation to offer mobile phone banking and mobile commerce services can download the forms required for accreditation and access instructions and guidelines. Step-by-step instructions and requirements are also available to users of the new mobile phone banking services. The website lists bank branches and merchants that are offering mobile phone banking services and accepting mobile payments, allowing users to easily locate bank branches and merchants nearest their localities.

MABS is currently developing distance-learning courses for its main training courses based on the successful pilot test of the Account Officer training program that was tested in 2006. 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. The storyboard for the online courses is being finalized; the courses will be rolled out in the next Quarter.

The 38<sup>th</sup> Quarter was capped off by the 5<sup>th</sup> National Roundtable Conference and by ceremonies marking the Program's 10<sup>th</sup> Anniversary. The national roundtable conference focused on the impact of the innovations developed and introduced by MABS and its partners on operations and performance. More than 150 participants attended the conference – officers of PBs, representatives of MABS stakeholders, partners, service providers, microfinance industry leaders, officials from the Government, Central Bank, US Embassy and the USAID. The topics discussed during the conference included: the benefits of financial transparency and adherence to international financial reporting

standards; a forecast of microfinance trends and challenges, and measures for addressing them; microfinance best practices as shared by officers of high-performing MABS PBs; disaster management and post-disaster recovery measures; the impact of mobile phone banking on operations; and the developments on MABS' mobile phone banking initiative.

MABS also hosted awards ceremonies recognizing the Program's 2006 EAGLE Awardees. PBs Bangko Kabayan, Green Bank, 1st Valley Bank, Cantilan Bank, and the Rural Bank of Santo Tomas (RBST) received EAGLE Awards. MABS annually measures the performances of PBs' microfinance operations using the five components of the MABS-developed EAGLE Assessment system: (Efficiency, Asset quality, Growth, Liability structure, and Earnings). Banks that garner the highest score under the system – AA – are recognized as EAGLE Awardees. During the ceremonies, MABS presented two new PBs (Gatebank and Philippine Rural Banking Corporation) with Compliance Certifications for successfully completing the *MABS Approach* training course and initiating microfinance operations in compliance with MABS standards. Additional PBs that posted their institutional profiles and submitted financial information to the MixMarket, the global web-based microfinance information platform of the Microfinance Information eXchange (MIX), were also recognized. Valiant Bank, the first rural bank in the Philippines to receive the Merit Recognition from the Consultative Group to Assist the Poor's Financial Transparency Awards, was also formally honored.

Secretary Cerge Remonde, representing the President of the Republic of the Philippines Gloria Arroyo, Bangko Sentral ng Pilipinas Governor Amando Tetangco, Undersecretary Virgilio Leyretana of MEDCo, and United States Ambassador to the Philippines Kristie Kenney helped marked the Program's 10<sup>th</sup> anniversary and the achievements of the MABS participating banks, including their disbursement of over 1 million loans since the MABS Program started working with the banks. Ambassador Kenney praised the cooperation among the Program's partners and stakeholders and highlighted the successes of rural banks and the microentrepreneurs that they serve, noting that "RBAP-MABS has demonstrated that microentrepreneurs are bankable and credit-worthy, and that rural banks can make a good return from offering microfinance services". Ambassador Kenney presented plaques of recognition to the recipient of RB Mabitac microborrower - Ms. Erlinda Quiñones, who received the 1 millionth loan disbursed by a MABS participating bank as well as RBST microborrower - Ms. Josefina Albiza, who was the first client to receive a loan from a MABS participating bank after the program started providing technical assistance to RBST back in 1998.

As of the end of June 2007, the Program's participating bank units have disbursed a cumulative total of more than PhP13.7 billion (approximately US\$264 million) totaling more than 1,144,000 microloans to more than 399,000 new microborrowers. In the first six months of 2007, more than 157,000 microloans totaling approximately PhP 2.4 billion (US\$49 million) have been disbursed. From January 1998 up to June 2007, the number of microdeposit accounts increased by 410,000 with banks now serving more than 1.2 million microdepositors. The microdeposit balance increased during this same time period by PhP699 million to reach a total outstanding microdeposit balance of more than

PhP 1.6 billion (more than US\$34 million). As of June 2007, MABS PBs' loan portfolio balance totaled more than PhP1.1 billion (over US\$24 million), comprising more than 167,000 active borrowers. The project targets for the new deposit accounts, active borrowers, and cumulative new borrowers have been exceeded. MABS has now provided direct support to 90 banks with 337 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 was launched 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-eighth Quarter (April 1 – June 30, 2007) and tasks planned for the Thirty-ninth Quarter (July 1 – September 30, 2007).

**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 is working with PBs in reviewing, identifying and modifying bank policies, products, and procedures focusing on increased productivity. 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 are now an integral part of MABS' training and technical support. Orientation and training of new banks (by the MSPs) reflect these modifications. MABS is also supporting special initiatives and focused technical support to banks that have extensive branch networks of nine or more branches.

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 1,200 branches. Recognizing this, the *MABS Approach* to microfinance has been offered to one of the larger thrift banks, Planters Development Bank through its acquired subsidiary Microenterprise Bank and is now being implemented in a second thrift bank, Kauswagan Bank.

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

*Task One. Conduct strategic planning and operations reviews for banks that plan to expand.* MABS completed Valiant Bank's operations review during the Quarter.

*Task Two. Provide technical assistance for the enhancement of existing and the development of PBs' new microfinance loan products.* MABS will be working with Banco Santiago de Libon and GM Bank in the next Quarter.

*Task Three. Conduct the Middle Management Training Course (MMTC) in-house for banks with extensive networks.* MABS conducted the MMTC in-house for 1<sup>st</sup> Valley Bank and Cantilan Bank during the quarter.

*Task Four. Rollout the MMTC to the mid-level staff of Luzon PBs.* Thirty-four bank officers from 13 Luzon PBs completed the MMTC held on May 16 to 18 in Manila. Participants learned how to read, analyze, and gather relevant information from reports and financial statements. The course also gave the basics of branch operations management and supervision, as well as procedures for operations review and staff performance evaluation.

*Task Five. Conduct the Hardcore Delinquency Management Course for Visayas and Mindanao banks.* Thirty participants from 11 Luzon and Visayas PBs completed the Hardcore Delinquency Management Training held April 12-13 in Cagayan de Oro City. The course highlighted collection strategies, remedial management, guidelines for writing off loans and setting up specialized units to manage the collection and recovery of all written off accounts.

Eleven participants from five Southern Mindanao-based PBs completed the Hardcore Delinquency Management Training held on May 17 to 18 in Davao City. Participants were provided with a systematic approach to preventing delinquency – starting with a comprehensive understanding of its nature and identification of its causes. Participants then learned how to analyze and interpret their loan portfolio to gather relevant information for managing delinquency. 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.

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

*Task One. Provide technical assistance for the enhancement of existing and the development of PBs' new microfinance loan products.*

*Task Two. Conduct Hardcore Delinquency Management Training for the mid-level staff of Visayas PBs*

*Task Three. Monitor the progress of the technical assistance being provided by MABS Service Provider to the latest thrift bank to adopt the MABS Approach – Kauswagan Bank.*

**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 profitable microfinance services for both new and existing participating banks.

MABS will closely monitor the performance of PBs to ensure strict adherence to the *MABS Approach* through collecting monthly performance monitoring reports and periodically conducting roundtables, forums, and refresher courses. Practitioner 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 support institutions established during the second phase of the MABS program. These include the MABS Compliance Certification, EAGLE rating, access to credit sharing (Credit Bureau), Learning Centers, MABS Technical Resource Specialists, and MABS Service Providers.

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

*Task One. Hold the 5th National Roundtable Conference.* The 5<sup>th</sup> National Roundtable (NRT) Conference of the MABS Program was held on June 12-13 at the Manila Hotel.

Over one hundred fifty participants - comprising 111 rural bankers from 49 MABS PBs - and representatives from the USAID, BSP, MEDCo, RBAP, Microfinance Information Exchange (MIX), Microfinance Council of the Philippines, GXchange (GXI), Bank of the Philippine Islands, and MABS and Rural Banker 2000 service providers attended the conference. The two-day conference, with the theme *Pushing the Frontiers of Microfinance through Innovation*, presented the microfinance innovations developed by the Program and its partners and its impact on microfinance operations.

Cantilan Bank and 1<sup>st</sup> Valley Bank shared their experiences in implementing mobile phone banking applications. The new mobile phone banking website [www.mobilephonebanking.rbap.org](http://www.mobilephonebanking.rbap.org) - an online resource for mobile phone banking services and directory of accredited rural banks and merchants offering mobile phone banking services utilizing the GCash platform – was also launched during the conference.

Scott Gaul, MIX lead analyst, highlighted the importance of adhering to international and microfinance industry-specific financial reporting requirement and presented how banks can utilize data from financial reports in their operational and strategic planning. Valiant Bank, the first rural bank to be receive a Merit Recognition in the Consultative Group to Assist the Poor's (CGAP)'s Financial Transparency Awards, gave a first-hand account on how transparency in financial reporting and benchmarking contributes to organizational strengthening.



United States Ambassador to the Philippines Kristie Kenney (third from left) helped mark the 10<sup>th</sup> anniversary of the MABS Program. With Amb. Kenney are (left to right) MABS Chief of Party John Owens, Bangko Kabayan President Francis Ganzon, Mindanao Economic Development Council Chairman Virgilio Leyretana, USAID Mission Director Jon Lindborg, and Rural Bankers Research and Development Foundation Chairman William Hotchkiss.

Microfinance industry leaders gave an analysis of the factors and trends influencing the future of Philippine microfinance, the challenges that the industry will face, and their recommendations for effectively responding to the challenges and remaining competitive.

Officers of top-performing participating

banks shared the management strategies and best practices that worked for their organizations. Officers of the Rural Bank (RB) Mabitac and RB Guinobatan - PBs that

were affected by recent natural disasters - shared their post-disaster recovery measures and highlighted the importance of having an updated disaster and contingency plan.

The MABS Program marked its 10th anniversary with a ceremony recognizing its partners and clients. Secretary Cerge Remonde, Director-General of the Presidential Management Staff, Governor Amando Tetangco from the BSP, Undersecretary Virgilio Leyretana from the MEDCo, and United States Ambassador to the Philippines Kristie Kenney helped mark a decade of successful partnership between the USAID, RBAP, and MABS participating banks. In her message, Ambassador Kenney highlighted the successes of rural banks and the microentrepreneurs that they serve. “RBAP-MABS has demonstrated that microentrepreneurs are bankable and credit worthy, and that rural banks can make a good return from (offering) microfinance services”. During the celebration, Ms. Josefina Albiza who received the first loan from a MABS PB and the recipient of the 1 millionth-microloan disbursed by a PB, Ms. Erlinda Quiñones, were also recognized.

*Task Two. Hold ceremonies to recognize EAGLE awardees.* MABS recognized its 2006 EAGLE Awardees Bangko Kabayan, Green Bank, Cantilan Bank, 1st Valley Bank, and the Rural Bank of Sto.Tomas (RBST) for their excellent performance in managing their microfinance operations. Bangko Kabayan received its fifth EAGLE Award. Green Bank and Cantilan Bank are three-time awardees while RBST and 1st Valley Bank have been recognized twice already. EAGLE ratings are based on five components (Efficiency, Asset quality, Growth, Liability structure, Earnings).



Officers and staff of five-time EAGLE Awardee Bangko Kabayan with MABS, USAID, MEDCo, and RBRDFI officers. Picture shows (left to right) MABS Luzon Regional Manager Raymundo Roxas, MABS Chief of Party John Owens, Rural Bankers Research and Development Foundation Chairman William Hotchkiss III, Bangko Kabayan Director/Comptroller Teresa Ganzon, Bangko Kabayan President Francis Ganzon, United States Agency for International Development (USAID)-Philippines Mission Director Jon Lindborg, Mindanao Economic Development Council (MEDCo) Executive Director Janet Lopez, and Bangko Kabayan officers.

Five additional MABS PBs that participated in the MixMarket, the global web-based microfinance information platform of the MIX, were recognized and given Transparency Certificates during the EAGLE Awards Night. The new MixMarket participants are: RB Lebak, RB Mabitac, RB Cotabato, Mallig Plains Rural Bank, and RB Oroquieta. The MIX also formally awarded Valiant Bank with the CGAP Financial Transparency Awards Merit Recognition. Valiant Bank was one of 83 international microfinance institutions (MFIs) that received Merit Recognitions, which indicates 80% or more compliance with international and microfinance-industry specific disclosure requirements for financial reporting.

*Task Three. Issue compliance certifications to qualified PBs.* MABS awarded compliance certificates to two new PBs: Gateway Bank and the Philippine Rural Banking Corporation. Compliance certifications are given to new PBs trained by MSPs – organizations trained and licensed to rollout *MABS Approach* Training and Technical Services – that meet MABS bank wide and MF specific indicators.

*Task Four Train additional MABSTeRS from Mindanao PBs.* MABS conducted a workshop to train additional MABSTeRS on June 26 to 29 in Cagayan de Oro City. Twenty-three new MABSTeRS-candidates from ten Mindanao PBs completed training on the modules and effective delivery of the Account Officers (AO) Training Course. To measure their core knowledge of the course’s content, participants took written diagnostic tests. Each participant also delivered a lecture designed to assess their presentation and communications skills.

#### **Tasks to be completed in the Thirty-ninth Quarter:**

*Task One. Train additional MABSTeRS from Luzon PBs.*

*Task Two. Upload and rollout four distance learning courses.*

*Task Three. Complete and distribute DVD compilation of MABS materials and program management files: the MATTS Toolkit, the MABS Video series, and the Program Management Materials.*

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

MABS developed the 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 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 2007, 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 roll out the electronic disbursement/repayment/collection of loans, deposits, withdrawals, sending of remittances through SMS, and payroll services via mobile phone wallets.

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

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

*Task Two. 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.* MABS continues to work on improvements to the procedures of these three services and is working closely with GXI in testing and monitoring the use of the internet-based WIRE program to automate the disbursement of salaries using the *Text-A-Sweldo* service.

*Task Three. Secure BSP approval for offering the Text-A-Withdrawal service and initiate pilot test of this service.* The BSP approved the offering of the *Text-A-Withdrawal* service, which will allow clients to remotely request money to be withdrawn and sent to their mobile wallet in the form of G-Cash. The new service will be offered by accredited partner banks in the next quarter.

*Task Four. Develop and finalize the Text-A-Credit service.* MABS started developing the *Text-A-Credit* service, which will allow microloans to be released using the G-Cash platform directly to clients' virtual wallets, during the next quarter.

*Task Five. Orient the CGAP Technology Program Review Team on the rollout and implementation of mobile phone banking applications.* The World Bank and the Consultative Group to Assist the Poor (CGAP) conducted a diagnostic mission from April 16-25, which assessed the Philippines' policy and regulatory framework for branchless banking. The mission is a joint initiative of CGAP's Technology Program, an initiative that will identify and develop technologies that enables branches banking – the delivery of financial services outside traditional banking branches using technology and non-bank retail agents. In January, CGAP selected a proposal submitted by MABS and

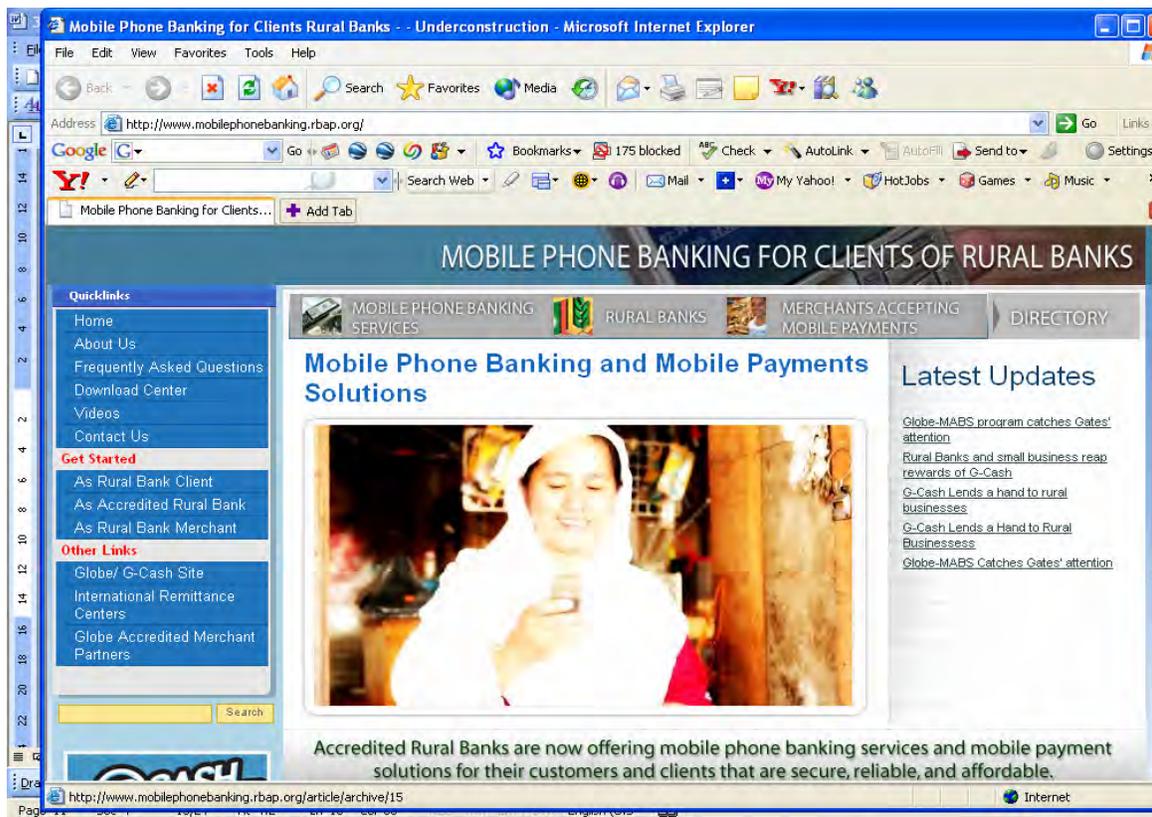
GXI outlining the expansion of mobile phone banking services to rural bank clients for possible funding under its Technology Program.

The team reviewed MABS' mobile phone banking initiative. They also met with officers of the Bangko Sentral ng Pilipinas (Philippine Central Bank), officers of key government agencies, and representatives from the financial and telecommunications industries to discuss the regulation of electronic money, payment systems, and data security.

*Task Six. Set up and launch the Mobile Phone Banking and Mobile Commerce website for RBAP.*

The new mobile phone banking website [www.mobilephonebanking.rbap.org](http://www.mobilephonebanking.rbap.org) - an online resource for mobile phone banking services and directory of accredited rural banks and merchants offering mobile phone banking services – was launched during the quarter.

From the website, rural banks and merchants that want to be accredited to offer mobile phone banking services and clients who want to use the new mobile phone banking services can easily download the forms required for accreditation and access instructions and procedures. The website also allows users to easily locate the nearest bank and merchants in their localities that are offering GCash and mobile phone banking services and accepting GCash as payment.



*Task Seven. Hire lawyer to finalize copyright and licensing for RB2000.* A law firm has already been selected to secure copyright protection for RB2000. Work on the copyright transfer has been delayed pending resolution of the ongoing Board of Director dispute.

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

*Task One. Work with rollout companies to set up the RB2000 website.*

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

*Task Three. Complete the Text-A-Credit service.*

*Task Four. Train staff of Bicol-based rural banks on mobile phone banking applications.*

*Task Five. Initiate and train mobile phone banking agents in select participating banks.*

**4. Development of Rural Finance Products**

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 are 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-eighth Quarter:**

*Task One. Continue to closely monitor the micro agri-loan rollout.* . As of end-June 2007, 28 participating bank units are offering the MAP; these banks have disbursed more than 10,200 MAP loans totaling more than PhP109 million to more than 4,800 new micro agri-loan borrowers. The MAP participating banks collectively have 3,179 active borrowers, with an outstanding loan portfolio of more than PhP27 million. The portfolio-at-risk ratio over 30 days is 2.4%.

*Task Two. Train the staff of selected 4<sup>th</sup> rollout banks on MAP features and procedures.* Six additional participating banks (PBs) were selected and trained to develop and offer the micro agri loan product (MAP). Thirty microfinance unit (MFU) staff from the 4<sup>th</sup> MAP rollout banks - Rural Bank (RB) of Talisayan, RB Gattaran, Progressive Bank, RB San Enrique, FAIR Bank, and RB Pagbilao, as well as staff from MAP pilot banks 1<sup>st</sup> Valley Bank, Green Bank, and Cantilan Bank completed training on the features of MAP and its policies and procedures. The training also covered: character and background investigation procedures and report preparation, loan analysis, monitoring and collection, and account officer supervision.

### **Tasks to be completed in the Thirty-ninth Quarter:**

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

*Task Two. Select additional Luzon banks to rollout the MAP and train the staff of these selected banks.*

*Task Three: Pilot test the 60/40 mode of payment.* MABS will pilot test the 60/40 mode of payment in at least three banks already offering a micro agri-loan product. The introduction of the 60/40 scheme will allow more farmers to access agricultural credit and repay their loans based on their actual cashflow cycles. The 60/40 scheme responds to some farmers' preference for the partial mode of payment while reducing the risk of lump-sum payments.

## **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-eighth Quarter:**

*Task One. Continue to evaluate monthly MFU performance.* As of the end of June 2007, the Program's participating bank units have disbursed a cumulative total of more than PhP13.7 billion (approximately US\$264 million) totaling more than 1,144,000 microloans to more than 399,000 new microborrowers. From January 1998 up to June 2007, the number of microdeposit accounts increased by 410,000 and now stands at more than 1.2 million accounts. The overall microdeposit balance has increased over this same time period by more than PhP699 million and now stands at more than PhP 1.6 billion (more than \$34 million). As of June 2007, MABS PBs' loan portfolio balance totaled more than PhP1.1 billion (over US\$24 million) comprising more than 167,000 active borrowers. The project targets for the new deposit accounts, active borrowers, and cumulative new borrowers have been exceeded. MABS has now provided direct support to 90 banks with 337 rural banking units.

*Task Two. Present mobile phone banking initiative at the Asian Development Bank-sponsored Roundtable Discussion on Mobile Applications for Poverty Reduction.*

Mobile phone banking applications developed by MABS, with the support of GXI, were highlighted at the Roundtable Discussion on Mobile Applications for Poverty Reduction. The roundtable, which was sponsored by the Asian Development Bank (ADB), Swedish International Development and Cooperation Agency, Philippine Resources for Sustainable Development, and GXI, was held at the ADB Headquarters in Manila.

MABS Chief of Party John Owens presented the mobile phone banking applications developed by MABS with the support of GXI - the microloan repayment service, *Text-A-Payment*; payroll service, *Text-a-Sweldo*; money transfer and remittances, *Text-A-Remittance*; bills payments, *Text-A-Bill Pay*; and the deposit-taking service, *Text-A-Deposit* - as technological innovations that offer the potential to greatly reduce transaction costs of financial services and expand the outreach of financial services to more clients.

Atty. Nicolas Lim, President of MABS PB 1<sup>st</sup> Valley Bank, made a presentation on the social acceptability of mobile based-bank transactions among bank employees and clients. 1<sup>st</sup> Valley Bank started offering mobile phone banking services in 2006. Prior to the rollout, the bank conducted a survey to determine awareness and interest on mobile phone banking services. The bank then conducted focus-group discussions and client visits and hired a full-time mobile banking marketing specialist. 1<sup>st</sup> Valley Bank employees are now receiving part of their allowances and bonuses through the *Text-A-Sweldo* service. The bank has also entered into an agreement with the regional electricity distributor to enable customers to make their electric bill payments directly to the bank via the *Text-A-Bill Pay* service. Atty. Lim pointed out the progress the bank has made and the challenge to continue to increase public awareness and educate more users.

*Task Three. Present an overview of the Program at United Nations Economic and Social Council (ECOSOC) Annual Meeting.* Atty. Francis Ganzon, President of MABS PB Bangko Kabayan, participated in the 10<sup>th</sup> Annual United Nations ECOSOC High-Level Meeting held in New York on April 16. Aid effectiveness and innovative financing for development was one of the meeting's topics. Atty. Ganzon cited the partnership between USAID and RBAP for the MABS Program as a model for other donors and developing countries aiming to promote microfinance. He emphasized MABS' capacity building-approach and its long-term, far-reaching impact. Atty. Ganzon also discussed MABS' work in developing microbanking innovations, particularly mobile phone banking applications and bank management software.



The Vietnamese study group with Rural Bankers Association of the Philippines and MABS officers.

*Task Four. Orient a study team from Vietnam on the Program's mobile phone banking initiative.*

A delegation composed of fifteen directors and managers from three Vietnamese organizations – the Vietnam Bank for Social Policies, the Vietnam Central Bank, and mobile network operator Vinaphone – was briefed on the work of the MABS Program, particularly on the rollout of mobile phone banking applications. The study group conducted a field visit to MABS

PB 1<sup>st</sup> Valley Bank's Iligan Branch to observe electronic cash transfers (Cash-In and Cash-Out) and to gather feedback from merchants accepting electronic money as payment and their clients. The briefing and field visit, conducted from May 2-4, aimed to gather information and lessons to help develop a technology road map for mobile phone banking applications in Vietnam.

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

*Task One. Disseminate information on the 2007 Citi Microentrepreneur of the Year (MOTY) Awards, actively encourage PBs to submit nominations, and submit nominations to the MOTY Selection Committee.*

*Task Two. Conduct a series of training/workshops to train staff of PBs on the features and procedures of the enhanced MABS Performance Monitoring System (MPMS).*

*Task Three. Conduct training on Financial Transparency for accountants and external auditors of PBs.*

**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-eighth Quarter:**

*Task One. Submit the Thirty-seventh Quarterly Performance Monitoring Report covering January 1 – March 31, 2007.* Chemonics submitted the Thirty-seventh Quarterly Performance Monitoring Report covering January 1 – March 31, 2007.

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

*Task One. Submit the thirty-eighth Quarterly Performance Monitoring Report covering April 1-June 30, 2007.*

d) *Performance*

Table 1: MABS Phase 3 Targets vs. June 2007 Results

MABS Phase 3 Targets	Results: June 30, 2007
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>648</b> borrowers per bank unit – <b>81%</b> of the September 2007 target ( <b>800</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>543</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-thirty two ( <b>337</b> ) bank units are implementing or starting to implement the <i>MABS Approach</i> to microfinance – <b>96%</b> of the September 2007 target (350).
4. Total number of micro-borrowers with outstanding loans in all participating bank units will reach at least 160,000	As of June 30, 2007, the total number of outstanding MF borrowers for the banks/bank branches reporting was <b>167,574</b> – <b>105%</b> of the September 2007 target ( <b>160,000</b> ).
5. Total number of microenterprise borrowers from participating MABS banks will reach at least 350,000.	As of June 30, 2007, the cumulative number of new borrowers reached by PBs was <b>399,016</b> – <b>114%</b> of the <b>350,000</b> September 2007 target.
6. Total number of microdepositors in MABS participating banks will reach at least 400,000	As June 30, 2007, MABS PBs have served <b>410,885</b> new microdepositors – <b>102%</b> of the <b>400,000</b> September 2007 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	<p>9 MABS PBs with at least 9 branches are in the program: Bangko Kabayan, Cantilan Bank, 1st Valley Bank, RB Montevista, First Macro Bank, Green Bank, RB Mallig Plains, PR Bank, and GM Bank. Of these banks, last three above are new (banks that enrolled starting February 2004). MABS will continue providing these banks with bank-specific training and technical assistance in 2007.</p> <p>As of June, middle management course, MABSTeRS, and hardcore delinquency management trainings were provided to Green Bank, 1st Valley Bank and Cantilan Bank. First Macro Bank's operations review was completed in March. Technical assistance on market research was provided to Bangko Kabayan.</p>

<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>Microenterprise Bank - the thrift bank that joined MABS in 2004 - and parent company PlantersBank merged in June 2006. In 2007, PlantersBank shifted focus from retail to wholesale microlending.</p> <p>MABS completed the institutional assessments of Kauswagan Bank - a thrift bank based in Iloilo - and University Savings Bank, a thrift bank based in Laguna during the first quarter of 2007.</p> <p>Kauswagan Bank has signed an agreement with MSP Punla for the MATTS package. Senior Management Orientation Training is scheduled on August 7 and Market Research Training on August 8-10.</p>
<p>9. MSPs will have capability of offering MABS Approach training to at least 70-80 bank units per year.</p>	<p>The two MSPs are rolling out MATTS and have trained 136 additional banking units as of end-June 2007.</p>
<p>10. 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>In 2006, 4 additional bank units were using RB2000. The cumulative number of banking units using the software as of June 2007 was 181 bank units (77 banks), 72% of the September 2007 target (250). MABS has selected a law firm that will handle the application for RB2000 copyright.</p>
<p>11. 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>As of end-June 2007, 28 participating bank units are offering the MAP; these banks have disbursed more than 10,200 MAP loans totaling more than PHP109 million to more than 4,800 new micro agri-loan borrowers. The MAP participating banks collectively have 3,179 active borrowers, with an outstanding loan portfolio of more than PHP27 million. The portfolio-at-risk ratio over 30 days is 2.4%.</p> <p>8 additional banking units offered MAP in 2006; MABS will train 25 additional bank branches to rollout MAP in 2007. 6 additional banks were selected for the 4th MAP rollout (RB Talisayan, RB San Enrique, FAIR Bank, Progressive Bank, RB Gattaran, and RB Pagbilao); staff of these banks were trained on MAP features and procedures in May 2007.</p>

**Special Activities Fund (SAF) Requests Approved during the Quarter:**

**SAF No. 108 – Support for the Training on Micro Agri-loan Product Rollout Under the Micro Agri-Loan Product Activity**

**Objectives:**

In 2004, MABS developed a micro agri-loan product to serve the microfinancing needs of small farmers and owners of agriculture-based microenterprises. Five PBs started offering the product in October 2004.

After the successful pilot test and first rollout of the MAP, MABS will continue the expansion of the product to more banks and more branches. Letters were sent out to PBs during the quarter to explore their interest in offering the MAP. Selection was based on the following criteria:

- Portfolio quality
  - 1<sup>st</sup> priority:  $PARR_{30} \leq 3\%$  in the last 12 months
  - 2<sup>nd</sup> priority:  $PARR_{30} > 3\%$  but improved to  $PARR_{30} \leq 3\%$  level in the last 3 months
- 3<sup>rd</sup> priority:  $PARR_{30} \leq 5\%$  in the last 3 months Implementing branch servicing agriculture areas with high concentration of small farmers
- Commitment from Board/top management
- Willingness to assign full-time supervisor and account officers
- Willingness to fully adapt new approaches/policies for agri-lending
- Adequate liquidity
- Availability of a MABSTeRS desirable

Based on the criteria, six additional participating banks (PBs) were selected to offer the MAP: Rural Bank (RB) of Talisayan, RB Gattaran, Progressive Bank, RB San Enrique, FAIR Bank, and RB Pagbilao. Staff from these six banks will be trained to develop and offer a micro agri loan product using the lessons learned from the first five banks that pilot tested this new product in 2004-2006.

**Status/Results:**

Thirty microfinance unit (MFU) staff from the 4<sup>th</sup> MAP rollout banks - Rural Bank (RB) of Talisayan, RB Gattaran, Progressive Bank, RB San Enrique, FAIR Bank, and RB Pagbilao, as well as staff from MAP pilot banks 1<sup>st</sup> Valley Bank, Green Bank, and Cantilan Bank completed training on the features of MAP and its policies and procedures. The training also covered: character and background investigation procedures and report preparation, loan analysis, monitoring and collection, and account officer supervision.

**SAF No. 109 – Support for the National Roundtable Conference & EAGLE Awards**

**Objectives:**

Roundtable meetings among senior officers of MABS PBs are regularly held to ensure compliance to MABS microfinance best practices and the continuous involvement of top management in the microfinance operations of their banks. The national roundtable conference gives participants the opportunity to share their experiences in utilizing and implementing the *MABS Approach* to microfinance in their banks and the chance to advance their learnings and absorb new concepts.

**Status/Results:**

The 5<sup>th</sup> National Roundtable (NRT) Conference of the MABS Program was held on June 12-13 at the Manila Hotel. Over 150 participants - comprising 111 rural bankers from 49 MABS PBs - and representatives from the USAID, BSP, MEDCo, RBAP, Microfinance Information Exchange (MIX), Microfinance Council of the Philippines, GXchange (GXI), Bank of the Philippine Islands, and MABS and Rural Banker 2000 service providers attended the conference. The two-day conference, with the theme *Pushing the Frontiers of Microfinance through Innovation*, presented the microfinance innovations developed by the Program and its partners and its impact on microfinance operations.

Aside from the conference, MABS also marked its 10th anniversary with a ceremony recognizing its partners and clients. Secretary Cerge Remonde, Director-General of the Presidential Management Staff, and United States Ambassador to the Philippines Kristie Kenney helped mark a decade of successful partnership between the USAID, RBAP, and MABS participating banks. The Program also recognized its 2006 EAGLE Awardees Bangko Kabayan, Green Bank, Cantilan Bank, 1st Valley Bank, and the Rural Bank of Sto. Tomas (RBST) for their excellent performance in managing their microfinance operations.

**SAF No. 110 – Support for the development and production of videos for 2006 EAGLE Awards, the MABS Overview Video and the Mobile Phone Banking Video**

**Objectives:**

MABS developed the EAGLE rating system to evaluate the performance of participating banks (PBs) in providing microfinance services according to established international and Philippine microfinance best practices. EAGLE ratings are based on five components: **E**fficiency, **A**sset Quality, **G**rowth, **L**iability Structure, and **E**arnings. Since developing the system in 2001, MABS has been recognizing participating banks that merit “AA” ratings by giving out EAGLE Awards. Video documentaries that highlight the best practices and achievements of the winning participating banks have also been produced each year since 2003. While these videos form part of the awarding ceremonies, MABS, RBAP, and the MABS Service Providers (or MSPs) also use these videos for marketing

and training purposes. These videos also help increase the level of awareness on the MABS program and serves to document microfinance best practices for rural bankers.

A series of videos will again be developed and produced this year: five will document the accomplishments of the following participating banks (PBs) that qualified to receive the MABS EAGLE Awards: Bangko Kabayan, Green Bank, Cantilan Bank, 1st Valley Bank, and the Rural Bank of Sto. Tomas (RBST), two videos that will update the information about the MABS Program and its mobile phone banking initiatives, and one video that will feature the success story of MABS pilot bank RB Sto. Tomas' pioneering microloan client, Ms. Josefina Albiza.

**Status/Results:**

MABS requested for proposals from five video production outfits. Two companies, Advocacy Videos and Alchemy of Vision and Light Inc, did not reply to MABS' communications. Two Davao City-based companies (Editbay and One Stop Video Marketing) and one Manila-based company, Imacron Productions, submitted proposals. Editbay was selected as the subcontractor for the production based on submitting the overall lowest bid and on the excellent video production work for both MABS and the USAID-funded CUES Program over the past five years.

The five EAGLE video documentaries were shown during the EAGLE Awards Night, the MABS Overview Video and the video featuring Ms. Albiza were shown during the special program marking MABS' 10<sup>th</sup> anniversary, and the mobile phone banking video was shown during the Roundtable Conference. The videos are being reproduced and distributed to PBs and partners.

**Annex 1.2 Special Activities Fund (SAF) Tracker**

Philippines Microenterprise Access to Banking Services  
 Chemonics International Inc.  
 Contract no. 492-C-00-98-00008-00  
 Quarter Number 38, June 30, 2007  
 Special Activities Fund - In USD

SAF	Title	Results	Date Approved	Status	Budgeted Amount	Expenses To Date Quarter 37	Quarter 38				Expenses To Date Quarter 38	Budget Remaining	Budget Overruns	Cumulative Invoiced		
							Invoice 113 Apr-07	Invoice 114 May-07	Invoice 115 Jun-07	Quarter 38 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 completed.	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 conducted a survey of microenterprises in each of the PB market areas. This request also included 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 came down to Davao for 5 days to assist in preparing training sessions for 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	Participation of RBRDFI in MIS development completed.	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 completed.	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 completed.	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 conducted the 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	Implemented the Pilot Bank Agreement.	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	Published the 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	Services of Luisa Cadiz, RA for Roll-out, were completed.	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 Banks MIS Enhancement completed.	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	Completed the implementation of the Subcontract of Laurel Druben of ITI.	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 completed.	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 completed.	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	Technical and 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 trainings were 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	
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	

**Annex 1.2 Special Activities Fund (SAF) Tracker**

Philippines Microenterprise Access to Banking Services  
 Chemonics International Inc.  
 Contract no. 492-C-00-98-00008-00  
 Quarter Number 38, June 30, 2007  
 Special Activities Fund - In USD

SAF	Title	Results	Date Approved	Status	Budgeted Amount	Expenses To Date Quarter 37	Quarter 38				Expenses To Date Quarter 38	Budget Remaining	Budget Overruns	Cumulative Invoiced	
							Invoice 113 Apr-07	Invoice 114 May-07	Invoice 115 Jun-07	Quarter 38 Total				Invoiced	Remaining
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 senior officers 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 done.	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	Technical assistance and commodities support delivered.	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 done.	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 and Green Banks	Microbanker and related services of RB Oroquieta and Green Bank delivered.	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 done.	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
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	Closed	\$ 96,289.86	\$ 89,292.40				\$ -	\$ 89,292.40	\$ 6,997.46	\$ -	\$ 89,292.40	\$ 843,257.06

**Annex 1.2 Special Activities Fund (SAF) Tracker**

Philippines Microenterprise Access to Banking Services  
 Chemonics International Inc.  
 Contract no. 492-C-00-98-00008-00  
 Quarter Number 38, June 30, 2007  
 Special Activities Fund - In USD

SAF	Title	Results	Date Approved	Status	Budgeted Amount	Expenses To Date Quarter 37	Quarter 38				Expenses To Date Quarter 38	Budget Remaining	Budget Overruns	Cumulative Invoiced	
							Invoice 113 Apr-07	Invoice 114 May-07	Invoice 115 Jun-07	Quarter 38 Total				Invoiced	Remaining
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	Conducted the pilot testing of the credit reference bureau.	Sep-01	Closed	\$ 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 MABSTers and Learning Centers were completed.	Mar-03	Closed	\$ 20,564.66	\$ 17,006.25	\$ 278.35			\$ 278.35	\$ 17,284.60	\$ 3,280.06	\$ -	\$ 17,284.60	\$ 775,266.04
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	\$ 774,598.02
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	\$ 774,148.39
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	\$ 772,399.69
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	\$ 768,864.16
77	MABS Training Materials for Web Production	Production completed.	Jul-03	Closed	\$ 6,096.42	\$ 2,032.54				\$ -	\$ 2,032.54	\$ 4,063.88	\$ -	\$ 2,032.54	\$ 766,831.62
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	\$ 765,839.62
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	\$ 755,093.96
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	\$ 753,718.96
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	\$ 749,500.43
82	Microfinance Council Workshop	Attended by RB of Kapatagan Valley manager.	Oct-03	Closed	\$ 278.63	\$ 200.28				\$ -	\$ 200.28	\$ 78.35	\$ -	\$ 200.28	\$ 749,300.15
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	\$ 746,062.72
84	MABS Rollout Support Program for Rural Banks	On-going	Nov-03	Open	\$ 33,723.02	\$ 26,838.26				\$ -	\$ 26,838.26	\$ 6,884.76	\$ -	\$ 26,838.26	\$ 719,224.46
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	\$ 718,644.23
86	MABS support for 2 other banks in ARMM/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	\$ 715,548.72

**Annex 1.2 Special Activities Fund (SAF) Tracker**

Philippines Microenterprise Access to Banking Services  
 Chemonics International Inc.  
 Contract no. 492-C-00-98-00008-00  
 Quarter Number 38, June 30, 2007  
 Special Activities Fund - In USD

SAF	Title	Results	Date Approved	Status	Budgeted Amount	Expenses To Date Quarter 37	Quarter 38				Expenses To Date Quarter 38	Budget Remaining	Budget Overruns	Cumulative Invoiced	
							Invoice 113 Apr-07	Invoice 114 May-07	Invoice 115 Jun-07	Quarter 38 Total				Invoiced	Remaining
87	RB2000 User Conference	Conducted in March & November 2004, September 2005, July 2006	Feb-04	Open	\$ 4,404.10	\$ 4,029.31				\$ -	\$ 4,029.31	\$ 374.79	\$ -	\$ 4,029.31	\$ 711,519.41
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	\$ 707,125.32
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	\$ 705,513.29
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	\$ 703,248.13
91	MABS Rollout Support Program for 10 Additional Rural Banks	On-going	May-04	Open	\$ 13,494.06	\$ 9,857.76				\$ -	\$ 9,857.76	\$ 3,636.30	\$ -	\$ 9,857.76	\$ 693,390.37
92	Micro-Agri Loan Product Training for Pilot Banks	Trainings conducted in September 2004 and April 2005	Sep-04	Closed	\$ 3,500.18	\$ 1,349.16				\$ -	\$ 1,349.16	\$ 2,151.02	\$ -	\$ 1,349.16	\$ 692,041.21
93	MABS support for new PBs	On-going	Oct-04	Open	\$ 40,178.57	\$ 7,468.63	\$ 313.48	\$ 316.46	\$ 329.67	\$ 959.61	\$ 8,428.24	\$ 31,750.33	\$ -	\$ 8,428.24	\$ 683,612.97
94	Support for the Official Trip of Anthony Petalcorin to BRI to Lead the Rural Banks Study Tour	Trip with staff of participating rural banks has been completed.	Oct-04	Closed	\$ 2,104.11	\$ 1,747.96				\$ -	\$ 1,747.96	\$ 356.15	\$ -	\$ 1,747.96	\$ 681,865.01
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	\$ 680,562.86
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	\$ 674,735.37
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	\$ 669,112.40
98	Development and production of RBAP documentary video	Development and production completed.	May-05	Closed	\$ 645.99	\$ 645.99				\$ -	\$ 645.99	\$ -	\$ -	\$ 645.99	\$ 668,466.41
99	Support to MABS Approach Rollout	On-going	Jul-05	Open	\$ 27,272.73	\$ 3,027.25				\$ -	\$ 3,027.25	\$ 24,245.48	\$ -	\$ 3,027.25	\$ 665,439.16
100	Rollout of the Micro Agri Loan Product	MABS rollout trainings completed.	Sep-05	Closed	\$ 4,200.92	\$ 4,227.64				\$ -	\$ 4,227.64	\$ (26.72)	\$ (26.72)	\$ 4,227.64	\$ 661,211.52
101	Training for the Rollout of RBAP Text-A-Payment for interested and qualified rural banks in Mindanao, Visayas, and Luzon	On-going	Oct-05	Open	\$ 7,634.86	\$ 1,800.65				\$ -	\$ 1,800.65	\$ 5,834.21	\$ -	\$ 1,800.65	\$ 659,410.87
102	Funding to conduct 2005 Survey of Borrowers of MABS Participating Banks	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	\$ 649,635.40
103	Support for the National Roundtable Conference & EAGLE Awards 2006	NRT and EAGLE awards conducted in April 2006.	Feb-06	Closed	\$ 9,844.68	\$ 7,000.26				\$ -	\$ 7,000.26	\$ 2,844.42	\$ -	\$ 7,000.26	\$ 642,635.14
104	Training on Micro-Agri Loan product rollout under the Micro-Agri loan product activity	MAP rollout trainings completed.	Feb-06	Closed	\$ 1,428.43	\$ 1,537.90				\$ -	\$ 1,537.90	\$ (109.47)	\$ (109.47)	\$ 1,537.90	\$ 641,097.24
105	Development and production of videos for 2005 EAGLE Awards & MABS Video	Production completed and videos approved by MABS.	Mar-06	Closed	\$ 8,856.73	\$ 6,552.52				\$ -	\$ 6,552.52	\$ 2,304.21	\$ -	\$ 6,552.52	\$ 634,544.72
106	Training on Enhanced Account Officers Course for MABSTeRs (Existing and New)	On-going	Jun-06	Open	\$ 4,095.23	\$ 3,019.88				\$ -	\$ 3,019.88	\$ 1,075.35	\$ -	\$ 3,019.88	\$ 631,524.84
107	Training/Workshop for Bicol Participating Banks affected by Typhoon Reming	On-going	Dec-06	Open	\$ 560.54	\$ 339.17				\$ -	\$ 339.17	\$ 221.37	\$ -	\$ 339.17	\$ 631,185.67
108	Training on Micro-Agri Product Loan Rollout	On-going	Apr-07	Open	\$ 2,833.00	\$ -		\$ 2,391.59		\$ 2,391.59	\$ 2,391.59	\$ 441.41	\$ -	\$ 2,391.59	\$ 628,794.08
109	MABS National Round Table and EAGLE Awards Event	On-going	May-07	Open	\$ 25,785.76	\$ -		\$ 1,054.85	\$ 20,519.79	\$ 21,574.64	\$ 21,574.64	\$ 4,211.12	\$ -	\$ 21,574.64	\$ 607,219.44
110	Development and Production of Videos for EAGLE Awards 2007	On-going	May-07	Open	\$ 10,813.92	\$ -		\$ 4,272.15	\$ 362.84	\$ 4,634.99	\$ 4,634.99	\$ 6,178.93	\$ -	\$ 4,634.99	\$ 602,584.45
<b>SUBTOTAL</b>					<b>\$ 2,539,579.28</b>	<b>\$ 2,123,127.37</b>	<b>\$ 313.48</b>	<b>\$ 8,313.40</b>	<b>\$ 21,212.30</b>	<b>\$ 29,839.18</b>	<b>\$ 2,152,966.55</b>	<b>\$ 386,612.74</b>	<b>\$ (13,566.38)</b>	<b>\$ 2,152,966.55</b>	<b>\$ 602,584.45</b>
<b>Prior Period Adjustments on Indirect Fringe and Overhead Due to NICRA Revisions</b>								\$ 5,621.35		\$ 5,621.35	\$ 5,621.35			\$ 5,621.35	\$ 596,963.10
<b>General &amp; Administrative Costs</b>							\$ 94,396.99	\$ 15.67	\$ 659.98	\$ 1,060.61	\$ 1,736.26	\$ 96,133.25		\$ 96,133.25	\$ 30,149.75
<b>Fee</b>							\$ 110,936.86	\$ 16.46	\$ 436.47	\$ 1,113.65	\$ 1,566.58	\$ 112,503.44		\$ 112,503.44	\$ 31,610.56
<b>GRAND TOTAL</b>					<b>\$ 2,539,579.28</b>	<b>\$ 2,328,461.22</b>	<b>\$ 345.61</b>	<b>\$ 15,031.20</b>	<b>\$ 23,386.56</b>	<b>\$ 38,763.37</b>	<b>\$ 2,367,224.59</b>	<b>\$ 386,612.74</b>	<b>\$ (13,566.38)</b>	<b>\$ 2,367,224.59</b>	<b>\$ 658,723.41</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

Technical Deliverables	Submitted By	Report Date	Submitted to CDIE	HO Electronic	HO Hard Copy
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 Champion	October, 2003	Yes	Yes	Yes
Consultancy Services to Bangko Sentral NG Pilipinas on Microfinance Supervision	Carlos Alba/International Consulting Consortium	January 1, 2005	Yes	Yes	Yes
Greenbank; Defining Success in Rural Banking and Microfinance Provision	Paul Wendland	July, 2006		Yes	Yes
Work Plans	Submitted By	Report Date	Submitted to CDIE	HO Electronic Files	HO Hard Copy
Year 1 Work Plan (1998)	Chemomics International	Dec-97	Yes	Yes	
Year 2 Work Plan (1999)	Chemomics International	Dec-98	Yes	Yes	
Year 3 Work Plan (2000)	Chemomics International	Dec-99	Yes	Yes	
Year 4 Work Plan (2001)	Chemomics International	Dec-00	Yes	Yes	
Year 5 Work Plan (2002)	Chemomics International	Dec-01	Yes		Yes
Year 6 Work Plan (2003)	Chemomics International	Dec-02	Yes	Yes	
Year 7 Work Plan (2004)	Chemomics International	Dec-03	Yes	Yes	
Year 8 Work Plan (2005)	Chemomics International	Dec-04		Yes	Yes
Year 9 Work Plan (2006)	Chemomics International	Dec-05		Yes	Yes
Year 10 Work Plan (2007)	Chemomics International	Dec-06			
Quarterly Progress Reports	Submitted By	Report Date	Submitted to CDIE	HO Electronic Files	HO Hard Copy
Quarterly Performance Monitoring Report (First)	Chemomics International	April 1, 1998	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Second)	Chemomics International	July 1, 1998	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Third)	Chemomics International	October 1, 1998	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Fourth)	Chemomics International	January 1, 1999	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Fifth)	Chemomics International	April 1, 1999		Yes	Yes

Annex 1.3 Reports Tracker

Quarterly Progress Reports	Submitted By	Report Date	Submitted to CDIE	HO Electronic Files	HO Hard Copy
Quarterly Performance Monitoring Report (Sixth)	Chemomics International	July 1, 1999	Yes		Yes
Quarterly Performance Monitoring Report (Seventh)	Chemomics International	October 1, 1999	Yes		Yes
Quarterly Performance Monitoring Report (Eight)	Chemomics International	January 1, 2000	Yes		Yes
Quarterly Performance Monitoring Report (Ninth)	Chemomics International	April 1, 2000	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Tenth)	Chemomics International	July 1, 2000	Yes		Yes
Quarterly Performance Monitoring Report (Eleventh)	Chemomics International	October 1, 2000	Yes		Yes
Quarterly Performance Monitoring Report (Twelfth)	Chemomics International	January 1, 2001			Yes
Quarterly Performance Monitoring Report (Thirteenth)	Chemomics International	April 1, 2001	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Fourteenth)	Chemomics International	July 1, 2001	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Fifteenth)	Chemomics International	November 1, 2001	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Sixteenth)	Chemomics International	February 1, 2002	Yes	Yes	No
Quarterly Performance Monitoring Report (Seventeenth)	Chemomics International	May 1, 2002	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Eighteenth)	Chemomics International	July 1, 2002	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Nineteenth)	Chemomics International	November 1, 2002	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Twentieth)	Chemomics International	February 1, 2003	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Twenty-first)	Chemomics International	April 1, 2003	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Twenty-second)	Chemomics International	July 1, 2003	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Twenty-third)	Chemomics International	November 1, 2004	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Twenty-fourth)	Chemomics International	January 1, 2004	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Twenty-fifth)	Chemomics International	April 1, 2004	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Twenty-sixth)	Chemomics International	July 1, 2004	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Twenty-seventh)	Chemomics International	November 1, 2004	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Twenty-eighth)	Chemomics International	January 1, 2005	?	Yes	Yes
Quarterly Performance Monitoring Report (Twenty-ninth)	Chemomics International	April 1, 2005	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Thirtieth)	Chemomics International	July 1, 2005	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Thirty-first)	Chemomics International	October 1, 2005	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Thirty-second)	Chemomics International	January 1, 2006	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Thirty-third)	Chemomics International	April 1, 2006	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Thirty-fourth)	Chemomics International	July 1, 2006	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Thirty-fifth)	Chemomics International	October 1, 2006	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Thirty-sixth)	Chemomics International	January 1, 2007		Yes	Yes
Quarterly Performance Monitoring Report (Thirty-seventh)	Chemomics International	April 1, 2007		Yes	Yes
Quarterly Performance Monitoring Report (Thirty-eighth)	Chemomics International	July 1, 2007			

## MICROENTERPRISE ACCESS TO BANKING SERVICES (MABS) PROGRAM APRIL 2007 HIGHLIGHTS

### **MABS Participating Banks (PBs) Reach 1 Million-Microloans Milestone**

The MABS Program's 324 participating bank units have now disbursed more than 1-million microloans since 1997. The milestone comes as the program prepares to celebrate 10 years of working with its partner banks to expand microfinance services to more microentrepreneurs.

Since 1997, MABS PBs have disbursed more than PhP12.5 billion (approximately US\$240 million) totaling more than one million microloans to more than 360,000 new microborrowers. Over the last ten years, the number of microdeposit accounts has increased by more than 402,000 with banks now managing more than 1.1 million microsavings accounts totaling more than PhP 1.6 billion (approximately \$33 million). MABS PBs' loan portfolio balance now exceeds PhP1 billion (US\$20 million) comprising more than 150,000 active borrowers.

### **Hardcore Delinquency Management Training**

Thirty participants from 11 Luzon and Visayas PBs completed the Hardcore Delinquency Management Training held April 12-13 in Cagayan de Oro City. Through case studies, workshops, and exercises, the course highlighted collection strategies, remedial management, guidelines for writing off loans and setting up specialized units to manage the collection and recovery of all written off accounts.

### **MABS' Mobile Phone Banking Applications Highlighted at ADB Mobile Applications for Poverty Reduction Roundtable**

Mobile phone banking applications developed by MABS with the support of Globe Telecom subsidiary GXchange (GXI) were highlighted at the Roundtable Discussion on Mobile Applications for Poverty Reduction. The roundtable, which was sponsored by the Asian Development Bank (ADB), Swedish International Development and Cooperation Agency, Philippine Resources for Sustainable Development, and GXI, was held on April 19 at the ADB Headquarters in Manila.

MABS Chief of Party John Owens presented the mobile phone banking applications developed by MABS with the support of GXI – including the microloan repayment service, *Text-A-Payment*; payroll service, *Text-a-Sweldo*; money transfer and remittances, *Text-A-Remittance*; bills payments, *Text-A-Bill Pay*; and the deposit-taking service, *Text-A-Deposit* - as technological innovations that offer the potential to greatly reduce transaction costs of financial services and expand the outreach of financial services to more clients.

Atty. Nicolas Lim, President of MABS PB 1<sup>st</sup> Valley Bank, made a presentation on the social acceptability of mobile based-bank transactions among bank employees and clients. 1<sup>st</sup> Valley Bank started offering mobile phone banking services in 2006. Prior to the rollout, the bank conducted a survey to determine awareness and interest on mobile phone banking services. The bank then conducted focus-group discussions and client visits and hired a full time mobile banking marketing specialist. 1<sup>st</sup> Valley Bank employees are now receiving part of their allowances and bonuses

through the *Text-A-Sweldo* service. The bank has also entered into an agreement with Lanao Electric Cooperative, the regional electricity distributor, to enable their customers to make their electric bill payments directly to the bank via the *Text-A-Bill Pay* service. Atty. Lim pointed out the progress the bank has made and the challenge to continue to increase public awareness and educate more users.



### **MABS' Mobile Phone Banking Initiative Reviewed by World Bank-CGAP Study Team**

The World Bank and the Consultative Group to Assist the Poor (CGAP) conducted a diagnostic mission from April 16-25, which assessed the Philippines' policy and regulatory framework for branchless banking. The mission is a joint initiative of CGAP's Technology Program, an initiative that will identify and develop technologies that enables branches banking – the delivery of financial services outside traditional banking branches using technology and non-bank retail agents. In January, CGAP selected a proposal submitted by MABS and GXI outlining the expansion of mobile phone banking services to rural bank clients for possible funding under its Technology Program.

The team reviewed MABS' mobile phone banking initiative. They also met with officers of the Bangko Sentral ng Pilipinas (Philippine Central Bank), officers of key government agencies, and representatives from the financial and telecommunications industries to discuss the regulation of electronic money, payment systems, and data security.

### **MABS Highlighted at United Nations Economic and Social Council (ECOSOC) Annual Meeting**

Atty. Francis Ganzon, President of MABS PB Bangko Kabayan, participated in the 10<sup>th</sup> Annual United Nations ECOSOC High-Level Meeting held in New York on April 16. Among the meeting's topics was aid effectiveness and innovative financing for development. Atty. Ganzon cited the partnership between the USAID and the RBAP for the MABS Program as a model for other donors and developing countries aiming to promote microfinance. He emphasized MABS' capacity building-approach and its long-term, far-reaching impact. Atty. Ganzon also discussed MABS' work in developing microbanking innovations, particularly mobile phone banking applications and bank management software.

## MICROENTERPRISE ACCESS TO BANKING SERVICES (MABS) PROGRAM MAY 2007 HIGHLIGHTS

### 4<sup>th</sup> Micro Agri-loan Product Rollout Training

Six additional participating banks (PBs) were selected and trained to develop and offer the micro agri loan product (MAP). Thirty microfinance unit (MFU) staff from the 4<sup>th</sup> MAP rollout banks - Rural Bank (RB) of Talisayan, RB Gattaran, Progressive Bank, RB San Enrique, FAIR Bank, and RB Pagbilao, as well as staff from MAP pilot banks 1<sup>st</sup> Valley Bank, Green Bank, and Cantilan Bank completed training on the features of MAP and its policies and procedures. The training, which was held from May 7 to 9 in Cagayan de Oro City, also covered: character and background investigation procedures and report preparation, loan analysis, monitoring and collection, and account officer supervision.

The MAP was launched in 2004 to provide farmers tending small farm lots and owners of agriculture-based microenterprises with access banking services. To date, the 26 participating bank units offering the MAP have disbursed more than 9,000 MAP loans totaling more than Php100 million to more than 4,400 new micro agri-loan borrowers. The MAP participating banks collectively have more than 3,300 active borrowers, with an outstanding loan portfolio of more than Php25 million. The portfolio-at-risk ratio over 30 days is 2.5%.

### Hardcore Delinquency Management Training for Southern Mindanao Banks

Eleven participants from five Southern Mindanao-based PBs completed the Hardcore Delinquency Management Training held on May 17 to 18 in Davao City. Participants were provided with a systematic approach to preventing delinquency – starting with a comprehensive understanding of its nature and identification of its causes. Participants then learned how to analyze and interpret their loan portfolio to gather relevant information for managing delinquency. 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.

### Middle Management Training Course for Luzon Banks

Thirty-four bank and MFU officers from 13 Luzon PBs completed the Middle Management Training Course (MMTC) held on May 16 to 18 in Manila. Through exercises and workshops, participants learned how to read, analyze, and gather relevant information from reports and financial statements. The course also gave the basics of branch

operations management and supervision, as well as procedures for operations review and staff performance evaluation.

The MMTC was developed in 2005 to provide MFU officers of PBs with the relevant skills for branch operations management and supervision. The course also complements the training provided to their microfinance account officers (AOs).

### Vietnam Bank for Social Policies Study Tour

A delegation composed of fifteen directors and managers from three Vietnamese organizations – the Vietnam Bank for Social Policies, the Vietnam Central Bank, and mobile network operator Vinaphone – was briefed on the work of the MABS Program, particularly on the rollout of mobile phone banking applications. The study group conducted a field visit to MABS PB 1<sup>st</sup> Valley Bank's Iligan Branch to observe electronic cash transfers (Cash-In and Cash-Out) and to gather feedback from merchants accepting electronic money as payment and their clients.

GXChange, MABS' partner in developing mobile phone banking applications, accredited 1<sup>st</sup> Valley Bank as a cash-in and cash-out outlet for its electronic money platform, GCash, in June 2006. The bank started to disburse part of employees' allowance through GCash in 2006 and entered into an agreement with a utility company for bills payment through GCash.

The briefing and field visit, conducted on May 2-4, aimed to gather information and lessons to help develop a technology road map for mobile phone banking applications in Vietnam.



The Vietnamese study group with Rural Bankers Association of the Philippines and MABS officers.

## MICROENTERPRISE ACCESS TO BANKING SERVICES (MABS) PROGRAM JUNE 2007 HIGHLIGHTS

### MABS Holds 5<sup>th</sup> National Roundtable Conference

The 5<sup>th</sup> National Roundtable (NRT) Conference of the MABS Program was held on June 12-13 at the Manila Hotel. Over one hundred fifty participants - comprising 111 rural bankers from 49 MABS participating banks (PBs) - and representatives from the United States Agency for International Development (USAID), Bangko Sentral ng Pilipinas, Mindanao Economic Development Council (MEDCo), Rural Bankers Association of the Philippines (RBAP), Microfinance Information Exchange (MIX), Microfinance Council of the Philippines, GXchange (GXI), Bank of the Philippine Islands, and MABS and Rural Banker 2000 service providers attended the conference. The two-day conference, with the theme *Pushing the Frontiers of Microfinance through Innovation*, presented the microfinance innovations developed by the Program and its partners and its impact on microfinance operations.

Cantilan Bank and 1<sup>st</sup> Valley Bank shared their experiences in implementing mobile phone banking applications. In 2004, MABS started developing mobile phone-based services that will give PBs' clients accessible, low-cost, and secure means to make microloan payments (Text-A-Payment), deposits (Text-A-Deposit), and withdrawals (Text-A-Withdrawal), as well as send and receive local and international remittances. All applications use GXI's electronic money platform, GCash. The new mobile phone banking website ([www.mobilephonebanking.rbap.org](http://www.mobilephonebanking.rbap.org)) - an online resource for mobile phone banking processes and directory of accredited GCash cash-in and out outlets and merchants accepting GCash as payment - was also launched during the conference.

Valiant Bank, the first rural bank to receive a Merit Recognition in the Consultative Group to Assist the Poor's (CGAP)'s Financial Transparency Awards, gave a first-hand account on how transparency in financial reporting and benchmarking contributes to organizational strengthening.

Officers of top-performing MABS participating banks shared the management strategies and best practices that worked for their organizations. Officers of PBs that were affected by recent natural disasters, Rural Bank (RB) of Mabitac and RB Guinobatan, shared their post-disaster recovery measures and highlighted the importance of having an updated disaster and contingency plan.

### 2006 EAGLE Awarding Ceremonies

MABS recognized its EAGLE Awardees for 2006 at ceremonies held on June 12 in Manila. Participating banks Bangko Kabayan, Green Bank, Cantilan Bank, 1<sup>st</sup> Valley Bank, and the Rural Bank of Sto. Tomas (RBST) received EAGLE Awards for their excellent performance in managing their microfinance operations. Bangko Kabayan received its fifth EAGLE Award; Green Bank and Cantilan Bank are three-time awardees while RBST and 1<sup>st</sup> Valley Bank have been recognized twice already. EAGLE ratings are based on five components (Efficiency, Asset quality, Growth, Liability structure, Earnings).

Five additional MABS PBs that participated in the MixMarket, the global web-based microfinance information platform of the MIX, were recognized and given Transparency Certificates during the EAGLE Awards Night. The new MixMarket participants are: RB Lebak, RB Mabitac, RB Cotabato, Mallig Plains Rural Bank, and RB Oroquieta. The MIX also formally awarded Valiant Bank with the CGAP Financial Transparency Awards Merit Recognition. Valiant Bank was one of 83

international microfinance institutions (MFIs) that received Merit Recognitions, which indicates 80% or more compliance with international and microfinance-industry specific disclosure requirements for financial reporting.

### MABS Marks 10<sup>th</sup> Anniversary

The MABS Program marked its 10<sup>th</sup> anniversary with a ceremony recognizing its partners and clients. Secretary Cerge Remonde, Director-General of the Presidential Management Staff, and United States Ambassador to the Philippines Kristie Kenney helped mark a decade of successful partnership between the USAID, RBAP, and MABS participating banks. In her message, Ambassador Kenney highlighted the successes of rural banks and the microentrepreneurs that they serve. "RBAP-MABS has demonstrated that microentrepreneurs are bankable and credit worthy, and that rural banks can make a good return from microfinance services".



US Ambassador Kristie Kenney (8<sup>th</sup> from left) with (left to right) MABS Deputy Chief of Party Meliza Agabin, MABS Chief of Party John Owens, USAID Project Officer Teresita Espenilla, USAID Economic Growth Advisor Robert Barnes, Bangko Kabayan President Francis Ganzon, MEDCo Chairman Virgilio Leyretana, 1-millionth microloan recipient Erlinda Quinones, pioneering client Josefina Albiza, USAID Mission Director Jon Lindborg, Rural Bankers Research and Development Foundation Chairman William Hotchkiss, USAID Office of Economic Development and Governance Chief Robert Wuertz, and Chemonics President Richard Dreiman.

Since 1997, the Program's 335 participating bank units have disbursed 1 million microloans totaling more than PhP13 billion (approximately US\$250 million) to approximately 375,000 new micro-borrowers. RBAP-MABS performance on savings mobilization has been just as impressive. From January 1998 until April 2007, micro deposit accounts opened under RBAP-MABS had a cumulative value of approximately PhP700 million (about US\$14 million). During the celebration, the Program's pioneering client, Ms. Josefina Albiza and the recipient of the 1 millionth-microloan, Ms. Erlinda Quinones, were also recognized.

### 23 New MABS Technical Resource Specialists (MABSTeRS) Complete Training

MABS conducted a workshop to train additional MABSTeRS on June 26 to 29 in Cagayan de Oro City. Twenty-three new MABSTeRS-candidates from ten Mindanao PBs completed training on the modules and effective delivery of the Account Officers (AO) Training Course. To measure their core knowledge of the course's content, participants took written diagnostic tests. Each participant also delivered a lecture designed to assess their presentation and communications skills.

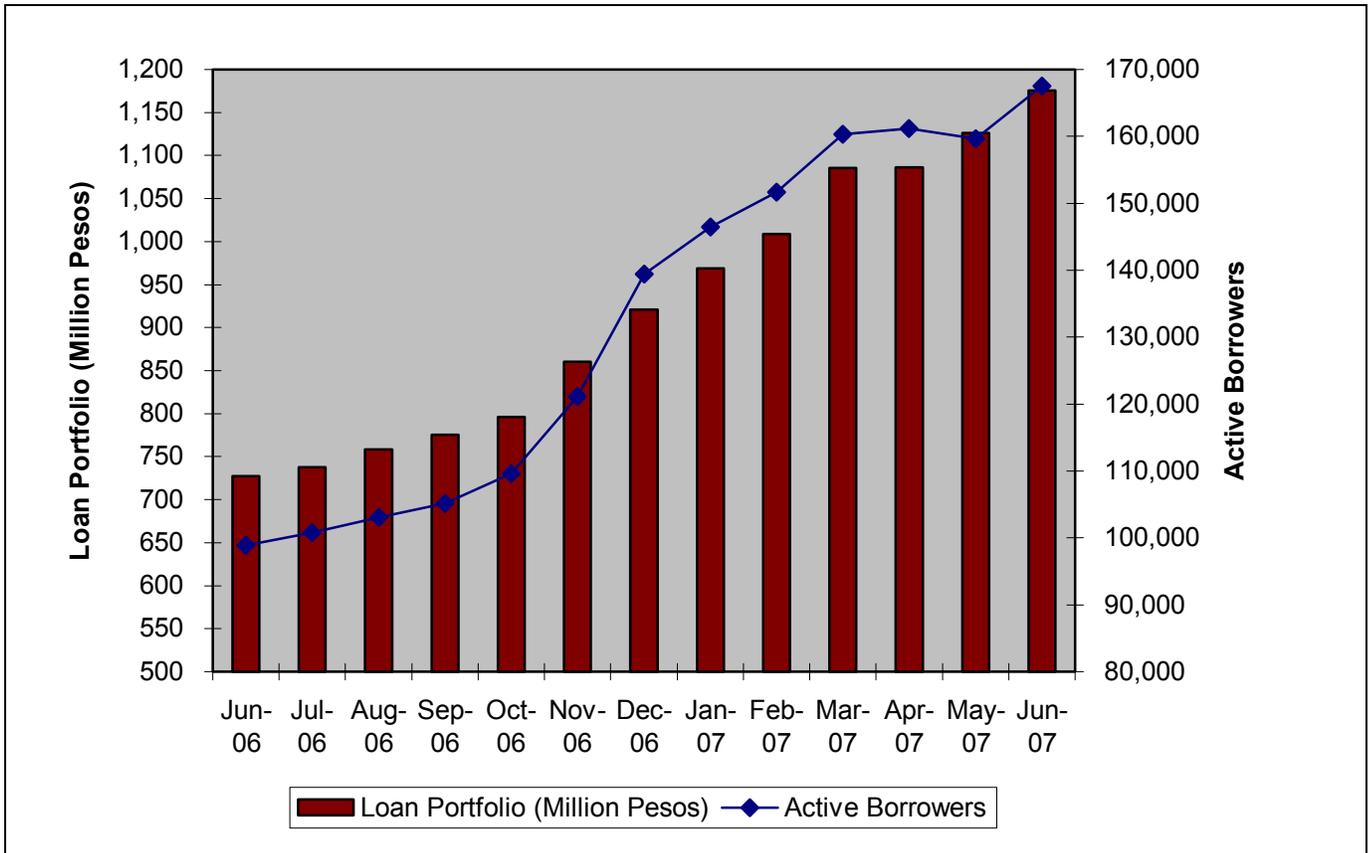
**MABS BANKS MICROFINANCE PERFORMANCE REPORT  
CONSOLIDATED - BY AREA OF OPERATION (LUZON, VISAYAS AND MINDANAO)  
JUNE 2007**

<b>PERFORMANCE DATA</b>	<b>LUZON</b>	<b>VISAYAS</b>	<b>MINDANAO</b>	<b>TOTAL</b>
Number of banks (reporting)	35	10	22	67
Number of participating branches (reporting)	149	37	103	289
Number of banks (trained/on-training)	10	5	8	23
Total number of banks	45	15	30	90
Total number of participating branches	169	42	126	337
Number of active borrowers outstanding	46,219	57,715	63,640	167,574
Number of new borrowers	3,266	5,016	4,307	12,589
Number of repeat loans	5,835	8,380	9,551	23,766
Loan portfolio balance	407,808,812	336,142,750	431,413,771	1,175,365,333
Net change in number of deposit accounts	37,551	78,144	295,190	410,885
Net change in deposit balance	146,027,262	93,801,460	459,562,959	699,391,681
Number of microfinance field staff	426	271	357	1,054
Number of microfinance field staff per branch	3	7	3	4
Number of loans disbursed during the month	9,101	13,396	13,858	36,355
Cumulative number of new borrowers	93,503	45,775	259,738	399,016
Cumulative number of loans disbursed	247,984	154,206	742,558	1,144,748
Amount of loans disbursed during the month	145,011,376	125,850,525	149,151,175	420,013,076
Cumulative amount of loans disbursed	4,104,168,953	1,869,228,451	7,813,183,066	13,786,580,470
Portfolio at risk more than 7 days	25,069,355	8,814,339	34,862,712	68,746,406
Portfolio at risk more than 7 days (%)	6.34%	2.62%	8.08%	5.91%
Portfolio at risk more than 30 days	18,678,029	4,757,417	28,560,259	51,995,705
Portfolio at risk more than 30 days (%)	4.73%	1.42%	6.62%	4.47%

<b>MONTHLY INCOME AND EXPENSE</b>	<b>LUZON</b>	<b>VISAYAS</b>	<b>MINDANAO</b>	<b>TOTAL</b>
Financial income				
Interest income on loans	20,645,889	5,541,935	15,509,465	41,697,289
Service charge	4,184,261	2,005,897	7,397,779	13,587,937
Penalty fee on loans	599,717	188,621	332,948	1,121,286
Total financial income	25,429,867	7,736,453	23,240,192	56,406,512
Total financial expense	1,657,249	486,604	2,309,043	4,452,896
Gross financial margin (spread)	23,772,618	7,249,849	20,931,149	51,953,616
Loan loss provision	545,508	281,182	1,018,023	1,844,713
Net financial margin	23,227,110	6,968,667	19,913,126	50,108,903
Direct operating expenses				
MFU salaries and benefits	4,151,866	990,511	2,668,745	7,811,122
Gross receipts tax	629,522	251,594	967,397	1,848,513
Depreciation	259,847	72,740	154,919	487,506
Transportation	810,057	77,589	245,162	1,132,808
Supplies	332,610	48,646	88,176	469,432
Communication	109,977	8,912	34,355	153,244
Others	1,319,023	64,641	281,317	1,664,981
Total direct operating expenses	7,612,902	1,514,633	4,440,071	13,567,606
Training and professional fees	59,724	833	5,169	65,726
Net income before indirect expenses	15,554,484	5,453,201	15,467,886	36,475,571
Indirect expenses	2,926,177	305,450	769,109	4,000,736
Net income (loss)	12,628,307	5,147,751	14,698,777	32,474,835

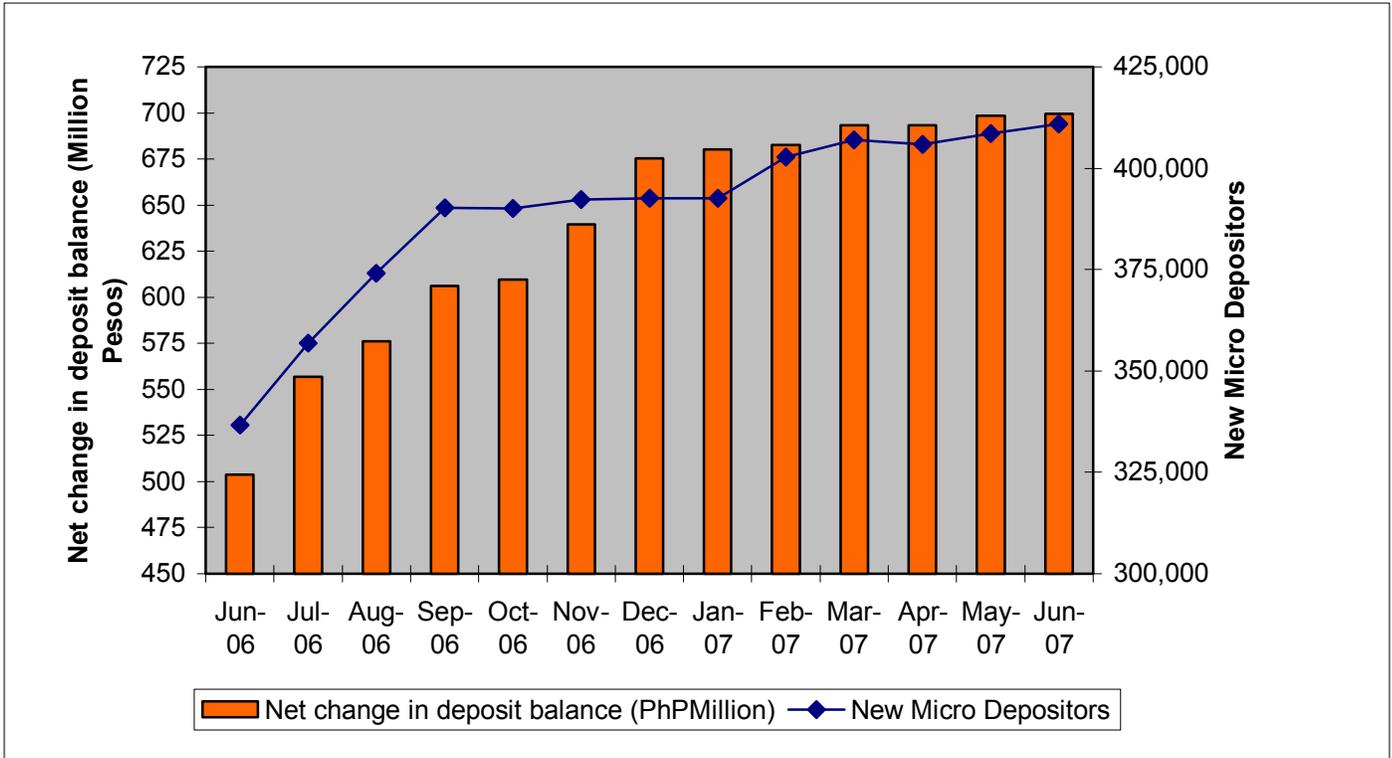
Note 1: PAR amounts and percentages do not include banks that were unable to submit complete reports (Rang-ay Bank & CARD Bank)  
 Note 2: Totals for each region follow actual geographic location of branches. Green Bank branches that are located in Luzon and Visayas are counted under Luzon and Visayas Regions, respectively; only its Mindanao branches are counted under Mindanao

**Micro Loan Portfolio**  
MABS Participating Banks  
June 2006 – June 2007



Month/ Year	Loan Portfolio (PhPM)	Active Borrowers
Jun 2006	727.14	98,907
Jul 2006	737.81	100,801
Aug 2006	758.25	103,085
Sept 2006	775.26	105,159
Oct 2006	796.17	109,660
Nov 2006	860.07	121,113
Dec 2006	920.74	139,454
Jan 2007	968.70	146,460
Feb 2007	1,008.78	151,640
Mar 2007	1,085.35	160,306
Apr 2007	1,086.00	161,203
May 2007	1,126.48	159,673
<b>Jun 2007</b>	<b>1,175.37</b>	<b>167,574</b>

**New Microdeposits \***  
 MABS Participating Banks  
 June 2006 – June 2007



	Net Change in Deposit Balance (PhPM)	New Micro Depositors
Jun 2006	503.68	336,619
Jul 2006	556.88	356,934
Aug 2006	575.96	374,022
Sept 2006	609.60	390,006
Oct 2006	609.60	390,006
Nov 2006	639.59	392,252
Dec 2006	675.21	392,552
Jan 2007	680.27	392,536
Feb 2007	682.74	402,798
Mar 2007	693.32	406,955
Apr 2007	693.25	405,927
May 2007	698.60	408,536
<b>Jun 2007</b>	<b>699.39</b>	<b>410,885</b>

\*Micro deposits are deposits with outstanding balance of PhP15,000 or below. New micro deposits of a given bank refer to the net change in deposits, i.e., the outstanding figures less baseline figures, i.e., the figures before MABS started working with the bank.

**Annex 1.5**  
**Press Releases**  
**April - June 2007**

The Philippine STAR **BUSINESS**

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# Banking/Finance

*Tuesday, June 26, 2007*

## **Bangko Kabayan wins 5th EAGLE award**

Bangko Kabayan has received its fifth MABS (Microenterprise Access to Banking) EAGLE Award for outstanding performance in the following areas: efficiency, asset quality, growth of microfinance services, liability structure and earnings from the microfinance operations. MABS, a USAID-supported project in partnership with the Rural Bankers Association of the Philippines (RBAP), seeks to professionalize and expand the delivery of microfinance to clients in the countryside through the rural banks. Bangko Kabayan president Francis Ganzon said that top management's commitment and support for the program has been one of the key success factors in BK's consistent outstanding performance in MABS. The dedication of the MF unit's officers and staff and the close monitoring of accounts have also contributed in maintaining a quality portfolio. Bangko Kabayan is a member of the Economy of Communion, an international organization of companies committed to creating and operating enterprises.

# Banking/Finance

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B-5

## USAID renews MABS program

BY TED P. TORRES

The United States Agency for International Development (USAID) will continue the Microenterprise Access to Banking Services (MABS) program after nine years of assisting rural banks in micro-finance.

The key private sector partner of the MABS program is the Rural

Bankers Association of the Philippines (RBAP) which has been in the forefront of formal micro-lending. In a response to requests by the rural bankers, USAID mission director to the Philippines Jon D. Lindborg said they were continuing the program.

"We are currently working on preliminary plans for activities that could take the place for further MABS support for consolidation and expansion of microfinance services by rural banks," Lindborg said in a letter dated early June.

Since its introduction in 2000, rural banks under the MABS program has lent out over a million microloans worth P13 billion covering 355,000 microborrowers.

The program, designed to assist rural banks to profitably provide financial services to the microenterprise sector, has covered over 300 rural banks.

It includes workshops, seminars and training programs to expand microfinance services, MIS systems, loan pricing, deposit mobilization, micro-finance lending, zero tolerance

towards delinquency, financial management, business planning, market analysis and product development, internal control, and fraud prevention.

Meanwhile, US ambassador to the Philippines Kristie A. Kenney cited the Bank of the Philippine Islands (BPI) and Citibank as among the few universal banks that have contributed to the development of microfinance in the Philippines.

Kenney also urged the country's rural banks to continue to be innovative and creative in developing micro-finance for the country's micro and small entrepreneurs in a bid to eradicate poverty in the Philippines.

"You are already making an impact on the lives of so many small entrepreneurs, which in

turn is making an impact on the lives of the poor. You must continue to have the courage to take a chance in trusting your fellowmen," Kenney said during the 10th annual anniversary festivities of the Microenterprise Access to Banking Services (MABS) program.

The diplomat said that the MABS program proves that there is an effective partnership for poverty alleviation in the country composed of the private sector, bankers, government, and entrepreneurs.

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BPI Foundation Inc. is also involved in microfinancing with the help of the Ateneo de Manila University for capacity building for MFIs and the microborrowers.

Citibank is not only into micro-lending albeit in a small

way. It also recognizes micro-entrepreneurs as a way of encouraging microfinancing. Kenney also recognized the participation of the MABS, rural banks and telecommunications companies (telco) in developing mobile banking or utilizing mobile phones for certain bank transactions.

MABS, along with Globe Xchange (GX), a subsidiary of Globe Telecommunications, developed a program for expansion and roll-out of mobile banking applications to micro-finance clients of MABS participating banks, all of which are also RBAP bank members.

The program will build rural bank's capacity to assimilate, implement, and market new mobile phone banking applications, as well as expand the mobile banking ecosystem.

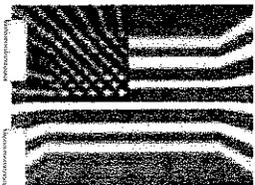


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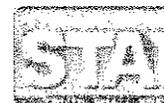
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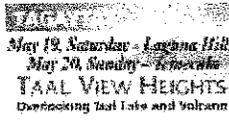
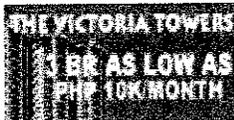
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### Banking

#### USAID renews MABS program

By Ted P. Torres

Tuesday, June 19, 2007

The United States Agency for International Development (USAID) will continue the Microenterprise Access to Banking Services (MABS) program after nine years of assisting rural banks in microfinance.

The key private sector partner of the MABS program is the Rural Bankers Association of the Philippines (RBAP) which has been in the forefront of formal microlending.

In a response to requests by the rural bankers, USAID mission director to the Philippines Jon D. Lindborg said they were continuing the program.

"We are currently working on preliminary plans for activities that could take the place for further MABS support for consolidation and expansion of microfinance services by rural banks," Lindborg said in a letter dated early June.

Since its introduction in 2000, rural banks under the MABS program has lend out over a million microloans worth P13 billion covering 355,000 microborrowers.

The program, designed to assist rural banks to profitably provide financial services to the microenterprise sector, has covered over 300 rural banks.

It includes workshops, seminars and training programs to expand microfinance services, MIS systems pricing, deposit mobilization, microfinance lending, zero tolerance towards delinquency, financial management, business planning, market analysis and product development, internal control, and fraud prevention.

Meanwhile, US ambassador to the Philippines Kristie A. Kenney cited the Bank of the Philippine Island (BPI) and Citibank as among the few universal banks that have contributed to the development of microfinance in the Philippines.

Kenney also urged the country's rural banks to continue to be innovative and creative in developing microfinance for the country's micro and small entrepreneurs in a bid to eradicate poverty in the Philippines.

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"You are already making an impact on the lives of so many small entrepreneurs, which in turn is making an impact on the lives of the poor. You must continue to have the courage to take a chance in trusting your fellowmen," Kenney said during the 10th annual anniversary festivities of the Microenterprise Access to Banking Services (MABS) program.

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# Business

Sunday, June 17, 2007



**RURAL BANKS' MICROFINANCE PROGRAM.** US Ambassador Kristie Kenney speaks before the meeting to celebrate 10 years of Microenterprises Access to Banking Services (MABS) program held June 13, 2007 at the Centennial Hall of the historic landmark Manila Hotel. Listening (seated from left) are Atty. John Owens, MABS Chief of Party, Atty. Francis Ganzon (partly hidden), Bangko Kabayan President; John Lindborg, USAID Mission Director, Secretary Cerge Remonde, representing President Gloria Macapagal Arroyo (Keynote Speaker), Gen. William Hotchkiss III (Ret.), Rural Bankers Research and Development Foundation Chairman, and Undersecretary Virgilio Leyretania, Mindanao Economic Development Council Chairman. (Photo by Manny Llanes)

# Banking/Finance

Editor: Ma. TEODORO P. TORRES tedp\_torres@yahoo.com

Tuesday, June 5, 2007

## MABS marks 10th year

The Microenterprise Access to Banking Services (MABS) program will be launching a major event marking its 10th year in servicing the Philippine rural banking community and microentrepreneurs.

Dubbed "Rural Banks and Microfinance — A Winning Combination: Celebrating 10 Years of Success of the MABS Program and Microfinance Efforts of Rural Banks," will take place on June 12 and 13 at the Manila Hotel.

The event highlight the success of rural banks engaged in microfinance, particularly successful MABS participating rural banks which have disbursed some one million microfinance loans totaling over P13 billion to more than 365,000 borrowers over the past 10 years.

The event will cap the national roundtable meeting to be hosted by the Rural Bankers Association of the Philippines-Microenterprise Access to Banking Services (RBAP-MABS) program.

The roundtable meeting will feature various presentations including experiences of rural banks which are now utilizing the MABS-designed mobile phone banking applications; a presentation from the MIX Market and Valiant Bank on the topic of reporting transparency; presentations by industry leaders on factors and trends in microfinance in the Philippines; and presentations on marketing and disaster preparedness.

Top performing rural banks will also share their experiences in expanding microfinance services.

On the evening of June 12th MABS will also hold its National EAGLE Awards Ceremony where the top performing MABS participating rural banks will be recognized based on their performance using the MABS EAGLE standards.



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### BSP cites need to liberate poor from poverty

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Larry Medina, May 23, 2007  
Bangko Sentral ng Pilipinas Governor Amando Tetangco last week cited the need to "liberate people from poverty and transform them into industrious and self-reliant micro-entrepreneurs."

The occasion was the awarding of the Citi Microentrepreneur of the Year Awards held at the Century Park Hotel in Manila. Jenelyn Antonio won the major award. Those who participated in the contest were called "the micro-entrepreneurs who overcome challenges to become employers themselves and in the process become agents for economic development in their respective communities."

The members of the board of judges of the Citi Microentrepreneur of the Year Awards, were representatives from the Microfinance Council of the Philippines headed by Mila Mercado-Bunker, executives of Citi, Sanjiv Vohra and Robert Morse.

This is the fifth Microentrepreneur of the Year Awards (MOTY) and the third time Tetangco participated in as co-chairman of the national selection committee. "Together with the other members of the board of judges, I have had a front row seat, so to speak, in watching micro-enterprises evolve and develop in various ways, in the different parts of our country," P governor stated.

He said he has also seen this awards program evolve and improve in accordance with its objectives of recognizing outstanding microentrepreneurs and highlighting the role of microfinance and entrepreneurship in poverty alleviation and economic development.

"Now, we have higher prize awards, more nominees, wider geographical representation and new award categories. Credit for this goes to Citi, the Citi Foundation, the Microfinance Council of the Philippines and the Bangko Sentral ng Pilipinas," he exclaimed, adding that "much like this awards program, the microfinance industry in the Philippines also continues to evolve, grow and break new grounds."

At the Bangko Sentral, the challenge is for us to be responsive to the changing demands of the industry, specifically in areas of policy, supervision and regulation, he said.

Last year, the Bangko Sentral approved the Micro-Agri Product (MAP) to address the financing needs of small farmers. Under this program, banks with microfinance operations are allowed to extend credit to clients with small agricultural activities using microfinance methodologies. In effect, these micro-agri loans are given the same regulatory treatment as microfinance loans, including the no-collateral provision.

Nevertheless, while the Bangko Sentral is open to innovations, it continues to be prudent as the agriculture sector has its own unique intricacies and risk profile. "Accordingly, we have set in place certain parameters... to ensure that risks associated with agriculture finance are properly managed," he remarked.

There is also growing interest in providing housing microfinance and even micro-insurance, using microfinance methodologies and technologies. For instance, one of the country's leading microfinance institutions, the Center for Agriculture and Rural Development or CARD, has formed a Mutual Benefit Association which offers micro-insurance to over 300,000 clients. This is yet another tool that minimizes vulnerabilities from poverty, according to Tetangco.

"I have been informed that the Insurance Commission has recognized CARD for its significant contribution in increasing the number of insured Filipinos," he announced.

In addition to product development, the microfinance industry is also working on more efficient delivery channels to lower costs and increase its reach.

One delivery channel that is gaining much interest is the use of mobile phones for selected microfinance transactions. Through electronic cash platforms -- such as Smart Money and Globe G Cash -- mobile phones are able to make payments and transfers, send remittances, or make purchases. "This bears much potential for a country like ours, where the mobile phone sector serves practically all income groups and where the number of mobile phone users and usage are among the highest in the world," added.

New technologies present a unique opportunity to reach a wide range of clients including the lower income segments of the population who are traditionally marginalized and "unbanked." For instance, the Rural Bankers Association of the Philippines -- Microenterprise Access to Business Services (RBAP-MABS) -- has a joint project with Globe Telecom to provide banking services using the G-cash platform.

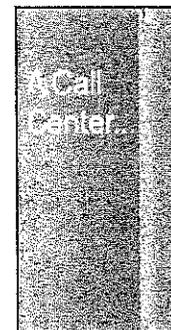
At present, a number of banks are now offering products such as Text a Payment and Text a Deposit. These products allow clients to pay their microfinance loan amortizations and make deposits without going to the bank branch or waiting for the field collectors.

"Indeed, this is a revolutionary solution for low value payments which has dramatically lowered transaction costs for both the bank and the client, increased the productivity of account officers, decreased cash-on-hand risk, and increased access to financial services," according to Tetangco.

Through all these innovations, the regulatory focus of the Bangko Sentral is to ensure the underlying soundness of banks with appropriate risk management measures, he explained. In this regard, the Bangko Sentral has set in place the necessary regulations and procedures that cover electronic banking risk management, security procedures, internal controls, anti-money laundering and consumer protection.

"We have even created, within our Supervision and Examination Sector, a Core Information Technology Supervisory Group to keep abreast of the latest developments in electronic banking," he further stated. Together with the BSP's liberalized branching regime, these technological innovations should enable banks to widen their reach to unserved and underserved clients in both rural areas and urban areas.

Another positive development is the increasing participation of large commercial players in the microfinance industry. More and more commercial banks and social investors are seriously looking at providing loans, equity, or assistance to retail microfinance institutions. These new linkages and partnerships should lead to a wider range of products, broader distribution systems, development of local currency capability and ability to hedge foreign currency by MFIs, capital market development for microfinance, and finally put microfinance in the economic mainstream.



# Banking/Finance

Editor: Ma. TEODORO P. TORIL Tuesday, May 15, 2007

## BPI microfinance lending arm forging ties with foreign KBs, MABS-RBAP

The microfinance arm of the Bank of the Philippine Islands (BPI) is holding talks with foreign commercial banks and financial institutions as either sources of funding or as guarantors for additional funds. The microlending unit has also entered into joint activities with the Ateneo de Manila University and the Microenterprise Access to Banking Services

(MABS) program for capacity building programs.

BPI vice president for microfinance Josaias T. dela Cruz withheld the names of the foreign institutions pending completion of detailed talks.

"We are just working on the details but they asked not to be named at this point of the arrangements," Dela Cruz clarified.

The BPI unit extends wholesale loans to microfinance institutions (MFIs) such as rural banks, cooperatives and non-government organizations (NGOs), which in turn to retails or direct lending to microentrepreneurs.

By forging alliances with foreign financial institutions, the unit can raise additional funds for wholesale lending to MFIs. Or the foreign groups can serve as guarantors to wholesale loans to MFIs.

The BPI microlending-oriented unit extends a maximum P5 million for every MFI. These are charged with an eight-to 8.5-percent interest rate for one to three years tenors.

But with foreign guarantors, the MFI can double the amount

taken from the BPI microlending unit as part of half of the amount borrowed would be covered by the guarantee.

In 2006, the unit extended over P350 million in microcredit to MFIs.

"We expect it to easily surpass P600 million this year," Dela Cruz added.

The BPI lending unit is also working with the Ateneo and the MABS for various levels of training for MFIs or microentrepreneurs.

Aside from extending microcredit, the Ateneo and MABS assist MFIs or microborrowers on the technical side of the business, in capacity building, and even customizing the systems of the MFI or microborrower.

The MABS program is an undertaking between the Rural Bankers Association of the Philippines (RBAP) and the United States Agency for International Development (USAID). The program gives training and technical assistance in the design, development and management of its microfinance services to rural banks, most if not all are also members of RBAP.

The BPI vice president estimated that microlending has already reached P6.5 billion in the past five years. "Yet only a maximum of 20 percent of the current supply for microcredit is being tapped," he added.

In 2003, the Bangko Sentral ng Pilipinas (BSP) estimated that the potential for microfinance loan demand is P26 billion. However, a mere P8.8 billion has been availed of.

Thirty percent of the Filipinos living below the poverty line manage at least two livelihood or microenterprise activities. But less than a million avail

MONDAY, MAY 7, 2007

# Rural banks to expand mobile services with Bill Gates grant

Rural banks are expanding their mobile phone banking services to low-income customers and microentrepreneurs in the countryside after getting a share of a \$24-million grant from Microsoft chief Bill Gates.

The mobile banking service concept for microenterprises of the Rural Bankers Association of the Philippines was chosen by the World Bank's Consultative Group to Assist the Poor as one of the nine microfinance projects it will be funding through the multi-million grant from the Bill and Melinda Gates Foundation.

The 37-strong rural bankers group said the additional fund would help beef up its marketing efforts and networks of participating merchants to reach out to low-income customers.

"With these efforts, micro-entrepreneurs, small farmers and rural poor communities are ex-

pected to be more at ease in using GCash for loans disbursements and payments, remittances, remote deposits and withdrawal, and other financial services," the group said in a statement.

The GCash platform was conceived in 2004 by rural banks and G-Xchange, a Globe Telecom subsidiary, to develop and provide mobile phone banking services to rural banks.

Last year, mobile banking transactions through rural banks reached P142 million.

"These numbers are expected to increase with the support of the [World Bank consultative group] and the Bill and Melinda Gates Foundation," the rural bankers association said.

An expert earlier advised rural banks to take advantage of mobile banking as a way to reduce high financial transaction costs.

In a recent talk, John Owens

of the United States Agency for International Development said mobile banking is a cheap and convenient way for rural banks to reach their clients.

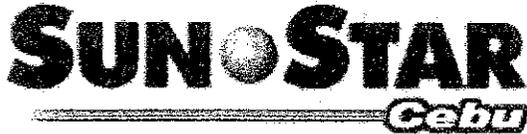
Almost half of the total population, or about 36 million, have mobile phones since these have become more affordable.

Filipinos send about 500 million text messages daily. About 90% of rural bank clients have access to mobile phones.

As of December, there were 6,867 ATMs nationwide, but only 73 are run by rural banks.

An Asian Development Bank survey found that while more than half of the population have access to the Internet, only 17% use it. On the other hand, mobile penetration rate in the country is around 50%, which mirrors the big potential of mobile phones in improving banking services. — M.E.I. Calderon

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Friday, April 27, 2007

## Rural bank to expand in Cebu

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APART from mulling plans to expand in Cebu, a Northern Mindanao rural bank is upbeat in providing an enhanced banking service for its local clients.

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"We want to penetrate areas in Cebu that need financial assistance and provide them access to technology, in terms of bank payments," said Joseph Omar Andaya, Green Bank president and chairman of the board.



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Its pool of depositors, for example, can course their payments through Globe G Cash's "Text a Payment," where for every payment, they get a 0.5 percent discount, he said.

### Competition

With the stiff competition in the Philippine banking industry, Andaya said even rural banks are slowly finding their niche in the market.

He said Green Bank foresees the need to develop its branding and strategic marketing plans as stepping stones to successfully operate more branches nationwide, while keeping its commitment in "providing responsive financial services to rural communities."

### Lending

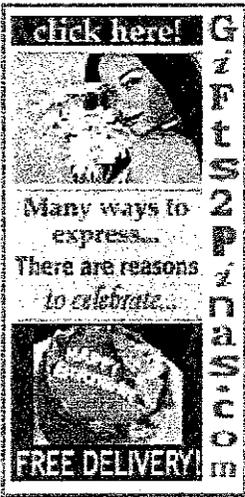
In an interview with **Sun.Star Cebu** at La Maison restaurant in Ayala Center Cebu last Monday, Andaya said the bank prides in offering "faster service and lower rates."

Citing official bank records, he said its lending rate is between 1.5 percent to 2 percent per month and it has a loan portfolio of close to P1 billion.

"Our rates, compared with other microfinance institutions, are lower," Andaya said.

Its microfinance sector services over 30,000 clients, and almost 30,000 clients





for its regular loans.

He said its depositors now total around 200,000 nationwide.

The bank opened one branch each in Cebu, Davao and Antipolo City last year.

Andaya said by 2008, the bank is targeting five additional branches, including one in the southern part of Cebu.

He also said Green Bank is looking at expanding in "untapped" areas around the Visayas and Mindanao, like in Samar, Compostela Valley, General Santos City, Koronadal in Cotabato, the Zamboanga Peninsula, Dipolog City and Pagadi-an, among others.

Andaya said plans to acquire other rural banks are in the pipeline.

Butuan-grown Green Bank, which opened in 1975, has 41 branches nationwide.

**Additional**

In the Visayas, it has 14 branches and 12 kiosks. Of the number, the five branches and seven kiosks are located in Cebu.

Its Cebu branches are found on A.S. Fortuna and Subangdaku Sts. in Mandaue City, Tabunok in Talisay City, Lapu-Lapu City and on F. Ramos St., Cebu City.

The kiosks are in Liloan, Carcar, Minglanilla and Toledo City.

Andaya said additional kiosks will soon open in the Carbon, Pasil and Taboan areas. (MMM)

For Bisaya stories from Cebu. [Click here.](#)

**(April 27, 2007 issue)**

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# GREEN BANK

## SETTING MILESTONES IN THE RURAL BANKING INDUSTRY...

- The ONLY rural bank with Nationwide Coverage.
- The FIRST rural bank to be awarded "The Hall of Fame Award" for countryside lending from the Land Bank of the Philippines.
- The FIRST rural bank to be awarded "Balikat ng Bayan Award" for five (5) consecutive years from the Social Security System.
- The FIRST rural bank to be recognized as the no. 25 of the top 1000 Centennial Taxpayers of the Philippines which contributed greatly to the tax collection efforts of the Bureau of Internal Revenue in its Centennial year - 2004.

**G**reen Bank is the first rural bank in the Philippines which has nationwide presence having branches in all three major island groups - Luzon, Visayas and Mindanao. This "first" was achieved with the opening of its branch in Antipolo, Rizal.

Green Bank expanded from six (6) branches and P260 million in total resources in 2000 to 41 branches and 52 kiosks and more than P1.6 billion in total resources as of 2006. The bank serves more than 180,000 depositors and services more than 60,000 borrowers. Aside from its microfinance products, it also gives pension, salary, agricultural, commercial loans and other banking services.

The last quarter of 2006, three (3) new branches were opened and inaugurated: in Central Visayas at Yap Building, F. Ramos St., Cebu City; in Mindanao at T. Monteverde St., Davao City and in Luzon at 134 Loreto Building, Mayamot Sumulong Highway, Antipolo City.

Green Bank's vision is to be the Philippines' premiere countryside financial institution. Its pioneering efforts in providing non-collateralized micro loans and savings services have opened doors of opportunity to marginalized Filipinos and have had a direct effect on poverty alleviation.

The US ambassador to the Philippines Kristie A. Kenny came to the Cagayan de Oro branch of Green Bank and lauded Green Bank for the success of its microfinance operations, particularly for demonstrating that microentrepreneurs are bankable clients and that offering microfinance services can be profitable. Ambassador Kenny handed out a plaque of recognition to the bank's 30,000th microfinance client, Rosie Bilog, a food processor of cashew nuts in Cagayan de Oro City.

Green Bank is a participating bank of the United States Agency for International Development (USAID) funded Rural Bankers Association of the Philippines-Microenterprise Access to Banking Services (MABS) program. This program gives the enterprising poor the opportunity to veer away from loan sharks or "5/6" who used to be the only ones giving them ready credit albeit with exorbitant interest rates.

Green Bank also provides remittance services using G-Cash Globe's electronic money service and Western Union money transfers. It is one of the pioneers in providing mobile banking services.

Green Bank is also very much involved with environmental concerns and has partnered with Royal Dutch Shell and the Department of Energy to provide electricity to the Philippine Countryside using solar energy as an alternative to fossil fuel combustion.



L-R Agnes O. Andaya, Lily Grace O. Andaya, Miriam May D. Martin, Rufa C. Suan, Rosa Bernadette M. Andaya, Concepcion Chute, President and Chairman of the Board, Joseph Omar O. Andaya, Dr. Miriam O. Andaya, Chairman Emeritus Ismael E. Andaya, Isidro Cuaresma, Engr. Arthur Ong Oh, Engr. Refugio Dompog



Visit of Amb. Kristie A. Kenny (seated from L-R): John Owens, Amb. To the Phils, Kristie Kenny, GB Chairman Emeritus Ismael Andaya, GB President Joseph Omar O. Andaya (standing from L-R) Gonzalo Go, Trinidad Go, Dr. Miriam O. Andaya, GB VP Agnes O. Andaya, GB BM Anna Mae Azarraga.



RIBBON CUTTING OF ANTIPOLO BRANCH-FRONT ROW from left to right: Green Bank member of the board, Dr. Miriam O. Andaya, Chairman Emeritus Ismael E. Andaya, Land Bank Foundation President Iluminada Cabilgas, President of RBAP and Chairman of Bangko Kabayan Atty. Francis S. Ganzon, Land Bank SVP, Wilfredo C. Maldia. BACK ROW: Green Bank President and Chairman of the Board Joseph Omar O. Andaya



BMAP PHOTO (from left): BSP Governor Amando Tetangco, Jr., Bank of China General Manager Mr. Sun Baoxiang, Green Bank Inc. President Mr. Joseph Omar O. Andaya.

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## Rural banks aim for lower cost through text messaging

By Lawrence Casiraya

INQUIRER.net

Posted date: April 23, 2007

MANILA , Philippines -- A local association of rural banks is making use of text messaging as a way to make loan payments more convenient and lower operating expenses.

Through the Text-A-Payment service, borrowers at rural banks that belong to the Rural Banks Association of the Philippines (RBAP) can make their loan payments using the electronic wallet service of local mobile operator Globe Telecom.

Proponents say the service promotes efficiency by reducing the banks' field collection expenses. Borrowers, on the other hand, do not need to travel in order to make over-the-counter payments.

Due to improved efficiency, rural banks are starting to reduce the interest rates and service fees they charge borrowers, according to the US Agency for International Development (USAID) which is funding the Micro-enterprise Access to Banking Services (MABS) project.

The project will later introduce deposit, payment, withdrawal and credit services, said John Owens, who heads the program.

"There is a high level of mobile phone literacy [in the Philippines ], even among low-income groups," Owens said at recent forum at the Asian Development Bank headquarters in Manila .

The forum tackled how mobile phone technology can help resolve key issues in developing countries, and was sponsored by Philippine Resources for Sustainable Development.

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April 22nd, 2007

Rural banks aim for lower cost through text messaging

MANILA, Philippines -- A local association of rural banks is making use of text messaging as a way to make loan payments more convenient and lower operating expenses.

Through the Text-A-Payment service, borrowers at rural banks that belong to the [Rural Banks Association of the Philippines \(RBAP\)](#) can make their loan payments using the electronic wallet service of local mobile operator [Globe Telecom](#).

Proponents say the service promotes efficiency by reducing the banks' field collection expenses. Borrowers, on the other hand, do not need to travel in order to make over-the-counter payments.

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## GREENBANK Setting Milestones in the Rural Banking Industry

The Philippine STAR 04/12/2007

- The ONLY rural bank with Nationwide Coverage.
- The FIRST rural bank to be awarded "The Hall of Fame Award" for countryside lending from the Land Bank of the Philippines.
- The FIRST rural bank to be awarded "Balikat ng Bayan Award" for five (5) consecutive years from the Social Security System.
- The FIRST rural bank to be recognized as the no.25 of the top 1000 Centennial Taxpayers of the Philippines which contributed greatly to the tax collection efforts of the Bureau of Internal Revenue in its Centennial year - 2004.

Green Bank is the first rural bank in the Philippines which has nationwide presence having branches in all three major island groups Luzon, Visayas and Mindanao. This "first" was achieved with the opening of its branch in Antipolo, Rizal.

Green bank expanded from six (6) branches and P260 million in total resources in 2000 to 41 branches and 52 kiosks and more than P1.6 billion in total resources as of 2006. The bank serves more than 180,000 depositors and services more than 60,000 borrowers. Aside from its microfinance products, it also gives pension, salary, agricultural, commercial loans and other banking services.

The last quarter of 2006, three (3) new branches were opened and inaugurated: In Central Visayas at Yap Building F. Ramos St., Cebu City, in Mindanao at T. Monteverde St., Davao City and in Luzon at 134 Loreto Building, Mayamot Sumulong Highway, Antipolo City.

Green Bank's vision is to be the Philippines' premiere countryside financial institution. Its pioneering efforts in providing non-collateralized micro loans and savings services have opened doors of opportunity to marginalized Filipinos and have had a direct effect on poverty alleviation.

The US ambassador to the Philippines Kristie A. Kenny came to the Cagayan de Oro branch of Green Bank and lauded Green Bank for the success of its microfinance operations, particularly for demonstrating that microentrepreneurs are bankable clients and that offering microfinance services can be profitable. Ambassador Kenny handed out a plaque of recognition to the bank's 30,000th microfinance client, Rosie Bilog, a food processor of cashew nuts in Cagayan de Oro City.

Green Bank is a participating bank of the United States Agency for International Development (USAID) funded Rural Bankers Association of the Philippines-Microenterprise Access to Banking Services (MABS) program. This program gives enterprising poor the opportunity to veer away from loan sharks or "5/6" who to be the only ones giving them ready credit albeit with exorbitant interest rates.

Green Bank also provides remittance services using G-Cash Globe's electronic money service and Western Union money transfers. It is one of the pioneers in providing mobile banking services.

Green Bank is also very much involved with environmental concerns and has partnered with Royal Dutch Shell and the Department of Energy to provide electricity to the Philippine Countryside using solar energy as an alternative to fossil fuel combustion.

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L-R: Agnes O. Andaya, Lily Grace O. Andaya, Miriam May A. Martin, Rufa C. Suran, Bernadetta M. Andaya, Concepcion Chute, President and Chairman of the Board, Joseph Omar O. Andaya, Dr. Miriam O. Andaya, Chairman Emeritus, Ismael E. Andaya, Isidro Cuaresma, Engr. Arthur Ong Ori, Engr. Refugio Dompoc.

# GREEN BANK Setting Milestones in the Rural Banking Industry

**Welcome**  
Amb. Kristie Kenney  
to Bantog, Saraga



**VISIT OF AMB. KRISTIE A. KENNEY** (seated from L-R) John Owens, Amb. to the Phils, Kristie A. Kenney, GB Chairman Emeritus Ismael E. Andaya, GB President Joseph Omar O. Andaya (standing from L-R) Gonzalo and Trinidad Go, Dr. Miriam O. Andaya, GB VP Agnes O. Andaya, GB BM Anna Mae Azarraga



**BMAP PHOTO** (from left) BSP Governor Amado Telangco, Jr., Bank of China General Manager Mr. Sun Baoxiang, Green Bank, Inc. President Mr. Joseph Omar O. Andaya

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**RIBBON CUTTING OF DAVAO BRANCH**, GB President Joseph Omar O. Andaya, Chief of Party of MABS John Owens, Benjie Lizada of TAPS Inc., Chairman Emeritus Ismael E. Andaya, Davao Vice Mayor Lelis Bongayari, Manager Rey Anthony Ladroma



**RIBBON CUTTING RAMOS BRANCH**, CEO DID Corp. Green Bank and its Board members Refugio Dompoc and Mrs. Rufa C. Suran, Regional Director of BSP, Cebu, Atty. Loraza Zaico and Marketing Head Edan Manera, Cebu City



**RIBBON CUTTING OF ANTIPOLO BRANCH**, FRONT ROW from left to right: Green Bank member of the Board, Dr. Miriam O. Andaya, Chairman Emeritus Ismael E. Andaya, Land Bank Foundation President, Aluminada Cabigas, Chairman of Bangko Kabayan and President of RBAP Atty. Francisco S. Garzon, Land Bank SVP, Willfredo C. Maldia. BACK ROW: Green Bank President and Chairman of the Board Joseph Omar O. Andaya