



MICROENTERPRISE ACCESS TO BANKING SERVICES

**April 1 – June 30, 2003
Performance Monitoring Report**

TWENTY-SECOND QUARTER

Submitted By:

Chemonics International Inc.
Manila, Philippines

In association with:

Rural Bankers Association of the Philippines

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United States Agency for International Development
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Executive Summary

The Microenterprise Access to Banking Services (MABS) Program participating banks continue to extend loans and deposit services to the microenterprise sector. The number of microdepositors has already exceeded the end-of-project target; as of June 30, the net change in the number of deposit accounts is 161,534 or 124% of the September 2004 target. Totalling 39,456 as of the end of the quarter, the number of active microborrowers is 71.7% of the target. The June 2003 loan portfolio balance is PhP 272.95 million.

With its participating banks posting steady numbers, the program is focusing on bank strengthening and anti-backsliding measures as well as expanding the *MABS Approach* training and technical services by developing the capability of the MABS Service Providers (MSPs). During the previous quarter, a microfinance supervisors' forum and a trainers' training were conducted to provide support to "graduated" participant banks. The MSP Training Program, on the other hand, is nearing completion. By the next quarter, the MSPs will be licensed/authorized to install the MABS technology to additional rural banks. This will not only accelerate the installation of the *MABS Approach* to more banks but also ensure that the program's work will continue even after September 2004.

This document serves as the Program's Twenty-second Quarterly Performance Report, covering the period April 1 through June 30, 2003. It also lays out the workplan for the next quarter.

Accomplishments and activities during the Twenty-second Quarter (April 1-June 30 2003):

- MABS conducted the 2nd *Basic Course for Microfinance Trainers* to microfinance staff of Mindanao-based participating banks. The participants were provided with the course and materials used to train new accounts officers. They are expected to, in turn, train new account officers in their own banks.
- Thirty-one microfinance unit officers from 13 Mindanao participating banks attended the 4th *Microfinance Supervisor' Forum*. Through small group discussions and presentations by bank representatives, factors contributing to low portfolio quality were identified. Measures on effectively managing delinquency and improving loan and deposit portfolio quality were outlined during the remedial management session.
- Department of Agrarian Reform officials and program implementers were oriented on the *MABS Approach*. The presentation was part of a microfinance orientation workshop for DAR sponsored by the National Credit Council.
- MABS Service Provider (MSP) trainees delivered training and technical assistance on the Market Research Module to the 6th rollout banks
- MABS Service Provider (MSP) trainees delivered training and technical assistance on the Product Development Module to the 6th rollout banks.

- Fee-based operations reviews were conducted for the Rural Bank of Cantilan, First Isabela Cooperative Bank, and the Cooperative Bank of Misamis Oriental.
- MABS delivered the training on Market Research Module to MSPs.
- Through a panel evaluation, MABS assessed the performance of the MSP trainees on the Market Research Module.
- MABS delivered the training on Product Development Module to MSPs.
- Through a panel evaluation, MABS assessed the performance of the MSP trainees on the Product Development Module.
- MABS completed the selection of participant banks' microfinance supervisors who will be trained to serve as MABS Training Resource Specialists (MABSTERS). Two participant banks that best exhibit MABS best practice technology have also been chosen to serve as Learning Centers (LCs).
- Two new banks within ARMM and CAAM have started training on the *MABS Approach*.
- The *MABS Approach* was presented during a Bangko Sentral ng Pilipinas (BSP) Regional Microfinance Workshop.
- MABS provided external consultants to the BSP to pilot-test improvements in the examination procedures manual for banks involved in microfinance.
- Rural Banker 2000 (RB2000) v. 1.1 has been completed; diskette reporting is currently being tested.
- The MABS Personal Digital Assistant (PDA) loan collection interface module is being pilot-tested by RB Mabalacat.
- MABS sponsored the participation of Ms. Mary Emily Lagon, Vice-President of the Rural Bank of Tacurong, in the Global Summit of Women in Marrakech, Morocco.
- Chemonics submitted the Twenty-first Quarterly Performance Monitoring Report.

For the Twenty-third Quarter, July 1 – September 30, 2003, MABS will:

- Hold the Luzon/Visayas Roundtable.
- Hold the Mindanao Roundtable.
- Conduct training on the Credit and Background Investigation (CIBI) and Cashflow Analysis Module and provide technical assistance to the 6th rollout banks.

- Conduct operational reviews of the 5th rollout banks.
- Hold an Activity-Based Costing Workshop for selected participant banks in Mindanao.
- Conduct a Basic Supervision Course for Southern Mindanao participating banks.
- Train MSPs on the CIBI and Cashflow Analysis Module.
- Conduct a panel evaluation of MSPs' performance (CIBI and Cashflow Analysis Module).
- License MSPs to start *MABS Approach* rollout to additional banks.
- Launch the MABSTERS Training Program.
- Train MABSTERS on conducting an Account Officers' Refresher Course on CIBI.
- Provide account officers with a Refresher Course on CIBI (to be conducted by MABSTERS).
- Hold a joint MSP-MABSTERS Planning Workshop
- Launch the Visayas MSP Training Program.
- Provide ARMM participant banks with the Product Development Module training.
- Provide ARMM participant banks with the CIBI and Cashflow Module training.
- Provide training sessions to more than 130 bank examiners on the revised examination procedures manual for banks involved in microfinance.
- Continue the close monitoring of portfolio at risk ratios of MABS participant banks.
- Submit the Twenty-third Quarterly Performance Monitoring Report.

1. Contractor's Report

A1. Background

The Microenterprise Access to Banking Services (MABS) program is a USAID-financed effort implemented by the Rural Bankers Association of the Philippines (RBAP) with oversight provided by the Mindanao Economic Development Council (MEDCo). Technical assistance, training, and program management are provided by Chemonics International, a firm contracted by USAID. The MABS program is one of the principal elements of

USAID/Philippines' efforts to accelerate the economic transformation of Mindanao through expanded participation of Mindanao's lower income groups in more 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 in Mindanao. MABS is now present not just in Mindanao but in Luzon and Visayas as well.

Through MABS efforts, a minimum of 130 rural and cooperative rural bank branches in the Philippines will be encouraged and assisted to significantly increase the services they provide to the microenterprise sector. These efforts are intended to demonstrate to participating banks that it can be sensible and profitable to offer services to the microenterprise sector as a regular part of their portfolios. In turn, it is expected that the successful example of participating banks will encourage many more banks to look seriously at servicing the microenterprise market.

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 Mindanao Economic Development Council (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 comprised 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 facilitate the implementation of the activities to be carried out under MABS, including special studies, training, commodity and technical support, incentive schemes, and procuring services of organizations or individuals needed to carry out specialized tasks.

The MABS program got underway in April 1998 and has been extended to September 2004. It is a cost-plus-fixed-fee (CPFF) completion contract. The estimated cost for the performance of the work required in the contract, exclusive of fixed fee, as amended in September 2002, is \$11,270,432.60. The fixed fee is \$561,041.32. The estimated cost plus fixed fee is \$11,831,473.92. The contract budget is broken down into two Contract Line Item Numbers (CLINS), one for Expanding Access to Banking Services (\$9,542,173.92) and the other for the Special Activities Fund (\$2,289,300).

A2. Expected Results

With the latest amendment of the MABS contract Scope of Work in September 2002, the following are the revised objectives and targets for the period October 2002 to September 2004:

1. A minimum of 130 rural banks and bank branches from throughout the Philippines will receive MABS assistance.
2. These banks will altogether expand their portfolios to reach a total of at least 55,000

active borrowers by September 2004.

3. Enroll at least 130,000 depositors among all participating banks.
4. At least half of the participating banks will have decided to make microenterprise services a continuing and significant part of their portfolios, and will have taken the steps required to properly and profitably service the microenterprise market.
5. An effective and "USAID-accepted" anti-backsliding program focused on participating banks that have "graduated" from the MABS program developed and being implemented by RBAP.
6. An RBAP-MABS microfinance training and technical services program in place utilizing licensed consultants/organizations capable of carrying out the installation of the *MABS Approach* in participating rural banks.
7. An appropriate fee structure developed and implemented for various services to be offered by RBAP-MABS- licensed consultants/organizations to prospective participating banks, "graduated" banks, non-participating banks, and other institutions.
8. An appropriate manual of bank examination for rural banks and other regulated institutions engaged in microfinance accepted and utilized by the Bangko Sentral ng Pilipinas.
9. Installation of the *MABS Approach* into at least three new participating banks servicing religious and ethnic minority communities of Mindanao.
10. Significant expansion of the number of clients belonging to ethnic and minority groups being served by at least five participating banks in areas outside of the predominantly minority communities of Mindanao.
11. Establishment of a credit reference service that will be helpful in the overall effort to enable rural banks to effectively and profitably service the microenterprise market.
12. Support for the development of an appropriate microfinance software that will enable bank management to support a viable and sustainable microfinance operations.

A3. Current Core Activities: MABS Activities

The workplan under the MABS contract as amended in September 2002 covers the period October 1, 2002 through September 30, 2004. The contractor is responsible for ensuring that these major components are addressed:

1. Bank Strengthening and Anti Backsliding
2. Sustainable MABS Technical Services
3. Expansion of Banking Services to Religious and Ethnic Minorities
4. Microfinance Policy and Standards
5. Monitoring and Evaluation
6. Other Activities
7. Project Management

Below are highlights of the tasks accomplished in the Twenty-second quarter, and tasks planned for the Twenty-third quarter (July 1– September 30, 2003).

1. Bank Strengthening and Anti Backsliding

To ensure that there is no deterioration in a participating bank's (PB) MFU performance, these activities have been implemented: PB selection, diagnostic evaluations, organizational and human resource development, systems development and installation, loan product development, preparation of manuals, and marketing. The component also includes training activities such as formal course work, workshops, seminars, on-the-job training, internship, study tours, and other capacity-building initiatives.

Tasks completed in the Twenty-second Quarter:

Task One. Conduct the 2nd Basic Course for Microfinance Trainers. MABS technical specialists conducted the basic training course for new account officers which included sessions on microfinance best practices, microloan products, zero tolerance toward delinquency, credit and background investigation, cashflow analysis, market research and internal control procedures. The Trainers' Training participants will replicate the course to new account officers in their own banks.

Task Two. Conduct the 4th Microfinance Supervisors' Forum. Factors contributing to increases in PAR, decreases in new client growth rates, and increases in client dropouts were identified and discussed; remedial measures were outlined.

Task Three. Provide training and technical assistance to the 6th rollout banks on the Market Research Module. Representatives of the 6th rollout banks completed sessions on the basics of market research, determining market size, conducting market surveys, survey data processing and analysis.

Task Four. Provide training and technical assistance to the 6th rollout banks on the Product Development Module. 6th rollout banks completed the Product Development Module, which focused on the product development processes, loan product features, lending procedures and internal control, zero tolerance toward loan delinquency, MIS gap analysis and financial projections. The banks also received technical assistance on the preparation of their microfinance product manual from the MSPs.

Tasks to be completed in the Twenty-third Quarter:

Task One. Provide training and technical assistance to the 6th rollout banks on the Credit and Background Investigation and Cashflow Analysis Module.

Task Two. Conduct operations review of 5th rollout banks.

Task Three. Hold the Luzon/Visayas Roundtable.

Task Four. Hold the Mindanao Roundtable.

Task Five. Conduct an Activity-Based Costing Workshop for selected participant banks in Mindanao.

Task Six. Provide a Refresher Course for Account Officers On CIBI.

Task Seven. Conduct a Basic Supervision Course for Southern Mindanao participating banks.

2. Sustainable MABS Technical Services

Through intensive training and exercises, the Dual Training Program aims to equip prospective service providers with the technical skills to, in turn, train the microfinance units of prospective MABS participant banks. At the end of the project, licensed service providers will be capable of effectively installing the *MABS Approach* to more banks.

The MABS Technical Resource Specialists (MABSTERS) Training Program will train selected participating bank microfinance staff to serve as technical resource persons. Learning Centers (LCs) will also be established; LCs are participating banks that exemplify MABS best practices.

Tasks completed in the Twenty-second Quarter:

Task One. Train the MSPs on the Market Research Module. MSPs completed training on the MABS Market Research Module and conducted a training session for the 6th rollout banks.

Task Two. Conduct a panel evaluation of the MSPs' performance (Market Research Module). Representatives from MEDCO and RBAP participated as panel members. Four individual trainees and 1 organization did not pass. SEA, ARMDEV, Punla, and Ancilla, and twelve individual trainees remain.

Task Three. Train the MSPs on the Product Development Module. After completing the classroom sessions on the module, the MSP trainees conducted training for the 6th rollout banks.

Task Four. Conduct a panel evaluation of the MSPs' performance (Product Development Module). All the remaining organizations and individual trainees passed the Product Development Module panel evaluation.

Task Five. Complete the selection of MABS Technical Resource Specialists. Technical Resource Specialists were selected from microfinance unit staff of MABS participating banks; training will start in the next quarter.

Task Six. Complete the selection of Learning Centers (LCs). LCs are participating banks that best exhibit the MABS technology.

Tasks to be completed in the Twenty-third Quarter:

Task One. Train the MSPs on the CIBI and Cashflow Analysis Module.

Task Two. Conduct a panel evaluation of the MSPs' performance (CIBI and Cashflow Analysis Module).

Task Three. Start the MABSTERS Training Program.

Task Four. Provide an Account Officer Refresher Course utilizing the MABSTERS.

Task Five. Hold a joint MSP-MABSTERS Planning Workshop.

Task Six. License MSPs to roll out MABS Approach to additional rural banks.

Task Seven. Launch the Visayas MSP Training Program.

3. Expansion of Banking Services to Religious and Ethnic Minorities

To accommodate more Muslims and members of ethnic minority groups, the MABS Program aims to install the *MABS Approach* to at least three new participating banks and provide technical assistance to at least five existing participating banks in the areas outside the predominantly Muslim and minority communities in Mindanao.

Tasks Completed in the Twenty-second Quarter:

Task One. Start the training of two new ARMM and CAAM banks on the MABS Approach.

Tasks to be completed in the Twenty-third Quarter:

Task One. Sign agreements with four new rural banks located in the ARMM and CAAM.

Task Two. Conduct Product Development Training for ARMM and CAAM participant banks.

Task Three. Conduct a CIBI and Cashflow Training for ARMM and CAAM participant banks.

4. Microfinance Policy and Standards

In coordination with USAID and USAID-financed projects CPIP and AGILE, MABS will undertake a number of policy initiatives related to microfinance operations of rural banks.

Tasks Completed in the Twenty-second Quarter:

Task One. Present the MABS Approach during the Bangko Sentral ng Pilipinas (BSP) Regional Microfinance Seminar in Legazpi City. The BSP is conducting a series of seminars in strategic regions of the country to promote the development of sustainable microfinance. A representative from the Rural Bank of Santiago de Libon, a MABS 5th rollout bank, presented the *MABS Approach* during the seminar.

Task Two. Present the MABS Approach to Department of Agrarian Reform officials. The *MABS Approach* was presented during a National Credit Council-sponsored microfinance workshop for DAR officials. The workshop participants also made an exposure visit to the Rural Bank of Santo Tomas, Inc., one of this year's MABS EAGLE Awardees.

Task Three. Provide external consultants to the BSP to pilot-test improvements in the examination procedures manual for banks involved in microfinance.

Tasks to be Completed in the Twenty-third Quarter:

Task One. Hold a microfinance presentation in Davao City in coordination with the BSP.

Task Two. Hold a microfinance presentation in Isabela in coordination with the BSP.

Task Three. Provide training sessions to more than 130 BSP bank examiners in the revised examination procedures manual for banks involved in microfinance.

5. Monitoring and Evaluation

This component includes activities relating to the establishment of monitoring and evaluation systems for use by the individual participating banks, the MABS project team, and RBAP. In addition, special studies, briefs, impact assessments and other evaluations are included in this component.

Tasks Completed in the Twenty-second Quarter:

Task One. Continue to evaluate monthly MFU performance. As of June 30, 2003, the 110 bank units reporting to MABS had 39,456 active micro borrowers with an outstanding loan portfolio of PhP 272,954,855. From October 1998 up to June 2003, the number of microdepositors increased by 161,534 and microdeposit balances have increased by PhP 197,473,698.

Task Two. Continue close monitoring of portfolio at risk ratios of participant banks. MABS continued to monitor the portfolio at risk ratios of participating banks. The consolidated portfolio at risk ratio over 30 days of MABS banks as of June 2003 was 3.82%

Tasks to be completed in the Twenty-third Quarter:

Task One. Continue to evaluate monthly MFU performance using the new scaled-down performance monitoring system. The design of the new system, which consolidates performance reports on the bank level, is ongoing.

Task Two. Continue close monitoring of portfolio at risk ratios of participant banks.

6. Other Activities

All initiatives dealing with the development and strengthening of the RBAP, including training specifically directed to this organization, will be programmed under this component.

Tasks Completed in the Twenty-second Quarter:

Task One. Continue with tests on the diskette-reporting functionality of the RB2000 v. 1.1.

Task Two. Continue with tests on the Personal Digital Assistant (PDA) Loan Collection functionality of the RB2000 v. 1.1. RB Mabalacat is currently doing live tests of the PDA Loan Collection feature of RB2000's new version.

Task Three. Present the MABS Program to the new Rural Bankers Association of the Philippines (RBAP) Board.

Tasks to be Completed in the Twenty-Second Quarter:

Task One. . Formally accept RB 2000 Version 1.1, the updated version of the RB 2000 incorporating the Personal Digital Assistant (PDA) loan collection interface module.

7. Program Management

Program management takes into account meetings, project evaluations, reports submission, visit by Chemonics' home office staff, and other activities related to overall project management.

Tasks Completed in the Twenty-second Quarter:

Task One. Submit the Twenty-first Quarterly Performance Monitoring Report covering January 1 – March 31, 2003. Chemonics submitted the Twenty-first Quarterly Performance Monitoring Report covering January 1 – March 31, 2003.

Tasks to be completed in the Twenty-third Quarter:

Task One. Submit the Twenty-second Quarterly Performance Monitoring Report covering April 1 – June 30, 2002

A4. Performance

Current status vs. expected end of project results

Expected end of project results	Current Status
1. A minimum of 130 rural and/or cooperative rural bank branches from throughout the Philippines will receive MABS assistance.	One hundred ten (110) banks/bank branches have now received technical assistance from MABS. The 110 bank units consist of the pilot, 1 st rollout, 2 nd rollout, 3 rd rollout, 4 th rollout and 5 th rollout banks.
2. Participating banks will expand their portfolios to include a total of at least 55,000 active microenterprise borrowers among all participating banks.	As of June 2003, the total number of outstanding microfinance borrowers for 110 banks/bank branches was 39,456 or 71.7% of the target.
3. Increase the number of microenterprise depositors to reach a total of at least 130,000 new depositors among all participating banks	As of June 2003, the net change in the number of active micro depositors for the 110 bank branches was 161,534 or 124.25% of the target.
4. At least half of the participating banks will have decided to make microenterprise services a continuing and significant part of their portfolios, and will have taken the steps required to properly and profitably service the microenterprise market.	Participant banks that joined the program from 1998 to 2001 (36 banks) are continuing with their microfinancial activities. 30 of the 36 banks now have profitable microfinance units. The 4 th and 5 th rollout banks have just started their microfinance operations and are expected to post positive incomes in 2003.

<p>5. An effective and “USAID-accepted” anti-backsliding program focused on participating banks that have “graduated” from the MABS program developed and being implemented by the RBAP.</p>	<p>MABS focuses on the following activities to meet this objective:</p> <p>(a) Roundtable Discussions with top management of participant banks on methods for addressing backsliding and maintaining best practices; and</p> <p>(b) Microfinance Supervisors’ Forum, which aims to provide MFU supervisors the opportunity to share and learn from each other’s experiences in managing their micro loan portfolio and reinforce best practices.</p> <p>As of the end of the quarter, MABS has conducted the first ever National Roundtable Conference, four MFU Supervisors’ Forums, and a Supervisory Skills workshop. The Luzon/Visayas Roundtable and the Mindanao Roundtable are scheduled for September.</p>
<p>6. An RBAP-MABS microfinance training and technical services program in place utilizing licensed consultants / organizations capable of carrying out the installation of the <i>MABS Approach</i> in participating rural banks.</p>	<p>The Dual Training Program is nearing completion, the four Luzon-based private service providers currently training will be licensed to install the MABS technology by the next quarter. The MSPs have completed training on three modules of the <i>MABS Approach</i> and have provided technical assistance to the 6th rollout banks on these modules.</p>
<p>7. An appropriate fee structure for various services to be offered by RBAP-MABS licensed consultants/organizations to prospective participating banks, “graduated” banks, non-participating banks, and other institutions developed and implemented.</p>	<p>The fee structure will be determined as part of the design of the delivery mechanism of the <i>MABS Approach</i> utilizing RBAP-MABS-licensed service providers.</p>
<p>8. An appropriate manual of bank examination for rural banks and other regulated institutions engaged in microfinance accepted and utilized by the Bangko Sentral ng Pilipinas.</p>	<p>The BSP bank examination manual has been modified to accommodate recommendations made by the consultant fielded to assist the BSP. Tests on the effectiveness of the modifications will be conducted in the coming quarter.</p>

<p>9. Installation of the <i>MABS Approach</i> into at least three new participating banks servicing religious and ethnic minority communities in Mindanao.</p>	<p>Two new participating banks are now training on the <i>MABS Approach</i>.</p>
<p>10. Significant expansion of the number of clients belonging to ethnic and minority groups of at least five participating banks in areas outside of the predominantly minority communities of Mindanao.</p>	<p>Four rural banks located in ARMM and CAAM will be signing agreements in the coming quarter.</p>
<p>11. Establishment of a credit reference service that will be helpful in the overall effort to enable rural banks to effectively and profitably service the microenterprise market.</p>	<p>A manifesto of support for the expansion of the Bankers Association of the Philippines Credit Bureau (BAP-CB) was signed by Credit Union Empowerment and Strengthening (CUES) Program; Davao Federation of Rural Banks; and Davao City Bankers Association.</p> <p>Following the orientation of BAP-CB, a users' training on the Negative File Information Sharing (NFIS) system was conducted in Davao City, Butuan City, and Cagayan de Oro and Metro Manila.</p> <p>The expanded credit bureau system was also introduced to rural banks in Metro Manila.</p>
<p>12. Support for the development of an appropriate microfinance software that will enable bank management to have a viable and sustainable microfinance operations.</p>	<p>Presently, there are 78 bank units (head offices and branches) using RB 2000 – 52 in Luzon, 16 in Visayas, and 10 in Mindanao.</p> <p>Beta and technical acceptance testing for the updated version of the RB 2000, the RB 2000 v. 1.1, were completed. However, BSP and the developers are still testing the diskette-reporting format. The final acceptance of the new version will be formalized in the coming quarter.</p>

Administrative Information

Contract Data: Total Estimated Cost	\$11,831,473.92
CLIN #1 Total Estimated Cost	\$9,542,173.92
1. Expenditures (April 1-June 30, 2003)	\$454,261.05
2. Cumulative Expenditures Through June 30, 2003	\$7,831,225.99
3. Remaining Unexpended Balance	\$1,710,947.93
CLIN #2 Total Estimated Cost	\$2,289,300.00
1. Expenditures (April 1-June 30, 2003)	\$10,375.79
2. Cumulative Expenditures Through June 30, 2003	\$2,197,536.15
3. Remaining Unexpended Balance	\$91,763.85

Annex 1.1. SAF Approvals

SAF requests approved during the quarter:

1. SAF 74: Funds for the 4th and 5th Microfinance Supervisors' Forum.
2. SAF 75: Funds for the 2003 Global Summit of Women
3. SAF 76: Funds for Three (3) Participant Rural Banks: Commodities and Other Support
4. SAF 77: Funds for the Web Publishing Contractor for Production of MABS Training Materials

SAF requests expected to be approved in the next quarter:

1. Funds for the MABSTERS Training Program and the establishment of Learning Centers.
2. Funds for the Credit and Background Investigation and Cashflow Analysis Module of the MSP Training.
3. Funds for the Account Officers' Refresher Course.
4. Funds for the Luzon/Visayas Roundtable.
5. Funds for the Mindanao Roundtable.
6. Funds for the 5th Microfinance Supervisors' Forum.
7. Funds for the launch of the Visayas MSP Training Program.

MABS BANKS MICROFINANCE PERFORMANCE REPORT				Annex 2.1 Participant Banks' Performance			
CONSOLIDATED - BY AREA OF OPERATION (LUZON, VISAYAS AND MINDANAO)							
JUNE 2003							
PERFORMANCE DATA	LUZON	VISAYAS	MINDANAO	TOTAL			
Number of banks	10	3	23	36			
Number of participating branches	29	5	76	110			
Number of active borrowers outstanding	2,364	958	36,134	39,456			
Number of new borrowers	345	19	3,402	3,766			
Number of repeat loans	399	283	4,613	5,295			
Loan portfolio balance	30,924,416	8,311,927	233,718,512	272,954,855			
Net change in number of deposit accounts	1,319	1,230	158,985	161,534			
Net change in deposit balance	12,427,015	2,755,506	182,291,177	197,473,698			
Number of microfinance field staff	53	15	317	385			
Number of loans disbursed during the month	744	302	8,348	9,394			
Cumulative number of new borrowers	3,944	2,008	84,741	90,693			
Cumulative number of loans disbursed	9,033	6,648	243,998	259,679			
Amount of loans disbursed during the month	15,721,692	4,740,800	87,996,135	108,458,627			
Cumulative amount of loans disbursed	193,082,992	84,632,367	2,294,486,362	2,572,201,721			
Portfolio at risk more than 7 days	1,320,363	77,679	10,712,933	12,110,975			
Portfolio at risk more than 7 days (%)	4.27%	0.93%	5.65%	5.29%			
Portfolio at risk more than 30 days	842,008	65,074	7,847,014	8,754,096			
Portfolio at risk more than 30 days (%)	2.72%	0.78%	4.14%	3.82%			
MONTHLY INCOME AND EXPENSE	LUZON	VISAYAS	MINDANAO	TOTAL			
Financial income							
Interest income on loans	1,289,010	434,546	7,836,480	9,560,036			
Service charge	524,281	141,869	3,601,379	4,267,529			
Penalty fee on loans	58,558	18,865	142,867	220,290			
Total financial income	1,871,849	595,280	11,580,726	14,047,855			
Total financial expense	242,874	18,381	1,029,361	1,290,616			
Gross financial margin (spread)	1,628,975	576,899	10,551,365	12,757,239			
Loan loss provision	137,332	5,352	355,997	498,681			
Net financial margin	1,491,643	571,547	10,195,368	12,258,558			
Direct operating expenses							
MFU salaries and benefits	448,057	99,669	1,325,237	1,872,963			
Gross receipts tax	51,217	28,037	574,853	654,107			
Depreciation	30,331	20,335	7,841	58,507			
Transportation	30,664	7,696	2,772	41,132			
Supplies	15,730	6,101	2,004	23,835			
Communication	1,592	3,641	0	5,233			
Others	51,686	4,363	2,689	58,738			
Total direct operating expenses	629,278	169,843	1,915,396	2,714,517			
Training and professional fees	21,895	800	0	22,695			
Net income before indirect expenses	840,470	364,644	8,279,972	9,485,086			
Indirect expenses	253,781	13,576	6,393	273,750			
Net income (loss)	586,689	387,327	8,273,579	9,247,595			
Note:							
1. Tagum Rural Bank numbers are for branches and clients outstanding as of February 2003, computation of Total Portfolio at Risk (%) excludes Tagum loan portfolio balance.							
2. Enterprise Bank numbers are for branches and clients outstanding as of March 2003, computation of Total Portfolio at Risk (%) excludes Enterprise loan portfolio balance.							
3. Other data for Maranao is unavailable, computation of Total Portfolio at Risk (%) excludes Maranao loan portfolio balance.							

MABS BANKS MICROFINANCE PERFORMANCE REPORT
CONSOLIDATED - BY ROLLOUT
JUNE 2003

PERFORMANCE DATA	Pilot Banks ¹	1st Rollout Banks ²	2nd Rollout Banks	3rd Rollout Banks	4th Rollout Banks ³	5th Rollout Banks	TOTAL
Number of participating banks	4	10	6	8	3	5	36
Number of participating branches	4	45	24	23	3	11	110
Number of active borrowers outstanding	2,520	21,892	9,552	2,610	2,170	712	39,456
Number of new borrowers	302	2,101	866	219	133	145	3,766
Number of repeat loans	209	2,436	1,903	592	65	90	5,295
Loan portfolio balance	16,483,190	115,391,089	84,557,757	33,505,983	17,286,476	5,730,360	272,954,855
Net change in number of deposit accounts	5,303	71,460	78,301	-1,354	3,921	3,903	161,534
Net change in deposit balance	11,510,491	69,946,993	97,406,321	11,832,399	3,427,372	3,350,122	197,473,698
Number of microfinance field staff	18	188	95	48	16	20	385
Number of loans disbursed during the month	553	4,537	2,769	811	489	235	9,394
Cumulative number of new borrowers	8,132	58,595	17,637	5,109	377	843	90,693
Cumulative number of loans disbursed	21,521	158,708	63,119	14,438	650	1,243	259,679
Amount of loans disbursed during the month	4,701,200	39,953,715	37,716,220	16,668,492	5,625,000	3,794,000	108,458,627
Cumulative amount of loans disbursed	197,904,781	1,305,413,003	782,345,847	258,833,359	8,822,731	18,882,000	2,572,201,721
Portfolio at risk more than 7 days	943,483	5,574,018	4,150,276	1,291,730	45,156	106,312	12,110,975
Portfolio at risk more than 7 days (%)	8.92%	6.23%	4.91%	3.86%	0.87%	1.86%	5.29%
Portfolio at risk more than 30 days	609,589	4,016,432	3,210,834	868,792	10,159	38,290	8,754,096
Portfolio at risk more than 30 days (%)	5.77%	4.49%	3.80%	2.59%	0.20%	0.67%	3.82%

MONTHLY INCOME AND EXPENSE	Pilot Banks ¹	1st Rollout Banks ²	2nd Rollout Banks	3rd Rollout Banks	4th Rollout Banks ³	5th Rollout Banks	TOTAL
Financial income							
Interest income on loans	388,084	3,650,434	3,669,185	1,446,256	128,777	277,300	9,560,036
Service charge	156,456	1,550,151	1,847,387	541,491	47,385	124,659	4,267,529
Penalty fee on loans	8,217	46,767	84,898	62,671	2,985	14,752	220,290
Total financial income	552,757	5,247,352	5,601,470	2,050,418	179,147	416,711	14,047,855
Total financial expense	45,079	438,975	536,186	217,613	9,121	43,642	1,290,616
Gross financial margin (spread)	507,678	4,808,377	5,065,284	1,832,805	170,026	373,069	12,757,239
Loan loss provision	0	146,199	196,986	109,561	12,812	33,123	498,681
Net financial margin	507,678	4,662,178	4,868,298	1,723,244	157,214	339,946	12,258,558
Direct operating expenses							
MFU salaries and benefits	75,642	756,631	448,005	444,773	44,959	102,953	1,872,963
Gross receipts tax	27,638	260,985	277,272	72,243	8,958	7,011	654,107
Depreciation	0	0	0	43,366	7,841	7,300	58,507
Transportation	0	0	0	26,394	2,772	11,966	41,132
Supplies	0	0	0	15,879	2,004	5,952	23,835
Communication	0	0	0	4,430	0	803	5,233
Others	0	0	0	26,159	2,689	29,890	58,738
Total direct operating expenses	103,280	1,017,616	725,277	633,245	69,223	165,876	2,714,517
Training and professional fees	0	0	0	6,552	0	16,143	22,695
Net income before indirect expenses	404,398	3,644,562	4,143,021	1,083,446	87,991	157,927	9,521,345
Indirect expenses	0	0	0	195,716	6,393	71,641	273,750
Net income (loss)	404,398	3,644,562	4,143,021	887,730	81,598	86,286	9,247,595

¹ Tagum Rural Bank numbers are for branches and clients outstanding as of February 2003, computation of Total Portfolio at Risk (%) excludes Tagum loan portfolio balance.

² Enterprise Bank numbers are for branches and clients outstanding as of March 2003, computation of Total Portfolio at Risk (%) excludes Tagum loan portfolio balance.

³ Other data for Maranao is unavailable, computation of Total Portfolio at Risk (%) excludes Maranao loan portfolio balance.

MABS BANKS MICROFINANCE PERFORMANCE REPORT
 LUZON, VISAYAS & MINDANAO
 JUNE 2002-JUNE 2003

PERFORMANCE DATA	Jun 2002	Jul 2002	Aug 2002	Sep 2002	Oct 2002	Nov 2002	Dec 2002	Jan 2003	Feb 2003	Mar 2003	Apr 2003	May 2003	Jun 2003
No of participating bank units	83	85	87	89	97	101	102	102	102	105	106	107	110
Number of active borrowers outstanding	26,880	30,848	32,031	32,306	33,540	33,792	33,587	34,176	33,579	35,364	35,402	38,005	39,456
Number of new borrowers	3,089	3,608	3,738	2,979	3,307	2,767	2,471	3,098	3,282	3,621	3,147	3,573	3,766
Number of repeat loans	5,457	5,799	6,274	5,937	7,082	6,047	6,334	6,888	5,747	6,795	6,468	5,940	5,295
Loan portfolio balance	177,282,696	198,924,290	207,280,243	211,140,435	216,592,317	221,151,583	224,785,536	229,064,229	230,194,040	239,634,648	234,356,324	260,861,534	272,954,855
Net change in number of deposit accounts	100,766	99,479	124,997	119,028	130,814	137,030	135,627	129,437	136,904	143,917	150,468	149,522	161,534
Net change in deposit balance	117,236,411	114,340,781	138,825,803	135,605,189	156,822,795	161,922,244	162,752,853	162,117,200	184,508,781	199,108,380	189,527,374	188,478,120	197,473,698
Number of microfinance field staff	342	364	372	364	376	342	353	366	373	382	380	381	385
Number of loans disbursed during the month	8,546	9,407	10,012	8,916	10,389	8,814	8,805	9,986	9,029	10,416	9,558	9,513	9,394
Cumulative number of new borrowers	51,358	54,985	58,738	61,731	65,065	67,813	70,323	73,421	76,703	80,321	83,538	86,843	90,693
Cumulative number of loans disbursed	142,916	152,323	162,335	171,251	184,463	193,277	203,713	213,699	222,798	233,311	242,923	250,426	259,679
Amount of loans disbursed during the month	92,646,943	98,618,013	102,798,524	94,798,214	113,743,665	101,854,815	102,392,602	111,695,898	102,154,492	110,626,674	102,760,102	111,446,997	108,458,627
Cumulative amount of loans disbursed	1,328,590,612	1,453,053,725	1,552,949,549	1,647,706,763	1,761,390,928	1,847,962,743	1,953,923,745	2,065,619,643	2,151,659,635	2,263,273,009	2,366,003,111	2,464,744,194	2,572,201,721
Portfolio at risk more than 7 days	7,384,853	8,733,928	10,062,571	9,345,217	10,236,685	9,868,991	10,522,001	13,175,572	13,765,098	13,925,725	14,654,285	12,990,860	12,110,975
Portfolio at risk more than 7 days (%)	4.17%	4.40%	4.85%	4.60%	4.73%	4.46%	4.68%	5.75%	5.98%	5.81%	6.25%	5.79%	5.29%
Portfolio at risk more than 30 days	4,781,538	5,650,417	6,285,081	6,714,561	6,129,288	6,951,857	6,961,375	8,410,414	8,711,966	9,383,570	9,347,898	9,010,618	8,754,096
Portfolio at risk more than 30 days (%)	2.70%	2.84%	3.03%	3.20%	2.83%	3.14%	3.10%	3.67%	3.78%	3.92%	3.99%	4.02%	3.82%

Note:

1. Tagum Rural Bank numbers are for branches and clients outstanding as of February 2003, computation of Total Portfolio at Risk (%) excludes Tagum loan portfolio balance.
2. Enterprise Bank numbers are for branches and clients outstanding as of March 2003, computation of Total Portfolio at Risk (%) excludes Enterprise loan portfolio balance.
3. Other data for Maranao is unavailable, computation of Total Portfolio at Risk (%) excludes Maranao loan portfolio balance.
4. Number of microfinance field staff from December 2002 to April 2003 of Enterprise Bank was revised due to an encoding error by the bank.

**MABS MICROFINANCE PERFORMANCE REPORT
PILOT BANKS
JUNE 2003**

PERFORMANCE DATA	Digos	Sto Tomas	Saranggani	Tagum¹	TOTAL²
Number of participating branches	1	1	1	1	4
Number of active borrowers outstanding	425	664	925	506	2,520
Number of new borrowers	1	135	166	N/A	302
Number of repeat loans	82	86	41	N/A	209
Loan portfolio balance	2,449,996	5,714,270	2,407,543	5,911,381	16,483,190
Net change in number of deposit accounts	-1,880	2,142	2,249	2,792	5,303
Net change in deposit balance	1,456,116	4,377,912	2,383,931	3,292,532	11,510,491
Number of microfinance field staff	4	6	5	3	18
Number of loans disbursed during the month	125	221	207	N/A	553
Cumulative number of new borrowers	1,312	1,808	3,214	1,798	8,132
Cumulative number of loans disbursed	7,108	7,143	4,670	2,600	21,521
Amount of loans disbursed during the month	954,500	2,803,700	943,000	N/A	4,701,200
Cumulative amount of loans disbursed	58,576,439	81,724,880	21,930,862	35,672,600	197,904,781
Portfolio at risk more than 7 days	293,716	202,953	446,814	N/A	943,483
Portfolio at risk more than 7 days (%)	11.99%	3.55%	18.56%	N/A	8.92%
Portfolio at risk more than 30 days	220,419	164,440	224,730	N/A	609,589
Portfolio at risk more than 30 days (%)	9.00%	2.88%	9.33%	N/A	5.77%

MONTHLY INCOME AND EXPENSE	Digos	Sto Tomas	Saranggani	Tagum¹	TOTAL²
Financial income					
Interest income on loans	83,570	222,894	81,620	N/A	388,084
Service charge	28,560	80,971	46,925	N/A	156,456
Penalty fee on loans	2,588	5,629	0	N/A	8,217
Total financial income	114,718	309,494	128,545	N/A	552,757
Total financial expense	12,813	19,747	12,519	N/A	45,079
Gross financial margin (spread)	101,905	289,747	116,026	N/A	507,678
Loan loss provision	0	0	0	N/A	0
Net financial margin	101,905	289,747	116,026	N/A	507,678
Direct operating expenses					
MFU salaries and benefits	17,716	29,646	28,280	N/A	75,642
Gross receipts tax	5,736	15,475	6,427	N/A	27,638
Depreciation	0	0	0	N/A	0
Transportation	0	0	0	N/A	0
Supplies	0	0	0	N/A	0
Communication	0	0	0	N/A	0
Others	0	0	0	N/A	0
Total direct operating expenses	23,452	45,121	34,707	N/A	103,280
Training and professional fees	0	0	0	N/A	0
Net income before indirect expenses	78,453	244,626	81,319	N/A	404,398
Indirect expenses	0	0	0	N/A	0
Net income (loss)	78,453	244,626	81,319	N/A	404,398

¹ Tagum Rural Bank numbers are for branches and clients outstanding as of February 2003.

² Computation of Total Portfolio at Risk (%) excludes Tagum loan portfolio balance.

MABS MICROFINANCE PERFORMANCE REPORT
1st ROLLOUT BANKS
JUNE 2003

PERFORMANCE DATA	Bukidnon	Cantilan	Misamis Oriental	Enterprise¹	Kapatagan	Talisayan	Network	Lebak	Panabo	Montevista	TOTAL²
Number of participating branches	4	5	2	5	5	3	8	1	2	10	45
Number of active borrowers outstanding	2,133	4,055	824	5,131	1,095	1,341	753	244	285	6,031	21,892
Number of new borrowers	470	541	8	N/A	68	77	178	30	74	655	2,101
Number of repeat loans	299	326	116	N/A	323	289	39	82	2	960	2,436
Loan portfolio balance	11,685,374	19,626,267	8,279,230	25,969,952	8,822,052	7,090,362	9,395,389	1,086,072	2,636,389	20,800,002	115,391,089
Net change in number of deposit accounts	9,580	19,302	7,577	1,774	7,368	7,366	8,395	-1,050	5,661	5,487	71,460
Net change in deposit balance	8,149,859	17,947,730	7,259,609	995,418	5,316,277	7,539,724	15,833,964	-909,943	1,763,543	6,050,812	69,946,993
Number of microfinance field staff	17	32	10	47	15	15	11	4	4	33	188
Number of loans disbursed during the month	769	867	124	NA	391	366	217	112	76	1,615	4,537
Cumulative number of new borrowers	8,359	13,555	4,463	7,565	1,494	2,767	4,106	533	2,245	13,508	58,595
Cumulative number of loans disbursed	21,794	20,725	9,966	33,933	9,272	10,688	5,543	4,086	3,180	39,521	158,708
Amount of loans disbursed during the month	7,096,000	7,836,000	2,176,300	N/A	5,213,615	2,821,300	4,163,000	859,000	1,370,500	8,418,000	39,953,715
Cumulative amount of loans disbursed	191,844,917	185,304,417	133,328,829	273,020,167	84,773,232	71,375,848	99,498,901	27,171,192	38,558,852	200,536,648	1,305,413,003
Portfolio at risk more than 7 days	634,770	217,027	1,437,597	N/A	197,050	492,270	1,385,708	46,718	197,121	965,757	5,574,018
Portfolio at risk more than 7 days (%)	5.43%	1.11%	17.36%	N/A	2.23%	6.94%	14.75%	4.30%	7.48%	4.64%	6.23%
Portfolio at risk more than 30 days	533,506	150,126	996,152	N/A	119,294	361,083	1,125,667	42,203	50,201	638,200	4,016,432
Portfolio at risk more than 30 days (%)	4.57%	0.76%	12.03%	N/A	1.35%	5.09%	11.98%	3.89%	1.90%	3.07%	4.49%

MONTHLY INCOME AND EXPENSE	Bukidnon	Cantilan	Misamis Oriental	Enterprise¹	Kapatagan	Talisayan	Network	Lebak	Panabo	Montevista	TOTAL²
Financial income											
Interest income on loans	481,960	915,379	237,859	N/A	367,789	295,318	327,159	40,186	108,700	876,084	3,650,434
Service charge	240,080	187,234	75,809	N/A	135,950	237,320	189,032	14,868	49,004	420,854	1,550,151
Penalty fee on loans	2,465	7,077	367	N/A	16,283	9,689	6,304	1,460	0	3,122	46,767
Total financial income	724,505	1,109,690	314,035	N/A	520,022	542,327	522,495	56,514	157,704	1,300,060	5,247,352
Total financial expense	122,296	92,916	23,264	N/A	40,520	26,454	29,126	4,887	21,354	78,158	438,975
Gross financial margin (spread)	602,209	1,016,774	290,771	N/A	479,502	515,873	493,369	51,627	136,350	1,221,902	4,808,377
Loan loss provision	13,886	4,185	0	N/A	13,751	27,424	36,105	0	0	50,848	146,199
Net financial margin	588,323	1,012,589	290,771	N/A	465,751	488,449	457,264	51,627	136,350	1,171,054	4,662,178
Direct operating expenses											
MFU salaries and benefits	116,798	175,265	74,144	N/A	93,625	63,008	60,240	27,824	20,970	124,757	756,631
Gross receipts tax	36,226	54,102	15,702	N/A	26,001	27,116	26,125	2,826	7,885	65,002	260,985
Depreciation	0	0	0	N/A	0	0	0	0	0	0	0
Transportation	0	0	0	N/A	0	0	0	0	0	0	0
Supplies	0	0	0	N/A	0	0	0	0	0	0	0
Communication	0	0	0	N/A	0	0	0	0	0	0	0
Others	0	0	0	N/A	0	0	0	0	0	0	0
Total direct operating expenses	153,024	229,367	89,846	N/A	119,626	90,124	86,365	30,650	28,855	189,759	1,017,616
Training and professional fees	0	0	0	N/A	0	0	0	0	0	0	0
Net income before indirect expenses	435,299	783,222	200,925	N/A	346,125	398,325	370,899	20,977	107,495	981,295	3,644,562
Indirect expenses	0	0	0	N/A	0	0	0	0	0	0	0
Net income (loss)	435,299	783,222	200,925	N/A	346,125	398,325	370,899	20,977	107,495	981,295	3,644,562

¹ Enterprise Bank numbers are for branches and clients outstanding as of March 2003.

² Computation of Total Portfolio at Risk (%) excludes Enterprise loan portfolio balance.

MABS MICROFINANCE PERFORMANCE REPORT
2nd ROLLOUT BANKS
JUNE 2003

PERFORMANCE DATA	Dipolog	Green Bank	Oroquieta	Siam	Century	Tacurong	TOTAL
Number of participating branches	1	11	1	6	3	2	24
Number of active borrowers outstanding	292	4,986	192	848	362	2,872	9,552
Number of new borrowers	7	294	13	43	108	401	866
Number of repeat loans	69	1,072	39	265	58	400	1,903
Loan portfolio balance	2,948,612	52,883,340	1,913,204	6,986,907	2,125,738	17,699,956	84,557,757
Net change in number of deposit accounts	587	62,016	532	6,857	2,391	5,918	78,301
Net change in deposit balance	3,288,716	83,213,864	317,357	3,768,640	2,624,597	4,193,147	97,406,321
Number of microfinance field staff	4	53	4	15	6	13	95
Number of loans disbursed during the month	76	1,366	52	308	166	801	2,769
Cumulative number of new borrowers	715	9,159	1,933	2,355	1,289	2,186	17,637
Cumulative number of loans disbursed	3,202	33,575	4,379	10,143	3,295	8,525	63,119
Amount of loans disbursed during the month	1,224,000	22,560,517	781,400	4,418,200	1,351,000	7,381,103	37,716,220
Cumulative amount of loans disbursed	47,989,000	470,968,489	26,940,041	133,517,717	24,880,500	78,050,100	782,345,847
Portfolio at risk more than 7 days	256,372	3,161,680	48,271	611,066	72,887	0	4,150,276
Portfolio at risk more than 7 days (%)	8.69%	5.98%	2.52%	8.75%	3.43%	0.00%	4.91%
Portfolio at risk more than 30 days	195,983	2,550,254	27,609	400,000	36,988	0	3,210,834
Portfolio at risk more than 30 days (%)	6.65%	4.82%	1.44%	5.72%	1.74%	0.00%	3.80%

MONTHLY INCOME & EXPENSE	Dipolog	Green Bank	Oroquieta	Siam	Century	Tacurong	TOTAL
Financial income							
Interest income on loans	121,788	2,444,840	81,355	314,030	75,232	631,940	3,669,185
Service charge	40,392	1,096,662	31,548	278,447	88,683	311,655	1,847,387
Penalty fee on loans	1,601	79,480	0	3,517	20	280	84,898
Total financial income	163,781	3,620,982	112,903	595,994	163,935	943,875	5,601,470
Total financial expense	13,033	298,783	3,195	118,986	7,848	94,341	536,186
Gross financial margin (spread)	150,748	3,322,199	109,708	477,008	156,087	849,534	5,065,284
Loan loss provision	0	125,656	0	9,225	15,168	46,937	196,986
Net financial margin	150,748	3,196,543	109,708	467,783	140,919	802,597	4,868,298
Direct operating expenses							
MFU salaries and benefits	22,552	271,943	17,844	63,802	16,588	55,276	448,005
Gross receipts tax	8,189	181,050	5,645	29,800	5,394	47,194	277,272
Depreciation	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0
Supplies	0	0	0	0	0	0	0
Communication	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0
Total direct operating expenses	30,741	452,993	23,489	93,602	21,982	102,470	725,277
Training and professional fees	0	0	0	0	0	0	0
Net income before indirect expenses	120,007	2,743,550	86,219	374,181	118,937	700,127	4,143,021
Indirect expenses	0	0	0	0	0	0	0
Net income (loss)	120,007	2,743,550	86,219	374,181	118,937	700,127	4,143,021

MABS MICROFINANCE PERFORMANCE REPORT
3rd ROLLOUT BANKS
JUNE 2003

PERFORMANCE DATA	Bogo	Dulag	Victorias	FICO	Florida	Kabayan	Macro	Rang-Ay	TOTAL
Number of participating branches	2	2	1	4	3	4	4	3	23
Number of active borrowers outstanding	158	659	141	621	93	428	352	158	2,610
Number of new borrowers	4	13	2	48	3	34	102	13	219
Number of repeat loans	37	228	18	135	14	93	35	32	592
Loan portfolio balance	797,052	5,984,461	1,530,414	10,587,195	1,175,680	7,180,772	4,349,011	1,901,398	33,505,983
Net change in number of deposit accounts	538	770	-78	-1,287	943	-1,231	-442	-567	-1,354
Net change in deposit balance	499,469	1,112,957	1,143,080	1,987,880	1,912,822	3,209,592	2,322,536	-355,937	11,832,399
Number of microfinance field staff	5	7	3	13	3	6	8	3	48
Number of loans disbursed during the month	41	241	20	183	17	127	137	45	811
Cumulative number of new borrowers	335	1,182	491	981	275	662	818	365	5,109
Cumulative number of loans disbursed	1,158	4,455	1,035	2,701	651	2,059	1,428	951	14,438
Amount of loans disbursed during the month	358,800	3,929,000	453,000	4,740,600	502,000	3,347,000	2,420,692	917,400	16,668,492
Cumulative amount of loans disbursed	8,352,965	64,006,500	12,272,902	65,110,500	11,508,100	57,638,100	27,092,692	12,851,600	258,833,359
Portfolio at risk more than 7 days	48,715	0	28,964	390,349	15,625	191,079	246,952	370,046	1,291,730
Portfolio at risk more than 7 days (%)	6.11%	0.00%	1.89%	3.69%	1.33%	2.66%	5.68%	19.46%	3.86%
Portfolio at risk more than 30 days	43,271	0	21,803	299,590	15,625	112,131	198,732	177,640	868,792
Portfolio at risk more than 30 days (%)	5.43%	0.00%	1.42%	2.83%	1.33%	1.56%	4.57%	9.34%	2.59%

MONTHLY INCOME & EXPENSE	Bogo	Dulag	Victorias	FICO	Florida	Kabayan	Macro	Rang-Ay	TOTAL
Financial income									
Interest income on loans	54,773	328,170	51,603	455,220	63,938	257,417	153,939	81,196	1,446,256
Service charge	14,352	117,870	9,647	203,635	16,720	66,740	82,689	29,838	541,491
Penalty fee on loans	15,174	0	3,691	11,115	6,683	5,835	6,335	13,838	62,671
Total financial income	84,299	446,040	64,941	669,970	87,341	329,992	242,963	124,872	2,050,418
Total financial expense	1,204	10,855	6,322	60,161	14,380	66,297	42,549	15,845	217,613
Gross financial margin (spread)	83,095	435,185	58,619	609,809	72,961	263,695	200,414	109,027	1,832,805
Loan loss provision	5,352	0	0	31,298	8,210	0	13,458	51,243	109,561
Net financial margin	77,743	435,185	58,619	578,511	64,751	263,695	186,956	57,784	1,723,244
Direct operating expenses									
MFU salaries and benefits	23,354	63,244	13,071	105,798	43,011	46,116	133,353	16,826	444,773
Gross receipts tax	4,215	23,822	0	5,423	4,367	16,500	11,673	6,243	72,243
Depreciation	963	14,797	4,575	13,504	4,164	0	2,916	2,447	43,366
Transportation	2,088	4,415	1,193	11,226	0	1,382	6,090	0	26,394
Supplies	0	5,793	308	6,028	0	1,417	2,333	0	15,879
Communication	229	3,412	0	289	0	500	0	0	4,430
Others	660	2,211	1,492	0	9,023	0	0	12,773	26,159
Total direct operating expenses	31,509	117,694	20,640	142,268	60,565	65,915	156,365	38,289	633,245
Training and professional fees	0	800	0	0	0	5,752	0	0	6,552
Net income before indirect expenses	46,233	316,691	37,979	436,243	4,186	192,028	30,591	19,495	1,083,446
Indirect expenses	1,209	10,647	1,720	7,801	0	0	174,339	0	195,716
Net income (loss)	45,024	306,044	36,259	428,442	4,186	192,028	-143,748	19,495	887,730

MABS MICROFINANCE PERFORMANCE REPORT
4th ROLLOUT BANKS
JUNE 2003

PERFORMANCE DATA	Isulan	Maranao¹	Paglas	TOTAL²
Number of participating branches	1	1	1	3
Number of active borrowers outstanding	191	1,823	156	2,170
Number of new borrowers	26	80	27	133
Number of repeat loans	31	0	34	65
Loan portfolio balance	1,274,205	14,113,887	1,898,384	17,286,476
Net change in number of deposit accounts	3,666	82	173	3,921
Net change in deposit balance	2,736,605	445,777	244,990	3,427,372
Number of microfinance field staff	3	8	5	16
Number of loans disbursed during the month	57	371	61	489
Cumulative number of new borrowers	180	-	197	377
Cumulative number of loans disbursed	285	-	365	650
Amount of loans disbursed during the month	744,000	3,860,000	1,021,000	5,625,000
Cumulative amount of loans disbursed	3,224,731	-	5,598,000	8,822,731
Portfolio at risk more than 7 days	17,219	-	27,937	45,156
Portfolio at risk more than 7 days (%)	1.35%	-	1.47%	0.87%
Portfolio at risk more than 30 days	0	-	10,159	10,159
Portfolio at risk more than 30 days (%)	0.00%	-	0.54%	0.20%

MONTHLY INCOME & EXPENSE	Isulan	Maranao¹	Paglas	TOTAL²
Financial income				
Interest income on loans	49,921	-	78,856	128,777
Service charge	17,510	-	29,875	47,385
Penalty fee on loans	0	-	2,985	2,985
Total financial income	67,431	-	111,716	179,147
Total financial expense	5,957	-	3,164	9,121
Gross financial margin (spread)	61,474	-	108,552	170,026
Loan loss provision	7,040	-	5,772	12,812
Net financial margin	54,434	-	102,780	157,214
Direct operating expenses				
MFU salaries and benefits	23,884	-	21,075	44,959
Gross receipts tax	3,372	-	5,586	8,958
Depreciation	979	-	6,862	7,841
Transportation	0	-	2,772	2,772
Supplies	0	-	2,004	2,004
Communication	0	-	0	0
Others	2,689	-	0	2,689
Total direct operating expenses	30,924	-	38,299	69,223
Training and professional fees	0	-	0	0
Net income before indirect expenses	23,510	-	64,481	87,991
Indirect expenses	0	-	6,393	6,393
Net income (loss)	23,510	-	58,088	81,598

¹ Other data for Maranao was unavailable.

² Computation of Total Portfolio at Risk (%) excludes Maranao loan portfolio balance.

MABS MICROFINANCE PERFORMANCE REPORT
5th ROLLOUT BANKS
JUNE 2003

PERFORMANCE DATA	Bangko Mabuhay	Country Bank	Libon	Mabitac	Pagbilao	TOTAL
Number of participating branches	1	1	2	6	1	11
Number of active borrowers outstanding	61	88	100	410	53	712
Number of new borrowers	22	11	17	80	15	145
Number of repeat loans	7	17	13	43	10	90
Loan portfolio balance	865,897	688,529	1,433,126	2,399,145	343,663	5,730,360
Net change in number of deposit accounts	428	1,106	1,969	363	37	3,903
Net change in deposit balance	409,174	120,595	1,405,175	1,130,136	285,042	3,350,122
Number of microfinance field staff	2	2	6	9	1	20
Number of loans disbursed during the month	29	28	30	123	25	235
Cumulative number of new borrowers	75	108	100	460	100	843
Cumulative number of loans disbursed	103	172	165	664	139	1,243
Amount of loans disbursed during the month	520,000	375,000	798,000	1,844,000	257,000	3,794,000
Cumulative amount of loans disbursed	2,325,000	2,110,000	3,116,000	10,224,000	1,107,000	18,882,000
Portfolio at risk more than 7 days	0	0	0	86,799	19,513	106,312
Portfolio at risk more than 7 days (%)	0.00%	0.00%	0.00%	3.62%	5.68%	1.86%
Portfolio at risk more than 30 days	0	0	0	25,882	12,408	38,290
Portfolio at risk more than 30 days (%)	0.00%	0.00%	0.00%	1.08%	3.61%	0.67%

MONTHLY INCOME & EXPENSE	Bangko Mabuhay	Country Bank	Libon	Mabitac	Pagbilao	TOTAL
Financial income						
Interest income on loans	31,637	32,128	53,397	150,108	10,030	277,300
Service charge	14,455	7,500	28,390	68,126	6,188	124,659
Penalty fee on loans	0	0	2,105	12,166	481	14,752
Total financial income	46,092	39,628	83,892	230,400	16,699	416,711
Total financial expense	2,711	10,550	6,255	23,791	335	43,642
Gross financial margin (spread)	43,381	29,078	77,637	206,609	16,364	373,069
Loan loss provision	4,264	1,406	10,383	14,494	2,576	33,123
Net financial margin	39,117	27,672	67,254	192,115	13,788	339,946
Direct operating expenses						
MFU salaries and benefits	16,420	16,200	18,039	44,921	7,373	102,953
Gross receipt tax	0	1,981	4,195	0	835	7,011
Depreciation	388	875	1,417	3,376	1,244	7,300
Transportation	0	280	3,369	8,141	176	11,966
Supplies	347	1,000	1,867	2,488	250	5,952
Communication	0	0	567	200	36	803
Others	10,648	1,000	1,962	16,280	0	29,890
Total direct operating expense	27,803	21,336	31,416	75,407	9,914	165,876
Training and professional fees	0	0	11,146	4,997	0	16,143
Net income before indirect expenses	11,314	6,336	24,692	111,711	3,874	157,927
Indirect expenses	32,800	0	32,646	6,195	0	71,641
Net income (loss)	-21,486	6,336	-7,954	105,516	3,874	86,286

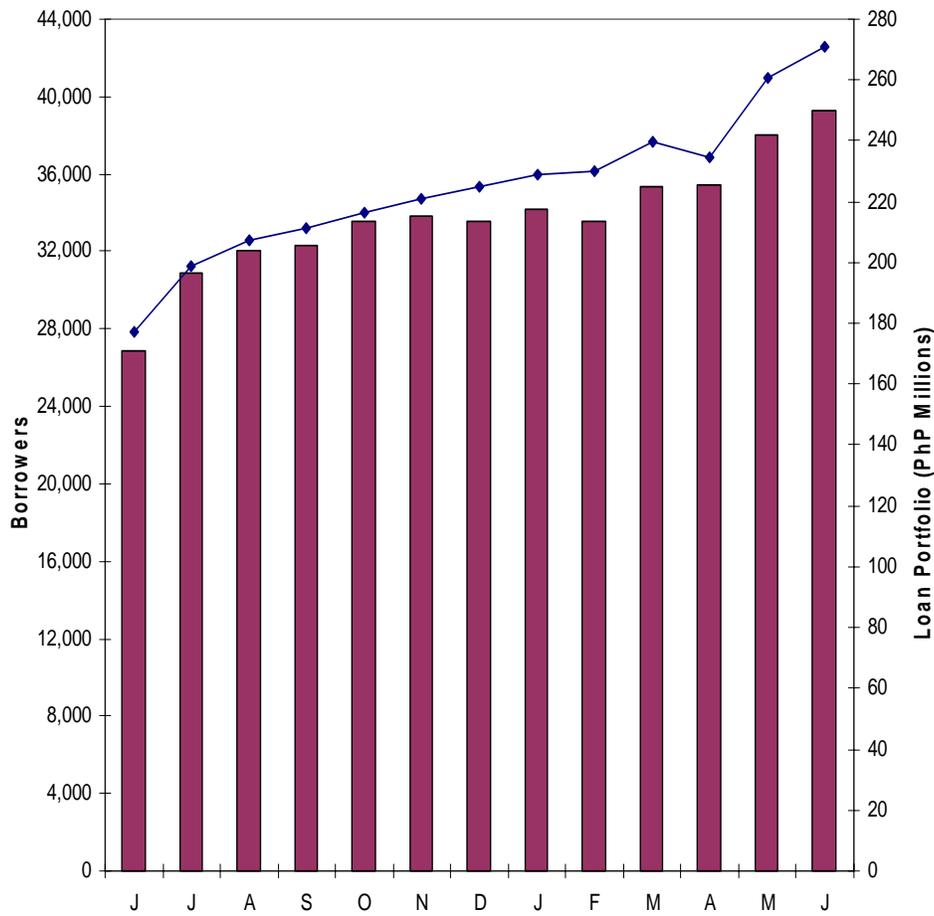
MABS MICROFINANCE PERFORMANCE REPORT
WATCHLIST¹-LUZON, VISAYAS, MINDANAO
JUNE 2003

PERFORMANCE DATA	Digos	Saranggani	Misamis Oriental	Network	Dipolog	Siam	Rang-ay	Talisayan	Bogo	TOTAL
Number of participating branches	1	1	2	8	1	6	3	3	2	27
Number of active borrowers outstanding	425	925	824	753	292	848	158	1,341	158	5,724
Number of new borrowers	1	166	8	178	7	43	13	77	4	497
Number of repeat loans	82	41	116	39	69	265	32	289	37	970
Loan portfolio balance	2,449,996	2,407,543	8,279,230	9,395,389	2,948,612	6,986,907	1,901,398	7,090,362	797,052	42,256,489
Net change in number of deposit accounts	-1,880	2,249	7,577	8,395	587	6,857	-567	7,366	538	31,122
Net change in deposit balance	1,456,116	2,383,931	7,259,609	15,833,964	3,288,716	3,768,640	-355,937	7,539,724	499,469	41,674,232
Number of microfinance field staff	4	5	10	11	4	15	3	15	5	72
Number of loans disbursed during the month	125	207	124	217	76	308	45	366	41	1,509
Cumulative number of new borrowers	1,312	3,214	4,463	4,106	715	2,355	365	2,767	335	19,632
Cumulative number of loans disbursed	7,108	4,670	9,966	5,543	3,202	10,143	951	10,688	1,158	53,429
Amount of loans disbursed during the month	954,500	943,000	2,176,300	4,163,000	1,224,000	4,418,200	917,400	2,821,300	358,800	17,976,500
Cumulative amount of loans disbursed	58,576,439	21,930,862	133,328,829	99,498,901	47,989,000	133,517,717	12,851,600	71,375,848	8,352,965	587,422,161
Portfolio at risk more than 7 days	293,716	446,814	1,437,597	1,385,708	256,372	611,066	370,046	492,270	48,715	5,342,304
Portfolio at risk more than 7 days (%)	11.99%	18.56%	17.36%	14.75%	8.69%	8.75%	19.46%	6.94%	6.11%	12.64%
Portfolio at risk more than 30 days	220,419	224,730	996,152	1,125,667	195,983	400,000	177,640	361,083	43,271	3,744,945
Portfolio at risk more than 30 days (%)	9.00%	9.33%	12.03%	11.98%	6.65%	5.72%	9.34%	5.09%	5.43%	8.86%

MONTHLY INCOME AND EXPENSE	Digos	Saranggani	Misamis Oriental	Network	Dipolog	Siam	Rang-ay	Talisayan	Bogo	TOTAL
Financial income										
Interest income on loans	83,570	81,620	237,859	327,159	121,788	314,030	81,196	295,318	54,773	1,597,313
Service charge	28,560	46,925	75,809	189,032	40,392	278,447	29,838	237,320	14,352	940,675
Penalty fee on loans	2,588	0	367	6,304	1,601	3,517	13,838	9,689	15,174	53,078
Total financial income	114,718	128,545	314,035	522,495	163,781	595,994	124,872	542,327	84,299	2,591,066
Total financial expense	12,813	12,519	23,264	29,126	13,033	118,986	15,845	26,454	1,204	253,244
Gross financial margin (spread)	101,905	116,026	290,771	493,369	150,748	477,008	109,027	515,873	83,095	2,337,822
Loan loss provision	0	0	0	36,105	0	9,225	51,243	27,424	5,352	129,349
Net financial margin	101,905	116,026	290,771	457,264	150,748	467,783	57,784	488,449	77,743	2,208,473
Direct operating expenses										
MFU salaries and benefits	17,716	28,280	74,144	60,240	22,552	63,802	16,826	63,008	23,354	369,922
Gross receipts tax	5,736	6,427	15,702	26,125	8,189	29,800	6,243	27,116	4,215	129,553
Depreciation	0	0	0	0	0	0	2,447	0	963	3,410
Transportation	0	0	0	0	0	0	0	0	2,088	2,088
Supplies	0	0	0	0	0	0	0	0	0	0
Communication	0	0	0	0	0	0	0	0	229	229
Others	0	0	0	0	0	0	12,773	0	660	13,433
Total direct operating expenses	23,452	34,707	89,846	86,365	30,741	93,602	38,289	90,124	31,509	518,635
Training and professional fees	0	0	0	0	0	0	0	0	0	0
Net income before indirect expenses	78,453	81,319	200,925	370,899	120,007	374,181	19,495	398,325	46,233	1,689,837
Indirect expenses	0	0	0	0	0	0	0	0	1,209	1,209
Net income (loss)	78,453	81,319	200,925	370,899	120,007	374,181	19,495	398,325	45,024	1,688,628

¹Banks with PAR over 30 days greater than 5% are placed in the watchlist.

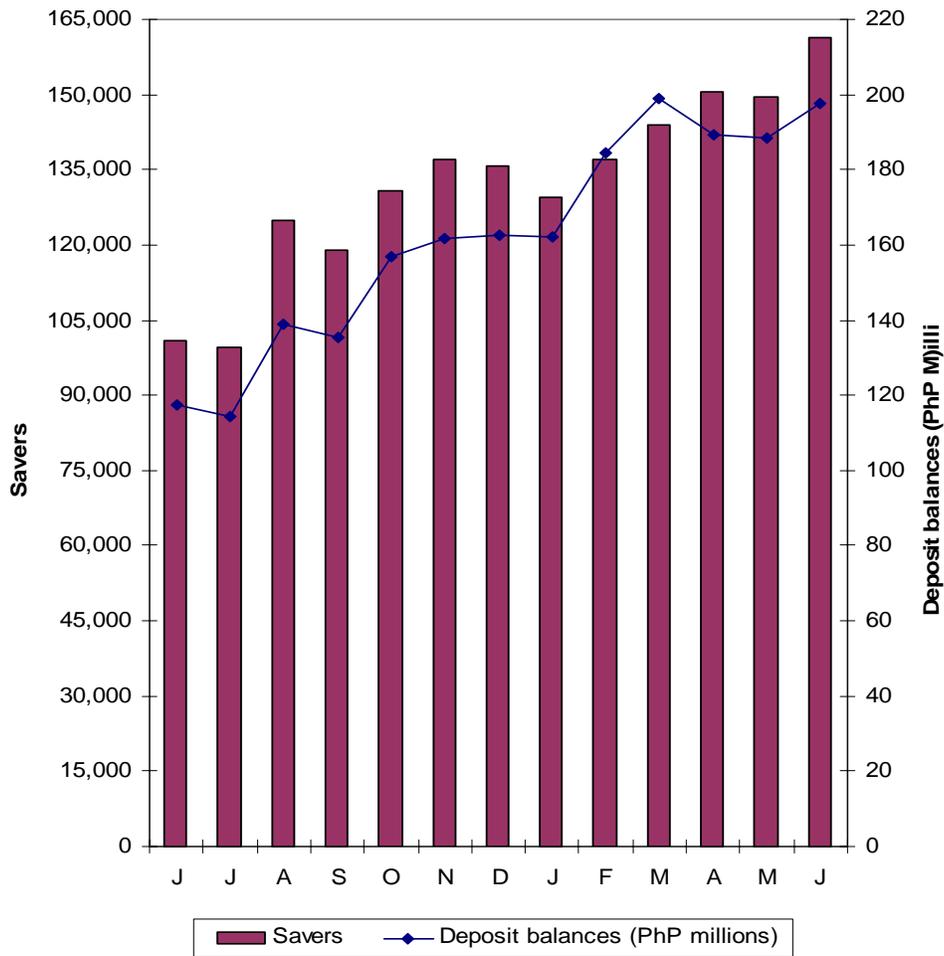
Micro Loan Portfolio MABS Participating Banks June 2002 - June 2003



Micro Borrowers — Loan Portfolio (PhP millions)

	Micro Borrowers	Loan Portfolio (PhPM)
Jun-02	26,880	177.28
Jul-02	30,848	198.92
Aug-02	32,031	207.28
Sep-02	32,306	211.14
Oct-02	33,540	216.59
Nov-02	33,792	221.15
Dec-02	33,587	224.79
Jan-03	34,176	229.06
Feb-03	33,579	230.19
Mar-03	35,364	239.63
Apr-03	35,402	234.36
May-03	38,005	260.86
Jun-03	39,456	272.95

Growth in Micro Savings Deposits MABS Participating Banks June 2002 - June 2003



	Savings Balances (PhPM)	
	Savers	(PhPM)
Jun-02	100,766	117.24
Jul-02	99,479	114.34
Aug-02	124,997	138.83
Sep-02	119,028	135.61
Oct-02	130,814	156.82
Nov-02	137,030	161.92
Dec-02	135,627	162.75
Jan-03	129,437	162.12
Feb-03	136,904	184.51
Mar-03	143,917	199.11
Apr-03	150,468	189.53
May-03	149,522	188.48
Jun-03	161,534	197.47