

# MABS PROGRAM

Microenterprise Access to Banking Services

---

**October 1 – December 31, 2005**

**Performance Monitoring Report**

**THIRTY-SECOND QUARTER**

*Submitted by:*

**Chemonics International, Inc.**

*In association with:*

**The Rural Bankers Association of the Philippines**

**January 2006**

Under Contract No. 492-C-00-98-00008-00

**United States Agency for International Development**

**Office of Economic Development and Governance**

Manila, Philippines



## CONTENTS

<b>ANNEXES .....</b>	<b>ii</b>
<b>Acronyms .....</b>	<b>iii</b>
<b>Executive Summary .....</b>	<b>1</b>
<b>Contractor’s Report.....</b>	<b>4</b>
<i>a) MABS Oversight.....</i>	<i>4</i>
<i>b) Expected Results .....</i>	<i>4</i>
<i>c) Current Core Activities: MABS Activities.....</i>	<i>5</i>
1. Bank Strengthening & Outreach.....	5
2. Full Development of Various Anti-Backsliding & Microfinance Promotion Institutions.....	8
3. Bank Management Software & Related Peripheral Technologies .....	9
4. Development of Rural Finance Products .....	10
5. Support & Other Activities .....	11
6. Program Management.....	13
<i>d) Performance.....</i>	<i>15</i>
<i>e) Administrative Information.....</i>	<i>18</i>

## TABLES

<b>Table 1: MABS Phase 3 Targets vs December 2005 Results .....</b>	<b>15</b>
<b>Table 2: Project Fund Status: October – December 2005.....</b>	<b>18</b>

## **ANNEXES**

ANNEX 1.1 SAF APPROVALS

ANNEX 1.2 SAF TRACKER

ANNEX 1.3 REPORTS TRACKER

ANNEX 1.4 A OCTOBER 2005 HIGHLIGHTS

ANNEX 1.4 B NOVEMBER 2005 HIGHLIGHTS

ANNEX 1.4 C DECEMBER 2005 HIGHLIGHTS

ANNEX 2.1 PARTICIPANT BANKS' PERFORMANCE

ANNEX 2.2 MICROLOAN PORTFOLIO

ANNEX 2.3 MICROSAVINGS PORTFOLIO

## Acronyms

ARMDEV	Associated Resources for Management and Development Inc.
BSP	Bangko Sentral ng Pilipinas
CIBI	Character/Background Investigation
EAGLE	Efficiency, Asset Quality, Growth, Liquidity, and Earnings
ISSEC	Integrated Systems and Equipment Corporation
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	MABS Approach Training and Technical Services
MEDCo	Mindanao Economic Development Council
MEB	Micro Enterprise Bank
MIS	Management Information System
MPMS	MABS Performance Monitoring System
MSP	MABS Service Providers
MOU	Memorandum of Understanding
PB	Participating Bank
PDA	Personal Digital Assistant
RB2000	Rural Banker 2000
RBAP	Rural Bankers Association of the Philippines
RBRDFI	Rural Bankers Research and Development Foundation Inc
SAF	Special Activities Fund
SMS	Short Messaging Service
TAP	Text A Payment
USAID	United States Agency for International Development

## Executive Summary

This document serves as the Microenterprise Access to Banking Services (MABS) Program's Thirty-second Quarterly Performance Monitoring Report, covering the period October 1 through December 31, 2005. 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 is primarily working with banks in Mindanao but also supports the expansion of banking services to microenterprises in Luzon and Visayas.

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

Until September 2007, the Program 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 microbanking technologies and innovations.

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

To give small farmers and owners of agriculture-based microenterprises access to financial services, MABS will assist PBs in the development and rollout of a micro agri-loan product. Innovations, such as the use of personal digital assistants (PDAs), the RBAP *Text A Payment* (TAP) project—a short messaging services (SMS)-based facility

that allows microloan clients to use electronic money to pay microloans - and other cost-saving technologies will also be explored and developed to reduce the costs and increase the efficiency of delivering microfinance services to clients.

A minimum of 350 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. In addition, at least one of the larger thrift banks will be enrolled in the Program and will implement the *MABS Approach* in majority of their branches. MSPs will have the capability to install MATTS in 70 to 80 additional banks per year.

During the Thirty-second Quarter, two (Luzon/Visayas PBs and ARMM-CAAM/Mindanao PBs) regional roundtable conferences were held. Both conferences focused on managing delinquency, specifically on identifying its causes and measuring its corresponding costs. Subsequent discussions gave recommendations and techniques for its management. A delinquency management framework, which was based on the findings and observations of a field study conducted by MABS technical staff on the causes of delinquency, was presented at both conferences. A total of 93 senior managers from 43 Luzon, Visayas, Mindanao PBs attended the two conferences.

MABS also rolled out the newly developed middle management course during the quarter. This course was developed to enhance the supervisory skills of middle managers in parallel to the training acquired by their account officers.

Four additional banks were selected to rollout the MAP during the quarter. Core groups from the MFUs of the additional banks, as well as staff from banks already rolling out MAP, were trained on the features and processes of MAP. As of December 31, 2005, the sixteen bank units pilot-testing MAP had 711 active borrowers, with an outstanding loan portfolio of more than PhP3.7 million (around US\$71,112). The portfolio-at-risk ratio over 7 days was at 0.44%.

MABS also actively took part in the culmination activities of the International Year of Microcredit (IYM). Two MABS PB clients won major 2005 Citigroup Microentrepreneur of the Year Awards, one of the key events of the IYM.

As part of the preparations for the nationwide rollout of the Text A Payment (TAP) facility, MABS and Globe conducted twelve nationwide workshops outlining the processes, features, and benefits of TAP; a total of 322 rural bank officers from 187 rural banks attended the workshop series.

MABS also started work on two major projects this quarter. The consultant hired to develop the distance learning program made an inventory of MABS' training materials and completed the needs and user analysis. The distance learning program is expected to scale up the delivery of training to the steadily growing number of bank staff that need to be regularly trained and re-trained.

MABS also started the selection of clients who will serve as respondents for the new microenterprise survey of borrowers. The survey will analyze the clients' socio-economic conditions, business activities, jobs created, and changes in bank savings accounts. Data will be gathered from a thousand pre-selected microloan clients from the First Isabela Cooperative Bank, Bangko Kabayan, Rural Bank (RB) Mabitac, New Rural Bank of Victorias, RB Dulag, Cantilan Bank, Green Bank of Caraga, Maranao RB, First Valley Bank, and RB Montevista.

Since 1999, the Program's participating bank units have disbursed a total of PhP8.2 billion (approximately US\$155 million) totaling more than 694,000 microloans to more than 244,000 new microborrowers. Over the last seven years, the number of microdeposit accounts has increased by more than 313,000 with the total amount of microsavings increasing by more than PhP533 million (about US\$10 million). As of December 2005 MABS PBs loan portfolio balance totaled more than PhP636 million (about US\$12 million) comprising more than 90,000 active borrowers. MABS has provided direct support to 82 banks with 260 rural banking units.

## Contractor's Report

### a) MABS Oversight.

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

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

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

### b) Expected Results

The objectives and targets for September 2007 are:

1. Expansion of the average number of borrowers of participating bank units from the present 400 to a new average of 800.
2. All participating bank units initiating lending will have an average of 800 microborrowers after 18 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-second Quarter (October 1 – December 31, 2005) and tasks planned for the Thirty-third Quarter (January 1 – March 31, 2006).

**1. Bank Strengthening & Outreach**

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

MABS will work with PBs in reviewing, identifying and modifying counter-productive policies, programs, and procedures. Among the initial recommendations are: shifting loan payment schedules from daily to weekly, implementing a performance-based incentives program for account officers, increasing loan ceilings, and revising mandatory savings policies. Scaling-up of targets and marketing programs will be the focus of MABS' training and support. Orientation and training of new banks (by the MSPs) will reflect

these modifications. MABS will also implement special programs and focused technical support to banks that have a branch network of nine or more.

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

Recognizing this, the *MABS Approach* to microfinance will be offered to at least one of larger thrift banks – one that has a network of more than 70 branches. Depending on the success of that effort, MABS could also be offered to several additional large thrift banks.

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

*Task One. Rollout the newly developed middle-management course.* Twenty-nine participants, composed of branch managers and MFU supervisors of the GreenBank of Caraga, completed a three-day middle-management course held at the bank's head office in Butuan City. The middle management course - designed to equip senior MFU and bank officers with the skills and tools relevant to their supervisory position and which will complement the training acquired by their account officers (AOs) - is currently being rolled out to large PBs and consists of the following modules: *MABS Approach* refresher course, loan approval, controlling delinquency, supervision of AOs, portfolio analysis, performance indicators, marketing and customer service, deposit mobilization, managing growth, and financial analysis.

*Task Two. Facilitate the strategic and operations planning of two PBs with large branch networks.* MABS facilitated the strategic and operations planning sessions of PBs Cantilan Bank and the GreenBank of Caraga. MABS utilized the *balanced scorecard* approach for both planning sessions. The approach defines objectives and metrics, sets targets, and outlines strategies along balanced perspectives of the organization – market, financial, operations, staff, organizational structure, and information and communications technology.



Participants reviewed their MFUs' performances using the EAGLE (Efficiency, Asset quality, Growth, Liability structure, Earnings) indicators; conducted market, competitor, organizational, and regulatory environment analyses; and reviewed their

missions/visions. Both banks were able to draft their three-year strategic plans, which outlined specific action steps for increasing outreach and loan portfolio, at the close of the planning sessions.

*Task Three. Start development of the distance learning program.* The distance learning program, which is scheduled for launching on May 2006, is expected to scale up the delivery of training to the increasing number of MF staff of MABS PBs that need to be regularly trained and re-trained. A consultant was hired to develop and design the distance learning program for MABS. In the next months, MABS will work on the conversion of four core microfinance training courses for account officers, loan officers and supervisors into distance learning courses. MABS will pilot test these courses and evaluate their impact at a variety of levels.

Modifications to the MATTS training materials will be introduced as the MSPs continue to closely participate in the newly developed training courses and modules.

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

*Task One. Conduct regional middle-management courses.*

*Task Two. Conduct strategic planning for other large banks that plan to expand.*

*Task Three. Revise MATTS training materials and pilot-test the distance learning training toolkit.*

*Task Four. Conduct PBs' operations reviews.*

*Task Five. Monitor MSPs' provision of technical assistance to Microenterprise Bank/Plantersbank.*

*Task Six. Assess one or more additional thrift banks.*

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

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

MABS will closely monitor the performance of PBs to ensure strict adherence to the *MABS Approach* through collecting weekly and monthly performance monitoring reports and periodically conducting roundtables, forums, and refresher courses. Practitioner learnings, experiences, developments, updates, and trends will continue to be discussed and shared during these events. MABS will work to achieve a status of full viability and maturity for the microfinance promotion institutions established during the second phase. These include the MABS Compliance Certification, EAGLE rating, the Credit Bureau, Learning Centers, MABS Technical Resource Specialists, and MSPs.

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

*Task One. Hold regional roundtable conferences.* MABS conducted two regional roundtable conferences in October. Fifty-three senior officers from twenty-seven Luzon and Visayas PBs attended the Luzon-Visayas conference held October 19. Forty senior management representatives from 16 Mindanao PBs attended the Mindanao regional roundtable conference held October 26. The conferences focused on the causes and costs of delinquency and presented techniques for its management. MABS presented the methods of measuring delinquency and illustrative examples showing its direct and indirect costs.

At the Luzon-Visayas Conference, MABS presented the summary of findings and observations on the causes of delinquency; these were gathered from field visits conducted by MABS technical staff over a three-month period this year. A framework for delinquency management, identifying the causes and the corresponding risk management plan, was outlined. Representatives from the Rural Bank of Dulag and Bangko Kabayan also shared their banks' delinquency management techniques. The conference also included a workshop session where participants were given several operations / management scenarios and were asked to identify critical situations and its effects and to outline remedial action plans.

*Task Two. Continue close monitoring of portfolio at risk ratios of participant banks.* MABS continued to monitor the portfolio at risk ratios of PBs. The consolidated portfolio at risk ratio over 30 days of MABS banks as of December 31, 2005 was 5.58%, slightly up from 5.44% as of September 31, 2005.

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

*Task One. Hold microfinance supervisors' forums for Luzon, Visayas, and Mindanao PBs.*

*Task Two. Continue close monitoring of portfolio at risk ratios of PBs and provide PBs with technical support in improving and maintaining loan portfolio quality.*

*Task Three. Validate requirements submitted by candidates for compliance certifications.*

*Task Four. Validate and finalize EAGLE ratings of qualified PBs.*

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

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

During the Program's third phase, MABS will continue to work with the RBAP MIS Steering Committee to monitor the rollout progress of RB2000 in 2005. 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 2005, MABS will work with the RB2000 service providers to develop an RB2000 website which will include practical, on-line troubleshooting tips to frequently asked questions. To protect the software, MABS will review its license and acquire the appropriate copyright.

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

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

*Task One. Set up the RB2000 website.* The RB2000 website has not been set up yet, as MABS is exploring the possibility of putting up an RB2000 page on the website of RB2000 rollout company ASSEC.

*Task Two. Work with SMART Telecommunications to pilot test Text A Payment utilizing SMART Money, SMART's electronic money facility.* The launch and pilot-test of Text A Payment with SMART is scheduled for March.

*Task Three. Expand nationwide use of RBAP Text A Payment.* MABS, the Rural Bankers



Association of the Philippines (RBAP), and Globe Telecom conducted a series of nationwide workshops in November. The series of workshops oriented rural bankers on the benefits, features, and processes of Text-A-Payment (TAP). A total of 322 rural bankers from 187 rural

banks attended twelve seminar-workshops that were conducted in Dipolog, Cagayan de Oro, Davao, Manila, Iloilo, Cebu, Legaspi, Santiago, Tuguegarao, and Pampanga.

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

*Task One. Set up the RB2000 website.*

*Task Two. Work with SMART Telecommunications to pilot test Text A Payment utilizing SMART Money, SMART's electronic money facility.*

*Task Three. Rollout Text A Payment and Cash-in/Cash-out of Globe Telecom's G-Cash for all interested rural banks.*

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

**4. Development of Rural Finance Products**

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

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

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

*Task One. Monitor the initial rollout of the micro agri-loan product.* As of December 31, 2005, sixteen banking units have implemented and are offering MAP to 771 active borrowers, with an outstanding loan portfolio of more than PhP3 million. The portfolio-at-risk ratio over 7 days was excellent at 0.44%.

*Task Two. Select four additional MAP rollout banks and conduct MAP Training/Workshop.* Four additional participating banks (PBs) – the New Rural Bank of Victorias, Rural Bank of Dulag, Bangko Mabuhay, and Valiant Bank - were selected to rollout MABS' rural microfinance product.

MABS conducted a training/workshop to train and orient staff of the new rollout banks and the five banks already offering MAP on the loan product's features and procedures. Forty-eight microfinance (MFU) staff from eight of the nine pilot banks completed the training. The training covered the following: products terms, conditions, processes, and rationale; promotion and marketing; character and background investigation (CIBI) and cashflow analysis for new and repeat borrowers; repayment behavior analysis; loan approval, closing, and disbursement; and monitoring and evaluation.

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

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

*Task Two. Select banks for the second rollout.*

*Task Three. Train staff of 2<sup>nd</sup> rollout banks on MAP features, processes, and best practices.*

*Task Four. Complete profiling of MAP borrowers.*

## **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-second Quarter:**

*Task One. Continue to evaluate monthly MFU performance.* As of December 31 2005, the 212 bank units reporting to MABS had 90,145 active micro borrowers with an outstanding loan portfolio of Php636 million (about US\$12 million). From January 1998 up to December 2005, the number of microdeposit accounts increased by 313,241 and the microdeposit balance increased by Php533 million (about US\$10 million).

*Task Two. Participate in the United Nations International Year of Microcredit culmination activities.* Microfinance stakeholders, practitioners, and key Philippine government officials attended the National Microfinance Summit held October 10 at the Bangko Sentral ng Pilipinas (BSP). The summit, the culmination of the yearlong celebration of the International Year of Microcredit (IYM), presented the accomplishments for the year



Photo taken during the awarding ceremonies shows: RB Dulag Account Officer Emilio Palencia; UNDP Resident Representative Kyo Naka; Citigroup Country Officer James F. Hunt; Masikap MOTY Award National Winner Imelda Brutas; BSP Governor Amando Tetangco Jr.; RB Dulag President Natividad Yu; and Former BSP Monetary Board Member Antonino Alindogan Jr.

and outlined a unified microfinance development roadmap. Rural Bankers Association of the Philippines (RBAP) President William Hotchkiss III and representatives from other sectors engaged in microfinance – cooperatives, non-governmental organizations, and MF clients - presented accomplishment and action plans. The memorandum of agreement for the adoption of the uniform set of performance standards for all types of MFIs was presented during the summit.

As part of the culminating activities of the IYM, the Microfinance Council of the Philippines, Citigroup, the Bangko Sentral ng Pilipinas (BSP), and the United Nations Development Program (UNDP) announced the winners of the 2005 Citigroup Microentrepreneur of the Year (MOTY) Awards. Two MABS PBs' clients won major awards. Imelda Brutas, a manufacturer of native delicacies and a client of the Rural Bank of Dulag, was named the national winner of the award's *Masikap* Category. The *Masikap* category covers microenterprises with asset market values of up to Php300,000 and are reliable sources of income for the owners' families. Luciano Mendoza Jr., who manufactures ice cream and is a client of the First Isabela Cooperative Bank, is the Luzon *Maunlad* Awardee. The *Maunlad* category covers microenterprises that have asset market values of up to Php1 million and are generating employment for people apart from household or family members.



The MOTY awards aim to recognize outstanding Filipino microentrepreneurs, raise public awareness on the role of microenterprises and microfinance in employment generation and poverty alleviation, and create and strengthen microfinance networks. The awarding ceremony was held on October 25 at the BSP.

*Task Three. Participate in the RBAP Credit Symposium.* The RBAP held its 48<sup>th</sup> Charter Anniversary Symposium. During the symposium, MABS Chief of Party John Owens outlined the Program's activities and services and presented the microfinance innovations developed by MABS, which have been designed to increase efficiency and decrease the costs of delivering microfinance services. The RBAP-Text-A-Payment (TAP) project was specifically highlighted.

Philippine President Gloria Arroyo gave the symposium's keynote address. In her remarks, the President recognized the rural banking sector's contribution to microfinance development, one of the government's priority programs and called rural banks "the prime movers in rural development".

*Task Four. Initiate national survey of microenterprise borrowers.* MABS is conducting a survey of borrowers from ten selected PBs that will analyze the clients' socio-economic conditions, business activities, jobs created, and changes in bank savings accounts. Data will be gathered from a thousand pre-selected microloan clients from the First Isabela Cooperative Bank, Bangko Kabayan, Rural Bank (RB) Mabitac, New Rural Bank of Victorias, RB Dulag, Cantilan Bank, Green Bank of Caraga, Maranao RB, First Valley Bank, and RB Montevista.

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

*Task One. Continue to evaluate monthly MFU performance.*

*Task Two. Complete the survey of microenterprise borrowers and submit the survey final report.*

## **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-second Quarter:**

*Task One. Submit the Thirty-first Quarterly Performance Monitoring Report covering July 1 – September 30, 2005. Chemonics submitted the Thirty-first Quarterly Performance Monitoring Report covering July 1 – September 30, 2005.*

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

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

*Task One. Submit the Thirty-second Quarterly Performance Monitoring Report covering January 1 – March 31, 2006.*

*Task Two. Submit the MABS Progress Report.*

d) Performance

**Table 1: MABS Phase 3 Targets vs December 2005 Results**

MABS Phase 3 Targets	Results: December 31, 2005
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>605</b> borrowers per bank unit – <b>101%</b> of the December 2005 target (600).
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>197</b> borrowers per bank unit and <b>91</b> borrowers per account officer. (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.	Two hundred sixty ( <b>260</b> ) bank units are implementing or starting to implement the <i>MABS Approach</i> to microfinance – <b>104%</b> of the December 2005 target (250).
4. Total number of micro-borrowers with outstanding loans in all participating bank units will reach at least 250,000	As of December 31, 2005, the total number of outstanding MF borrowers for the banks/bank branches reporting was <b>90,145</b> – <b>83%</b> of the December 2005 target (109,000).
5. Total number of microenterprise borrowers from participating MABS banks will reach at least 500,000.	As of December 31, 2005, the cumulative number of new borrowers reached by PBs was <b>244,986</b> – <b>112%</b> of the 218,000 December 2005 target.
6. Total number of microdepositors in MABS participating banks will reach at least 400,000	As of December 31, 2005, MABS PBs have served <b>313,241</b> new microdepositors – <b>103%</b> of the 304,000 December 2005 target.

<p>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>	<p>Eleven MABS PBs (Bangko Kabayan, Cantilan Bank, First Valley Bank, RB Montevista, First Macro Bank, Green Bank of Caraga, RB Mallig Plains, PR Bank, CARD Bank, Banco Agricola and GM Bank) have at least nine branches; of these banks five are new (banks that enrolled starting February 2004). TA for RB Mallig Plains, CARD Bank, PR Bank, RB Cantilan, GBC and Kabayan were conducted in 2005. 6 banks in the program prior to Feb. 2004 implement MABS in 65 of their 77 branches (84%); potential expansion to 12 more branches. 43 of the 80 branches of the new banks implement the <i>MABS Approach</i>. Expansion started in 26 branches of PR Bank (33%); expansion to 37 additional bank branches planned for 2006.</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 (MEB), a Mindanao-based thrift bank, signed the participating bank agreement formalizing the provision of MATTS in July 2005. Up to September 2007, MEB plans to establish an additional 10 branches and loan collection and disbursement points (LCDPs) in Luzon. The bank presently has five operating branches in Mindanao. MABS provided technical oversight during 2005 to assist MEB’s target expansion. Seven (7) MEB officers and supervisors completed training and orientation on the MABS Approach on September 8-9, 2005. In 2006, MEB will be merged with its parent company, PlantersBank; MABS’ technical assistance to the bank will be re-programmed and customized to the re-organization. MABS is also coordinating with the Chamber of Thrift Banks in identifying other thrift banks.</p>
<p>9. RB2000 will be copyright protected; RB2000 will be procured by and installed in at least 150 bank units during the period of the extension for a total of 250 bank units by September 2007.</p>	<p>MABS is now getting legal advice on licensing and copyright issues and will complete this in 2006.</p> <p>30 participants from 20 banks using RB2000 attended the 3rd Users’ Conference held on September 23; technical staff of rollout companies ASSEC and ISSEC addressed the installation and implementation issues that were raised and presented by the participants.</p> <p>As of December 30, 2005, RB2000 is installed in 165 bank units (77 banks).</p>

<p>10. A micro agri-loan product will be developed, tested, and, if it appears to be a viable product, disseminated to and offered by at least 50 rural bank branches</p>	<p>Five banks (Cantilan Bank, GreenBank of Caraga, RB Tacurong, Kapatagan Valley Bank and Banco Santiago de Libon) completed pilot-testing of the MAP; four (4) additional banks (Bangko Mabuhay, RB Dulag, Valiant Bank, and RB Victorias) were selected for rollout of the product in September 2005. Three training/workshops on the MAP (features / processes / product development) have been conducted (September 2004 and April and October 2005).</p> <p>As of December 31, 2005, the pilot banks have 771 active borrowers, with an outstanding loan portfolio of more than PhP3.7 million. The portfolio-at-risk ratio over 7 days is at 0.4% and the ratio over 30 days is 0.26%.</p> <p>MABS will select 2<sup>nd</sup> rollout banks in the next quarter; staff from these banks will be trained on the features and processes of MAP. MABS will also complete MAP client profiling.</p>
---	---

e) **Administrative Information**

**Table 2: Project Fund Status: October – December 2005**

<b>CLIN #1 Total Estimated Cost</b>	\$ 14,374,052.00
1. Expenditures, October 1 - December 31, 2005	\$ 472,035.49
2. Cumulative Expenditures Through December 31, 2005	\$ 11,645,498.82
3. Remaining Balance, December 31, 2005	\$ 2,728,553.18
<b>CLIN #2 Total Estimated Cost</b>	\$ 3,025,948.00
1. Expenditures, October 1 - December 31, 2005	\$ 14,044.56
2. Cumulative Expenditures Through December 31, 2005	\$ 2,280,065.41
3. Remaining Balance, December 31, 2005	\$ 745,882.59
<b>Total CLIN #1 &amp; #2 Total Estimated Cost</b>	\$ 17,400,000.00
1. Total Expenditures October 1 - December 31, 2005	\$ 486,080.05
2. Cumulative Expenditures Through December 31, 2005	\$ 13,925,564.23
3. Total Remaining Balance, December 31, 2005	\$ 3,474,435.77

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

**SAF No. 101 – Support on the Training of RBAP TAP for Rural Banks**

**Objectives**

MABS constantly explores and develops emerging technologies and banking innovations that can help achieve its primary goals in outreach and capability building. The RBAP Text A Payment is one of the innovations that MABS is currently pilot testing.

TAP utilizes Globe Telecom’s electronic money facility, G-Cash, and allows microloan clients who are Globe subscribers to pay microloan amortizations through short messaging services (SMS or “texting”). Shifting from the traditional field collection method to this mode gives rural banks the following benefits:

1. Reduced operational costs, as this reduces or totally eliminates field collection.
2. Increased focus on expanding outreach and marketing microloan products, as collection time and costs are reduced.
3. Reduced risks for both bank staff and clients, as physical delivery of payments/cash is eliminated.
4. Increased fee-based income from handling micro remittances.
5. Banks gain competitive advantages without the required capital expenditure (e.g. network infrastructure)

On the other hand, TAP gives clients a more convenient, cost-effective alternative to over-the-counter bank payments. MABS participating bank GreenBank of Caraga started offering TAP in September 2005.

To prepare for the expansion of TAP to additional rural banks, a series of twelve (12) seminar/workshops will be conducted nationwide in November and December 2005. The workshop series will orient rural bankers on TAP’s features and processes.

**Status**

From November 7 to December 7, 2005, RBAP, Globe, and MABS provided training to 322 key personnel from 187 rural banks on the use of G-Cash as an integrated payment system for loans and other applications.

Rural banks that are interested to offer the RBAP TAP and G-Cash service must meet the following requirements set by the BSP:

1. Complete the training on RBAP Text-A-Payment and G-Cash Services;
2. Understand and comply with Anti Money Laundering Act (AMLA) requirements on “know-your-customer” (KYC) and reporting on covered and suspicious transactions;

3. Have a CAMELS rating of at least 3.0 or higher and has no major outstanding exceptions noted in the latest BSP examination;
4. Comply with and submit to RBAP a User Acceptance Test (UAT) of the G-Cash Cash-in/Cash-out services prior to offering it to its clients.

**SAF No. 102 – 2005 Survey of Borrowers of MABS Participating Banks**

The MABS Program is conducting a survey of borrowers that will analyze clients' socio-economic conditions, business activities, jobs created, and changes in bank savings accounts. Data will be gathered from a thousand pre-selected microloan clients from the First Isabela Cooperative Bank, Bangko Kabayan, Rural Bank (RB) Mabitac, New Rural Bank of Victorias, RB Dulag, Cantilan Bank, Green Bank of Caraga, Maranao RB, First Valley Bank, and RB Montevista.

Specifically, the survey has the following objectives:

1. Find out the effects of the MABS Program on selected indicators; asset build-up, effects of the program on employment generation, access to financial services, and the increase in the business activities which translate to a rise in business income.
2. Identify the direct effects on the borrower's business resulting from borrowing.
3. Gather insights on the borrowers perceptions and their satisfaction with the bank's loan product and delivery.

A MABS-designed questionnaire will be administered to 300 respondents from Luzon, 200 clients of Visayas PBs, and 500 clients of Mindanao PBs, distributed equally among the selected banks.

MABS requested three survey groups – Ateneo de Davao University, Xavier University, and Southeast Asia Interdisciplinary Development Institute – to send proposals to undertake the survey. Only Ateneo de Davao University submitted a proposal.

**Status:**

Ateneo de Davao University is conducting the survey. Pre-selection of respondents and field interviews were completed in December 2005. Data encoding and processing were completed in January 2006. Data analysis is ongoing and the final report is expected to be completed by February 2006.



Annex 1.2 SAF Tracker

Philippines Microenterprise Access to Banking Services  
 Chemonics International Inc.  
 Contract no. 492-C-00-98-00008-00  
 Quarter Number 32, Ending December 31, 2005  
 Special Activities Fund - In USD

SAF	Title	Results	Date Approved	Status	Budgeted Amount	Expenses To Date	This Quarter 32				Expenses To Date	Budget Remaining	Budget Overruns	Cumulative Invoiced		
							Invoice 95 Oct 2005	Invoice 96 Nov 2005	Invoice 97 Dec 2005	Quarter 32 Total				Invoiced	Remaining	
	<b>Grant Programs</b>															<b>\$2,755,551.00</b>
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				\$0.00	\$1,545.28	\$2,585.72	\$0.00	\$1,545.28	\$2,754,005.72	
2	MIS Study	RBRDFI staff involvement in MIS assessment.	Apr-98	Closed	\$805.47	\$283.29				\$0.00	\$283.29	\$522.18	\$0.00	\$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				\$0.00	\$3,208.62	\$1,520.10	\$0.00	\$3,208.62	\$2,750,513.81	
4	Market Survey, Fixed-Price	TRENDS-MBL will conduct a survey of microenterprises in each of the PB market areas. This request also includes 2 research assistants for one month each. Exceeded budget due to forex drop	Jul-98	Closed	\$15,373.81	\$17,162.14				\$0.00	\$17,162.14	-\$1,788.33	-\$1,788.33	\$17,162.14	\$2,733,351.67	
5	Training Preparation - Boypee Panganiban	Boypee Panganiban will come to Davao for 5 days to assist in preparing training sessions for upcoming regional	Jul-98	Closed	\$2,155.79	\$1,042.13				\$0.00	\$1,042.13	\$1,113.66	\$0.00	\$1,042.13	\$2,732,309.54	
6	RBRDFI Involvement in MIS Development	P. Crisostomo's (RBRDFI) Staff travels	Jul-98	Closed	\$1,640.00	\$3,188.88				\$0.00	\$3,188.88	-\$1,548.88	-\$1,548.88	\$3,188.88	\$2,729,120.66	
7	Loan Repayment Workshop	B. Pendleton's Loan Repayment workshop	Aug-98	Closed	\$5,734.76	\$3,978.81				\$0.00	\$3,978.81	\$1,755.95	\$0.00	\$3,978.81	\$2,725,141.85	
8	Cash Flow Lending workshop	B. Panganiban's Regional Workshops	Sep-98	Closed	\$25,573.29	\$20,142.07				\$0.00	\$20,142.07	\$5,431.22	\$0.00	\$20,142.07	\$2,704,999.78	
9	Case Study of PAICOP	D. Capeding, a case study of PAICOP. Exceeded budget due to extension of services	Sep-98	Closed	\$834.87	\$1,552.35				\$0.00	\$1,552.35	-\$717.48	-\$717.48	\$1,552.35	\$2,703,447.43	
10	Pilot Bank Agreement	Pilot Bank Agreement Implementation	Oct-98	Open	\$72,895.87	\$60,064.77				\$0.00	\$60,064.77	\$12,831.10	\$0.00	\$60,064.77	\$2,643,382.66	
11	Panganiban Book Publication	NRBSL Practices	Dec-98	Closed	\$8,461.54	\$7,753.77				\$0.00	\$7,753.77	\$707.77	\$0.00	\$7,753.77	\$2,635,628.89	
12	Research Assistant-Roll-out	Luisa Cadiz, RA for Roll-out	Nov-98	Closed	\$3,010.90	\$6,417.42				\$0.00	\$6,417.42	-\$3,406.52	-\$3,406.52	\$6,417.42	\$2,629,211.47	
13	Mindanao Fed. RB Meeting	Regional Conference	Dec-98	Closed	\$2,448.11	\$456.33				\$0.00	\$456.33	\$1,991.78	\$0.00	\$456.33	\$2,628,755.14	
14	Enhancement of MicroBanker	Pilot Bank MIS Enhancement	Dec-98	Closed	\$13,282.07	\$13,976.59				\$0.00	\$13,976.59	-\$694.52	-\$694.52	\$13,976.59	\$2,614,778.55	
15	RBAP Strategic Planning	Laurel Druben, ITI, fixed-price subcontract	Feb-99	Closed	\$32,996.50	\$25,091.26				\$0.00	\$25,091.26	\$7,905.24	\$0.00	\$25,091.26	\$2,589,687.29	
16	NRBSL Exposure Trip	Pilot Bank Managers and staff trip to NRBSL	Feb-99	Closed	\$7,105.41	\$4,854.03				\$0.00	\$4,854.03	\$2,251.38	\$0.00	\$4,854.03	\$2,584,833.26	
17	SGV Corporate Finance to RBAP	Canceled	Canceled	Canceled	\$0.00	\$0.00				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,584,833.26	
18	Follow-up trip by Druben	Start up implementation of RBAP/RBRDFI Strategic Development Program	May-99	Closed	\$30,883.58	\$14,476.06				\$0.00	\$14,476.06	\$16,407.52	\$0.00	\$14,476.06	\$2,570,357.20	
19	Training Modules with PBs	Pilot Banks Training Modules	May-99	Closed	\$2,629.48	\$920.44				\$0.00	\$920.44	\$1,709.04	\$0.00	\$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				\$0.00	\$4,907.72	\$3,376.55	\$0.00	\$4,907.72	\$2,564,529.04	
21	Commodities and Support	Commodities assistance completed.	July-99	Open	\$178,096.78	\$115,180.72				\$0.00	\$115,180.72	\$62,916.06	\$0.00	\$115,180.72	\$2,449,348.32	
22	Training course for MF staff and PBs Supervisors	MF Workshop training course new PBs attended and participated by PBs.	Jul-99	Closed	\$19,211.43	\$14,800.02				\$0.00	\$14,800.02	\$4,411.41	\$0.00	\$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				\$0.00	\$34,456.02	\$2,086.98	\$0.00	\$34,456.02	\$2,400,092.28	

## Annex 1.2 SAF Tracker

Philippines Microenterprise Access to Banking Services  
 Chemonics International Inc.  
 Contract no. 492-C-00-98-00008-00  
 Quarter Number 32, Ending December 31, 2005  
 Special Activities Fund - In USD

SAF	Title	Results	Date Approved	Status	Budgeted Amount	Expenses To Date Quarter 31	This Quarter 32				Expenses To Date Quarter 32	Budget Remaining	Budget Overruns	Cumulative Invoiced	
							Invoice 95 Oct 2005	Invoice 96 Nov 2005	Invoice 97 Dec 2005	Quarter 32 Total				Invoiced	Remaining
24	Enhancement of PC Banker system for participant bank RB Ozamis	RB Ozamis PC Banker enhancement delivered	Sep-99	Closed	\$5,331.11	\$4,378.55				\$0.00	\$4,378.55	\$952.56	\$0.00	\$4,378.55	\$2,395,713.73
25	Internship training at Enterprise Bank for MFU of Sarangani and Montevista Banks	Internship completed.	Sep-99	Closed	\$530.97	\$528.57				\$0.00	\$528.57	\$2.40	\$0.00	\$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				\$0.00	\$22,180.00	\$2,807.38	\$0.00	\$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				\$0.00	\$4,484.07	\$2,564.17	\$0.00	\$4,484.07	\$2,368,521.09
28	Canceled	Canceled	Canceled	Canceled	\$0.00	\$0.00				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$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				\$0.00	\$4,756.67	\$683.49	\$0.00	\$4,756.67	\$2,363,764.42
30	Purchase of MBXD95+	Delivered and completed	Nov-99	Closed	\$10,442.84	\$9,398.15				\$0.00	\$9,398.15	\$1,044.69	\$0.00	\$9,398.15	\$2,354,366.27
31	Delinquency Measurement and Control Course	Course done and completed	Nov-99	Closed	\$569.75	\$223.32				\$0.00	\$223.32	\$346.43	\$0.00	\$223.32	\$2,354,142.95
32	Canceled	Canceled	Canceled	Canceled	\$0.00	\$0.00				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,354,142.95
33	ST consultancy of Guillermo Bolanos	Completed	Dec-99	Closed	\$22,550.00	\$27,441.91				\$0.00	\$27,441.91	-\$4,891.91	-\$4,891.91	\$27,441.91	\$2,326,701.04
34	Use of CLIN2 Funds for MABS expansion	On-going on MIS component.	Dec-99	Open	\$1,300,000.00	\$1,286,635.58				\$0.00	\$1,286,635.58	\$13,364.42	\$0.00	\$1,286,635.58	\$1,040,065.46
35	Canceled	Canceled	Canceled	Canceled		\$0.00				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,040,065.46
36	Orentation for Sr. Officers of new PBs	Orientation of done.	Jan-00	Closed	\$3,596.15	\$1,717.76				\$0.00	\$1,717.76	\$1,878.39	\$0.00	\$1,717.76	\$1,038,347.70
37	Refresher course MicroBanker loans module	Course conducted and completed	Jan-00	Closed	\$1,755.09	\$1,339.96				\$0.00	\$1,339.96	\$415.13	\$0.00	\$1,339.96	\$1,037,007.74
38	Microfinance staff training course	Participant Banks MF Training	Jan-00	Closed	\$6,378.00	\$5,061.67				\$0.00	\$5,061.67	\$1,316.33	\$0.00	\$5,061.67	\$1,031,946.07
39	Pilot Banks Reps. Consultation and Evaluation meeting	Pilot Banks Consultation and Evaluation meeting	Jan-00	Closed	\$150.00	\$135.25				\$0.00	\$135.25	\$14.75	\$0.00	\$135.25	\$1,031,810.82
40	Purchase of MicroBanker MBXD95+Software for RB Lebak	Rural Bank of Lebak MBXD95+software delivered	Jan-00	Closed	\$900.65	\$793.28				\$0.00	\$793.28	\$107.37	\$0.00	\$793.28	\$1,031,017.54
41	Commodities and Support	PBA and Commodities Support	Feb-00	Open	\$105,057.52	\$71,999.58				\$0.00	\$71,999.58	\$33,057.94	\$0.00	\$71,999.58	\$959,017.96
42	Consultation and Evaluation meeting with roll out banks	Rollout banks and evaluation meet	Feb-00	Closed	\$1,767.61	\$1,487.51				\$0.00	\$1,487.51	\$280.10	\$0.00	\$1,487.51	\$957,530.45
43	Purchase of MicroBanker and related services Oroquieta/Green	Microbanker and related services of RB Oroquieta and Green Bank	Mar-00	Closed	\$5,707.20	\$4,168.03				\$0.00	\$4,168.03	\$1,539.17	\$0.00	\$4,168.03	\$953,362.42
44	Consultation and Planning Meeting with the RBAP ExeCom	RBAP Excom Consultation and Planning Meeting conducted.	Mar-00	Closed	\$618.75	\$311.57				\$0.00	\$311.57	\$307.18	\$0.00	\$311.57	\$953,050.85
45	Support Expansion to Branches	Support for expansion to branches	Apr-00	Open	\$35,750.00	\$1,226.42				\$0.00	\$1,226.42	\$34,523.58	\$0.00	\$1,226.42	\$951,824.43
46	Workshop on Cashflow Lending	Cashflow Lending Workshop of Rural Bankers in Mindanao completed	May-00	Closed	\$6,045.61	\$3,654.26				\$0.00	\$3,654.26	\$2,391.35	\$0.00	\$3,654.26	\$948,170.17
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				\$0.00	\$4,122.73	\$655.94	\$0.00	\$4,122.73	\$944,047.44
48	Purchase of Microbanker MBXD95 and Software for CRB Bukidnon	Microbanker MBXD95 + Software for CRB Bukidnon delivered.	May-00	Closed	\$872.64	\$389.11				\$0.00	\$389.11	\$483.53	\$0.00	\$389.11	\$943,658.33
49	Canceled	Canceled		Canceled		\$0.00				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$943,658.33
50	Consultation and Planning Workshop with RBAP and MABS Technical	RBAP and MABS Technical Consultation and Planning Workshop	Jun-00	Closed	\$1,561.90	\$1,125.51				\$0.00	\$1,125.51	\$436.39	\$0.00	\$1,125.51	\$942,532.82

## Annex 1.2 SAF Tracker

Philippines Microenterprise Access to Banking Services  
 Chemonics International Inc.  
 Contract no. 492-C-00-98-00008-00  
 Quarter Number 32, Ending December 31, 2005  
 Special Activities Fund - In USD

SAF	Title	Results	Date Approved	Status	Budgeted Amount	Expenses To Date	This Quarter 32				Expenses To Date	Budget Remaining	Budget Overruns	Cumulative Invoiced		
							Invoice 95 Oct 2005	Invoice 96 Nov 2005	Invoice 97 Dec 2005	Quarter 32 Total				Invoiced	Remaining	
51	Big Byte Savings & Loans System for RB of Montevista	Enhancement of Big ByteShoppe Savings & Loans System	Jan-00	Closed	\$5,136.79	\$4,113.04					\$0.00	\$4,113.04	\$1,023.75	\$0.00	\$4,113.04	\$938,419.78
52	SEEP/APPEND Financial Ratio Analysis Course	Technical staff attended Financial Ratio Analysis Course	Aug-00	Closed	\$537.78	\$243.52					\$0.00	\$243.52	\$294.26	\$0.00	\$243.52	\$938,176.26
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					\$0.00	\$204.16	\$15.84	\$0.00	\$204.16	\$937,972.10
54	New RBAP Technical Staff Salaries & Support	Completed	Nov-00	Open	\$96,289.86	\$89,292.40					\$0.00	\$89,292.40	\$6,997.46	\$0.00	\$89,292.40	\$848,679.70
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					\$0.00	\$6,754.41	\$2,331.30	\$0.00	\$6,754.41	\$841,925.29
56	Impact Evaluation Study	Evaluation completed	Jun-01	Closed	\$1,345.05	\$1,426.15					\$0.00	\$1,426.15	-\$81.10	-\$81.10	\$1,426.15	\$840,499.14
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					\$0.00	\$2,052.43	\$1,425.73	\$0.00	\$2,052.43	\$838,446.71
58	Credit Reference Bureau Development Support	On-going. Pilot testing conducted.	Sep-01	Open	\$2,480.43	\$1,778.53					\$0.00	\$1,778.53	\$701.90	\$0.00	\$1,778.53	\$836,668.18
59	Training on USAID admin and financial management requirements	Two MABS staff attended the training	Feb-02	Closed	\$717.05	\$721.70					\$0.00	\$721.70	-\$4.65	-\$4.65	\$721.70	\$835,946.48
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					\$0.00	\$4,434.02	\$102.51	\$0.00	\$4,434.02	\$831,512.46
61	Videos for RBAP-MABS	Produced videos of MABS successes	Mar-02	Closed	\$4,180.09	\$4,161.02					\$0.00	\$4,161.02	\$19.07	\$0.00	\$4,161.02	\$827,351.44
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					\$0.00	\$4,306.32	\$565.51	\$0.00	\$4,306.32	\$823,045.12
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					\$0.00	\$18,120.62	\$24,811.82	\$0.00	\$18,120.62	\$804,924.50
64	Funds for Conduct of the MFU Supervisor Forum	Conducted in Dipolog in July 2002	Jul-02	Closed	\$1,768.05	\$844.26					\$0.00	\$844.26	\$923.79	\$0.00	\$844.26	\$804,080.24
65	N/A	Canceled	Canceled	Canceled	\$0.00	\$0.00					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$804,080.24
66	Funds for Participant Rural Bank: Commodities & Other Support	On-going. Bank training has been conducted	Sep-02	Open	\$8,461.54	\$193.44					\$0.00	\$193.44	\$8,268.10	\$0.00	\$193.44	\$803,886.80
67	Microfinance Supervisors' Forum #2 and 3 Mindanao Partners Banks	Conducted in Davao City, Cagayan de Oro City and Butuan City	Oct-02	Closed	\$3,115.56	\$2,385.49					\$0.00	\$2,385.49	\$730.07	\$0.00	\$2,385.49	\$801,501.31
68	BSP Participation in the MABS Modular Training Course	Completed	Oct-02	Open	\$988.29	\$0.00					\$0.00	\$0.00	\$988.29	\$0.00	\$0.00	\$801,501.31
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					\$0.00	\$519.03	\$338.42	\$0.00	\$519.03	\$800,982.28
70	MABS PSP Market Demand Study	Survey done March 27, 2003	Feb-03	Closed	\$639.17	\$528.87					\$0.00	\$528.87	\$110.30	\$0.00	\$528.87	\$800,453.41
71	Development/Production of RBAP/MABS Videos	Videos approved and delivered	Feb-03	Closed	\$3,142.36	\$2,480.13					\$0.00	\$2,480.13	\$662.23	\$0.00	\$2,480.13	\$797,973.28
72	Development of MABS Technical Support Providers	Development of MABSters and Learning Centers are on-going. MSPs are now active in the MABS roll out	Mar-03	Open	\$20,564.66	\$16,464.97					\$0.00	\$16,464.97	\$4,099.69	\$0.00	\$16,464.97	\$781,508.31
73	Senior Management Orientation for 6th Roll Out Banks	Done Mar 26-27, 2003	Mar-03	Closed	\$693.99	\$668.02					\$0.00	\$668.02	\$25.97	\$0.00	\$668.02	\$780,840.29
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					\$0.00	\$449.63	\$2,097.16	\$0.00	\$449.63	\$780,390.66

## Annex 1.2 SAF Tracker

Philippines Microenterprise Access to Banking Services  
 Chemonics International Inc.  
 Contract no. 492-C-00-98-00008-00  
 Quarter Number 32, Ending December 31, 2005  
 Special Activities Fund - In USD

SAF	Title	Results	Date Approved	Status	Budgeted Amount	Expenses To Date Quarter 31	This Quarter 32				Expenses To Date Quarter 32	Budget Remaining	Budget Overruns	Cumulative Invoiced	
							Invoice 95 Oct 2005	Invoice 96 Nov 2005	Invoice 97 Dec 2005	Quarter 32 Total				Invoiced	Remaining
75	Global Summit for Women in Marakech	Attended by a delegate from RB of Tacurong	May-03	Closed	\$2,399.02	\$1,748.70				\$0.00	\$1,748.70	\$650.32	\$0.00	\$1,748.70	\$778,641.96
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				\$0.00	\$3,535.53	\$5,873.59	\$0.00	\$3,535.53	\$775,106.43
77	MABS Training Materials for Web Production	Production completed	Jul-03	Open	\$6,096.42	\$2,032.54				\$0.00	\$2,032.54	\$4,063.88	\$0.00	\$2,032.54	\$773,073.89
78	Support for BSP Training in MF Examination	Examiners training on microfinance conducted	Jul-03	Closed	\$1,392.80	\$992.00				\$0.00	\$992.00	\$400.80	\$0.00	\$992.00	\$772,081.89
79	Video Production for MABS Approach	Video production completed, delivered and approved.	Aug-03	Closed	\$12,056.92	\$10,745.66				\$0.00	\$10,745.66	\$1,311.26	\$0.00	\$10,745.66	\$761,336.23
80	Support for RBAP Cost accounting system	Completed with reports and recommendations from the auditors	Aug-03	Closed	\$1,470.32	\$1,375.00				\$0.00	\$1,375.00	\$95.32	\$0.00	\$1,375.00	\$759,961.23
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				\$0.00	\$4,218.53	\$2,673.59	\$0.00	\$4,218.53	\$755,742.70
82	Microfinance Council	Attended by RB of Kapatagan Valley manager	Oct-03	Closed	\$278.63	\$200.28				\$0.00	\$200.28	\$78.35	\$0.00	\$200.28	\$755,542.42
83	2003 MABS ME Clients Survey	Survey done by Ateneo de Davao.	Nov-03	Closed	\$3,286.89	\$3,237.43				\$0.00	\$3,237.43	\$49.46	\$0.00	\$3,237.43	\$752,304.99
84	MABS Rollout Support Program for Rural Banks	On-going	Nov-03	Open	\$33,723.02	\$25,465.26	\$1,070.28			\$1,070.28	\$26,535.54	\$7,187.48	\$0.00	\$26,535.54	\$725,769.45
85	MABS support to train other MABSTeRs	Conducted in Manila City in Feb. 2004	Jan-04	Open	\$1,227.28	\$580.23				\$0.00	\$580.23	\$647.05	\$0.00	\$580.23	\$725,189.22
86	MABS support for 2 other banks in AARM/CAAM	On-going. Commodities and trainings have been delivered.	Apr-04	Open	\$11,273.93	\$1,272.31				\$0.00	\$1,272.31	\$10,001.62	\$0.00	\$1,272.31	\$723,916.91
87	RB2000 User Conference	Conducted in March and November 2004	Feb-04	Open	\$4,404.10	\$2,570.96				\$0.00	\$2,570.96	\$1,833.14	\$0.00	\$2,570.96	\$721,345.95
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				\$0.00	\$4,394.09	\$349.57	\$0.00	\$4,394.09	\$716,951.86
89	National Roundtable and EAGLE Awards	Completed and attended by the participating banks.	Feb-04	Closed	\$3,071.81	\$1,612.03				\$0.00	\$1,612.03	\$1,459.78	\$0.00	\$1,612.03	\$715,339.83
90	Performance Monitoring System Training	Conducted in Mindanao, Luzon and the Visayas	Feb-04	Open	\$2,421.96	\$2,265.16				\$0.00	\$2,265.16	\$156.80	\$0.00	\$2,265.16	\$713,074.67
91	MABS Rollout Support Program for 10 Additional Rural Banks	On-going	May-04	Open	\$13,494.06	\$3,804.11			\$2,770.08	\$2,770.08	\$6,574.19	\$6,919.87	\$0.00	\$6,574.19	\$706,500.48
92	Micro-Agri Loan Product Training for Pilot Banks	On-going	Sep-04	Open	\$3,500.18	\$1,349.16				\$0.00	\$1,349.16	\$2,151.02	\$0.00	\$1,349.16	\$705,151.32
93	MABS support for new PBs	On-going	Oct-04	Open	\$40,178.57	\$0.00	\$1,337.85		\$1,108.03	\$2,445.88	\$2,445.88	\$37,732.69	\$0.00	\$2,445.88	\$702,705.44
94	Support for the Official Trip of Anthony Petalcorin to BRI to Lead the Rural Banks	Trip with staff of participating rural bank rural banks has been completed.	Oct-04	Closed	\$2,104.11	\$1,747.96				\$0.00	\$1,747.96	\$356.15	\$0.00	\$1,747.96	\$700,957.48
95	Support for the Supervisors Forum	Conducted in Cebu City, Naga and Manila City	Jan-05	Open	\$1,633.93	\$1,302.15				\$0.00	\$1,302.15	\$331.78	\$0.00	\$1,302.15	\$699,655.33
96	Development and production of videos for the 2005 EAGLE Awards	Development and production completed	Feb-05	Closed	\$6,250.00	\$5,827.49				\$0.00	\$5,827.49	\$422.51	\$0.00	\$5,827.49	\$693,827.84
97	Support for the National Roundtable Conference and EAGLE Awards	Conducted in the Davao City in April 2005	Feb-05	Open	\$7,562.50	\$7,898.31			-\$2,195.51	-\$2,195.51	\$5,702.80	\$1,859.70	\$0.00	\$5,702.80	\$688,125.04
98	Development and production of RBAP documentary video	Development and production completed	May-05	Closed	\$645.99	\$645.99				\$0.00	\$645.99	\$0.00	\$0.00	\$645.99	\$687,479.05
99	Support to MABS Approach Rollout	On-going	Jul-05	Open	\$27,272.73	\$0.00				\$0.00	\$0.00	\$27,272.73	\$0.00	\$0.00	\$687,479.05
100	Rollout of the Micro Agri Loan Product	On-going	Sep-05	Open	\$4,200.92	\$2,577.45	\$561.90			\$561.90	\$3,139.35	\$1,061.57	\$0.00	\$3,139.35	\$684,339.70
101	Payment for interested and qualified rural banks in Mindanao, Visayas, and Luzon	On-going	Oct-05	Open	\$7,634.86	\$0.00		\$1,631.52	\$123.86	\$1,755.38	\$1,755.38	\$5,879.48	\$0.00	\$1,755.38	\$682,584.32
102	Funding to conduct 2005 Survey of Borrowers of MABS Participating Banks	On-going	Nov-05	Open	\$9,478.67	\$0.00			\$6,391.80	\$6,391.80	\$6,391.80	\$3,086.87	\$0.00	\$6,391.80	\$676,192.52
<b>SUBTOTAL</b>					<b>\$2,475,360.99</b>	<b>\$2,066,558.67</b>	<b>\$2,970.03</b>	<b>-\$563.99</b>	<b>\$10,393.77</b>	<b>\$12,799.81</b>	<b>\$2,079,358.48</b>	<b>\$396,002.51</b>	<b>-\$13,133.39</b>	<b>\$2,079,358.48</b>	<b>\$676,192.52</b>
<b>General &amp; Administrative Costs</b>											\$91,486.20	\$133.65	-\$25.39	\$467.72	\$575.98
<b>Fee</b>											\$107,976.04	\$155.18	-\$29.47	\$543.06	\$668.77
<b>GRAND TOTAL</b>						<b>\$2,266,020.91</b>	<b>\$3,258.86</b>	<b>-\$618.85</b>	<b>\$11,404.55</b>	<b>\$14,044.56</b>	<b>\$2,280,065.47</b>	<b>\$396,002.51</b>	<b>-\$13,133.39</b>	<b>\$2,280,065.47</b>	<b>\$745,882.53</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		Yes
MIS Assessment of Candidate Pilot Banks	Peter Glibbery & A. Petalcorin	August 1, 1998	Yes		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
Consultancy Completion Report	Ms. Meliza H. Agabin	September 15, 1998	Yes		Yes
Microfinance and the Bank Regulatory Environment	Bill Pendleton	September 25, 1998	Yes		Yes
Training Program Report	Bill Pendleton	September 30, 1998	Yes		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		Yes
Rural Banks and Microfinancing	Joseph Y. Lim	December 1, 1998	Yes	Yes	
Microenterprise Survey Report - Digos, Davao Del Sur	Arah Limpao & Raike Quinones	February 1, 1999	Yes	Yes	
Microenterprise Survey Report - Sto. Tomas, Davao Province	Arah Limpao & Raike Quinones	February 1, 1999	Yes	Yes	
Evaluation of the Pilot Phase of MABS-M Program	Virginia Abiad	March 22, 1999	Yes	Yes	
Deposits & Loan Management System Study	Peter Glibbery	April 1, 1999	Yes		Yes
RBAP Strategic Development Plan 2000-2003	Laurel Druben	May 1, 1999	Yes		Yes
Feasibility Study:Expanding MABS' Outreach to Muslim Clients	L.Doerring/R. Quinones/C. Cornejo	April 20, 2001	Yes	Yes	
A Survey of Microenterprise Client of MABS Partner Banks					
Survey Results, Sampling and Data Tables	M. Agabin/C. Cornejo/D.Capeding	September 1, 2001	Yes	Yes	
Service Provider Feasibility Study		February 1, 2002	Yes	Yes	
Reports on Financial Trends in Mindanao		May 1, 2002	Yes	Yes	
BSP Inception Report	Carlos Alba	October 1, 2002	yes	yes	
Rural Bank Market Survey	Arah Sadava	October 1, 2002	Yes	Yes	

**Annex 1.3 Reports Tracker**

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

Annex 1.3 Reports Tracker

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

## Microenterprise Access to Banking Services (MABS) Program October 2005 Highlights

### Rural Microfinance Product Rollout Training

Four additional participating banks (PBs) – the New Rural Bank of Victorias, Rural Bank of Dulag, Bangko Mabuhay, and Valiant Bank - were selected to rollout MABS' rural microfinance product. MABS conducted a training/workshop to train and orient staff of the new rollout banks and the five pilot banks earlier selected, on the loan product's features and procedures. Forty-eight microfinance (MFU) staff from eight of the nine pilot banks completed the training held from October 4 to 6 in Cebu City. The training covered the following topics: products terms, conditions, processes, and rationale; promotion and marketing; character and background investigation (CIBI) and cashflow analysis for new and repeat borrowers; repayment behavior analysis; loan approval, closing, and disbursement; and monitoring and evaluation.

### National Microfinance Summit

Microfinance stakeholders, practitioners, and key Philippine government officials attended the National Microfinance Summit held October 10 at the Bangko Sentral ng Pilipinas (BSP). The summit, the culmination of the yearlong celebration of the International Year of Microcredit (IYM), presented the accomplishments for the year and outlined a unified microfinance development roadmap. Rural Bankers Association of the Philippines (RBAP) President William Hotchkiss and representatives from other sectors engaged in microfinance – cooperatives, non-governmental organizations, and MF clients - presented accomplishment and action plans. The memorandum of agreement for the adoption of the uniform set of performance standards for all types of MFIs was presented during the summit.

### MABS Holds Regional Roundtable Conferences

MABS conducted two regional roundtable conferences in October. Fifty-three senior officers from twenty-seven Luzon and Visayas Participating Banks attended the Luzon/Visayas conference held October 19. Forty senior management representatives from 16 Mindanao PBs attended the Mindanao regional roundtable conference held October 26. The conferences focused on the causes and costs of delinquency and presented techniques for its management. MABS presented the methods of measuring delinquency and illustrative examples showing its direct and indirect costs. MABS also presented the summary of findings and observations on the causes of delinquency; these were gathered from field visits conducted by MABS technical staff over a three-month period this year. A framework for delinquency management, identifying the causes and the corresponding risk management plan, was outlined. During the Luzon/Visayas conference, representatives from the Rural Bank of Dulag and Bangko Kabayan shared their banks' delinquency management techniques. Both conferences also had workshop sessions, where participants were given several operations / management scenarios and were asked to identify critical situations and its effects and to outline remedial action plans.

### MABS Participating Banks' Clients Win Top *Citigroup Microentrepreneur of the Year Awards*

Two MABS PBs' clients won major awards in the 2005 Citigroup Microentrepreneur of the Year (MOTY) Awards. Imelda Brutas, a manufacturer of native delicacies and a client of the Rural Bank of Dulag, was named the national winner of the award's *Masikap* Category. The *Masikap* category covers microenterprises with asset market values of up to Php300,000 and are reliable sources of income for the owners' families. Luciano Mendoza Jr., who manufactures ice

cream and is a client of the First Isabela Cooperative Bank, is the Luzon *Maunlad* Awardee. The *Maunlad* category covers microenterprises that have asset market values of up to Php1 million and are generating employment for people apart from household or family members.



Photo taken during the awarding ceremonies shows: RB Dulag Account Officer Emilio Palencia; UNDP Resident Representative Kyo Naka; Citigroup Country Officer James F. Hunt; Masikap MOTY Award National Winner Imelda Brutas; BSP Governor Amando Tetangco Jr.; RB Dulag President Natividad Yu; and Former BSP Monetary Board Member Antonino Alindogano Jr.

The MOTY awards - a joint undertaking of the Microfinance Council of the Philippines and Citigroup with support from the Bangko Sentral ng Pilipinas (BSP) and the United Nations Development Program (UNDP) - aim to recognize outstanding Filipino microentrepreneurs, raise public awareness on the role of microenterprises and microfinance in employment generation and poverty alleviation, and create and strengthen microfinance networks. This year's awards programme – its third run - is being conducted in association with the Global Microentrepreneurship Awards, one of the key events to mark the 2005 United Nations Year of Microcredit. The awarding ceremony was held on October 25 at the BSP.

### RBAP 48<sup>th</sup> Charter Anniversary Symposium

The RBAP held its 48<sup>th</sup> Charter Anniversary Symposium from October 19 to 21 in Manila. Philippine President Gloria Arroyo gave the symposium's keynote address. In her remarks, the President recognized the rural banking sector's contribution to microfinance development, one of the government's priority programs and called rural banks "the prime movers in rural development".

During the symposium, MABS Chief of Party John Owens outlined the Program's activities and services and presented the microfinance innovations developed by MABS, which have been designed to increase efficiency and decrease the costs of delivering microfinance services. The RBAP-Text-A-Payment (TAP) project was specifically highlighted. TAP, a joint project of the RBAP-MABS Program and Globe Telecom, is a mobile technology product that allows microloan clients to pay their loan amortizations through short messaging services (SMS). A series of training on TAP features and procedures will be conducted in November to interested rural banks.



## MICROENTERPRISE ACCESS TO BANKING SERVICES (MABS) PROGRAM NOVEMBER 2005 HIGHLIGHTS

### MABS Participating Banks Reach 230,000 Borrowers and 300,000 New Depositors

The cumulative number of new microborrowers reached by MABS Participating Banks (PBs) exceeded 230,000 in October. Since 1998, the Program's PBs have disbursed more than 660,000 loans totaling more than PhP7.7 billion (around US\$141 million) to more than 230,000 new microborrowers. The number of microdeposit accounts has increased by more than 300,000 over the last six years. The Program's 233 PB units have a combined total of more than 88,000 active microborrowers and a microloan portfolio balance of more than PhP624 million (about US\$11.3 million).

### RBAP-MABS Expands Use of Text-A-Payment Nationwide

MABS, the Rural Bankers Association of the Philippines (RBAP), and Globe Telecom conducted a series of nationwide workshops in November. The series of workshops oriented rural bankers on the benefits, features, and processes of Text-A-Payment (TAP). A total of two hundred eighty-nine rural bankers from one hundred sixty-three rural banks attended the ten seminar-workshops that were conducted in Dipolog, Cagayan de Oro, Davao, Manila, Iloilo, Cebu, Legaspi, Santiago, Tuguegarao, and Pampanga.



Mr. Mamerto Tangonan (left), Advisor of Globe Telecom's Human Resources Group, briefing participants of the Manila training on Text-A-Payment's cash-in and cash-out procedures.

TAP is an innovative service that uses the technology of Globe Telecom's G-Cash to facilitate the payment of microloan amortizations through short messaging services (SMS or "texting"). G-Cash is an electronic money transfer facility that turns a mobile phone into an electronic wallet. It is a reliable, accessible and easy way to send and receive money transfers locally or from abroad; buy goods and services over-the-counter or remotely; pay utility bills, and load mobile phone airtime credits.

TAP promotes efficiency by reducing field collection effort and costs. It also brings savings to borrowers who have to travel far to make over-the-counter bank payments. With improved efficiency and savings, rural banks are starting to reduce the interest rates and service fees they charge to microloan borrowers who pay using TAP.

### MABS Initiates National Survey of Microenterprise Borrowers

The MABS Program is conducting a survey of borrowers from ten selected PBs that will analyze the clients' socio-economic conditions, business activities, jobs created, and changes in bank savings accounts. Data will be gathered from a thousand pre-selected microloan clients from the First Isabela Cooperative Bank, Bangko Kabayan, Rural Bank (RB) Mabitac, New Rural Bank of Victorias, RB Dulag, Cantilan Bank, Green Bank of Caraga, Maranao RB, First Valley Bank, and RB Montevista.

### Philippine Government Cited for Support to Microfinance

The Consultative Group to Assist the Poor (CGAP), a consortium of 28 public and private donor organizations working to expand access to financial services for poor people in developing countries, named the Philippines Government as the best in supporting microfinance. The Philippines was selected from among 100 other countries that actively support microfinance. The award was given during the culminating event of the 2005 International Year of Microcredit (IYM) at the United Nations Headquarters in New York City on November 8. High-level officials of international donor and government agencies and MF institutions, dignitaries – including RBAP President William Hotchkiss III- and MF clients attended the culminating event, which celebrated the successes of the 2005 IYM.

Policies and issuances, outlined in the National Strategy for Microfinance and the Bangko Sentral ng Pilipinas-mandated General Banking Law (GBL) of 2000, which recognized the peculiar characteristics of microfinance and established the rules and regulations for its practice within the banking sector, have paved the way for the development of the country's MF industry. MF services are being offered by banks, cooperatives, and non-governmental organizations. The USAID-supported MABS program has been part of this achievement by providing rural banks with capacity-building training and technical services for the past seven years, enabling them to profitably extend formal financial services to the microenterprise sector.

### Middle-Management Training Course

Twenty-nine participants, composed of branch managers and MFU supervisors of the GreenBank of Caraga, completed a three-day middle-management course held November 29 to December 1 at the bank's head office in Butuan City. The middle management course was designed to equip senior MFU and bank officers with the skills and tools relevant to their supervisory position and which will complement the training acquired by their account officers (AOs). The course is currently being rolled out to large PBs and consists of the following modules: *MABS Approach* refresher course, loan approval, controlling delinquency, supervision of AOs, portfolio analysis, performance indicators, marketing and customer service, deposit mobilization, managing growth, and financial analysis.

## MICROENTERPRISE ACCESS TO BANKING SERVICES (MABS) PROGRAM DECEMBER 2005 HIGHLIGHTS

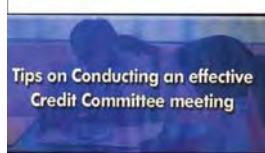
### MABS Participating Banks (PBs) Loan Disbursements Top PhP8 Billion Mark

Since 1998, the cumulative number of new microborrowers of MABS' PB units is over 240,000 with over PhP8 billion (around US\$ 150 million) in microloans being disbursed to these clients. As of December 2005, the total number of microdeposit accounts is over 880,000 with an outstanding microdeposit balance of more than PhP1.1 billion (around US\$20 million).

### Distance Learning Program to be Launched in 2006

MABS started work on the development of a distance learning program, which is scheduled for launching on May 2006. The distance learning initiative is expected to scale up the delivery of training to the increasing number of MF staff of MABS PBs that need to be regularly trained and re-trained. A consultant was hired to develop and design the distance learning program for MABS. In the next months, MABS will work on the conversion of four core microfinance training courses for account officers, loan officers and supervisors into distance learning courses. MABS will pilot test these courses and evaluate their impact at a variety of levels.

### MABS Training Videos Made Available on Rural Finance Learning Center (RFLC) Website



Five training videos produced by MABS, which are being used in training and workshops for its participating banks, were made available for online viewing and download at the RFLC ([www.ruralfinance.org](http://www.ruralfinance.org)) website. The United Nations Food and Agriculture Organization-supported site features resource materials that assist organizations in developing countries to build their capacity to deliver improved financial services that meet the needs of rural households. A year after its launch, the resource center already has more than 1,000 registered users and is steadily generating interest in the international MF industry. Resource materials include training guides, materials, and tools; online lessons; and videos focused on financial services for rural areas. The MABS instructional/training videos featured on the RFLC include: *How to Conduct the Microenterprise Survey and Credit Committee Meeting*, *How to Manage Loan Collection Using the Personal Digital Assistant*, and *How to Do Cashflow Analysis and Credit and Background Investigation*.

### Cantilan Bank Video Featured on Consultative Group to Assist the Poor's (CGAP) Resource Center

MABS PB Cantilan Bank's video documentary is now on CGAP's Savings Information Resource Center (SIRC) site ([http://microfinancegateway.org/resource\\_centers/savings/](http://microfinancegateway.org/resource_centers/savings/)). The video documents the microfinance unit (MFU) operations of Cantilan Bank and highlights its success factors and MF best practices, particularly its savings mobilization program. The bank has been successful in mobilizing microdeposits; since 2000, the number of microdeposit accounts has increased by more than 34,000, with the total amount of microsavings increasing by more than PhP38 million (about US\$722,000). As part of their strategy, the bank launched new microsavings services, like the Student Saver's Club, and actively promoted the value of savings to their clients.

The SIRC features information on small-balance deposit services offered to poor and low-income groups. It offers a fresh look at deposit mobilization through a searchable library of documents, a virtual study tour canvassing 37 countries, expert interviews, real-time stories of financial institutions improving their savings products, and more.

### MABS Facilitates GreenBank, Cantilan Bank Strategic and Operations Planning

MABS facilitated the strategic and operations planning sessions of PBs Cantilan Bank and the GreenBank of Caraga. MABS utilized the *balanced scorecard* approach for both planning sessions. The approach defines objectives and metrics, sets targets, and outlines strategies along balanced perspectives of the organization – market, financial, operations, staff, organizational structure, and information and communications technology.

Participants reviewed their MFUs' performances using the EAGLE (Efficiency, Asset quality, Growth, Liability structure, Earnings) indicators; conducted market, competitor, organizational, and regulatory environment analyses; and reviewed their missions/visions. Both banks were able to draft their three-year strategic plans, which outlined specific action steps for increasing outreach and loan portfolio, at the close of the planning sessions.

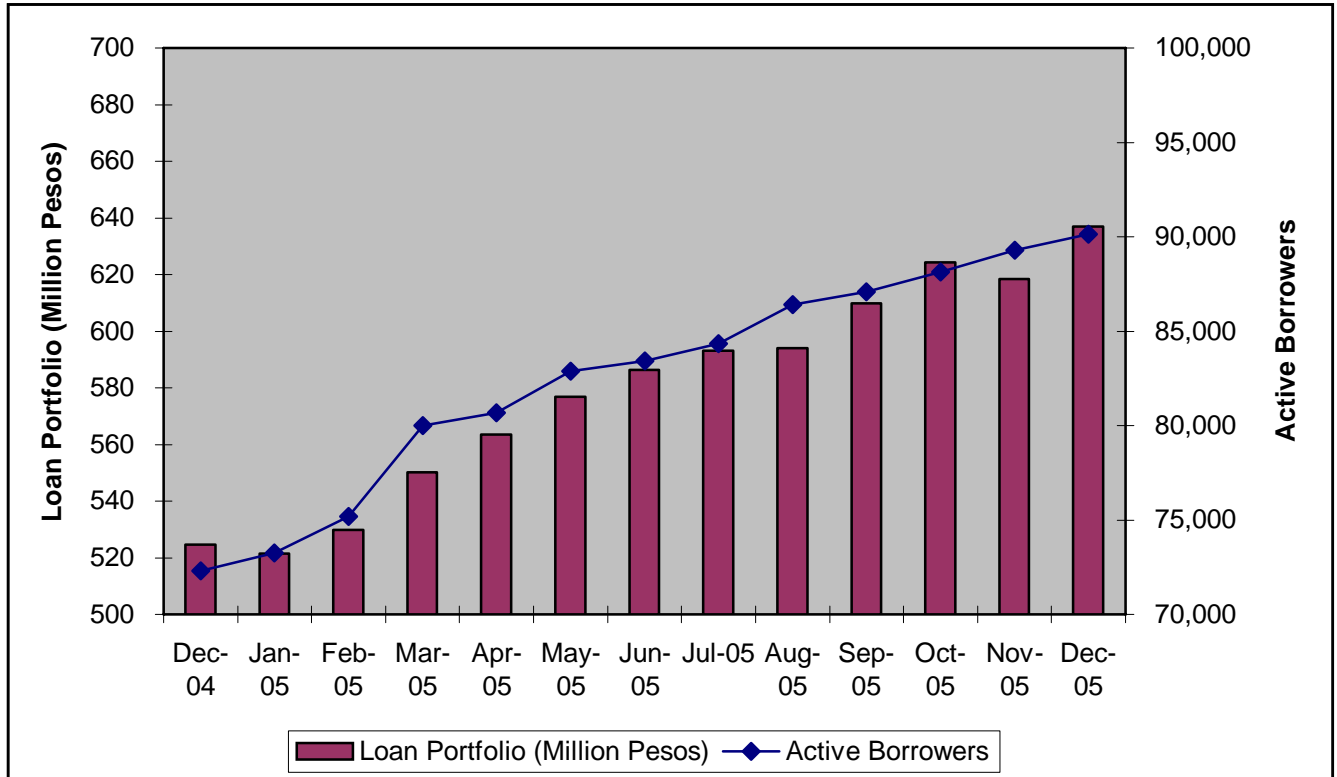


**MABS BANKS MICROFINANCE PERFORMANCE REPORT  
CONSOLIDATED - BY AREA OF OPERATION (LUZON, VISAYAS AND MINDANAO)  
DECEMBER 2005**

<b>PERFORMANCE DATA</b>	<b>LUZON</b>	<b>VISAYAS</b>	<b>MINDANAO</b>	<b>TOTAL</b>
Number of banks (reporting)	33	10	25	68
Number of participating branches (reporting)	88	27	97	212
Number of banks (trained/on-training)	9	2	3	14
Total number of banks	42	12	28	82
Total number of participating branches	122	29	109	260
Number of active borrowers outstanding	28,483	8,060	53,602	90,145
Number of new borrowers	1,429	556	3,525	5,510
Number of repeat loans	4,006	1,400	7,232	12,638
Loan portfolio balance	239,266,078	62,739,693	334,842,056	636,847,827
Net change in number of deposit accounts	2,550	42,694	267,997	313,241
Net change in deposit balance	95,098,806	64,473,458	373,966,016	533,538,280
Number of microfinance field staff	228	86	381	695
Number of microfinance field staff per branch	3	3	4	3
Number of loans disbursed during the month	5,435	1,956	10,757	18,148
Cumulative number of new borrowers	47,226	14,712	183,048	244,986
Cumulative number of loans disbursed	119,449	51,313	523,767	694,529
Amount of loans disbursed during the month	96,048,090	28,466,485	115,333,986	239,848,561
Cumulative amount of loans disbursed	2,027,315,710	724,814,069	5,454,744,842	8,206,874,621
Portfolio at risk more than 7 days	15,289,664	3,132,810	24,639,058	43,061,532
Portfolio at risk more than 7 days (%)	6.41%	5.08%	7.98%	7.44%
Portfolio at risk more than 30 days	10,381,773	1,356,416	20,576,906	32,315,095
Portfolio at risk more than 30 days (%)	4.35%	2.20%	6.66%	5.58%

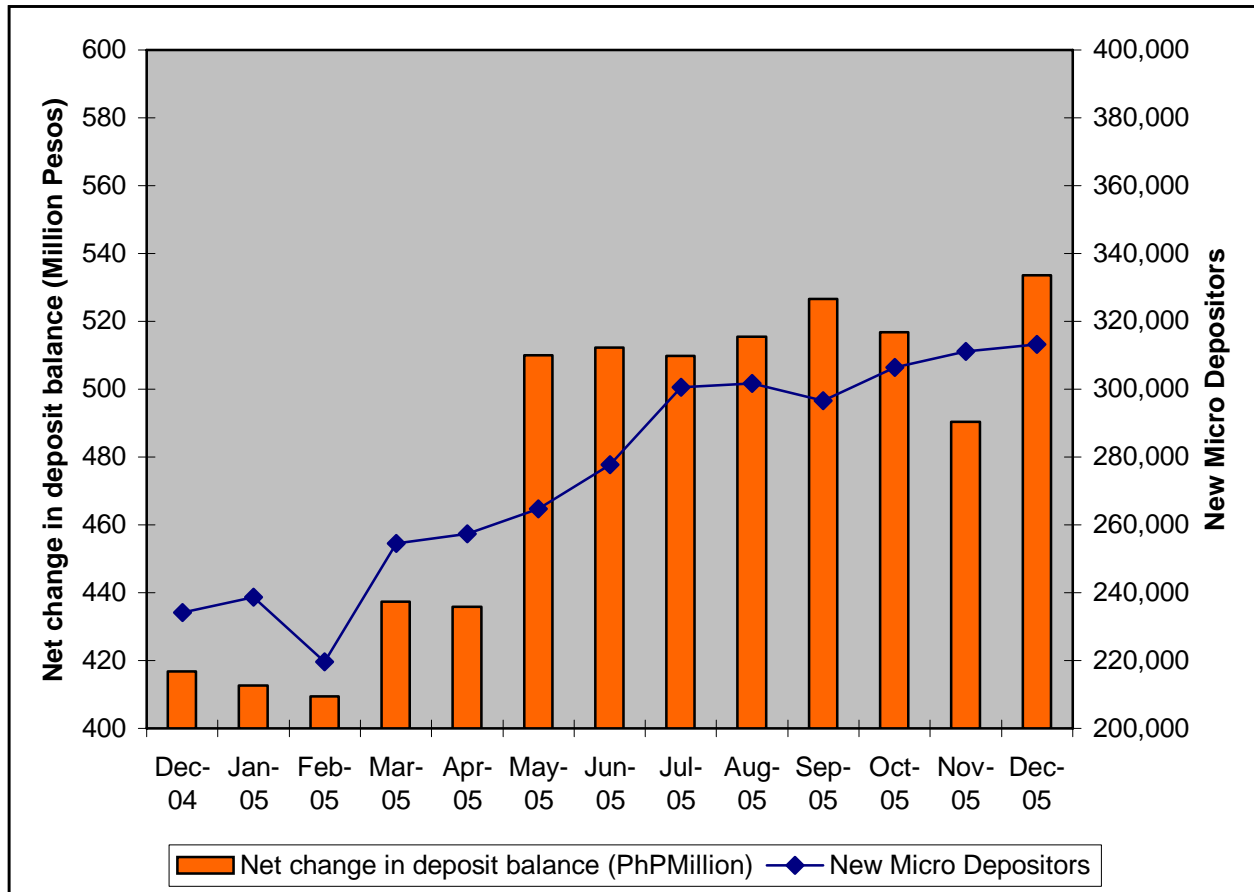
<b>MONTHLY INCOME AND EXPENSE</b>	<b>LUZON</b>	<b>VISAYAS</b>	<b>MINDANAO</b>	<b>TOTAL</b>
<b>Financial income</b>				
Interest income on loans	11,426,198	3,290,910	12,244,539	26,961,647
Service charge	3,707,088	1,360,916	6,969,178	12,037,182
Penalty fee on loans	408,061	206,683	457,939	1,072,683
<b>Total financial income</b>	<b>15,541,347</b>	<b>4,858,509</b>	<b>19,671,656</b>	<b>40,071,512</b>
<b>Total financial expense</b>	<b>1,577,586</b>	<b>493,011</b>	<b>1,936,450</b>	<b>4,007,047</b>
<b>Gross financial margin (spread)</b>	<b>13,963,761</b>	<b>4,365,498</b>	<b>17,735,206</b>	<b>36,064,465</b>
Loan loss provision	749,563	66,347	3,085,443	3,901,353
<b>Net financial margin</b>	<b>13,214,198</b>	<b>4,299,151</b>	<b>14,649,763</b>	<b>32,163,112</b>
<b>Direct operating expenses</b>				
MFU salaries and benefits	3,526,317	1,069,359	2,263,008	6,858,684
Gross receipts tax	453,013	130,219	920,611	1,503,843
Depreciation	246,104	73,106	123,811	443,021
Transportation	646,869	209,730	163,204	1,019,803
Supplies	424,285	19,726	58,992	503,003
Communication	81,621	8,100	13,599	103,320
Others	872,628	89,023	91,121	1,052,772
<b>Total direct operating expenses</b>	<b>6,250,837</b>	<b>1,599,263</b>	<b>3,634,346</b>	<b>11,484,446</b>
Training and professional fees	115,622	21,800	78,864	216,286
<b>Net income before indirect expenses</b>	<b>6,847,739</b>	<b>2,678,088</b>	<b>10,936,553</b>	<b>20,462,380</b>
Indirect expenses	1,719,101	690,321	938,938	3,348,360
<b>Net income (loss)</b>	<b>5,128,638</b>	<b>1,987,767</b>	<b>9,997,615</b>	<b>17,114,020</b>

### Micro Loan Portfolio MABS Participating Banks December 2004 – December 2005



Month/ Year	Loan Portfolio (PhPM)	Active Borrowers
Dec 2004	524.65	72,315
Jan 2005	521.51	73,244
Feb 2005	529.93	75,189
Mar 2005	550.21	80,012
Apr 2005	563.61	80,694
May 2005	576.92	82,894
Jun 2005	586.35	83,416
Jul 2005	593.17	84,338
Aug 2005	594.05	86,407
Sept 2005	609.91	87,100
Oct 2005	624.22	88,131
Nov 2005	618.53	89,301
<b>Dec 2005</b>	<b>636.85</b>	<b>90,145</b>

**New Microdeposits \***  
**MABS Participating Banks**  
**December 2004 – December 2005**



	Net Change in Deposit Balance (PhPM)	New Micro Depositors
Dec 2004	416.75	234,082
Jan 2005	412.65	238,624
Feb 2005	409.48	219,679
Mar 2005	437.42	254,450
Apr 2005	435.90	257,421
May 2005	509.99	264,773
Jun 2005	512.25	277,648
Jul 2005	509.79	300,633
Aug 2005	515.41	301,644
Sept 2005	526.58	296,561
Oct 2005	516.81	306,487
Nov 2005	490.31	311,216
<b>Dec 2005</b>	<b>533.54</b>	<b>313,241</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.