



MICROENTERPRISE ACCESS TO BANKING SERVICES

**July 1 – September 30, 2003
Performance Monitoring Report**

TWENTY-THIRD QUARTER

Submitted By:

Chemonics International Inc.
Manila, Philippines

In association with:

Rural Bankers Association of the Philippines

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Executive Summary

During the quarter, the Microenterprise Access to Banking Services (MABS) Program launched a three-pronged approach aimed at ensuring the sustainability of MABS activities: the MABS Service Provider (MSP) Program, the MABS Technical Resource Specialists (MABSTeRS), and the development of MABS Learning Centers (LC).

The MSPs are consultants from consulting firms who have been trained to deliver the *MABS Approach* Training and Technical Services (MATTS). After completing a rigorous six-month training program (which included classroom training and actual delivery of technical assistance to participating banks), nine trainers from three firms have been authorized to install the *MABS Approach* to additional rural banks.

MABSTeRS are selected managers and microfinance supervisors from MABS participating banks who have been trained to serve as resource speakers for refresher courses and support the efforts of the MSPs. The MABSTeRS were trained and began handling account officers' refresher courses during the quarter.

LCs are model participating banks with the capability to orient other rural banks on the *MABS Approach*. During exposure visits, LCs provide an actual showcase of *MABS Approach* principles. Two Mindanao participating banks have been selected as LCs; three more banks in the Luzon and Visayas will be established during the next twelve months.

A technical resource conference was held in Davao during the last quarter to define the roles of the three groups. In coordination with the Rural Bankers Association of the Philippines (RBAP), an information campaign will be conducted to increase awareness among rural banks regarding the technical services that these three groups offer.

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

Accomplishments and Activities during the Twenty-third Quarter (July 1-September 30, 2003):

- MABS technical staff delivered training on the Credit and Background Investigation (CIBI) and Cashflow Analysis to the MABS Service Provider trainees.
- MABS Service Provider (MSP) trainees delivered training and technical assistance on the Credit and Background Investigation (CIBI) and Cashflow Analysis to the 6th rollout banks.
- MSP trainees completed the dual training and technical assistance on operations review. The trainees reviewed the operations manuals, accounts folders and management information systems (MIS) reports of two participating banks.

- The MABS Program formally launched the MABS Service Provider Program. MABS and the RBAP formally certified three local consulting firms as capable and qualified on installing the *MABS Approach* to Microfinance to rural banks throughout the country.
- In a graduation ceremony, the Rural Bankers Association of the Philippines formally authorized the MSP professionals to install the *MABS Approach* to rural banks throughout the country. The MSP professionals completed a six-month training program that included classroom training and hands-on technical assistance.
- Twenty-nine bank officers from fourteen Luzon and Visayas-based participating banks held the Luzon and Visayas Roundtable Meeting. The discussions focused on managing growth and portfolio delinquency and on fraud control measures.
- Twenty-six participants from eighteen Mindanao-based participating banks convened for the Mindanao Roundtable Meeting. Roundtable sessions discussed delinquency management and prevention. Representatives from two participating banks outlined the techniques their banks have adopted to curb loan delinquency.
- To prepare them for their roles as training and technical resource specialists, MABS technical staff conducted a week-long training/workshop for twelve individuals that were previously chosen as MABSTeRS.
- The MABS Program certified twelve microfinance practitioners as MABSTeRS. MABS technical staff completed the MABSTeRS pool after a rigid selection process. After completing a week of training on the delivery of refresher courses, the MABSTeRS pilot-tested an accounts officer refresher course.
- MSPs and MABSTeRS held a joint planning workshop. The areas for cooperation between the two technical service providers were defined and individual roles were identified.
- MABSTeRS delivered a refresher course to seventeen microfinance account officers from Mindanao-based participating banks.
- MABS technical staff provided training on Product Development for representatives from two banks servicing microentrepreneurs in Conflict Affected Areas in Mindanao (CAAM) and the Autonomous Region of Muslim Mindanao (ARMM).
- Nineteen representatives from four ARMM and CAAM banks were given training on Credit and Background Investigation (CIBI) and Cashflow Analysis.
- A study group composed of eleven representatives from Bolivian microfinance institutions visited two MABS Program participating banks to learn about the Philippine experience in savings mobilization from rural banks as well as microfinance best practices.

- Representatives from two participating banks presented their banks' experience on microenterprise lending under the *MABS Approach* during a Bangko Sentral ng Pilipinas (BSP)-sponsored microfinance seminar.
- More than 130 BSP bank examiners attended three training sessions on the revised bank examination manual. Modifications to the manual were introduced to accommodate the microfinance operations of rural banks.
- Chemonics submitted the Twenty-Second Quarterly Performance Monitoring Report.

For the Twenty-third Quarter, October 1 – December 31, 2003, MABS will:

- Conduct a refresher course for account officers of Luzon and Visayas-based participating banks. The MABSTeRS will handle the course.
- Hold a Supervisors' Forum for Luzon and Visayas participating banks.
- Hold a Supervisors' Forum for Mindanao participating banks.
- Conduct fourteen "*Introduction to MABS*" seminars for senior managers of rural banks in all regions of the country. The seminars are designed to introduce the senior management of banks interested in doing microfinance to the *MABS Approach*. The seminars will be handled by MSPs
- Participate in the Mindanao Credit Conference.
- Participate in the 46th RBAP Charter Anniversary Symposium and provide updates on the MABS Program and RB2000.
- Participate in the Annual Management Conference of the Joint Confederation of Northern Luzon Rural Banks.
- Participate in the Microfinance Council of the Philippines-sponsored forum entitled "*Poverty Financing: Learnings from the Field*".
- Hold a signing ceremony for the Rural Bank of Cotabato.
- Sign participant bank agreements with two additional banks in the ARMM/CAAM region.
- Hold annual MABS workplan meeting with RBAP, MEDCo, and USAID.
- Continue the close monitoring of portfolio at risk ratios of MABS participant banks.
- Present annual 2004 workplan.

- Submit the Twenty-fourth Quarterly Performance Monitoring Report.

1. Contractor's Report

A1. Background

The Microenterprise Access to Banking Services (MABS) program is a USAID-financed effort implemented by the Rural Bankers Association of the Philippines (RBAP) with oversight provided by the Mindanao Economic Development Council (MEDCo). Technical assistance, training, and program management are provided by Chemonics International, a firm contracted by USAID. The MABS program is one of the principal elements of USAID/Philippines' efforts to accelerate the economic transformation of Mindanao through expanded participation of Mindanao's lower income groups in productive activities. MABS is directed at bringing about a sizable expansion of banking services—both loans and savings—to microenterprises and other groups at lower socio-economic levels in Mindanao. MABS is now present not just in Mindanao but in Luzon and Visayas as well.

Through MABS efforts, a minimum of 180 rural and cooperative rural bank branches in the Philippines will be encouraged and assisted to significantly increase the services they provide to the microenterprise sector. These efforts are intended to demonstrate to participating banks that it can be sensible and profitable to offer services to the microenterprise sector as a regular part of their portfolios. In turn, it is expected that the successful example of participating banks will encourage many more banks to look seriously at servicing the microenterprise market.

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

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

The MABS Program got underway in April 1998 and has been extended to September 2004. It is a cost-plus-fixed-fee (CPFF) completion contract. The estimated cost for the performance of the work required in the contract, exclusive of fixed fee, as amended in August 2003, is \$11,907,086.67. The fixed fee is \$592,913.33. The estimated cost plus fixed fee is \$12,500,000.00. The contract budget is broken down into two Contract Line Item Numbers (CLINS), one for Expanding Access to Banking Services (\$9,958,832.00) and the other for the Special Activities Fund (\$2,541,168.00).

A2. Expected Results

With the latest amendment of the MABS contract Scope of Work in August 2003, the following are the revised objectives and targets for September 2004:

1. A minimum of 180 rural banks and bank branches from throughout the Philippines will receive MABS assistance.
2. These banks will altogether expand their portfolios to reach a total of at least 57,500 active borrowers by September 2004.
3. Enroll at least 200,000 depositors among all participating banks.
4. At least half of the participating banks will have decided to make microenterprise services a continuing and significant part of their portfolios, and will have taken the steps required to properly and profitably service the microenterprise market.
5. An effective and "USAID-accepted" anti-backsliding program focused on participating banks that have "graduated" from the MABS program developed and being implemented by RBAP.
6. An RBAP-MABS microfinance training and technical services program in place utilizing licensed consultants/organizations capable of carrying out the installation of the *MABS Approach* in participating rural banks.
7. An appropriate fee structure developed and implemented for various services to be offered by RBAP-MABS- licensed consultants/organizations to prospective participating banks, "graduated" banks, non-participating banks, and other institutions.
8. An appropriate manual of bank examination for rural banks and other regulated institutions engaged in microfinance accepted and utilized by the Bangko Sentral ng Pilipinas.
9. Installation of the *MABS Approach* into at least three new participating banks servicing religious and ethnic minority communities of Mindanao.
10. Significant expansion of the number of clients belonging to ethnic and minority groups being served by at least five participating banks in areas outside of the predominantly minority communities of Mindanao.
11. Establishment of a credit reference service that will be helpful in the overall effort to enable rural banks to effectively and profitably service the microenterprise market.
12. Support for the development of an appropriate microfinance software that will enable bank management to support a viable and sustainable microfinance operations.

A3. Current Core Activities: MABS Activities

The 2003 MABS workplan covers the period January 1, 2003 through December 31, 2004. The contractor is responsible for ensuring that these major components are addressed:

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

Below are highlights of the tasks accomplished in the Twenty-third Quarter (July 1 – September 30, 2003) and tasks planned for the Twenty-fourth Quarter (October 1 – December 31, 2003).

1. Bank Strengthening and Anti Backsliding

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

Tasks completed in the Twenty-third Quarter:

Task One. Deliver the Credit and Background Investigation (CIBI)/Cashflow Analysis Module to the 6th rollout banks. MSP trainees gave lectures on proper client selection, conducting character



evaluation and analyzing the cashflow of loan applicants. In the technical assistance phase, bank representatives conducted an actual CIBI and cashflow analysis of micro-enterprise loan applicants engaged in various types of enterprise activities. The banks also learned how to conduct a proper Credit Committee meeting.

Task Two. Hold the Luzon and Visayas Roundtable Meeting. Twenty-nine senior managers from fourteen Luzon and Visayas participating banks gathered for the Luzon and Visayas Roundtable Meeting. The sessions were centered on the theme ‘Managing Growth and Portfolio Delinquency’. Participants shared and discussed the measures and techniques they have adopted to curb loan delinquency and to manage expansion. To effectively carry out expansion, participants cited the need to conduct regular market surveys, constantly update and enhance microfinance product features, and establish client loyalty.

Task Three. Hold the Mindanao Roundtable Meeting. Twenty-six rural bankers from eighteen participating banks gathered to attend the Mindanao Roundtable Meeting. Representatives from two participating banks gave presentations on delinquency management and prevention. A presentation regarding the findings and recommendations of a recently conducted study on “Market Outreach” was also provided to the participants.



Task Four. Conduct the Mindanao Account Officers Refresher Course. Seventeen account officers from Mindanao participating banks attended a refresher course conducted by the MABSTeRS.

Tasks to be completed in the Twenty-fourth Quarter:

Task One. Conduct a refresher course for account officers of Luzon and Visayas participating banks.

Task Two. Hold a Supervisors Forum for Luzon and Visayas participating banks.

Task Three. Hold a Supervisors Forum for Mindanao participating banks.

Task Four. Conduct MABS mini-workshops on marketing in Mindanao.

2. Sustainable MABS Technical Services

To ensure the sustainability of the MABS Program’s activities and to accelerate the dissemination of the *MABS Approach* to Microfinance, the Program developed training and technical services capabilities.

MABS Service Providers (MSPs) are consultants from local firms that have undergone extensive training and hands-on technical assistance. They are authorized as fully capable of assisting rural banks to establish microfinance units. MABS Technical Resource Specialists

are rural bankers who have been trained to deliver refresher courses while Learning Centers (LCs) are outstanding participating banks that best exemplify *MABS Approach* best practices and allow an on-site venue for interested rural banks to visit.

With the official launch of the MSP Program, the certification of the pool of MABSTeRS, and the establishment of LCs, the *MABS Approach* will be installed in an increased number of rural banks to ultimately benefit more microentrepreneurs.

Tasks completed in the Twenty-third Quarter:

Task One. Train the MSPs on the CIBI and Cashflow Analysis Module. MABS technical staff conducted sessions on proper client selection, conducting character evaluation and analyzing the cashflow of loan applicants to the trainees.

Task Two. Train the MSPs on the conduct of bank operations review. The MSP trainees completed the dual classroom training and technical assistance on conducting bank operations review. The trainees reviewed two participating banks' operations manuals, accounts folders and MIS reports. They also conducted market visits, area surveys, accounts validation, and group discussions with active, past-due, and dropout clients.

Task Three. Conduct training/workshop for the MABSTeRS. Twelve microfinance practitioners completed training on the delivery of account officers' refresher courses.

Task Four. Launch the MABS Service Provider (MSP) Program. The MSP Program was developed to increase the rate of installation of the *MABS Approach* and to expand the reach of the program's geographic reach. Under the program, consultants from qualified consulting firms are trained on the delivery of *MABS Approach*. The consultants completed the six-month training program during the quarter, signaling the official launch of the MSP Program.



Task Five. Formally certify the MSPs. During a graduation ceremony, nine consultants from three consulting firms were authorized to deliver and install the *MABS Approach* to additional rural banks after completing a six-month training program. The MSPs were given classroom training on five *MABS Approach* modules. After every module, they provided classroom training and on-site technical assistance to rural banks.

Task Six. Formally certify the MABSTeRS. The MABSTeRS are managers and microfinance supervisors of participating rural banks who have been trained to provide refresher courses. By certifying the MABSTeRS as capable of delivering refresher courses, the program is tapping into the practical *MABS Approach* experience they have acquired as microfinance practitioners.

Task Seven. Hold the MSP/MABSTeRS Joint Planning Workshop. The Joint Planning Workshop was held to define the specific roles of the two groups, to define areas for cooperation, and to plan marketing strategies.

Tasks to be completed in the Twenty-fourth Quarter:

Task One. Conduct an account officers' refresher course for participants from Luzon and Visayas participant banks to be handled by the MABSTeRS.

Task Two. Conduct a series of MABS Microfinance Seminars for Senior Management to be handled by the MSPs.

3. Expansion of Banking Services to Religious and Ethnic Minorities

To reach out to clients in Conflict Affected Areas in Mindanao (CAAM) and the Autonomous Region of Muslim Mindanao (ARMM), the MABS Program aims to install the *MABS Approach* in at least three new participating banks and provide technical assistance to at least five new existing participating banks.

Tasks Completed in the Twenty-third Quarter:

Task One. Provide training on Product Development to ARMM/CAAM banks. Representatives from two CAAM banks completed a five-day Product Development Workshop where they completed the design of new microfinance loan product, drafted a product manual, and prepared action plans for their new products' pilot-test.

Task Two. Provide training on CIBI/Cashflow Analysis to ARMM/CAAM banks. Nineteen participants from four ARMM and CAAM banks attended a CIBI/Cashflow Analysis Training, which focused on proper client selection and on the preparation of the cashflow/CIBI report.



Tasks to be completed in the Twenty-fourth Quarter:

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

4. Microfinance Policy and Standards

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

Tasks Completed in the Twenty-third Quarter:

Task One. Present the MABS Approach during the Bangko Sentral ng Pilipinas (BSP) Regional Microfinance Seminar in Davao City. The BSP is conducting a series of seminars in strategic regions of the country to promote the development of sustainable microfinance. Representatives from two participating banks gave presentations on the *MABS Approach* during the seminar.

Task Two. Contribute to the draft of the Microfinance Performance Standards for all types of Philippine Microfinance Institutions. MABS is part of the Technical Working Group (TWG) on Microfinance Performance Standards, a body organized by the National Credit Council to draft standards that will provide users (government regulatory bodies, investors, lenders, and donors) with the basic tools to evaluate and assess the operations of all types of MFIs.

Task Three. Conduct training sessions for BSP bank examiners on the modifications to the bank examination manual. Tests on the changes to the bank examination manual (which were made with the assistance of a consultant fielded by MABS) were conducted and more than 130 examiners were trained in three training sessions.

Tasks to be Completed in the Twenty-fourth Quarter:

Task One. Present the MABS Approach in a forum sponsored by the Microfinance Council of the Philippines. Representatives of MABS participating banks will give presentations on managing delinquency in microfinance operations, choosing the appropriate methodology for the microfinance market, MFI management information systems automation, and MFU staff management.

Task Two. Provide inputs in the finalization of the Microfinance Performance Standards for all types of Philippine Microfinance Institutions.

5. Monitoring and Evaluation

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

Tasks Completed in the Twenty-third Quarter:

Task One. Continue to evaluate monthly MFU performance. As of September 30, the 115 bank units reporting to MABS had 43,717 active micro borrowers with an outstanding loan portfolio of PhP294,181,178. From October 1998 up to September 2003, the number of microdepositors increased by 175,269 and microdeposit balances have increased by PhP198,807,788.

Task Two. Continue close monitoring of portfolio at risk ratios of participant banks. MABS continued to monitor the portfolio at risk ratios of participating banks. The consolidated portfolio at risk ratio over 30 days of MABS banks as of September 2003 was 3.70%

Tasks to be completed in the Twenty-fourth Quarter:

Task One. Pilot test the revised MFU performance monitoring tool for banks.

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

6. Other Activities

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

Tasks Completed in the Twenty-third Quarter:

Task One. Continue monitoring the rollout of RB2000 v. 1.1.

Task Two. Complete tests on the Personal Digital Assistant (PDA) Loan Collection functionality that will be integrated into the new version of Microbanker. RB Mabalacat is currently doing live tests of the PDA Loan Collection feature of RB2000's new version.

Tasks to be Completed in the Twenty-fourth Quarter:

Task One. Complete the pilot-testing of the PDA Loan Collection Module. RB Mabitac will pilot-test the functionality in November 2003.

Task Two. Monitor the roll-out RB2000 v.1.1 after formal certification by the BSP.

Task Three. Present the MABS Approach during the RBAP Charter Anniversary Symposium, the Northern Luzon Confederation of Rural Banks Management Meeting, and the Mindanao Credit Conference in Cebu City.

7. Program Management

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

Tasks Completed in the Twenty-third Quarter:

Task One. Submit the Twenty-second Quarterly Performance Monitoring Report covering April 1- June 30, 2003. Chemonics submitted the Twenty-second Quarterly Performance Monitoring Report covering April 1 – June 30, 2003.

Tasks to be completed in the Twenty-fourth Quarter:

Task One. Submit the Twenty-third Quarterly Performance Monitoring Report covering July 1 – September 30, 2002.

Task Two. Hold the annual 2004 workplan review with USAID, RBAP, and MEDCo.

Task Three. Submit 2004 Annual Workplan.

A4. Performance

Current status vs. expected end of project results

Expected end of project results	Current Status
1. A minimum of 180 rural and/or cooperative rural bank branches from throughout the Philippines will receive MABS assistance.	One hundred fifteen (115) banks/bank branches have now received technical assistance from MABS. The 115 bank units consist of the pilot, 1 st rollout, 2 nd rollout, 3 rd rollout, 4 th rollout, 5 th rollout, and 6 th rollout banks.
2. Participating banks will expand their portfolios to include a total of at least 57,500 active microenterprise borrowers among all participating banks.	As of September 2003, the total number of outstanding microfinance borrowers for 115 banks/bank branches was 43,717 or 76.03% of the target.
3. Increase the number of microenterprise depositors to reach a total of at least 200,000 new depositors among all participating banks	As of September 2003, the net change in the number of active micro depositors for the 115 bank branches was 175,842 or 87.92% of the target.
4. At least half of the participating banks will have decided to make microenterprise services a continuing and significant part of their portfolios, and will have taken the steps required to properly and profitably service the microenterprise market.	Participant banks that joined the program from 1998 to 2003 (37 banks) are continuing with their microfinancial activities. 30 of the 37 banks now have profitable microfinance units. The 4 th , 5 th and 6 th rollout banks have just started their microfinance operations and are expected to post positive incomes in 2003.

<p>5. An effective and “USAID-accepted” anti-backsliding program focused on participating banks that have “graduated” from the MABS program developed and being implemented by the RBAP.</p>	<p>MABS focuses on the following activities to meet this objective:</p> <p>(a) Roundtable Discussions with top management of participant banks on methods for addressing backsliding and maintaining best practices; and</p> <p>(b) Microfinance Supervisors’ Forum, which aims to provide MFU supervisors the opportunity to share and learn from each other’s experiences in managing their micro loan portfolio and reinforce best practices.</p> <p>During 2003, MABS has conducted the first National Roundtable Conference, a Luzon/Visayas Roundtable Meeting, a Mindanao Roundtable Meeting, two MFU Supervisors’ Forums, two refresher courses for account officers, and a Supervisory Skills workshop.</p>
<p>6. An RBAP-MABS microfinance training and technical services program in place utilizing licensed consultants / organizations capable of carrying out the installation of the <i>MABS Approach</i> in participating rural banks.</p>	<p>Three training and technical capacities were launched during the quarter: the MSP Program, the MABSTeRS, and the LCs. The MSPs have been authorized to install the <i>MABS Approach</i> to additional rural banks. MABSTeRS are microfinance practitioners that have been trained to deliver refresher courses and support the MSPs’ activities. LCs are model participating banks that best showcase <i>MABS Approach</i> best practices.</p>
<p>7. An appropriate fee structure for various services to be offered by RBAP-MABS licensed consultants/organizations to prospective participating banks, “graduated” banks, non-participating banks, and other institutions developed and implemented.</p>	<p>The fee structure will be determined as part of the design of the delivery mechanism of the <i>MABS Approach</i> utilizing RBAP-MABS-licensed service providers.</p>
<p>8. An appropriate manual of bank examination for rural banks and other regulated institutions engaged in microfinance accepted and utilized by the Bangko Sentral ng Pilipinas.</p>	<p>The BSP bank examination manual has been modified to accommodate recommendations made by the consultant fielded to assist the BSP. Tests were conducted by the BSP and more than 130 examiners were trained to utilize the changes to the examination manual.</p>

<p>9. Installation of the <i>MABS Approach</i> into at least three new participating banks servicing religious and ethnic minority communities in Mindanao.</p>	<p>Training on the Product Development and CIBI/Cashflow Analysis Modules have been conducted for four rural banks in the CAAM and ARMM areas. Two rural banks in the ARMM have been receiving technical assistance (TA) since 2002 and one additional bank will receive TA starting on the last quarter of 2003.</p>
<p>10. Significant expansion of the number of clients belonging to ethnic and minority groups of at least five participating banks in areas outside of the predominantly minority communities of Mindanao.</p>	<p>One existing and three new rural banks located in Cotabato and CAAM are receiving technical assistance from MABS. One additional existing rural bank will expand in the CAAM region and will receive support from MABS starting in the last quarter of 2003.</p>
<p>11. Establishment of a credit reference service that will be helpful in the overall effort to enable rural banks to effectively and profitably service the microenterprise market.</p>	<p>A manifesto of support for the expansion of the Bankers Association of the Philippines Credit Bureau (BAP-CB) was signed by Credit Union Empowerment and Strengthening (CUES) Program; Davao Federation of Rural Banks; and Davao City Bankers Association.</p> <p>Following the orientation of BAP-CB, a users' training on the Negative File Information Sharing (NFIS) system was conducted in Davao City, Butuan City, and Cagayan de Oro and Metro Manila.</p> <p>The expanded credit bureau system was also introduced to rural banks in Metro Manila.</p>
<p>12. Support for the development of an appropriate microfinance software that will enable bank management to have a viable and sustainable microfinance operations.</p>	<p>Presently, there are 78 bank units (head offices and branches) using RB 2000 – 52 in Luzon, 16 in Visayas, and 10 in Mindanao.</p> <p>RB2000 v.1.1 developers are working with the BSP's Information Technology Department for the completion of tests on the diskette-reporting format. The new version of RB2000 is expected to be validated in the next quarter.</p>

Administrative Information

Contract Data: Total Estimated Cost	\$12,500,000.00
CLIN #1 Total Estimated Cost	\$9,958,832.00
1. Expenditures (July 1 – September 30, 2003)	\$443,732.46
2. Cumulative Expenditures Through September 30, 2003	\$8,274,958.45
3. Remaining Unexpended Balance	\$1,683,873.55
CLIN #2 Total Estimated Cost	\$2,541,168.00
1. Expenditures (July 1 – September 30, 2003)	\$29,568.55
2. Cumulative Expenditures Through September 30, 2003	\$2,227,104.70
3. Remaining Unexpended Balance	\$314,063.30

SAF Requests Approved during the Quarter:

SAF No. 78 – Support for BSP Training in Examination Procedures for Banks Involved in Microfinance

SAF 78 is to defray the cost of participation of Bangko Sentral ng Pilipinas (BSP) bank examiners to be trained on revised bank examination procedures.

The BSP, in support of the expansion of microfinance throughout the country, has issued three circulars recognizing microfinance as a specialized banking service, allowing less rigid regulatory requirements for microfinance operations of banks, and creating incentives for the banking system to go into microfinance.

The BSP is also setting up a Microfinance Committee and Unit that will internalize and institutionalize microfinance supervision within the BSP. The committee will be composed of representatives from the Office of the Governor, BSP Institute, Supervisory reports and Studies, and the Economic Research, Loans and Credit Sectors and will be headed by the Deputy Governor of the Supervision and Examination Sector. The primary task of the committee is to provide the policy framework and overall direction of the BSP's microfinance initiatives.

This would entail the development of appropriate examination policies and procedures that would measure the institutional risks and performance of the microfinance operations of banks more accurately.

The MABS Program has provided technical support for the review, modification, and testing of bank examination procedures in line with the Memorandum of Agreement signed between USAID and the BSP in 2002.

Results:

Three training sessions with over 130 BSP bank examiners were completed in August.

SAF No. 79 – Video Production for MABS Approach Instructional Videos and MABS Approach Information Videos

SAF 79 is for the development of informational and instructional videos on the MABS Program and the *MABS Approach* modules.

The marketing videos will be used as a tool to convince other rural banks to adopt the *MABS Approach* into their microfinance operations as well as to support the MABS Technical Training resources (MSPs, MABSTERS, and Learning Centers). The videos will include testimonials from representatives of participant banks, detailing the impact of the *MABS Approach* on their banks' profitability, lending operations, and deposit portfolios. The videos will also feature a detailed description of the MABS Modular Training Course.

The instructional videos will be used as a supplement to the traditional MABS training tools and will feature the following topics:

- How to Do Credit and Background Investigation
- How to Do Cashflow Analysis
- How to Conduct the Microenterprise Survey
- Tips on Conducting an Effective Credit Committee Meeting
- Using the Personal Digital Assistant (PDA) in Collecting Loan Repayments

Status:

The shooting for the videos raw footage started on August 6. The informational video was completed in September and shown during the MSP Graduation Ceremony on Sept 5. The other five training videos are estimated to be completed by early December 2003.

SAF No. 80 – Support for RBAP Cost Accounting System

SAF 80 is support for the comprehensive review of the present RBAP/RBRDFI accounting practices and the development of an appropriate cost accounting system. RBAP/RBRDFI's June 30, 2003 financial audit noted the lack of appropriate guidelines for the handling of project receipts and disbursements. Because of this, RBAP could not properly track the income and expenses of MABS-related activities.

Auditors have recommended the need to set up a cost-accounting system to track program related activities. On August 4, 2003, during the MABS Steering Committee Meeting, RBAP formally requested for support to cover part of the costs of the accounting system review and development.

In detail, the accounting system will determine:

- Propriety on the accounting treatment of revenues
- Efficiency and accuracy in project receivables collection
- Actual confirmed balance of project receivables (as of June 30, 2003)
- Propriety on the accounting treatment of approvals and disbursements
- Efficiency and accuracy in claiming reimbursements of project advances from project partners
- Adequacy of the review and approval of revenues and expenses charged to the project in the book of accounts]
- Material weaknesses in the internal control of RBAP/RBRDFI on project accounting and management
- Adequacy in the number of administrative and accounting staffing of RBAP/RBRDFI in relation to the project and the propriety of distribution of accounting duties
- Recommended changes necessary to improve the cost accounting system, policies and procedures for RBAP/RBRDFI for an effective accounting and handling of project activities

Status:

Four accounting firms submitted bids for the assignment and the lowest bidder was accepted by RBAP. Work is to begin by the end of September and be completed by November 2003.

SAF NO. 81 – Support for the MSP Program Rollout – Introduction to MABS Seminar for Senior Managers

Introduction to MABS Seminar

A series of one-day seminars that aims to introduce senior managers of rural banks to microfinance basics will be conducted throughout the country on November 2003. The Introduction to MABS Seminar will provide an overview on microfinance basics, microfinance best practices, the *MABS Approach*, and the *MABS Approach* Training and Technical Services (MATTS). The seminar also includes sessions on financial projections and a detailed institutional self-assessment guide for banks to analyze strengths, weaknesses, and market opportunities.

The seminars, which are designed for senior managers of rural banks that are interested in engaging in microfinance, will be offered to facilitate the rollout of MSP capacity while meeting RBAP objectives of reaching a larger number of rural banks by working with rural bank federations. By gathering twenty-five to thirty banks together at each seminar, MSPs are given the opportunity to sign up rural banks for the full MATTS.

The Microfinance seminars will be organized by the RBAP in coordination with the federations.

Status:

Invitations to fourteen seminars have been sent out to 750 rural banks throughout the country. The first of the series of seminars will be on November 3 in Manila.

Chemonics International Inc. Philippines Microfinance Access to Banking Services Contract no. 492-C-00-98-00008-00 As of the Quarter Ending September 30, 2003 Special Activities Fund - In US Dollars												
SAF	Title	Results	Approved	Status	ManCom Approved Budget	Expenses Thru Quarter 22	For the Quarter Expenses			Expenses Thru Quarter 23	Expenses To Date	Remaining Approved Budget
							July 2003	August 2003	September 2003			
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	1,545.00				-	1,545.00	2,586.00
2	MIS Study	RBRDFI staff involvement in MIS assessment.	Apr-98	Closed	805.47	283.00				-	283.00	522.47
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	3,209.00				-	3,209.00	1,519.72
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	16,800.00				-	16,800.00	(1,426.19)
5	Training Preparation - Boypee Panganiban	Boypee Panganiban will come to Davao for 5 days to assist in preparing training sessions for upcoming regional workshops.	Jul-98	Closed	1,904.29	1,685.00				-	1,685.00	219.29
6	RBRDFI Involvement in MIS Development	P. Crisostomo's (RBRDFI) Staff travels	Jul-98	Closed	1,640.00	3,189.00				-	3,189.00	(1,549.00)
7	Loan Repayment Workshop	B. Pendleton's Loan Repayment workshop	Aug-98	Closed	5,734.76	3,728.00				-	3,728.00	2,006.76
8	Cash Flow Lending workshop	B. Panganiban's Regional Workshops	Sep-98	Closed	25,573.29	14,634.00				-	14,634.00	10,939.29
9	Case Study of PAICOP	D. Capeding, a case study of PAICOP. *Exceeded budget due to extension of services	Sep-98	Closed	834.87	1,593.00				-	1,593.00	(758.13)
10	Pilot Bank Agreement	Pilot Bank Agreement Implementation	Oct-98	Open	73,135.90	66,413.00				-	66,413.00	6,722.90
11	Panganiban Book Publication	NRBSL Practices	Dec-98	Closed	8,461.54	7,754.00				-	7,754.00	707.54
12	Research Assistant for the roll-out	Luisa Cadiz, RA for Roll-out	Nov-98	Closed	3,010.90	6,410.00				-	6,410.00	(3,399.10)
13	Mindanao Fed. RB Meeting	Regional Conference	Dec-98	Closed	4,428.61	456.00				-	456.00	3,972.61
14	Enhancement of MicroBanker	Pilot Bank MIS Enhancement	Dec-98	Closed	13,282.07	13,977.00				-	13,977.00	(694.93)
15	RBAP Strategic Planning	Laurel Druben, ITI, fixed-price subcontract	Feb-99	Closed	32,996.56	25,091.00				-	25,091.00	7,905.56
16	NRBSL Exposure Trip	Pilot Bank Managers and staff trip to NRBSL	Feb-99	Closed	7,105.41	4,854.00				-	4,854.00	2,251.41
17	SGV Corporate Finance to RBAP	Canceled	Canceled	Canceled		-				-	-	-
18	Follow-up trip by Druben	Assistance during RBAP convention	May-99	Closed	30,883.58	31,662.00				-	31,662.00	(778.42)
19	Training Modules with PBs	Pilot Banks Training Modules	May-99	Closed	2,629.48	920.00				-	920.00	1,709.48
20	Orientation Course of Senior Officers of New PBs	Workshop Orientation New PBs	June-99	Closed	8,284.27	4,908.00				-	4,908.00	3,376.27
21	Commodities and Support	Commodities Assistance to New PBs	July-99	Open	177,545.95	115,055.63				-	115,055.63	62,490.32
22	Training course for MF staff and PBs Supervisors	MF Workshop training course new PBs	Jul-99	Closed	19,211.43	14,800.00				-	14,800.00	4,411.43
23	ITI subcontract for presentation of finalized plan and full start-up implementation of RBAP/RBRDFI Strategic Development Program	Druben - SDP Finalized Plan for implementation	Aug-99	Closed	39,543.00	17,270.00				-	17,270.00	22,273.00
24	Enhancement of PC Banker system for participant bank RB Ozamis	RB Ozamis PC Banker Enhancement	Sep-99	Closed	5,331.11	4,379.00				-	4,379.00	952.11
25	Internship training at Enterprise Bank for MFU of Sarangani and Montevista Banks	Enterprise Bank for MFU RB Sarangani/Montevista	Sep-99	Closed	530.97	529.00				-	529.00	1.97
26	Enhancement of MicroBanker system for participant banks	Microbanker for PBs	Sept-99	Closed	24,987.38	22,180.00				-	22,180.00	2,807.38
27	Workshop on Zero Tolerance on Past Due Loans	Zero Tolerance (Regional)	Sept-99	Closed	7,048.24	1,661.00				-	1,661.00	5,387.24
28	Canceled	Canceled	Canceled	Canceled		-				-	-	-
29	Enhancement of Loan & Savings Ledger	Loans & Savings Ledger	Oct-99	Closed	5,440.16	4,757.00				-	4,757.00	683.16
30	Purchase of MBXD95+		Nov-99	Closed	10,231.09	9,398.00				-	9,398.00	833.09
31	Delinquency Measurement and Control Course	Workshop	Nov-99	Closed	569.75	223.00				-	223.00	346.75
32	Canceled	Canceled	Canceled	Canceled		-				-	-	-
33	ST consultancy of Guillermo Bolanos	Credit Bureau	Dec-99	Closed	22,550.00	30,922.00				-	30,922.00	(8,372.00)
34	Use of CLIN2 Funds for MABS expansion	In Process	Dec-99	Open	1,300,000.00	1,352,803.74				-	1,352,803.74	(52,803.74)
35	Canceled	Canceled	Canceled	Canceled		-				-	-	-
36	Orentation for Sr. Officers of new PBs	Roll Out Banks	Jan-00	Closed	3,596.15	1,718.00				-	1,718.00	1,878.15
37	Refresher course MicroBanker loans module	Participant Banks	Jan-00	Closed	1,755.09	1,340.00				-	1,340.00	415.09
38	Microfinance staff training course	Participant Banks MF Training	Jan-00	Closed	6,378.00	5,062.00				-	5,062.00	1,316.00

Chemonics International Inc. Philippines Microfinance Access to Banking Services Contract no. 492-C-00-98-00008-00 As of the Quarter Ending September 30, 2003 Special Activities Fund - In US Dollars												
SAF	Title	Results	Approved	Status	ManCom Approved Budget	Expenses Thru Quarter 22	For the Quarter Expenses			Expenses Thru Quarter 23	Expenses To Date	Remaining Approved Budget
							July 2003	August 2003	September 2003			
39	Pilot Banks Reps. Consultation and Evaluation meeting	Pilot Banks Consultation and Evaluation meeting	Jan-00	Closed	150.00	135.00				-	135.00	15.00
40	Purchase of MicroBanker MBXD95+Software for RB Lebak	Rural Bank of Lebak MBXD95+software	Jan-00	Closed	2,727.85	3,363.00				-	3,363.00	(635.15)
41	Commodities and Support	PBA and Commodities Support	Feb-00	Open	107,250.00	72,446.00				-	72,446.00	34,804.00
42	Consultation and Evaluation meeting with roll out banks	Rollout banks and evaluation meet	Feb-00	Closed	1,767.61	1,488.00				-	1,488.00	279.61
43	Purchase of MicroBanker and related services Oroquieta/Green	Microbanker and related services of RB Oroquieta and Green Bank	Mar-00	Closed	5,201.23	1,599.00				-	1,599.00	3,602.23
44	Consultation and Planning Meeting with the RBAP ExeCom	RBAP Excom Consultation and Planning Meeting	Mar-00	Closed	618.75	312.00				-	312.00	306.75
45	Support Expansion to Branches	Support Expansion to Branches	Apr-00	Open	35,750.00	1,226.42				-	1,226.42	34,523.58
46	Workshop on Cashflow Lending	Cashflow Lending Workshop of Rural Bankers in Mindanao	May-00	Closed	6,045.61	4,216.00				-	4,216.00	1,829.61
47	Enhancement for Hardcode Computer System for RB- Talisayan	Hardcode Computer System for RB Talisayan	May-00	Closed	4,778.67	4,123.00				-	4,123.00	655.67
48	Purchase of Microbanker MBXD95 and Software for CRB Bukidnon	Microbanker MBXD95 + Software for CRB Bukidnon	May-00	Closed	872.64	-				-	-	872.64
49	Canceled	Canceled		Closed	-	-				-	-	-
50	Consultation and Planning Workshop with RBAP and MABS Technical	RBAP and MABS Technical Consultation and Planning Workshop	Jun-00	Closed	1,561.90	1,126.00				-	1,126.00	435.90
51	Big Byte Savings & Loans System for RB of Montevista	Participant Bank Rural Bank enhancement of Big ByteShopper Savings & Loans System	Jan-00	Closed	5,136.79	4,160.17				-	4,160.17	976.62
52	SEEP/APPEND Financial Ratio Analysis Course	Technical staff attended Financial Ratio Analysis Course	Aug-00	Closed	537.78	244.00				-	244.00	293.78
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	204.00				-	204.00	16.00
54	New RBAP Technical Staff Salaries & Support	In Process	Nov-00	Open	125,657.91	74,090.21	1,111.44			1,111.44	75,201.65	50,456.26
55	Training course for Sr. Management and MF Staff and Supervisors for Luzon and Visayas Banks	Sr. Mgt Course scheduled 1st week of May and MF staff and Supervisors scheduled last week of May	Apr-01	Closed	9,085.71	6,693.99				-	6,693.99	2,391.72
56	Impact Evaluation Study	Evaluation completed	Jun-01	Closed	1,345.05	1,592.00				-	1,592.00	(246.95)
57	Travel to Hongkong of Ms. Solis & Pineda	Attended the forum in Hong Kong	Aug-01	Closed	3,478.16	1,076.57				-	1,076.57	2,401.59
58	Credit Reference Bureau Development Support	On-going	Sep-01	Open	2,487.28	1,639.19				-	1,639.19	848.09
59	Training on USAID admin and financial management requirements	Two MABS staff attended the training	Feb-02	Closed	720.00	-				-	-	720.00
60	Roundtable events for Senior Management	On-going	Mar-02	Open	4,535.64	3,054.04	1,310.19		275.92	1,586.11	4,640.15	(104.51)
61	Videos for RBAP-MABS	Produced videos of MABS success.	Mar-02	Closed	4,179.27	4,645.87				-	4,645.87	(466.60)
62	Exposure Visit/Training and Planning for Sr. Mgt. of new MABS partner banks	On-going	Apr-02	Open	4,871.83	3,267.34				-	3,267.34	1,604.49
63	Commodities and Support of 3 New Partner Banks	On-going	Jun-02	Open	43,087.00	9,350.66	2,186.95	2,451.30	1,111.12	5,749.37	15,100.03	27,986.97
64	MFU Supervisors' Forum	On-going	Jul-02	Open	1,777.60	804.36				-	804.36	973.24
65	Canceled	Canceled	Canceled	Canceled	-	-				-	-	-
66	Commodities and Support of UCPB Rural Bank	On-going	Sep-02	Open	8,461.54	193.44				-	193.44	8,268.10
67	Supervisors Forum #2 and #3	On-going	Oct-02	Open	3,115.56	1,686.75				-	1,686.75	1,428.81
68	BSP Participation in MABS Modular Training Course	On-going	Oct-02	Open	1,005.48	-				-	-	1,005.48
69	PDA Loan Collection Module Enhancement of the MB System	On-going	Jan-03	Open	857.45	396.23				-	396.23	461.22
70	MABS-PSP Market Demand Survey	On-going	Feb-03	Open	639.17	528.87				-	528.87	110.30
71	Video Production of RBAP/MABS	On-going	Feb-03	Open	3,142.36	2,480.13				-	2,480.13	662.23
72	MABS Learning Centers, MABSers and PSP	On-going	Mar-03	Open	20,564.66	5,825.81	1,991.49	4,823.35	1,751.28	8,566.12	14,391.93	6,172.73
73	Sr. Management Orientation of 6th Roll-out Banks and PSP	On-going	Mar-03	Open	693.99	668.12				-	668.12	25.87
74	Microfinance Supervisors Forum #4 & #5	On-going	May-03	Open	2,490.57	389.22	40.57	5.02	14.82	60.41	449.63	2,040.94
75	Global Summit for Women	On-going	May-03		2,339.00		1,283.35			1,283.35	1,283.35	1,055.65
76	Commodities and Other Support of 3 Participant Banks	On-going	Jun-03	Open	9,409.12			58.36		58.36	58.36	9,350.76
77	Web Publishing Contractor for Production of MABS Training Materials	On-going	Jul-03	Open	6,096.42		1,141.51		672.22	1,813.73	1,813.73	4,282.69
78	Support for BSP Training in Microfinance Examination Procedures	On-going	Jul-03	Open	1,392.80				992.00	992.00	992.00	400.80
79	Videos Production for MABS Approach	On-going	Aug-03	Open	12,056.92			5,036.96	690.04	5,727.00	5,727.00	6,329.92

Chemonics International Inc.
 Philippines Microfinance Access to Banking Services
 Contract no. 492-C-00-98-00008-00
 As of the Quarter Ending September 30, 2003
 Special Activities Fund - In US Dollars

SAF	Title	Results	Approved	Status	ManCom Approved Budget	Expenses Thru Quarter 22	For the Quarter Expenses			Expenses Thru Quarter 23	Expenses To Date	Remaining Approved Budget
							July 2003	August 2003	September 2003			
	SUBTOTAL				2,315,772.14	2,004,234.76	9,065.50	12,374.99	5,507.40	26,947.89	2,031,182.65	284,589.49
	Add:											
	General & Administrative Costs					89,563.89	407.98	556.85	247.85	1,212.68	90,776.57	
	Fee					103,737.50	473.64	646.58	287.76	1,407.98	105,145.48	
	GRAND TOTAL				2,315,772.14	2,197,536.15	9,947.12	13,578.42	6,043.01	29,568.55	2,227,104.70	

MABS BANKS MICROFINANCE PERFORMANCE REPORT
CONSOLIDATED - BY AREA OF OPERATION (LUZON, VISAYAS AND MINDANAO)
SEPTEMBER 2003

PERFORMANCE DATA	LUZON	VISAYAS	MINDANAO	TOTAL
Number of banks	11	3	23	37
Number of participating branches	33	7	75	115
Number of active borrowers outstanding	5,088	1,306	37,323	43,717
Number of new borrowers	597	174	2,346	3,117
Number of repeat loans	876	307	4,708	5,891
Loan portfolio balance	45,629,863	12,213,847	236,337,468	294,181,178
Net change in number of deposit accounts	824	-1,397	175,842	175,269
Net change in deposit balance	16,914,585	-1,488,762	183,381,965	198,807,788
Number of microfinance field staff	65	19	326	410
Number of loans disbursed during the month	1,475	481	7,038	8,994
Cumulative number of new borrowers	5,625	2,556	93,295	101,476
Cumulative number of loans disbursed	15,081	8,142	267,444	290,667
Amount of loans disbursed during the month	21,470,889	7,475,500	81,715,034	110,661,423
Cumulative amount of loans disbursed	275,071,181	107,058,667	2,557,168,916	2,939,298,764
Portfolio at risk more than 7 days	1,844,049	78,983	11,629,807	13,552,839
Portfolio at risk more than 7 days (%)	4.04%	0.65%	5.53%	5.60%
Portfolio at risk more than 30 days	1,230,612	75,891	7,643,730	8,950,233
Portfolio at risk more than 30 days (%)	2.70%	0.62%	3.64%	3.70%

MONTHLY INCOME AND EXPENSE	LUZON	VISAYAS	MINDANAO	TOTAL
Financial income				
Interest income on loans	1,890,930	593,283	8,670,667	11,154,880
Service charge	741,662	212,329	3,582,049	4,536,040
Penalty fee on loans	75,338	25,662	173,356	274,356
Total financial income	2,707,930	831,274	12,426,072	15,965,276
Total financial expense	314,666	18,155	998,624	1,331,445
Gross financial margin (spread)	2,393,264	813,119	11,427,448	14,633,831
Loan loss provision	129,759	19,981	466,988	616,728
Net financial margin	2,263,505	793,138	10,960,460	14,017,103
Direct operating expenses				
MFU salaries and benefits	456,578	113,196	1,674,416	2,244,190
Gross receipts tax	61,351	0	579,428	640,779
Depreciation	29,461	27,817	369,745	427,023
Transportation	53,141	13,996	192,076	259,213
Supplies	18,025	12,134	80,237	110,396
Communication	8,848	1,270	14,448	24,566
Others	374,062	5,981	179,248	559,291
Total direct operating expenses	1,001,466	174,395	3,089,598	4,265,459
Training and professional fees	51,846	0	35,733	87,579
Net income before indirect expenses	1,210,192	618,743	7,835,130	9,664,065
Indirect expenses	331,264	14,261	1,578,927	1,924,452
Net income (loss)	878,928	604,482	6,256,203	7,739,613

MABS BANKS MICROFINANCE PERFORMANCE REPORT
CONSOLIDATED - BY ROLLOUT
SEPTEMBER 2003

PERFORMANCE DATA	Pilot Banks	1st Rollout Banks	2nd Rollout Banks	3rd Rollout Banks	4th Rollout Banks	5th Rollout Banks	6th Rollout Banks	TOTAL
Number of participating banks	4	10	6	8	3	5	1	37
Number of participating branches	4	45	23	26	3	13	1	115
Number of active borrowers outstanding	2,528	22,362	9,951	3,243	2,482	3,125	26	43,717
Number of new borrowers	121	1,725	393	346	107	419	6	3,117
Number of repeat loans	106	2,748	1,596	710	258	469	4	5,891
Loan portfolio balance	16,716,597	120,560,033	84,508,519	41,759,208	14,552,319	15,955,916	128,586	294,181,178
Net change in number of deposit accounts	5,358	82,179	82,844	-3,193	5,461	2,628	-8	175,269
Net change in deposit balance	10,820,976	74,486,539	93,768,134	13,211,767	4,306,316	2,332,829	-118,773	198,807,788
Number of microfinance field staff	18	193	99	54	16	29	1	410
Number of loans disbursed during the month	227	4,473	1,973	1,058	365	888	10	8,994
Cumulative number of new borrowers	8,645	64,439	19,541	6,083	670	2,072	26	101,476
Cumulative number of loans disbursed	22,446	172,947	70,537	17,970	1,514	5,223	30	290,667
Amount of loans disbursed during the month	2,501,900	43,876,504	31,121,630	21,184,889	4,215,000	7,659,500	102,000	110,661,423
Cumulative amount of loans disbursed	207,575,082	1,439,554,528	891,208,575	326,184,148	18,830,731	55,741,700	204,000	2,939,298,764
Portfolio at risk more than 7 days	1,389,097	6,072,803	3,830,021	1,687,548	337,886	235,484	0	13,552,839
Portfolio at risk more than 7 days (%)	17.27%	6.42%	5.71%	4.04%	2.32%	1.48%	0.00%	5.60%
Portfolio at risk more than 30 days	890,643	3,997,800	2,574,368	1,206,687	180,919	99,816	0	8,950,233
Portfolio at risk more than 30 days (%)	11.07%	4.23%	3.84%	2.89%	1.24%	0.63%	0.00%	3.70%

MONTHLY INCOME AND EXPENSE	Pilot Banks	1st Rollout Banks	2nd Rollout Banks	3rd Rollout Banks	4th Rollout Banks	5th Rollout Banks	6th Rollout Banks	TOTAL
Financial income								
Interest income on loans	380,505	4,206,497	3,309,732	1,810,884	773,933	666,935	6,394	11,154,880
Service charge	73,925	1,484,668	1,743,800	665,557	279,656	281,412	7,022	4,536,040
Penalty fee on loans	46,566	37,323	83,663	88,705	5,804	12,295	0	274,356
Total financial income	500,996	5,728,488	5,137,195	2,565,146	1,059,393	960,642	13,416	15,965,276
Total financial expense	30,887	435,103	452,605	250,637	80,029	82,145	39	1,331,445
Gross financial margin (spread)	470,109	5,293,385	4,684,590	2,314,509	979,364	878,497	13,377	14,633,831
Loan loss provision	228,571	129,388	96,416	85,747	12,613	63,024	969	616,728
Net financial margin	241,538	5,163,997	4,588,174	2,228,762	966,751	815,473	12,408	14,017,103
Direct operating expenses								
MFU salaries and benefits	47,362	790,456	399,241	397,889	437,357	162,080	9,805	2,244,190
Gross receipts tax	25,049	286,427	256,861	49,598	11,091	11,753	0	640,779
Depreciation	0	0	0	45,436	369,745	11,777	65	427,023
Transportation	0	0	0	33,827	192,076	31,550	1,760	259,213
Supplies	0	0	0	16,580	80,237	11,939	1,640	110,396
Communication	0	0	0	4,090	14,448	6,028	0	24,566
Others	0	0	0	304,976	179,248	75,067	0	559,291
Total direct operating expenses	72,411	1,076,883	656,102	852,397	1,284,202	310,194	13,270	4,265,459
Training and professional fees	0	0	1	5,752	35,732	24,267	21,827	87,579
Net income before indirect expenses	169,127	4,087,114	3,932,072	1,370,613	-353,183	481,012	-22,690	9,664,065
Indirect expenses	0	0	1	198,196	1,578,926	139,888	7,441	1,924,452
Net income (loss)	169,127	4,087,114	3,932,071	1,172,417	-1,932,109	341,124	-30,131	7,739,613

Note: PAR amounts and percent do not include those of Enterprise Bank, Sarangani Rural Bank, Tagum Rural Bank, and Tacurong Rural Bank, which were not able to submit reports in September 2003.

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

PERFORMANCE DATA	Sep 2002	Oct 2002	Nov 2002	Dec 2002	Jan 2003	Feb 2003	Mar 2003	Apr 2003	May 2003	Jun 2003	Jul 2003	Aug 2003	Sep 2003
No of participating bank units	89	97	101	102	102	102	105	106	107	110	113	114	115
Number of active borrowers outstanding	32,306	33,540	33,792	33,587	34,176	33,579	35,364	35,402	38,005	39,456	42,202	43,226	43,717
Number of new borrowers	2,979	3,307	2,767	2,471	3,098	3,282	3,621	3,147	3,573	3,766	3,993	3,632	3,117
Number of repeat loans	5,937	7,082	6,047	6,334	6,888	5,747	6,795	6,468	5,940	5,295	6,458	5,863	5,891
Loan portfolio balance	211,140,435	216,592,317	221,151,583	224,785,536	229,064,229	230,194,040	239,634,648	234,356,324	260,861,534	272,954,855	282,881,741	291,654,160	294,181,178
Net change in number of deposit accounts	119,028	130,814	137,030	135,627	129,437	136,904	143,917	150,468	149,522	161,534	165,319	171,603	175,269
Net change in deposit balance	135,605,189	156,822,795	161,922,244	162,752,853	162,117,200	184,508,781	199,108,380	189,527,374	188,478,120	197,473,698	205,399,697	193,757,557	198,807,788
Number of microfinance field staff	364	376	342	353	366	373	382	380	381	385	409	411	410
Number of loans disbursed during the month	8,916	10,389	8,814	8,805	9,986	9,029	10,416	9,558	9,513	9,394	10,598	9,495	8,994
Cumulative number of new borrowers	61,731	65,065	67,813	70,323	73,421	76,703	80,321	83,538	86,843	90,693	94,712	98,359	101,476
Cumulative number of loans disbursed	171,251	184,463	193,277	203,713	213,699	222,798	233,311	242,923	250,426	259,679	271,818	281,316	290,667
Amount of loans disbursed during the month	94,798,214	113,743,665	101,854,815	102,392,602	111,695,898	102,154,492	110,626,674	102,760,102	111,446,997	108,458,627	123,011,779	110,737,241	110,661,423
Cumulative amount of loans disbursed	1,647,706,763	1,761,390,928	1,847,962,743	1,953,923,745	2,065,619,643	2,151,659,635	2,263,273,009	2,366,003,111	2,464,744,194	2,572,201,721	2,708,478,000	2,819,229,241	2,939,298,764
Portfolio at risk more than 7 days	9,345,217	10,236,685	9,868,991	10,522,001	13,175,572	13,765,098	13,925,725	14,654,285	12,990,860	12,110,975	11,502,426	13,243,402	13,552,839
Portfolio at risk more than 7 days (%)	4.60%	4.73%	4.46%	4.68%	5.75%	5.98%	5.81%	6.25%	5.79%	5.34%	4.87%	5.45%	5.60%
Portfolio at risk more than 30 days	6,714,561	6,129,288	6,951,857	6,961,375	8,410,414	8,711,966	9,383,570	9,347,898	9,010,618	8,754,096	8,262,767	8,581,897	8,950,233
Portfolio at risk more than 30 days (%)	3.20%	2.83%	3.14%	3.10%	3.67%	3.78%	3.92%	3.99%	4.02%	3.86%	3.50%	3.53%	3.70%

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

PERFORMANCE DATA	Digos	Sto Tomas	Saranggani¹	Tagum²	TOTAL
Number of participating branches	1	1	1	1	4
Number of active borrowers outstanding	355	726	941	506	2,528
Number of new borrowers	16	105	N/A	N/A	121
Number of repeat loans	52	54	N/A	N/A	106
Loan portfolio balance	1,834,796	6,207,388	2,763,032	5,911,381	16,716,597
Net change in number of deposit accounts	-2,278	2,542	2,302	2,792	5,358
Net change in deposit balance	1,146,739	3,823,538	2,558,167	3,292,532	10,820,976
Number of microfinance field staff	4	6	5	3	18
Number of loans disbursed during the month	68	159	N/A	N/A	227
Cumulative number of new borrowers	1,356	2,110	3,381	1,798	8,645
Cumulative number of loans disbursed	7,361	7,632	4,853	2,600	22,446
Amount of loans disbursed during the month	634,100	1,867,800	N/A	N/A	2,501,900
Cumulative amount of loans disbursed	60,951,640	88,101,480	22,849,362	35,672,600	207,575,082
Portfolio at risk more than 7 days	261,988	1,127,109	N/A	N/A	1,389,097
Portfolio at risk more than 7 days (%)	14.28%	18.16%	N/A	N/A	17.27%
Portfolio at risk more than 30 days	236,557	654,086	N/A	N/A	890,643
Portfolio at risk more than 30 days (%)	12.89%	10.54%	N/A	N/A	11.07%

MONTHLY INCOME AND EXPENSE	Digos	Sto Tomas	Saranggani	Tagum	TOTAL
Financial income					
Interest income on loans	94,257	286,248	N/A	N/A	380,505
Service charge	19,023	54,902	N/A	N/A	73,925
Penalty fee on loans	3,827	42,739	N/A	N/A	46,566
Total financial income	117,107	383,889	N/A	N/A	500,996
Total financial expense	9,596	21,291	N/A	N/A	30,887
Gross financial margin (spread)	107,511	362,598	N/A	N/A	470,109
Loan loss provision	0	228,571	N/A	N/A	228,571
Net financial margin	107,511	134,027	N/A	N/A	241,538
Direct operating expenses					
MFU salaries and benefits	17,716	29,646	N/A	N/A	47,362
Gross receipts tax	5,855	19,194	N/A	N/A	25,049
Depreciation	0	0	N/A	N/A	0
Transportation	0	0	N/A	N/A	0
Supplies	0	0	N/A	N/A	0
Communication	0	0	N/A	N/A	0
Others	0	0	N/A	N/A	0
Total direct operating expenses	23,571	48,840	N/A	N/A	72,411
Training and professional fees	0	0	N/A	N/A	0
Net income before indirect expenses	83,940	85,187	N/A	N/A	169,127
Indirect expenses	0	0	N/A	N/A	0
Net income (loss)	83,940	85,187	N/A	N/A	169,127

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

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

MABS MICROFINANCE PERFORMANCE REPORT
1st ROLLOUT BANKS
SEPTEMBER 2003

PERFORMANCE DATA	Bukidnon	Cantilan	Misamis Oriental	Enterprise ¹	Kapatagan	Talisayan	Network	Lebak	Panabo	Montevista	TOTAL
Number of participating branches	4	5	2	5	6	3	8	1	2	9	45
Number of active borrowers outstanding	2,419	4,087	765	5,131	1,233	1,546	725	462	241	5,753	22,362
Number of new borrowers	202	632	38	N/A	77	143	152	73	79	329	1,725
Number of repeat loans	518	312	139	N/A	338	316	30	161	9	925	2,748
Loan portfolio balance	11,725,428	21,669,549	8,382,743	25,969,952	10,785,035	7,932,440	9,274,044	2,848,141	2,484,310	19,488,391	120,560,033
Net change in number of deposit accounts	10,556	25,736	8,213	1,774	7,313	8,722	9,926	-686	5,859	4,766	82,179
Net change in deposit balance	8,646,935	21,172,196	7,486,970	995,418	5,575,645	8,855,967	15,689,828	-375,323	1,682,047	4,756,856	74,486,539
Number of microfinance field staff	19	32	10	47	17	15	10	3	4	36	193
Number of loans disbursed during the month	720	944	177	NA	415	459	182	234	88	1,254	4,473
Cumulative number of new borrowers	9,358	15,434	4,539	7,565	1,734	3,172	4,599	792	2,437	14,809	64,439
Cumulative number of loans disbursed	24,218	23,735	10,466	33,933	10,464	12,030	6,148	4,721	3,395	43,837	172,947
Amount of loans disbursed during the month	6,522,200	8,693,959	3,580,631	N/A	6,432,000	3,570,100	3,533,000	2,290,500	1,999,114	7,255,000	43,876,504
Cumulative amount of loans disbursed	213,669,617	214,029,689	142,691,198	273,020,167	101,839,232	81,742,348	112,208,671	32,922,892	42,895,066	224,535,648	1,439,554,528
Portfolio at risk more than 7 days	938,191	221,999	1,386,205	N/A	208,437	455,940	1,233,054	54,437	277,828	1,296,712	6,072,803
Portfolio at risk more than 7 days (%)	8.00%	1.02%	16.54%	N/A	1.93%	5.75%	13.30%	1.91%	11.18%	6.65%	6.42%
Portfolio at risk more than 30 days	669,736	95,293	1,076,727	N/A	103,660	284,602	978,863	46,024	24,441	718,454	3,997,800
Portfolio at risk more than 30 days (%)	5.71%	0.44%	12.84%	N/A	0.96%	3.59%	10.55%	1.62%	0.98%	3.69%	4.23%

MONTHLY INCOME AND EXPENSE	Bukidnon	Cantilan	Misamis Oriental	Enterprise ¹	Kapatagan	Talisayan	Network	Lebak	Panabo	Montevista	TOTAL
Financial income											
Interest income on loans	538,828	1,033,507	224,461	N/A	500,775	345,037	315,016	110,860	139,530	998,483	4,206,497
Service charge	226,405	197,113	135,214	N/A	157,230	126,061	187,346	39,581	55,514	360,204	1,484,668
Penalty fee on loans	3,149	439	193	N/A	16,343	6,825	1,959	610	238	7,567	37,323
Total financial income	768,382	1,231,059	359,868	N/A	674,348	477,923	504,321	151,051	195,282	1,366,254	5,728,488
Total financial expense	113,947	93,034	23,555	N/A	49,721	30,689	29,999	12,817	20,123	61,218	435,103
Gross financial margin (spread)	654,435	1,138,025	336,313	N/A	624,627	447,234	474,322	138,234	175,159	1,305,036	5,293,385
Loan loss provision	2,159	7,294	0	N/A	30,063	0	6,064	5,782	1,081	76,945	129,388
Net financial margin	652,276	1,130,731	336,313	N/A	594,564	447,234	468,258	132,452	174,078	1,228,091	5,163,997
Direct operating expenses											
MFU salaries and benefits	125,838	188,772	74,144	N/A	103,675	63,008	54,467	20,868	20,970	138,714	790,456
Gross receipts tax	38,419	61,554	17,993	N/A	33,718	23,896	25,217	7,553	9,764	68,313	286,427
Depreciation	0	0	0	N/A	0	0	0	0	0	0	0
Transportation	0	0	0	N/A	0	0	0	0	0	0	0
Supplies	0	0	0	N/A	0	0	0	0	0	0	0
Communication	0	0	0	N/A	0	0	0	0	0	0	0
Others	0	0	0	N/A	0	0	0	0	0	0	0
Total direct operating expenses	164,257	250,326	92,137	N/A	137,393	86,904	79,684	28,421	30,734	207,027	1,076,883
Training and professional fees	0	0	0	N/A	0	0	0	0	0	0	0
Net income before indirect expenses	488,019	880,405	244,176	N/A	457,171	360,330	388,574	104,031	143,344	1,021,064	4,087,114
Indirect expenses	0	0	0	N/A	0	0	0	0	0	0	0
Net income (loss)	488,019	880,405	244,176	N/A	457,171	360,330	388,574	104,031	143,344	1,021,064	4,087,114

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

MABS MICROFINANCE PERFORMANCE REPORT
2nd ROLLOUT BANKS
SEPTEMBER 2003

PERFORMANCE DATA	Dipolog	Green Bank	Oroquieta	Siam	Century	Tacurong¹	TOTAL
Number of participating branches	1	11	1	6	3	1	23
Number of active borrowers outstanding	321	5,095	195	842	337	3,161	9,951
Number of new borrowers	10	261	54	45	23	N/A	393
Number of repeat loans	81	1,146	14	283	72	N/A	1,596
Loan portfolio balance	3,328,810	52,642,629	2,082,463	7,149,368	1,908,569	17,396,680	84,508,519
Net change in number of deposit accounts	680	67,448	501	5,057	2,652	6,506	82,844
Net change in deposit balance	3,570,282	80,996,794	307,170	2,323,513	2,560,397	4,009,978	93,768,134
Number of microfinance field staff	4	53	4	15	6	17	99
Number of loans disbursed during the month	91	1,407	52	328	95	N/A	1,973
Cumulative number of new borrowers	741	9,943	2,003	2,468	1,447	2,939	19,541
Cumulative number of loans disbursed	3,473	37,873	4,565	11,005	3,571	10,050	70,537
Amount of loans disbursed during the month	1,663,000	22,928,030	951,700	4,688,900	890,000	N/A	31,121,630
Cumulative amount of loans disbursed	52,684,000	541,634,145	29,763,741	146,650,517	27,503,500	92,972,672	891,208,575
Portfolio at risk more than 7 days	404,155	2,460,082	48,390	774,153	143,241	N/A	3,830,021
Portfolio at risk more than 7 days (%)	12.14%	4.67%	2.32%	10.83%	7.51%	N/A	5.71%
Portfolio at risk more than 30 days	240,078	1,779,896	37,579	418,375	98,440	N/A	2,574,368
Portfolio at risk more than 30 days (%)	7.21%	3.38%	1.80%	5.85%	5.16%	N/A	3.84%

MONTHLY INCOME & EXPENSE	Dipolog	Green Bank	Oroquieta	Siam	Century	Tacurong	TOTAL
Financial income							
Interest income on loans	130,765	2,652,877	87,385	325,098	113,607	N/A	3,309,732
Service charge	54,879	1,295,094	19,498	302,613	71,716	N/A	1,743,800
Penalty fee on loans	3,708	75,262	0	4,570	123	N/A	83,663
Total financial income	189,352	4,023,233	106,883	632,281	185,446	N/A	5,137,195
Total financial expense	14,713	301,211	3,478	121,752	11,451	N/A	452,605
Gross financial margin (spread)	174,639	3,722,022	103,405	510,529	173,995	N/A	4,684,590
Loan loss provision	11,381	56,914	0	11,093	17,028	N/A	96,416
Net financial margin	163,258	3,665,108	103,405	499,436	156,967	N/A	4,588,174
Direct operating expenses							
MFU salaries and benefits	22,552	271,943	17,844	63,802	23,100	N/A	399,241
Gross receipts tax	9,468	201,163	5,344	31,614	9,272	N/A	256,861
Depreciation	0	0	0	0	0	N/A	0
Transportation	0	0	0	0	0	N/A	0
Supplies	0	0	0	0	0	N/A	0
Communication	0	0	0	0	0	N/A	0
Others	0	0	0	0	0	N/A	0
Total direct operating expenses	32,020	473,106	23,188	95,416	32,372	N/A	656,102
Training and professional fees	0	0	1	0	0	N/A	1
Net income before indirect expenses	131,238	3,192,002	80,217	404,020	124,595	N/A	3,932,072
Indirect expenses	0	0	1	0	0	N/A	1
Net income (loss)	131,238	3,192,002	80,216	404,020	124,595	N/A	3,932,071

¹ Rural Bank of Tacurong numbers are for branches and clients outstanding as of August 2003, computation of Total Portfolio at Risk (%) excludes RBT loan portfolio

MABS MICROFINANCE PERFORMANCE REPORT
3rd ROLLOUT BANKS
SEPTEMBER 2003

PERFORMANCE DATA	Bogo	Dulag	Victorias	FICO	Florida	Kabayan	Macro	Rang-Ay	TOTAL
Number of participating branches	2	3	2	4	3	4	4	4	26
Number of active borrowers outstanding	144	891	271	665	72	513	461	226	3,243
Number of new borrowers	5	121	48	43	3	42	56	28	346
Number of repeat loans	34	226	47	139	15	117	92	40	710
Loan portfolio balance	766,775	7,911,534	3,535,538	12,144,792	1,250,273	7,833,079	5,726,545	2,590,672	41,759,208
Net change in number of deposit accounts	573	-1,235	-735	435	971	-2,713	289	-778	-3,193
Net change in deposit balance	380,852	-1,990,601	120,987	4,141,202	2,951,033	3,970,330	4,428,866	-790,902	13,211,767
Number of microfinance field staff	4	13	2	11	3	6	7	8	54
Number of loans disbursed during the month	39	347	95	182	18	159	148	70	1,058
Cumulative number of new borrowers	346	1,594	616	1,102	289	791	1,045	300	6,083
Cumulative number of loans disbursed	1,302	5,587	1,253	3,235	707	2,523	1,867	1,496	17,970
Amount of loans disbursed during the month	397,000	5,317,000	1,761,500	4,899,000	504,000	3,957,500	3,184,889	1,164,000	21,184,889
Cumulative amount of loans disbursed	9,846,765	80,701,000	16,510,902	80,875,700	13,328,100	69,799,100	35,744,581	19,378,000	326,184,148
Portfolio at risk more than 7 days	49,284	0	29,699	634,005	44,125	202,404	320,153	407,878	1,687,548
Portfolio at risk more than 7 days (%)	6.43%	0.00%	0.84%	5.22%	3.53%	2.58%	5.59%	15.74%	4.04%
Portfolio at risk more than 30 days	48,822	0	27,069	402,190	44,125	138,434	277,627	268,420	1,206,687
Portfolio at risk more than 30 days (%)	6.37%	0.00%	0.77%	3.31%	3.53%	1.77%	4.85%	10.36%	2.89%

MONTHLY INCOME & EXPENSE	Bogo	Dulag	Victorias	FICO	Florida	Kabayan	Macro	Rang-Ay	TOTAL
Financial income									
Interest income on loans	55,237	432,231	105,815	518,372	69,811	285,847	215,707	127,864	1,810,884
Service charge	15,880	159,510	36,939	211,590	16,020	79,150	101,656	44,812	665,557
Penalty fee on loans	7,084	0	18,578	23,203	0	8,296	15,654	15,890	88,705
Total financial income	78,201	591,741	161,332	753,165	85,831	373,293	333,017	188,566	2,565,146
Total financial expense									
Depreciation	762	11,211	6,182	70,160	14,587	71,303	52,380	24,052	250,637
Gross financial margin (spread)	77,439	580,530	155,150	683,005	71,244	301,990	280,637	164,514	2,314,509
Loan loss provision	0	13,028	6,953	46,832	0	6,058	12,876	0	85,747
Net financial margin	77,439	567,502	148,197	636,173	71,244	295,932	267,761	164,514	2,228,762
Direct operating expenses									
MFU salaries and benefits	16,150	73,804	23,242	81,607	16,450	76,663	68,695	41,278	397,889
Gross receipts tax	0	0	0	6,926	0	18,665	14,579	9,428	49,598
Depreciation	963	20,229	6,625	5,981	3,364	0	5,276	2,998	45,436
Transportation	4,549	8,228	1,219	14,500	0	1,864	3,467	0	33,827
Supplies	0	11,864	270	1,920	0	1,101	1,425	0	16,580
Communication	189	1,081	0	2,320	0	500	0	0	4,090
Others	0	5,943	38	0	6,109	0	282,456	10,430	304,976
Total direct operating expenses	21,851	121,149	31,395	113,254	25,923	98,793	375,898	64,134	852,397
Training and professional fees	0	0	0	0	0	5,752	0	0	5,752
Net income before indirect expenses	55,588	446,353	116,802	522,919	45,321	191,387	-108,137	100,380	1,370,613
Indirect expenses	3,151	10,394	716	9,027	0	0	174,908	0	198,196
Net income (loss)	52,437	435,959	116,086	513,892	45,321	191,387	-283,045	100,380	1,172,417

MABS MICROFINANCE PERFORMANCE REPORT
4th ROLLOUT BANKS
SEPTEMBER 2003

PERFORMANCE DATA	Isulan	Maranao	Paglas	TOTAL
Number of participating branches	1	1	1	3
Number of active borrowers outstanding	247	2,012	223	2,482
Number of new borrowers	21	60	26	107
Number of repeat loans	28	207	23	258
Loan portfolio balance	1,187,201	11,665,533	1,699,585	14,552,319
Net change in number of deposit accounts	5,159	-	302	5,461
Net change in deposit balance	3,664,187	186,864	455,265	4,306,316
Number of microfinance field staff	5	8	3	16
Number of loans disbursed during the month	49	267	49	365
Cumulative number of new borrowers	236	160	274	670
Cumulative number of loans disbursed	408	576	530	1,514
Amount of loans disbursed during the month	542,000	3,016,000	657,000	4,215,000
Cumulative amount of loans disbursed	4,610,731	6,376,000	7,844,000	18,830,731
Portfolio at risk more than 7 days	85,376	79,049	173,461	337,886
Portfolio at risk more than 7 days (%)	7.19%	0.68%	10.21%	2.32%
Portfolio at risk more than 30 days	56,530	78,449	45,940	180,919
Portfolio at risk more than 30 days (%)	4.76%	0.67%	2.70%	1.24%

MONTHLY INCOME & EXPENSE	Isulan	Maranao	Paglas	TOTAL
Financial income				
Interest income on loans	67,113	598,214	108,606	773,933
Service charge	18,700	239,360	21,596	279,656
Penalty fee on loans	0	0	5,804	5,804
Total financial income	85,813	837,574	136,006	1,059,393
Total financial expense	22,940	54,256	2,833	80,029
Gross financial margin (spread)	62,873	783,318	133,173	979,364
Loan loss provision	5,195	0	7,418	12,613
Net financial margin	57,678	783,318	125,755	966,751
Direct operating expenses				
MFU salaries and benefits	19,000	402,000	16,357	437,357
Gross receipts tax	4,291	0	6,800	11,091
Depreciation	979	364,860	3,906	369,745
Transportation	0	189,726	2,350	192,076
Supplies	0	79,851	386	80,237
Communication	0	14,448	0	14,448
Others	4,476	174,272	500	179,248
Total direct operating expenses	28,746	1,225,157	30,299	1,284,202
Training and professional fees	0	27,842	7,890	35,732
Net income before indirect expenses	28,932	-469,681	87,566	-353,183
Indirect expenses	0	1,573,466	5,460	1,578,926
Net income (loss)	28,932	-2,043,147	82,106	-1,932,109

MABS MICROFINANCE PERFORMANCE REPORT
5th ROLLOUT BANKS
SEPTEMBER 2003

PERFORMANCE DATA	Bangko Mabuhay	Country Bank	Libon	Mabitac	Pagbilao	TOTAL
Number of participating branches	1	1	4	6	1	13
Number of active borrowers outstanding	112	99	2,324	529	61	3,125
Number of new borrowers	24	6	287	96	6	419
Number of repeat loans	9	13	338	99	10	469
Loan portfolio balance	1,176,768	670,293	8,963,580	4,778,669	366,606	15,955,916
Net change in number of deposit accounts	717	407	827	553	124	2,628
Net change in deposit balance	569,049	122,873	-708,758	1,713,190	636,475	2,332,829
Number of microfinance field staff	3	2	14	9	1	29
Number of loans disbursed during the month	33	19	625	195	16	888
Cumulative number of new borrowers	136	127	999	694	116	2,072
Cumulative number of loans disbursed	192	243	3,428	1,184	176	5,223
Amount of loans disbursed during the month	635,000	260,000	3,715,000	2,865,500	184,000	7,659,500
Cumulative amount of loans disbursed	3,960,000	3,120,000	28,390,200	18,769,500	1,502,000	55,741,700
Portfolio at risk more than 7 days	0	0	19,640	200,223	15,621	235,484
Portfolio at risk more than 7 days (%)	0.00%	0.00%	0.22%	4.19%	4.26%	1.48%
Portfolio at risk more than 30 days	0	0	0	92,068	7,748	99,816
Portfolio at risk more than 30 days (%)	0.00%	0.00%	0.00%	1.93%	2.11%	0.63%

MONTHLY INCOME & EXPENSE	Bangko Mabuhay	Country Bank	Libon	Mabitac	Pagbilao	TOTAL
Financial income						
Interest income on loans	61,253	42,147	343,416	199,290	20,829	666,935
Service charge	19,850	5,200	155,279	96,366	4,717	281,412
Penalty fee on loans	0	0	876	11,165	254	12,295
Total financial income	81,103	47,347	499,571	306,821	25,800	960,642
Total financial expense	3,960	3,351	45,805	28,605	424	82,145
Gross financial margin (spread)	77,143	43,996	453,766	278,216	25,376	878,497
Loan loss provision	1,709	0	26,243	35,072	0	63,024
Net financial margin	75,434	43,996	427,523	243,144	25,376	815,473
Direct operating expenses						
MFU salaries and benefits	25,947	16,500	62,611	49,240	7,782	162,080
Gross receipt tax	0	2,367	8,096	0	1,290	11,753
Depreciation	388	875	6,452	2,818	1,244	11,777
Transportation	0	280	17,533	13,577	160	31,550
Supplies	2,115	1,000	7,625	1,039	160	11,939
Communication	213	0	5,168	200	447	6,028
Others	21,251	1,000	47,078	5,738	0	75,067
Total direct operating expense	49,914	22,022	154,563	72,612	11,083	310,194
Training and professional fees	0	0	19,270	4,997	0	24,267
Net income before indirect expenses	25,520	21,974	253,690	165,535	14,293	481,012
Indirect expenses	57,730	0	75,963	6,195	0	139,888
Net income (loss)	-32,210	21,974	177,727	159,340	14,293	341,124

MABS MICROFINANCE PERFORMANCE REPORT
6th ROLLOUT BANKS
SEPTEMBER 2003

PERFORMANCE DATA	Labrador
Number of participating branches	1
Number of active borrowers outstanding	26
Number of new borrowers	6
Number of repeat loans	4
Loan portfolio balance	128,586
Net change in number of deposit accounts	-8
Net change in deposit balance	-118,773
Number of microfinance field staff	1
Number of loans disbursed during the month	10
Cumulative number of new borrowers	26
Cumulative number of loans disbursed	30
Amount of loans disbursed during the month	102,000
Cumulative amount of loans disbursed	204,000
Portfolio at risk more than 7 days	0
Portfolio at risk more than 7 days (%)	0.00%
Portfolio at risk more than 30 days	0
Portfolio at risk more than 30 days (%)	0.00%

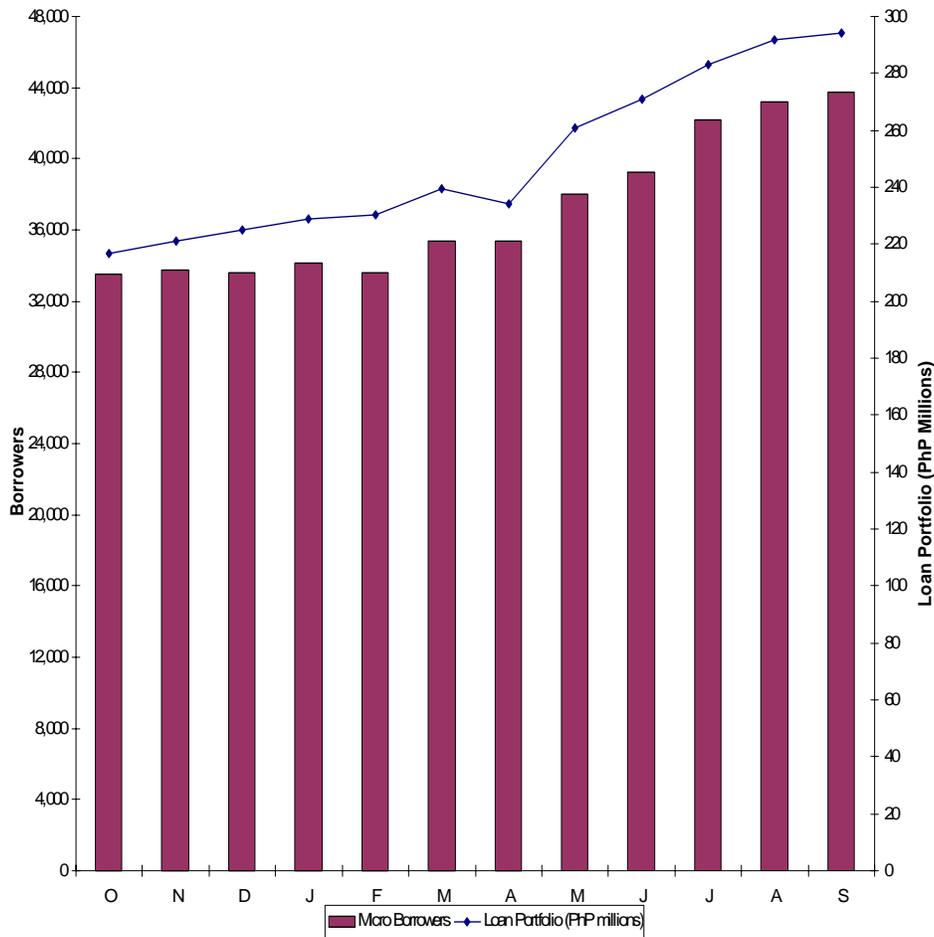
MONTHLY INCOME & EXPENSE	Labrador
Financial income	
Interest income on loans	6,394
Service charge	7,022
Penalty fee on loans	0
Total financial income	13,416
Total financial expense	39
Gross financial margin (spread)	13,377
Loan loss provision	969
Net financial margin	12,408
Direct operating expenses	
MFU salaries and benefits	9,805
Gross receipt tax	0
Depreciation	65
Transportation	1,760
Supplies	1,640
Communication	0
Others	0
Total direct operating expense	13,270
Training and professional fees	21,827
Net income before indirect expenses	-22,690
Indirect expenses	7,441
Net income (loss)	-30,131

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

PERFORMANCE DATA	Digos	Sto Tomas	Bukidnon	Misamis Oriental	Network	Dipolog	Siam	Century	Bogo	Rang-Ay	TOTAL
Number of participating branches	1	1	4	2	8	1	6	3	2	4	32
Number of active borrowers outstanding	355	726	2,419	765	725	321	842	337	144	226	6,860
Number of new borrowers	16	105	202	38	152	10	45	23	5	28	624
Number of repeat loans	52	54	518	139	30	81	283	72	34	40	1,303
Loan portfolio balance	1,834,796	6,207,388	11,725,428	8,382,743	9,274,044	3,328,810	7,149,368	1,908,569	766,775	2,590,672	53,168,593
Net change in number of deposit accounts	-2,278	2,542	10,556	8,213	9,926	680	5,057	2,652	573	-778	37,143
Net change in deposit balance	1,146,739	3,823,538	8,646,935	7,486,970	15,689,828	3,570,282	2,323,513	2,560,397	380,852	-790,902	44,838,152
Number of microfinance field staff	4	6	19	10	10	4	15	6	4	8	86
Number of loans disbursed during the month	68	159	720	177	182	91	328	95	39	70	1,929
Cumulative number of new borrowers	1,356	2,110	9,358	4,539	4,599	741	2,468	1,447	346	300	27,264
Cumulative number of loans disbursed	7,361	7,632	24,218	10,466	6,148	3,473	11,005	3,571	1,302	1,496	76,672
Amount of loans disbursed during the month	634,100	1,867,800	6,522,200	3,580,631	3,533,000	1,663,000	4,688,900	890,000	397,000	1,164,000	24,940,631
Cumulative amount of loans disbursed	60,951,640	88,101,480	213,669,617	142,691,198	112,208,671	52,684,000	146,650,517	27,503,500	9,846,765	19,378,000	873,685,388
Portfolio at risk more than 7 days	261,988	1,127,109	938,191	1,386,205	1,233,054	404,155	774,153	143,241	49,284	407,878	6,725,258
Portfolio at risk more than 7 days (%)	14.28%	18.16%	8.00%	16.54%	13.30%	12.14%	10.83%	7.51%	6.43%	15.74%	12.65%
Portfolio at risk more than 30 days	236,557	654,086	669,736	1,076,727	978,863	240,078	418,375	98,440	48,822	268,420	4,690,104
Portfolio at risk more than 30 days (%)	12.89%	10.54%	5.71%	12.84%	10.55%	7.21%	5.85%	5.16%	6.37%	10.36%	8.82%

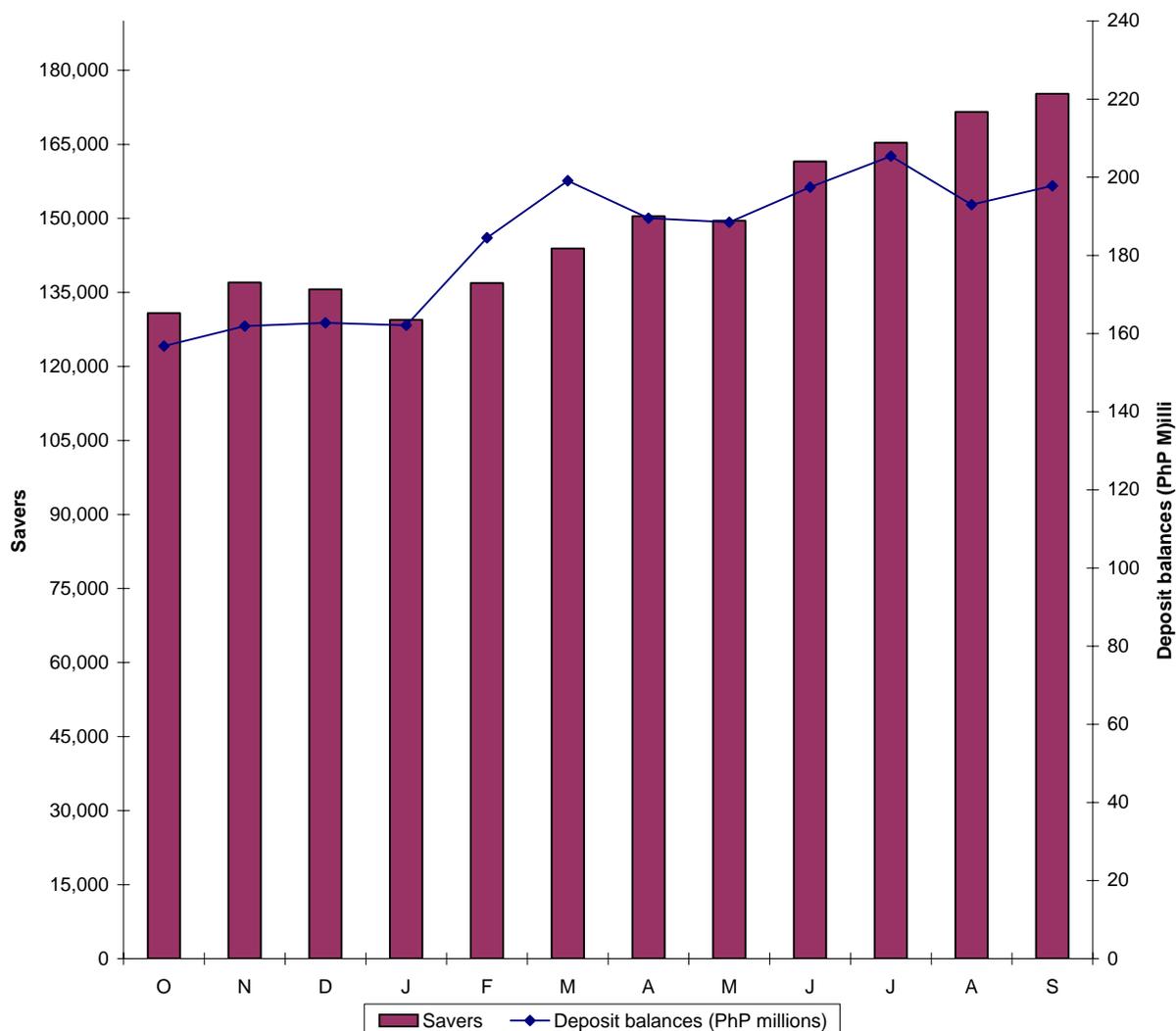
MONTHLY INCOME AND EXPENSE	Digos	Sto Tomas	Bukidnon	Misamis Oriental	Network	Dipolog	Siam	Century	Bogo	Rang-Ay	TOTAL
Financial income											
Interest income on loans	94,257	286,248	538,828	224,461	315,016	130,765	325,098	113,607	55,237	127,864	2,211,381
Service charge	19,023	54,902	226,405	135,214	187,346	54,879	302,613	71,716	15,880	44,812	1,112,790
Penalty fee on loans	3,827	42,739	3,149	193	1,959	3,708	4,570	123	7,084	15,890	83,242
Total financial income	117,107	383,889	768,382	359,868	504,321	189,352	632,281	185,446	78,201	188,566	3,407,413
Total financial expense	9,596	21,291	113,947	23,555	29,999	14,713	121,752	11,451	762	24,052	371,118
Gross financial margin (spread)	107,511	362,598	654,435	336,313	474,322	174,639	510,529	173,995	77,439	164,514	3,036,295
Loan loss provision	0	228,571	2,159	0	6,064	11,381	11,093	17,028	0	0	276,296
Net financial margin	107,511	134,027	652,276	336,313	468,258	163,258	499,436	156,967	77,439	164,514	2,759,999
Direct operating expenses	0	0	0	0	0	0	0	0	0	0	0
MFU salaries and benefits	17,716	29,646	125,838	74,144	54,467	22,552	63,802	23,100	16,150	41,278	468,693
Gross receipts tax	5,855	19,194	38,419	17,993	25,217	9,468	31,614	9,272	0	9,428	166,460
Depreciation	0	0	0	0	0	0	0	0	963	2,998	3,961
Transportation	0	0	0	0	0	0	0	0	4,549	0	4,549
Supplies	0	0	0	0	0	0	0	0	0	0	0
Communication	0	0	0	0	0	0	0	0	189	0	189
Others	0	0	0	0	0	0	0	0	0	10,430	10,430
Total direct operating expenses	23,571	48,840	164,257	92,137	79,684	32,020	95,416	32,372	21,851	64,134	654,282
Training and professional fees	0	0	0	0	0	0	0	0	0	0	0
Net income before indirect expenses	83,940	85,187	488,019	244,176	388,574	131,238	404,020	124,595	55,588	100,380	2,105,717
Indirect expenses	0	0	0	0	0	0	0	0	3,151	0	3,151
Net income (loss)	83,940	85,187	488,019	244,176	388,574	131,238	404,020	124,595	52,437	100,380	2,102,566

Micro Loan Portfolio MABS Participating Banks October 2002 – September 2003



	Micro Borrowers	Loan Portfolio (PhPM)
Oct-02	33,540	216.59
Nov-02	33,792	221.15
Dec-02	33,587	224.79
Jan-03	34,176	229.06
Feb-03	33,579	230.19
Mar-03	35,364	239.63
Apr-03	35,402	234.36
May-03	38,005	260.86
Jun-03	39,456	272.95
Jul-03	42,202	282.88
Aug-03	43,226	291.65
Sep-03	43,717	294.18

Growth in Micro Savings Deposits MABS Participating Banks October 2002 - September 2003



	Savers	Savings Balances (PhPM)
Oct-02	130,814	156.82
Nov-02	137,030	161.92
Dec-02	135,627	162.75
Jan-03	129,437	162.12
Feb-03	136,904	184.51
Mar-03	143,917	199.11
Apr-03	150,468	189.53
May-03	149,522	188.48
Jun-03	161,534	197.47
Jul-03	165,319	205.40
Aug-03	171,603	193.76
Sep-03	175,269	198.81