



MICROENTERPRISE ACCESS TO BANKING SERVICES

**January 1 – March 31, 2003
Performance Monitoring Report**

TWENTY-FIRST QUARTER

Submitted By:

Chemonics International Inc.
Manila, Philippines

In association with:

Rural Bankers Association of the Philippines

April 2003

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United States Agency for International Development
Office of Economic Development
Manila, Philippines

Executive Summary

The MABS program aims to create a significant expansion in banking services for Philippine microentrepreneurs and lower-level socio-economic groups through the installation of the *MABS Approach* to rural/cooperative banks. The program has extended services to 105 bank branches since its inception in 1998. These bank units have already granted microloans to more than 85,000 microentrepreneurs. Presently, core activities are being undertaken to ensure that end-of-project targets are met, to fine-tune standards, and to sustain the *MABS Approach* technical and training services.

This document serves as the Program's Twenty-first Quarterly Performance Report, covering the period January 1 through March 31, 2003. It also lays out the workplan for the next quarter.

Accomplishments and activities during the Twenty-first Quarter (January-March 2003):

- MABS' revised and updated financial projections template, the *Micro Pinoy*, can now be used to help banks with existing microfinance operations make two-year projections. The template uses current microfinance loan data and the banks' expansion plans as bases for its projections. MABS conducted a workshop for Mindanao banks on how to use the template.
- MABS conducted the 3rd Microfinance Supervisors' Forum for Mindanao participating banks. The forum focused on portfolio quality maintenance, with supervisors from banks with low portfolio-at-risk ratios citing strong management involvement as the primary factor for their high portfolio quality.
- The *MABS Approach* was presented during a Banko Sentral ng Pilipinas (BSP) microfinance orientation seminar for rural banks in Cebu. The MABS Program was presented as one of the best practice models during the seminar. Other seminar topics included the definition of microfinance, governing laws, BSP circulars, and policy initiatives.
- In coordination with a local consultant, the MABS team conducted a supervisory skills workshop for the supervisors of the microfinance unit of the Green Bank of Caraga.
- The first National Roundtable Conference was held in Cebu City. Fifty senior managers from twenty-eight MABS participating banks discussed the program's plans and goals. The Roundtable also became a venue for sharing microfinance best practices.
- The *MABS Approach* was introduced to five prospective MABS Service Providers participating in the Dual Training Program. The prospective service providers were given the *MABS Approach* and MABS Program basics and observed first-hand the microfinance operations of a MABS participant bank, the Rural Bank of Mabitac. After the orientation, they had the Bank Senior Management Course, the first module of the *MABS Approach*. Under the Dual Training Program, MABS consultants will train

prospective service providers on each *MABS Approach* module. They will, in turn, train prospective MABS participant banks.

- Prospective MABS Service Providers undergoing the MABS Dual Training Program delivered the first module, the Senior Management Orientation Course, to representatives of seven Luzon rural banks.
- MABS conducted an exposure visit for Luzon rural banks that answered the MABS survey on the demand for the *MABS Approach*. Representatives of 17 Luzon rural banks observed the microfinance operations of the Rural Bank of Mabitac, a MABS participant bank.
- The Maranao Rural bank tested a new MABS-designed individual loan product. MABS technical staff also assisted the bank in conducting live tests on lending procedures (client orientation, loan application processing, releasing, collection and documentation).
- The Management Information System (MIS) Manager conducted a training workshop on MIS for the 4th rollout banks located in the Autonomous Region of Muslim Mindanao (ARMM) and the Conflict Affected Areas of Mindanao (CAAM). The need to incorporate all the 11 MABS-designed reports in their MIS was emphasized, as this would help in microfinance portfolio monitoring.
- The EAGLE rating system was completed. The system analyzes key indicators (Efficiency, Asset Quality, Growth, Liability Structure and Earnings) to rate a participating bank's performance. The EAGLE was used to determine the first batch of EAGLE Awardees – participating banks with outstanding microfinance operations performance. The awards were handed out during the National Roundtable Conference. The first batch of EAGLE Awardees are: Rural Bank of Santo Tomas, Rural Bank of Dulag, Bangko Kabayan, Rural Bank of Cantilan, Network Rural Banking Group, and Rural Bank of Tacurong.
- MABS provided technical assistance to the BSP in revising the examination manual; these revisions incorporate the microfinance operations of rural banks.
- In coordination with the Bangko Sentral ng Pilipinas, MABS conducted a seminar on the *MABS Approach* for BSP examiners. The seminar included sessions on MABS microfinance best practices, appropriate MIS, cashflow lending and internal control procedures for microfinance operations.
- Senior bank managers from the Caraga Rural Bankers Federation (CRBF) were briefed on the expansion of the Negative File Information System (NFIS). The Bankers Association of the Philippines (BAP) Credit Bureau Manager provided a presentation on the NFIS to representatives of fourteen CRBF banks.
- Training on the use of the NFIS was conducted in Butuan City. This followed two previous NFIS trainings in Mindanao (Davao City and Cagayan de Oro City). The

training included hands-on exercises on the operation of NFIS, including data transmission to the BAP credit bureau.

- BAP and MABS presented the NFIS to members of the Metro Manila Federation of Rural Bankers. A Memorandum of Cooperation was signed with the Metro Manila Federation of Rural Bankers and with the Confederation of Southern Tagalog Rural Bankers.
- Chemonics submitted the Twentieth Quarterly Performance Monitoring Report.

For the Twenty-second Quarter, April 1 – June 30, 2003, MABS will:

- Conduct the Market Research Training Module for Luzon-based service provider trainees.
- Provide technical assistance to Luzon-based service provider trainees on the Market Research Module.
- Conduct the initial assessment of the performance of MABS service provider trainees.
- Conduct the Product Development Training Module for Luzon service provider trainees.
- Conduct the 4th Microfinance Unit (MFU) Supervisors' Forum.
- Select MABS Technical Resource Specialists (MABSTERS) among participating bank managers and begin the training program.
- Develop two rural banks as MABS learning centers. These centers will offer structured lectures on microfinance for rural bankers.
- Conduct training on the use of NFIS for members of the Metro Manila Federation of Rural Bankers..
- Hold a microfinance presentation in Iloilo City in coordination with the BSP.
- Formally accept RB 2000 Version 1.1, the updated version of the RB 2000 incorporating the Personal Digital Assistant (PDA) loan collection interface module.
- Assist Microbanker Philippines to develop and incorporate the MABS PDA loan collection module into their system. PDA support for CIBI and cashflow modules will be completed by June 2003.

- Sign agreements with one existing and three new participant banks from the Autonomous Region of Muslim Mindanao (ARMM) and Conflict-Affected Areas of Mindanao (CAAM).
- Test the revisions to the BSP examination manual. These revisions take into account the microfinance operations of rural, thrift and commercial banks.
- Continue monthly evaluation of the respective microfinance unit performances of all participating banks.
- Conduct refresher-training course for banks in Mindanao.
- Conduct the Product Development Course for MABS 6th rollout banks.
- Continue close monitoring of portfolio at risk ratios of MABS participant banks.
- Submit the Twenty-second Quarterly Performance Monitoring Report.

1. Contractor's Report

A1. Background

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

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

MABS oversight. MABS receives overall program guidance from a Steering Committee, composed of a representative from the Office of the President, the Executive Director of the Rural Bankers Research and Development Foundation Inc. (RBRDFI), a USAID representative, the RBAP President, and the Chairperson of the Mindanao Economic

Development Council (MEDCo). This committee identifies focal areas for program coverage and formulates and concurs with major policies that guide the MABS program.

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

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

A2. Expected Results

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

1. A minimum of 130 rural banks and bank branches from throughout the Philippines will receive MABS assistance.
2. These banks will altogether expand their portfolios to reach a total of at least 55,000 active borrowers by September 2004.
3. Enroll at least 130,000 depositors among all participating banks.
4. At least half of the participating banks will have decided to make microenterprise services a continuing and significant part of their portfolios, and will have taken the steps required to properly and profitably service the microenterprise market.
5. An effective and "USAID-accepted" anti-backsliding program focused on participating banks that have "graduated" from the MABS program developed and being implemented by RBAP.
6. An RBAP-MABS microfinance training and technical services program in place utilizing licensed consultants/organizations capable of carrying out the installation of the *MABS Approach* in participating rural banks.
7. An appropriate fee structure developed and implemented for various services to be offered by RBAP-MABS- licensed consultants/organizations to prospective participating banks, "graduated" banks, non-participating banks, and other institutions.
8. An appropriate manual of bank examination for rural banks and other regulated

institutions engaged in microfinance accepted and utilized by the Bangko Sentral ng Pilipinas.

9. Installation of the *MABS Approach* into at least three new participating banks servicing religious and ethnic minority communities of Mindanao.
10. Significant expansion of the number of clients belonging to ethnic and minority groups being served by at least five participating banks in areas outside of the predominantly minority communities of Mindanao.
11. Establishment of a credit reference service that will be helpful in the overall effort to enable rural banks to effectively and profitably service the microenterprise market.
12. Support for the development of an appropriate microfinance software that will enable bank management to support a viable and sustainable microfinance operations.

A3. Current Core Activities: MABS Activities

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

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

Below are highlights of the tasks accomplished in the Twenty-first quarter, and tasks planned for the Twenty-second quarter (April 1– June 30, 2003).

1. Bank Strengthening and Anti Backsliding

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

Tasks completed in the Twenty-first Quarter:

Task One. Adopt the revised MABS financial projections template that sets projections based on existing

microfinance loan data and a bank's expansion plans. Initially tested by the Rural Bank of Cantilan, the updated version of the MABS financial projections template, *Micro Pinoy*, was used to set 2-year projections for Mindanao participating banks.

Task Two. Conduct the 3rd Microfinance Supervisors' Forum for Mindanao participating banks. The forum addressed financial projections and maintenance of portfolio quality.

Task Three: Conduct a Supervisory Skills workshop for the microfinance unit supervisors of Green Bank of Caraga. The MABS team worked with a local consultant to hold a Supervisory Skills workshop for the supervisors of the microfinance unit of Green Bank of Caraga. An independent trainer who was identified by MABS and hired by the bank provided the training. Thirty-seven participants composed of microfinance supervisors and branch managers attended the workshop.

Task Four. Hold the First National Roundtable Conference. At the Waterfront Hotel in Cebu City last March 21, fifty senior managers from twenty-eight participant banks met for the first time all together to review planned activities under the MABS Program, performance standards, and to discuss the training of MABSTERS and the development of Learning Centers.

Tasks to be completed in the Twenty-second Quarter:

Task One: Conduct the Market Research Training Module and provide technical assistance for 6th rollout banks.

Task Two. Conduct the 4th Microfinance Unit Supervisors' Forum.

Task Three. Hold a microfinance presentation in Iloilo City.

Task Four. Conduct a refresher-training course for banks in Mindanao.

Task Five. Hold a Trainor's Training workshop for Mindanao PBs.

Task Six. Provide the Product Development Course and provide appropriate technical assistance for 6th rollout banks.

2. Sustainable MABS Technical Services

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

Tasks completed in the Twenty First Quarter:

Task One. Launch the Private Service Providers Dual Training Program. Private service providers will be given the full *MABS Approach* training. These PSPs will, in turn, train the microfinance unit staff of prospective MABS participant banks. Five PSPs are presently

being trained; they have completed the first two modules of the *MABS Approach*. The first batch of PSPs has also conducted their first training for prospective participant banks.

Tasks to be completed in the Twenty-second Quarter:

Task One. Provide technical assistance to Luzon service provider trainees on the Market Research Training Module.

Task Two. Evaluate the performance of Luzon service provider trainees.

Task Three. Conduct the Product Development Training Module for Luzon service provider trainees.

Task Four. Launch the MABSTERS training program.

Task Four. Develop MABS learning centers. Two learning centers will be chosen from among participating banks; these learning centers will offer structured lectures on microfinance.

3. Expansion of Banking Services to Religious and Ethnic Minorities

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

Tasks Completed in the Twenty-first Quarter:

Task One. Assist the Maranao Rural Bank in testing a new MABS-designed individual loan product. MABS assisted the bank in conducting live tests on the entire lending process: client orientation, loan application processing, releasing, collection and documentation.

Task Two. Provide Management Information System (MIS) training for 4th rollout banks. The MIS Manager held a workshop on the use of MIS reports to better manage microfinance operations for the 4th rollout banks consisting of Maranao Rural Bank, Rural Bank of Datu Paglas, and Rural Bank of Isulan. One more bank, Rural Bank of Koronadal, a prospective participating bank, also joined the training.

Tasks to be completed in the Twenty-second Quarter:

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

4. Microfinance Policy and Standards

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

Tasks Completed in the Twenty-first Quarter:

Task One. Introduce the MABS Approach to Bangko Sentral ng Pilipinas bank examiners. The Bangko Sentral ng Pilipinas (BSP) invited MABS to present the *MABS Approach* to bank examiners. More than 120 examiners attended the two-session seminar. Presentations focused on the *MABS Approach*, including sessions on microfinance best practices, appropriate MIS, cashflow lending, zero tolerance toward delinquency, and internal control procedures for microfinance operations.

Task Two. Completion of the EAGLE rating system. The MABS-EAGLE is a new standards and rating system that analyzes a bank's performance in five major areas: **E**fficiency, **A**sset Quality, **G**rowth, **L**iability Structure, and **E**arnings. The rating system can effectively serve as both a management tool for rural banks providing microfinance services and a monitoring tool for MABS.

Task Three. Implement the EAGLE system. The EAGLE was used for the first time in the selection of outstanding MABS participant banks (EAGLE Awardees).

Task Four. Provide technical assistance to the BSP in the revision of the examination manual. These revisions incorporate the microfinance operations of rural banks.

Tasks to be Completed in the Twenty-second Quarter:

Task One. Test the changes to the BSP examination manual. The modifications recommended by the consultant fielded to the BSP last November and February are to be incorporated into the BSP examination manual and will be field-tested this quarter.

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-first Quarter:

Task One. Continue to evaluate monthly MFU performance. As of March 31, 2003, the 105 bank units reporting to MABS had 35,351 active micro borrowers with an outstanding loan portfolio of PhP239, 721,091. From October 1998 up to March 2003, the number of microdepositors increased by 144,334 and microdeposit balances have increased by PhP199, 294,680.

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 March 2003 was 3.92%

Tasks to be completed in the Twenty-second Quarter:

Task One. Continue to evaluate monthly MFU performance using the new scaled-down performance monitoring system. The new system will be developed, tested and adopted in the next quarter.

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-first Quarter:

Task One. Introduce the Negative File Information System to representatives of rural banks in the Caraga Region and Metro Manila. The NFIS was launched before the Caraga Rural Bankers Federation (CRBF). It will be launched before the Metro Manila Rural Bankers Federation in April.

Task Two. Provide training on the use of NFIS. Representatives of Mindanao-based rural banks were given a hands-on training on the use of the NFIS in the Caraga region, including exercises on data transmission to the BAP- CB credit bureau.

Tasks to be Completed in the Twenty-Second Quarter:

Task One. Collaborate with the BAP-CB to provide training on the use of NFIS to the Metro Manila Federation of Rural Bankers.

Task Two. Roll out RB 2000 version 1.1.

Task Three. Assist Microbanker Philippines in developing the PDA loan collection interface module.

7. Program Management

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

Tasks Completed in the Twenty-First Quarter:

Task One. Submit the Twentieth Quarterly Performance Monitoring Report covering October 1 – December 31, 2002. Chemonics submitted the Twentieth Quarterly Performance Monitoring Report covering October 1 – December 31, 2002.

Tasks to be completed in the Twenty-second Quarter:

Task One. Submit the Twenty-first Quarterly Performance Monitoring Report covering January 1 – March 31, 2002

A4. Performance

Current status vs. expected end of project result

Expected end of project results	Current Status
1. A minimum of 130 rural and/or cooperative rural bank branches from throughout the Philippines will receive MABS assistance.	One hundred five (105) banks/bank branches have now received technical assistance from MABS. The 105 bank units consist of the pilot, 1 st rollout, 2 nd rollout, 3 rd rollout, 4 th rollout and 5 th rollout banks.
2. Participating banks will expand their portfolios to include a total of at least 55,000 active microenterprise borrowers among all participating banks.	As of March 2003, the total number of outstanding microfinance borrowers for 105 banks/bank branches was 35,351 or 64% of the target.
3. Increase the number of microenterprise depositors to reach a total of at least 130,000 new depositors among all participating banks	As of March 2003, the net change in the number of active micro depositors for the 105 bank branches was 144,334 or 111% of the target.
4. At least half of the participating banks will have decided to make microenterprise services a continuing and significant part of their portfolios, and will have taken the steps required to properly and profitably service the microenterprise market.	Participant banks that joined the program from 1998 to 2001 (28 banks) are continuing with their microfinancial activities. 26 of the 28 banks now have profitable microfinance units. The 4 th and 5 th rollout banks have just started their microfinance operations and are expected to post positive incomes in 2003.
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>MABS focuses on the following activities to meet this objective:</p> <p>(a) Roundtable Discussions with top management of participant banks on methods for addressing backsliding and maintaining best practices; and</p> <p>(b) Microfinance Supervisors’ Forum, which aims to provide MFU supervisors the opportunity to share and learn from each other’s experiences in managing their micro loan portfolio and reinforce best practices.</p> <p>As of the end of the quarter, MABS has conducted the first ever National Roundtable Conference, a</p>

	MFU Supervisors' Forum and a Supervisory Skills workshop.
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.	The Dual Training Program is already in full implementation, with five Luzon-based private service providers undergoing training. The MSPs have completed training on the first two modules of the <i>MABS Approach</i> ; the first module has been passed on to prospective participant banks.
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.	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.
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.	The BSP bank examination manual has been modified to accommodate recommendations made by the consultant fielded to assist the BSP. Tests on the effectiveness of the modifications will be conducted in the coming quarter.
9. Installation of the <i>MABS Approach</i> into at least three new participating banks servicing religious and ethnic minority communities in Mindanao.	The Maranao Rural Bank tested a new individual microfinance loan product. The new loan product's development was based on the results of a MABS-conducted market research.
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.	Four rural banks located in ARMM and CAAM will be sign agreements in the coming quarter.
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>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.</p> <p>The expanded credit bureau system was also introduced to rural banks in Metro Manila.</p> <p>Training on the use of the NFIS will be given to members of the Metro Manila Federation of Rural Bankers in the coming quarter.</p>

12. Support for the development of an appropriate microfinance software that will enable bank management to have a viable and sustainable microfinance operations.

Presently, there are 78 bank units (head offices and branches) using RB 2000 – 52 in Luzon, 16 in Visayas, and 10 in Mindanao.

Beta and technical acceptance testing for the updated version of the RB 2000, the RB 2000 v. 1.1, were completed. The final acceptance of the new version will be formalized in the coming quarter.

Annex 1.1. SAF Approvals

SAF requests approved during the quarter:

1. SAF 70: Funds for the MSP Market Demand Study.
2. SAF 71: Funds for the production of development of RBAP-MABS videos documenting the accomplishments of three MABS PBs selected as EAGLE awardees.
3. SAF 72: Funds for the development of MABS Technical Support Providers, MABS Learning Centers (LCs), MABS Training Resource Specialists (MABSTERS), and MABS Private Service Provider (PSP) Training Program.
4. SAF 73: Funds for the 6th Rollout MABS PBs' Senior Management Orientation and MSP Training.

SAF requests expected to be approved in the next quarter:

1. Funds for use in the training of Visayas PSPs.
2. Funds for the Market Development and Product Development Modules of the MSP Training.

Chemonics International Inc.														Annex 1.2 SAF Tracker			
Philippines Microfinance Access to Banking Services																	
Contract no. 492-C-00-98-00008-00																	
For the Quarter Ending March 31, 2003																	
Special Activities Fund - In US Dollars																	
SAF	Title	Results	Number of Participants	Approved	Status	Budgeted Amount	Expenses Thru Quarter 20	For the Quarter Expenses			Quarter 21 Total Expenses	Expenses To Date	Remaining Budget	Budget Overrun	Cumulative SAF Budget Balance		
								Jan 2003	Feb 2003	Mar 2003							
															\$2,096,033		
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.	109	Apr-98	Closed	\$4,131	\$1,545				0	\$1,545	\$2,586		\$2,094,488		
2	MIS Study	RBRDFI staff involvement in MIS assessment.	1	Apr-98	Closed	805	283				0	283	522		2,094,205		
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.	33	Jun-98	Closed	4,729	3,209				0	3,209	1,520		2,090,996		
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	500	Jul-98	Closed	\$15,374	\$16,800				0	\$16,800	(\$1,426)	(\$1,426)	\$2,074,196		
5	Training Preparation - Boypee Panganiban	Boypee Panganiban will come to Davao for 5 days to assist in preparing training sessions for upcoming regional workshops.	1	Jul-98	Closed	1,904	1,685				0	1,685	219		2,072,511		
6	RBRDFI Involvement in MIS Development	P. Crisostomo's (RBRDFI) Staff travels	1	Jul-98	Closed	1,640	3,189				0	3,189	-1,549	-1,549	2,069,322		
7	Loan Repayment Workshop	B. Pendleton's Loan Repayment workshop	30	Aug-98	Closed	5,735	3,728				0	3,728	2,007		2,065,594		
8	Cash Flow Lending	B. Panganiban's Regional Workshops	500	Sep-98	Closed	25,573	14,634				0	14,634	10,939		2,050,960		
9	Case Study of PAICOP	D. Capeding, a case study of PAICOP. "Exceeded budget due to extension of services	1	Sep-98	Closed	835	1,593				0	1,593	-758	-758	2,049,367		
10	Pilot Bank Agreement	Pilot Bank Agreement Implementation	4	Oct-98	Open	73,136	66,413		1,226		1,226	67,639	5,496		1,981,728		
11	Panganiban Book	NRBSL Practices	1	Dec-98	Closed	8,462	7,754				0	7,754	708		1,973,974		
12	Research Assistant for the	Luisa Cadiz, RA for Roll-out	1	Nov-98	Closed	3,011	6,410				0	6,410	-3,399	-3,399	1,967,564		
13	Mindanao Fed. RB	Regional Conference	30	Dec-98	Closed	4,429	456				0	456	3,973		1,967,108		
14	Enhancement of RBAP Strategic Planning	Pilot Bank MIS Enhancement	4	Dec-98	Closed	13,282	13,977				0	13,977	-695	-695	1,953,131		
15	NRBSL Exposure Trip	Laurel Druben, ITI, fixed-price subcontract	1	Feb-99	Closed	32,997	25,091				0	25,091	7,906		1,928,040		
16	NRBSL Exposure Trip	Pilot Bank Managers and staff trip to NRBSL	9	Feb-99	Closed	7,105	4,854				0	4,854	2,251		1,923,186		
17	SCV Corporate Finance to	Canceled			Canceled						0	0	0		1,923,186		
18	Follow-up trip by Druben	Assistance during RBAP convention	1	May-99	Closed	30,884	31,662				0	31,662	-778	-778	1,891,524		
19	Training Modules with PBs	Pilot Banks Training Modules		May-99	Closed	2,629	920				0	920	1,709		1,890,604		
20	Orientation Course of Senior Officers of New	Workshop Orientation New PBs		June-99	Closed	8,284	4,908				0	4,908	3,376		1,885,696		
21	Commodities and Support	Commodities Assistance to New PBs		July-99	Open	177,546	114,260	795			795	115,056	62,490		1,770,640		
22	Training course for MF staff and PBs Supervisors	MF Workshop training course new PBs		Jul-99	Closed	19,211	14,800				0	14,800	4,411		1,755,840		
23	ITI subcontract for presentation of finalized plan and full start-up implementation of	Druben - SDP Finalized Plan for implementation		Aug-99	Closed	39,543	17,270				0	17,270	22,273		1,738,570		
24	Enhancement of PC Banker system for	RB Ozamis PC Banker Enhancement		Sep-99	Closed	5,331	4,379				0	4,379	952		1,734,191		
25	Internship training at Enterprise Bank for MFU of Sarangani and	Enterprise Bank for MFU RB Sarangani/Montevista		Sep-99	Closed	531	529				0	529	2		1,733,662		
26	Enhancement of MicroBanker system for	Microbanker for PBs		Sept-99	Closed	24,987	22,180				0	22,180	2,807		1,711,482		
27	Workshop on Zero Tolerance on Past Due	Zero Tolerance (Regional)		Sept-99	Closed	7,048	1,661				0	1,661	5,387		1,709,821		
28	Canceled	Canceled			Canceled		0				0	0	0		1,709,821		
29	Enhancement of Loan & Savings Ledger	Loans & Savings Ledger		Oct-99	Closed	5,440	4,757				0	4,757	683		1,705,064		
30	Purchase of MBXD95+			Nov-99	Closed	10,231	9,398				0	9,398	833		1,695,666		
31	Delinquency Measurement and	Workshop		Nov-99	Closed	570	223				0	223	347		1,695,443		
32	Canceled	Canceled			Canceled		0				0	0	0		1,695,443		
33	ST consultancy of	Credit Bureau		Dec-99	Closed	22,550	30,922				0	30,922	-8,372	-8,372	1,664,521		
34	Use of CLIN2 Funds for MABS expansion	In Process		Dec-99	Closed	1,300,000	1,352,804				0	1,352,804	-52,804	-52,804	311,717		
35	Canceled	Canceled			Canceled		0				0	0	0		311,717		
36	Orientation for Sr. Officers	Roll Out Banks		Jan-00	Closed	3,596	1,718				0	1,718	1,878		309,999		
37	Refresher course	Participant Banks		Jan-00	Closed	1,755	1,340				0	1,340	415		308,659		
38	MicroBanker loans module	Participant Banks MF Training	6	Jan-00	Closed	6,378	5,062				0	5,062	1,316		303,597		
39	Microfinance staff training	Pilot Banks Consultation and Evaluation meeting		Jan-00	Closed	150	135				0	135	15		303,462		
40	Purchase of MicroBanker MBXD95+Software for RB	Rural Bank of Lebak MBXD95+software		Jan-00	Closed	2,728	3,363				0	3,363	-635	-635	300,099		
41	Commodities and Support	PBA and Commodities Support	6	Feb-00	Open	107,250	72,446				0	72,446	34,804		227,653		
42	Consultation and Evaluation meeting with	Rollout banks and evaluation meet	10	Feb-00	Closed	1,768	1,488				0	1,488	280		226,165		

43	Purchase of MicroBanker and related services	Microbanker and related services of RB Oroquieta and Green Bank		Mar-00	Closed	5,201	1,599				0	1,599	3,602		224,566
44	Consultation and Planning Meeting with the RBAP	RBAP Excom Consultation and Planning Meeting		Mar-00	Closed	619	312				0	312	307		224,254
45	Support Expansion to Workshop on Cashflow Lending	Support Expansion to Branches Cashflow Lending Workshop of Rural Bankers in Mindanao		Apr-00	Open	35,750	0				0	0	35,750		224,254
46	Enhancement for Hardware Computer	Hardcode Computer System for RB Talisayan		May-00	Closed	6,046	4,216				0	4,216	1,830		220,038
47	Purchase of MicroBanker MBXD95 and Software for	Microbanker MBXD95 + Software for CRB Bukidnon		May-00	Closed	873	0				0	0	873		215,915
49	Canceled	Canceled			Closed		0				0	0	0		215,915
50	Consultation and Planning Workshop with RBAP and	RBAP and MABS Technical Consultation and Planning Workshop		Jun-00	Closed	1,562	1,126				0	1,126	436		214,789
51	Big Byte Savings & Loans System for RB of Montevista	Participant Bank Rural Bank enhancement of Big ByteShoppes Savings & Loans System		Jan-00	Closed	5,137	4,113				0	4,113	1,024		210,676
52	SEEP/APPEND Financial Ratio Analysis Course	Technical staff attended Financial Ratio Analysis Course		Aug-00	Closed	538	244				0	244	294		210,432
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	204				0	204	16		210,228
54	New RBAP Technical Staff Salaries & Support	In Process		Nov-00	Open	125,658	67,845	560	5,468	217	6,246	74,090	51,568		136,138
55	Training course for Sr. Management and MF Staff and Supervisors for Luzon	Sr. Mgt Course scheduled 1st week of May and MF staff and Supervisors scheduled last week of May		Apr-01	Open	9,086	6,694				0	6,694	2,392		129,444
56	Impact Evaluation Study	Evaluation completed		Jun-01	Closed	1,345	1,592				0	1,592	-247	-247	127,852
57	Travel to Hongkong of Ms. Solis & Pineda	Attended the forum in Hong Kong	2	Aug-01	Closed	3,478	1,077				0	1,077	2,402		126,776
58	Credit Reference Bureau Development Support	On-going		Sep-01	Open	2,487	1,468	161	10		172	1,639	848		125,136
59	Training on USAID admin and financial management	Two MABS staff attened the training	2	Feb-02	Closed	720	0				0	0	720		125,136
60	Roundtable events for Senior Management	On-going		Mar-02	Open	4,536	1,816		1,238		1,238	3,054	1,482		122,082
61	Videos for RBAP-MABS	Produced videos of MABS success.		Mar-02	Closed	4,179	5,083				0	5,083	-904	-904	116,999
62	Exposure Visit/Training and Planning for Sr. Mgt. of new MABS partner	On-going		Apr-02	Open	4,872	3,267				0	3,267	1,604		113,732
63	Commodities and Support of 3 New Partner Banks	On-going		Jun-02	Open	43,087	4,690	5	1,471	2,070	3,546	8,236	34,851		105,496
64	MFU Supervisors' Forum	On-going		Jul-02	Open	1,778	804				0	804	973		104,692
65	Canceled	Canceled		Canceled	Canceled	0	0				0	0	0		104,692
66	Commodities and Support of UCPB Rural Bank	On-going		Sep-02	Open	8,462	193				0	193	8,268		104,498
67	Supervisors Forum #2 and BSP Participation in	On-going		Oct-02	Open	3,116	850	776	61	-402	436	1,285	1,830		103,213
68	MABS Modular Training	On-going		Oct-02	Open	1,005	0				0	0	1,005		104,498
69	PDA Loan Collection Module Enhancement of	On-going		Jan-03	Open	857	0		396		396	396	461		102,817
70	MABS-PSP Market	On-going		Feb-03	Open	639	0		11		11	11	628		104,487
71	Video Production of	On-going		Feb-03	Open	3,142	0		1,473		1,473	1,473	1,669		101,344
72	MABS Learning Centers, Sr. Management	On-going		Mar-03	Open	20,565	0		78		78	78	20,487		104,409
73	Orientation of 6th Roll-out	On-going		Mar-03	Open	694	0				0	0	694		101,344
						\$2,281,987	\$1,979,162	2,298	8,248	5,070	15,617	#####	\$287,209	#####	\$101,344
							88,435	103	371	228	703	89,138			-4,067
							102,428	120	431	265	816	103,244			4,864
						\$2,281,987	\$2,170,025	2,522	9,050	5,563	17,135	#####			\$102,140

MABS BANKS MICROFINANCE PERFORMANCE REPORT		Annex 2.1 Participant Banks' Performance			
CONSOLIDATED - BY AREA OF OPERATION (LUZON, VISAYAS AND MINDANAO)					
MARCH 2003					
PERFORMANCE DATA	LUZON	VISAYAS	MINDANAO	TOTAL	
Number of banks	10	3	22	35	
Number of participating branches	26	5	74	105	
Number of active borrowers outstanding	1,846	1,145	32,360	35,351	
Number of new borrowers	221	58	3,351	3,630	
Number of repeat loans	354	441	6,043	6,838	
Loan portfolio balance	26,512,771	9,341,585	203,866,735	239,721,091	
Net change in number of deposit accounts	-1,722	1,126	144,513	143,917	
Net change in deposit balance	10,540,807	1,557,667	187,009,906	199,108,380	
Number of microfinance field staff	46	15	338	399	
Number of loans disbursed during the month	575	499	9,394	10,468	
Cumulative number of loans disbursed	6,751	5,468	221,005	233,224	
Amount of loans disbursed during the month	13,193,600	5,757,500	91,938,574	110,889,674	
Cumulative amount of loans disbursed	144,653,700	67,790,567	2,050,285,742	2,262,730,009	
Portfolio at risk more than 7 days	831,227	46,843	12,959,414	13,837,484	
Portfolio at risk more than 7 days (%)	3.14%	0.50%	6.36%	5.77%	
Portfolio at risk more than 30 days	560,343	32,748	8,795,447	9,388,538	
Portfolio at risk more than 30 days (%)	2.11%	0.35%	4.31%	3.92%	
MONTHLY INCOME AND EXPENSE	LUZON	VISAYAS	MINDANAO	TOTAL	
Financial income					
Interest income on loans	1,055,117	512,348	7,916,378	9,483,843	
Service charge	421,813	172,610	3,557,415	4,151,838	
Penalty fee on loans	25,236	14,871	146,013	186,120	
Total financial income	1,502,166	699,829	10,822,603	13,024,598	
Total financial expense	210,227	13,683	1,158,900	1,382,809	
Gross financial margin (spread)	1,291,939	686,146	9,663,703	11,641,789	
Loan loss provision	99,426	8,631	561,501	669,558	
Net financial margin	1,192,513	677,515	9,102,202	10,972,231	
Direct operating expenses					
MFU salaries and benefits	364,082	102,410	1,739,745	2,206,237	
Gross receipts tax	64,138	33,992	535,830	633,960	
Depreciation	34,038	17,868	2,502	54,408	
Transportation	30,220	11,719	520	42,460	
Supplies	11,934	4,084	207	16,224	
Communication	7,917	2,405	50	10,372	
Others	85,194	0	1,677	86,871	
Total direct operating expenses	704,485	172,478	2,252,226	3,129,189	
Training and professional fees	25,981	1,200	0	27,181	
Net income before indirect expenses	569,009	491,163	6,821,671	7,881,843	
Indirect expenses	158,212	18,633	0	176,845	
Net income (loss)	410,797	485,204	6,821,671	7,717,672	
Note:					
1. Tagum Rural Bank was unable to report due to MIS problem, numbers for Tagum reflect Feb 2003 amounts					
2. Pantukan branch of Rural Bank of Montevista was unable to report due to MIS problem, numbers for Pantukan reflect Feb 2003 amounts					

MABS BANKS MICROFINANCE PERFORMANCE REPORT							
CONSOLIDATED - BY ROLLOUT							
MARCH 2003							
PERFORMANCE DATA	Pilot Banks ¹	1st Rollout Banks ²	2nd Rollout Banks	3rd Rollout Banks	4th Rollout Banks	5th Rollout Banks	TOTAL
Number of participating banks	4	10	6	8	2	5	35
Number of participating branches	4	44	24	22	2	9	105
Number of active borrowers outstanding	2,416	21,160	8,517	2,585	267	406	35,351
Number of new borrowers	104	2,697	517	173	33	106	3,630
Number of repeat loans	176	3,884	1,951	745	32	50	6,838
Loan portfolio balance	15,808,615	113,900,297	72,447,917	31,921,109	1,709,906	3,933,247	239,721,091
Net change in number of deposit accounts	5,622	61,186	77,494	-2,688	211	2,092	143,917
Net change in deposit balance	11,072,850	66,184,691	109,575,004	10,463,830	177,361	1,634,644	199,108,380
Number of microfinance field staff	22	195	113	48	8	13	399
Number of loans disbursed during the month	280	6,581	2,468	918	65	156	10,468
Cumulative number of loans disbursed	20,271	145,559	54,803	11,631	372	588	233,224
Amount of loans disbursed during the month	3,484,200	54,148,404	33,517,239	16,555,600	788,731	2,395,500	110,889,674
Cumulative amount of loans disbursed	186,566,277	1,186,925,431	672,392,303	204,020,767	4,401,731	8,423,500	2,262,730,009
Portfolio at risk more than 7 days	1,743,849	7,379,809	3,817,845	861,156	17,911	16,914	13,837,484
Portfolio at risk more than 7 days (%)	11.03%	6.48%	5.27%	2.70%	1.05%	0.43%	5.77%
Portfolio at risk more than 30 days	762,322	5,036,655	2,991,470	585,990	5,000	7,101	9,388,538
Portfolio at risk more than 30 days (%)	4.82%	4.42%	4.13%	1.84%	0.29%	0.18%	3.92%
MONTHLY INCOME AND EXPENSE	Pilot Banks ¹	1st Rollout Banks ²	2nd Rollout Banks	3rd Rollout Banks	4th Rollout Banks	5th Rollout Banks	TOTAL
Financial income							
Interest income on loans	479,582	4,158,765	3,192,400	1,442,959	85,631	124,506	9,483,843
Service charge	214,547	1,801,792	1,518,092	524,905	22,984	69,518	4,151,838
Penalty fee on loans	3,486	58,662	82,615	38,679	1,250	1,428	186,120
Total financial income	697,615	5,222,016	4,793,107	2,006,543	109,865	195,452	13,024,598
Total financial expense	62,014	628,236	464,285	194,872	4,365	29,038	1,382,809
Gross financial margin (spread)	635,601	4,593,780	4,328,822	1,811,671	105,500	166,414	11,641,789
Loan loss provision	41,527	322,206	195,649	85,961	2,119	22,096	669,558
Net financial margin	594,074	4,271,574	4,133,173	1,725,710	103,381	144,318	10,972,231
Direct operating expenses							
MFU salaries and benefits	113,107	1,032,711	562,342	387,561	31,585	78,931	2,206,237
Gross receipts tax	29,529	261,153	239,654	88,358	5,494	9,772	633,960
Depreciation	0	0	0	46,804	2,502	5,102	54,408
Transportation	0	0	0	34,577	520	7,362	42,460
Supplies	0	0	0	11,988	207	4,030	16,224
Communication	0	0	0	9,246	50	1,076	10,372
Others	0	0	0	61,087	1,677	24,107	86,871
Total direct operating expenses	114,331	1,293,864	801,996	746,583	42,035	130,380	3,129,189
Training and professional fees	0	0	0	12,702	0	14,479	27,181
Net income before indirect expenses	451,438	2,977,710	3,331,177	1,060,713	61,346	-541	7,881,843
Indirect expenses	0	0	0	122,489	0	54,356	176,845
Net income (loss)	451,438	2,977,710	3,331,177	950,899	61,346	-54,897	7,717,672
¹ Tagum Rural Bank was unable to report due to MIS problem, numbers for Tagum reflect Feb 2003 amounts.							
² Pantukan branch of Rural Bank of Montevista was unable to report due to MIS problem, numbers for Pantukan branch reflect Feb 2003 amounts.							

MABS MICROFINANCE PERFORMANCE REPORT					
PILOT BANKS					
MARCH 2003					
PERFORMANCE DATA	Digos	Sto Tomas	Saranggani	Tagum¹	TOTAL
Number of participating branches	1	1	1	1	4
Number of active borrowers outstanding	469	639	802	506	2,416
Number of new borrowers	0	40	32	32	104
Number of repeat loans	7	110	2	57	176
Loan portfolio balance	2,546,759	5,105,314	2,245,161	5,911,381	15,808,615
Net change in number of deposit accounts	-1,657	1,974	2,513	2,792	5,622
Net change in deposit balance	1,581,913	4,163,009	2,035,396	3,292,532	11,072,850
Number of microfinance field staff	6	6	7	3	22
Number of loans disbursed during the month	7	150	34	89	280
Cumulative number of loans disbursed	6,788	6,576	4,218	2,689	20,271
Amount of loans disbursed during the month	75,000	2,008,300	106,000	1,294,900	3,484,200
Cumulative amount of loans disbursed	55,454,739	74,275,176	19,868,862	36,967,500	186,566,277
Portfolio at risk more than 7 days	265,670	258,293	590,715	629,171	1,743,849
Portfolio at risk more than 7 days (%)	10.43%	5.06%	26.31%	10.64%	11.03%
Portfolio at risk more than 30 days	211,240	184,541	234,674	131,867	762,322
Portfolio at risk more than 30 days (%)	8.29%	3.61%	10.45%	2.23%	4.82%
MONTHLY INCOME AND EXPENSE	Digos	Sto Tomas	Saranggani	Tagum¹	TOTAL
Financial income					
Interest income on loans	95,160	170,622	63,948	149,852	479,582
Service charge	36,332	49,609	58,250	70,356	214,547
Penalty fee on loans	0	3,486	0	0	3,486
Total financial income	131,492	223,717	122,198	220,208	697,615
Total financial expense	13,320	17,511	11,675	19,508	62,014
Gross financial margin (spread)	118,172	206,206	110,523	200,700	635,601
Loan loss provision	0	0	41,527	0	41,527
Net financial margin	118,172	206,206	68,996	200,700	594,074
Direct operating expenses					
MFU salaries and benefits	26,574	29,646	39,592	17,295	113,107
Gross receipts tax	6,575	11,186	758	11,010	29,529
Depreciation	0	0	0	0	0
Transportation	0	0	0	0	0
Supplies	0	0	0	0	0
Communication	0	0	0	0	0
Others	0	0	0	0	0
Total direct operating expenses	33,149	40,832	40,350	0	114,331
Training and professional fees	0	0	0	0	0
Net income before indirect expenses	85,023	165,374	28,646	172,395	451,438
Indirect expenses	0	0	0	0	0
Net income (loss)	85,023	165,374	28,646	172,395	451,438

¹ Tagum Rural Bank was unable to report due to MIS problem, numbers for Tagum reflect Feb 2003 amounts.

MABS MICROFINANCE PERFORMANCE REPORT											
1st ROLLOUT BANKS											
MARCH 2003											
PERFORMANCE DATA	Bukidnon	Cantilan	Misamis Oriental	Enterprise ¹	Kapatagan	Talisayan	Network	Lebak	Panabo	Montevista ²	TOTAL
Number of participating branches	4	5	2	5	4	3	8	1	2	10	44
Number of active borrowers outstanding	2,241	3,961	1,118	5,131	985	1,245	814	210	285	5,170	21,160
Number of new borrowers	329	947	187	197	77	85	148	7	129	591	2,697
Number of repeat loans	332	125	108	1,743	249	270	83	93	4	877	3,884
Loan portfolio balance	11,505,893	19,819,385	11,375,211	25,969,952	6,464,900	6,312,421	9,531,350	831,638	2,689,371	19,400,176	113,900,297
Net change in number of deposit accounts	9,018	19,857	7,503	1,774	5,024	6,392	4,085	-1,182	5,322	3,393	61,186
Net change in deposit balance	8,038,622	16,051,417	8,497,631	995,418	3,977,741	6,789,183	15,787,661	-725,152	1,923,354	4,848,816	66,184,691
Number of microfinance field staff	23	37	13	47	12	13	13	3	4	30	195
Number of loans disbursed during the month	661	1,072	295	1,940	326	355	231	100	133	1,468	6,581
Cumulative number of loans disbursed	19,662	18,177	9,519	33,933	8,205	9,498	4,894	3,767	2,948	34,956	145,559
Amount of loans disbursed during the month	6,382,000	8,909,996	4,961,700	12,531,914	3,562,000	2,896,500	3,958,308	677,700	1,941,286	8,327,000	54,148,404
Cumulative amount of loans disbursed	170,768,305	161,312,417	125,279,569	273,020,167	71,033,117	62,179,148	87,099,781	25,003,492	34,623,287	176,606,148	1,186,925,431
Portfolio at risk more than 7 days	1,013,299	272,325	1,288,360	2,135,367	169,328	338,475	1,291,810	39,244	22,495	809,106	7,379,809
Portfolio at risk more than 7 days (%)	8.81%	1.37%	11.33%	8.22%	2.62%	5.36%	13.55%	4.72%	0.84%	4.17%	6.48%
Portfolio at risk more than 30 days	864,760	121,817	973,637	1,170,551	94,234	152,868	1,006,243	38,295	4,367	609,883	5,036,655
Portfolio at risk more than 30 days (%)	7.52%	0.61%	8.56%	4.51%	1.46%	2.42%	10.56%	4.60%	0.16%	3.14%	4.42%
MONTHLY INCOME AND EXPENSE	Bukidnon	Cantilan	Misamis Oriental	Enterprise ¹	Kapatagan	Talisayan	Network	Lebak	Panabo	Montevista ²	TOTAL
Financial income											
Interest income on loans	513,390	839,154	322,319	803,156	285,817	263,709	274,985	34,223	121,927	700,085	4,158,765
Service charge	214,348	219,168	138,985	395,477	119,300	106,302	134,002	13,076	45,819	415,315	1,801,792
Penalty fee on loans	5,185	855	695	6,350	14,185	9,994	3,565	150	232	17,451	58,662
Total financial income	732,923	1,059,177	461,999	407,780	419,302	380,005	412,552	47,449	167,978	1,132,851	5,222,016
Total financial expense	115,102	96,931	31,964	205,942	29,543	23,397	29,137	3,742	21,784	70,694	628,236
Gross financial margin (spread)	617,821	962,246	430,035	201,838	389,759	356,608	383,415	43,707	146,194	1,062,157	4,593,780
Loan loss provision	12,901	18,705	38,239	44,124	6,388	0	183,776	0	0	18,073	322,206
Net financial margin	604,920	943,541	391,796	157,714	383,371	356,608	199,639	43,707	146,194	1,044,084	4,271,574
Direct operating expenses											
MFU salaries and benefits	160,454	217,105	96,424	199,463	78,575	55,330	70,891	20,868	20,970	112,631	1,032,711
Gross receipts tax	36,647	53,010	23,100	20,390	20,965	18,999	20,627	2,372	8,399	56,644	261,153
Depreciation	0	0	0	0	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0	0	0	0	0
Supplies	0	0	0	0	0	0	0	0	0	0	0
Communication	0	0	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0	0	0
Total direct operating expenses	197,101	270,115	119,524	219,853	99,540	74,329	91,518	23,240	29,369	169,275	1,293,864
Training and professional fees	0	0	0	0	0	0	0	0	0	0	0
Net income before indirect expenses	407,819	673,426	272,272	-62,139	283,831	282,279	108,121	20,467	116,825	874,809	2,977,710
Indirect expenses	0	0	0	0	0	0	0	0	0	0	0
Net income (loss)	407,819	673,426	272,272	-62,139	283,831	282,279	108,121	20,467	116,825	874,809	2,977,710
¹ Interest income is derived using average loan outstanding multiplied by interest rate.											
² Pantukan branch of Rural Bank of Montevista was unable to report due to MIS problem, numbers for Pantukan branch reflect Feb 2003 amounts.											

MABS MICROFINANCE PERFORMANCE REPORT							
2nd ROLLOUT BANKS							
MARCH 2003							
PERFORMANCE DATA	Dipolog	Green Bank	Oroquieta	Siam	Century	Tacurong	TOTAL
Number of participating branches	1	11	1	6	3	2	24
Number of active borrowers outstanding	300	4,676	193	799	300	2,249	8,517
Number of new borrowers	11	262	8	34	63	139	517
Number of repeat loans	75	1,054	46	254	71	451	1,951
Loan portfolio balance	2,759,373	48,972,044	1,541,709	5,964,203	1,440,499	11,770,089	72,447,917
Net change in number of deposit accounts	568	62,392	539	6,990	2,210	4,795	77,494
Net change in deposit balance	2,904,735	95,837,429	498,743	3,995,768	2,402,061	3,936,268	109,575,004
Number of microfinance field staff	4	69	7	17	7	9	113
Number of loans disbursed during the month	86	1,316	54	288	134	590	2,468
Cumulative number of loans disbursed	2,944	29,596	4,203	9,282	2,904	5,874	54,803
Amount of loans disbursed during the month	1,412,000	21,205,320	691,300	3,882,390	981,000	5,345,229	33,517,239
Cumulative amount of loans disbursed	43,864,000	406,278,102	24,238,121	121,936,217	21,603,500	54,472,363	672,392,303
Portfolio at risk more than 7 days	293,110	2,744,330	49,255	702,055	29,095	0	3,817,845
Portfolio at risk more than 7 days (%)	10.62%	5.60%	3.19%	11.77%	2.02%	0.00%	5.27%
Portfolio at risk more than 30 days	266,210	2,157,905	43,598	498,618	25,139	0	2,991,470
Portfolio at risk more than 30 days (%)	9.65%	4.41%	2.83%	8.36%	1.75%	0.00%	4.13%
MONTHLY INCOME & EXPENSE	Dipolog	Green Bank	Oroquieta	Siam	Century	Tacurong	TOTAL
Financial income							
Interest income on loans	107,606	2,254,092	56,211	300,777	54,673	419,041	3,192,400
Service charge	42,360	1,121,673	20,812	256,913	30,580	45,754	1,518,092
Penalty fee on loans	2,146	78,256	0	2,161	52	0	82,615
Total financial income	152,112	3,454,021	77,023	559,851	85,305	464,795	4,793,107
Total financial expense	12,196	276,566	2,575	101,571	8,643	62,734	464,285
Gross financial margin (spread)	139,916	3,177,455	74,448	458,280	76,662	402,061	4,328,822
Loan loss provision	12,303	87,448	0	75,965	143	19,790	195,649
Net financial margin	127,613	3,090,007	74,448	382,315	76,519	382,271	4,133,173
Direct operating expenses							
MFU salaries and benefits	22,552	371,184	31,227	72,755	26,356	38,268	562,342
Gross receipts tax	7,606	172,701	3,851	27,992	4,265	23,239	239,654
Depreciation	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0
Supplies	0	0	0	0	0	0	0
Communication	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0
Total direct operating expenses	30,158	543,885	35,078	100,747	30,621	61,507	801,996
Training and professional fees	0	0	0	0	0	0	0
Net income before indirect expenses	97,455	2,546,122	39,370	281,568	45,898	320,764	3,331,177
Indirect expenses	0	0	0	0	0	0	0
Net income (loss)	97,455	2,546,122	39,370	281,568	45,898	320,764	3,331,177

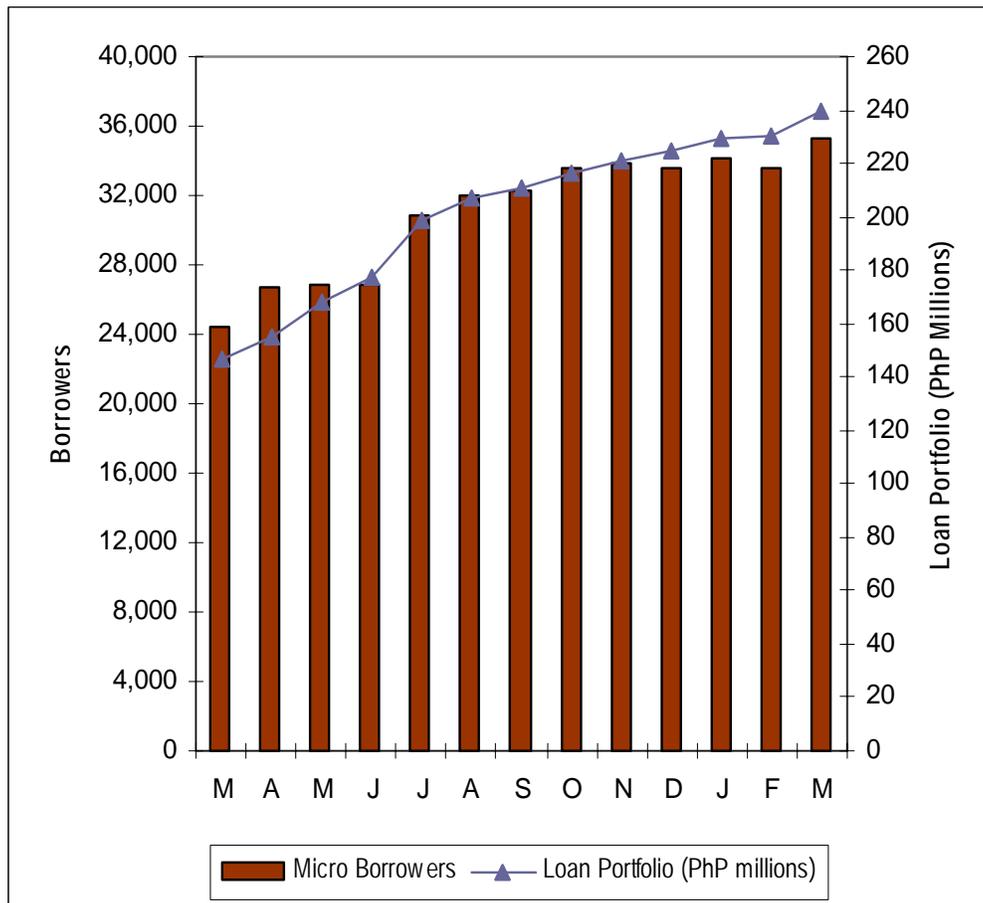
MABS MICROFINANCE PERFORMANCE REPORT									
3rd ROLLOUT BANKS									
MARCH 2003									
PERFORMANCE DATA	Bogo	Dulag	Victorias	FICO	Florida	Kabayan	Macro	Rang-Ay	TOTAL
Number of participating branches	2	2	1	4	5	4	2	2	22
Number of active borrowers outstanding	190	795	160	536	125	409	240	130	2,585
Number of new borrowers	11	41	6	56	6	27	21	5	173
Number of repeat loans	150	265	26	119	28	75	46	36	745
Loan portfolio balance	915,639	6,968,511	1,457,435	9,655,290	1,567,146	6,693,389	3,202,157	1,461,542	31,921,109
Net change in number of deposit accounts	501	695	-70	-1,678	585	-2,020	-483	-218	-2,688
Net change in deposit balance	387,724	821,677	348,266	757,543	2,500,293	3,549,404	2,291,291	-192,368	10,463,830
Number of microfinance field staff	4	7	4	15	6	6	3	3	48
Number of loans disbursed during the month	161	306	32	175	34	102	67	41	918
Cumulative number of loans disbursed	1,010	3,702	756	2,203	585	1,680	1,112	583	11,631
Amount of loans disbursed during the month	528,500	4,689,000	540,000	4,861,000	741,000	3,061,500	1,333,000	801,600	16,555,600
Cumulative amount of loans disbursed	6,918,165	52,111,500	8,760,902	51,822,400	9,856,100	46,546,600	21,301,000	6,704,100	204,020,767
Portfolio at risk more than 7 days	24,465	0	22,378	296,535	33,744	186,218	239,951	57,865	861,156
Portfolio at risk more than 7 days (%)	2.67%	0.00%	1.54%	3.07%	2.15%	2.78%	7.49%	3.96%	2.70%
Portfolio at risk more than 30 days	10,370	0	22,378	233,535	0	108,870	188,727	22,110	585,990
Portfolio at risk more than 30 days (%)	1.13%	0.00%	1.54%	2.42%	0.00%	1.63%	5.89%	1.51%	1.84%
MONTHLY INCOME & EXPENSE	Bogo	Dulag	Victorias	FICO	Florida	Kabayan	Macro	Rang-Ay	TOTAL
Financial income									
Interest income on loans	56,054	404,664	51,630	384,193	79,898	243,856	138,900	83,764	1,442,959
Service charge	21,140	140,670	10,800	209,090	23,880	61,230	44,390	13,705	524,905
Penalty fee on loans	8,349	0	6,522	7,675	1,350	4,486	4,356	5,941	38,679
Total financial income	85,543	545,334	68,952	600,958	105,128	309,572	187,646	103,410	2,006,543
Total financial expense	1,227	8,452	4,004	52,521	18,284	62,597	35,607	12,180	194,872
Gross financial margin (spread)	84,316	536,882	64,948	548,437	86,844	246,975	152,039	91,230	1,811,671
Loan loss provision	4,979	156	3,496	49,634	1,816	4,286	12,105	9,489	85,961
Net financial margin	79,337	536,726	61,452	498,803	85,028	242,689	139,934	81,741	1,725,710
Direct operating expenses									
MFU salaries and benefits	20,634	63,400	18,376	131,789	71,697	38,590	25,535	17,540	387,561
Gross receipts tax	4,277	26,267	3,448	19,078	5,257	15,479	9,382	5,170	88,358
Depreciation	963	14,797	2,108	14,540	5,605	0	7,163	1,628	46,804
Transportation	1,407	9,976	336	18,026	0	2,488	2,344	0	34,577
Supplies	0	3,963	121	5,789	0	694	1,421	0	11,988
Communication	472	1,932	0	2,204	0	500	4,137	0	9,246
Others	0	0	0	0	16,108	0	32,415	12,564	61,087
Total direct operating expenses	27,753	120,336	24,389	191,426	98,667	57,751	189,359	36,902	746,583
Training and professional fees	1,200	0	0	5,750	0	5,752	0	0	12,702
Net income before indirect expenses	50,383	416,391	24,389	301,627	-13,639	179,186	57,537	44,839	1,060,713
Indirect expenses	1,162	15,205	2,267	6,200	3,001	0	94,655	0	122,489
Net income (loss)	49,221	401,186	34,797	295,427	-16,639	179,186	-37,118	44,839	950,899

MABS MICROFINANCE PERFORMANCE REPORT			
4th ROLLOUT BANKS			
MARCH 2003			
PERFORMANCE DATA	Isulan	Paglas	TOTAL
Number of participating branches	1	1	2
Number of active borrowers outstanding	137	130	267
Number of new borrowers	33	0	33
Number of repeat loans	12	20	32
Loan portfolio balance	727,047	982,859	1,709,906
Net change in number of deposit accounts	128	83	211
Net change in deposit balance	87,525	89,836	177,361
Number of microfinance field staff	4	4	8
Number of loans disbursed during the month	45	20	65
Cumulative number of loans disbursed	149	223	372
Amount of loans disbursed during the month	487,731	301,000	788,731
Cumulative amount of loans disbursed	1,505,731	2,896,000	4,401,731
Portfolio at risk more than 7 days	0	17,911	17,911
Portfolio at risk more than 7 days (%)	0.00%	1.82%	1.05%
Portfolio at risk more than 30 days	0	5,000	5,000
Portfolio at risk more than 30 days (%)	0.00%	0.51%	0.29%
MONTHLY INCOME & EXPENSE	Isulan	Paglas	TOTAL
Financial income			
Interest income on loans	31,773	53,858	85,631
Service charge	13,380	9,604	22,984
Penalty fee on loans	0	1,250	1,250
Total financial income	45,153	64,712	109,865
Total financial expense	2,726	1,638	4,365
Gross financial margin (spread)	42,427	63,074	105,500
Loan loss provision	2,119	0	2,119
Net financial margin	40,308	63,074	103,381
Direct operating expenses			
MFU salaries and benefits	16,250	15,335	31,585
Gross receipts tax	2,258	3,236	5,494
Depreciation	1,018	1,484	2,502
Transportation	0	520	520
Supplies	0	207	207
Communication	0	50	50
Others	1,677	0	1,677
Total direct operating expenses	21,203	20,832	42,035
Training and professional fees	0	0	0
Net income before indirect expenses	19,104	42,242	61,346
Indirect expenses	0	0	0
Net income (loss)	19,104	42,242	61,346

MABS MICROFINANCE PERFORMANCE REPORT						
5th ROLLOUT BANKS						
MARCH 2003						
PERFORMANCE DATA	Bangko Mabuhay	Country Bank	Libon	Mabitac	Pagbilao	TOTAL
Number of participating branches	1	1	2	4	1	9
Number of active borrowers outstanding	25	80	48	209	44	406
Number of new borrowers	8	13	15	64	6	106
Number of repeat loans	3	13	4	22	8	50
Loan portfolio balance	435,385	618,234	640,275	1,995,532	243,821	3,933,247
Net change in number of deposit accounts	208	889	804	167	24	2,092
Net change in deposit balance	207,591	342,031	447,647	478,390	158,985	1,634,644
Number of microfinance field staff	1	2	4	5	1	13
Number of loans disbursed during the month	11	26	19	86	14	156
Cumulative number of loans disbursed	45	110	76	262	95	588
Amount of loans disbursed during the month	275,000	300,000	444,500	1,251,000	125,000	2,395,500
Cumulative amount of loans disbursed	1,090,000	1,280,000	1,309,000	4,044,500	700,000	8,423,500
Portfolio at risk more than 7 days	0	0	0	0	16,914	16,914
Portfolio at risk more than 7 days (%)	0.00%	0.00%	0.00%	0.00%	6.94%	0.43%
Portfolio at risk more than 30 days	0	0	0	0	7,101	7,101
Portfolio at risk more than 30 days (%)	0.00%	0.00%	0.00%	0.00%	2.91%	0.18%
MONTHLY INCOME & EXPENSE	Bangko Mabuhay	Country Bank	Libon	Mabitac	Pagbilao	TOTAL
Financial income						
Interest income on loans	13,520	22,700	16,130	61,878	10,278	124,506
Service charge	5,905	6,000	14,875	39,708	3,030	69,518
Penalty fee on loans	0	0	1,129	100	199	1,428
Total financial income	19,425	28,700	32,134	101,686	13,507	195,452
Total financial expense	1,421	6,400	7,801	13,147	270	29,038
Gross financial margin (spread)	18,004	22,300	24,333	88,539	13,237	166,414
Loan loss provision	1,719	2,217	5,497	8,365	4,298	22,096
Net financial margin	16,285	20,083	18,836	80,174	8,939	144,318
Direct operating expenses						
MFU salaries and benefits	9,775	14,200	18,389	28,742	7,825	78,931
Gross receipt tax	971	1,435	1,607	5,084	675	9,772
Depreciation	388	875	734	1,861	1,244	5,102
Transportation	130	0	4,013	3,154	65	7,362
Supplies	0	1,500	0	2,390	140	4,030
Communication	0	0	368	600	108	1,076
Others	9,913	1,800	61	12,333	0	24,107
Total direct operating expense	21,177	19,810	25,172	54,164	10,057	130,380
Training and professional fees	0	0	9,482	4,997	0	14,479
Net income before indirect expenses	-4,892	273	-15,818	21,013	-1,118	-541
Indirect expenses	17,177	0	31,284	5,895	0	54,356
Net income (loss)	-22,069	273	-47,102	15,118	-1,118	-54,897

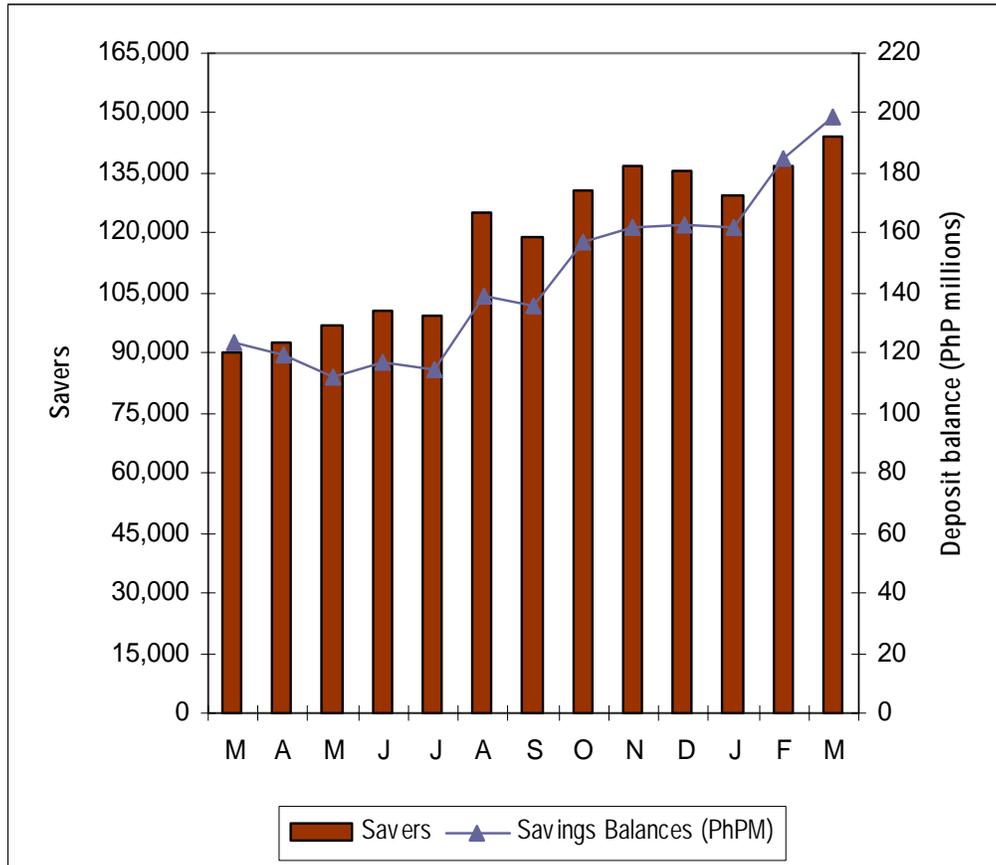
MABS MICROFINANCE PERFORMANCE REPORT									
WATCHLIST ¹ -LUZON, VISAYAS, MINDANAO									
MARCH 2003									
PERFORMANCE DATA	Digos	Saranggani	Bukidnon	Misamis Oriental	Network	Dipolog	Siam	Macro	TOTAL
Number of participating branches	1	1	4	2	8	1	6	2	25
Number of active borrowers outstanding	469	802	2,241	1,118	814	300	799	240	6,783
Number of new borrowers	0	32	329	187	148	11	34	21	762
Number of repeat loans	7	2	332	108	83	75	254	46	907
Loan portfolio balance	2,546,759	2,245,161	11,505,893	11,375,211	9,531,350	2,759,373	5,964,203	3,202,157	49,130,107
Net change in number of deposit accounts	-1,657	2,513	9,018	7,503	4,085	568	6,990	-483	28,537
Net change in deposit balance	1,581,913	2,035,396	8,038,622	8,497,631	15,787,661	2,904,735	3,995,768	2,291,291	45,133,017
Number of microfinance field staff	6	7	23	13	13	4	17	3	86
Number of loans disbursed during the month	7	34	661	295	231	86	288	67	1,669
Cumulative number of loans disbursed	6,788	4,218	19,662	9,519	4,894	2,944	9,282	1,112	58,419
Amount of loans disbursed during the month	75,000	106,000	6,382,000	4,961,700	3,958,308	1,412,000	3,882,390	1,333,000	22,110,398
Cumulative amount of loans disbursed	55,454,739	19,868,862	170,768,305	125,279,569	87,099,781	43,864,000	121,936,217	21,301,000	645,572,473
Portfolio at risk more than 7 days	265,670	590,715	1,013,299	1,288,360	1,291,810	293,110	702,055	239,951	5,684,970
Portfolio at risk more than 7 days (%)	10.43%	26.31%	8.81%	11.33%	13.55%	10.62%	11.77%	7.49%	11.57%
Portfolio at risk more than 30 days	211,240	234,674	864,760	973,637	1,006,243	266,210	498,618	188,727	4,244,109
Portfolio at risk more than 30 days (%)	8.29%	10.45%	7.52%	8.56%	10.56%	9.65%	8.36%	5.89%	8.64%
MONTHLY INCOME AND EXPENSE	Digos	Saranggani	Bukidnon	Misamis Oriental	Network	Dipolog	Siam	Macro	TOTAL
Financial income									
Interest income on loans	95,160	63,948	513,390	322,319	274,985	107,606	300,777	138,900	1,817,085
Service charge	36,332	58,250	214,348	138,985	134,002	42,360	256,913	44,390	925,580
Penalty fee on loans	0	0	5,185	695	3,565	2,146	2,161	4,356	18,108
Total financial income	131,492	122,198	732,923	461,999	412,552	152,112	559,851	187,646	2,760,773
Total financial expense	13,320	11,675	115,102	31,964	29,137	12,196	101,571	35,607	350,572
Gross financial margin (spread)	118,172	110,523	617,821	430,035	383,415	139,916	458,280	152,039	2,410,201
Loan loss provision	0	41,527	12,901	38,239	183,776	12,303	75,965	12,105	376,816
Net financial margin	118,172	68,996	604,920	391,796	199,639	127,613	382,315	139,934	2,033,385
Direct operating expenses									
MFU salaries and benefits	26,574	39,592	160,454	96,424	70,891	22,552	72,755	25,535	514,777
Gross receipts tax	6,575	758	36,647	23,100	20,627	7,606	27,992	9,382	132,687
Depreciation	0	0	0	0	0	0	0	7,163	7,163
Transportation	0	0	0	0	0	0	0	2,344	2,344
Supplies	0	0	0	0	0	0	0	1,421	1,421
Communication	0	0	0	0	0	0	0	4,137	4,137
Others	0	0	0	0	0	0	0	32,415	32,415
Total direct operating expenses	33,149	40,350	197,101	119,524	91,518	30,158	100,747	189,359	801,906
Training and professional fees	0	0	0	0	0	0	0	0	0
Net income before indirect expenses	85,023	28,646	407,819	272,272	108,121	97,455	281,568	57,537	1,338,441
Indirect expenses	0	0	0	0	0	0	0	94,655	94,655
Net income (loss)	85,023	28,646	407,819	272,272	108,121	97,455	281,568	-37,118	1,243,786
¹ Banks with PAR over 30 days greater than 5% are placed in the watchlist.									
Note:									
1. Tagum Rural Bank was unable to report due to MIS problem, numbers for Tagum reflect Feb 2003 amounts									
2. Pantukan branch of Rural Bank of Montevista was unable to report due to MIS problem, numbers for Pantukan reflect Feb 2003 amounts									

Micro Loan Portfolio MABS Participating Banks March 2002 - March 2003



	Micro Borrowers	Loan Portfolio (PhPM)
Mar-02	24,399	146.91
Apr-02	26,654	155.14
May-02	26,821	168.34
Jun-02	26,880	177.28
Jul-02	30,848	198.92
Aug-02	32,031	207.28
Sep-02	32,306	211.14
Oct-02	33,540	216.59
Nov-02	33,792	221.15
Dec-02	33,587	224.79
Jan-03	34,176	229.06
Feb-03	33,579	230.19
Mar-03	35,351	239.72

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



	Savers	Savings Balances (PhPM)
Mar-02	90,468	123.11
Apr-02	92,506	119.50
May-02	96,884	112.42
Jun-02	100,766	117.24
Jul-02	99,479	114.34
Aug-02	124,997	138.83
Sep-02	119,028	135.61
Oct-02	130,814	156.82
Nov-02	137,030	161.92
Dec-02	135,627	162.75
Jan-03	129,437	162.12
Feb-03	136,904	184.51
Mar-03	143,917	199.11

Annex 2.4 Micro Loan Portfolio and Change in Deposit Balances

