

**MABS-M PROGRAM**

*Microenterprise Access to Banking Services in Mindanao*

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**2002 WORKPLAN**

**January 1 – December 31, 2002**

*Submitted by:*

**Chemonics International Inc.**

**Davao City, Mindanao, Philippines**

*In association with:*

**The Rural Bankers Association of the Philippines**

**January 200~~2~~**

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**United States Agency for International Development**

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**Manila, Philippines**

**January through December 2002**

**A. Background**

The Microenterprise Access to Banking Services (MABS) program is a USAID-financed effort managed by the Rural Bankers Association of the Philippines (RBAP), MEDCO, and the Office of the President. 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. As part of capacity development efforts within RBAP, the program has also been working with 8 rural banks in Luzon and Visayas.

MABS is directed at bringing about a sizable expansion of banking services—both lending and savings—to microenterprises and other groups at lower socio-economic levels. Through MABS efforts, a minimum of 100 rural banks and/or bank branches will be assisted by MABS to significantly increase the level of services they provide to the microenterprise sector by September 2004. To date, the first phase of MABS efforts has demonstrated to participating banks and the rural banking community at large that it is sensible and profitable to offer services to the microenterprise sector. Virtually all of the participating banks have committed to making such services a significant part of their portfolios.

During the second phase of the MABS, program activities will focus on three main areas: developing and successfully installing a sustainable microfinance unit within RBAP; ensuring that there is virtually no “backsliding” or erosion of the quality, depth, and breadth of microfinance service delivery among participating banks; and increased efforts to assist banks to reach religious and ethnic minority clients through both new and existing banks.

**B. Workplan Format**

The annual workplan, covering the period January through December 2002 includes sections on background, activity components and expected results. In addition, as required in the MABS contract, this workplan contains a brief overview of results obtained during 2001. This overview, presented by quarter, is included in Annex A. The implementation plan for 2001, modified to include a “Status” column, is included in Annex B. The implementation plan for 2002 is included in Annex C. Note that references to MABS refer to activities that Chemonics will manage along with the RBAP-MABS unit.

### C. Activity Components

The 2002 workplan is indicative of the major tasks MABS intends to carry out during the period in question, but it is not meant to be all-inclusive. Specific activities may be required which are not included in this schedule. In the MABS Quarterly Performance Reports, we will compare actual results against planned activities and provide explanations for areas where implementation exceeded or did not meet targeted goals, as the case may be.

The 2002 workplan is organized by major activity components as follows:

1. Bank Strengthening & Anti-backsliding
2. Expansion of Banking Services to Religious and Ethnic Minorities
3. Microfinance Policy
4. Monitoring and Evaluation
5. RBAP Strengthening
6. Program Management

Below, we address each of the components in more detail, including explanations of the activities illustrated in the 2002 workplan calendar of activities (attached as Annex C).

#### 1. *Bank Strengthening & Anti-backsliding.*

Component one, bank strengthening, incorporates Participating Bank (PB) activities including but not limited to PB selection, diagnostic evaluations, organizational and human resource development, systems development and installation, loan product development, preparation of manuals, launching new products, and marketing. It also includes training activities such as formal course work, workshops, seminars, on-the-job training, internships, study tours, other capacity-building initiatives, and new efforts such as operational reviews. For 2002, we have also added the activities focused on anti-backsliding efforts of graduated MABS participant banks and expanding microenterprise services for all clients, especially underserved religious and ethnic minorities in Mindanao. Training courses and support to participating banks will continue to be funded through the SAF requests although these courses will increasingly be covered through fees charged by RBAP.

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**Participating Banks.** MABS is currently working with approximately 74 bank branches among the 28 PBs. These 28 banks include four pilot banks, ten “1<sup>st</sup> Rollout” banks, and six “2<sup>nd</sup> Rollout” banks, all of which are in Mindanao, as well as an additional eight “3<sup>rd</sup> Rollout” banks in Luzon and Visayas.

During 2001, MABS began an organizational transition as technical assistance efforts began to be delivered directly through RBAP. As far back as the year 2000, MABS started to assist RBAP to set up a microfinance technical services unit within the association that would function out of the three regions of Mindanao, the Visayas, and Luzon. In order to strengthen RBAP’s ability to meet the needs of their members in the two additional regions, additional rural banks in Luzon and the Visayas were selected as participating banks. Requests for letters of interest were sent out during the last month of 2000 to all rural banks in these regions, and institutional assessments were conducted in the first quarter of 2001. In the beginning of April 2001, MABS recommended to the Management and Steering Committees eight additional banks for selection as PBs. One of the conditions for the new PBs was that they agree to serve as training sites for rural banks in these regions. These new PBs began extending loans to microenterprises in July 2001. MABS will continue to provide these banks with the training and technical assistance for the full duration of this 2002 workplan. Additionally, technical assistance and training continues to be provided to existing PBs in Mindanao.

***The MABS Approach Manual.*** During 2000, MABS completed *The MABS Approach* package of services, which documents the MABS approach of providing technical assistance and training to participant banks. In 2001, this package was used to train the new RBAP technical staff to continue to provide these services to client banks. This package of services includes:

- 1) Senior Management Exposure and Training Course
- 2) Microfinance Staff Exposure and Training Course
- 3) Hiring Assistance
- 4) Market Analysis
- 5) Product Development/Enhancement – Loan/Savings Products
- 6) Business Planning
- 7) MIS Consulting
- 8) Preparing the product manual
- 9) Launching and Marketing of the MF Products

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10) Supervising and Monitoring of Microfinance Operations

11) Expansion Phase

12) Basis Course for Training of Microfinance Trainers

This package of services is a product of the MABS experience with participant banks as well as the extensive microfinance experience of the technical staff. Implementing *The MABS Approach* assures the delivery of a consistently high standard of training and technical assistance to each of our PBs.

MABS expects *The MABS Approach* to continue to evolve during 2002 as we continue to work with the new RBAP technical staff in providing these services in new regions and start to offer these services on a commercial basis. *The MABS Approach* continues to be a very successful tool to ensure that a consistently high level of technical assistance and training is delivered to our PBs and that the maximum level of outreach is attained during the project period. *The MABS Approach* manual will be revised to refine the manual for use by RBAP and possibly other service providers. MABS will also contract the services of a consultant to conduct a feasibility study for Licensing Private Organizations to Install *MABS Approach* Microfinance Systems in Rural Banks.

**Development of Measures to reduce "backsliding" and consolidate MABS progress.** MABS will carefully observe problems with adherence to the "MABS Approach" as they have emerged thus far and as they emerge over time on the part of different participating banks, and will identify, test, and implement various measures that can be taken either to minimize the extent to which other participating banks experience the same problems in the future, or to assist participating banks to correct the problems once they occur. As the Participant Bank Agreements come to an end, MABS and RBAP have arranged for graduated MABS participant banks to sign Continuing Technical Support Agreements (CTSA). These agreements will allow MABS to continue to monitor the progress of graduated banks and provide for annual operational reviews to ensure that MABS Best Practices are in place and being followed.

Additional measures that will be studied in 2002 include, for example: the development of a "certification" system under which RBAP formally certifies that a participating bank is fully adhering to fundamental MABS principles - with the "certification" being of material value to the participating bank and/or the establishment of a "MABS Network" to which all rural banks which had "graduated" from the MABS Program could belong, and where membership in the "MABS Network" would bring with it a periodic newsletter with latest information about microfinance best practices, etc.

**Rural Bank Computer Software.** MABS has been addressing the needs of rural banks for microfinance-friendly software on a *long-term* basis by developing the Rural Banker

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2000 software and, on a *short-term* basis, we have supported these needs by upgrading the computer software of PBs. After a delay due to added programming requirements and testing, the delivery date for the de-bugged RB2000 system is now scheduled for January 2002. MABS will assist in rolling out the newly released RB2000 system during 2002. During the first year of installations, MABS will carefully monitor the RB 2000 rollout. In addition, MABS will work to install updated software systems, including the MABS reporting requirements, into 5<sup>th</sup> rollout banks.

**New Product Development.** During the first half of 2002, MABS will assist in developing and pilot testing a few new loan products. These include:

- *Graduated Loans.* This loan product will link the loan to a system that sets and increases new loan sizes within certain limits, based on past loan repayment history, business expansion, increased cashflow, and periodic business planning.
- *Solidarity loans.* MABS will assist interested client banks in developing a solidarity loan for transport clients (tricycles, motorcycles, etc.)
- *Seasonal Agricultural Lending.* MABS will develop loan products specific to the seasonal needs of specific agricultural products. These loans will adjust loan repayment requirements, loan sizes, and loan duration to the specific growing season, cashflow requirements, and cash availability of the borrower.

**Training.** In 2001, training was provided to MABS PBs and, through regional training events, to all Mindanao rural banks. These trainings will continue to be offered through RBAP in 2002.

**PB Training.** Training to new and graduated participant banks will include workshops on managing the growth of microfinance operations, loan administration, market research and area mapping, marketing & promotion, service quality, designing incentive schemes, savings mobilization, delinquency management, cash flow lending, and strategic planning for participant bank staff.

**Regional Training.** In 2002, *the MABS Approach* will be expanded to include a series of workshops to expand the number of banks that will be supported by RBAP-MABS. The various in-house training and technical assistance of MABS will now be integrated into a series of workshops to assist rural banks to group together and be trained at the same time. The pilot test of this revised *MABS Approach* with reduced in-house visits will be conducted in Luzon and then implemented in other regions in 2002 and 2003.

**Develop Training Centers within PBs.** MABS will also work with graduated participant banks to develop training centers for other banks to learn and study the *MABS Approach*. Preliminary work on this will start in April 2002.

**Integration of MABS Training with ABC.** With MABS assistance, the RBAP Microfinance Technical Services Unit will develop and deliver courses as part of RBAP's Academy for Banking in the Countryside (ABC). MABS has already developed four courses, the last course being a workshop on financial management, developed and delivered with the assistance of Joanna Ledgerwood in 2001. As training courses are identified, MABS will work closely with RBAP to work out the logistical, management, and technical delivery details to ensure that quality stays high during and after the integration of MABS training with that of ABC.

**2. *Expanding Service Delivery to include Religious and Ethnic Minorities in Mindanao.***

Based on the feasibility study conducted by MABS in March 2001 and subsequent availability of funds, beginning in 2002, MABS has added specific activities related to expanding service delivery to include clients from underserved religious and ethnic minority groups in Mindanao. This will include working with existing and new MABS participating banks to expand their outreach to a greater number of religious and ethnic minority clients. While MABS was not originally designed as a bank-strengthening program, our activities with banks in these areas may include such activities due to the poor conditions all of the potential banks find themselves in. In fact, over the course of the last four years of program activities in Mindanao, it has become clear that it will be necessary and appropriate to get involved in bank strengthening activities with rural banks serving the these underserved communities in Mindanao. In 2002, MABS will begin these efforts with 3-4 existing MABS banks, as well as through working with two new banks in Mindanao.

**3. *Microfinance Policy.***

In coordination with USAID and the USAID-financed CPIP and AGILE projects, MABS supported microfinance and rural banking policy-related issues throughout 2001. Significantly, MABS and RBAP held briefing sessions with the board of PDIC and the BSP Monetary Board regarding the MABS Approach Technology and the role that technical assistance has played in expanding microfinancial services through rural banks. A visit by Monetary Board member, Mr. Alindogan, and BSP representative, Mr. Lirio, was arranged by MABS and RBAP in Davao. The two were given a detailed briefing of the MABS-M Approach, including our recommendations on appropriate microfinance regulatory policies, and visited the Rural Bank of Sto. Tomas, Rural Bank of Panabo, and Network Bank to see MABS microfinance systems at work.

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Additionally, MABS continues to work with banks implementing programs under the People's Credit and Finance Corporation (PCFC) and has helped to introduce some flexibility with regard to microfinance lending methodologies required of rural banks that wish to borrow through the ADB/IFAD window.

In 2002, we will conduct all of our policy work through RBAP, including the development of a Microfinance Council within RBAP itself. Using this council as a platform, our policy efforts will be to continue advocating appropriate microfinance regulatory policies with the BSP and forming linkages with relevant international microfinance networks.

### 4. *Monitoring and Evaluation.*

This component includes activities relating to the establishment of Monitoring and Evaluation (M&E) systems for use by the individual PBs, the MABS project team, and the RBAP. This process has involved setting up a system to track the progress of the microfinance units in the banks. MABS is committed to ensuring that PBs continue their microfinance activities once the MABS project ends and has demonstrated this by documenting that microfinance is a profitable business. The monitoring and evaluation system has also involved preparing documentation on successful rural banks that have been used during several policy-related meetings during 2001, and has also been used to promote and sell technical services to additional rural banks. MABS-related success stories and activities will now be included in RBAP's bimonthly newsletter *The Rural Banker*, on the new RBAP website, and in monthly MABS updates provided to the Management Committee.

Graduated MABS participant banks will also be monitored under Continuing Technical Support Agreements (CTSA). Banks are requested to continue providing performance data on a weekly and monthly basis under the CTSA.

### 5. *RBAP Strengthening.*

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

**RBAP Microfinance Support Services.** In 2001, MABS reviewed the products and the *MABS Approach* with RBAP and rural bank representatives as part of the process to develop the most cost-effective "package" for RBAP. Four full-time RBAP microfinance technical staff members have been hired with project support. During 2001, the staff members were trained alongside MABS staff in existing PBs. The new staff members are going through all of the aspects of providing microfinance technical services to rural banks, with the goal of enabling them to provide these services on their own in the future. This includes all stages of *The MABS Approach* such as institutional assessments and the

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start-up and expansion phases of training. New participant banks were selected along with the RBAP staff in Luzon and Visayas and, as mentioned above, will act as model banks for RBAP's expansion of services to these other regions.

In addition to the microfinance technical staff, RBAP hired a deputy operations officer with MABS support in September 2001. MABS will work closely with the new deputy, familiarizing him with MABS activities, RBAP management needs, and organizational requirements. Once fully up to speed, the deputy will be responsible for directly managing the RBAP microfinance unit. With project support, RBAP will hire additional staff to expand its capability to expand the MABS Approach in 2002. MABS will also assist RBAP in identifying and setting up appropriate support offices in different regions. MABS will also expand the fee-based service approach that was started in 2001. It is anticipated that fees will cover the full costs of the RBAP-MABS unit by 2004.

**Credit Bureau.** As the competition between rural banks and credit cooperatives increases in many communities, there is a desire to improve credit information sharing. Sharing information on credit clients will minimize the risks of lending and help maintain the healthy portfolio quality that will continue to assist rural banks to profitably expand microfinance services. In other countries, it has also been shown that credit bureau consultation helps to reduce transaction costs by weeding out early those clients with poor repayment histories, resulting in increased efficiency. During 2001, MABS helped to negotiate an agreement with the Bankers Association of the Philippines to extend their credit bureau services to rural banks on a pilot basis in Mindanao. The pilot test will continue until March 2002 and will be extended to additional areas in Mindanao starting in April 2002.

**Feasibility Study for Using Private Sector Training Organizations.** Starting in January 2002, MABS will research and analyze the feasibility for MABS to train and license private consultants, consulting firms, and/or other organizations to install *The MABS Approach* microfinance systems into interested rural banks in the Philippines on a for-fee basis. The intent of this effort is to expand MABS ability to provide technical support and training services to a greater number of banks interested in establishing profitable microfinance operations. If found to be feasible, this type of out-sourcing initiative would complement the existing capacity within the MABS Program and RBAP to meet the increasing demand for microfinance technical assistance and training services brought about by the success and reputation of MABS to date, as well as by new GOP policies affecting microfinance.

6. *Program Management.*

Program management takes into account meetings, project evaluations, report submission, visits by Chemonics' Head Office staff, and other activities related to overall project management. For the most part, the tasks illustrated in the workplan calendar are self-explanatory, including submission of the quarterly reports, the annual inventory of commodities, and the submission of the Year 2003 Workplan in December 2002. Visits by Chemonics' head office staff, including specific scopes of work, will be approved by USAID on a case-to-case basis.

As the project moved into the second phase and focussed attention on RBAP strengthening to develop the capacity to continue to provide microfinance technical training and services, it was agreed that the Chief of Party move to Manila. He now works closely with the leadership of RBAP to establish and operate the RBAP microfinancial technical services unit. With RBAP, MABS has also relocated the office in Davao and has set up a branch office in Cebu as well as a microfinance technical services unit in Manila. A small office is maintained by Chemonics in Cagayan de Oro. RBAP staff members occupy these offices alongside MABS staff.

D. **Actual vs. Expected Results**

The MABS Monitoring and Evaluation results as of November 30, 2001 are included in Annex D. MABS has far exceeded the initial expected project results in 2001. In December 2001, new targets were agreed upon for the extension of the MABS program. The following are the new targets and the actual project results as of November 30, 2001.

- *Expected: Expansion of the number of MABS participating bank units from the present 60 units to 100 units.*
- **Actual through November 2001: 74 rural bank units are currently receiving assistance from MABS.**

The MABS-M program will assist these banks to:

- *Expand the total number of micro-borrowers from the present 18,000 to 50,000.*
- **Actual through November 2001: The total number of active borrowers outstanding for the existing PB units was 21,075.**
- *Expand the total number of new micro-depositors from the present 45,000 to 90,000.*

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- **Actual through November 2001: The total number of new active depositors for the PB units was 76,378.**

Additional targets added in December 2001 include:

- *Installation of the MABS Approach into at least three new participating banks into areas with significant concentrations of religious and ethnic minorities.*
- **MABS sent out letters of interest to rural banks in ARMM and other regions of Mindanao with large concentrations of religious and ethnic minorities.**
- *Significant expansion of the number of religious and ethnic minority clients of at least five participating banks.*
- **MABS completed a feasibility study on expanding financial services to Muslim clients in 2001.**
- *An effective "USAID-accepted" anti-backsliding program focused on participating banks which have "graduated" from the MABS Program developed and implemented by RBAP.*
- **Continuing Technical Support Agreements were developed and signed between the graduated rural banks and RBAP-MABS. Assistance will include the weekly monitoring of Portfolio-at-Risk (PAR) and regular operational reviews to ensure credit discipline is maintained in graduated banks.**
- *All RBAP MABS professionals in place and fully capable of carrying out all key functions required to install the "MABS Approach" into participating banks.*
- **As of December 2001, four RBAP technical staff members were in place providing MABS technical support to rural banks. A new Deputy Operating Officer for RBAP was also recruited and is actively monitoring the progress of the MABS program within RBAP.**
- *Appropriate fee structure for various services to be offered by RBAP MABS to prospective participating banks, to "graduated" banks, and to non-participating banks and other institutions developed and implemented.*
- **During 2001, a fee-based structure was implemented with new participating banks covering approximately 30% of the costs of the RBAP-MABS unit by the end of 2001. Fees are to be increased gradually until full-cost recovery occurs by the end of 2003.**

Annex A

REVISED 2001 PLAN OF ACTIVITIES		Year 4 - 2001											
ACTIVITY COMPONENT	DESCRIPTION	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec
1. Bank Strengthening	Deliver Expansion Phase TA and Training to 2nd Rollout PBs												
	Updated software systems installed in all 1st and 2nd Rollout PBs												
	Shortlist interested RBs for 3rd Rollout												
	Provide monitoring TA for Pilot Banks with new RBAP staff												
	Conduct institutional assessment with new RBAP staff												
	Selection of 3rd Rollout PBs												
	Senior management training - 3rd Rollout PBs												
	Individual workplans and PBAs completed for 3rd Rollout PBs												
	MF staff training - 3rd Rollout PBs												
	RB 2000 bank software development completed ready for Beta testing												
	Beta testing of RB 2000												
	RB 2000 bank software installations												
	Participating Bank Workshop												
	Deliver Intensive TA and Training (Start-Up Phase) to 3rd Rollout PBs												
	Deliver Regional MABS/RBAP Training Series through ABC												
	Deliver Expansion Phase TA and Training to 3rd Rollout PBs												
Deliver monitoring TA for 1st Rollout PBs													
Deliver monitoring TA for 2nd Rollout PBs													
2. Microfinance Policy	Carry out policy initiatives												
3. Monitoring and Evaluation	Refine income/expense portion of M & E system												
	Implement monitoring and evaluation system in 3rd Rollout PBs												
	Monthly evaluation of performance												
4. RBAP Strengthening	Support RBAP to contract a Deputy Director in charge of internal affairs												
	Implement pilot credit bureau concept (subject to additional funds)												
	Business plan for RBAP Unit												
	Strategic planning with RBAP & ABC for 2002												
5. Program Management	Submit quarterly reports (PMRs)												
	Chief of Party and MABS office to be opened in RBAP Manila Office												
	Assist with opening of RBAP's Cebu Office												
	Relocate RBAP's Davao Office												
	Hiring staff for contract extension												

\* This work plan is subject to final approval of the MABS contract amendment.

Status as of Dec 31, 2001			
2001 PLAN OF ACTIVITIES			
ACTIVITY COMPONENT	DESCRIPTION	TARGET DATE	STATUS
1. Bank Strengthening	Deliver Expansion Phase TA and Training to 2nd Rollout PBs	Jan	Completed termination report for first rollout banks, expansion TA to 2nd rollout banks extended until Feb 2002.
	Updated software systems installed in all 1st and 2nd Rollout PBs	Jan	All banks have upgraded their Management Information Systems and can provide MABS reports.
	Shortlist interested RBs for 3rd Rollout	Jan	Completed.
	Provide monitoring TA for Pilot Banks with new RBAP staff	Feb-Dec	Operational review guidelines developed and operational reviews under CTSA began in 2001.
	Conduct institutional assessment with new RBAP staff	Feb-Mar	Completed.
	Selection of 3rd Rollout PBs	Mar	Eight PBs selected, 5 in Luzon and 3 in the Visayas region.
	Senior management training - 3rd Rollout PBs	Apr	Completed.
	Individual workplans and PBAs completed for 3rd Rollout PBs	Apr	Completed.
	MF staff training - 3rd Rollout PBs	May	Completed.
	RB 2000 bank software development completed ready for Beta testing	Mar	Completed in September, Beta testing is ongoing.
	Beta testing of RB 2000	Oct-Dec	Beta test began at the end of September.
	RB 2000 bank software installations	Aug-Dec	Installation of GL module began in August with 32 RB installations completed.
	Participating Bank Workshop	June	Completed.
	Deliver Intensive TA and Training (Start-Up Phase) to 3rd Rollout PBs	April-Dec	On schedule.
	Deliver Regional MABS/RBAP Training Series through ABC	June	Completed in July.
	Deliver Expansion Phase TA and Training to 3rd Rollout PBs	Oct-Dec	Ongoing.
	Deliver monitoring TA for 1st Rollout PBs	July-Oct	Ongoing under CTSA.
Deliver monitoring TA for 2nd Rollout PBs	Sept	PBAs were extended until Feb 2002.	
2. Microfinance Policy	Carry out policy initiatives	Jan-Dec	Completed
3. Monitoring and Evaluation	Refine income/expense portion of M & E system	Jan	Completed.
	Implement monitoring and evaluation system in 3rd Rollout PBs	June	Completed.
	Monthly evaluation of performance	Jan-Dec	System in place and working.
4. RBAP Strengthening	Support RBAP to contract a Deputy Director in charge of internal affairs	Feb-Mar	Completed. DOO in place in RBAP.
	Implement pilot credit bureau concept (subject to additional funds)	Apr-Oct	Pilot testing began in October and is ongoing.
	Business plan for RBAP Unit	Mar	Draft of business plan completed. Business plan to be finalized in January 2002.
	Strategic planning with RBAP & ABC for 2002	Nov	Completed.
5. Program Management	Submit quarterly reports (PMRs)	Jan, Apr, July, Oct	Completed.
	Chief of Party and MABS office to be opened in RBAP Manila Office	Feb-Mar	Completed.
	Assist with opening of RBAP's Cebu Office	Mar-Apr	Completed.
	Relocate RBAP's Davao Office	Mar-Apr	Completed.
	Hiring of staff for contract extension	Oct-Dec	Due to delays in contract extension, new staff will come on board in January-February 2002.

*Annex C*



Annex D

BANK OPERATIONS PERFORMANCE REPORT  
 CONSOLIDATED MONTHLY PERFORMANCE INDICATORS -  
 LUZON, VISAYAS & MINDANAO - FOR THE YEAR 2001

PERFORMANCE DATA	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sept. 2001	Oct. 2001	Nov. 2001
No of participating units	44	51	54	57	57	57	60	68	70	73	74
# of Active Borrowers Outstanding	11,097	13,165	16,509	17,454	18,107	19,180	19,385	19,855	19,975	20,628	21,135
# of New Borrowers	1,213	1,461	1,834	1,635	1,561	2,071	2,003	2,660	2,037	2,520	2,112
# of Repeat Loans	2,367	2,792	3,800	3,143	4,252	3,767	3,837	3,757	3,688	4,405	3,912
Loan Portfolio Balance	56,027,288	68,516,505	86,363,869	90,128,267	98,920,795	105,617,829	108,834,682	112,123,383	114,070,193	116,716,518	124,050,075
Net change in no. of deposit accts.	27,706	39,553	41,410	45,813	58,292	53,498	64,000	68,174	78,349	82,920	78,801
Net change in deposit balance	29,803,910	31,509,354	46,339,943	58,540,803	60,662,609	65,277,430	68,595,911	68,354,089	80,286,045	77,617,371	71,768,037
# of Microfinance Field Staff	138	155	178	182	170	170	183	215	225	225	259
# Loans Disbursed during the Month	3,580	4,315	5,634	4,895	5,813	5,838	5,840	6,417	5,725	6,788	6,057
Cumulative # Loans Disbursed	33,191	37,605	43,239	47,589	53,402	59,240	65,080	71,545	77,268	84,056	89,998
Amt. of Loans Disbursed during the Month	31,911,247	36,978,651	48,349,839	43,054,986	51,352,164	54,176,234	55,746,527	60,909,462	54,295,091	64,535,776	59,056,964
Cumulative Amt. of Loans Disbursed	255,900,592	293,429,693	341,779,531	381,083,017	432,435,181	486,611,415	542,357,942	603,796,704	658,091,796	722,627,572	779,979,536
Loan Amount Overdue (%)	2.44%	2.44%	2.38%	3.33%	3.11%	3.25%	3.05%	3.04%	3.79%	4.80%	5.38%
Loan Amount Overdue	1,365,389	1,672,997	2,055,767	3,000,348	3,075,737	3,431,925	3,153,788	3,411,715	4,320,343	5,605,466	6,671,538
# of Accounts with an Amount Past Due	986	1,107	1,462	2,079	2,105	2,100	2,103	2,118	2,048	2,193	2,218
Portfolio at Risk more than 7 days (%)	3.77%	4.68%	4.46%	5.34%	5.63%	5.46%	5.91%	4.93%	4.93%	5.16%	5.54%
Portfolio at Risk more than 7 days	2,114,726	3,209,231	3,848,047	4,811,431	5,571,117	5,770,358	6,106,455	5,530,058	5,626,249	6,027,362	6,869,174
Portfolio at Risk more than 30 days (%)	0.00%	0.00%	0.00%	2.03%	1.83%	2.35%	2.23%	1.95%	2.58%	2.91%	3.05%
Portfolio at Risk more than 30 days				1,621,894	1,619,484	2,484,457	2,080,503	1,990,993	2,939,254	3,394,338	3,781,949

BANK OPERATIONS PERFORMANCE REPORT  
 CONSOLIDATED - BY ROLLOUT BANKS

NOVEMBER 2001

PERFORMANCE DATA	PARTICIPANT BANKS				
	Pilot Banks	First Rollout Banks	Second Rollout Banks	Third Rollout Banks	TOTAL
No of participating bank units	4	36	22	12	74
# of Active Borrowers Outstanding	1,969	13,143	5,314	709	21,135
# of New Borrowers	217	1,291	459	145	2,112
# of Repeat Loans	146	2,477	1,140	149	3,912
Loan Portfolio Balance	13,107,391	67,431,152	37,198,460	6,313,072	124,050,075
Net change in no. of deposit accts.	1,028	32,398	44,550	825	78,801
Net change in deposit balance	5,390,358	25,847,799	41,991,405	(1,461,524)	71,768,037
# of Microfinance Field Staff	16	126	85	32	259
Loans Disbursed during the Month	500	3,697	1,599	261	6,057
Cumulative # Loans Disbursed	12,398	56,149	20,481	970	89,998
Amt. of Loans Disbursed during the Month	5,338,516	30,917,259	18,096,189	4,705,000	59,056,964
Cumulative Amt. of Loans Disbursed	108,417,315	424,997,670	233,298,886	13,265,665	779,979,536
Loan Amount Overdue (%)	4.86%	4.65%	7.54%	3.00%	5.38%
Loan Amount Overdue	637,219	3,137,736	2,804,516	92,067	6,671,538
# of Accounts with an Amount Past Due	271	1,324	607	16	2,218
Portfolio at Risk more than 7 days (%)	5.96%	4.98%	7.10%	3.17%	5.54%
Portfolio at Risk more than 7 days	780,653	3,358,268	2,642,248	88,005	6,869,174
Portfolio at Risk more than 30 days (%)	3.52%	2.79%	3.83%	0.26%	3.05%
Portfolio at Risk more than 30 days	461,124	1,882,531	1,425,135	13,159	3,781,949

STATEMENT OF INCOME AND EXPENSES	PARTICIPANT BANKS				
	Pilot Banks	First Rollout Banks	Second Rollout Banks	Third Rollout Banks	TOTAL
Financial Income					
Interest Income on Loans	401,026	1,725,966	1,791,062	179,312	4,097,366
Service Charge on Loans	203,935	740,282	774,430	152,458	1,871,105
Penalty Fee on Loans	6,991	31,133	60,793	4,289	103,205
Total Financial Income	611,951	2,497,380	2,626,286	336,059	6,071,676
Total Financial Expense*	49,426	304,758	277,362	49,461	681,006
Gross Financial Margin (spread)*	555,031	2,158,842	2,348,923	286,598	5,349,394
Loan Loss Provision*	19,889	275,200	292,150	54,507	641,746
Net Financial Margin*	535,142	1,917,423	2,056,774	232,091	4,741,429
Direct Operating Expenses*	0	0	0		
Micro-finance Salaries and Benefits*	83,389	524,323	380,093	247,961	1,235,766
Gross Receipts Tax*	19,590	125,439	131,314	16,803	293,146
Depreciation*	130,159	67,323	50,782	18,441	266,705
Total Direct Operating Expenses*	124,960	717,084	562,189	283,205	1,687,438
Net Income/ (Loss)	433,449	1,286,570	1,494,585	(51,114)	3,163,489