

Minutes of the Meeting  
**STRATEGIC PLANNING CONFERENCE FOR CY 2018 & 2019**  
October 25-27, 2018  
Lantaka by the Sea Hotel, Zamboanga City

*Present:*

Alex P. Bangcola – Chairman and CEO  
Atty. Imelda Tarhata F. Macarambon – Legal Officer  
Lilian Q. Dubal – Head, Branch Banking Services Dept.  
Nasor P. Abdullatif – Acting Head, Operations Sector  
Rowena B. Cunanan - Head, Human Resources Dept.  
Nursalyn H. Ladjabassal – Acting Head, Treasury Dept.  
Aprilie Mae B. Malacay – Compliance Officer  
Santannina D. Datu-imam – Acting Head, Accounting and Finance  
Paul E. Schuck - Acting Head, Zamboanga Branch  
Asmia A. Mira-ato – Head, Cagayan de Oro Branch  
Reina Madonna M. Gayak – Head, Cotabato Branch  
Camaliah T. Dianalan – Acting Head, Davao Branch  
Amina L. Saliaw – Acting Head, General Santos Branch  
Sittie S. Usman – Head, Iligan Branch  
Amer Hussien Y. Mitmug – Acting Head, Makati Branch  
Sarima M. Punguinagina – Head, Marawi Branch  
James B. Porto – Head, Credit and Appraisal Unit

*Also Present:*

Leah T. Ferolino – Staff, BRU  
Al-Khram A. Pandangan – Account Officer  
Roel Jefferson D. Avanzado – Account Officer  
Nerady F. Miñao – Admin. Support  
Norjannah P. Lucman - Secretariat

*Absent:*

Oliver E. Saniano – Risk Officer  
Edwin B. De Torres – Acting Head, IT Dept.  
Sittie Haniyah G. Guro – Acting Head, Branch Review Unit

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With the notices properly served to the branch/department/unit heads and officers of the Al-Amanah Islamic Investment Bank of the Philippines met in session at the Conference Room, Lantaka by the Sea Hotel, Zamboanga City for the 3-day Annual Strategic Planning Conference.

There being a quorum and one hundred percent (100%) attendance of the branch heads, the conference started. Mr. Nasor P. Abdullatif, Acting Head, Operations, led the group in prayer. The Conference, then, proceeded as follows:

- Opening Remarks – Paul E. Schuck
- House Rules – Ms. Nerady F. Miñao

**DIRECTION SETTING FOR CY 2018**

Atty. Imelda Tarhata F. Macarambon, Legal Officer, was tasked to give a short message and direction setting for CY 2018. Atty. Macarambon shared that the Bank has many extensive plans for the coming years, among which is the partnership with Department of Trade and Industry on its P3 project and the amendment of the Charter of the Bank.

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**BANKWIDE PERFORMANCE AS OF 30 SEPTEMBER 2017**

Ms. Santanaina D. Datu-imam, Actin Head, Accounting and Finance Dept., presented the bankwide performance as of 30 September 2018.

The highlights of the presentations are as follows:

Particulars	Amount in Million (Peso)	Composition (in %)
Total Earnings	18	o Treasury Operations – 46%

		<ul style="list-style-type: none"> <li>○ Loans and Financing – 43%</li> <li>○ Other Income – 11%</li> </ul>
Total Expense	56	<ul style="list-style-type: none"> <li>○ Personnel Services – 55%</li> <li>○ Other Administrative Services – 45%</li> </ul>
Net Loss	38	
Total Liabilities	719	<ul style="list-style-type: none"> <li>○ Total Liabilities – 64%</li> <li>○ Total Equity – 36%</li> </ul>
Deposit Liabilities	429	<ul style="list-style-type: none"> <li>○ Savings – 51%</li> <li>○ Demand – 44%</li> <li>○ Time Deposit – 5%</li> </ul>
		<ul style="list-style-type: none"> <li>○ Islamic - 13%</li> <li>○ Conventional – 87%</li> </ul>
Loan Portfolio	166	<ul style="list-style-type: none"> <li>○ Islamic – 20%</li> <li>○ Conventional – 80%</li> </ul>
Loan Portfolio	166	<ul style="list-style-type: none"> <li>○ Current – 97%</li> <li>○ Past Due – 3%</li> </ul>

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### TREASURY REPORT/UPDATES AS OF 30 SEPTEMBER 2017

Ms. Nursalyn H. Ladjabassal, Acting Head, Treasury Department, presented the treasury updates as of 30 September 2018.

The highlights of the presentations are as follows:

Particulars	Amount in Million (Peso)	Composition/Breakdown
Investments	408.00	<ul style="list-style-type: none"> <li>○ Overnight Reserve Repurchase Facility (RRP) – 300.00</li> <li>○ Overnight Deposit Facility (ODF) – 90.00</li> <li>○ Held to Maturity – Government Securities – 18.00</li> </ul>
Income from Investment	8.385	<ul style="list-style-type: none"> <li>○ Overnight Reserve Repurchase Facility (RRP) – 5.695</li> <li>○ Overnight Deposit Facility (ODF) – 2.104</li> <li>○ Held to Maturity – Government Securities – 0.586</li> </ul>
Deposit Information	429.36	<ul style="list-style-type: none"> <li>○ Conventional – 372.92</li> <li>○ Islamic – 57.08</li> </ul>
		<ul style="list-style-type: none"> <li>○ Private – 266.21</li> <li>○ Government – 163.16</li> </ul>
Sources and Use of Funds		<ul style="list-style-type: none"> <li>○ Loan Releases – 6.26</li> <li>○ Loan Collections – 6.43</li> <li>○ Total Expenses – 6.79</li> <li>○ Loanable Funds – 341.90</li> </ul>

As Ms. Ladjabassal went by, she also presented the Update on the Pilgrimage Savings Plan:

Branch	No. of Accounts	Amount in Million
Cagayan de Oro	11	0.031
Cotabato	8	0.355
Davao`	12	0.098
General Santos	11	0.080
Iligan	17	0.113
Jolo	14	0.143
Makati	8	0.256
Marawi	2	0.081
Zamboanga	7	0.443
Total	90	1.601 M

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## **CREDIT AND APPRAISAL UNIT UPDATES**

Mr. James B. Porto, Head, Credit and Appraisal Unit, presented the pending accounts for credit/appraisal/validation.

Particulars	No. of Accounts	Remarks
Appraisal	8	Inspected/Awaiting for other documents/on process
Credit Investigation	6	Awaiting for documents
	3	For scheduling
Background Investigation (newly hires of the Bank)	3	On Process

He emphasized that for the requests to be acted upon, the requesting branch/unit/department shall provide/complete the following documents:

- **LAND**
  - Certified True Copy of TCT's/OCT's (Latest)
  - Sketch Plan duly signed by Geodetic Engineer
  - Certified True Copy of Tax Declaration of Land (Updated/Latest)
  - Certificate of No Improvement
- **IMPROVEMENTS**
  - Complete Set of Approved Building Plan (for newly built impv'ts)
  - Bill of Materials and Cost Estimates (for newly built impv'ts)
  - Certified True Copy of Tax Declaration of Improvements
- **CHATTELS**
  - 3 sets stencils of Engine and Body/Chasis
  - Official Receipts / Delivery Receipts / Sales Invoice
  - OR and CR from LTO
  - Certificate of Ownership / Deed of Sale (for Heavy Equipments)
- **VALIDATION for Building Construction**
  - Complete Set of Approved Building Plan and Specs.
  - Bill of Materials and Cost Estimates
  - Certificate of Completion duly signed by Engineer
  - Building and Fire Permit
  - Occupancy Permit (after construction)
- **VALIDATION of Chattels for financing**
  - Three (3) Quotations from different Suppliers with contact number
  - Brochures / Specifications
- **VALIDATION of Acquired Chattel**
  - 3 sets stencils of Engine and Body/Chasis
  - Official Receipts / Delivery Receipts / Sales Invoice
  - OR and CR from LTO
  - Certificate of Acceptance
- **CAR FINANCING (brand new)**
  - Signed request for validation and BAP-NFIS
  - Signed quotation with basic specification from the car dealer (preferred unit)
- **CREDIT INVESTIGATION**
  - List of Key Principals
  - Accomplished Confidential Information Sheet (CIS) with pictures and authenticated by AO
  - CIR of the Company, LGU, and Cooperative
  - DTI or SEC Registration
  - Business Permit
  - Authorization from each key Principals client (Additional Form)
  - Authorization from the Company, LGU, and Cooperative signed by authorized key principals/officers. (Supported by Board Resolution)

- BIR certificate of Registration
- List of Suppliers with contact numbers
- Historical Background of the Business/Company or Socio-Economic Profile of LGU

Lastly, Mr. Porto presented the usual/recurring problems encountered:

- **For CI Requests:**
  - CIS (Confidential Information Sheet)
  - CIR (Customer Information Report)
  - Authorization Forms
  - Historical Background of the Business (for new clients)

**For Appraisal Requests:**

- No attachments
- Application of unsecured collaterals
- Acceptability of the proposed collaterals
- **Others:**
  - Avoid on the spot request as much as possible.
  - Secrecy and Confidentiality of Credit Information

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**INFORMATION TECHNOLOGY UPDATES**

Ms. Norjannah P. Lucman, Staff, Operations Sector, presented the IT Updates in lieu of Mr. Edwin B. De Torres, IT Head. Ms. Lucman presented that there are major projects of the unit/department for CY 2018, as follows:

- Automated Teller Machine (ATM) Operations
  - The Bank is now in coordination/discussion/negotiation with prospective bidders
  - The Board of Directors approved the procurement of ATM Operations
  - The Technical Working Group is presently crafting the Terms of Reference to start the Public Bidding Process
  - The Public Bidding shall fall under Consulting Services, since the project will comprise of the Card Management System, the Switch and the ATM units.
- Remittance System
  - The Bank is in close coordination with Development Bank of the Philippines (DBP) for the operations of Remittance Services.
- Roll-out of In-House FFE System
  - The IT Unit has almost completed the in-house furniture, fixture and equipment system. Once completed, the Executive Office shall pilot use the said system. Then, eventually to be rolled-out to branches.
- Intranet for Procedures and Manual
  - The IT Unit is working on the intranet for procedures and manuals.
- Branch/es Visit
  - The Unit shall visit the branches for hardware and network maintenance.
  - The Unit shall also work for a stronger wired internet connection for Cagayan de Oro, General Santos, and Iligan branches
  - The Unit shall also work on the IT Infrastructure for Marawi Branch
- Procurement of IT Equipment, Software and Paraphernalia
  - The Unit plans to procure the following:
    - Purchase of additional memory and standard hard disk
    - Two (2) units of routers as back up
    - Replacement/new desktop computers or laptop computers
    - Network Firewall
    - New server for Business Continuity Plan/Disaster Recovery Plan
    - Anti-virus licenses for core-banking system (CBS) computers

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## **GENERAL SUPPORT/ADMINISTRATIVE SERVICES UPDATES**

Ms. Norjannah P. Lucman, Staff, Operations Sector and In-Charge of the Procurement of the Bank, presented the existing process and procedures.

The highlights of the presentation are as follows:

- Definition and Principles of Procurement
- Legal basis of the procurement system: Republic Act No. 9184 and its implementing rules and regulations
- Public Bidding Timeline, as set by the Government Procurement Policy Board
- Alternative Methods of Procurement
  - Agency to Agency. The Government is mandated to procure its common supplies and equipment (CSE) with Procurement Service (PS). As of September 30, 2018, there are still branches that are not procuring their CSE with PS due to unavailability of PS depots in the locality.
  - The Branches were informed to not use their Petty Cash Fund in purchasing CSE as this might be subject to possible audit observation.
- Recommendation
  - Ms. Lucman recommended including a thorough discussion on procurement process and procedures for CY 2018 in the Bank's future conferences. She suggested that the best venue for the said discussion shall be in Cashiers and Accountants Conference.

## **BRANCH REVIEW UNIT UPDATES**

Ms. Leah T. Ferolino, in lieu of her immediate supervisor, presented the common and recurring finding for CY 2017. She thoroughly explained the following common findings:

- Thank You Letters were not sent to some clients with newly opened accounts.
- Monthly report of official travels was not prepared regularly
- Non-machine validated entries on Daily Time Records were not signed/ initialed by the immediate supervisor.
- Some vault activities/ transactions were not recorded on the vault logbook maintained by the branch.
- Observations noted on IT equipment:
  - No regular maintenance and cleaning
  - PCs are without UPS
  - Antivirus software not installed on PCs
- Observations noted on Bank Security:
  - Vault has no breathing/ventilation device and emergency alarm
  - Insufficient vibration alarm device inside the vault
  - None usage of pre-numbered logbooks
  - CCTV video recorder does not meet the 90 days retention period
  - CCTV produce low quality video footages
  - No CCTV covering the vault's cash safe
  - DVR/CPU has no cabinet/cabinet is not secured
  - No hold-up button alarm device at the teller's area
  - Automatic Telephone Dialer(ATD) is not connected to BFP

Also, she enumerated the recurring findings on some of the following items:

- Deficiencies noted on CRF and KYC procedure of the branch:
- Deficiencies noted on handling and maintenance of Signature Cards:
- Observations noted on handling of Inactive/Dormant accounts:
- Observations noted on handling of Closed accounts:
- Some disbursements were not properly processed and supported by proper documentation.
- Deficiencies noted on handling of Manager's Checks:
- Main vault door and cash safe combination was not changed regularly.
- Non-conduct of training on emergency procedure for disasters and annual fire drill.

To address the findings, both common and recurring, the Management instructed the Unit to provide an Action Plan. It is also noted that the Unit shall present the updates on a Finding vs. Actions Taken approach.

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## **BANK'S OTHER ADMINISTRATIVE EXPENSE (AOE) BUDGET FOR CY 2018 AND 2019**

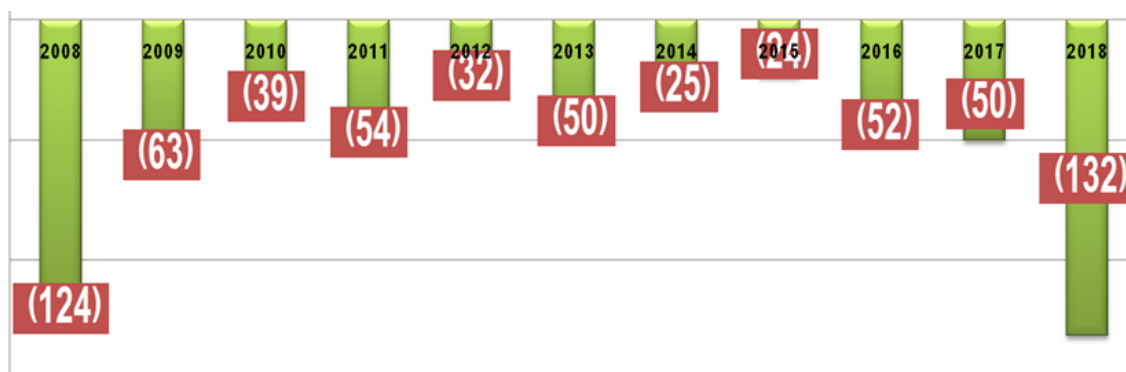
Ms. Datu-imam, Acting Head, Accounting and Finance Department, presented the Administrative Expenses for CY 2018, as follows:

- Power, Water and Light (P2,178,090.40)
  - Head Office/Makati Executive Office - The figures are based on the annualized amount with additional provision for a buffer. The buffer is computed using the Total Approved Branch/Department Budget plus assumed budget for Risk Unit less Total Annualized Branch/Department Expense, divided by the total number of branches/Departments except for Makati Branch which is based on the Branch' projection. The quotient is allocated evenly among all Departments/Branch as buffer.
- Rental Bank Premises (P9,464,752.19)
- Rental FFE (P673,700.00)
- Information Technology (P782,382.30)
- Fuel and Lubricants (P954,000). The fuel charge assumed is P60.00 per liter.
- Travelling (P7,073,522.40)
- Repairs and Maintenance (P2,362,586.16) The repairs of equipment is expected to be within 5-10% of the book value of assets (including Bank premises).
- Security, Messengerial, Clerical and Janitorial Services.(P15,941,777.17).
- Postage, Telephone, Cable and Telegrams (P3,600,000.00)
- Documentary Stamps (P251,999.92)
- Stationery and Other Office Supplies (P1,395,304.62)
- Advertising and Publication (P356,400.00)
- Periodicals and Magazines. (P84,000.00)
- Representation and Entertainment (P1,134,000.00)
- Membership Fees and Dues (P 336,452.00)
- Trainings and Seminars (P6,696,650.00)
- Conferences Expenses (P404,840.00)
- Board of Directors Meetings (P195,000.00). This represents the budget for food expenses during the BOD and Committee meetings. The Bank estimated a total of 15 BOD meetings and 12 Committee meetings at P5,000 and at P2,000 food expense per meeting, respectively.
- Management Meetings (P108,000.00)
- Insurance Expenses (P2,575,753.14)
- Taxes and Licenses (P4,195,030.23)
- Depreciation Expenses (P2,434,735.11).
- Amortization Expense (P1,596,272.49)
- Management and Other Professional Fees (P5,059,000.00)
- Acquired Asset (P50,000.00)
- Supervision and Examination Fees (P100,417.41)
- Miscellaneous Expenses (P802,304.07)

She also projected the budget for CY 2018 and CY 2019. She explained that there is an increase should the Bank adopt the SSL 4 (tranches 3 and 4).

	2017	2018	2019
Total COB (in million)	P60.75	P 80.30	P85.33
		○ Out of which is P44.56 or 55.4% on Compensation – Salaries, Wages, Reg.	○ Out of which is P47.93 or 56% on Compensation – Salaries, Wages, Reg.

Ms. Datuimam presented the movement of the Net Loss from 2018 to 2017, and possible net loss for 2018. The graph shows:



She also added the comparison among expenses, earnings and equity from 2008 to 2019:

(in million)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Earnings</b>	11	14	31	34	45	27	48	56	27	26	26	26
<b>Expenses</b>	135	77	70	88	77	76	73	79	79	76	158	167
<b>Equity</b>		547	537	473	442	399	374	350	299	249	117	(15)

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### **BRANCH PERFORMANCES AS OF 30 SEPTEMBER 2017**

The branch Heads presented their respective performances as of 30 September 2018. It is summarized/categorized to show per aspect.

- Summary of Targets

Branch	Loan Releases	Gross Income	Deposit Balance
Cagayan de Oro	P25.0 M	P1.69 M	P45.0 M
Cotabato	P12.0 M	P0.71 M	P65.0 M
Davao	P36.0 M	P1.90 M	P25.0 M
General Santos	P30.0 M	P6.00 M	P25.0 M
Iligan	P15.0 M	P1.102 M	P30.0 M
Jolo	P12.5 M	P0.94 M	P35.0 M
Makati	P20.0 M	P0.51 M	P20.7 M
Marawi	P15.0 M	P1.267 M	P125.0 M
Zamboanga	P65.0 M	P2.84 M	P34.0 M

- Financing Portfolio

Branch	Islamic	Conventional	Total
Cagayan de Oro	P6.36 M	P1.48 M	P7.84 M
Cotabato	P2.99 M	P4.50 M	P7.49 M
Davao	P2.60 M	P1.50 M	P4.10 M
General Santos	P3.90 M	P75.80 M	P79.70 M
Iligan	0	P16.40 M	P16.40 M
Jolo	0	P4.77 M	P4.77 M
Makati	0	0	0
Marawi	0	P14.36 M	P14.36 M
Zamboanga	P7.99 M	P14.26 M	P22.25 M

- Releases

Branch	Islamic	Conventional	Total
Cagayan de Oro	0	P0.96 M	P0.96 M
Cotabato	P2.99 M	P8.50 M	P11.49 M

Davao	P2.60 M	0	P2.60 M
General Santos	P3.19 M	0	P3.19 M
Iligan	0	P3.0 M	P3.00 M
Jolo	0	P5.4 M	P5.40 M
Makati	0	0	0
Marawi	0	0	0
Zamboanga	P4.68 M	0	P4.68 M

- Deposit Portfolio - A

Branch	Islamic	Conventional	Total
Cagayan de Oro	P3.09 M	P48.89 M	P51.98 M
Cotabato	P15.45 M	P60.05 M	P75.51 M
Davao	P4.11 M	P5.90 M	P11.02 M
General Santos	P1.70 M	P19.76 M	P21.50 M
Iligan	P3.19 M	P22.16 M	P25.36 M
Jolo	P4.93 M	P19.40 M	P24.34 M
Makati	P1.19 M	P4.12 M	P5.31 M
Marawi	P20.98 M	P172.33 M	P193.32 M
Zamboanga	P2.40 M	P18.64 M	P21.04 M

- Deposit Portfolio - B

Branch	2017 Budget	Actual Gross Income	% R.R.	Variance
Cagayan de Oro	P45.00 M	P51.98 M	116%	P6.98 M
Cotabato	P65.00 M	P75.52 M	116%	P10.52 M
Davao	P25.00 M	P11.00 M	44.10%	P14.00 M
General Santos	P25.00 M	P21.50 M	86%	P3.55 M
Iligan	P30.00 M	P25.36 M	84.54%	P4.63 M
Jolo	P35.00 M	P24.34 M	70%	P10.65 M
Makati	P20.70 M	P5.318 M	25.69 %	P15.38 M
Marawi	P125.00 M	P193.32 M	<b>154.6%</b>	P68.32 M
Zamboanga	P34.00 M	P21.047 ,	61.9%	P12.953 M

- Gross Income

Branch	2017 Budget	Actual Gross Income	% R.R.	Variance
Cagayan de Oro	P1.69 M	P0.523 M	31%	P1.158 M
Cotabato	P0.710 M	P0.429 M	60%	P0.28 M
Davao	P1.90 M	P0.122 M	6.42%	P1.77 M
General Santos	P6.12 M	P4.69 M	77%	P1.43 M
Iligan	P1.10 M	P1.27 M	<b>115.86 %</b>	P0.17 M
Jolo	P0.94 M	P0.417 M	44.36 %	P0.523 M
Makati	P0.51 M	P0.019 M	3.91%	P0.49
Marawi	P1.267 M	P1.791 M	<b>141%</b>	0.523 M
Zamboanga	P2.84 M	P1.776 M	62.54%	P1.064 M

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## **OPERATIONS SECTOR UPDATES**

Mr. Abdullatif of Operations Sector presented the updates on the three units under the supervision (and to be supervised by the Sector)

- Central Clearing Unit
  - CICS Service Level Agreement (with DBP) has been deferred
  - DBP has approved the installation of Corporate Check Scanning (CCS) or Remote Deposit System on Check (RDSC)



- Automated Delivery Process (ADP), a web based application developed by PCHC to address manual processes involved in special clearing of refunded items that did not meet the Morning Returns cut-off time.
- Microfinance Unit
  - Credit Risk Guarantee Fund (CRGF) – Small Business Corporation (of DTI)
  - P3 Program (of DTI)
    - Mas mabilis na pautang – 1 day
    - Mas mababang interes – maximum of 2.5% per month
    - Magaan pagbabayad – daily/weekly/ collection
    - P5,000 – P100,000
    - Memorandum of Agreement to be signed
- Remittance Services
  - The Bank aims to capture the remittance from Overseas Filipino Workers, especially in the Middle East.
  - Existing Remittance Services of AAIIBP
    - BSP PhilPaSS Remit System
    - DBP Remittance Fulfillment Service Agreement
    - DBP Swift Inward remittance
    - BSP PhilPaSS –Interbank Customer Payments (IBCP)
  - Plans

Amanah Islamic Bank plans to explore the market to look for service providers and banks that will give us faster and cheaper remittance services and install an on-line remittance system that our future tie-ups or foreign offices could use in transmitting their remittance instructions.

Since a remittance system is very expensive, the bank is considering a possible partnership for remittances and bills payment in the Philippines with some of the following companies:

“**Optimum Exchange Remit Inc.**”, a company owned by former Sen. Manny Villar, which has been in the business of remittances since 2007.

Presently, they have remittance partners in the United Arab Emirates, Kuwait, Hongkong and Singapore, among others.

**eMONIX** is a Financial Solutions and Systems Provider that is incorporated and organized by Senior IT and Financial Services Experts and innovators from a wide range of industries such as Banking, Payment Gateway, Mobile Solutions and Gaming.

**THE RORAIMA GROUP**, working through its wholly-owned subsidiary, Roraima Data Services (Asia) Inc. (RDS-Asia), proposes to work with AIB to serve as a consolidator for international remittances and for the AIB to act as a custodian/collaborating bank with Roraima’s digital e-wallet. This partnership will create and execute programs that are strategically and tactically aligned with the objective of providing products and services to the government’s OFW program.

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## **TARGETS FOR CY 2018**

Ms. Lilian Q. Dubal, Head, Branch Banking Services Department, presented the targets for CY 2018. The targets aim to have a positive bottomline.

Here are the highlights:

<b><u>LOAN RELEASES</u></b>			
	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>% increase</u></b>
Cagayan de Oro	25.00	<b>140.52</b>	0%
Cotabato	12.00	<b>157.92</b>	763%

Davao	36.00	<b>137.18</b>	262%
General Santos	30.00	<b>80.59</b>	107%
Iligan	15.00	<b>132.81</b>	538%
Jolo	12.00	<b>116.61</b>	768%
Makati	20.00	<b>219.12</b>	488%
Marawi	15.00	<b>151.26</b>	574%
Zamboanga	65.00	<b>114.71</b>	116%
	<b>230.00</b>	<b>1,250.72</b>	

<b><u>GROSS INCOME</u></b>			
	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>% increase</u></b>
Cagayan de Oro	1.69	9.38	554%
Cotabato	0.71	10.50	1477%
Davao	1.90	9.12	479%
General Santos	6.12	10.13	165%
Iligan	1.47	9.75	664%
Jolo	0.94	7.88	840%
Makati	0.51	13.88	2732%
Marawi	1.69	10.50	620%
Zamboanga	5.68	9.00	159%
	<b>20.71</b>	<b>67.60</b>	

<b><u>DEPOSIT BALANCE</u></b>			
	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>% increase</u></b>
Cagayan de Oro	45.00	90.00	200%
Cotabato	65.00	130.00	200%
Davao	25.00	50.00	200%
General Santos	25.00	50.00	200%
Iligan	30.00	60.00	200%
Jolo	35.00	70.00	200%
Makati	20.70	41.40	200%
Marawi	125.00	250.00	200%
Zamboanga	34.00	68.00	200%
	<b>404.70</b>	<b>809.40</b>	

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## **STRATEGIES TO MEET THE TARGETS**

In addition to the targets of the branches, Ms. Dubal of BBSD, discussed the strategies to realize the targets.

- Market accounts classified under various industries to build-up mixed portfolio
- Focus on the following Islamic product lines:

	<b>NO. OF ACCOUNTS</b>	<b>AMOUNT/ACCOUNT</b>	<b>TOTAL</b>
Murabaha - hardware	3	20.00	60.00
Murabaha - agri related	3	10.00	30.00
Ijarah - heavy equipment	3	4.00	12.00
Ijarah -delivery trucks, etc.	4	1.50	6.00
BBA- working capital	5	3.00	15.00
car financing	4	1.00	4.00
Murabaha Micro-financing	5	0.50	2.50
<b>TOTAL</b>	<b>27</b>		<b>129.50</b>

- Branch Heads shall assist in the packaging of accounts.
- Branch Account Officers shall be furnished with copy of approved Murabaha accounts.
- Start marketing big ticket accounts in order for us to accrue income earlier for the year.

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## **UPDATES ON LEGAL DEPARTMENT (DISCUSSION ON ISLAMIC AND LEGAL CONTRACTS)**

Atty. Imelda Tarhata F. Macarambon, Legal Officer, presented mainly on the comparison between the Islamic Contract and Legal Contract.

The following are the highlights of the presentation:

<b>Islamic Contract</b>	<b>Legal Contract</b>
<ul style="list-style-type: none"> <li>• Islamic contract or agreement is generally based on morals and ethics. The source of which are the Islamic principles under the Qur'an, Hadith and Sunnah of the Prophet Mohammad (saw), and the Shari'a rulings and jurisprudence.</li> <li>• Generally, its primary purpose is benevolence or to extend a hand to those who are in need. Profitability is secondary.</li> <li>• To gain profit out of an agreement is not prohibited, provided it is reasonable, conscionable (equity) and does not bear interest.</li> <li>• A loan of money is prohibited if it accrues interest.</li> </ul>	<ul style="list-style-type: none"> <li>• Contract is founded on the freedom of every person to enter into an agreement with respect to his rights to dispose of or transfer his rights over his properties in accordance with law, or to render or hire services that are not contrary to law, public order, public policy, morals, or good customs</li> <li>• A contract is meeting of the minds between two persons whereby one binds himself, with respect to the other, to give something or to render some services.</li> </ul>

She, then, discussed the difference between Agreement and Contract. She also added the object of the agreement and considerations for executing a contract.

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## **UPDATES ON HUMAN RESOURCE MANAGEMENT (HRM)**

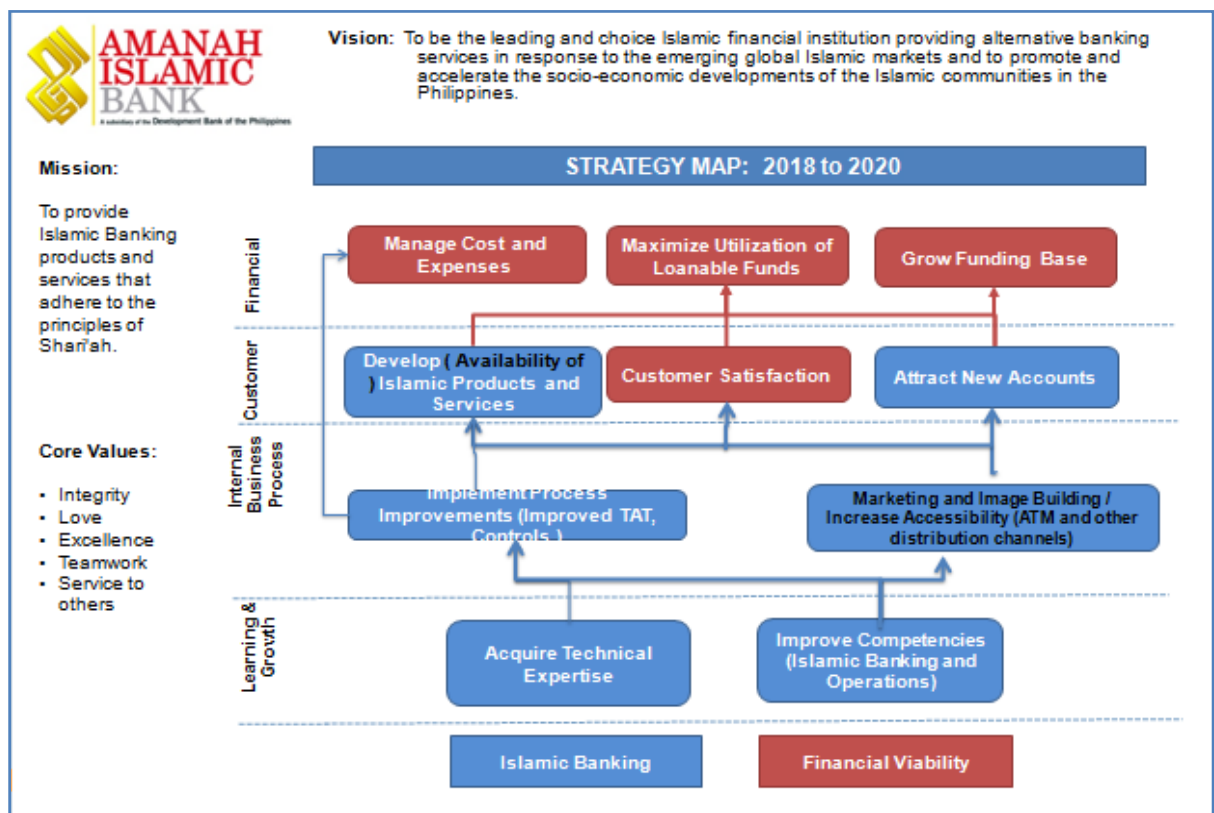
Ms. Rowena B. Cunanan, Head, HRM, informed the group that the Philippine Commission on Women (PCW) approved the GAD Plan and Budget for 2018. But, the PCW did not approved the conduct of Iftar Activity, an annual project on GAD since 2011.

Ms. Cunanan, also informed that GCG approved the implementation of Salary Standardization Law (SSL) 4. She noted that per consultation with the Budget Office of the Bank, this will immensely the Bank's Corporate Budget for the succeeding year/s..

**ANTI-MONEY LAUNDERING and COMPLIANCE MATTERS/CONCERS**

Ms. Aprilie Mae B. Malacay, Compliance Officer, presented the updates on the Anti-Money Laundering, compliance with BSP and other regulatory agencies, such as, but not limited to, COA, GCG, DBM, and CSC. She, then, reminded that in addition to the dynamic marketing efforts on loan portfolio build up and deposit build up generation, the Bank, as a whole, shall also dutifully comply with rules and regulations.

Lastly, Ms. Malacay, led and opened the discussion on the Strategy Map for 2018 and 2019. Thus, for submission to Governance Commission on GOCCs (CGG). The group concluded the Conference with a more enhanced and suitable Strategy Map for CY 2018 and 2019. The image below shows the said plan:



Prepared by:

**NORJANNAH P. LUCMAN**  
Secretariat

Noted and Approved:

**NASOR P. ABDULLATIF**  
Acting Head, Operations Sector

**LILIAN Q. DUBAL**  
Head, Branch Banking Services Department