

AL-AMANAH ISLAMIC INVESTMENT BANK OF THE PHILIPPINES (AAIBP)
Validation Result of 2019 Performance Scorecard

Component						AAIBP Submission		GCG Validation		Supporting Documents	Remarks	
Objective/ Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating				
FINANCIAL	SO 1	Maximize Utilization of Loanable Funds										
	SM 1	Grow Amount of Outstanding Loans Granted	Net amount of all Loans and Financing Accounts	15%	(Actual / Target) x Weight 0% if lower than ₱ 300 Million	₱440.20 Million	₱ 248.07 Million	8.45%	₱248.06 Million	0%	COA Notes to Financial Statement Summary of Loan Portfolio.	Required minimum accomplishment not met. Validated accomplishment based on the COA Annual Audit Report.
	SO 2	Manage Cost and Expenses										
	SM 2	Minimize Net Loss	Total Revenues – Total Expenses	10%	10% = (₱51 Million) and below 5%: (₱ 52 Million and above)	₱ (51 Million)	₱ (72.45) Million	7%	₱ (74.86) Million	5%	COA Annual Audit Report COA Notes to Financial Statement	Target not met. Validated accomplishment based on the COA Annual Audit Report. Compared to its net loss in 2018 which registered at P77.14 Million, the validated actual shows a significant improvement and in line with the objective of the measure. Considering the

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											notable improvement, GCG revises the rating scale by removing the required minimum accomplishment.
SO 3	Grow Funding Base										
SM 3	Increase Deposit Level	Sum of all Deposits from Private and Government Sector	15%	(Actual / Target) x Weight 0% = If below ₱340 Million	₱694.73 Million	₱558.04 Million	12%	₱ 564.54 Million	12.19%	COA Notes to Financial Statement BSP Published Balance Sheet	Target not met. Validated accomplishment based on the COA Audit Report.
SM 4	Manage Net Non-Performing Loans Ratio	(Non-performing Loans – Specific Loans Loss provision) / Total Loan Portfolio	10%	(Actual / Target) x Weight 2% and above = 0%	1.16% <u>or lower</u>	9.48%	3.16%	0%	10%	AAIIBP Consolidated NPL ratio report BSP Published Balance Sheet	Acceptable. Also, target was corrected to accurately capture the intent of this measure, which is to reduce the Bank's non-performing loans.
		Sub-Total	50%						27.19%		

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SO 4 Develop Islamic Products and Services												
CUSTOMERS	SM 5	Increase Availment of Deposit Products (Islamic): Pilgrimage Savings Plan (PSP) and Bahsit	Total number of <i>new</i> accounts under the Islamic Deposit Products	5%	(Actual/Target) x Weight	200	79	4.38%	444 (79 PSP accounts and 365 Bahsit accounts)	5%	Report generated from SavePlus System – Consolidated Balances per Quarter Unaudited FS and Notes to FS as submitted to COA	Target exceeded. The formula was corrected to reflect the intention of the target which pertains to new accounts.
	SM 6	Increase Availment of Financing Products (Islamic) -Al-Murabahah -Al-Bai Bithaman Ajil -Al-Ijarah -Al-	Total number of accounts under the Islamic Financing Products	5%	(Actual/Target) x Weight	25	155	5%	119	5%	Summary of Loan Portfolio for Islamic and Conventional Loans	Target exceeded. Validated actual was based on the submitted Summary of Loan Portfolio and AAIIBP's explanation sent via email on 16 June 2020.

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SO 5	Attract New Accounts										
SM 7	Increase Additional Number of Deposit Accounts (Conventional and Islamic) net of DSWD Accounts	Total number of new deposit accounts (Conventional and Islamic) less DSWD accounts	5%	(Actual/Target) x Weight	416	6,838	10%	880	5%	Report generated from SavePlus System – Consolidated Balances per Quarter	Target exceeded. The reported 6,838 accounts refer to the cumulative total number of accounts. However, only 880 new accounts were opened for the year.
SO 6	Ensure Customer Satisfaction										
SM 8	Percentage of Satisfied Customers	Number of respondents who rated AAIIBP service with at least Satisfactory and Very Satisfactory / Total Number of Respondents	10%	(Actual / Target) x Weight 0% = if below 80%	95%	98%	10%	Report not acceptable	0%	Customer Satisfaction Report per Branch Accomplished questionnaire	The Survey Report was prepared by the Branch Review Unit of AAIIBP, contrary to the GCG's requirement of a third-party to conduct the analysis and report generation of the survey. Also, respondent size is not in accordance with the requirement

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											under the GCG Standard.	
		Sub-Total	25%						15%			
SO 7	Increased Accessibility (ATM and other distribution channels)											
SM 9	Increase Number of Branches with ATMs installed	Number of Branches with ATMs installed	5%	(Actual / Target) x Weight	4	3	3.75%	<u>Measure Excluded</u>	<u>Measure Excluded</u>		The GCG found merit in the contention of AAIIBP that the non-accomplishment of the target was due to factors beyond AAIIBP's control.	
SO 8	Implement Process Improvements (Improved TAT, Controls)											
INTERNAL PROCESS	SM 10	Percent of Transactions Processed within Turnaround Time (TAT)	Number of loans transactions processed within prescribed period / Total number of loan applications with complete	10%	(Actual / Target) x Weight If below 93% = 0%	100%	97%	5%	Cannot be validated	0%	Database of loan applications processed in 2019	The noted inconsistencies between the database submitted and the samples of loan applications were not addressed.

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		document-ation									
		Sub-Total	15%				15%		0%		
SO 9	Improve Competencies (Islamic Banking Operations)										
SM 11	Increase Percentage of Employees Meeting Required Competencies	Actual accomplishment	10%	(Actual / Target) x Weight	Improve-ment in the 2018 Competency Baseline of the Organization	Conduc-ted compe-tency assess-ment for all employees	5%	82.60%	10%	Database of 2018 and 2019 Competency Assessment Results	Target met. AAIIBP was able to increase its overall competency score from 58.16% in 2018 to 82.60% in 2019.
		Sub-Total	10%						10%		
		TOTAL	100%				73.74%		52.19% out of 95% or 54.94 out of 100%		