



10 August 2021

MR. ALEX P. BANGCOLA

Chairperson and CEO

AL-AMANAH ISLAMIC INVESTMENT

BANK OF THE PHILIPPINES (AAIIBP)

Greenhills McKinley Arcade, MA-104B Ortigas Ave.,
San Juan City

RE : TRANSMITTAL OF 2021 PERFORMANCE SCORECARD

Dear Chairperson and CEO Bangcola,

This is to formally transmit the 2021 Charter Statement and Strategy Map (**Annex A**), and 2021 Performance Scorecard (**Annex B**) of AAIIBP.

The AAIIBP proposed Charter Statement, Strategy Map and Performance Scorecard submitted through a letter dated 30 September 2020¹ were **MODIFIED** based on the discussions made during the Technical Panel Meeting (TPM) held on 23 November 2020 and evaluation of revised documents submitted through AAIIBP's letter dated 29 January 2021.²

We take this opportunity to **REMIND** AAIIBP that Item 5 of GCG Memorandum Circular (M.C.) No. 2017-02³ mandates GOCCs to submit Quarterly Monitoring Reports and upload the same in the GOCC's website within thirty (30) calendar days from the close of each quarter. AAIIBP is requested to submit its revised Quarterly Targets based on the attached scorecard upon submission of its Quarterly Monitoring Report for 2021.

Finally, under GCG M.C. No 2017-02, GOCCs can no longer renegotiate the targets set in their Performance Scorecards for the current year. Thus, any request for modification in the 2021 Performance Scorecard will instead be considered during the validation of the reported annual accomplishments.

FOR AAIIBP'S COMPLIANCE AND INFORMATION.

Very truly yours,

¹ Officially received by the Governance Commission on 30 September 2020.

² Officially received by the Governance Commission on 29 January 2021.

³ INTERIM PES FOR THE GOCC SECTOR, dated 30 June 2017.

2021 CHARTER STATEMENT AND STRATEGY MAP (Annex A)

AL-AMANAH ISLAMIC INVESTMENT BANK OF THE PHILIPPINES



Mission: To become the premier Islamic Investment Bank in the Country.

To participate in all phases of development that shall promote national economy and advance peace and progress across the Country.

To afford Filipinos client-friendly products and services and the goodwill of Islamic banking and investment in support to their business ventures and other economic activities.

To equip Muslim Filipinos with Islamic banking and financial education that shall help them improve their economic and social condition and make them a significant economic force of the Nation.

To develop, innovate and enrich Islamic banking and financing products and services that are responsive, sensitive and suitable to the way of life of Muslim Filipino communities, especially in the ARMM.

To establish Islamic financial facilities like takaful (Islamic Insurance) primarily to secure Islamic deposits and products.

To participate in the globally growing Islamic banking market by facilitating and administering issuance or booking of muqaradah, sukuk or Islamic Bonds either by the government or private corporations.

To address poverty alleviation in Muslim Filipino Communities and their similarly situated neighbors by developing and offering an Islamic microfinance and Qard Al-Hassan for small entrepreneurs that basically are responsive and effective to their circumstances.

To establish a Waqf fund which shall serve as conduit between the international donor community and the less fortunate sector in the society in delivering humanitarian and charitable assistance that shall address poverty alleviation, especially in Muslim Filipino communities and their similarly situated neighbors.

To establish a Zakat account where AAIBP can deposit its default and other penalty charges on all Islamic financing accounts and zakat donation of persons and entities for charitable assistance to the poorest sector in the society, especially in the Autonomous Region in Muslim Mindanao.

Core Values:

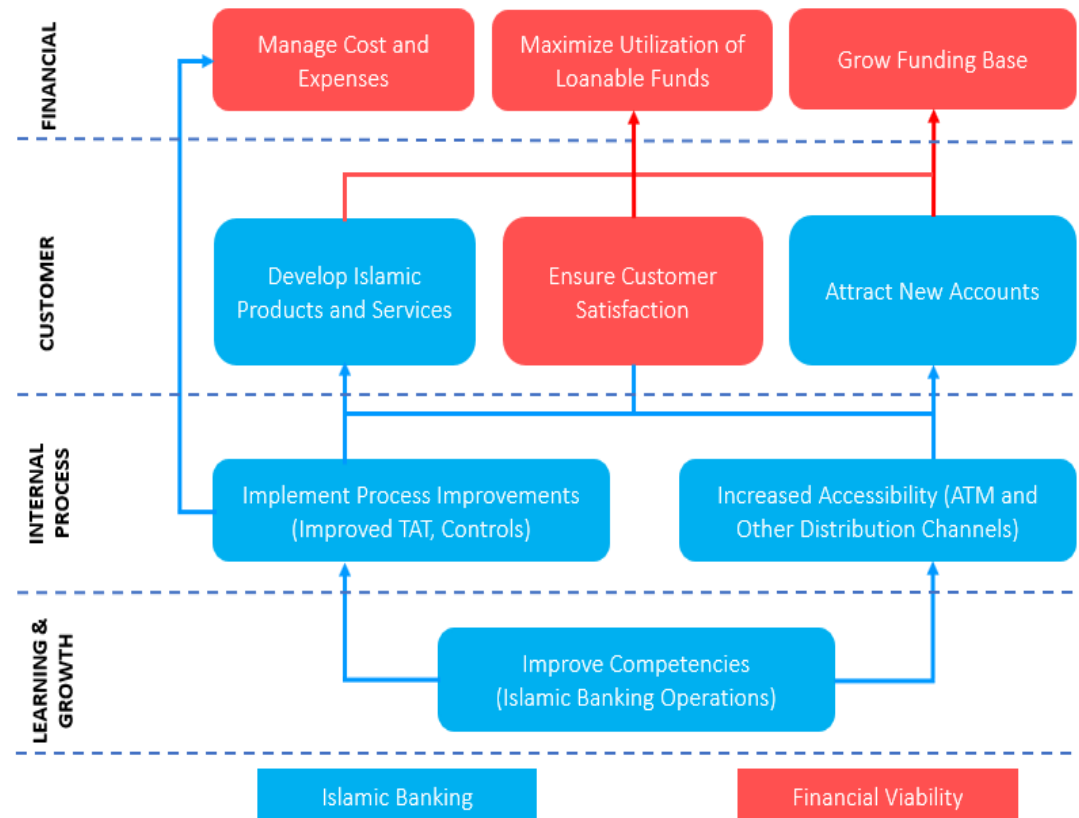
- Integrity
- Love
- Excellence
- Teamwork
- Service to others

Vision:

To serve as arm of the Government in addressing poverty alleviation especially in Muslim Filipino communities across the country by delivering goodwill, simplistic, and responsive way of Islamic banking and financing by 2023

To secure and stabilize the financial condition of the Bank by 2023
To become a fully Islamic Bank and competitive in the banking industry by 2023

To prove the great benefits that communities and countries may enjoy out of the countless blessings of Islamic banking, financing and investment by 2025.



AL-AMANAH ISLAMIC INVESTMENT BANK OF THE PHILIPPINES

Component					Baseline Data		Target		
	Objective/Measure	Formula	Weight	Rating System	2018	2019	2020	2021	
FINANCIAL	SO 1	Maximize Utilization of Loanable Funds							
	SM 1	Increase of Loan Releases	Actual Accomplishment	15%	(Actual / Target) x Weight	₱489.81 Million	₱248.06 Million	₱558.04 Million	₱750.02 Million
	SO 2	Manage Cost and Expenses							
	SM 2	Minimize Net Loss	Total Revenues – Total Expenses	10%	(Actual / Target) x Weight	(₱77.14 Million)	(₱74.86 Million)	(₱84.71 Million)	(₱41.87 Million)
	SO 3	Grow Funding Base							
	SM 3	Increase Deposit Level	Sum of All Deposits from Private and Government Sectors	15%	(Actual / Target) x Weight	₱591.48 Million	₱564.54 Million	₱685.77 Million	₱891.77 Million
	SM 4	Manage Gross Past Due Rate	Gross Past Due/Total Loan Portfolio	10%	{1 – [(Actual – Target) / Target] x Weight} 23% and above = 0%	5.09%	10.10%	Not Applicable	17%
		Sub-total	50%						
CUSTOMERS	SO 4	Develop Islamic Products and Services							
	SM 5	Increase Availment of Deposit Products (Islamic): Pilgrimage Savings Plan (PSP)	Total number of accounts under PSP	6%	(Actual/Target) x Weight	90	200	240	550

Component					Baseline Data		Target		
	Objective/Measure	Formula	Weight	Rating System	2018	2019	2020	2021	
CUSTOMERS	SM 6	Increase Availment of Financing Products (Islamic): - Al-Murabahah - Al-Bai Bithaman Ajil - Al-Ijarah	Total number of accounts under the Islamic Financing Program	6%	(Actual/Target) x Weight	20	25	190	419
	SO 5	Attract New Accounts							
	SM 7	Number of Deposit Accounts (Conventional and Islamic) ¹	Absolute Number	6%	(Actual/Target) x Weight	N/A	N/A	8,343	8,566
	SO 6	Ensure Customer Satisfaction							
	SM 8	Percentage of Satisfied Customers	Number of Respondents who gave a rating of at least Very Satisfactory / Total Number of Respondents	12%	(Actual/Target) x Weight Below 80% = 0%	96%	96%	95%	95%
		Sub-total		30%					
INTERNAL PROCESS	SO 7	Increased Accessibility (ATM and Other Distribution Channels)							
	SM 9	Increase Number of Customer Touchpoints	Actual No. of Branches, ATMs, POS/micro-ATMs as of end of year	5%	(Actual /Target) x Weight	N/A	N/A	N/A	66

¹ Net of DSWD Accounts.

Component					Baseline Data		Target		
	Objective/Measure	Formula	Weight	Rating System	2018	2019	2020	2021	
INTERNAL PROCESS	SO 8	Implement Process Improvements (Improved TAT, Controls)							
	SM 10	Percentage of Transactions Processed within TAT	No. of loan transactions processed within the prescribed period / Total number of loan applications with complete documentation	10%	(Actual / Target) x Weight If below 93% = 0%	96%	100%	100%	100% ²
		Sub-total		15%					
LEARNING AND GROWTH	SO 9	Improve Competencies (Islamic Banking and Operations)							
	SM 11	Improve Competencies of Employees	Competency Baseline 2021 ³ – Competency Baseline 2020	5%	All or Nothing	50% of Employees Meeting Desired Level of Competency	Improvement on the 2017 Competency Baseline of the Organization	Improvement on the Competency of the Organization based on the 2019 year-end assessment	Improvement on the Competency Level of the Organization based on the 2020 year-end assessment
		Sub-total		5%					
	Total			100%					

² Applicable Turnaround Time shall be in accordance with AAIIBP's compliance with Republic Act No. 11032 otherwise known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018

³ The competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

$$\frac{\sum_{a=1}^A \left[\frac{\text{Actual Competency Level}}{\text{Required Competency Level}} \right]_a}{B}$$

where: a = Competency required, A = Total number of competencies required of position, b = Personnel profiled, B = Total number of personnel profiled