



Office of the President of the Philippines  
**GOVERNANCE COMMISSION**  
FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS  
3/F, BDO Towers Paseo, 8741 Paseo De Roxas, Makati City, Philippines 1226



07 January 2022

**MR. ALEX P. BANGCOLA**

*Chairman and CEO*

**AL-AMANAH ISLAMIC**

**INVESTMENT BANK OF THE PHILIPPINES (AAIIBP)**

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

**RE : VALIDATION RESULT OF 2020 PERFORMANCE  
SCORECARD OF AAIIBP**

Dear Chairman and CEO Bangcola,

This is to formally transmit the validation result of AAIIBP's 2020 Performance Scorecard. Based on the Governance Commission's validation of the GOCC's documentary submissions, AAIIBP gained an over-all score of **56.36%** (See **Annex A**). The same is to be posted in AAIIBP's website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.<sup>1</sup>

In relation to the grant of 2020 Performance-Based Bonus (PBB) to eligible officers and employees, AAIIBP failed to satisfy the requirements of GCG M.C. No. 2019-02,<sup>2</sup> particularly the achievement of a weighted-average score of at least 90% in its 2020 Performance Scorecard. In this regard, the Board is reminded that any unilateral action to release the PBB will be considered as a violation of the Board's fiduciary duty to protect the assets of the GOCC as provided under Section 19 of Republic Act No. 10149.<sup>3</sup>

Consequently, pursuant to GCG M.C. No. 2021-01,<sup>4</sup> failure to qualify for the PBB means that the Appointive Members of the Governing Board of AAIIBP shall not be qualified to receive the Performance-Based Incentive (PBI).

**FOR AAIIBP'S INFORMATION AND GUIDANCE.**

Very truly yours,

**cc: COA Resident Auditor – AAIIBP**

<sup>1</sup> Code of Corporate Governance dated 28 November 2012.

<sup>2</sup> Interim Performance-Based Bonus (PBB) dated 25 July 2019.

<sup>3</sup> GOCC Governance Act of 2011.

<sup>4</sup> Interim Performance-Based Incentive (PBI) System for the Appointive Directors of GOCCs Covered by GCG for CY 2020 and for the Years Thereafter, dated 28 January 2021.

AL-AMANAH ISLAMIC INVESTMENT BANK OF THE PHILIPPINES (AAIIBP)  
Validation Result of 2020 Performance Scorecard

	Component					AAIIBP 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	Increase of Loan Releases	Actual Accomplishment	15%	(Actual / Target) x Weight	₱558.04 Million	₱73.07 Million	n.d.	<u>Measure Excluded</u>	<u>Measure Excluded</u>	-

## Validation Result of 2020 Performance Scorecard (Annex A)

Component					AAIIBP Submission		GCG Validation		Supporting Documents	Remarks	
Objective/ Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating			
										minimum capital ratio of 6% for CET 1 and 10% for Total CAR.	
<b>SO 2</b>	<b>Manage Cost and Expenses</b>										
SM 2	Minimize Net Loss	Total Revenues – Total Expenses	10%	10% = lower than (P84.71 Million)  5% = between (P84.71 Million) to (P90 Million)  0% = higher than (P90 Million)	P (84.71 Million)	P (83.90 Million)	n.d.	P(86 Million)	5%	COA Annual Audit Report  COA Notes to Financial Statement	Validated accomplishment based on the COA Annual Audit Report.  The rating scale was modified to conform with the target.
<b>SO 3</b>	<b>Grow Funding Base</b>										
SM 3	Increase Deposit Level	Sum of all Deposits from Private and Government Sector	15%	(Actual / Target) x Weight	P685.77Million	P644.28 Million	n.d.	P644.28 Million	14.09%	COA Notes to Financial Statement  BSP Published Balance Sheet	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%	1-[(Actual - Target) / Target] x Weight  2% and above = 0%	Not exceeding the Philippine Bank standard as of end of the year	0%	n.d.	0%	10%	BSP Published Balance Sheet	Acceptable.
		<b>Sub-Total</b>	<b>50%</b>						<b>29.09%</b>		

## Validation Result of 2020 Performance Scorecard (Annex A)

	Component					AAIIBP Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/ Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating			
	<b>SO 4</b>	<b>Develop Islamic Products and Services</b>										
CUSTOMERS	SM 5	Increase Availment of Deposit Products (Islamic): Pilgrimage Savings Plan (PSP)	Total number of <u>new</u> accounts under PSP	5%	(Actual/Target) x Weight	240	7	n.d.	7	0.14%	Report generated from SavePlus System – Consolidated Balances per Quarter	Acceptable.  The formula was corrected to reflect the objective of the target which is to monitor 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	70 additional accounts	17	n.d.	17	1.21%	10 sample of loan applications  Database for 2020 loan releases	Acceptable.
		<b>SO 5</b>	<b>Attract New Accounts</b>									
	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	8,343	8,914	n.d.	7,762	4.65%	Report generated from SavePlus System – Consolidated Balances per Quarter	Only 7,762 out of 8,914 are Conventional and Islamic Accounts.
	<b>SO 6</b>	<b>Ensure Customer Satisfaction</b>										
SM 8	Percentage of Satisfied Customers	Number of respon-	10%	(Actual / Target) x Weight	95%	96%	n.d.	Report not acceptable	0%	Customer Satisfaction Report	AAIIBP was not able to submit an adequate back-	

## Validation Result of 2020 Performance Scorecard (Annex A)

Component						AAIIBP Submission		GCG Validation		Supporting Documents	Remarks	
Objective/ Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating				
		dents who rated AAIIBP service with at least Satisfactory and Very Satisfactory / Total Number of Respondents		0% = if below 80%						Accomplished questionnaire	checking and spot-checking report. The Survey Report was prepared by the Branch Review Unit of AAIIBP, contrary to the GCG'S requirement for a third-party to conduct the analysis and report generation of the survey.	
		<b>Sub-Total</b>	<b>25%</b>						<b>6%</b>			
	<b>SO 7</b>	<b>Increased Accessibility (ATM and other distribution channels)</b>										
	SM 9	Increase Number of Branches with ATMs installed	Number of Branches with ATMs installed	5%	(Actual / Target) x Weight	3	ATM operation are still suspended. AAIIBP are planning to fully implement the Easy Debit by February 2021	n.d.	<u>Measure Excluded</u>	<u>Measure Excluded</u>	-	Measure excluded considering the financial constraints of AAIIBP.
	<b>SO 8</b>	<b>Implement Process Improvements (Improved TAT, Controls)</b>										
<b>INTERNAL PROCESS</b>	SM 10	Percent of Transactions Processed within	Number of loans transactions processed within prescribed period / Total number of	10%	(Actual / Target) x Weight If below 93% = 0%	100% of loan transactions are processed within the prescribed TAT	99%	n.d.	88%	0%	Database of loan applications processed in 2020 Sample of loan applications	Based on the review of supporting documents, 5 out of 41 total loan applications received were

Validation Result of 2020 Performance Scorecard (Annex A)

Component						AAIIBP Submission		GCG Validation		Supporting Documents	Remarks
Objective/ Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating			
Turnaround Time (TAT) <sup>1</sup>	loan applications with complete documentation										processed beyond the prescribed TAT: FA 2020-009i FA 2019-017MF FA 2019-018MF FA 2021-006MF FA NO. 2020-009I
	<b>Sub-Total</b>	<b>15%</b>				<b>15%</b>		<b>0%</b>			
<b>SO 9</b>	<b>Improve Competencies (Islamic Banking Operations)</b>										
SM 11	Improve Competencies of employees	Competency Baseline 2020 <sup>2</sup> – Competency Baseline 2019	10%	All or Nothing	Improvement on the Competency Level of the Organization based on the 2019 year-end assessment	In general, the competency level of the organization for FY2020 have improved	n.d.	3.9%	10%	2019 and 2020 Competency Database Sample of individual competency assessment	AAIIBP's competency level increased from 110.09% in 2019 to 113.99% in 2020.
	<b>Sub-Total</b>	<b>10%</b>						<b>10%</b>			
	<b>TOTAL</b>	<b>100%</b>								<b>45.09%</b> out of 80% or <b>56.36%</b> out of 100%	

<sup>1</sup> 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.

<sup>2</sup> Improvement in the competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

$$\frac{\sum_{a=1}^A \left[ \frac{\sum_{b=1}^B \text{Actual Competency Level}}{\sum_{b=1}^B \text{Required Competency Level}_a} \right]}{A} \quad \text{where: } a = \text{Competency required, } A = \text{Total number of competencies required of position, } b = \text{Personnel profiled, } B = \text{Total number of personnel profiled}$$