

AL-AMANAH ISLAMIC INVESTMENT BANK OF THE PHILIPPINES (AAIIBP)
Validation Result of 2021 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	₱750.02 Million	₱87.11 Million	n.d.	<u>Measure Excluded</u>	-	<ul style="list-style-type: none"> • BSP Total Credit Reporting System (TCRS) Summary of Total Loans Granted as of 31 December 2021 • Schedule of Available Loanable Funds per Month for 2021 	<p>Measure excluded.</p> <p>The AAIIBP was only able to release loans by the second half of 2021 after the additional capital infusion from DBP. The lack of capital remains a problem of the bank, hence the failure to increase loan releases.</p>
	SO 2	Manage Costs and Expenses										
SM 2	Minimize Net Loss	Total Revenues – Total Expenses	10%	$\{1 - \frac{\text{Actual}}{\text{Target}}\} \times \text{Weight}$	₱ (41.87 Million)	₱ (86.63 Million)	n.d.	₱ (88.81 Million)	0%	• COA Annual Audit Report	<p>Target not met.</p> <p>The validated accomplishment is based on the COA Annual Audit Report.</p> <p>The rating scale was modified to reflect proper</p>	

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											scoring based on the target.	
SO 3	Grow Funding Base											
SM 3	Increase Deposit Level	Sum of all Deposits from Private and Government Sector	15%	(Actual / Target) x Weight	₱891.77 Million	₱722.51 Million	n.d.	₱722.51 Million	12.15%	<ul style="list-style-type: none"> COA Notes to Financial Statement Report generated from SavePlus System 	Acceptable. The validated accomplishment is based on the COA Annual Audit Report and the report generated from SavePlus.	
SM 4	Manage Gross Past Due Rate	Gross Past Due / Total Loans Portfolio	10%	{1- [(Actual - Target) / Target] x Weight} 23% and above = 0%	17%	25%	n.d.	25.30%	0%	<ul style="list-style-type: none"> BSP Published Balance Sheet 	Target not met. The validated accomplishment is based on the BSP Published Balance Sheet. The Past Due Rate (PDR) exceeds the minimum requirement of 23%.	
		Sub-Total	50%						12.15%			
SO 4	Develop Islamic Products and Services											
CUSTOMERS	SM 5	Increase Availment of Deposit Products (Islamic): Pilgrimage Savings Plan (PSP)	Total number of accounts under PSP	6%	(Actual/ Target) x Weight	550	540	n.d.	540	5.89%	<ul style="list-style-type: none"> Report generated from SavePlus System 	Acceptable.

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SM 6 Increase Availment of Financing Products (Islamic) -Al-Murabahah -Al-Bai Bithaman Ajil -Al-Ijarah	Total number of accounts under the Islamic Financing Products	6%	(Actual/Target) x Weight	419	50.34	n.d.	67	0.96%	<ul style="list-style-type: none"> Total Credit Reporting System (TCRS) Loans Granted Database of 2021 loan releases broken down by program 	Acceptable. Al-Murabahah – 58 Al-Ijarah – 7 Al-Bai Bithaman Ajil – 1 Al-Quard UI-Hassan Benevolent Loan - 1	
SO 5	Attract New Accounts										
SM 7 Number of Deposit Accounts (Conventional and Islamic) ¹	Absolute Number	6%	(Actual/Target) x Weight	8,566	9,689	n.d.	8,544	5.98%	<ul style="list-style-type: none"> Report generated from SavePlus System 	Acceptable. Only 8,544 out of 9,689 are Conventional and Islamic accounts.	
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%	95%	96%	n.d.	Non-compliant	0%	<ul style="list-style-type: none"> Consolidated Report on Customer Satisfaction Survey Database of Customer Satisfaction Survey Results per branch 	Non-compliant. The CSS implemented is not compliant with the Enhanced Standard Methodology for the Conduct of Customer Satisfaction Survey issued by the GCG.	
	Sub-Total	30%						12.83%			

¹ Net of DSWD Accounts.

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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 the end of year	5%	(Actual / Target) x Weight	66	n.d.	n.d.	<u>Measure Excluded</u>	-	<ul style="list-style-type: none"> Submitted a letter as justification based on the discussion during the on-site visit. 	Measure excluded. ATMs are yet to be operationalized by their service provider in 2022. The circumstances to fully achieved the target for this measure are beyond the AAIIBP's control.	
SO 8	Implement Process Improvements (Improved TAT, Controls)											
INTERNAL PROCESS	SM 10	Percent of Transactions Processed within Turnaround Time (TAT) ²	No. of Loan transactions processed within prescribed period / Total number of loan applications with complete documentation	10%	(Actual / Target) x Weight If below 93% = 0%	100%	98%	n.d.	73.20%	0%	<ul style="list-style-type: none"> Database of loan applications processed in 2021 Sample of loan applications 	Target not met. The AAIIBP was only able to process 71 out of 97 accounts within TAT.
			Sub-Total	15%				15%		0%		

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.

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LEARNING AND GROWTH	SO 9	Improve Competencies (Islamic Banking Operations)										
	SM 11	Improve Competencies of employees	Competency Baseline 2021 ³ – Competency Baseline 2020	5%	All or Nothing	Improvement on the Competency Level of the Organization based on the 2020 year-end assessment	Eight percent (8%) of the total number of employees assessed have shown improvements from meet standard to exceed standards. The rest have remained to meet and exceed the standards	<i>n.d.</i>	7.66%	5%	<ul style="list-style-type: none"> • 2020 and 2021 Competency Database • Sample of individual competency assessment 	Acceptable. AAIIBP's competency level increased from 113.99% in 2020 to 121.65% in 2021.
			Sub-Total	5%						5%		
			TOTAL	100%				<i>n.d.</i>		29.98% out of 80% or 37.48% out of 100%		

³ 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:

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

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

for