



• AFPMBAIOfficial

- AFPMBAIOfficial
- O AFPMBAI



- www.afpmbai.com.ph
- 🔀 mail@afpmbai.ph
- (02) 8822-MBAI (6224)



ANNUAL REPORT

HISTORY OF

Abuluyan, or passing of the hat for voluntary financial assistance to the families of fellow soldiers who got killedin-action was a tradition that gave rise to the Armed Forces of the Philippines Mutual Benefit System. The system was created under the Letter Directive from the Headquarters of the National Defense Forces on February 22, 1949 to provide protection and security to its forces after World War II and during the height of the anti-dissident campaign. The need to have a corporate existence eventually emerged and led to a non-stock, non-profit corporation - Armed Forces of the Philippines Mutual Benefit Association, Inc. on September 1, 1965. The name was later changed to the Armed Forces and Police Mutual Benefit Association, Inc. (AFPMBAI).

The Association was registered with the Securities and Exchange Commission (SEC) on January 13, 1966. In March of the same year, the Insurance Commission also granted the Association the authority to start its mutual benefit operations. The AFPMBAI then became under the management of the AFP Chief of Staff on November 6, 1975 in accordance with President Ferdinand Marcos' Letter of Instruction No. 333 that aimed to improve the services for the uniformed men and women of the Philippines. It established the Armed Forces and Police Savings and Loan Association, Inc. (AFPSLAI) on December 1, 1972.

For two consecutive years in 2019 and 2020, AFPMBAI has ranked sixth (6th) among 31 evaluated mutual benefit associations (MBAs), and 20th among 119 assessed insurance companies in the Philippines in 2020. This was based on the ASEAN Corporate Governance Scorecard (ACGS). This scoring system rates the performance of ASEAN listed companies in terms of their corporate governance.

The Association remains to be the top among all MBAs in terms of assets and legal reserves.

VISION

By 2025, AFPMBAI will be the undisputed leader and the industry standard among mutual benefit associations trusted to fulfill the needs of its members and their families

MISSION

To provide members and their families comprehensive insurance, opportunities for lifetime financial security, and significant social services.

PHILOSOPHY OF SERVICE

At AFPMBAI, the needs of the members and their families come first. We pledge our expertise, time, and effort to the service of these needs. We endeavor to serve to the best of our ability in the spirit of professionalism, dedication, and compassion.

CORPORATE VALUES

SERVICE

Members come first. Their welfare is at the forefront of our service and reason for our existence.

COMMITMENT

Dedicated and consistent in the fulfillment of the mission entrusted by the members and consistently delivering beyond expectations

INTEGRITY

A beacon of Good Governance, Honesty, Responsibility, and Accountability

PROFESSIONALISM

Continuous pursuit of a higher higher level of Competence, Standards, and Excellence – individually and organizationally

INNOVATION

Advocating "Continuous Improvement" by embracing "change," being comfortable with "progress" & challenging the "status quo"



MESSAGE FROM THE

In 2021, the COVID 19 pandemic has caught us all by surprise. Although the pandemic is a health crisis first and foremost, it has quickly turned into a large-scale financial and economic crisis. This year, we have become more hopeful with the rising vaccination rates in the country and in the world.

Thankfully, the events of the past year remarkably prompted the Armed Forces and Police Mutual Benefit Association, Inc. (AFPMBAI) to explore new products and services and institute relevant policy interventions. These various efforts, I am happy to share, have mitigated this pandemic's impact on our overall financial stature, as well as that of our members.

Despite the challenges, AFPMBAI has remained relevant. The new products and services have not only become bigger and better, but they have also been attuned to the necessities of the uniformed men and women in the face of the pandemic. To complement these services, the association continues to give back to its stakeholders with the donations of various medical equipment, supplies, and ambulances through its social services program.

I wish to thank the men and women of the association for their steadfast dedication and commitment to serve our members and their families. The work you do is and will never be easy. Nonetheless, day in and out, you have continued to exhibit our corporate values of service, commitment, professionalism, integrity, and innovation.

I also thank our various stakeholders and their families, for continuously trusting AFPMBAI to provide them with financial security they truly deserve. We will always strive to improve our services because you deserve nothing less from us.

In these uncertain times, AFPBMAI remains to be a reliable partner in financial wellness and holistic welfare for our members and their families. May we all continue to persevere and be resilient as we traverse uncharted territories ahead.

Mabuhay ang Armed Forces and Police Mutual Benefit Association, Incorporated!

Gen Andres C Centino PA

Chairman of the Board

MESSAGE FROM THE PRESIDENT AND CEO

AFPMBAI marched on through the second year of the COVID-19 pandemic with certainty that it will remain a source of security and protection for the uniformed services and their families. Though the health crisis tested the strength and resilience of the Association, we did not waver and diligently overcame trials, keeping our commitment to our members, in mind and heart. This made AFPMBAI's partnership with our members stronger.

The past year has been a witness to the zeal and hard work of the Association, as it sailed through the pandemic while ensuring that it continues serving its members. AFPMBAI's unhampered operations were made possible due to the implementation of its business continuity plan, which was crafted with the extended pandemic situation as one of its assumed scenarios. The Association's good governance turned the pandemic's challenges into opportunities to further achieve members' satisfaction, if not exceed their expectations. The Association's persistent focus on its vision of being the top and industry standard among mutual benefit associations through addressing the needs of its members and their families also made it possible for the organization to thrive in spite of the pandemic.

AFPMBAI innovated existing services, launched new products, and improved its processes and systems while embracing digital platforms and transformation. All these were geared towards making it more convenient for members to transact business with AFPMBAI, and easier to get in touch with their Association. The said efforts were complemented with capacity building of the organization's workforce and increasing the personnel in the regions as well. These further ensured that the Association is providing excellent service to its members. Throughout the whole pandemic period, I can proudly say that AFPMBAI provided unhampered nationwide service, ensuring our members that in a difficult time such as this, they can rely on the Association for financial support and services.

As we move forward to another year, uncertain of events that will unfold, AFPMBAI remains to be a constant in the lives of the uniformed services, aiming to completely fulfill their needs, and ultimately giving them "Buhay na Panatag."

Rizaldo & Liphoso PA (Ret) President and CEO

5

AFPMBAI ANNUAL REPORT 2021

REPORT OF THE PRESIDENT AND CEO

OPERATIONAL HIGHLIGHTS

AFPMBAI has stood strong after a year of the pandemic. Resilient as we are, we overcame the threats and limitations of the risks and health protocols of the COVID-19 surge. For 2021, we were deeply immersed in the "new normal," and AFPMBAI continued to work diligently carrying out its commitment to providing members and their families comprehensive insurance, opportunity for lifetime financial security, and significant social services.

In comparison with the other financial institutions, we remained in operation for the whole year, thus providing continuous service to our members.

This was made possible through our meticulous Business Continuity Plan that was laid out to ensure that we can continuously provide service to our members, especially during this pandemic.

Guided by our approved plans and programs for the year, focusing on good governance and member satisfaction, we broke barriers and have ultimately braved all the challenges of the pandemic. AFPMBAI took these challenges as opportunities by giving the most reliable and timely service to our members and their families as well as the other stakeholders of the Association. We continued our efforts in reaching out to our members through our improved services, communication channels, and corporate social undertakings.

The Association's accomplishments for CY2021 were remarkably attained with our aim to realize our vision, "To be the undisputed leader and industry standard among mutual benefit associations trusted to fulfill the needs of its members and their families."

Accentuated by the pandemic, we progressed in pursuing the realization of our four priority strategies, namely Digital Transformation, Capacity Building, Business Process Improvement and Innovation, and the Development of Organizational and Human Capital.

DIGITAL TRANSFORMATION

To be the industry standard, we continue to pursue the integration of our system and the development of our programs lined up for our digital transformation.

AFPMBALANNUAL REPORT 2021

6



Our core system, Accedata, has been queued with enhancements to be aligned with the regulatory compliance and process flow improvements that will shorten turnaround times and adapt to the "new normal" for business operations.

We have also continued the use of an electronic point of sale system (e-PoSS), which has undergone a series of user acceptance testing (UAT) and is now being used by our insurance representatives (IRs) in the selling of our insurance products.

During the year, we also upgraded our Financial Management System to handle purchase & payable management, inventory management, sales & receivables management, and optimization of other accounting systems.

We also completed the 2nd phase of digitization of business transaction records through our Document Management System (DMS) program. The said system has been widely used in our branches and was reported to reduce their turnaround processing time from four (4) weeks to two (2) days.

We have also finalized the crafting of our Real Estate Accounts Monitoring System (REAMS) to manage the posting of payments of our real estate loans.

CAPACITY BUILDING

We have infused additional personnel to man the regions and thus further strengthen our regional branches and offices. We also opened new extension offices in Jolo and Tandag in Mindanao to further reach members assigned near the said areas. We revived the one-stop-shop program in the regions as Mini-MBAI, now named as Regional Sales and Service Centers.

Regional Personnel were also trained for real estate sales and operations. To speed up benefit payments, we also decentralized the disbursement of proceeds using Landbank's WeAccess in the branches.

BUSINESS PROCESS IMPROVEMENT AND INNOVATION

We also continued revisiting our business processes, where we improved our insurance application process through task rationalization, decentralization, and regularization of certain processes. We designed and implemented measures to cut the turnaround time of deliveries for certain phases of our insurance application processing, particularly in encoding and underwriting.

As launched and implemented in 2020, we continued the grants for the Emergency Loan Program to help extend financial assistance to the members during the pandemic. The loan product has the lowest rate of five percent (5.0%) per annum.

We also made innovations on some features of our existing products and launched new products that can be more beneficial to the members, including those who are no longer in the service.

The **MBAI 5ecure** which was launched late last year, is a very affordable 5-year term insurance plan that provides maximum protection. This plan can be availed by regular members, retirees, dependents, and Associate members aged 20 to 65 years old by way of a completely online application process through the AFPMBAI website -- www.afpmbai.com.ph.

The **MBAI iProtek**, is the Association's new product approved by the Insurance Commission in 2020, which will be offered to retired and associate members as their basic membership insurance plan. Preparations for its implementation are under way.

We have also utilized online banking with UnionBank for our disbursement transactions and the auto-credit facility with Landbank for payment of claims and benefits to members. These are added facilities to our existing direct payment centers, namely, UCPB, Metrobank, SM Bills, Palawan Pawnshop Express Padala, and LBC. With the recent merger of UCPB and Landbank, we also opened up bank accounts in BDO and Metrobank, taking into consideration the number of branches and ATMs for the convenience of members.

Capitalizing on online platforms further cemented our leading digital brand presence through our official accounts on Facebook, Instagram, and Twitter. We can now also inform and engage with our members through our AFPMBAI Real Estate Viber Community Group, which serves as a customer channel for our real estate loan products and now counts more than 1,000 members.

AFPMBAI creates timely promos to engage with and to support the other needs of its members and their families

AFPMBAI





8

We also continued doing our monthly radio show, the MBAI-Connect, through the AFP radio, DWDD (AM) 1134kHz. Through MBAI-Connect, we can reach out to our members and their families by doing a series of financial literacy programs and presentations on the different AFPMBAI products and services.



npormasyon at balita o para mapanood ang mga nakaraang videos, bisitahin ang aming facebo

DEVELOPMENT OF ORGANIZATIONAL CAPITAL

There is also a silver lining in this crisis—we used this time to capacitate our personnel in upskilling as part of the learning and growth strategy. Any improvement in our team members will automatically translate to better service. Employees were sent to various online seminars ranging from pandemic-related strategies, crisis handling, and employee safety to new perspectives in handling situations under the new normal.

We had a successful Continuing Education Program with our trustees, executives, and managers during the year. We also continued customer service training for the employees and rolled out the Employee Satisfaction and Mental Health Survey to identify gaps and find out future improvements needed.

In recognition of the human resource as one of the most essential assets of the Association, we also established a Succession Planning Policy to ensure business continuity and corporate governance best practice of readying high-potential employees for key positions within the Association through structured developmental interventions like training, coaching, and mentoring.

The Association also implemented a comprehensive Safety and Health Program to ensure the safety of our employees. Rapid Antigen tests were regularly conducted for all employees, while RT-PCR testing was administered to employees who have been exposed to COVID-19. A medical assistance thru payment of a portion of their hospital expenses, medicine subsidy, and food allowance in quarantine areas were also granted to employees contracting the said virus.

CLAIMS AND BENEFITS GRANTED

During the pandemic period, the Association provided financial services to the members through its insurance loans, and living and death claims on their insurance policies.

Death claims totaled P307.33 Million for 1,513 deceased members and living claims at P1.57 Billion for 23,992 members. Meanwhile, Comprehensive Financial Assistance Benefit (CFAB) from both living and death claims totaled P69.32 Million for 4,480 members.

The said CFAB program is the most generous offering of benefits that provides additional cash benefits for the families of our fallen and wounded members at no additional cost to them.

Grants for Real Estate Mortgage Loans totaled P305.18 Million and P4.75 Million for Housing Loans. Moreover, the Association also paid policy dividends of P132.33 Million to permanent insurance and E-56 policyholders.

GIVING BACK

More than the efforts of the Association on improving its products and services, AFPMBAI also sustained its Corporate Social Responsibility (CSR) projects through its flagship programs on education, health, livelihood, and general welfare. For the year, the Board of Trustees also approved a supplemental budget allocated especially for its COVID-19 initiatives.

MOVING FORWARD

Seeing through the challenges of the "new normal," we are geared towards the following priority initiatives:

• CSR Impact Study

To continuously strengthen the ties between AFPMBAI and its stakeholders by conducting surveys and studies that lead to the improvement of its significant corporate social responsibility programs.



• Financial Literacy Programs

To develop members and their families' understanding of financial and resources management and dealing with one's finances.

Cost Management

To plan, prioritize, and implement essential projects at lower costs.

• Sales Force Development

To evaluate and improve current sales channels to include the strengthening of our sales multipliers, review of sales support, sales tools and trends, and establishment of other applicable sales distribution channels.

Strategic Asset Management

To better manage overall investible funds of the Association.

Channel Development

To explore, pilot, and implement new channels for sales, distribution, payment, and collection.

• ISO Certification

To be the industry standard by adhering to global ISO standards in implementing systems, policies, and procedures.

• Online Customer Portal

To firm up our e-PoSS for utilization of agent-assisted or self-service Cloud-based applications and online customer support tools for better sales.

• Regional Mini-MBAI Operations (Regional Sales and Service Centers)

To improve sales and service functions of our regional offices (full capacitation of Davao Regional Sales and Service Center and simultaneous establishment of the Cebu Regional Sales and Service Center).

• Customer Relationship Management

To immediately monitor, analyze, and learn from our members' transactions and be cognizant of what our members need.

• Organizational Development

To better equip AFPMBAI's workforce in delivering excellent customer experience.

These initiatives, among all others, will be our guide in charting the future success of AFPMBAI. Having gathered all our strength during the pandemic, we will continue to see the opportunities in all the challenges that will come our way.

MUP PENSION REFORM BILLS

In preparation for the impending MUP pension reform bills, the Association, in consultation with DILG and DND, and with the approval of the AFPMBAI Board, expressed its position to Congress that there is no need to create an insurance system or establish a separate insurance fund for military and uniformed personnel because the Armed Forces and Police Mutual Benefit Association, Inc. (AFPMBAI) currently covers the AFP, PNP, BFP, BJMP and PCG personnel with life insurance as well as death and disability benefits. Hence, the pension reform bills can focus on addressing pension funding, administration, and actuarial management.

Moreover, to provide the members with affordable and comprehensive benefits and to be an industry standard, the Association commits to continuously improve its products and services to its members. New and enhanced insurance products and improved processes are already in the pipeline of the Association.

CLOSING

For the past years during the pandemic, 2021 had been a year of AFPMBAI's manifestation of commitment and professionalism. The efforts of all its personnel, the guidance of the Board of Trustees, and the unwavering support of our members, as well as our allies and partners, are the main reasons why AFPMBAI continues to stand strong and stay motivated to give quality and timely service to all men and women in uniform and the institution that they represent.

Rest assured that we will always adhere to our purpose and reason for our existence in providing our members and their families comprehensive insurance, opportunity for lifetime financial security, and significant social services. In the exercise of our plans and programs for the Association, we remain anchored on our corporate values of service, commitment, integrity, professionalism, and innovation.

Maraming salamat at mabuhay tayong lahat!

CORPORATE GOVERNANCE REPORT

In 2021, AFPMBAI recovered from the challenges it encountered in the previous year. Despite the threats posed by COVID-19, the Association began to operate successfully in the new normal. All Board and Board Committee meetings proceeded as scheduled, including the Annual General Membership Meeting, as all participants began to navigate online applications with greater ease and better results.

Board Committees were successful in overseeing the accomplishment of the Association's strategic objectives, and the guidance received by Management from the Board was a significant factor in the accomplishment of better products and services, as well as internal processes, for the ultimate benefit of the general membership.

The year also saw the beginning of efforts to amend the Association's Manual of Corporate Governance to adhere to the Revised Code of Corporate Governance of its principal regulator, the Insurance Commission (IC). Efforts began in July 2021 and continued until the end of the year, as all sectors were consulted on the proposed amendments, demonstrating the Association's commitment to adopt good governance best practices across all levels of the organization. An Ad-Hoc Committee on Amendments was created to deliberate on the proposed amendments and submit the final proposal to the Governance Committee. Deliberations began in the latter part of 2021 to February 2022. The Amended Manual of Corporate Governance was approved by the Board of Trustees on 1 March 2022, and subsequently issued to all employees and published in the AFPMBAI website on 4 March 2022.

COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE

The pandemic did not deter the Association from instituting reforms and improvements in its systems and processes aligned with the recommendations on governance best practices under the Revised Code of Corporate Governance (RCCG) embodied under Insurance Commission Circular Letter No. 2020-72. A series of discussions and deliberations had been undertaken in all Board Committees for the amendment of the Association's Manual of Corporate Governance aligning with the governance principles of sustainability, accountability, disclosure, and transparency. With these amendments, as well as the crafting and updating of company policies, notable improvements in the current business processes are expected to be experienced and enjoyed by AFPMBAI members and clients.

2021 ANNUAL GENERAL MEMBERSHIP MEETING

Voting in Absentia

In the 2021 Annual General Membership Meeting (AGM), AFPMBAI began to implement membership participation through voting-in-absentia. Recognizing the fact that, even though the AGM was already being conducted virtually, and majority of the members would be unable to join the meeting due to the requirements of their active duty, AFPMBAI gave its members the opportunity to make their voices heard by voting on the matters presented even if they would not be able to attend the actual meeting. This resulted in an increase in membership participation by 110% compared to 2020 figures. Virtual attendance in the AGM also improved by 35% compared to the 2020 attendance, as the members began to adapt to the rudiments of online meetings. The table below shows the percentage of attendance of members from the different member agencies, based on the total of actual attendees who were physically present and who voted in absentia.

Member Agencies			
ATTENDANCE TO THE 2021 AG	GM		
Armed Forces of the Philippines	61%	Philippine National Police	7%
Philippine Army	27%	Bureau of Fire Protection	24%
Philippine Air Force	18%	Bureau of Jail Management and Penology	7%
Philippine Navy	8%	Retired Members	8%

Widest Dissemination

AFPMBAI made sure that all members would be informed of the 2021 AGM by publishing its Notice of Meeting in two (2) major dailies thirty (30) days prior to the meeting, on 15 April 2021, and posting the Notice in the AFPMBAI website and official AFPMBAI Facebook account on the same date as the newspaper publication. Announcements were also aired in military radio programs and radio messages, and the members of the Board of Trustees actively enjoined their respective constituencies to join the AGM virtually, or at least vote on the matters for their decision.

AFPMBAI also took steps to make the registration easy for the members to follow by posting guidelines and creating an online pre-registration portal. All materials needed for the members' successful participation in the AGM were posted in the AFPMBAI website, such as the Minutes of the previous year's AGM, the Rules on Nomination and Election, including the profile of all nominees for election in the Board of Trustees, the reports of the President and Board Committee Chairmen, the list of the Corporate Acts of the Board and Management for ratification, and the 2020 Annual Report.

Membership Participation

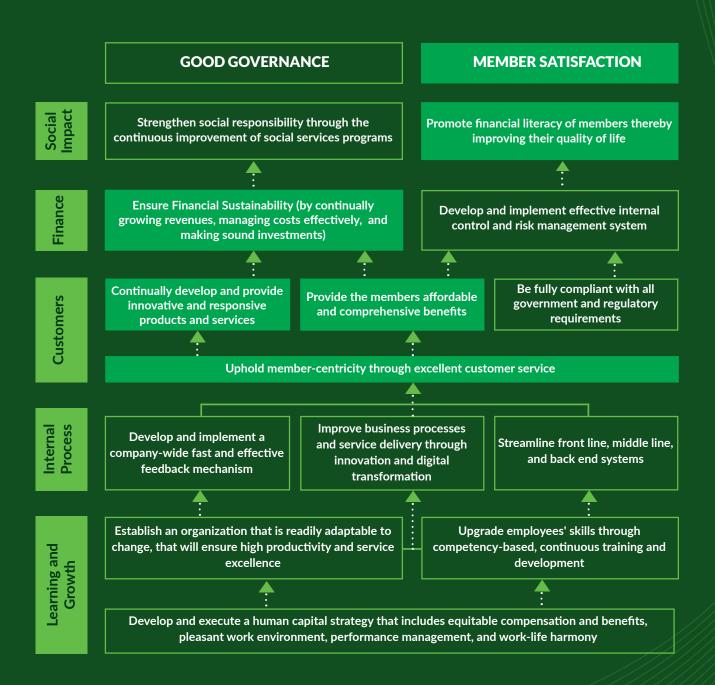
The resulting increase in member participation was matched by 100% attendance of the members of the Board of Trustees and key management officers. Members' engagement was observed as the members moved for the approval or notation of the matters presented, with each motion being duly seconded from the virtual floor.

The members approved the Minutes of the 2020 AGM dated 11 July 2020 and the appointment of Isla Lipana & Co (PWC) as AFPMBAI's external auditor for CY 2021-2022. They also ratified the acts and resolutions of the Board of Trustees, Corporate Officers, and Management from 1 July 2020 to 31 March 2021. The members also duly noted the reports of the President and CEO, the Audit Committee, the Governance Committee, the Risk Management and Related Party Transaction Committee, and the Nomination Committee for the AGM.

Trustee	Representing
The general membership elected the following member as follows:	rs of the Board of Trustees for CY 2020-2021,
1. Gen Cirilito E Sobejana PA	Office of the Chief of Staff, AFP
2. MGen Adriano S Perez Jr PA	Joint Staff of GHQ, AFP
3. MGen Robert C Dauz PA	Philippine Army
4. MGen Florante M Amano PAF	Philippine Air Force
5. RAdm Adeluis S Bordado PN	Philippine Navy
6. FCMS Aladin S Dacayanan (INF) PA	Office of the AFP Sergeant Major
7. PMGen Rhoderick C Armamento	Philippine National Police
8. PBGen Arthur V Bisnar	Philippine National Police
9. VAdm Leopoldo V Laroya PCG	Philippine Coast Guard
10. J/CSupt Ruel S Rivera	Bureau of Jail Management and Penology
11. CSupt Roel Jeremy G Diaz BFP	Bureau of Fire Protection
12. MGen Rizaldo B Limoso PA (Ret)	At Large
13. MGen Rolando B Tenefrancia PA (Ret)	Independent Trustee
14. MGen Tyne T Bañas PA (Ret)	Independent Trustee
15. BGen Virgilio V Bartolome PA (Ret)	Independent Trustee

CORPORATE OBJECTIVES

In the four-Day Strategy Refresh held in August 2021, the Board reaffirmed the Governance Charter and Strategy Map of the Association as Management firmed up the updated strategic measures and initiatives.



Continuing Education Program

According to the provisions of the Association's Amended Manual of Corporate Governance, "within the month after election, or at the earliest possible time, a first-time trustee must undergo at least an 8-hour orientation program" that covers the following topics:

- 1. Introduction to AFPMBAI
 - · Articles of Incorporation and By-Laws, Code of Ethics
 - Roles and Responsibilities of Trustees
 - Business Model, Operations, Products and Services
 - Rules on Parliamentary Procedure
- 2. SEC and IC-mandated topics on corporate governance, such as, but not limited to:
 - Revised Code of Corporate Governance for IC Regulated Companies;
 - ACGS and IC Annual Corporate Governance Report;
 - Board Responsibilities;
 - Illegal activities of corporations/ directors/ officers;
 - · Protection of minority shareholders;
 - · Liabilities of directors;
 - Confidentialities;
 - Conflict of interest;
 - Related Party Transactions;
 - Enterprise Risk Management;
 - Case studies and Financial Reporting and Audit; and,
 - Mandatory on-going AML/CFT training program for all directors, officers, and employees

When the course is available, the trustee must undergo a seminar on corporate governance principles offered by the Institute of Corporate Directors (ICD), or other SEC-accredited reputable training providers.

To ensure that the members of the Board remain qualified for their positions individually and collectively, and to enable them to fulfill their roles and responsibilities, and respond to the needs of the Association in light of the evolving business environment and strategic direction, trustees should have an annual continuing education program (CEP) where they are informed of the developments in the business and regulatory environments, including emerging risks relevant to the Association. The CEP involves courses or dialogues with industry leaders and resource persons on corporate governance matters, including audit, internal controls, risk management, sustainability and corporate strategy."

All new Trustees of the Association thus underwent an orientation program on AFPMBAI Operations and their roles and responsibilities as members of the Board of Trustees. Those who had not yet attended also joined the Corporate Governance Orientation Program of the ICD.

Beginning 25 June 2021, the CEP for all Trustees, Corporate Officers, and Key Management Officers also commenced, with Mr Emmanuel Labrador, IC Supervising Insurance Specialist of the Statistics and Research Division giving industry updates to the participants. His talk was followed by Mr Carlo F Garcia, IC Supervising Insurance Specialist from the Life/MBAs/Trust Division, who gave highlights of Audit Results about the Verification of AFPMBAI's 2019 Annual Statement, and briefed the participants on relevant IC Circular Letters issued through the Life/MBAs/Trust Division from 2020-2021.

On 28 June 2021, Ms Cristina S Ulang, Research Head of First Metro Investment Corporation, gave an Economic Briefing to the Board and Management on the prevailing business environment as well as forecasts

16 AFPMBALANNUAL REPORT 2021

to be considered in making investment decisions. On 29 June 2021, the participants had a day-long seminar from 8:30 AM to 6:30 PM with Dr Tomas Tiu, who gave a comprehensive and insightful lecture on Managing Insurance Risks in the Time of Pandemic.

On 14 September 2021 the Trustees also attended seminars on AMLA Compliance in the Digital Age, as well as a five-day seminar-workshop in November on Business Model Design and Innovation given by Mr Josiah Go. The Corporate Secretary, Atty Renato A David, likewise attended the seminar on AMLA Compliance in the Digital Age and a webinar given by the Securities and Exchange Commission regarding the Beneficial Ownership Transparency Declaration.

BOARD AND BOARD COMMITTEE MEETING ATTENDANCE AND ACCOMPLISHMENT

Board of Trustees

The Board of Trustees issued a total of 108 resolutions in CY2021 and conducted thirteen (13) regular meetings, including the AGM, one (1) special meeting, and one (1) organizational meeting, totaling fifteen (15) meetings in all.

Of the matters approved by the Board, the most significant were the revised organizational structure and plantilla positions to capacitate the Association's branches nationwide; shortening the corporate term of its 100% subsidiary, AFP General Insurance Corporation; the increase of COVID-19 hospitalization benefit and COVID-19 related death benefit to affected regular members; the revision of the Association's Investment Policy and Investment Committee Charter; the operational plans, programs and budget for CY 2022; the succession planning policy; the terms of reference for network upgrade; IT System Roadmap and other IT System enhancements; the revised business continuity management policy; Telemedicine product for members; pay-out of dividends for members; and action plans on the proposed Military and Uniformed Personnel Pension Reform bills. All accomplishments covered the strategic objectives of the Association under the perspectives of the Balanced Scorecard: Social Impact, Customer, Finance, Internal Process, and Learning and Growth.

Position	Board Members	Tenure in 2021 from Date of First Election	Attendance 15 meetings for 2021 Average Quorum: 94%
BOARD OF TRUSTE	ES		
Chairman	Gen Gilbert I Gapay PA	27 Aug '20 – 8 Mar '21	100%
Chairman	Gen Cirilito E Sobejana PA	5 Mar '21 – 1 Sep '21	100%
Chairman	Gen Jose C Faustino Jr PA	2 Sep '21 – 24 Nov '21	67%
Chairman	LtGen Andres C Centino PA	25 Nov '21 - 31 Dec '21	50%
President & CEO	MGen Rizaldo B Limoso PA (Ret)	11 Jul '20 - 31 Dec '21	100%
Vice Chairman- AFP JS Rep	MGen Adriano S Perez Jr PA	11 Jul '20 - 31 Dec '21	100%
Member - PA Rep	MGen Robert C Dauz PA	23 Dec '20 - 31 Dec '21	93%
Member - PN Rep	RAdm Rey T Dela Cruz PN	4 May '20 – 1 Feb '21	100%
Member - PN Rep	VAdm Adeluis S Bordado PN	1 Feb '21 – 29 Jul '21	100%
Member - PN Rep	MGen Nestor C Herico PN (M)	29 Jul '21 - 31 Dec '21	100%
Member - PAF Rep	MGen Pelagio R Valenzuela PAF	27 Sep '19 – 15 May '21	100%
Member - PAF Rep	MGen Florante M Amano PAF	15 May '21 – 31 Dec '21	100%
Member - PNP Rep	PMGen Alfred S Corpus	25 Jan '18 – 15 May '21	100%
Member - PNP Rep	PCol Jose Melencio Nartatez Jr	7 Nov '18 - 15 May '21	100%

Position	Duaru Merribers	n ure in 2021 In Date of First Election	Attendance
BOARD OF TRUSTEES	5		
Member - PNP Rep	PMGen Rhoderick C Armamento	15 May '21 – 31 Dec '21	100%
Member - PNP Rep	PBGen Arthur V Bisnar	15 May '21 – 31 Dec '21	22%
Member - PCG Rep	CG VAdm Eduardo D Fabricante	25 Nov '21 - 31 Dec '21	100%
Member - PCG Rep	VAdm Leopoldo V Laroya PCG	27 Sep '19 - 30 Sep '21	85%
Member - BJMP Rep	CSupt Ruel S Rivera BJMP	18 May '19 – 31 Dec '21	100%
Member - BFP Rep	CSupt Roel Jeremy G Diaz BFP	10 Jun '20 - 31 Dec '21	100%
Member - Independent	MGen Rolando B Tenefrancia PA (Ret)	11 Jul '20 - 31 Dec '21	100%
Member - Independent	BGen Honorato S De Los Reyes PA (Ret)	11 Jul '20 – 15 May '21	100%
Member - Independent	BGen Arnold F Fernandez PA (Ret)	11 Jul '20 – 15 May '21	100%
Member - Independent	MGen Tyne T Bañas PA (Ret)	15 May '21 – 31 Dec '21	89%
Member - Independent	BGen Virgilio B Bartolome PA (Ret)	15 May '21 – 31 Dec '21	100%
Member-AFP Sgt Major	FCMS Aladin S Dacayanan (INF) PA	27 Aug '20 - 31 Dec '21	100%

GOVERNANCE COMMITTEE

2021 was another banner year for the Governance Committee as it continued driving the accomplishment of initiatives for the year, particularly the strategic objectives under its direct oversight, the execution of strategic planning activities according to established milestones, as well as the quantifiable monitoring of what has been achieved, the provision of maximum benefits and improved services for members, and the consistent implementation of corporate governance best practices throughout the Association and its branches.

In 2021, 48 percent of the matters approved by the Board were initiatives evaluated and deliberated on by the Governance Committee, ranging from member benefit programs to the application of bank and payment facilities to ensure member access to payment portals, especially in the time of the pandemic. The Committee also supported the branch network and IT operations to bring about improved member-access to AFPMBAI products and services. The Committee continued to spearhead governance activities such as the Annual General Membership Meeting, the Continuing Education Program of the Trustees and Management, full compliance with regulators and consistent monitoring of legal cases as part of its commitment to adhere to established and accepted corporate governance principles and best practices and uphold the principles under the Association's Manual of Corporate Governance.

The Committee is chaired by an Independent Trustee and is composed of five members. It is also assisted by the Corporate Secretary, Atty Renato A David, as Resource Person in all its meetings

18 AFPMBALANNUAL REPORT 2021

TTEE en Rolando B Tenefrancia PA (Ret) Gen Robert C Dauz PA	1 Jan '21-31 Dec '21	100%
	1 Jan '21-31 Dec '21	100%
en Robert C Dauz PA		
	1 Jan '21-31 Dec '21	62%
Gen Alfred S Corpus	1 Jan '21-15 May '21	100%
Gen Rizaldo B Limoso PA (Ret)	1 Jan '21-31 Dec '21	100%
Gen Rhoderick C Armamento	15 May '21–31 Dec '21	100%
upt Roel Jeremy G Diaz BFP	1 Jan '21-31 Dec '21	92%
	en Rizaldo B Limoso PA (Ret) Gen Rhoderick C Armamento	en Rizaldo B Limoso PA (Ret) 1 Jan '21–31 Dec '21 Gen Rhoderick C Armamento 15 May '21–31 Dec '21

AUDIT COMMITTEE

As the Association continued to feel the lingering effects of COVID-19 which caused unprecedented challenges pertinent to the quarantine or lockdown measures in different parts of the country, the Audit Committee became more vigilant in overseeing the Association's operations, reviewing current and emerging issues. In particular, the Committee constantly monitored Management actions in addressing urgent needs and critical functions such as:

- · Digital Transformation projects and activities
- Loan collection activities and programs
- Compliance with various regulatory bodies
- · Implementation of agreed resolutions/ approved recommendations in addressing audit issues
- Completion of Internal Audit Office's activities in accordance with the approved Annual Audit Plan

The Committee accomplished these tasks while remaining firmly focused on its fundamental responsibility to ensure continuity in business operations, reliability of the information system, efficiency in financial reporting, and effectiveness of internal control and risk management systems, with additional complexities arising from this crisis. To date, the Association's operations are evolving towards the new normal with the adoption of remote, virtual, and more flexible working conditions resulting in improved services and more productive outcomes.

Moreover, to obtain reasonable assurance that Management (through the Offices of Primary Responsibility) acted on the results and recommendations of internal and external audit engagements, the Audit Committee regularly reviews reports on the progress of implementing management action plans and audit recommendations. This is to ensure that errors are corrected and controls are further strengthened.

AFPMBAI ANNUAL REPORT 2021 19

With the result of management action taken on these audit engagements and the Audit Committee's regular review of reports on the progress of management action plans on those audit recommendations, the Audit Committee thereby concluded that:

- The internal audit function is operating effectively
- The internal control system of the Association is effective, efficient, and working as intended
- · No significant omission in the system which were not adequately resolved

The Audit Committee continues to undertake measures to enable management to further improve efficiency and performance according to established practices and standards.

The Audit Committee is chaired by an Independent Trustee and is composed of five members. It is also assisted by the Corporate Secretary, Atty Renato A David, as Resource Person in all its meetings.

Position	Members	Attendance 2021 Coverage	Attendance 14 meetings for 2021 Average Quorum: 86%
AUDIT COMMITTEE			
Chairman - Independent	BGen Virgilio B Bartolome PA (Ret)	19 May '21 – 31 Dec '21	100%
Chairman - Independent	BGen Honorato S De Los Reyes PA (Ret)	1 Jan '21 – 15 May '21	100%
Vice Chairman - PN Rep	MGen Nestor C Herico PN (M)	17 Aug '21 - 31 Dec '21	80%
Vice Chairman - PN Rep	VAdm Adeluis S Bordado PN	19 Feb '21 – 29 Jul '21	86%
Vice Chairman - BJMP Rep	CSupt Ruel S Rivera BJMP	1 Jan '21 – 31 Dec '21	93%
Member – AFP JS Rep	MGen Adriano S Perez Jr PA	1 Jan '21 – 31 Dec '21	100%
Member - PNP Rep	PBGen Arthur V Bisnar	15 May '21 – 31 Dec '21	38%
Member - PNP Rep	PCol Jose Melencio Nartatez Jr	1 Jan '21 – 15 May '21	67%
Member - PN Rep	RAdm Rey T Dela Cruz PN	1 Jan '21 - 1 Feb '21	100%

RISK OVERSIGHT AND RELATED PARTY TRANSACTION COMMITTEE

Amidst this pandemic, the Risk Oversight and Related Party Transaction Committee (RORPTC), together with the Investment Committee, were at the forefront of ensuring that all business activities, undertakings, and transactions were strictly being monitored, considering the various risks facing AFPMBAI. In 2021, the Association introduced the Revised Investment Policy incorporating the risk limits on each financial instrument, as well as updating the levels of authority on investment placements. Further, the Revised Business Continuity Management Policy became the major anchor and guide by the Board in monitoring the preparation and responses in case of business disruption. This Policy provides the alerting matrix and detailed guidelines on various business disruption incident lifecycles.

The RORPTC, in the exercise of its oversight function, likewise reviewed and monitored the timely submission of material-related party transactions reports to the Insurance Commission and other regulatory agencies,

AFPMBALANNUAL REPORT 2021

20

and the status of Association's risk mitigation strategies and responses to the COVID-19 pandemic. Also, the RORPTC closely monitored the Association's action plans in response to the looming threat of the military and uniformed personnel (MUP) Pension Reform Bills which are currently pending in the respective houses of Congress.

The RORPTC is chaired by an Independent Trustee and is composed of five members, majority of whom are independent.

Position	Members	Attendance 2021 Coverage	Attendance 12 meetings for 2021 Average Quorum: 100%
RISK OVERSIGHT AND RELATED PARTY TRANSACTION COMMITTEE			
Chairman - Independent	MGen Tyne T Bañas PA (Ret)	15 May '21 – 31 Dec '21	100%
Chairman - Independent	BGen Arnold F Fernandez PA (Ret)	1 Jan '21 - 15 May '21	100%
Vice Chairman - Independent	MGen Rolando B Tenefrancia PA (Ret)	1 Jan '21 - 31 Dec '21	100%
Vice Chairman - Independent	BGen Honorato S De Los Reyes PA (Ret)	1 Jan '21 - 15 May '21	100%
Member - Independent	BGen Virgilio B Bartolome PA (Ret)	15 May '21 – 31 Dec '21	100%
Member - PAF Rep	MGen Florante M Amano PAF	15 May '21 – 31 Dec '21	100%
Member - PAF Rep	MGen Pelagio R Valenzuela PAF	1 Jan '21 – 15 May '21	100%
Member - BFP Rep	Csupt Roel Jeremy G Diaz BFP	1 Jan '21 - 31 Dec '21	100%

INVESTMENT COMMITTEE

Even in the midst of extended lockdown brought by the pandemic, the Investment Committee (ICOM), composed of five members, demonstrated its commitment in fulfilling its mandate to ensure that investment policies and guidelines are in place and aligned with regulatory bodies' requirements. ICOM was instrumental in the approval of the Revised Investment Policy where significant provisions were added from the existing policy that enabled the Board of Trustees and Management to better execute investment decisions and mitigate the risk exposures of the company.

The Committee consistently monitored and evaluated the financial condition and performance of AFPMBAI, as well as the investment transactions and strategic allocation of investible funds, while striking a balance for the safety, liquidity, and return of assets. Some notable accomplishments of ICOM in this area were the approved rollover of investments to AFPSLAI, renewal of the Qualified Institutional Buyer (QIB) registration, increase in bank limits of select banks and endorsement of real estate loans to the Board of Trustees for those transactions beyond the levels of authority of the Management. Moreover, ICOM ensured the implementation of the Strategic Objectives and initiatives under its direct oversight through regular monitoring and reporting of concerned divisions/offices' accomplishments to ICOM.

Members	Attendance 2021 Coverage	Attendance 12 meetings for 2021 Average Quorum: 92%
TTEE		
CSupt Ruel S Rivera BJMP	1 Jan '21 – 31 Dec '21	92%
PMGen Alfred S Corpus	1 Jan '21 – 15 May '21	100%
MGen Nestor C Herico PN (M)	17 Aug '21 - 31 Dec '21	80%
VAdm Adeluis S Bordado PN	9 Mar '21 – 29 Jul '21	83%
MGen Rizaldo B Limoso PA (Ret)	1 Jan '21 – 31 Dec '21	100%
PMGen Rhoderick C Armamento	15 May '21 – 31 Dec '21	100%
CG VAdm Eduardo D Fabricante	25 Nov '21 - 31 Dec '21	100%
VAdm Leopoldo V Laroya PCG	1 Jan '21 – 30 Sep '21	89%
RAdm Rey T Dela Cruz PN	1 Jan '21 – 1 Feb '21	100%
	TEE CSupt Ruel S Rivera BJMP PMGen Alfred S Corpus MGen Nestor C Herico PN (M) VAdm Adeluis S Bordado PN MGen Rizaldo B Limoso PA (Ret) PMGen Rhoderick C Armamento CG VAdm Eduardo D Fabricante VAdm Leopoldo V Laroya PCG	Members2021 CoverageTEECSupt Ruel S Rivera BJMP1 Jan '21 - 31 Dec '21PMGen Alfred S Corpus1 Jan '21 - 15 May '21MGen Nestor C Herico PN (M)17 Aug '21 - 31 Dec '21VAdm Adeluis S Bordado PN9 Mar '21 - 29 Jul '21MGen Rizaldo B Limoso PA (Ret)1 Jan '21 - 31 Dec '21PMGen Rhoderick C Armamento15 May '21 - 31 Dec '21CG VAdm Eduardo D Fabricante25 Nov '21 - 31 Dec '21VAdm Leopoldo V Laroya PCG1 Jan '21 - 30 Sep '21

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC), composed of five members, is tasked to ensure that there is a Board succession plan and that the Board has a complete set of Regular and Independent Trustees based on defined competency requirements. The Committee also oversees the accomplishment of strategic objectives under the Learning and Growth Perspective of the Balanced Scorecard.

In 2021, the NRC thoroughly screened all eligible candidates for Board seats prior to endorsement to the Board of Trustees for election, and to the general membership as well, as part of its task as the Nomination Committee for the Annual General Membership Meeting. It also monitored Management's conduct of Organizational Development activities, Culture Development and Management Program, and Employee Satisfaction Survey (ESS) to ensure that these were accomplished according to set targets and that the results, particularly of the survey, were properly acted upon.

The NRC also gave guidance to Management on the crafting of a policy for the Performance-Based Compensation and Rewards System, the development and implementation of programs for Organizational Safety and Health, and the establishment of the EAGLE University for employees and officers of the Association. One of its significant achievements for the year is the approval of the Succession Planning Program Policy which, along with the ESS, is a first in the Association's long-standing history.

22

Position	Members	Attendance 2021 Coverage	Attendance 14 meetings for 2021 Average Quorum: 99%
NOMINATION AND REMUNERATION COMMITTEE			
Chairman-AFP JS Rep	MGen Adriano S Perez Jr PA	1 Jan '21 – 31 Dec '21	100%
Vice Chairman - PAF Rep	MGen Florante M Amano PAF	15 May '21 – 31 Dec '21	100%
Vice Chairman - PAF Rep	MGen Pelagio R Valenzuela PAF	1 Jan '21 – 15 May '21	80%
President & CEO	MGen Rizaldo B Limoso PA (Ret)	1 Jan '21 - 31 Dec '21	100%
Member - Independent	MGen Tyne T Bañas PA (Ret)	15 May '21 - 31 Dec '21	100%
Member - Independent	BGen Arnold F Fernandez PA (Ret)	1 Jan '21 – 15 May '21	100%
Member – AFP Sgt Major	FCMS Aladin S Dacayanan (INF) PA	1 Jan '21 – 31 Dec '21	100%

SOCIAL SERVICES PROGRAM COMMITTEE

Amid the lockdowns, the Social Services Program Committee (SSPC) consistently complied with its basic mandate and obligation to plow back meaningful social services projects to the major services. With a disbursement efficiency of 98% of the allocated budget for pro-rated donations, the SSPC accomplished above and beyond its target set for the year. For its COVID-19 initiatives, the SSPC completely utilized the budget distributed to the major services in its entirety, serving all requirements before year-end, with a final savings of P900K, post-due diligence of the SSPC Technical Working Group (SSPC-TWG).

The year 2021 likewise saw the culmination of the CSR Impact Survey conducted by the SSPC-TWG where favorable results of the SSPC programs were highlighted to be current, relevant, and significant in serving the corporate social responsibility purpose and mission of the Association and in upholding its positive corporate image and reputation to the members for years to come.

Position	Members	Attendance 2021 Coverage	Attendance 13 meetings for 2021 Average Quorum: 85%
SOCIAL SERVICES PR	OGRAM COMMITTEE		
Chairman - PCG Rep	CG VAdm Eduardo D Fabricante	25 Nov '21 - 31 Dec '21	100%
Chairman - PCG Rep	VAdm Leopoldo V Laroya PCG	1 Jan '21 – 30 Sep '21	91%
Chairman/Vice Chairman - PA Rep	MGen Robert C Dauz PA	22 Feb '21 - 31 Dec '21	85%
Vice Chairman - PNP Rep	PCol Jose Melencio Nartatez Jr	1 Jan '21 - 15 May '21	80%
President & CEO	MGen Rizaldo B Limoso PA (Ret)	1 Jan '21 – 31 Dec '21	100%
Member - PNP Rep	PBGen Arthur V Bisnar	15 May '21 – 31 Dec '21	25%
Member – AFP Sgt Major	FCMS Aladin S Dacayanan (INF) PA	1 Jan '21 - 31 Dec '21	85%

PERFORMANCE ASSESSMENT CRITERIA OF TRUSTEES AND CORPORATE OFFICERS

The performance assessment of the individual Trustees and Corporate Officers are based on the Amended Manual of Corporate Governance approved on 1 March 2022, with criteria as follows:

	Trustee	Corporate Secretary	Treasurer
PERFORMANCE ASSESSMENT CRITERIA			
Criteria	Ethics/Professionalism	Ethics/Professionalism	Ethics/Professionalism
	Initiative	Initiative	Initiative
	Service Representation	Legal Expertise	Financial Expertise
	Communication	Communication	Communication
	Effectiveness	Effectiveness	Effectiveness
	Meeting Participation	Meeting Participation	Meeting Participation
	Effectiveness	Effectiveness	Effectiveness
Rater	BOT Chairman	BOT Chairman	BOT Chairman
	Governance Committee	Governance Committee	Investment Committee
	Chairman	Chairman	Chairman

For the President and CEO, the criteria for the evaluation of his performance is based on the Corporate Score of the Association (60%), and the following Qualitative Factors (40%): Implementation of Board Resolutions (15 pts), Transparency and Ethical Standards (15 pts), and Effective Relationship with the Board (10 pts). The AFPMBAI Corporate Score is based on the attainment of AFPMBAI's strategic objectives covering the five perspectives of its balanced scorecard: Social Impact, Customer, Financial, Internal Process, and Learning and Growth. The Rater of the President and CEO is the Chairman and the Members of the Board of Trustees.

PERFORMANCE ASSESSMENT OF THE BOARD OF TRUSTEES

The Board of Trustees in previous years approved the performance assessment system of the Board to be conducted in three parts, as follows:



Meeting of the AFPMBAI Board of Trustees held at the AFP Commissioned Officers Club on 04 May 2022

Part 1	Assessment of the Board's accomplishment of its role and responsibilities by the Board Committees (25%). This is an average of the performance of Board Committees, based on their oversight functions and the action plans they have prioritized for the subject period.
Part 2	Assessment of the Board's accomplishment of its role and responsibilities by the BOT Chairman (25%). This is an assessment of the Board's performance by the BOT Chairman, based on the average rating of the performance assessment of the Board Committees, among other factors.
Part 3	Assessment of Board dynamics (30%), and of quality and timeliness of information provided to the Board (20%). This is an anonymous survey to be answered by all Board members.

The overall assessment rating is based on the same rating table approved by the Board for the performance rating of the individual trustees, the president and CEO, and the corporate secretary, as follows:

Percentage Ranges for Final Ra		
RATING DESCRIPTION		
Outstanding (O): Consistently far exceeds expectation	91 to 100	
Above Expectation (AE): Consistently perform above expectation	81 to 90	
Meets Expectation (ME): Meets all expectations	71 to 80	
Below Expectations (BE): Does not meet all the expectations	70 and below	

This performance assessment system was duly ratified by the general membership. Since its implementation, the BOT has garnered a rating of 96.69% in 2019 and 95.21% in 2020 for its annual performance. The 1.48% reduction in 2020 was due largely to the effect of the pandemic and how it hampered the achievement of approved targets to some degree. These BOT performance ratings were published in the AFPMBAI website and the Annual Report for the respective years covered, as part of the good governance best practices of the Association.

For CY 2021, the performance assessment reflected how the Board and its Committees were able to adjust to the new normal and fulfill their responsibilities even better than pre-pandemic times. The Board garnered a performance rating of 97.12%, 1.91% higher than its 2020 rating, as shown below:

PER	FORMANCE ASSESSMENT	WEIGHT	RATING	FINAL RATING
А	Assessment of BOT Performance by BOT Chairman	25%	100.00	25.00
В	Assessment of Performance of Board Committees	25%	98.08	24.52
	Audit Committee		100.00	
	Governance Committee		98.00	
	Investment Committee		99.00	
	Risk Management & Related Party Transaction Committee		97.70	
	Social Services Program Committee		95.00	
	Nomination and Remuneration Committee		98.75	
С	Assessment of Board Dynamics	30%	96.00	28.80
D	Assessment of Quality and Timeliness	20%	94.00	18.80
	RATING	OUT	STANDING	97.12

BOARD INDEPENDENCE AND DIVERSITY

The members of the Board of Trustees were a diverse group of representatives from the different uniformed services, as stipulated in the AFPMBAI Bylaws. In order to represent the full spectrum of the regular membership, members were elected from the Philippine Army, Philippine Navy, and Philippine Air Force, as well as those representing the Armed Forces of the Philippines itself from its top officers, down to the enlisted men. Representatives from the Philippine National Police, Philippine Coast Guard, Bureau of Fire Protection, and Bureau of Jail Management and Penology also provided diversity in the Board. The independent trustees, although retired military officers, are already considered part of the civilian citizenry and also presented ideas to the Board in support of the membership in their senior years, to represent not just those in the active service.

All Trustees performed their duties with an admirable degree of independence and objectivity, not only taking the concerns of their respective branches of service in mind when making decisions, but putting equal, if not greater, consideration to the impact of every project proposal on the sustainability objectives of the Association.

COMPLIANCE TO REGULATORY BODIES

Emphasizing the culture of compliance in the overall business operations, the Association observes the laws, implementing rules and regulations, as well as Circulars and Memoranda of the IC, the Securities and Exchange Commission (SEC), the Anti-Money Laundering Council (AMLC), and the National Privacy Commission (NPC). The Association is under the primary regulatory authority of the IC.

The AFPMBAI Board has designated a Compliance Officer, MGen Nathaniel Y Casem PN(M) (Ret), and Alternate Compliance Officer, Atty Elizabeth A del Fonso-Hidalgo, tasked to monitor and oversee the Association's compliance activities with government regulators. The latter was also appointed as Data Protection Officer to ensure that the rights of data subjects are protected under the pillars of accountability, compliance, and ethics. Regular reports on external compliance activities are made to the Audit Committee every quarter.

PROTECTING DATA PRIVACY RIGHTS

AFPMBAI upholds an individual's data privacy rights and observes that all personal information and sensitive personal information collected and to be collected are processed or recorded, managed, organized, stored, updated, retrieved, consolidated, used, blocked, and erased in accordance with Republic Act No. 10173, or the Data Privacy Act of 2012, its Implementing Rules and Regulations (IRR), and various National Privacy Commission (NPC) Circulars under the principles of Transparency, Legitimate Purpose, and Proportionality. In processing a member's personal information, securing his consent is important. Hence, the Privacy Statement is embedded in all AFPMBAI forms and documents that will require collection of information.

By signing and providing his personal and sensitive personal information at the time of insurance/loan/real estate loan application, or engaging with the Association for any business transaction, the member consents to the processing, sharing, and/or transferring of his personal data relating to his account/s with AFPMBAI, to its service providers, or third parties/entities having authority or right to such disclosure of information as in the case of regulatory agencies, governmental or otherwise, which have required such disclosure from the Association; as well as delivering all existing features and future enhancements thereto, and availing other AFPMBAI products, services, facilities, and channels as the Association deems necessary; and agreeing to hold AFPMBAI, its affiliates, subsidiaries, and third-party service providers free and harmless from any liability arising from or in connection with the consent given.

GREATER DISCLOSURE AND TRANSPARENCY ON AFPMBAI OPERATIONS

The Association is accountable to its members, and as part of good governance, and a requirement by law and the SEC, AFPMBAI holds an Annual General Membership Meeting (AGMM) to apprise the members on how the company operated for the past year. The AGMM gives the members a chance to vote for the Board members, participate in the governance process, ratify actions of the Board and Management, an opportunity to ask questions, and get updated with the current undertakings of the Association.

In addition, the Association ensures that it complies with its obligation to disclose mandatory reports to the regulators. Reports were submitted either through online portals, or through Sworn Statements. These reports are part of the full disclosure and transparency on AFPMBAI operations.

RISK MANAGEMENT

The Association considers risk management as a significant aspect of good corporate governance in attaining its mission, strategic goals, and objectives. It takes risks inherent to its strategy to deliver better value to its members and other stakeholders. Thus, managing these risks forms an essential part of the business. Risk management within AFPMBAI aims to ensure that all significant risks to the Association are identified, assessed, and addressed accordingly. This is realized given that at all times:

- · Risks are properly identified, assessed, managed, monitored, and reported;
- Risk ownership is taken and communicated;
- Resources are effectively and efficiently allocated to manage risks;
- Risks that could significantly affect the Association, its members, employees, and other stakeholders are properly managed; and
- The Association is compliant with regulatory and legal requirements.

The Association's approach to risk management is anchored in the Risk Management Framework as part of the Board-approved Corporate Risk Management Plan (CRMP). The Risk Management Framework has been put in place to facilitate the integration of risk management into the overall operations of the Association, and to ensure that the risk information, as produced by the risk management process, is visible and utilized in decision-making processes across the Association. The CRMP also provides risk management principles, processes, structures, duties, responsibilities, policies, guidelines, and procedures to measure, monitor, control risks, and address the identified top risks or risks with the highest level of priority.

Risk Management Culture and Risk Appetite

The Association promotes integrity, high ethical standards, and a sound risk culture in the conduct of its mission. As such, it continuously champions good governance and a strong risk awareness framework in all processes and undertakings. In delivering the mission, the Association complies with the Insurance Commission's (IC) guidelines on maintaining the set of Risk-Based Capital (RBC) Ratio and acceptable levels of financial ratios as approved by the Board. To attain such measure, the Association accepts and manages strategic, financial, operational, and environmental/external risks, and seeks to minimize potential exposure according to the AFPMBAI corporate strategies, investment policies, and business plans. Finally, the Association commits to being compliant with internal policies, regulations, and procedures to ensure the sustainability of operations.

Risk Management Structure

The **Board of Trustees** is accountable for the overall risk management and carries out its risk management responsibilities through the **Risk Oversight and Related Party Transaction Committee (RORPTC)**.

The **RORPTC** oversees the overall risk management process, ensures that it has the appropriate infrastructure to properly monitor, identify and measure risks arising from its day-to-day operations. It also reports the Association's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans to the Board regularly, or as deemed necessary.

The Top Management is responsible for the overall implementation of risk management plans and programs.

The **Risk Management Committee (RMC)** ensures that the Corporate Risk Management Plan is properly executed and consistent with the corporate risk management. It is in charge of supervising the day-to-day risk management of the Association. It is also responsible for the direction, coordination, and application of risk management and internal control down the line to the Risk Management Teams. It also provides consultative support to the RORPTC in matters involving risk management.

The **Risk Management Team** participates in the risk management process by providing candidate risk input and supporting risk mitigation planning and execution activities.

The Risk Management Office facilitates the task of identifying, monitoring, measuring, and mitigating enterprise-wide key risks through an independent, timely, and effective risk monitoring framework.

All Offices are responsible for monitoring the occurrence of risk events, policy breaches, and procedural infractions within their area of responsibility, including documentation and reporting of such events. Likewise, all offices are responsible for identifying new and emerging risks, their impact, recommended control and measures, and implementation of risk management strategies within their area of responsibility.

Key Risks

Based on the enterprise-wide risk assessment embodied in the Corporate Risk Management Plan, the Board and Management recognized the following top ten (10) risks exposures inherent to the regular course of business of the Association:

1. Legal/Regulatory Risk is the material adverse impact of the new or changing laws and regulations, and interpretations of the law. The Association recognized HB No. 9654 or the Military and Uniformed Personnel (MUP) Pension Bill/s and other MUP pension reforms bills currently pending in Congress as legal/regulatory risks. Said bills will create an authorized MUP Trust Fund Committee - to direct the creation of a life insurance system for MUP which shall cover mandatory contribution, death, and disability benefits coverage. The said provisions will threaten the Association's competitive position and capacity to conduct business efficiently.

As part of the risk mitigation strategy, the Association consulted the DILG and DND. With their firm support, the Association submitted its position paper and proposed revisions/ insertions in HB 9654 to the concerned committees in the House of Representatives and Senate.

2. Business Interruption Risk is the failure to undertake advanced planning to manage internal/external events that will cause disruption/stoppage of regular business operations leading to losses, penalties, or damage to the reputation of the Association. In 2021, the primary threat of business disruption was the COVID-19 pandemic, particularly the workplace exposure to the virus and unavailability of key personnel due to travel restrictions, or unable to report for work due to mandatory quarantine or becoming indisposed.

The Association has implemented a Business Continuity Management Policy to address business disruption risks. Moreover, to arrest the COVID-19 related issues, the Association implemented the following:

RISK EVENTS	MITIGATING STRATEGIES		
Workplace Contraction/ Exposure to the virus	 Strict implementation of OSH Protocols and the MHS of the National Government/Department of Health (DOH) Regular disinfection and sanitization of offices and documents received Implementation of skeleton workforce in on-site operations and work from home (WFH) schemes 		
Unavailability of Key Personnel	 Provision of ferry/shuttle services to on-site employees Divisions/Departments/Offices are required to assign alternate personnel on each identified critical business function/process Designate alternate signatories to provide immediate action in the exigency of services on-site 		

3. Information Technology (IT) Risk is the failure of the information system to operate as intended to support the critical business processes of the Association resulting in operational inefficiencies and lost business opportunities. The Association has an ongoing computerization and system integration effort based on the Board-approved IT System Road Map. The Association recognized the possibility that IT-related projects may go over budget and fail to meet goals. To mitigate the IT risk, all IT-related projects are closely monitored by the Information Technology Steering Committee (ITSC).

4. Compliance Risk is the loss due to sanctions, fines, and penalties arising from violations of or nonconformance with laws, rules, and regulations that threaten the Association's reputation. Last May 2021, the Association received an Assessment Notice from the Bureau of Internal Revenue (BIR) regarding AFPMBAI's deficiency on Value-Added Tax (VAT) from January 1 to June 30, 2018. The Association submitted its protest letter to BIR in response to the said notice. Moreover, as part of the mitigation strategy, the Association now reviews its related tax payable recognition and computation process. The Association also ensures on-time submission of reports and requirements to BIR and other regulatory agencies.

5. Information Integrity Risk is the failure to provide complete and accurate reports. This risk was prominent in 2021 due to various manual processes and the non-integration of various application systems deployed by the Association with which the probability of error is relatively high. To address this risk, on top of the automation project based on the IT System Road Map, the Association commissioned Info Cycle Solutions Inc. to conduct the business process documentation. Moreover, the review of migrated data from old systems to Accedata and formulation of the Remediation Plan is still ongoing.

6. External Fraud Risk is the loss that the Association may incur due to acts to defraud, misappropriate property, or circumvent the law by a third party. This risk became prominent in 2021 because of increased online applications via EMAIL. The Association recognizes that fictitious applications are relatively high in online applications. As part of the mitigation strategy, the Association strengthened its members' identity and loan verification process for loans and claims applications received online.

7. Human Resource Risk is associated with events and employee behaviors that occur both within and outside the workplace, affecting employee productivity and otherwise affecting the Association's operational and financial results. This risk became one of the top concerns in 2021 due to alternative work schemes such as WFH, wherein employees are working without the physical supervision of the immediate superior at their

respective homes, and unavailability of key personnel on-site due to travel restrictions or being unable to report for work due to mandatory quarantine or becoming indisposed due to COVID-19 infection. To address issues on alternative work schemes, the Association came up with a Telecommuting Protocol providing the requirements and guidelines for employees working from home.

8. Execution, Delivery, and Process Management Risk is the failure to effectively manage transaction processing or process management from relations with clients, trade counterparties, and vendors, that could lead to loss of business, negative image, or penalties. The Association recognizes this risk due to the existing manual processes, which may cause a delay in the delivery of services. The ongoing business process documentation and automation project based on the IT System Road Map will also address this risk.

9. Information Security Risk is the failure to protect confidentiality, integrity, or availability of an information system which negatively impacts the process of the related information. This risk was prominent in 2021 due to cyberattacks and online hacking news. The Association recognizes that cyberattacks may happen if no controls are in place. As part of the mitigation strategy, the Association will regularly conduct Vulnerability Assessment and Penetration Test (VAPT) and establish a security infrastructure to arrest this risk.

10. Product/ Service Risk is the failure of product's inherent design, management, or distribution and failure to meet or exceed customer expectations, competitor offerings, or regulatory requirements that may result in financial and reputational losses. The Association recognizes the need for product customization suited for retired members and dependents of regular and associate members. To address the product/service risk, the Association has launched MBAI 5ecure, a very affordable 5-year term insurance plan that provides maximum protection for regular members, retirees, dependents, and associate members aged 20 to 65 years old. Moreover, the Association continues to develop more affordable insurance plans through the Product Development Committee, including health insurance for AFPMBAI members.

REPORT ON MATERIAL RELATED PARTY TRANSACTIONS (RPT)

The Risk Oversight and Related Party Transactions Committee (RORPTC) of the Board, majority of whom are independent trustees, reviews and oversees all material transactions with related parties (directors, officers, and their close family members, shareholders/members, and related interests). The RORPTC will ensure that transactions are entered into on an arm's length basis, without conflict of interest, and that the rights of all members are protected. The Association submits the required Sworn Statement duly signed by the Compliance Officer on quarterly reports to the IC, as well as the Annual Conglomerate Structure with the subsidiary, AFPGEN. Investments with AFPSLAI, having the same Chairman of the Board of Trustees, are likewise being reported to the IC as related party transactions, as well as on Investments Made and Sold.

Parent / Subsidiary / Affiliate	Related Counterparty	Relationship between the parties	Transaction Date	Type of Transaction	Amount	Terms	Rationale for entering into the Transaction
Report on I	Material R	elated Party	y Transactio	ons for CY 2	021		
1. Subsidiary A. DOSRI							
MGen Rizaldo B Limoso PA (RET)		President of AFPMBAI (Parent)	Jan-Dec	Attendance to Board Meetings	C/O AFPGEN	Bi-monthly	Chairman, AFPGen Board
Col John Jurado PA (RET)		Head, CSG and CCSO (Parent)	Jan-March	Attendance to Board Meetings	C/O AFPGEN	Bi-monthly	Vice-Chairman, AFPGen Board
Atty Maricarr Mirabel		Head, Legal Office (Parent)	Apr-Dec Jan-March	Attendance to Board Meetings	C/O AFPGEN	Bi-monthly	Vice-Chairman, AFPGen Board AFPGen Board Member
MGen Nathaniel Y Casem PN (M) (RET)	AFPGEN	Head, SOG and COO (Parent)	Apr-Dec	Attendance to Board Meetings	C/O AFPGEN	Bi-monthly	President, AFPGen
Annie Arce		Head, ISD (Parent)	Jan-March	Attendance to Board Meetings	C/O AFPGEN	Bi-monthly	AFPGen Board Member
BGen Rolando C Manalo PA (RET)		Head, ABOD (Parent)	Apr-Dec	Attendance to Board Meetings	C/O AFPGEN	Bi-monthly	President, AFPGen
Jocelyn T Miranda		Head, Internal Audit (Parent)	Jan-March Apr-Dec	AFPGen Affairs	C/O AFPGEN	Bi-monthly	OIC, Internal Audit (consultant) Consultant, Internal Audit
Flordeliza Ocbania		Head, BCRD (Parent)	Jan-June July-Dec	AFPGen Affairs	C/O AFPGEN	Bi-monthly	OIC, Finance Consultant, Finance
Atty Lynell Sese		Head, Litigation (Parent)	Jan-March	AFPGen Affairs	C/O AFPGEN	Bi-monthly	Legal Consultant
B. Financial Transactions	AFPGEN	Wholly Owned Subsidiary	Various transactions from 13 Jan - 10 Dec 2021	Office Rental	3,518,171.28	Monthly	Impending demolition of the MBAI Main Building
C. Others	AFPGEN	Wholly Owned Subsidiary		Subscription payable	94,500,000.00		
	Centennial Financing Corporation	Associate Various	transactions from 28 Jun - 12 Aug 2021	Partial liquidation (from AFPSLAI for CFC)	14,960,000.00		
2. Affiliates/ Other Related Parties	AFPSLAI	Same Chairman	Various transactions from 01 Apr - 07 May 2021	Roll-over of Investment	495,223,471.71	Different terms from 364 days - 1800 days	
		AFPSLAI Entity with Common Significant Influence	Various transactions from 08 Jul - 10 Dec 2021	Rentals (AFPSLAI Parking Lot)	126,315.78	Jul-Dec 2021	Board Resolution No. 23-2020
			Various transactions from 14 Jul - 14 Oct 2021	AFPSLAI Rent Income LBO	1,051,905.16	Jul-Oct 2021	110. 25-2020



ADHERENCE TO AFPMBAI CODE OF ETHICS AND CODE OF CONDUCT

The new normal where employees have an extended workplace at home entails practice and observance of the corporate core values of Service, Commitment, Integrity, Professionalism, and Innovation. The Association can vouch for employees' strict adherence to the provisions of the AFPMBAI Code of Ethics and Code of Conduct even on remote worksites and with less supervision.

ANTI-CORRUPTION PROGRAMS

In living up to the Association's core values of Integrity and Professionalism, the Association despises any form of corruption or related activities and transactions. Policies and other measures have been put in place for stricter controls in the business processes both in the operations and support functions.

WHISTLE-BLOWING POLICY

The Association prides itself with an Open-Door Policy for a better communication and collaboration with employees thereby utilizing it as an avenue to report corruption and other illegal activities or transactions entered into by fellow employees, regardless of rank, or a corporate officer. Any irregularity reports, duly supported by facts and documents, are handled in consideration of policies in place as well as provisions of applicable laws and with strict confidentiality.

REWARDS POLICY

Following the AFPMBAI Human Resource and Compensation Philosophies of attracting and retaining competent talent by providing competitive compensation and benefits, the Association has continued to recognize quality individual performances of employees who have directly or indirectly contributed to the commendable performance of the company despite its struggles in the past two years. One Lead and one Staff from each unit were given citations as Achievers of the Year.

The Association also recognized those who have manifested the core values as seen by peers or fellow employees. This was done in furtherance of the culture development program and espousing our own corporate values.

In its efforts to improve the Rewards Policy while encouraging peak individual performance, the Association has been continuously reviewing the Performance-Based Rewards System. It is aimed at maximizing the full potential of the employees to deliver quality outputs and reward such performance accordingly.

SAFEGUARDING THE RIGHTS/INTERESTS OF SUPPLIERS/CREDITORS

AFPMBAI has an established Memorandum Circular (MC) on Procurement of Goods and Services that contains implementing guidelines on handling procurement transactions. Stipulated in the MC is the creation of a Purchase Order (PO), a binding contract between AFPMBAI as the buyer and the supplier/vendor, which details the types, quantities, and agreed process for procured products and services.

A duly-approved Purchase Order (PO) is issued by the Association through the Administration Division to a chosen supplier/contractor, that will serve as a contract for procurement transactions. Meanwhile, for significant major procurements/projects that will require labor/service, a contract from the Legal Division is necessary, in addition to a PO.

HEALTH, SAFETY AND WELFARE

The Association protects its organic and non-organic personnel in the fight against the pandemic and investing in their good health to ultimately protect the members as well. It has been instituting preventive measures, such as screening employees both in the Home and Branch/Extension Offices through periodic administration of Rapid Antigen Test (RAT) or RT-PCR tests, as needed; as well as pneumococcal and flu vaccinations, on top of the usual Annual Physical Examination.

AFPMBAI also continued adhering to IATF guidelines on Minimum Health Standards and the use of Contact Logs/Diary for ease in contact tracing. Employees who were confirmed COVID-19 positive were also provided additional leave credits while recuperating, and were given financial assistance to help alleviate physical and mental stress. Monitoring of primary vaccination status was done regularly and reported to the Management Committee on a weekly basis. The Association's Occupational Safety and Health (OSH) Committee has also been ensuring compliance with government guidelines and regularly monitoring the employees' health status.

The Association has also been looking after the mental health of its employees by sponsoring Learning Sessions on *Mental Health Awareness, Boosting Mental Toughness and Resilience, and Enhancing Mental Health in the Workplace.* These sessions became avenues to help the workforce cope with the demands of the next normal and combat physical and mental stress.

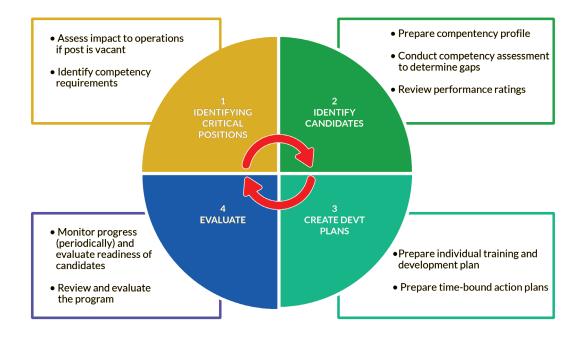


Moreover, in an effort to improve the welfare of our employees, the first company-wide Employees' Satisfaction Survey (ESS) was conducted to reveal and understand the workforce's level of job satisfaction. The ESS was a form of employee engagement wherein AFPMBAI employees were given the opportunity to voice out concerns, opinions, and suggestions for improvement. With the vision for organizational growth, employees were given the chance to provide feedback to the organization with regard to the different facets of employment in the Association, such as, but not limited to, Leadership, Employee Development and Compensation and Benefits, among others. The ESS also aimed to assess and help the Management decide on plans and programs and possible measures to enhance or implement. The said undertaking showed both strengths and areas for improvement of the Association, with results yielding an 88% employee satisfaction rating, a relatively high rating. The results of the ESS is a testament to the Management's open-door policy, giving a venue for employees' recommendations. These were cascaded to the whole workforce through a series of sessions, and it became one of the bases for the Association's programs for its manpower.

LEARNING AND DEVELOPMENT

The Association's strategic initiatives included establishing an organization that is readily adaptable to change; and upgrading employees' skills and competence to ensure peak performance and productivity. To support these and in continuous pursuit of higher level of individual and organizational competence, as ingrained in the organization's core value of Professionalism, the Association has instituted programs on the following facets of employment:

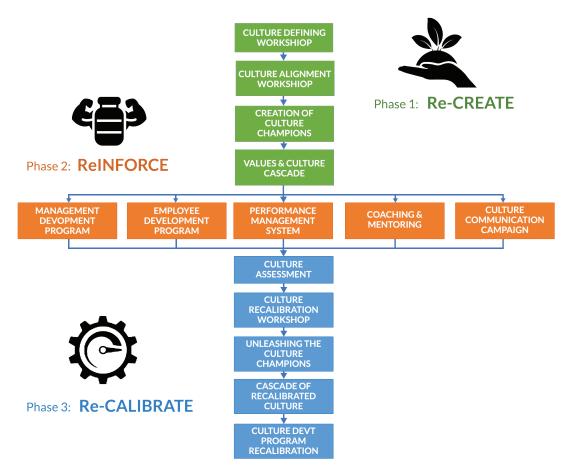
1. *Succession Planning*. The Succession Planning Program and Policy earned Board approval in the 3rd Quarter of 2021 and was first implemented through a company-wide virtual rollout. Following the Succession Planning Framework below, the Policy is aimed at creating a two-level leadership bench for key positions for business continuity at any given time.



2. *Culture Development.* Culture plays a vital role in any organization as it dictates how things are done. With this in mind, the Association crafted a comprehensive Culture Development Program with the following framework to enhance and build a stronger culture:

AFPMBAI 14-Step Journey

Culture Development Program Framework



The Culture Development Program Framework shows the **14-Step Journey** embedded in the three (3) phases aptly termed as *Recreate, Reinforce, and Recalibrate.* The ReCreate Phase is aimed at revisiting the current culture, through the Charter Statement especially the Association's Core Values, as well as the strategic direction of the company. Thus, the first two (2) steps on Culture Definition and Alignment Workshop were held for the Management Committee in the 4th Quarter of 2021. The Workshops resulted in the crafting of culture statements and leadership norms which serve as guideposts of the organization. Activities highlighting the core values were also undertaken such as the *Search for Most Valuable Employees and Dream Team*, the top five (5) and top ten (10) employees, respectively, regardless of rank, who manifested the different core values of the Association.

Entering into 2022, the succeeding steps of Values and Culture Cascade and Creating or Identifying Culture Champions shall be done to complete Phase 1. The next two (2) Phases of Reinforce and Recalibrate are aimed at strengthening the recreated culture through the various Human Resource programs for all employees across all ranks and categories.

AFPMBALANNUAL REPORT 2021 35

3. *Employee Development Programs.* The Association has launched the AFPMBAI EAGLE University concept which represents the different Employee Development Programs at different stages. This concept is inspired by the qualities an Eagle possesses that are inherent and expected of leaders, especially its ability to soar high as the employees envision the company. The Association continues its efforts to upskill and reskill employees and has firmed up different courses for CY2021-2022 under the following tracks:

- Amplifying Leadership Performance, Heritage, and Aptitude (ALPHA) Executive Development Program, designed for executive or Top Management and candidates under the Succession Planning Program
- Expanding Abilities and Growing Leadership Expertise (EAGLE) Management Development Program, designed for middle managers and candidates under the Succession Planning Program
- Fundamental Leadership Etiquette, Discipline, Grit, and EQ (FLEDGE) Supervisory Development Program, crafted for first-line managers and potential contributors. The Introductory Course was conducted for different batches in the 4th Quarter for our supervisors.
- Learning/Development Programs for staff and individual contributors of the organization to develop both soft and hard skills

As leaders steer the organization to its peak performance even amidst the pandemic, AFPMBAI Leaders were sent to Leadership Courses to both in-house and public offerings to gain new insights on leading during turbulent times.

Espousing the core values of Service and Commitment, the Association conducted several virtual sessions on **360°** *Customer Service Workshop* for all employees in both the frontline and support offices. Moreover, to further enhance customer handling skills of our member-facing employees, a *Customer Service Certification Program (CSCP)* was conducted where employees had to undergo revalida sessions and those who passed were awarded Service Hero pins and the first-level Certification on Customer Service.

Aside from the conduct of in-house courses, employees were also given the opportunity to attend specialized online courses in the fields of auditing, information technology, human resource, finance and the like in order to enhance their technical skills

SELECTION OF CEO AND CONTROL FUNCTION HEADS (CO, CRO AND CAE)

The President and CEO is one of the corporate officers of the Association who, pursuant to Article VII, Section 4 of the Bylaws, is vested the role of the Chief Executive Officer (CEO). As one of the Association's officers, the President is elected and appointed following a thorough screening based on an established set of qualifications.

The selection of control function heads such as the Compliance Officer (CO), Corporate Risk Officer (CRO), and the Corporate Auditor (CA) is founded on the Three Lines of Defense Model for the purpose of providing necessary internal controls to monitor and manage risks as well as safeguard effectiveness of the Association's governance.

As embodied in the Association's Bylaws and Manual of Corporate Governance these officers are selected observing standards giving primary considerations on the highest degree of integrity, technical expertise, and extensive experience in the institution's core business.

36 AFPMBALANNUAL REPORT 2021

PERFORMANCE ASSESSMENT OF MANAGEMENT

The performance of the President and CEO and all members of the AFPMBAI Management are assessed following the provisions under the Association's Performance Management and Development System (PMDS) which is patterned using the Balanced Scorecard framework. The Management's performance are periodically evaluated based on the metrics set under Learning and Growth, Internal Process, Customer, Financial and Social Impact Perspectives.

The individual Performance Appraisal Ratings (PAR) contribute to the overall performance of the company which yields to the grant of any productivity bonus as approved by the Board of Trustees.

POLICY DIVIDENDS

AFPMBAI provides an additional benefit in the form of dividends on the policy contracts that contain the discretionary participating feature. Although not guaranteed, the Association has been consistently giving out annual dividends to members who have in-force participating Permanent or Optional Insurance for at least three (3) years. These shall be released on the plan's policy anniversary; and release can be made over-the-counter through all AFPMBAI offices nationwide, or through the banks for members who have updated bank account records.

SAFEGUARDING THE ENVIRONMENT

Solar power is a 100% clean, renewable energy source that reduces reliance on oil, coal, and natural gas for electricity production.

Since 2016, AFPMBAI has been utilizing solar-generated electricity by installing 380 units of solar panels at 260 watts each, generating a capacity of 98.8 KWP at its Main Building and another 128 units of solar panels at 275 watts each, generating 35.20 KWP at its Records Building.

These solar panels have primarily contributed to reducing the Association's carbon footprint, which produces harmful emissions that affect the quality of air, water, and soil, and are responsible for global warming. The Association has also converted its fluorescent lighting to LED lighting fixtures. Segregation of trash is also enforced by using separate trash bins for biodegradable, non-biodegradable, and recyclables.

CORPORATE SOCIAL RESPONSIBILITY REPORT

SHARED VALUE IMPACTS AMIDST A PANDEMIC SETBACK

The year 2021 was as unpredictable as the year it preceded. For one, COVID-19 cases with dwindling-now, escalating-tomorrow numbers provided no foothold for economies to ground themselves on. As such, the levels of uncertainty remained, affecting the economy and daily living.

Though similarly engulfed in a predicament of global proportions, AFPMBAI hurdled through the challenges not only by its proven resiliency through more than half a century of experience but likewise by sticking to the core of its existence—continuous service despite the limitations brought on by the pandemic.

PANDEMIC RESPONSE

At the onslaught of the 2020 COVID-19 pandemic, the Association has been providing financial assistance to its regular members who were hospitalized with moderate, severe, or critical complications brought about by COVID-19 under its generous Comprehensive Financial Assistance Benefit (CFAB) program. Extending up to 2021, more than 10,000 members have benefited under this program, translating to roughly P200 Million in monetary assistance provided.

COVID-19 INITIATIVES OF THE MAJOR SERVICES

Acting on the prevailing COVID-19 cases among the major services frontliners, the AFPMBAI Board of Trustees, headed by its Chairman and the AFP Chief of Staff General Cirilito E Sobejana, approved a supplemental CSR budget of P100M, apart from its annual pro-rated CSR program budget, to be allocated pro-rate to the major service units and bureaus.

BOS	SUPPLEMENTAL CSR COVID INITIATIVES BUDGET FOR CY 2021	TOTAL UTILIZATION
OVID-19 INITIA	TIVES	
AFP-GHQ	P15,000,000.00	P14,940,400.00
PA	P12,000,000.00	P11,999,526.00
PAF	P10,000,000.00	P10,000,000.00
PN	P10,000,000.00	P10,000,000.00
PNP	P12,000,000.00	P11,700,000.00
PCG	P10,000,000.00	P9,632,400.00
BFP	P10,000,000.00	P10,000,000.00
BJMP	P10,000,000.00	P9,999,500.00
ASSOCIATE	P11,000,000.00	P10,821,500.00



Medical equipment and supplies were handed over to the various branches of service to support the frontliner members in the battle against the COVID-19 health crisis.

PRO-RATED CSR FLAGSHIP PROGRAMS

For 2021, a total of P17.3M was used by the major services for their response to medical- and health-related requests for donation. Under the general welfare flagship program, a total of P28.4M worth of donation requests were granted for the major services' various operational equipment, like computers, and morale and welfare packages, and likewise for their mobility requirements, such as staff cars and utility vehicles.

On the flagship program on Education, a total of P1.9M was utilized to fund the scholarships of 65 dependents of the major services under the GRAnts for DEpendents (GRADE) project. Of this number, 22 are in their secondary educational level, while 43 are in the tertiary level.

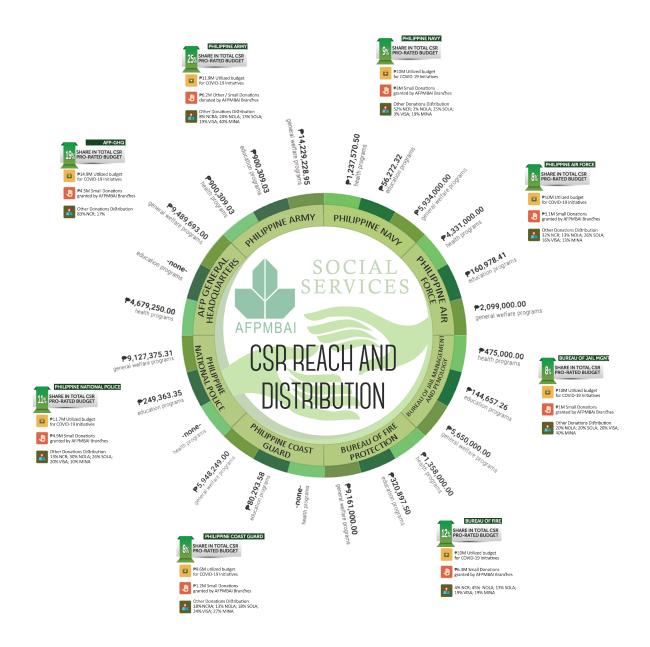
SCHOLARS CY2020-2021

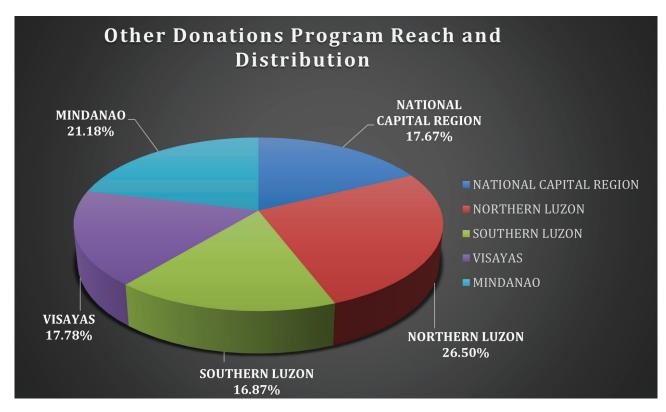
BOS	BOS TOTAL SCHOLARS	PERCENTAGE OF REPRESENTATION	TOTAL DISBURSEMENT (AS OF DEC 2021)
HIGH SCHOOL GR	ADE SCHOLARS		
PA	8	36%	
PN	1	5%	_
BFP	2	9%	
PNP	8	36%	P528,467.90
BJMP	1	5%	
PCG	2	9%	
TOTAL	22		

BOS	BOS TOTAL SCHOLARS	PERCENTAGE OF REPRESENTATION	TOTAL DISBURSEMENT (AS OF DEC 2021)
COLLEGE GRA	DE SCHOLARS		
PA	22	51%	
PAF	5	12%	
PN(M)	1	2%	
PNP	7	16%	
BFP	4	10%	P1,384,165.14
BJMP	3	7%	
PCG	1	2%	
TOTAL	43		

THE OTHER DONATIONS PROGRAM: BRIDGING MEMBERS' WELFARE

As an initiative of MGen Rizaldo B Limoso PA (Ret), AFPMBAI President and CEO, the Other Donations program was relaunched to be more responsive and far-reaching as it was intended. The President's directive empowered the sales business units (SBUs) to touch base with the various Branches of Service (BOS) and ripple through the message of corporate social responsibility vis-à-vis their sales mandate in order to get a more rooted understanding of the members' needs and to determine the kind of assistance that can be given. The goal was to cascade social services to the needs of the major services in their respective areas and to assure that wherever they may be assigned, AFPMBAI support and assistance to our members will always be seen and felt.





Continuous Improvement and Gauging Impact

Through the directive of the AFPMBAI Board of Trustees, the Association took on the manifold task of gauging the impact of its CSR programs in bolstering visibility and extending reach for the initiatives of the Association as a whole. The survey project was put in motion from a sample population of the membership base, with a methodology that broadened its representative parameters demographically across the five area branches of operation: non-uniformed personnel, rank, junior to senior officers; and encompassed all major service branches from NUPs and the associate agencies.

Summarizing the results, the survey showed a 94.8% approval/satisfaction or agreeable point average (APA) rating and likewise revealed key areas for improvement which prompted AFPMBAI President and CEO MGen Limoso to require the project to be carried out yearly versus its initially proposed biannual roll-out.







 Table - Sample question set included in the survey questionnaire gauging whether the AFPMBAI CSR Program should be continued.

Breaking Ten: Taking CSR Far and Wide

Starting with humble beginnings, the AFPMBAI CSR Program was formally made part of the Association in 2012. As 2022 marks a milestone through a decade of selfless service, the members are assured that the Association will continue blazing the trail as a provider not only of comprehensive insurance products and opportunities for lifetime financial security, it will also continue being the industry standard in providing significant social services to its members.

THE BOARD OF TRUSTEES



Chairman of the Board Chief of Staff, the Armed Forces of the Philippines November 25, 2021 - Present



MGen Adriano S Perez Jr PA

Vice Chairman of the Board Representative of the Joint Staff, AFP July 11, 2020 - Present



MGen Rizaldo B Limoso PA (Ret)

Executive Trustee AFPMBAI President & CEO July 11, 2020 - Present



Independent Trustee

July 11, 2020 - Present



Independent Trustee May 15, 2021 - Present



BGen Virgilio B Bartolome PA (Ret)

Independent Trustee May 15, 2021 - Present



Philippine Army Representative February 1, 2022 - Present



Philippine Navy Representative July 29, 2021 - Present



Philippine Air Force Representative February 1, 2022 - Present



PMGen Rhoderick C Armamento Philippine National Police Representative May 15, 2021 - Present



Philippine National Police Representative May 15, 2021 - Present



Philippine Coast Guard Representative November 4, 2021 - Present



CSupt Roel Jeremy G Diaz BFP Bureau of Fire Protection Representative June 10, 2020 - Present



Bureau of Jail Management and Penology Representative May 18, 2019 - Present



Armed Forces of the Philippine Sergeant Major August 27, 2020 - Present



Corporate Secretary July 3, 2013 - Present

AFPMBAI ANNUAL REPORT 2021 49

BIOGRAPHICAL DETAILS OF THE BOARD OF TRUSTEES AND EXECUTIVES

Chairman of the Board Office of the AFP Chief of Staff	Gen Andres C Centino PA
Age	55 years old
Date of First Election	November 25, 2021
Relevant Academic Backgr	ound and Training/Experience
Graduate School	University of the Philippines
Degree/Course	Master in Management
Completed	March 1983
Graduate School	University of Asia and the Pacific
Degree/Course	Strategic Business Economic Program
Completed	July 19, 2004
Degree/Course	Master in Science in National Resource Strategy
Completed	June 13, 2013
Relevant Training	Corporate Governance Orientation Program
Inclusive Date	February 23-24, 2022

	55 years old July 11, 2020
Date of First Election	July 11, 2020
Date of First Election	
Relevant Academic Backgrour	nd and Training/Experience
Graduate School	Philippine Christian University
Degree/Course	Master in Management
Completed	September 18, 2007
	Anti-Money Laundering Act Compliance in the Age of Digital World
Inclusive Date	September 14, 2021
Relevant Training	Continuing Education Program (CEP)
Inclusive Date	June 25, 28 & 29, 2021
Relevant Training	Briefing on AFPMBAI Operations
Inclusive Date	2020
Relevant Training	Continuing Education Program
	Business Model Shift: Pivoting Toward a New and Better Normal (August 26, 2020 Part I)
Topics/Inclusive Dates	Strategic Thinking (August 28, 2020 Part II)
	Latest Developments in the Mutual Benefit Association and Insurance Industry (September 24, 2020 Part III)
	AMLA Webinar conducted by the Insurance Commission (October 14, 2020 Part IV)
Relevant Training	Professional Directors Program (ICD)
Inclusive Date	June 24, 2016
Relevant Training	Corporate Governance Orientation Program
Inclusive Dates	2016

Executive Trustee President & CEO	MGen Rizaldo B Limoso PA (Ret)	
Age	58 years old	
Date of First Election	July 11, 2020	
Relevant Academic Backgrou	Ind and Training/Experience	
Graduate School	University of Melbourne	
Degree/Course	Master of Science in Applied Finance	
Completed	February 26, 2002	
Graduate School	Ateneo De Manila University	
Degree/Course	Master in Business Administration	
Completed	March 30, 1996	
Relevant Training	Anti-Money Laundering Act	
Topics/Inclusive Dates	February 22, 2022	
Relevant Training	Level Up Leadership Masterclass	
Inclusive Dates	January 25-28, 2022	
Relevant Training	Business Model Design & Innovation	
Inclusive Dates	November 3,5,8,10 & 12, 2021	
Relevant Training	Continuing Education Program (CEP)	
Topics/Inclusive Dates	June 25, 28, 29, 2021	
Relevant Training	Continuing Education Program	
	Business Model Shift: Pivoting Toward a New and Better Normal (August 26, 2020 Part I)	
Taria (Induine Dates	Strategic Thinking (August 28, 2020 Part II)	
Topics/Inclusive Dates	Latest Developments in the Mutual Benefit Association and Insurance Industry (September 24, 2020 Part III)	
	AMLA Webinar conducted by the Insuran Commission (October 14, 2020 Part IV)	
Relevant Training	Corporate Governance Orientation Program	
Inclusive Dates	2012	
Relevant Training	Professional Directors Program (ICD)	
Inclusive Dates	May 2012	
Master of Science in Economics	De La Salle University (Undergrad)	
Inclusive Date	March 30, 1991	
Bachelor of Science in Accounting	Philippine School of Business Administration (Undergrad)	
Inclusive Date	October 03, 2005	
Bachelor of Science in Economics	De La Salle University (2 nd Year)	
Inclusive Date	March 20, 1982	
Strategic Negotiation and Conflict Management International Course	National Defense College of the Philippines	
Completed	December 05, 2008	
Strategic Human Resource Management Course	Asian Institute of Management	
Completed	April 30, 2004	
Real Estate Strategic Planning Seminar/Workshop	Asian Institute of Management	
Completed	December 06, 2000	

Independent Trustee	MGen Rolando B Tenefrancia PA (Ret)		
Age	64 years old		
Date of First Election	July 11, 2020		
Relevant Academic Background and Training/Experience			
Graduate School	Pamantasan ng Lungsod ng Maynila		
Degree/Course	Master in Business Administration		
Completed	1995		
Relevant Training	Anti-Money Laundering Act		
Inclusive Date	February 22, 2022		
Relevant Training	Business Model Design and Innovation		
Inclusive Dates	November 3,5,8,10 & 12, 2021		
Relevant Training	Anti-Money Laundering Act Compliance in the Age of Digital World		
Inclusive Date	September 14, 2021		
Relevant Training	Continuing Education Program		
Inclusive Dates	June 25-28, 2021		
Course	AFP Comptrollership Officer Basic Course		
Completed	1998		
Relevant Training	Briefing on AFPMBAI Operations		
Completed	2020		
Relevant Training	Continuing Education Program		
	Business Model Shift: Pivoting Toward a New and Better Normal (August 26, 2020 Part I)		
Topics/Inclusive Dates	Strategic Thinking (August 28, 2020 Part II)		
	Latest Developments in the Mutual Benefit Association and Insurance Industry (September 24, 2020 Part III)		
	AMLA Webinar from IC (October 14, 2020 Part IV)		
Relevant Training	Corporate Governance Seminar, Institute of Corporate Directors		
Completed	August 4, 2020		
Relevant Training	Seminar for AFP -FAO		
Date	22 August 1994		
Seminar	Procurement on System and Procedure		
Date	22 August 1994		

Independent Trustee	MGen Tyne T Bañas PA (Ret)
Age	57 years old
Date of First Election	May 15, 2021
Relevant Academic B	ackground and Training/Experience
Graduate School	University of Wollongong, Australia
Degree/Course	Master in Strategic Human Resource Management
Completed	July 12, 2006
Relevant Training	Corporate Governance Orientation Program
Inclusive Dates	August 3-4, 2021
Relevant Training	Writing Effective Audit Report
Completed	February 7, 2015
Relevant Training	Course on Corporate Governance (ICD)
Completed	March 6, 2014

Independent Trustee	BGen Virgilio B Bartolome PA (Ret)
Age	58 years old
Date of First Election	May 15, 2019
Relevant Academic Backgr	ound and Training/Experience
Graduate School	Philippine Christian University
Degree/Course	Master in Management
Completed	January 21, 2006
Graduate School	Philippine Christian University
Degree/Course	Master in Public Administration
Inclusive Date	2005
Relevant Training	Corporate Governance Orientation Program
Inclusive Dates	August 3-4, 2021
Relevant Training	Continuing Education Program
Inclusive Dates	June 25-28, 2021
Relevant Training	Comptroller Officer Basic Course
Completed	December 15, 1997

Philippine Army Representative	MGen Roy M Galido PA
Age	53 years old
Date of First Election	February 1, 2022
Relevant Academic Backgr	ound and Training/Experience
Graduate School	University of South Wales, Australia
Degree/Course	Master of Science in Information Technology
Completed	2002
Graduate School	Philippine Christian University-Manila
Degree/Course	Master in Management
Completed	March 2001
Graduate School	Ateneo Graduate School of Business
Degree/Course	Training the Trainor Program
Completed	September 26, 1997
Relevant Training	Anti-Money Laundering Act (AMLA)
Inclusive Date	March 22, 2022 (registered)
Relevant Training	Corporate Governance Orientation Program (CGOP)
Inclusive Date	March 7, 2017
Relevant Training	Professional Directors Program (PDP)
Inclusive Date	March 16, 2017
Relevant Training	Briefing on AFPMBAI Operations
Inclusive Dates	February 4, 2022
Relevant Training	Anti-Money Laundering Act of 2001
Inclusive Dates	April 30, 2019

Philippine Navy Representative	MGen Nestor C Herico PN (M)
Age	55 years old
Date of First Election	July 29, 2021
Relevant Academic B	Background and Training/Experience
Graduate School	Philippine Christian University
Degree/Course	Master in Management Major in Public Administration
Completed	March 31, 1998
Graduate School	Development Academy of the Philippines
Degree/Course	Master in Public Management Major in International Development & Security
Completed	August 31, 2011
Relevant Training	Corporate Governance Orientation Program
Inclusive date	August 3 & 4, 2021
Relevant Training	Anti-Money Laundering Act
Inclusive date	September 14, 2021
Relevant Training	Continuing Education Program
Inclusive date	June 25, 28 & 29, 2021

Philippine Air Force Representative	MGen Arthur M Cordura PAF			
Age	53 years old			
Date of First Election	February 1, 2022			
Relevant Academic Bacl	Relevant Academic Background and Training/Experience			
Graduate School	National Defense College of the Philippines			
Degree/Course	Master in National Security Administration			
Completed	September 2014			
Graduate School	University of New South Wales, ADFA, Canberra			
Degree/Course	Master in Human Resource Development			
Completed	December 2003			
Graduate School	University of the Philippines			
Degree/Course	Diploma in Research and Development			
Completed	August 2000			
Relevant Training	Anti-Money Laundering Act			
Inclusive date	February 22, 2022			
Relevant Training	Briefing on AFPMBAI Operations			
Inclusive date	February 4, 2022			
Relevant Training	Master in Human Resource Development			
Inclusive date	December 18, 2003			

Philippine National Police Representative	PMGen Rhoderick C Armamento
Age	55 years old
Date of First Election	May 15, 2021
Relevant Academic Backgr	ound and Training/Experience
Graduate School	Araullo University
Degree/Course	Master of Arts
Completed	2005
College	PNPA
Course	BS Public Safety
Completed	1990
College	Manuel S. Enverga University Foundation
Course	AB Political Science
Completed	1987
Relevant Training	Business Model Design and Innovation
Inclusive Date	November 3, 5, 8, 10 & 12, 2021
Relevant Training	Anti-Money Laundering Act Compliance in the Age of Digital World
Inclusive Date	September 14, 2021
Relevant Training	Corporate Governance Orientation Program
Inclusive Date	August 3-4, 2021
Relevant Training	Continuing Education Program
Inclusive Date	June 25-28, 2021
Relevant Training	Finance Officers Basic Course
Inclusive Date	30 September 1993

Philippine Air Force Representative	PBGen Arthur V Bisnar
Age	53 years old
Date of First Election	May 15, 2021
Relevant Academic Backgr	ound and Training/Experience
Graduate School	Philippine Christian University
Degree/Course	Master in Management
Completed	2014
Graduate School	Ateneo de Manila University
Degree/Course	BS Computer Science
Completed	2002-2003
Relevant Training	Continuing Education Program
Inclusive Dates	June 25-28, 2021
Relevant Training	ADH Houston Community College
Completed	2003-2006
Relevant Training	Courses at the Ateneo Law School
Completed	1995
Relevant Training	Seminar on Anti-Money Laundering
Inclusive Date	November 11, 2016
Relevant Training	Investigative Information Management Course
Completed	September 26, 2014

Philippine Coast Guard Representative	CG VAdm Eduardo D Fabricante
Age	55 years old
Date of First Election	November 4, 2021
Relevant Academic Backgro	ound and Training/Experience
Graduate School	World Maritime University, Sweden
Degree/Course	Master of Science in Maritime Affairs
Completed	2001
Relevant Training	Anti-Money Laundering Act (AMLA)
Completed	March 22, 2022 (Registered)
Relevant Training	AFPMBAI Operations
Completed	November 2021

Bureau of Fire Protection Representative	CSupt Roel Jeremy G Diaz BFP
Age	55 years old
Date of First Election	June 10, 2020
Relevant Academic Back	ground and Training/Experience
Graduate School	University of Iloilo
Degree/Course	Master in Public Administration
Completed	2002
Law School	University of Iloilo
Degree/Course	Bachelor of Laws (LLB)
Completed	2000
Relevant Training	Briefing on AFPMBAI Operations
Completed	2020
Relevant Training	Continuing Education Program
	Business Model Shift: Pivoting Toward a New and Better Normal (August 26, 2020 Part I)
Topics/Inclusive Dates	Strategic Thinking (August 28, 2020 Part II)
	Latest Developments in the Mutual Benefit Association and Insurance Industry (September 24, 2020 Part III)
Relevant Training	Course on Basic Policy Process (DAP)
Completed	March 2016
Relevant Training	Corporate Governance Orientation Program
Completed	March 3 & 4, 2021
Relevant Training	Anti-Money Laundering Act
Inclusive Date	March 22, 2022 (registered)
Relevant Training	Business Model Design and Innovation
Inclusive Dates	November 3,5,8,10 & 12, 2021
Relevant Training	Continuing Education Program
Inclusive Dates	June 25-28, 2021

Bureau of Jail Management and Penology Representative	CSupt Ruel S Rivera BJMP
Age	52 years old
Date of First Election	May 18, 2019
Relevant Academic Bac	kground and Training/Experience
Graduate School	Batangas State University
Degree/Course	Master in Public Administration
Completed	1999
Relevant Training	Continuing Education Program
	Business Model Shift: Pivoting Toward a New and Better Normal (August 26, 2020 Part I)
Topics (Inclusive Dates	Strategic Thinking (August 28, 2020 Part II)
Topics/Inclusive Dates	Latest Developments in the Mutual Benefit Association and Insurance Industry (September 24, 2020 Part III)
	AMLA Webinar by IC (October 14, 2020 Part IV)
Relevant Training	Briefing on AFPMBAI Operations
Completed	2019
Relevant Training	Corporate Governance Orientation Program
Completed	August 2019
Relevant Training	Business Model Design and Innovation
Inclusive Dates	November 3,5,8,10 & 12, 2021
Relevant Training	Anti-Money Laundering Act Compliance in the Age of Digital World
Inclusive Date	September 14, 2021
Relevant Training	Continuing Education Program
Inclusive Dates	June 25-28, 2021
Relevant Training	Executive Course on Money Laundering and Terrorism Financing
Completed	March 3, 2012
Relevant Training	Seminar on Financial Resources, Ethics and Accountability
Completed	April 9, 1994

AFP Sergeant Major	FCMS Aladin S Dacayanan (INF) PA
Age	56 years old
Date of First Election	August 27, 2020
Relevant Academic Backgro	ound and Training/Experience
Relevant Training	Briefing on AFPMBAI Operations
Completed	2020
Relevant Training	Continuing Education Program
Topics/Inclusive Dates	Latest Developments in the Mutual Benefit Association and Insurance Industry (September 24, 2020 Part III)
	AMLA Webinar by IC (October 14, 2020 Part IV)
Relevant Training	Corporate Governance Orientation Program
Completed	September 2020
Relevant Experience	Director, Kitanglad Multipurpose Cooperative
Period	2017- to date
Relevant Experience	Chairman, Kitanglad Multipurpose Cooperative
Period	2017 and 2019
Relevant Training	Business Model Design and Innovation
Completed	November 3,5,8,10 & 12, 2021
Relevant Training	Anti-Money Laundering Act Compliance in the age of Digital World
Completed	September 14, 2021
Relevant Training	Continuing Education Program
Completed	June 25-28, 2021

Head, Sales & Operations Group & COO Compliance Officer	MGen Nathaniel Y Casem PN(M) (Ret)
Age	57 years old
Date of Appointment	May 15, 2021
Acade	mic Qualifications
Master in National Security Administration	National Defense College of the Philippines
Completed	01 Oct 2013 - 19 Sept 2014
Master in Management Major in Public Administration	Philippine Christian University, Manila (Undergrad)
Inclusive Date	8 May 2009
BS Civil Engineering	Saint Louis College of Tuguegarao, Cagayan (Undergrad)
Inclusive Date	01 June 1982 - 31 Mar 1983
Basic International Relations	Foreign Service Institute, DFA, Manila
Completed	01 June 1982 - 31 Mar 1983
Global-Local Leaders for Development & Security	Development Academy of the Philippines, Pasig City
Completed	20 Sept 2010 - 01 Oct 2010
Amphibious Planning Senior Officer International Course	Coronado Amphibious Base, San Diego, CA, USA
Completed	28 Feb 2013 - 08 May 2013
Maritime Non-Traditional Security Course	(MIMA, KL, Malaysia)
Completed	06 Jan 2013 - 18 Jan 2013
Explosive Ordinance Reconnaissance Agent Course	(NITI, NISF, BNS, Fort Bonifacio)
Completed	13-23 Jun 1995
Bachelor of Science CL 87	PMA/Fort Del Pilar, Baguio City
Completed	04 April 1983 - 22 Mar 1987
Naval Officers Qualification Course "A" CL 116	NTC/FSF, Cavite City
Completed	22 April 1987 - 08 Dec 1987
Naval Command and Staff Course CL 44	NETC/NSSM, Zambales
Completed	15 Nov 1999 - 16 Mar 2000
General Staff Course CL 51	AFP Command and General Staff College, QC
Completed	08 April 2008 - 16 Dec 2008

Relevant Academic	Background and Training/Experience
Member, Naval Intelligence	Selection of ILO to RSN IFC
Completed	06 Jan 2010 - CY2010
Member	PN Mission Area Assessment Team
Completed	22 May 2009 - 01 Jan 1901
Member	PN Selection Committee for UN Deployment
Completed	16 May 2009 - 01 Jan 1901
Chairman	Naval Intelligence Specialty Board
Completed	06 Mar 2009 - 01 Jan 1901
Chairman	PN Selection & Administration of BCO Board
Completed	06 Mar 2009 - 01 Dec 1901
Chairman	Naval Intelligence Personnel Board
Completed	06 Mar 2009 - 01 Jan 1901
Vice Chairman	Naval Intelligence Committee
Completed	06 Mar 2009 - 01 Jan 1901
Chairman	Case Operation Plan Deliberation Board
Completed	06 Mar 2009 - 01 Jan 1901
Chairman	MBLT11, Reenlistment Board
Completed	01 Jun 2004 - 01 Dec 2005
Doctrines Officer	N2,NISF
Completed	24 Aug 1999 - 12 Nov 1999
Member	Joint AFP-PNP Regional Intel Coordinating Committee-Region V, (NISF)
Completed	02 May 1997 - 02 Jun 1998



Head, Corporate Services Group & CCSO Treasurer Risk Officer	Col Eliezer R Galam PA (Ret)
Age	59 years old
Date of Appointment	May 15, 2021
Academic Qu	alifications
Master in Construction Management	University of the East, Manila (2 nd Year)
Inclusive Date	November 16, 1992
Master in Management Major in Public Administration	Xavier University (Ateneo de Cagayan)
Completed	September 07, 2005
Master in Management Major in Public Administration	Philippine Christian University
Completed	March 22, 2006
Bachelor of Science in Electrical Engineering	Mapua Institute of Technology (3 rd Year)
Completed	January 02, 1998
Bachelor of Science	Philippine Military Academy, Fort Del Pilar, Baguio City
Completed	March 22, 1987
BS in Electronics & Communication Engineering	University of the East, Manila (5 th Year)
Completed	March 16, 1983
Relevant Academic Backgrou	nd and Training/Experience
Deputy Chief for Administration	AFP Pension & Gratuity Management Center
Inclusive Dates	01 Feb - 05 June 2018
Internal Auditor	AFP Pension & Gratuity Management Center
Inclusive Dates	01 Feb - 05 June 2018
AFP Transformation Roadmap (ATR) Representative	AFP Pension & Gratuity Management Center
Inclusive Dates	01 Feb - 05 June 2018
Director	Finance Center, PA (FCPA)
Inclusive Dates	03 Nov 2015 - 01 Jan 2018
Deputy Director	Finance Center, PA (FCPA)
Inclusive Dates	11 Aug 2014 - 03 Nov 2015
Chief, Office of the Ethical Standards & Public Accountability (OESPA)	Finance Center, PA (FCPA)
Inclusive Dates	11 Aug 2014 - 03 Nov 2015
Chief, Governance Service and Management Office (GSMO)	Finance Center, PA (FCPA)
	Finance Center, PA (FCPA) 20 Feb 2014 - 03 Nov 2015

64 AFPMBALANNUAL REPORT 2021

Inclusive Dates	16 Jun 2011 - 15 Aug 2014
Commandant, ROTC	University of Manila
Inclusive Dates	07 May 2014 - 13 Mar 2018
Member	AFPFIAB
Inclusive Dates	03 Nov 2015 - 01 Jan 2018
Member	РАНВ
Inclusive Dates	03 Nov 2015 - 01 Jan 2018
Trustee	PAPF
Inclusive Dates	03 Nov 2015 - 01 Jan 2018
Director	PMAAAI
Inclusive Dates	01 Mar 2015 - 05 Jun 2018
Director	PAFCPIC
Inclusive Dates	01 April 2016 - 30 Mar 2018
Chairperson, Conflict & Mediation Committee	PAFCPIC
Inclusive Dates	01 April 2017 - 30 Mar 2018
Treasurer	PMAAAI
Inclusive Dates	01 Mar 2017 - 01 Mar 2018
Chairman, Finance Committee	PMAAAI
Inclusive Dates	01 Feb 2017 - 31 Feb 2018
Member, Executive Committee	PAFCPIC
Inclusive Dates	01 April 2016 - 30 Mar 2018
Chairperson, Cashuerte Committee	PAFCPIC
Inclusive Dates	01 April 2016 - 30 Mar 2018
Trustee	AFPSLAI
Inclusive Dates	01 Dec 2015 - 30 Dec 2017



AFPMBAI MANAGEMENT







Jocelyn T Miranda Head, Internal Audit Office



Jasmin M Damo Head, Support Services Audit Section Internal Audit Office





Ramona Josefa M Panis Head, Board Relations Office





Geraldsam S Agbay Head, Strategic Management Office Executive Services Division



Atty Elizabeth D Hidalgo Head, Compliance Office Executive Services Division



Jeffrey Richard Nixon Matthew L Uy

Head, Social Services Office Executive Services Division



Ian Raymond E Payot

Head, Risk Management Office Executive Services Division

SALES AND OPERATIONS GROUP

70

MGen Nathaniel Y Casem PN(M) (Ret)

Head, Sales and Operations Group & COO Compliance Officer





BGen Rolando C Manalo PA (Ret) Head, Area & Branch Operations Division



Angelina S Jutie Head, National Capital Region Area, Area & Branch Operations Division



Deonesio B Corong II

Head, Mindanao Area, Area & Branch Operations Division



Lorraine Marie L De Villa

Head, Southern Luzon Area, Area & Branch Operations Division



Leah Y Joya

Head, Northern Luzon Area & Southern Luzon Area, Insurance Sales Division

Emelito E Lopez

Head, Visayas Area & Mindanao Area, Insurance Sales Division







Alpha Grace F Ventanilla Head, Underwriting, Policy and Membership Department





Roderick A Dones Head, Investment Office



Joahna P Go

Head, Active Investment Section Investment Office



CORPORATE SERVICES GROUP

Col Eliezer R Galam PA (Ret)

Head, Corporate Services Group & CCSO Treasurer Risk Officer

0000

AFPMBALANNUAL REPORT 2021 77





Lea A Maligaso Head, Human Resources Division



Anthony T Talampas

Head, HR Development Department Human Resources Division



Krish Rainjit R Salas Head, HR Administration Department Human Resources Division





Felisa T Lingan Head, Cash Management Department Finance Division



Head, Accounts Monitoring Department Finance Division





Antonio Feliciano A Hornilla Head, Information Technology Division



Engr Annaly A Lavarias Head, Business Technology Solutions Office Information Technology Division







Fe E Gerona Head, Administration Division



Col Wenceslao M Romero Jr PAF (Ret)

Safety Officer/Manager, Office of the Head Administration Division



Celso M Robles Head, General Services Department Administration Division

AFPMBAI BRANCH & EXTENSION OFFICES

AFPMBAI HEAD OFFICE & ONE-STOP SHOP

1

1

AFPMBAI Bldg., Col Bonny Serrano Ave., cor EDSA, Quezon City

VISAYAS REGIONAL SALES AND SERVICE CENTER

CENTCOM, AFP, Camp Lapu-Lapu, Apas, Cebu City

MINDANAO REGIONAL SALES AND SERVICE CENTER

4/F AFPMBAI Bldg, Maya Street, Ecoland, Matina, Davao City

NATIONAL CAPITAL REGION AREA

Head: Ms Angelina S. Jutie

CAMP AGUINALDO BRANCH

Supervisor: OIC Shaila Tumbaga Col Bonny Serrano Rd Cor Edsa, Cubao Quezon City

FORT BONIFACIO BRANCH

Supervisor: OIC Alex Olazo B 36 L 21 & 29 LBO Bldg AFPOVAI Bayani Road Western Bicutan, Taguig City 09338695686 / 0955-453-7042

VILLAMOR EXTENSION OFFICE

In-Charge: Nollie Rose M Ibarreta 3rd Floor PAF Airmen's Mall CJVAB, Pasay City

NORTHERN LUZON AREA Head: OIC Imelda L Jamandron

BAGUIO BRANCH

Supervisor: Edna P Ramos AFPSLAI Bldg., Camp Henry Allen Baguio City

SAN FERNANDO LA UNION EXTENSION OFFICE

In-Charge: Earl John M Claravall Unit C, National Road, Pagdalagan Norte City of San Fernando, La Union 0921-454-9621 / (072) 607-8120 0933-8695676

ISABELA BRANCH

Supervisor: Restituto M Duran III 1/F Mango Suites Hotel, 1 City Rd (new add Aug 1,2021) Santiago City, Isabela 0907-8227859 / 0933-869-5734 (078)682-0935

BAYOMBONG EXTENSION OFFICE

In-Charge: Grazelle Jaluquit Room D, F & V Delos Santos Commercial Bldg. 146 National Road, District IV, Bayombong Nueva Vizcaya 0933-869-5652

DAGUPAN EXTENSION OFFICE

In-Charge: Michael Lark Aloroy Room 203 2nd floor, Siapno Bldg., cor Rivera St. and Zamora St. Dagupan City 0933-869-5684/ 0930-9664762

LAOAG EXTENSION OFFICE

In-charge: Marie Cris S Camagon Unit 202 VL & SONS Bldg. P. Gomez St., Laoag City 0933-869-5676 / 0929-691-5944 (077)677-1715

UPI EXTENSION OFFICE

In-Charge: Melanie Nabanalan / Hilario Balisi Camp Melchor F Dela Cruz Upi, Gamu, Isabela 0933-8695668

TUGUEGARAO BRANCH

Supervisor: Grandee P Dumlao 2/F Rios Bldg Cor. College Ave and Taft St. Centeo 8, Tuguegarao City, Cagayan 0916-167-6224/ 09338695712 (078)844-6728

TABUK EXTENSION OFFICE

In-charge:Florante Seno 2F Kalinga Bazaar Bldg, Bulanao Tabuk City, Kalinga 09338695665

CABANATUAN BRANCH

Supervisor: Sally T Santos 2/F Liwag Building, Burgos Avenue (*new add Aug 31,2021*) Cabanatuan City, Nueva Ecija 0933-8695732/ (044)464-3908

FORT MAGSAYSAY EXTENSION OFFICE

In-charge: Julius Villas 7th Infantry Division, Philippine Army Fort Magsaysay, Palayan City, Nueva Ecija 0933-869-5728

CLARK EXTENSION OFFICE

In-charge: June Lyndon Balmeo 600th Air Base Wing, Clark Air Base, Pampanga 0933-869-5727

OLONGAPO EXTENSION OFFICE

In-Charge: Ellen G Importado 1869 Rizal Ave., West Bajac-Bajac Olongapo City 0933-869-5726

TARLAC EXTENSION OFFICE

In-charge: Catherine Allag / Lealyn D Arceo 2/F AJ-AS Building, Brgy. Maligaya, Tarlac City 0933-869-5714

CAPAS EXTENSION OFFICE

In-charge: John Carlo L Manalac G/F 2R Bldg. Sta. Lucia, Capas Tarlac 0933-869-5713

CAMP OLIVAS EXTENSION OFFICE

In-Charge: Earl John M Claravall (*new address*) Unit 8,2/F, GF Building, McArthur Hi-way, Dolores, San Fernando, Pampanga 0933-8695729

SOUTHERN LUZON AREA

Head: Ms. Lorraine Marie L. De Villa

CAVITE BRANCH

Supervisor: Maria Nimfa Recaido 3rd Floor Unit-D 685 R.Basa st Brgy. Labanos, San Roque Cavite City 0949-3403639 / 0933-869-5681 (046) - 4358992

PALAWAN EXTENSION OFFICE

In-Charge: Maria Clarissa A. Barroma / Janice Rabajante Unit 204, 2/F, SJD Green Bldg 132 National Highway, Brgy. San Pedro Puerto Princesa, Palawan (048) 716-3560 / 0933-869-5663

LUCENA BRANCH

Supervisor: Estrellita O Querimit SOLCOM, Camp Guillermo Nakar Lucena City 0942-802-6224 / 0933-869-5660 (042)373-1091

DAET EXTENSION OFFICE

In-charge: Amiel L Arevalo No. 2 Blk 6 Lot 1 Bel-Air Subdivision Lag-on Daet, Camarines Norte 0943-7088627/ 0933-869-5651

CALAPAN EXTENSION OFFICE

In-charge: Kathlyn Grace Alzate 2/F San Agustin Bldg., Bonifacio, Cor Osmena St., Brgy Ilaya, Calapan City, Oriental Mindoro 0933-869-5655/ 0947-3861320

LEGASPI BRANCH

Supervisor: Jecris Sagragao ANST Bldg., Washington Drive Legazpi City 0933-8695659/ 0916-7879077 (052)732-7980/ 0999-4809566

PILI EXTENSION OFFICE

In-charge: Faye Morada Barajas / Rex Mamaril 2/F REMC New San Roque, Pili Camarines Sur 0935-930-7236 / 0933-869-5664

MASBATE EXTENSION OFFICE

In-Charge: HoneyLynn Marcaida 3F Manalo-Pecson Bldg, Ibanez St Masbate City 0933-869-5662/ 0935-039-1931

BATANGAS BRANCH

Supervisor: Restituto M Duran III 1/F Mango Suites Hotel, 1 City Rd (new add Aug 1,2021) Santiago City, Isabela 0907-8227859 / 0933-869-5734 (078)682-0935

CANLUBANG EXTENSION OFFICE

In-charge: Geneca Subion / Jay Javison Camp Vicente Lim, Canlubang Laguna (049)531-4234 / 0933-869-5678

VISAYAS AREA Head: OIC Ms Vembe Magalso

ILOILO BRANCH

Supervisor: Mary Joy B Locsin Arthur Suite General Luna st. Iloilo City 0933-869-5762 / (033) 337-8416

BACOLOD EXTENSION OFFICE

In-charge: Jomesa S Seville Door 5 Elcourt Bldg., 1st Street, Lacson, Bacolod City 0933-869-5764/ (034) 434-6044

JAMINDAN EXTENSION OFFICE

In-charge: Genalyn D Panhilason Sitio Agbalagon, Jaena Norte Jamindan, Capiz 0933-869-5689

KALIBO EXTENSION OFFICE

In-Charge: Rutchel V Camrines Door# 206 2nd Flr Waldolf Garcia Bldg Osmeña Avenue, Kalibo, Aklan 0933-869-5650 / (036) 268-3903

CEBU BRANCH

Supervisor: Vembe V Magalso CENTCOM, AFP, Camp Lapu-Lapu, Apas, Cebu City 0927-1441378 / 09338695682 (032) 234-1028

DUMAGUETE EXTENSION OFFICE

In-charge: Geoviliza Z Tayag Door no. 4 Jft Bldg., Cervantes St., Dumaguete City 0935-9168990 / 09338695685 (035) 226-3527

BOHOL EXTENSION OFFICE

In-charge: Sheryl A Paeste Unit 3, 2F Vennore Commercial Bldg JA Clarin St., Tagbilaran City Bohol (038) 422-8901 / 0933-8695654

BOGO EXTENSION OFFICE

In- charge: Heziel Yen Y Jayme Central Highway, Solid Homes, Brgy Taytayan, Bogo City, Cebu 0977-8036008 / 09338695653 (032) 434-8403

TACLOBAN BRANCH

Supervisor: Barbara Jane A Nuyte Aqua Glass Bldg cor. P. Gomez & Real St. Tacloban City 0926-6540815 / 09338695666 (053) 325-6552

CATBALOGAN EXTENSION OFFICE

In-charge: Benjie P Sarona Camp Lukban, Maulong Catbalogan, Samar 0977-2391423 / 09338695680 (055) 251-5351

CATARMAN EXTENSION OFFICE

In-charge: Novelin A Mahinay Bonifacio St., Corner Roxas St Brgy Casoy Catarman Northern Samar 0926-6540815 / 0933-8695679 (055) 251-8555

MAASIN EXTENSION OFFICE

In- charge: Roxane C Omay Capt. Iyano St. Brgy. Tagnipa, Maasin City, Southern Leyte 0926-6540815 / 0933-869-566

MINDANAO AREA Head: Mr Deonesio B Corong II

ZAMBOANGA BRANCH

Supervisor: Sharina A Deriza Western Mindanao Command Camp Basilio Navarro, Lower Calarian, Zamboanga City 0933-869-5786/(062)993-8990

PAGADIAN EXTENSION OFFICE

In-charge: Jessa G Yangao Kuta Dao, Pagadian City 0933-869-5790

DIPOLOG EXTENSION OFFICE

In-charge: Krystal Lyne W Duran 3rd Floor, Baluma Building, Rizal Ave., Central Barangay,Dipolog City 0933-869-5717

JOLO EXTENSION OFFICE

In Charge: Katarina P Dinsuat Kuta Heneral Teodulfo Bautista, Brgy Busbus, Jolo, Sulu 0933-869-5718

CAGAYAN DE ORO BRANCH

Supervisor: Conchita Ma Concepcion L Salazar Nuñez Bldg, Zone 1, Bulua Cagayan De Oro City 0906-722-4070 / 0933-869-5787 (088) 880 -8703

ILIGAN EXTENSION OFFICE

In-charge: Jefilamae T Silao G/F, Abalos Bldg. II, San Miguel Corner Burgos Street Iligan City 0933-869-5719/ (063) 222-3718

MALAYBALAY EXTENSION OFFICE

In Charge: Marie Lei L Pamittan G/F, Pace Building, Fortich Street, Malaybalay City Bukidnon 0933-869-5720/ (088) 813-0575

BUTUAN BRANCH

Supervisor: Mary Ann J Malunhao Door 1 Apatan Bldg., Brgy. Bancasi, Butuan City 0933-869-5721 / (085) 815-3764

SURIGAO EXTENSION OFFICE

In-charge: Nyza Madhel E Bondaog 2/F A Santos Bldg., 1208-C Diez St, Brgy Taft Surigao City 0933-869-5722/(086) 826-0459

TANDAG EXTENSION OFFICE

G/F Tecon Bldg. Quezon Street, Bag-ong Lungsod, Tandag City Surigao Del Sur 0951-879-2941

DAVAO BRANCH

Supervisor: Menchie C Makilang 4/F AFPMBAI Bldg, Maya Street, Ecoland, Matina, Davao City 0933-869-5788 / 0936-195-8075 (082) 297-5482

MATI EXTENSION OFFICE

In-charge: Paullyn Grace P Gamayon Manongas Bldg. Limotoc St. Mati City 0933-869-5723/ (087)811-7425

GENERAL SANTOS EXTENSION OFFICE

In-charge:Janet M Jaudian 3/F SAFI Bldg., 2, Mansanitas St. Cor. Magsaysay Ave., General Santos City 0933-869-5724 / (083) 553-1454

COTABATO BRANCH

Supervisor: Annaliza B Lim 2/F Herrera Bldg., 154 Quezon Ave, Cotabato City 0933-869-5785 / (064)421-4004

KIDAPAWAN EXTENSION OFFICE

In-Charge: Janelyn S Llaban 2/F ZEPOL Bldg. Quezon Blvd. Kidapawan City (064) 248-0139 / 0933-869-5725

TACURONG EXTENSION OFFICE

In-Charge: Richard S Corpus 13-B, 2/F Notre Dame Centrum II, National Highway, Tacurong City, Sultan Kudarat 0933-869-5716 / (064) 562-3602

Financial Statements As at and for the year ended December 31, 2021 (With comparative figures and notes as at and for the year ended December 31, 2020)





Isla Lipana & Co.



Independent Auditor's Report To the Board of Trustees and Members of Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI) Page 2

Other Matter

The financial statements of the Association as at and for the year ended December 31, 2020 were audited by another auditor, who expressed an unmodified opinion on those statements on April 7, 2021.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.



Independent Auditor's Report To the Board of Trustees and Members of Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI) Page 3

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AFPMBAI ANNUAL REPORT 2021 93





Independent Auditor's Report To the Board of Trustees and Members of Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI) Page 4

Report on the Bureau of Internal Revenue Requirement

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 29 to the financial statements is presented for the purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.

Partner
CPA Cert. No. 112595
P.T.R. No. 0018519, issued on January 6, 2022, Makati City
SEC A.N. (individual) as general auditors 112595-SEC; Category A, valid to audit 2020 to 2024 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A; valid to audit 2020 to 2024 financial statements
TIN 235-725-236
BIR A.N. 08-000745-133-2020, issued on June 5, 2020; effective until June 4, 2023
BOA/PRC Reg. No. 0142, effective until January 21, 2023

Makati City April 12, 2022



Statement of Financial Position December 31, 2021 (With comparative figures as at December 31, 2020) (All amounts in Philippine Peso)

	Notes	2021	2020		
<u>A S S E T S</u>					
Cash and cash equivalents	2	1,065,753,299	683,957,148		
Other investments	2	5,615,827,407	4,618,953,816		
Loans receivables, net	3	10,653,511,862	10,245,956,529		
Held-to-maturity (HTM) investments	4	8,117,623,955	7,290,696,178		
Available-for-sale (AFS) investments	4	1,668,050,809	1,671,443,584		
Financial assets at fair value through profit or					
loss (FVTPL)	4	43,194,645	18,877,056		
Premiums receivable from members		591,575	26,241,814		
Other receivables	5	450,316,466	393,539,237		
Assets held for sale	6	95,978,558	97,614,979		
Investment properties	7	6,363,446,149	6,556,486,649		
Investments in subsidiary and associates, net	8	456,105,704	473,265,704		
Property and equipment, net	9	620,099,242	622,756,618		
Other assets, net	10	46,527,478	62,458,742		
Total assets		35,197,027,149	32,762,248,054		
LIABILITIES AND FUND BALANCE					
Accounts payable and accrued expenses	11	396.204.942	563.397.455		

Total liabilities and fund balance		35,197,027,149	32,762,248,054
Total fund balance		11,399,159,534	10,788,715,069
Unassigned		11,036,983,302	10,166,101,825
Assigned		168,853,368	406,571,827
Accumulated net income:	17		
Accumulated other comprehensive income		114,133,537	139,024,030
Members' contributions	16	79,189,327	77,017,387
Total liabilities		23,797,867,615	21,973,532,985
Other liabilities		220,394,025	152,658,070
Deferred tax liability, net	23	1,414,260,008	1,749,630,584
Net retirement liability	21	322,042,903	275,023,590
Reserve for members' refund	15	4,245,019,101	3,573,533,659
Income tax payable	23	180,975	-
Dividends payable	14	314,516,672	430,217,960
Claims and benefits payable	13	880,038,910	754,999,401
Legal policy reserves	12	16,005,210,079	14,474,072,266
Accounts payable and accrued expenses	11	396,204,942	563,397,455

Statement of Total Comprehensive Income For the year ended December 31, 2021 (With comparative figures for the year ended December 31, 2020) (All amounts in Philippine Peso)

	Notes	2021	2020
UNDERWRITING INCOME			
Insurance premiums	19	4,179,506,191	3,945,909,549
UNDERWRITING EXPENSE		, , , , , , ,	, , , , , , , , , , , , , , , , , , , ,
Claims expense	13	(2,351,901,020)	(1,709,424,976)
Experience refund		(229,313,530)	(265,367,327)
Increase in legal policy reserves	12	(1,531,137,813)	(1,616,225,933)
NET UNDERWRITING INCOME		67,153,828	354,891,313
INTEREST INCOME	4	1,464,874,069	1,316,481,912
INTEREST EXPENSE	•	(33,034,393)	(28,027,480)
NET INTEREST INCOME		1,431,839,676	1,288,454,432
PROVISION FOR CREDIT LOSSES	3	(182,639,382)	(72,454,543)
NET INTEREST INCOME AFTER CREDIT		(102,000,002)	(12,101,010)
LOSSES		1,249,200,294	1,215,999,889
OTHER INCOME		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	.,,,,,
(Decrease) increase in fair value of			
investment properties		(193,040,500)	3,080,797,270
Rental income	24	84,862,547	89,788,187
Policy income		119,461,709	84,032,451
Dividend income	4	5,707,350	7,539,432
Gain on sale of assets held-for-sale	6	1,487,490	3,880,177
Gain (loss) on sale of AFS investments	Ū	1,732,800	(93,010,887)
Other income (expense), net	9	193,154,990	(1,251,424)
		213,366,386	3,171,775,206
INCOME BEFORE OPERATING EXPENSES		1,529,720,508	4,742,666,408
GENERAL AND ADMINISTRATIVE EXPENSES	20	(1,110,232,391)	(1,070,242,606)
		419,488,117	3,672,423,802
INCOME TAX BENEFIT (EXPENSE)	23	217,612,272	(1,254,622,092)
NET INCOME FOR THE YEAR		637,100,389	2,417,801,710
OTHER COMPREHENSIVE INCOME (LOSS)		,,	_,,
Item that may be subsequently reclassified to			
profit or loss			
Net movement in cumulative fair value			
changes on AFS investments	4	29,084,680	36,401,468
Item that will not be subsequently reclassified to	•	20,001,000	00,101,100
profit or loss			
Remeasurement loss on retirement			
benefit obligation	21	(53,975,173)	(9,352,539)
TOTAL OTHER COMPREHENSIVE (LOSS)	·		(0,002,000)
INCOME		(24,890,493)	27,048,929
TOTAL COMPREHENSIVE INCOME FOR THE			, ,
YEAR		612,209,896	2,444,850,639

Statements of Changes in Fund Balance For the years ended December 31, 2021 (With comparative figures for the year ended December 31, 2020) (All amounts in Philippine Peso)

		Accumulated income		Accumulated	
	Members' contributions	Assigned		other comprehensive income	
	(Note 16)	(Note 17)	Unassigned	(Note 4,21)	Total
Balances as at January 1, 2020	80,717,163	336,719,289	7,820,309,947	111,975,101	8,349,721,500
Transactions with members					
Contributions during the year	517,092	-	-	-	517,092
Transfer to reserve for member's refund	(4,216,868)	-	-		(4,216,868)
Total transaction with members	(3,699,776)	-	-	-	(3,699,776)
Other movements					
Assignment of accumulated income	-	226,285,500	(226,285,500)	-	-
Reversal of assigned accumulated income	-	(154,275,668)	154,275,668	-	-
Utilization of assigned accumulated income	-	(2,157,294)	-	-	(2,157,294)
Total other movements	-	69,852,538	(72,009,832)	-	(2,157,294)
Comprehensive income					
Net income for the year	-	-	2,417,801,710	-	2,417,801,710
Other comprehensive income	-	-	-	27,048,929	27,048,929
Total comprehensive income for the year	-	-	2,417,801,710	27,048,929	2,444,850,639
Balances as at December 31, 2020	77,017,387	406,571,827	10,166,101,825	139,024,030	10,788,715,069
Transactions with members					
Contributions during the year	2,171,940	-	-	-	2,171,940
Other movements					
Reversal of assigned accumulated income	-	(233,781,088)	233,781,088	-	-
Utilization of assigned accumulated income	-	(3,937,371)	-	-	(3,937,371)
Total other movements	-	(237,718,459)	233,781,088	-	(3,937,371)
Comprehensive income (loss)					
Net income for the year	-	-	637,100,389	-	637,100,389
Other comprehensive loss	-	-	-	(24,890,493)	(24,890,493)
Total comprehensive income (loss) for the year	-	-	637,100,389	(24,890,493)	612,209,896
Balances as at December 31, 2021	79,189,327	168,853,368	11,036,983,302	114,133,537	11,399,159,534

Statement of Cash Flows For the year ended December 31, 2021 (With comparative figures for the year ended December 31, 2020) (All amounts in Philippine Peso)

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash generated from operations	18	60,806,231	545,236,243
Interest received		1,466,370,973	847,715,553
Income tax paid		(117,577,329)	(104,515,433)
Contributions to the retirement fund		(41,680,000)	-
Dividends paid	14	(148,735,681)	(111,646,844)
Net cash from operating activities		1,219,184,194	1,176,789,519
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		515,107,666	518,237,918
Dividends received		-	7,539,432
Acquisitions of:			
Short-term investments		(6,813,341,023)	(6,313,108,636)
Long-term investments	2	(230,000,000)	(1,000,000,000)
HTM investments	4	(2,432,172,397)	(651,031,128)
Property and equipment	9	(34,507,326)	(412,381,967)
Investments at FVTPL		(47,514,442)	(17,554,909)
Assets held for sale		(1,629,985)	(5,239,377)
AFS investments	4	(23,439,745)	-
Proceeds from sale/maturities of:			
Short-term investments		6,046,467,432	4,946,753,376
HTM investments	4	1,605,360,187	709,569,107
AFS investments		57,650,001	453,659,444
Investments at FVTPL		22,203,714	42,671,049
Property and equipment		5,891,041	3,682,717
Assets held for sale		4,753,896	11,376,032
Investments in a subsidiary and associates – net		17,160,000	-
Net cash used in investing activities		(1,308,010,981)	(1,705,826,942)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Reserve for members' refund of equity value	15	570,992,629	532,317,436
Members' contributions		2,171,940	517,092
Payment of refund on members' contributions	15	(102,541,631)	(76,628,367)
Net cash from financing activities		470,622,938	456,206,161
NET INCREASE (DECREASE) IN CASH AND CASH			
EQUIVALENTS		381,796,151	(72,831,262)
CASH AND CASH EQUIVALENTS			
January 1		683,957,148	756,788,410
December 31		1,065,753,299	683,957,148

AFPMBAI TIMELINE



1949

AFP Mutual Benefit System (AFPMBS) was created by virtue of a Letter Directive from the Headquarters of the National Defense Forces



1966

Launched additional insurance plans: Whole Life, 20 Pay Life, and 10-. 15-. and 20-Year **Endowment Plans**

1986



Changed the AFP Basic Insurance from Group Term to a combination of Group Term and permanent Whole Life Plan with Disability Benefit rider

1994

Groundbreaking was done for the new AFPMBAI Home Office Building. Inaugurated AFPMBAI's Home Office Building on the 21st of December



2011

2015

Reached P10 Billion Asset mark









Reached P32.8 Billion Asset mark

1965

Armed Forces of the Philippines Mutual Benefit Association, Inc., formerly AFPMBS, was incorporated as a non-stock, nonprofit corporation. Basic Insurance coverage of AFP started with a death benefit of P3,000.00



1980

Introduced the 20-year Anticipated Endowment Plan. Acquired a 10-hectare property for the development of Katarungan Mutual Homes in Cainta, Antipolo, Rizal

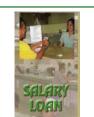


1993

Launched Members Educational Assistance Loan (MEDAL)

1998

Opened the Salary Loan program to members.



Started the E-56 Retirement Plan

2018 Launched MBAI Protek Basic Membership Insurance Plan



2021

Launched MBAI 5ecure. an affordable 5-year term insurance plan that provides maximum protection.

Implemented a higher Real Estate Mortgage Loan ceiling of P10 Million



AFPMBAI ANNUAL REPORT 2021 99

