



**AFPMBAI**

Buhay na Panatag

# ANNUAL REPORT 2022









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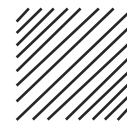
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# VISION AND MISSION

## 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, opportunity 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 existence.

## COMMITMENT

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

## INTEGRITY

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

## PROFESSIONALISM

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

## INNOVATION

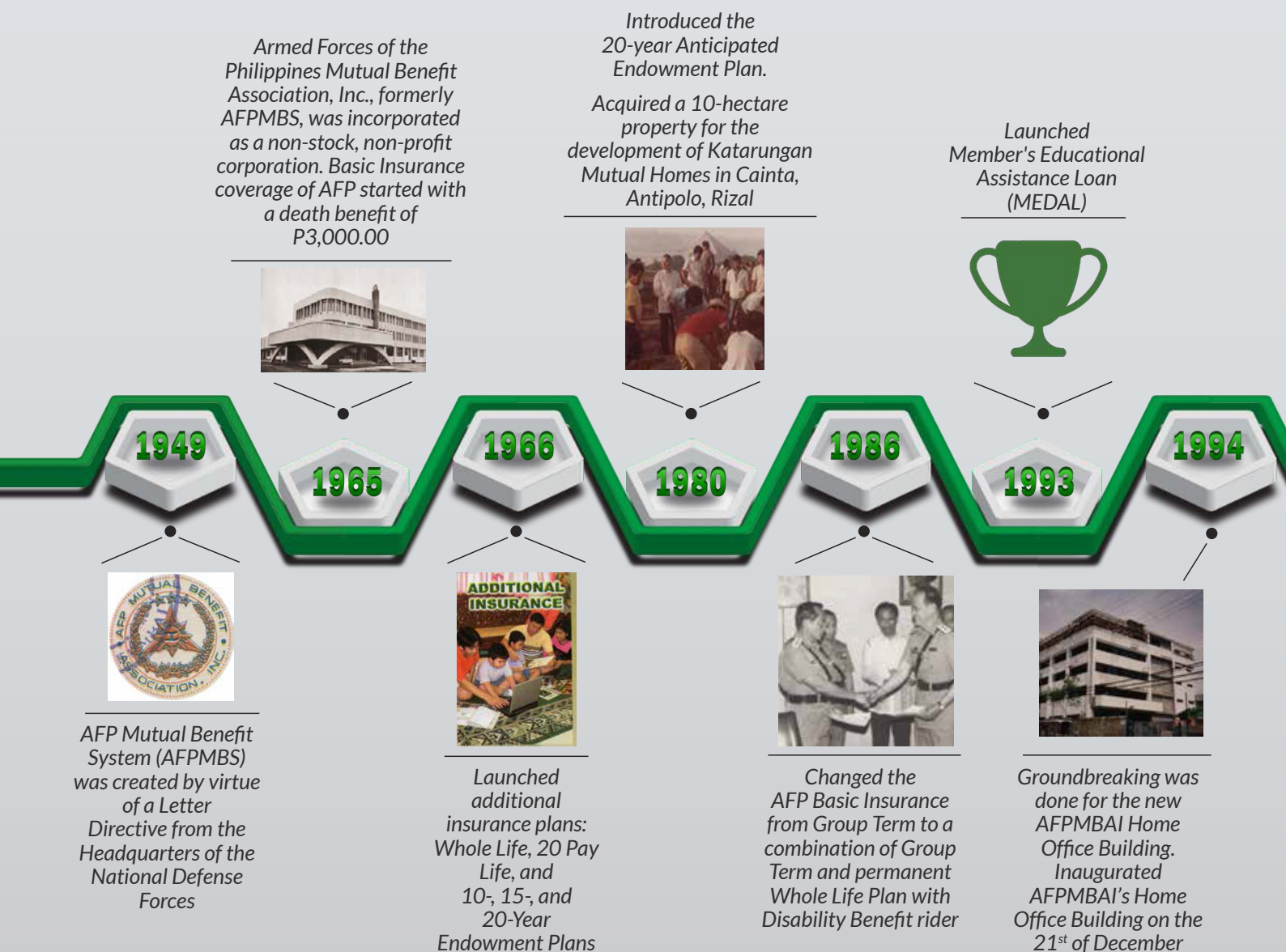
Advocating “Continuous Improvement” by embracing “change”, being comfortable with “progress,” and challenging the “status quo”.



# AFPMBAI HISTORY AND TIMELINE

Abuluyan, or passing of the hat for voluntary financial assistance to the families of fellow soldiers who got killed-in-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 the World War 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



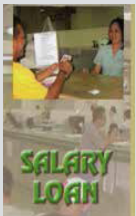




For two consecutive years in 2019 and 2020, AFPMBAI has ranked sixth (6th) among 31 evaluated mutual benefit associations (MBAs), and 20th among 119 assessed insurance companies in the Philippines in 2020. This was based on the ASEAN Corporate Governance Scorecard (ACGS). This scoring system rates the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

Opened the Salary Loan program to members.

Started the E-56 Retirement Plan



A group of men in military uniforms are gathered around a table. On the table is a large cake with white frosting and decorations. The men are dressed in formal military attire, including caps and medals. The setting appears to be outdoors, possibly on a ship's deck or a similar formal area.



Reached  
P37.8 Billion  
Asset mark



# 1998

# 2011

# 2015

2018

2020

2021

2022



Reached  
P10 Billion  
Asset mark



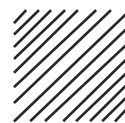
Launched  
MBAI Protek  
Basic  
Membership  
Insurance Plan



*Launched MBI 5secure,  
an affordable  
5-year term insurance  
plan that provides  
maximum protection*

P.7

# MESSAGE FROM THE CHAIRMAN



As we fought the COVID-19 pandemic, which started in 2020, our fortitude and limits have been put to the test. Our frontliners, especially the uniformed services, faced hurdles and lockdowns.

When the nationwide vaccine and booster programs were undertaken in 2021 through 2022, it was incredibly comforting to see the health restrictions gradually easing up. Additionally, this meant that the frontline personnel of the various branches of service would experience less strain and stress. The AFPMBAI used this as a cue to plan information drives and caravans among the various uniformed service camps and units around the Philippines.

I commend the Association for creating projects and programs that are genuinely relevant to its members taking into account their requirements and needs in the face of the pandemic and beyond. A few of the services developed by AFPMBAI to assist the members who had to deal with the severe COVID-19 impacts included the COVID-19 Hospitalization Financial Assistance, Emergency Loan, and MBI 5ecure Plan.

The Kaagapay Member-to-Member Referral Promo and MBI e-Konsult Rewards Program were

welcome value-added services to further encourage members to enroll in or upgrade their basic insurance with the Association in order to have better protection and security for their families. Even the substantial medical donations from AFPMBAI and the handover of various equipment and supplies to the uniformed services meant a stronger partnership between the Association and the branches of service.

The AFPMBAI also launched its Regional Sales and Service Centers in key locations across the country to bring its services closer to its members and improve service turnaround times.

All of these reflect the deep commitment of the Association to its members' welfare.

While upholding AFPMBAI's corporate values, realizing its vision and mission, the Association is strengthened as a dependable partner for the uniformed troops and their families. Let us keep promoting their overall welfare and improved financial health. As we make our way into the future, let us be persistent and tenacious.

Mabuhay ang Armed Forces and Police Mutual Benefit Association, Inc.!

**Gen Andres C Centino PA**

Chief of Staff, AFP and  
Chairman of the Board



# MESSAGE FROM THE PRESIDENT AND CEO

No one would have imagined that since its founding 57 years ago that AFPMBAI's vision has expanded to be "the leader and industry standard for all mutual benefit associations."

The Association has since evolved into a leading provider of financial services solutions for the uniformed services and their families. AFPMBAI's top priority is to ensure that its services are accessible to its members, whether they are in the concrete jungles of cities, over the seas, in the air, or in the mountains and valleys; hence, the establishment of the Regional Sales and Service Centers in strategic locations all over the Philippines.

It is also worthy to note that AFPMBAI's 2022 year-end report highlights its exceptional financial performance, with all monetary ratios for profitability, liquidity, growth, and sustainability being the highest so far for the Association.

With the way AFPMBAI handled the COVID-19 pandemic as a team, one can truly say that come hell or high water, the Association will always stand strong. AFPMBAI is not only the first and largest mutual benefit

association in the country, but it is also a financial institution that continues to live up to the standard for others to follow. The Association continues to weather the challenges brought about by the pandemic and beyond.

Along with the Chairman, the Board of Trustees, and the Management Committee members, the whole AFPMBAI takes pride in its commitment to duty, providing selfless service for the welfare of its members and their families, especially during the most difficult times of the pandemic.

The Association also proudly recognizes the sacrifices made by our frontline members on COVID-19 and the battlefield. Your actions not only resulted in triumphs, but also increased the safety and security of our nation for future generations.

According to what we proudly proclaim, AFPMBAI is defined by the heroism and valor of the uniformed men and women whom we name heroes, and who put their lives in line for Filipinos, the flag, and for freedom.

*Sa AFPMBAI, tunay ang Buhay na Panatag!*



*MGen Rizaldo B. Limoso RA (Ret)*  
President and CEO

# REPORT OF THE PRESIDENT AND CEO

In 2022, AFPMBAI achieved remarkable success, particularly in the area of financial growth. Despite the challenges posed by the prolonged impact of the pandemic on the global economy since 2020, the Association proved its resilience and surpassed its previous records. These achievements demonstrated that AFPMBAI remains steadfast in its goal of becoming the top mutual benefit association in the country and fulfilling its mission of providing members and their families with comprehensive insurance coverage, lifelong financial security, and valuable social services. Through these accomplishments, AFPMBAI has proven that it can weather any storm and continue to thrive.

AFPMBAI's audited net income of P1.11B for CY2022 was the result of several initiatives that were developed based on the principles of the Balanced Scorecard.

This approach ensured that all aspects of the organization were considered, not just its financial performance. The Association crafted 15 corporate strategies across five major areas: Social Impact, Financial, Customer, Internal Process, and Learning and Growth, and implemented corresponding initiatives.

AFPMBAI's management recognizes that competent and skilled employees, as well as streamlined internal processes, serve as the foundation for providing members with an exceptional customer experience, which, in turn, drives the company's financial stability. This approach allows the Association to channel its earnings back to its members through its social and corporate service programs. Ultimately, the success of the initiatives implemented across these perspectives served as the basis for evaluating the Association's overall performance.

## SOCIAL IMPACT

AFPMBAI aims to promote financial literacy and enhance its social services program, improving the quality of life for its members.

For CY 2022, AFPMBAI was able to conduct Corporate Social Responsibility (CSR) activities and donations reaching **891 units**, or 495% more than the target of 180 units. Items donated ranged from computer / laptop units, health care equipment such as purifiers, sterilizers, entertainment and sports/ gym packages, generator sets, garbage trucks, ambulances, and more. We facilitated the conduct of 11 Livelihood Entrepreneurship and Development (LEAD)/ Training and Advocacy for Dependents (TRADE) Seminars as well as 14 Financial Literacy Talks and one (1) Forum on Real Estate matters. The seminars/webinars held are 236% accomplishment of the 11 sessions targeted at the start of the year.



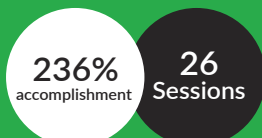
Aside from feeding the minds of our members through the various seminars and fora, a **Bloodletting** activity was also conducted in September of 2022, providing an opportunity for our members and employees to contribute towards helping other members and community

entities in need of blood supplies. True to the Association's Philosophy of Service of caring for our members, AFPMBAI did not only make ways to help address the financial and physical needs of members and families but also made efforts to create awareness of the importance of caring for their mental health. This was done by holding **Mental Health Awareness** sessions for members through our MBAI-Connect Radio Program and a webinar conducted by coaches from International Coaches Federation.

#### *CSR Activities and donations*



#### *Seminars/webinars held*







## FINANCIAL

The Association has been working towards achieving sustained financial sustainability by improving its profit margin ratio, achieving positive asset growth, and increasing yields on return on investment, all in an effort to give back to its members.

### *Sales Force Development*

In line with this and in order to achieve AFPMBAI's mission of providing for members, the Association has been pursuing steady financial growth and standing. As such, for CY 2022, we have strengthened the capabilities of the organic and non-organic Sales Force by equipping them with the right and enhanced skills set through adequate trainings as well as by recognizing and rewarding their efforts, all of which redound to increased productivity.

The first **Sales and Operations Group (SOG)** Summit of the Association was also conducted to forge collaboration and alignment of initiatives among the Strategic Business Units (SBUs) to intensify sales and servicing activities. Its counterpart, the **Corporate Services Group (CSG)**, pledged its support through the holding of its own Summit also for the **first** time, to help our Sales and Operations Group achieve its set initiatives.

### *Channel Development*

With its concerted efforts in Channel Development, AFPMBAI created multiple payment facilities for its members to have wider options in paying premiums and loans and receiving loan proceeds. Hence, for the year in review, The Association started a collaboration with **Cebuana Lhuillier** and **Maya Billspay** as additional payment

facilities for the members and **GCash** as both payment and payout medium. AFPMBAI has also partnered with the **Development Bank of the Philippines (DBP)** as collection facility for Bureau of Corrections (BuCor) transactions.

Meanwhile, Members Referral Program was developed and launched to enhance our Distribution Channel aside from utilizing the newly-implemented Regional Sales and Service Centers (RSSCs) to continue reaching members across the nation.

### *Strong Financial Position*

These initiatives paved the way for the unprecedented income (before tax) of **P1.11B for CY2022** which is **82% more** than CY 2021's income. This also led to an increased asset growth to **P38.75B**, which is **10.09% higher** than the previous year's P35.2B. The Association also programmed and accomplished activities to develop and implement effective internal control and risk management systems through the conduct of studies to mitigate legal reserve interest rate and to improve collection efficiency.

**P1.11B**  
**Net Income**  
for CY2022

**82%**  
Higher than in 2021

**HIGHLIGHTS**  
**2022**

## CUSTOMER

One of the Association's strategic objectives is to uphold member-centricity through excellent customer service and to provide our members affordable and comprehensive benefits. Thus, corporate initiatives were primarily focused on intensifying AFPMBAI's presence in the regions to be able to gain wider member reach and to bring the services closer to them.

### *Capacitation of Regional Offices and Decentralization of Processes*

We continued to capacitate our branches with the launch of different Regional Sales and Service Centers (RSSCs) strategically located in the following areas and with strategic deployment of employees there.

- Northern Luzon (NOLRSSC) – Cabanatuan
- Southern Luzon (SOLRSSC) – Legazpi
- Visayas (VRSSC) – Cebu
- National Capital Region (NCRSSC) – Quezon City (Home Office)
- Mindanao (MRSSC) – Davao

We also inaugurated the new **Bongao Extension Office** located in Tawi-Tawi to expand the services of our Zamboanga Branch.

As we sought to serve more members and meet their needs, we implemented organizational changes that resulted in the decentralization of major processes such as death and disability benefit claims, policy servicing, and contract issuance, resulting in improved turn-around time in the:

- release of 405,473 refunds
- payout of P1.7B benefit claims
- release of a total of P94.28M dividend claims

AFPMBAI has also set up and established Regional Data Centers starting with MRSSC.

### *Online Customer Support*

To enhance the speed of addressing customer inquiries and issues, the Association obtained Zendesk, an online customer ticketing tool. The acquisition of the Zendesk Ticketing Tool is a significant achievement in the Association's efforts to provide exceptional customer experience.

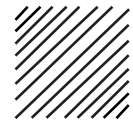
### *Improved Products and Services*

Still battling the remnants of COVID-19, the Association has extended the **COVID-19 Hospitalization and Death Financial Assistance Program** to provide support to those members affected during the pandemic. Moreover, AFPMBAI launched the **MBAI e-Konsult Rewards Promo** which is a FREE 24-7 telemedicine consultation service to help our members, provided by KonsultaMD.

On product development, we conducted the **initial product design for 10-Pay Life Plan** and the Board of Trustees approved the enhanced Salary loan up to P500k. The review, implementation and approval processes of the Plan shall be the focus of our Management through our Product Development Committee.

### *Brand Ambassador*

For the very first time since AFPMBAI's establishment, the Association has engaged with Capt Ronnie Liang, a Pilot, AFP Reservist, and well-known singer and actor, as the Association's Brand Ambassador to promote and extend the reach of the AFPMBAI brand to a wider audience.



## INTERNAL PROCESS

The Association has been enhancing business processes and service delivery through its improved automated system and digital transformation initiatives such as the **development of modules and new functionalities** under the ACCEDATA, EPOSS and REAMS.

To support AFPMBAI's operations at the different RSSCs, the **online MBAI Secure Sales Portal** and **Branch IT network infrastructure upgrade** has been completed

In addition, the Process Flow has also been conducted. Documentation project was in place to streamline frontline, middle, and back end systems.

## LEARNING AND GROWTH

Believing that the human resource is our most valuable asset, the Association invested in its AFPMBAI's people through the Employee Development Program called the **AFPMBAI EAGLE UNIVERSITY**. As a kick-off activity for CY 2022, a company-wide virtual session to boost employees' Passion, Purpose and Productivity with a well-known motivational speaker and business guru, Mr Francis Kong was held.

Several courses were lined up and facilitated either by the HRD Leads or by other Learning and Development Consultants to enhance

both soft and hard skills of the AFPMBAI Team. All learning sessions were crafted programs under the **ALPHA Track** (Executive Development Program); **EAGLE Track** (Managerial Development Program) and the **FLEDGE Track** (Supervisory Development Program).

Employees were also sent to various seminars totaling to **86 in-house** and public courses, the purpose of which ranged from skills development, compliance with governing bodies, new employees orientation, mental health awareness, and spiritual activities for a holistic approach to people resources' development.

We also fully implemented the Succession Planning Program (SPP) and improved the Performance-Based Rewards System.

## FRUIT OF LABOR

With all bases covered, AFPMBAI itself to have accomplished more than what it was set as an organization even before CY 2022 started. The plans for the year came to fruition through the hard work and dedication of all members of the AFPMBAI Team. Furthermore, this cannot be achieved without the guidance of The Board of Trustees which ensured that good corporate governance practices were adopted and continually observed.



AFPMBAI was recognized for the **first time** in the 2022 Annual Golden Arrow Awards with **One (1)-Golden Arrow Award** given by the Institute of Corporate Directors (ICD) in cooperation with the Insurance Commission (IC). This is a testament that the Association continuously strives to raise the level of compliance with corporate

governance principles and, thus, is now sharing the same recognition with other prestigious companies across different industries.

We were also given recognition for being one of the Top Performing Companies in the Mutual Benefit Association Sector.

## LOOKING AHEAD

The proposed Military Uniformed Personnel Pension Act (MUPPA) is currently the biggest threat to AFPMBAI. However, despite the challenges of operating in a volatile, uncertain, complex, and ambiguous (VUCA) world, the Association remains resilient and committed to maintaining a strong financial position in the industry.

To achieve this goal, AFPMBAI has taken steps to expand its market by approving the inclusion of other uniformed personnel from various organizations such as the National Mapping and Resource Information Agency (NAMRIA), Bureau of Immigration (BI), National Bureau of Investigation (NBI), Barangay Tanod, and the Local Police Auxiliary Units as



Associate Members. Additionally, the Association will continue to reach out to other uniformed personnel to provide insurance coverage.

A Memorandum of Agreement was also signed with the Armed Forces of the Philippines, designating them AFPMBAI's partner in implementing the 1.5% MBAI Protek contributions. In addition, the Association is focused on completing several initiatives to advance its digital transformation, enabling us to better serve both current and prospective members.

These are just some of the steps being taken by the management to face the upcoming challenges and continue providing service to the brave men and women of the Armed Forces of the Philippines, Philippine National Police, Bureau of Fire Protection, Philippine Coast Guard, Bureau of Jail Management and Penology, and other potential members of the Association, with the ultimate goal of leading a meaningful and secure life, towards Buhay na Panatag.

# CORPORATE GOVERNANCE REPORT

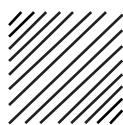
## COMPLIANCE TO THE CODE CORPORATE GOVERNANCE

With the Association's ceaseless efforts to adhere to the governance principles of sustainability, accountability, disclosure, and transparency, the Board of Trustees has approved last 01 March 2022 the amendments to the Manual of Corporate Governance.

Further, with the approval of the Board on the Sustainability Framework last 24 November 2022, it has opened up more avenues for the Association to enhance its role towards the attainment of environmental, economic, social, and governance objectives in improving the lives of the members, their families, the community, the country, and the world.

With the latest score of 84.32 points on the Corporate Governance Scorecard (CGS), the AFPMBAI garnered 1-Golden Arrow Award accorded last 23 September 2022 earning a spot as one of the Top Performing Companies in the Mutual Benefit Association sector. The Association was also acknowledged as a Top Performing Insurance Company in the Philippines under the 2021 CGS recognized by the Institute of Corporate Directors (ICD), in coordination with the Insurance Commission (IC). This award speaks highly of the Association's quest to constantly raise the level of compliance with corporate governance principles and best practices.





## THE ANNUAL GENERAL MEMBERSHIP MEETING 2022

### Voting in Absentia

AFPMBAI continued to allow members to vote in absentia, a system it began in 2021 during the pandemic. With the help of the Board members from each of the Branches of Service, AFPMBAI achieved an unprecedented number of pre-registrations for its 2022 Annual General Membership Meeting (AGM). As of 30 April 2022, the end of the pre-registration period, a 279% increase from 2021 pre-registration data and 364% increase from 2020 figures was registered as the Association's members showed increased interest and participation in the AGM. The table below shows the percentage of pre-registered members from the different member agencies.

BRANCH OF SERVICE	PERCENTAGE OF PRE-REGISTERED MEMBERS
Philippine Army	11%
Philippine Air Force	21%
Philippine Navy	11%
Philippine Navy (Marines)	11%
Philippine National Police	2.5%
Philippine Coast Guard	1.6%
Bureau of Fire Protection	19.5%
Bureau of Jail Management and Penology	5.3%
Retired Members	0.5%
<b>TOTAL</b>	<b>100%</b>

### 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 21 April 2022, and posting the Notice in the AFPMBAI Website 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 constituency to join the AGM virtually, or at least vote on the matters for their decision.

AFPMBAI made sure 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 2021 Annual Report.





## Membership Participation

The resulting increase in member participation was matched by 100% attendance of the members, 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 2021 AGM dated 15 May 2021. They also ratified the acts and resolutions of the Board of Trustees, Corporate Officers, and Management from 01 March 2021 to 31 March 2022. The members also duly noted the reports of the President and CEO, the Audit Committee, the Governance Committee, the Risk Oversight and Related Party Transaction Committee, and the Nomination Committee for the AGM.

The general membership elected the following members of the Board of Trustees for CY 2022-2023, as follows:

TRUSTEE	REPRESENTING
1. Gen Andres C Centino PA	Office of the Chief of Staff, AFP
2. MGen Adriano S Perez Jr PA	Joint Staff of GHQ, AFP
3. MGen Roy M Galido PA	Philippine Army
4. LtGen Arthur M Cordura PAF	Philippine Air Force
5. MGen Nestor C Herico PN(M)	Philippine Navy
6. 2LT Rogelio O Obillo PN(M) (Ret)	Office of the AFP Sergeant Major
7. PLtGen Rhoderick C Armamento	Philippine National Police
8. PBGen Jonnel C Estomo	Philippine National Police
9. CG VAdm Eduardo D Fabricante	Philippine Coast Guard
10. JCSupt Rinco T Montaus BJMP	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. Gen Ricardo A David Jr PA (Ret)	Independent Trustee
14. MGen Rodel Mauro R Alarcon PA (Ret)	Independent Trustee
15. BGen Philip S Lapinid PA (Ret)	Independent Trustee

## Survey on Board Performance

Another first for the Association's AGM in 2022 was the conduct of a survey to obtain feedback from the general membership on how the Board was performing. The results showed that the members of the Association were very satisfied with the performance of their Board of Trustees, as shown below:

1. How would you evaluate the overall performance of the AFPMBAI Board of Trustees (BOT) in terms of the strategic thrusts for Good Governance and Member Satisfaction for CY2021? (Select one answer)

*Paano nyo po susuriin ang kabuuang performance ng AFPMBAI Board of Trustees (BOT) sa mga tuntunin nito tungkol sa mga estratehiya para sa Good Governance at Member Satisfaction para sa taong 2021? (Mamili ng isa) n=215 respondents*



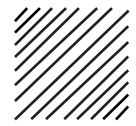
2. Do you believe that AFPMBAI through the direction of its Board of Trustees, has so far accomplished its Mission to "provide members and their families with comprehensive insurance, opportunity of lifetime security, and significant social services"? (select one answer)

*Naniniwala ka bang nagawa ng AFPMBAI ang Mission nitong "To provide members and their families with comprehensive insurance, opportunity of lifetime security, and significant social services" sa pamamagitan ng direksyon ng BOT? (Mamili ng isa)*



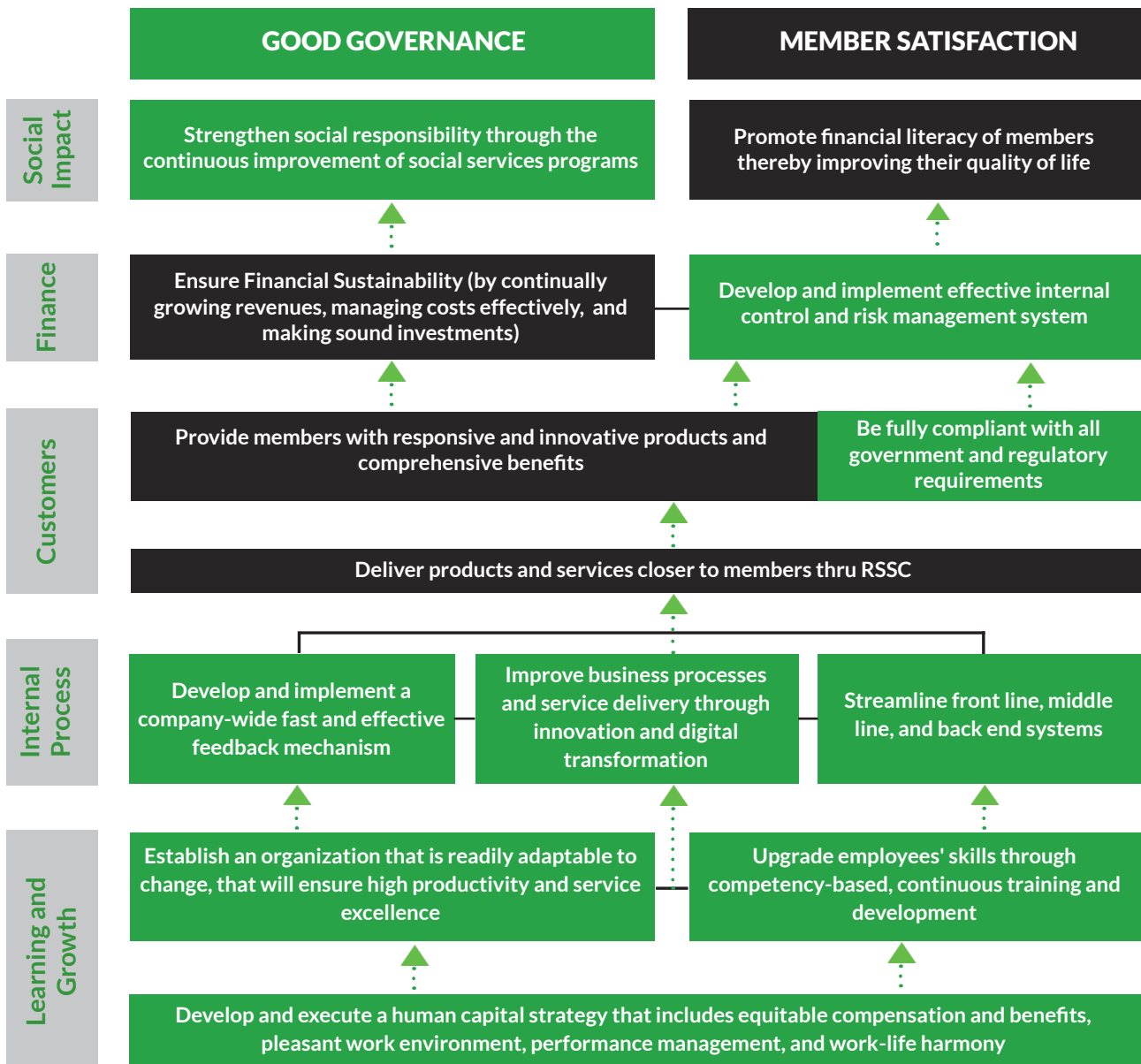
3. The top five (5) areas that AFPMBAI needs to improve for the benefit of its members and their families are as the following:

1. Cash benefits to be received from AFPMBAI's permanent insurance plans
2. Hospitalization financial assistance due to sickness or surgery
3. Online release of benefit claims (dividends, refunds, maturity benefit and retirement benefit)
4. Insurance death benefits to be received from AFPMBAI's basic membership insurance plan
5. Online loan application process
6. Loan interest rates



## CORPORATE OBJECTIVES

The Association continually evaluates its Governance Charter to assess its adaptability vis-à-vis the current demands. The Board decided to uphold the aforementioned Governance Charter after its careful evaluation during the one-day Strategy Refresh conducted on 05 August 2022, taking into account both internal and external concerns. Also, the Board decided to strengthen and broaden the capabilities of regional operations, reiterating its commitment to *"provide products and services to members through Regional Sales and Service Centers"* and designating it as one of the Association's strategic goals. This will increase AFPMBAI's visibility throughout the entire archipelago.



## 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;
- Legal 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, 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 previously attended such courses also joined the Corporate Governance Orientation Program of the Institute of Corporate Directors.

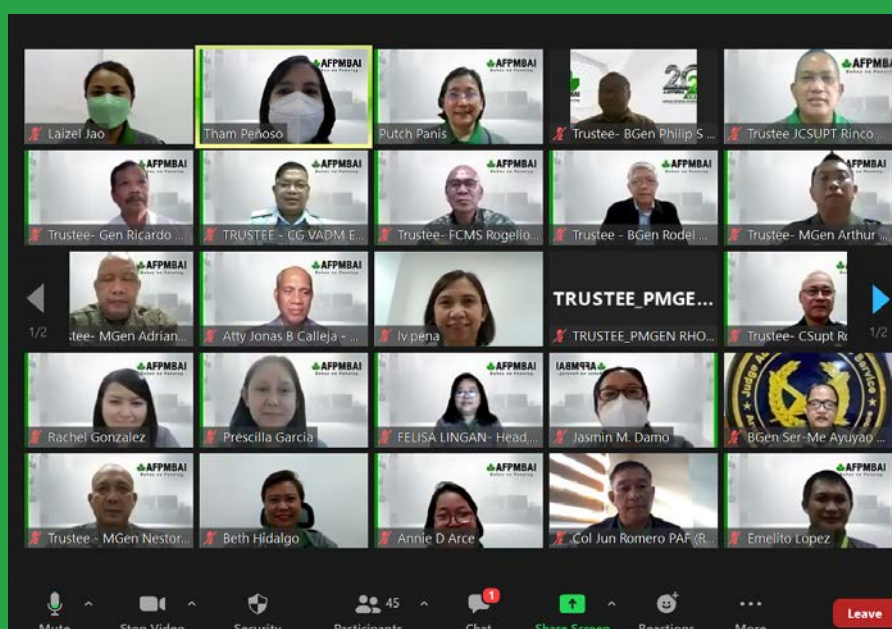
Beginning 21 June 2022, the Continuing Education Program (CEP) for all Trustees, Corporate Officers, and Key Management Officers kicked off with Ms. Danielle F. Dalupang, IC Insurance Specialist I of the Statistics and Research Division, giving industry updates to the participants. Her talk was followed by Mr Carlo F Garcia, IC Supervising Insurance Specialist from the Life / MBAs / Trust Division, who gave highlights of Audit Results regarding Verification of AFPMBAI's 2020 Annual Statement.

On 24 June 2022, Mr Jonathan Ravelas, First Vice President and Chief Market Strategist of BDO Unibank, Inc., gave an Economic Briefing to the Board and Management on the prevailing business environment as well as forecasts to be considered in making investment decisions.

On 27 June 2022, the CEP participants were presented with the SWOT Analysis of the Association by the Head of AFPMBAI's Strategic Management Office, Mr Gerald Sam Agbay. His lecture was followed by that of the Judge Advocate General of the Armed Forces of the Philippines, BGen Ser-Me Ayuyao JAGS, who explained the details of the Military and Uniformed Personnel Pension Reform Bills pending in Congress.



The participants also attended a 6-day workshop on Business Model Design and Innovation on June 28 and 30, July 1, 4, 8 and 13, as conducted by Mr Josiah Go and the Mansmith and Fielders, Inc. Team specifically for AFPMBAI. The workshop aimed to address the innovations that would be needed by the Association as it faced new challenges and a new business environment formed by the pandemic.



Throughout the year, the Trustees and the Corporate Secretary also attended seminars separately to further equip them for their tasks in the Board of Trustees. These seminars were the following: Anti-Money Laundering-Counter-Terrorism Financing as conducted by the Anti-Money Laundering Council, Credit Information Corporation Webinar as conducted by the Bangko Sentral ng Pilipinas, ASEAN Corporate Governance Scorecard by ICD, and Corporate Secretary as Corporate Governance Professional by ICD.

Thus, the 2022 CEP addressed the risks that the Association would be facing in the coming years, and was instrumental in equipping the members of the Board and key Management personnel in preparing for their respective tasks and for the Association's strategic planning activity that followed the CEP.



## BOARD AND BOARD COMMITTEE MEETING ATTENDANCE AND ACCOMPLISHMENT

### The Board of Trustees

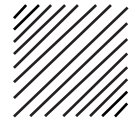
The Board of Trustees issued a total of 114 resolutions in CY2022 and conducted thirteen (13) regular meetings, including the AGM, two (2) special meetings, one (1) organizational meeting, and one (1) meeting with no executive trustee present, totaling seventeen (17) meetings in all.

Of the matters approved by the Board, the most significant, other than what is regularly approved on an annual basis, were the institution of the internal process for conducting Board meetings without the Executive Trustee present, the amendment and updating of the Association's Manual of Corporate Governance, the Designation of the Association's Risk Officer, the Collective Bargaining Agreement with the Employees' Union, Membership Expansion, increasing the number of payment and collection facilities, the Amended Anti-Money Laundering and Counter-Terrorism Financing Manual, the Corporate Risk Appetite Framework, Additional Manpower to further capacitate the Association's Regional Sales and Service Centers, Amendments to the Board Meeting Protocol, the Creation of the Ad-Hoc Committee to amend the Association's Bylaws, the Sustainability Framework, and the Final Exit Plan of AFPMBAL's sole subsidiary, the AFP General Insurance Corporation, 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 Member	Tenure in 2022 from Date of First Election	Attendance 17 meetings for 2022 Ave. Quorum: 90%
Chairman	LtGen Bartolome Vicente O Bacarro PA	30 Aug 22 - 31 Dec 22	60%
Chairman	Gen Andres C Centino PA	25 Nov 21 - 08 Aug 22	90%
Vice Chairman	BGen Rodel Mauro R Alarcon PA (Ret)	21 May 22 - 31 Dec 22	100%
Vice Chairman- AFP JS Rep	MGen Adriano S Perez Jr PA	11 Jul 20 - 24 Nov 22	100%
Member - At large	MGen Rizaldo B Limoso PA (Ret)	11 Jul 20 - 31 Dec 22	100%
Member - AFP JS Rep	MGen Jose Maria R Cuerpo II PA	24 Nov 22 - 31 Dec 22	100%
Member - PA Rep	MGen Adonis R Bajao PA	24 Nov 22 - 31 Dec 22	(0/1)
Member - PA Rep	MGen Roy M Galido PA	01 Feb 22 - 24 Nov 22	93%
Member - PA Rep	LtGen Robert C Dauz PA	23 Dec 20 - 01 Feb 22	(0/1)

Position	Board Member	Tenure in 2022 from Date of First Election	Attendance 17 meetings for 2022 Ave. Quorum: 90%
Member - PN Rep	RAdm Caesar Bernard N Valencia PN	2 Aug '22 – 31 Dec '22	60%
Member - PN Rep	MGen Nestor C Herico PN(M)	29 Jul 21 - 02 Aug 22	92%
Member - PAF Rep	LtGen Arthur M Cordura PAF	01 Feb 22 - 31 Dec 22	88%
Member - PAF Rep	MGen Florante M Amano PAF	15 May 21 - 01 Feb 22	100%
Member - PNP Rep	PLtGen Rhoderick C Armamento	15 May 21 - 31 Dec 22	94%
Member - PNP Rep	PBGen Jonnel C Estomo	21 May 22 - 31 Dec 22	90%
Member - PNP Rep	PBGen Arthur V Bisnar	15 May 21 - 21 May 22	(0/7)
Member - PCG Rep	CG VAdm Rolando Lazor N Punzalan Jr	03 Nov 22 - 31 Dec 22	100%
Member - PCG Rep	CG VAdm Eduardo D Fabricante	25 Nov 21 - 03 Nov 22	93%
Member - BJMP Rep	CSupt Rinco T Montaus BJMP	21 May 22 - 31 Dec 22	90%
Member - BJMP Rep	CSupt Ruel S Rivera BJMP	18 May 19 - 21 May 22	86%
Member - BFP Rep	CSupt Roel Jeremy G Diaz BFP	10 Jun 20 - 31 Dec 22	94%
Member - Independent	Gen Ricardo A David Jr PA (Ret)	21 May 22 - 31 Dec 22	100%
Member - Independent	MGen Rolando B Tenefrancia PA (Ret)	11 Jul 20 - 21 May 22	100%
Member - Independent	BGen Philip S Lapinid PA (Ret)	21 May 22 - 31 Dec 22	100%
Member - Independent	MGen Tyne T Bañas PA (Ret)	15 May 21 - 21 May 22	100%
Member - Independent	BGen Virgilio B Bartolome PA (Ret)	15 May 21 - 21 May 22	100%
Member – AFP Sgt Major	2Lt Rogelio O Obillo PN(M) (Ret)	21 May 22 - 31 Dec 22	100%
Member – AFP Sgt Major	FCMS Aladin S Dacayanan (INF) PA	27 Aug 20 - 21 May 22	100%





## **BOARD COMMITTEES / ATTENDANCE OF THE BOARD OF TRUSTEES 2022 / HIGHLIGHTS OF ACTIVITIES FOR THE YEAR**

### **Governance Committee**

Through the supervision of the Governance Committee, the Association was able to significantly accomplish its strategic objectives and key initiatives for the year, adhere to established and accepted corporate governance principles, relevant laws and regulatory requirements, and improve its periodic reporting of corporate performance to the Board of Trustees. Forty percent (40%) of the matters approved by the Board were endorsed by the Governance Committee after careful deliberation, and among these were substantial initiatives such as the Amended Manual of Corporate Governance and its Annexes, Continuing Education Program, Performance Assessment of the Board of Trustees, the Annual Corporate Governance Report, AFPMBAI Corporate Score, Amended Anti-Money Laundering and Counter-Terrorism Financing Manual, Operational Plans and Budget, Strategic Oversight of Board Committees, Amended Protocol on Board Committee Meetings, and Sustainability Framework. The Governance Committee was also on top of Membership Expansion and the enhancement of member-benefits and services, such as the additional collection and disbursement facilities, distribution of Policy Dividends, Salary Loan Enhancement, and the Extension of COVID-19 Hospitalization and Death Financial Assistance Program.

Overall, the Governance Committee received an outstanding rating of 96% for its meticulous oversight of the key initiatives that were established for CY 2022, for its careful review and contributions to the improvement of the templates for periodic reporting of performance, for its particular focus on strategies to mitigate the risks that will be brought about by the proposed Military and Uniformed Personnel Pension Reform law, as well as for its ongoing improvements on good governance.

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

Position	Governance Committee Members	2022 Attendance Coverage	Attendance 13 meetings for 2022 Ave. Quorum: 91%
Chairman - Independent	Gen Ricardo A David Jr PA (Ret)	21 May 22 – 31 Dec 22	100%
Chairman - Independent	MGen Rolando B Tenefrancia PA (Ret)	11 Jul 20 – 21 May 22	100%
Vice Chairman - PNP Rep	PLtGen Rhoderick C Armamento	15 May 21 – 31 Dec 22	62%
Vice Chairman - PA Rep	LtGen Robert C Dauz PA	23 Dec 20 – 01 Feb 22	(0/1)
Member - At large	MGen Rizaldo B Limoso PA (Ret)	11 Jul 20 – 31 Dec 22	85%
Member – PA Rep	MGen Adonis R Bajao PA	24 Nov 22 – 31 Dec 22	100%
Member – PA Rep	MGen Roy M Galido PA	01 Feb 22 - 24 Nov 22	82%
Member - BFP Rep	CSupt Roel Jeremy G Diaz BFP	23 Dec 20 – 01 Feb 22	92%

## Audit Committee

The Audit Committee represents and assists the Board of Trustees of the Association in fulfilling its management responsibilities by reviewing the audited financial information which are provided to the members, the system of internal controls and risk management processes which Management and the Board of Trustees have established, the performance and selection of independent auditors, and compliance with laws and regulations including ethical conduct. The Committee operates under a written Audit Committee Charter in adherence to the principles of good corporate governance.

The Committee reviewed and approved the independent auditor's plan for the statutory audit of the Association's 2022 Financial Statements as presented by the engagement partner, PWC – Isla Lipana and Co. The Committee likewise reviewed the Association's annual audited financial statements and related disclosures, including (a) the quality as well as acceptability of the accounting principles applied in the financial statements and (b) accounting standards, significant estimates, judgments, uncertainties and accounting policies relating to significant financial statement items, and discussed them with the independent auditors and with management, which has the primary responsibility for the financial statements. The Association's independent auditor is responsible for expressing an opinion on the conformity of the Association's audited financial statements with Philippine Financial Reporting Standards. The audit was completed as scheduled and was presented to the Board of Trustees on 12 April 2023, with Unqualified Opinion. An unqualified opinion means that the AFPMBAI's financial statements are fairly and appropriately presented, without any identified exceptions, and in compliance with generally accepted accounting principles.



After diligent review and annual evaluation, the Committee:

1. Finds that the internal controls / risk management systems of the Association remain adequate and working as intended; and
2. Affirms that the audited financial statements are true and fairly present the performance of the Association.

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

Position	Audit Committee Members	2022 Attendance Coverage	Attendance 13 meetings for 2022 Ave. Quorum: 82%
Chairman - Ind	BGen Rodel Mauro R Alarcon PA (Ret)	21 May '22 – 31 Dec '22	100%
Chairman - Ind	BGen Virgilio B Bartolome PA (Ret)	15 May '21 – 21 May '22	100%
Vice Chairman - BJMP Rep	CSupt Rinco T Montaus BJMP	21 May '22 – 31 Dec '22	86%
Vice Chairman - PN Rep	MGen Nestor C Herico PN(M)	29 Jul '21 – 2 Aug '22	75%
Vice Chairman - BJMP Rep	CSupt Ruel S Rivera BJMP	18 May '19 – 21 May '22	100%
Member – AFP JS Rep	MGen Jose Maria R Cuerpo II PA	24 Nov '22 – 31 Dec '22	100%
Member – AFP JS Rep	MGen Adriano S Perez Jr PA	11 Jul '20 – 24 Nov '22	100%
Member - PN Rep	RAdm Caesar Bernard N Valencia PN	02 Aug '22 – 31 Dec '22	40%
Member - PNP Rep	PBGen Jonnel C Estomo	21 May '22 – 31 Dec '22	100%
Member - PNP Rep	PBGen Arthur V Bisnar	15 May '21 – 21 May '22	(0/6)

## Risk Oversight and Related Party Transaction Committee (RORPTC)

In 2022, one of the major accomplishments of the Committee is the Association's Risk Appetite Framework. The framework aims to optimize business performance by reducing uncertainty in the achievement of strategic objectives, enabling timely actions at all levels, and promoting calculated risk-taking where potential benefits outweigh the costs. Additionally, the framework aims to meet stakeholder expectations by capping excessive risk-taking, enhancing risk governance, and providing a valuable tool for thinking about risk and communicating with key stakeholders. By balancing risk-taking and risk management, the framework seeks to drive business success and create value for all stakeholders involved.

The RORPTC, in the exercise of its oversight function, likewise reviewed and monitored the following:

- Timely submission of material-related party transaction reports to the Insurance Commission and other regulatory agencies
- The Association's Top Risk Mitigation Strategies
- Management accomplishment and action were taken on channel development, Regional Sales and Service Centers, disaster recovery and redundancy, members information updating, IT security services and tools, and target operating model design
- The Association's action plan in response to the business continuity threat of the COVID-19 pandemic and the looming threat of the MUP pension reform bills

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

Position	Risk Oversight and Related Party Transaction Committee Members	2022 Attendance Coverage	Attendance 12 meetings for 2022 Ave. Quorum: 97%
Chairman - Independent	BGen Philip S Lapinid PA (Ret)	21 May 22 – 31 Dec 22	100%
Chairman - Independent	MGen Tyne T Bañas PA (Ret)	15 May 21 – 21 May 22	100%
Vice Chairman - Ind.	BGen Rodel Mauro R Alarcon PA (Ret)	21 May 22 – 31 Dec 22	100%
Vice Chairman - Ind.	MGen Rolando B Tenefrancia PA (Ret)	11 Jul 20 – 21 May 22	100%
Member - Independent	Gen Ricardo A David Jr PA (Ret)	21 May 22 – 31 Dec 22	100%
Member - Independent	BGen Virgilio B Bartolome PA (Ret)	15 May 21 – 21 May 22	100%
Member - PAF Rep	LtGen Arthur M Cordura PAF	01 Feb 22 – 31 Dec 22	91%
Member - PAF Rep	MGen Florante M Amano PAF	15 May 21 – 31 Dec 21	100%
Member - BFP Rep	CSupt Roel Jeremy G Diaz BFP	10 Jun 20 – 31 Dec 22	92%





## Investment Committee

The Investment Committee (ICOM) was able to fulfill its mandate in overseeing the management of funds of the Association. The committee monitored and evaluated the financial health and performance of the company on a monthly basis. The risks and returns of various investment undertakings were scrutinized and evaluated vis-à-vis the Investment Policy and Insurance Commission regulations. The Investment Policy was revisited to enhance the risk limits and levels of authority with the end view of more effective and efficient investment decisions. The committee also ensured the compliance of AFPMBAI with regulatory guidelines and reportorial requirements in all financial and investment activities.

ICOM likewise monitored the AFPMBAI Strategic Objectives assigned by the Board of Trustees specifically in ensuring the implementation of product enhancements that would redound to better service to Members at the same time improve return on investments.

Notable accomplishments of ICOM for CY2022 were the approval of the Board of Trustees of the Revised Investment Policy, CY2022 Strategic Asset Allocation, Sale of Golf Club Shares, Increase in Bank Limits of Select Banks, and three (3) RE Mortgage Loans.

Position	Investment Committee Members	2022 Attendance Coverage	Attendance 12 meetings for 2022 Ave. Quorum: 88%
Chairman - PNP Rep	PLtGen Rhoderick C Armamento	15 May '21 – 31 Dec '22	92%
Chairman - BJMP Rep	CSupt Ruel S Rivera BJMP	18 May '19 – 21 May '22	80%
Vice Chairman - PN Rep	CSupt Rinco T Montaus BJMP	21 May '22 – 31 Dec '22	86%
Vice Chairman - PN Rep	MGen Nestor C Herico PN(M)	29 Jul '21 – 2 Aug '22	86%
Member - At large	MGen Rizaldo B Limoso PA (Ret)	11 Jul '20 – 31 Dec '22	92%
Member - PCG Rep	CG VAdm Rolando Lazor N Punzalan Jr	3 Nov '22 – 31 Dec '22	100%
Member - PCG Rep	CG VAdm Eduardo D Fabricante	25 Nov '21 – 3 Nov '22	100%
Member - PN Rep	RAdm Caesar Bernard N Valencia PN	2 Aug '22 – 31 Dec '22	60%

## 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 2022, 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 the following plans and programs:

- Reinforced Matrix Organization of the Regional Sales and Service Centers
- Development and Implementation of Job Evaluation Study
- Succession Planning Program
- Performance-Based Rewards System
- Employee Development Program
- Employee Engagement and Welfare Program: Employee Satisfaction Survey

Position	Nomination and Remuneration Committee Members	2022 Attendance Coverage	Attendance 12 meetings for 2022 Ave. Quorum: 95%
Chairman-AFP JS Rep	MGen Jose Maria R Cuerpo II PA	24 Nov 22 – 31 Dec 22	100%
Chairman-AFP JS Rep	MGen Adriano S Perez Jr PA	11 Jul 20 – 24 Nov 22	100%
Vice Chairman - PAF Rep	LtGen Arthur M Cordura PAF	01 Feb 22 – 31 Dec 22	82%
Vice Chairman - PAF Rep	MGen Florante M Amano PAF	15 May 21 – 01 Feb 22	100%
Member - At large	MGen Rinaldo B Limoso PA (Ret)	11 Jul 20 – 31 Dec 22	92%
Member - Independent	BGen Philip S Lapinid PA (Ret)	21 May 22 – 31 Dec 22	100%
Member - Independent	MGen Tyne T Bañas PA (Ret)	15 May 21 – 21 May 22	100%
Member – AFP Sgt Major	2Lt Rogelio O Obillo PN(M) (Ret)	21 May 22 – 31 Dec 22	100%
Member – AFP Sgt Major	FCMS Aladin S Dacayanan (INF) PA	27 Aug 20 – 21 May'22	100%



## Social Services Program Committee

The year 2022 was marked by a series of banner activities that propelled the Association's CSR programs into productive gear. Capping off from the previous year of 98% budget disbursement and utilization, 2022 ended with a 99.24% disbursement score which meant that AFPMBAI's major services partners, through its Board representatives, have taken stock of a more robust social services program that achieved the Association's social impact perspective with outstanding results as a corporate mandate.

Position	Social Services Program Committee Members	2022 Attendance Coverage	Attendance 12 meetings for 2022 Ave. Quorum: 88%
Chairman - PCG Rep	CG VAdm Rolando Lazor N Punzalan Jr	13 Nov '22 – 31 Dec '22	100%
Chairman / Vice Chairman - PCG Rep	CG VAdm Eduardo D Fabricante	25 Nov '21 – 3 Nov '22	100%
Chairman / Vice Chairman - PA Rep	LtGen Robert C Dauz PA	23 Dec '20 – 1 Feb '22	(0/1)
Vice Chairman - PA Rep	MGen Adonis R Bajao PA	24 Nov '22 – 31 Dec '22	100%
Vice Chairman - PA Rep	MGen Roy M Galido PA	1 Feb '22- 24 Nov '22	100%
Member - At large	MGen Rizaldo B Limoso PA (Ret)	11 Jul '20 – 31 Dec '22	92%
Member - PNP Rep	PBGen Jonnel C Estomo	21 May '22 – 31 Dec '22	14%
Member - PNP Rep	PBGen Arthur V Bisnar	15 May '21 – 21 May '22	(0/5)
Member – AFP Sgt Major	2Lt Rogelio O Obillo PN(M) (Ret)	21 May '22 – 31 Dec '22	100%
Member – AFP Sgt Major	FCMS Aladin S Dacayanan (INF) PA	27 Aug '20 – 21 May '22	100%

## 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
Criteria	Ethics / Professionalism Initiative Service Representation Communication Effectiveness Meeting Participation Effectiveness	Ethics / Professionalism Initiative Legal Expertise Communication Effectiveness Meeting Participation Effectiveness	Ethics / Professionalism Initiative Financial Expertise Communication Effectiveness Meeting Participation Effectiveness
Rater	BOT Chairman Governance Committee Chairman	BOT Chairman Governance Committee Chairman	BOT Chairman Investment Committee 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:

### 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 the 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 to be 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:

Rating Description	Percentage Ranges for Final Rating
Outstanding (O): Consistently far exceeds expectation	91 to 100
Above Expectation (AE): Consistently performs above expectations	81 to 90
Meets Expectation (ME): Meets all expectations	71 to 80
Below Expectation (BE): Does not meet all expectations	61 to 70

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 to some degree the achievement of approved targets. By 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, as it garnered a performance rating of

97.12%, 1.91% higher than its 2020 rating. 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 2022, the performance of the Board further improved, as it harnessed the balanced combination of virtual and face-to-face meetings. This ensured better oversight of the accomplishment of the Association's strategic objectives and key initiatives. The Board's 2022 performance at 98.83%, 1.71% higher than its 2021 performance, is shown below:

	Performance Assessment of the Board of Trustees for 2022	Weight	Rating	Full Rating
A	Assessment of BOT Performance by BOT Chairman	25%	100.00	100.00
B	Assessment of Performance of Board Committees	25%	98.27	98.27
	Audit Committee (Annex A)		101.43	
	Governance Committee (Annex B)		96.00	
	Investment Committee (Annex C)		99.00	
	Risk Mgt and Related Party Transaction Committee (Annex D)		98.25	
	Social Services Program Committee (Annex E)		98.00	
	Nomination and Remuneration Committee (Annex F)		96.92	
	Assessment of Board Dynamics	30%	98.20	29.46
	Assessment of Quality and Timeliness	20%	99.00	19.80
	Rating		Outstanding	98.83

## BOARD INDEPENDENCE AND DIVERSITY

The members of the Board of Trustees are 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 are 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 provide diversity from the military personnel in the Board. The independent trustees, although retired military officers, are already considered part of the civilian citizenry and also present 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, taking not only the concerns of their respective branches of service in mind when making decisions, but putting equal, if not greater, consideration on the impact of every project proposal on the sustainability objectives of the Association.



## COMPLIANCE WITH REGULATORY BODIES

Compliance to the requirements of regulators for smooth business operations is a continuous commitment of the Association. This is in observance of the laws, rules and regulations, as well as Circulars and Memoranda of the IC, where it has an active license until December 31, 2024; the Securities and Exchange Commission (SEC); the Anti-Money Laundering Council (AMLC); the National Privacy Commission (NPC); and the Credit Information Corporation (CIC). The Association has been registered with these regulators and has constantly exerted efforts to keep abreast with the latest advisories from such regulators.

Along with this, the AFPMBAI Board of Trustees has appointed a Compliance Officer and Alternate Compliance Officer whose function is to monitor and oversee the Association's compliance activities with the regulators. Quarterly reports are being made to the Board, thru the Audit Committee, to apprise our Trustees of the compliance activities during the covered period.

Mandatory reports for the regulators are also being submitted to maintain the good standing of the Association.

## PRIVACY STATEMENT

The AFPMBAI upholds an individual's data privacy rights and observes that all personal information, sensitive personal information, and privileged information, collected and to be collected are processed and recorded, managed, organized, stored, updated, retrieved, consolidated, used, blocked and erased according to the Data Privacy Act of 2012, its Implementing Rules and Regulations (IRR), and various Circulars of the National Privacy Commission, under the principles of Transparency, Legitimate Purpose, and Proportionality.

The Association gives importance in securing every member's consent prior to the processing of their personal and sensitive personal information. Thus, the forms and documents used in all transactions provide a portion for member's consent. By signing the said forms and documents, and by providing their personal and sensitive personal information at the time of their insurance or any loan application, or by engaging with AFPMBAI for any business transaction, the members signify their consent to the processing, sharing, and / or transferring of their personal data relating to their account/s to AFPMBAI, 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 AFPMBAI.

The AFPMBAI only requires limited information from the clients just to complete the transaction, deliver the needed service, and provide for the features and future enhancements of the product, service, facilities, and / or channel.

Moreover, the Board of Trustees has appointed a Data Protection Officer to ensure protection of the rights of data subjects, with contact details as follows:

Data Protection Officer  
AFPMBAI Bldg, Col Bonny Serrano Road  
corner EDSA 1110, Quezon City  
dataprotection@afpmbai.ph  
(0942)845-3425

## GREATER DISCLOSURE AND TRANSPARENCY ON AFPMBAI OPERATIONS

The Association espouses the values of integrity and professionalism, and the culture of transparency and accountability. With these as foundation, and in compliance with the provisions of the Revised Corporation Code, the mandates of the SEC, and charter statements, the AFPMBAI holds an Annual General Membership Meeting (AGMM) to inform the members on how the company performed for the past year.

The AGMM gives the members a chance to vote for Board members, to participate in the governance process, to ratify actions of the Board and Management, to have an opportunity to ask questions, and to be updated with the current undertakings of the Association.

The Annual Report containing the operational highlights, financial statements, governance reports, and social responsibility reports is also posted and published in the company website for a more detailed disclosure and better appreciation by the general membership.



## RISK MANAGEMENT

The AFPMBAI considers risk management a significant aspect of good corporate governance in attaining its mission, strategic goals, and objectives. Accordingly, the Association takes risks inherent in its strategy to deliver better value to its members and stakeholders. Risk management within AFPMBAI aims to ensure proper treatment of all significant risks to the Association:

- 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 on 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 AFPMBAI, and to ensure that the risk information produced by the risk management process is visible and is utilized in decision-making processes across the Association. The CRMP also provides risk management principles, processes, structure, duties, responsibilities, policies, guidelines, and procedures to measure, monitor, and control risks, and plans to address the identified top risks or risks with the highest priority level.



## RISK APPETITE

The risks faced by the Association affect its financial stability, day-to-day operations, technology, social / community expectation, reputation, and regulatory requirement. The Board, on its Board Resolution No. 90 Series of 2022, developed the AFPMBAI Risk Appetite Framework, which provides broad-based guidance on the level of risk that the Association is willing to accept – based on an evaluation of opportunities and threats at a corporate level, and in key risk categories – to achieve the AFPMBAI's mission and objectives. The framework also aims to optimize business performance by reducing the uncertainty in achieving strategic objectives, enabling timely actions at all levels, and enabling risk-taking where it is value-added.

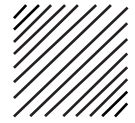
The Association's risk appetite focuses on five (5) overarching risk management objectives, namely:

- Upholding the highest ethical standards of conduct;
- Preserving the long-term financial resilience of the Association;
- Avoiding losses when investing Member's money;
- Ensuring compliance with legal and regulatory obligations; and
- Maintaining a robust internal control environment and safeguarding operational continuity

## RISK MANAGEMENT CULTURE

AFPMBAI promotes a culture of integrity and high ethical standards and aims for high competence. The Association continues to develop strong risk awareness, and critically review and challenge existing practices. The Association fosters an atmosphere where constructive challenging is a natural part of discussions and decisions on risk-taking, risk awareness, and risk culture.

In delivering the mission, the Association complies with sound policies, principles, and guidelines of the Insurance Commission (IC) on maintaining the set Risk-Based Capital (RBC) Ratio and acceptable level of financial ratios as approved by the Board. To attain such measures, the Association manages its strategic, financial, operational, and environmental/ external risks in accordance with the AFPMBAI corporate strategy, investment policy, business plans, and risk appetite.



## RISK MANAGEMENT STRUCTURE

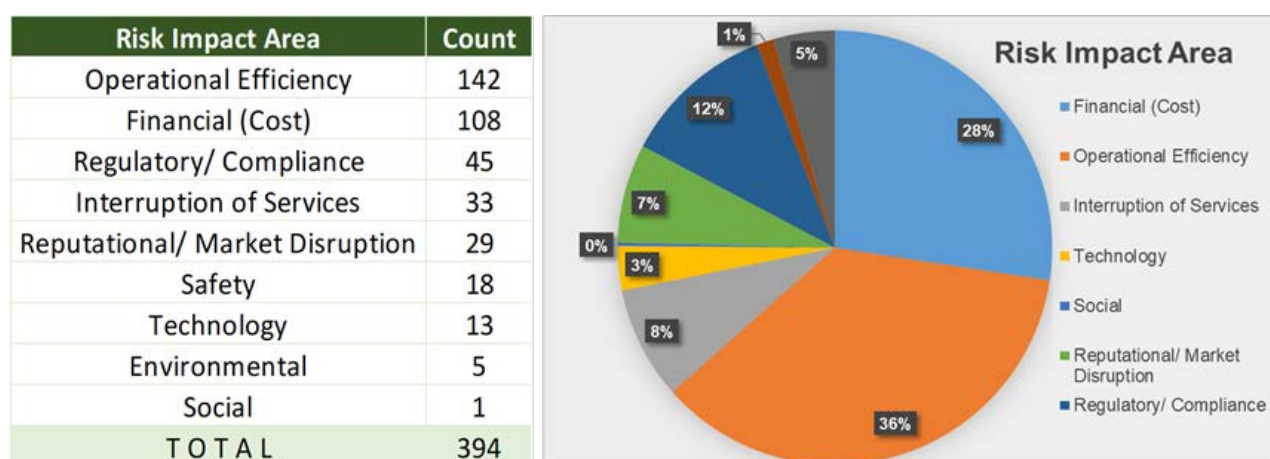
The ERM Framework assigned the authorities, responsibilities, and accountabilities for relevant roles concerning risk management which is communicated at all levels of the Association.

- 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, and reports to the Board regularly, or as deemed necessary, the Association's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.
- The **Top Management** is responsible for the overall implementation of risk management plans and programs.
- The **Risk Management Committee (RMC)**, chaired by the Risk Officer- designated by the Board and the ultimate champion of the ERM, ensures that the CRMP is properly executed and consistent with the Risk Appetite Framework. RMC supervises the day-to-day risk management of the Association and provides direction, coordination, and application of risk management and internal control down the line to the Departments / Offices. Also, the committee provides consultative support to the RORPTC in risk management matters.
- The **Risk Management Office** is responsible for the enterprise-wide risk management process. The Office facilitates enterprise-wide risk identification, assessment, risk treatment, and review through independent, timely, and effective risk monitoring.
- The **Internal Audit Office (IAO)** is responsible for providing reasonable assurance on the effectiveness of and contributing to the improvement of the risk management process.
- **All Departments / Offices** are required to participate in the risk management process by identifying new and emerging risks, conducting risk assessment, and implementing control, measures and risk management strategies within their area of responsibility. Also, all Departments / Offices are responsible for monitoring policy breaches and procedural infractions within their area of responsibility and documentation and reporting of such events.

## KEY RISKS

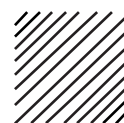
The Association conducted an annual enterprise-risk assessment to determine the top risks of AFPMBAI. The assessment was done through internal scanning of divisional and departmental risks identified by managers and external scanning of political, economic, sociological, technological, legal, and environmental factors identified by the Risk Management Office that may affect negatively or positively the Association's operations.

Based on internal risk scanning, operational efficiency, financial, regulatory / compliance, and business continuity are the most affected areas.



Moreover, based on the external risks scanning, the following are the identified factors that may affect negatively or positively the operations of the Association;

POLITICAL	ECONOMIC	SOCIOLOGICAL	TECHNOLOGICAL	LEGAL	ENVIRONMENTAL
<p>Political instability</p> <p>Favored insurance/ financial provider</p> <p>Proposed work week regulations</p>	<p>Debt crisis</p> <p>High Inflation</p> <p>Monetary Policies</p> <p>Intensified competition/ new competitor in the captured market</p> <p>Market stagnation</p>	<p>Misinformation and disinformation</p>	<p>Recent technological developments by other insurance and financial provider</p> <p>Technology's impact on product offering</p> <p>Rising threat of cyberattacks</p>	<p>Pending Bills on MUP Pension Reforms</p> <p>Changes in legislation and regulation</p> <p>Absence of Law governing the MBAs- Tax identity is subject to different interpretations.</p>	<p>Natural disasters and extreme weather events</p>



After a thorough assessment of internal and external risks, controls, and risk response plan/mitigation strategies, the following are the Association's top and priority risks in CY2023 and its movement from the previous year's ranking.

2023 Rank		Risk Rating	2022 Rank	Trend
1	Information Integrity Risk	High	5 (High)	↑
2	Execution, Delivery, and Process Management Risk	High	8 (Moderate)	↑
3	Information Technology Risk	High	3 (High)	↔
4	Customer Satisfaction Risk	High	15 (Moderate)	↑
5	Legal / Regulatory Risk	High	1 (High)	↓
6	Credit Risk	Moderate	12 (Moderate)	↑
7	Human Resource Risk	Moderate	7 (Moderate)	↔
8	Information Security Risk	Moderate	9 (Moderate)	↑
9	Business Strategy Risk	Moderate	20 (Moderate)	↑
10	Product / Service Risk	Moderate	10 (Moderate)	↔

The following are the mitigating actions of the Association's top risks:

- Information Integrity Risk.** AFPMBAI has acknowledged to prioritize addressing possible inefficiencies in the data processes and systems to ensure completeness, accuracy, and availability of information for decision-making purposes and compliance with regulatory agencies' reportorial requirements. The mitigating actions of the Association include continuous process automation and member data cleansing.
- Information Technology Risk.** AFPMBAI has acknowledged IT risk as a priority due to rapid technological developments and its impact on customer expectations. Moreso, it is the policy of the Association to streamline business processes and systems by having continual technological improvement. In 2022, as part of the 5-year IT System Roadmap, the Association completed and implemented the Online Sales Portal (OSP) for MBI 5ecure and agent-assisted Electronic Point of Sale System
- Execution, Delivery, and Process Management Risk.** The Association highly prioritizes product and service deliverables to meet the expectations or requirements of the members, suppliers, and other counterparties regarding turn-around time. The Association

(EPOSS) for insurance loans. To ensure that all IT risks are addressed, the progress and status of all IT-related projects are closely monitored by the Information Technology Steering Committee (ITSC).

- **Customer Satisfaction Risk.** The Association recognized and prioritized improving customers' focus to meet or exceed customer satisfaction. It is AFPMBAI's initiative to improve customer satisfaction and become the most preferred insurance provider for military and uniformed personnel. In 2022, the Association implemented Zendesk, a ticketing tool for customer inquiries and service request, and started developing a Customer Relationship Management System.

- **Legal and Regulatory Risk.** This is still one of the top risk concerns and priorities of the Association due to the looming threat of the MUP pension reform bills currently pending in Congress. To address the threat of said bills, the Association, in collaboration with PSMBFI, initiated lobbying in Congress to revise the bills and separate the life insurance benefits from the pension fund. The suggested revision will give the heads of the of major military and uniformed services the option to choose their most preferred life insurance provider.

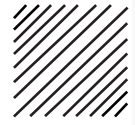
- **Credit Risk.** AFPMBAI acknowledges the possibility of its borrowers failing to make required payments on their loan obligation due to the rising cost of commodities and shifting customer priorities. The Association is currently reviewing its credit evaluation procedures and measures to

address this risk and is implementing extensive efforts to a more effective and aggressive collection system, particularly for direct payments and those that are delinquent / dormant accounts. In 2022, the Association launched its Maya and GCash payment facility, where members can quickly pay their premiums and loan monthly amortization using mobile devices.

- **Human Resource Risk.** This is still a top concern of the Association due to the vulnerability of some employees to COVID-19 and the unavailability to report onsite. Limited workforce is also a significant concern in implementing the Regional Sales and Service Center (RSSC). AFPMBAI's mitigating actions on this risk includes providing shuttle service to employees for onsite reporting and providing the work-from-home setup for highly vulnerable employees, with proper request and approval and guided by the Telecommuting Policy. In 2022, a Performance-Based Rewards System Policy was developed and implemented to boost employee engagement, performance, and productivity. Moreover, to address the staffing issues in RSSCs, some of the personnel from the Head Office were temporarily detailed at the five (5) RSSCs.

- **Information Security Risk.** This is still a top concern of the Association due to cyber attacks and online hacking incidents experienced by other organizations. The Association recognized the need to improve information security control to eliminate cyber attacks and hacking in AFPMBAI. As part of the mitigation strategy, the Association strengthened the IT Security Policy and guidelines, allocating more resources for antivirus / antispam software and firewall, and commissioned a third





party for Vulnerability Assessment and Penetration Test (VAPT), Information Security, Network Operations, and Data Loss Prevention Services.

- **Business Strategy Risk.** The Association recognized that this risk could arise from unforeseen changes in the market environment, possible inaccuracy of baseline information, and business intelligence. The Association mitigates this risk by regularly monitoring the market environment and relevance of the corporate strategies, objectives, and initiatives, initiating catch-up plans for identified gaps to ensure the accomplishment of expected deliverables.

- **Product and Service Risk.** With the continued effort for product and service innovation and enhancement, AFPMBAI still acknowledges the possibility of failure of the product's inherent design, management, or distribution channel and failure to meet or exceed customer expectations, competitor offerings, or regulatory requirements. Product and services performance is closely monitored to mitigate these risks, and opportunity for innovation and enhancement are discussed, acted and monitored by the Product Development Committee.

The Association assured its members and other stakeholders of AFPMBAI's commitment to dedicate efforts to continuously monitor and review the implementation of established plans to mitigate the impact of the key risks.

## REPORT ON MATERIAL RELATED PARTY TRANSACTIONS (RPT)

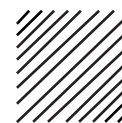
The Risk Oversight and Related Party Transactions Committee (RORPTC) of the Board, majority of whom are independent trustees, reviews and oversees all material transactions with directors, officers, and their close family members, shareholders/members, and related interests (DOSRI).

The Committee also evaluates, on an ongoing basis, the existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified. RPTs are also being monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured.

These undertakings will ensure that transactions are entered into an arm's length basis without conflict of interest, to protect the rights of all members.

Furthermore, the Association submits the Sworn Statement on Material RPT to the IC quarterly, as well as the Annual Conglomerate Structure, duly signed by the Compliance Officer.

Notably, there has been no case filed against the Association for the past three years relative to violation of the laws, rules, and regulations pertaining to material related party transactions.



## DETAILS ON RELATED PARTY TRANSACTIONS

### REPORT ON MATERIAL RELATED PARTY TRANSACTIONS (RPT) for CY2022

Parent / Subsidiary / Affiliate	Related Counterparty	Relationship between the Parties	Transaction Date
<b>1. Subsidiary</b>			
<b>A. DOSRI</b>	<b>AFPGEN</b>	<b>Wholly owned Subsidiary</b>	
MGen Rizaldo B Limoso PA (Ret)		President and CEO of AFPMBAI (Parent)	Jan - Dec
MGen Nathaniel Y Casem PN(M) (Ret)		Head, SOG and COO (Parent)	Jan - Dec
Atty Maricarr M Mirabel		Head, Legal Office (Parent)	Jan - Dec
BGen Rolando C Manalo PA (Ret)		Head, ABOD (Parent)	Jan - Dec
MGen Dante M Hidalgo PN(M)		Head, RED (Parent)	Jan - Dec
Annie D Arce		Head, ISD (Parent)	Jan - Dec
Jocelyn T Miranda		Head, Internal Audit (Parent)	Jan - Dec
Flordeliza O Ocbania		Head, BCRD (Parent)	Jan - Dec
Atty Lynell L Sese		Head, Litigation (Parent)	Jan - Dec
<b>B. Financial Transaction</b>	<b>AFPGEN</b>	<b>Wholly owned Subsidiary</b>	Various transactions from 07 Jan - 05 Dec '22
	<b>AFPSLAI</b>	Entity with common significant interest	Various transactions from 01 Apr - 31 Dec '22
			31 December'22
			Various transactions from 31 Jan - 18 Nov '22
			Various transactions from 07 Jan - 05 Dec '22
			Various transactions from 11 Jan - 11 Dec '22



Type of Transactions	Amount (Php)	Terms	Relationship for entering into the Transaction
<b>Board Meeting / Gen Affairs</b>	<b>For AFPGEN</b>		<b>Winding UP</b>
Attendance to Board Meetings / AFPGen's Affairs		Bi-monthly	Chairman, AFPGen Board
Attendance to Board Meetings		Bi-monthly	President, AFPGen
Attendance to Board Meetings		Bi-monthly	Vice-Chairman, AFPGen Board AFPGen Board Member
Attendance to Board Meetings		Bi-monthly	AFPGen Board Member
Attendance to Board Meetings		Bi-monthly	AFPGen Board Member
Attendance to Board Meetings		Bi-monthly	AFPGen Board Member
Attendance to AFPGen affairs		Bi-monthly	Consultant, Internal Audit
Attendance to AFPGen affairs		Bi-monthly	Consultant, Finance
Attendance to AFPGen affairs		Bi-monthly	Legal Consultant
Office Rentals	P3,557,879.76	Monthly	Relocation due to demolition of the main building
Roll-over of Investments	P780,278,158.17	Different terms from 364 days - 1080 days	Board Resolution No. 23-200
Withdrawal of Investments	(P745,000,000.00)		
<b>Total</b>	<b>P35,278,158.17</b>		
Accrued Interest of Long-term investment	P6,832,325.00		Accrued Investment of Long-term Investment
Dividend	P577,500.00		Dividend of Capital Contribution
Rental (AFPSLAI Parking Lot)	P252,631.56	Monthly	Rental Parking Lot
Rental Income	P3,736,122.60	Monthly	Rental of Office Space



## ADHERENCE TO AFPMBAI CODE OF ETHICS AND CODE OF CONDUCT

This post-pandemic period solidified the foresights and assumptions that new work set ups are here to stay. While other organizations remained in work-from-home or hybrid work set up, AFPMBAI decided to go back to 100% onsite work set up because the Association believes that this is the best way to provide service and assistance to its members and their families. Though AFPMBAI seemingly went back to the old normal, there were new challenges that surfaced because of the recent pandemic scenarios. The Association, exercising its responsiveness and resiliency, continued to implement and have its employees adhere to the established Code of Ethics and Code of Conduct.

AFPMBAI also crafted and implemented its own Telecommuting Policy that was guided by actual employee experience of doing work from home, by the Republic Act 11165 otherwise known as Telecommuting Act, and by the Association's Code of Ethics and Code of Conduct.

Moreover, in recognition that business environment and realities are now evolving faster than ever before, AFPMBAI is now due to revisit and revise its current Code of Conduct and Code of Ethics to make them more relevant and responsive to the needs and concerns of the present time

## ANTI-CORRUPTION PROGRAMS / WHISTLE-BLOWER POLICY

The Association is serious about sustaining its commitment to zero-corruption by continuously employing anti-corruption programs – which is in line with its core values on Integrity and Professionalism. Corrupt practices, in all their forms and magnitude across the hierarchy, are not tolerated and are dealt with immediately through appropriate channels and protocols.

Apart from the practice of Open-Door Policy and Network Organization where you can talk to anybody at any time within

the organization which will promote real-time and faster transfer of information, the Association is also preparing to craft its very own Whistleblowing Policy to encourage immediate, courageous and safe reporting of unethical and unprofessional behavior like corruption, towards the members of the Association and/or to a fellow employee. This initiative will further protect the Association from any legitimate potential financial and social harm.

## REWARDS POLICY

Following the AFPMBAI Human Resource and Compensation Philosophies of attracting and retaining competent talent through competitive compensation and benefits, the Association has continued to recognize quality individual performances of employees who have directly or indirectly contributed to the company's commendable performance.

Furthermore, the Association recognized those who exemplified AFPMBAI's core values in the eyes of their peers or colleagues. This was done in order to advance the culture development program while also emphasizing the Association's corporate values.

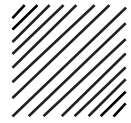
The AFPMBAI has continuously reviewed the Performance-Based Rewards System to improve the Rewards Policy. Its goal is to maximize employees' full potential to deliver quality outputs and to reward such performance accordingly.

## POLICY ON SAFEGUARDING SUPPLIERS' / CONTRACTORS' RIGHTS

A Memorandum Circular (MC) on Procurement of Goods and Services was created to implement a regulation on handling purchasing processes. The MC denotes the creation of a Purchase Order (PO), which AFPMBAI sends to a supplier or vendor to authorize a purchase and includes the kind, quantity, and agreed-upon process for obtained goods and services. The PO serves as a contract or legal document.

Meanwhile, in addition to a PO, a contract from the Legal Office is required for large major purchases / projects that will involve labor / service.





## HEALTH, SAFETY, WELFARE, TRAINING

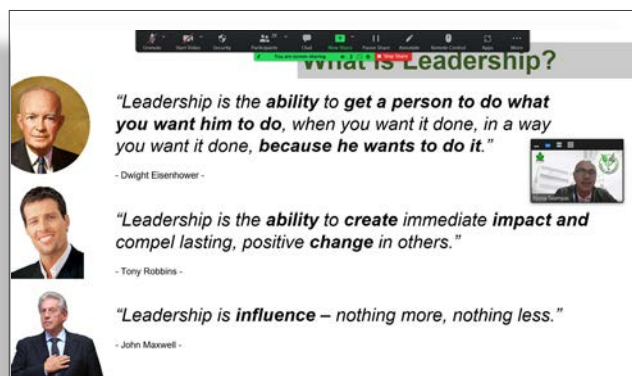
The biggest health risk in the past two years was the pandemic that was caused by the COVID-19 virus. Ever since the virus reached the Philippines in 2020 until the present, the Association has been allocating budgets with significant amounts to ensure that it can provide optimum protection to its employees and their families, who ensure protection of its members and their families. A multi-level health and wellness protocol was put in place such as RT-PCR Tests, Rapid Antigen Tests (RATs), COVID-19 Vaccines, Flu and Pneumococcal Vaccines, Transportation Assistance, COVID-19 Assistance for those who contracted the virus, Organization-wide sanitation protocols, Mask provision, strict Health Declaration Protocol, effective collaboration with the partner Health Maintenance

Organization (HMO) and assigned clinic health personnel among others.

Even if the Government-mandated protocols were toned down or totally lifted, some of the Association's internal health and wellness protocols were still in place like the Rapid Antigen Tests, COVID-19 Vaccines, Flu and Pneumococcal Vaccines, Annual Physical Examination, Transportation Assistance, COVID-19 Assistance for those who will contract the virus, Organization-wide sanitation protocols, Mask provision, continued collaboration with the partner Health Maintenance Organization (HMO) because the health and safety of the members and their families are the primary focus of AFPMBAI.



The physical health of its employees is not the only concern of AFPMBAI. It is also giving tantamount attention to their mental health and wellness. Thus, the Association, for two straight years now has been in partnership with Employee Engagement Experts and has been conducting comprehensive Employee Satisfaction Surveys to assess specific factors impacting their motivation and mental state especially at work. The Association is proud to say that, generally, the engagement level of most employees is high and manageable. A Leadership Orientation Program was conducted before the end of the year to ensure survey results will be cascaded properly and productively.



To sustain and improve the level of employee engagement, AFPMBAI developed and conducted one or two engagement activities every month. Some of the major activities conducted were the following:

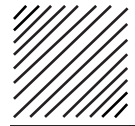
- Women's Month – the Association invited a motivational speaker, Ms Zel Claravall, who delivered a 2-hour motivational talk focused on empowering women.
- Retirement Recognition – this is one of the highlights of each month where the whole Association honors and sends off the retirees through a simple program where their major contributions and milestones are highlighted.

- Holy Week Special Activities and First Friday Masses – AFPMBAI aims to engage each employee holistically, that is why we conduct spiritual/ religious activities such as masses, prayers, rituals, etc. All denominations or religions are welcome and open to express their faith and belief through the conduct of their respective traditions and rituals even within the Association.



AFPMBAI enjoys a healthy and productive relationship with the Employees' Union over the years, a testament of mutual respect between the employees and the management. A concrete output of this relationship was the successful signing of the Collective Bargaining Agreement.

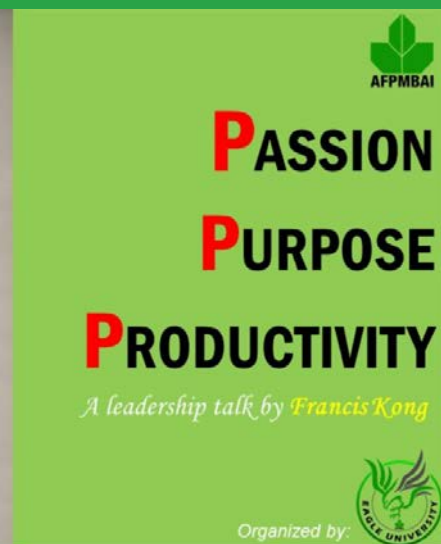
As AFPMBAI's appreciation for the hard work and valuable contribution of its employees to the goal of providing excellent service to its members and their families, the Association, as a tradition, organized fun-filled Anniversary and Christmas Programs. Both programs were even graced by the presence of the then AFP Chief of Staff, Lt. Gen Bartolome Vicente Bacarro and several members of AFPMBAI's Board of Trustees.



## TRAINING AND DEVELOPMENT OF EMPLOYEES

2022 is the year that AFPMBAI went full blast with its Learning and Development initiatives – both internally and externally. Through the concept of EAGLE University, several soft skills and technical skills training were conducted based on the training plan for the year.

AFPMBAI's commitment of developing strong leadership and leadership teams were achieved through the 7-day Advanced Leadership Workshop (ALPHA Course), conducted by another learning partner, Mr. Louie Banta of LJMB. Seven days and seven sessions of intense, informative,



The Association kicked off all L & D plans by having Mr. Francis Kong facilitate a 3-day leadership webinar for the Management Committee and a 1-day webinar for everyone in the Association.

HRD also led the Culture Cascade Workshop where the webinar of Mr. Francis Kong on the topic of “Passion, Purpose, and Productivity” was integrated. The Culture Cascade Workshop aimed to align all employees to the desired and needed culture of the Association that will ultimately lead to the fulfillment of its vision and mission.

and engaging workshops were conducted, covering essential top management skills and needed competencies to sustain AFPMBAI's competitive advantage and growth.

Another initiative to continuously develop leaders is the EAGLE Course (another track under the EAGLE University) – designed to upskill and sharpen the leadership skills of the middle management.

In preparation for the launching of the Regional Sales and Service Centers (RSSC), a customized Sales and Servicing Workshop was conducted to support the NCRSSC in its upcoming transition. Attendees came from different departments that support the operations of NCRSSC.




In response to the direction of AFPMBAI's Office of the President, the Life Insurance Basic Orientation was conducted for several leaders and employees of the Association for them to learn more about AFPMBAI's products and services and to reach out to more members. This initiative was generously led and facilitated by the Insurance Sales Division leaders of the Association together with some collaborators from other departments and divisions.

### Continue your insurance after separation from the service


- MBAI PROTEK CONVERSION PRIVILEGE**
  - **Convert to a permanent plan.** Be a lifetime member of the Association and enjoy its privileges.
  - **No medical required.** Your insurance plan is guaranteed to be issued with no medical requirements.
  - **Choose to pay direct or thru pension deduction.** You can pay online, at our payment centers, or thru monthly pension deduction.




#### DAY 1 EAGLE COURSE ON EMPLOYEE DISCIPLINE



#### DAY 2 EAGLE COURSE ON POSITIVE EMPLOYEE DISCIPLINE





### 11 (100%)

Total number of participants of 11-121 & 2 EAGLE (completed the 2-day sessions)

11

#### EAGLE Batch 1, Day 1 & Day 2 FLEDGE: POSITIVE EMPLOYEE DISCIPLINE

June 20 & 21, 2022

Agbay, Geraldson
Bonagua, Joyce Anne
Bumatay, Mark Gerard
Clariz, Edgar
Damo, Jasmin
Espulgar, Michelle
GO, Joahna
Hidalgo, Bgen Dante
Lingan, Felisa
Ocbania, Flordeliza
Saxby, Bonnaliza

Speed is the name of the game. AFPMBAI is also committed not just to serve its members but to serve them fast. In line with this, HRD organized a face-to-face workshop on the topic of Advanced Microsoft Excel for the Finance Team.

The Training and Development is a serious endeavor for the Association. Hence, year-on-year, it puts a significant budget for this strategic initiative. While the seminars seek to maximize learning objectives, fun and engagement for the participants are also emphasized. Creative training designs would include games, icebreakers, small group challenges, and many more, where learners can earn points, receive some

prizes and tokens of appreciation for actively joining and contributing to every learning session and workshop.

Some workshops conducted were aligned with the Core Values of the Association like the "Professionalism in The Workplace" which was attended by all employees of AFPMBAI.

Since the Association already has an internal capability in terms of conducting Training and Development, another special and customized training

was provided to our partners in the Insurance Sales Force (ISF). This did not just upskill the Sales Leaders but it also strengthened the bond and partnership between AFPMBAI and the ISF.

The very first SOG and CSG Summits were conducted that led to the creation of plans in the establishment of the five (5) Regional Sales and Service Centers all over the Philippines. The Summits also provided the opportunity for all the leaders to discuss important and urgent matters to address and better serve the Association's members.



The Association also extended its capabilities in Training and Development by upskilling and re-aligning the Security Guards and Villaseran Maintenance Personnel. This showed AFPMBAI's commitment to aligning everyone working in the Association, whether organic or non-organic, to the improvement of collaboration, teamwork, communication, and working towards a common goal. The Training and Development initiatives culminated through the first two (2) batches of the redesigned and relaunched new employee orientation program with the theme "New Employee Work Briefing, Integration, and Engagement" (NEWBIE). This program aimed to ensure that all new hires are familiar with the basic information that they need to know to be successful at their jobs and be well integrated to the AFPMBAI family.



## PERFORMANCE ASSESSMENT OF MANAGEMENT; SELECTION OF CEO AND CONTROL FUNCTION HEADS

The President and CEO is one of the Association's corporate officers and is vested with the title of Chief Executive Officer (CEO) under Article VII, Section 4 of the Bylaws. The President is elected and appointed as one of the Association's officers after a thorough screening based on a predetermined set of qualifications.

The selection of control function heads, such as the Compliance Officer (CO), Corporate Risk Officer (CRO), and Corporate Auditor (CA), is founded on the Three Lines of Defense Model, with the goal

of providing necessary internal controls to monitor and manage risks while also ensuring the effectiveness of the Association's governance.

According to the provisions in the Association's Bylaws and Manual of Corporate Governance, these officers were selected according to standards that value the highest level of integrity, technical expertise, and extensive experience in the institution's core business.

## PERFORMANCE ASSESSMENT OF MANAGEMENT

The performance of the President and CEO, as well as all other members of the AFPMBAI Management, was evaluated in accordance with the provisions of the Association's Performance Management and Development System (PMDS), which is based on the Balanced Scorecard framework. Management's performance is evaluated on a regular basis based on the metrics established under the Learning and Growth, Internal Process, Customer, Financial, and Social Impact Perspectives.

Individual Performance Appraisal Ratings (PAR) contributed to the company's overall performance, which determined the granting of any productivity bonus approved by the Board of Trustees.

## POLICY DIVIDEND

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 policy dividends to members who have in-force participating Permanent or Optional Insurance for at least three (3) years. Last year, AFPMBAI declared dividends amounting to P158M for 2021, benefiting the 191,442 eligible policyholders of participating permanent plans.

These policy dividends are released on the plan's policy anniversary and payment of dividends can be made over-the-counter through all AFPMBAI offices nationwide or through the banks for members who have updated bank account records.

## POLICY ON SAFEGUARDING THE ENVIRONMENT

Solar power is an eco-friendly energy source that is 100% renewable and sustainable, leading to reduced dependence on conventional fossil fuels such as oil, coal, and natural gas for generating electricity. Since 2016, AFPMBAI has been harnessing solar-generated electricity by setting up 380 solar panels, each producing 260 watts and yielding a capacity of 98.8 KWP at its Annex Building, and another 128 solar panels, each producing 275 watts, generating 35.20 KWP at its Records Building.

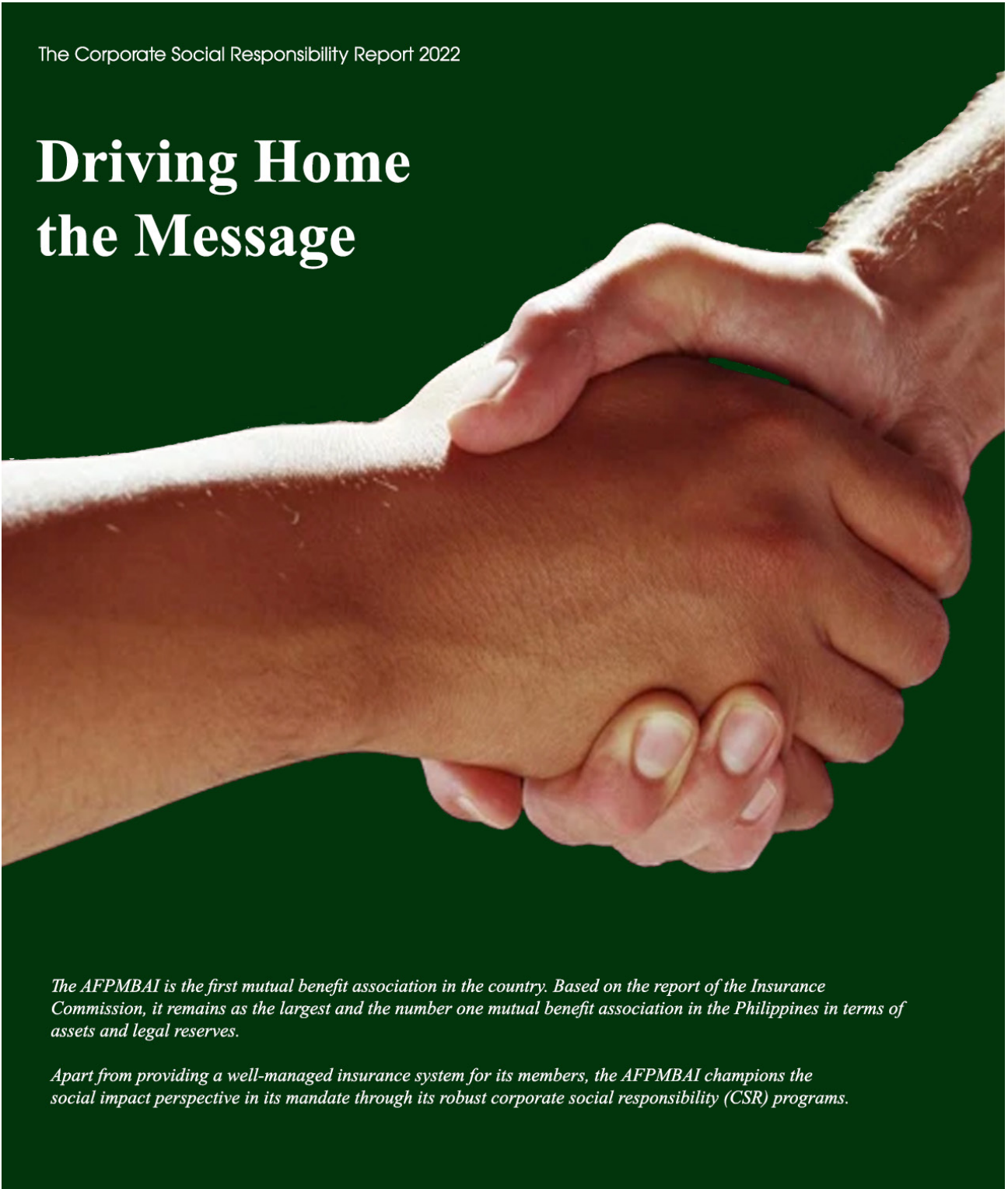
The installation of these solar panels has been instrumental in lessening the Association's carbon footprint, which results in the emission of harmful pollutants that deteriorate air, water, and soil quality and contribute to global warming. Furthermore, the Association has upgraded its fluorescent lighting to LED lighting fixtures, which helps reduce energy consumption. Additionally, the Association has enforced the segregation of trash by using separate bins for biodegradable, non-biodegradable, and recyclable materials.



# CORPORATE SOCIAL RESPONSIBILITY REPORT

The Corporate Social Responsibility Report 2022

## Driving Home the Message



*The AFPMBAI is the first mutual benefit association in the country. Based on the report of the Insurance Commission, it remains as the largest and the number one mutual benefit association in the Philippines in terms of assets and legal reserves.*

*Apart from providing a well-managed insurance system for its members, the AFPMBAI champions the social impact perspective in its mandate through its robust corporate social responsibility (CSR) programs.*



## DELIVERING THE MESSAGE

The year 2021 was a challenging one that tested the resilience of AFPMBAI. Despite the COVID-19 pandemic holding the organization prostrate, AFPMBAI looked forward to a high-shifted stance to meet 2022 headstrong and eager to bounce back. However, the year ended with typhoon Odette ravaging the land in December 2021.

AFPMBAI's President and CEO, MGen Rizaldo B Limoso PA (Ret), took quick action to approve the donation of portable generators to be provided to all major service units affected by the typhoon. Despite the year-end break for operations, AFPMBAI personnel rallied to secure the items for shipment and air transport, as modes of conveyance to the affected areas at the time were compromised.

The expedient action enabled AFPMBAI to act on time, accordingly, and in earnest. The social services team had the generators on hand within two days after the guidance was handed down. Simultaneously at the forefront of the affected areas, the Area Branch Operations of the AFPMBAI handed its donation of food and essentials to the major services.

The challenge then was mobilizing the items to the affected areas. The Armed Forces of the Philippines (AFP) had its C-130 planes' schedules and spatial

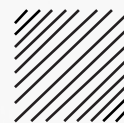
availabilities occupied to the rafters to keep up with the national disaster and calamity initiatives of the government and the private sector.

To resolve the issue on one hand, AFPMBAI collaborated with the Philippine Coast Guard through then Trustee Representative to the Board and PCG Deputy Commandant for Operations, VAdm Eduardo D Fabricante; to get initial generators that can be accommodated across the Visayas and Mindanao via its third-party partner courier, 2GO Philippines.

The Philippine Air Force on the other hand, squeezed some cargo space for the AFPMBAI and winged the balance items for donation of generators for the Philippine Army, Philippine Navy, Bureau of Fire Protection, and Bureau of Jail Management and Penology on the 22nd of December, through MGen Connor Anthony D Canlas Sr, Commanding General of the Philippine Air Force.

In the face of adversity, AFPMBAI rose to the challenge and demonstrated its commitment to its members and the community. The organization's unwavering dedication to providing support and assistance during difficult times reflects its values and mission.

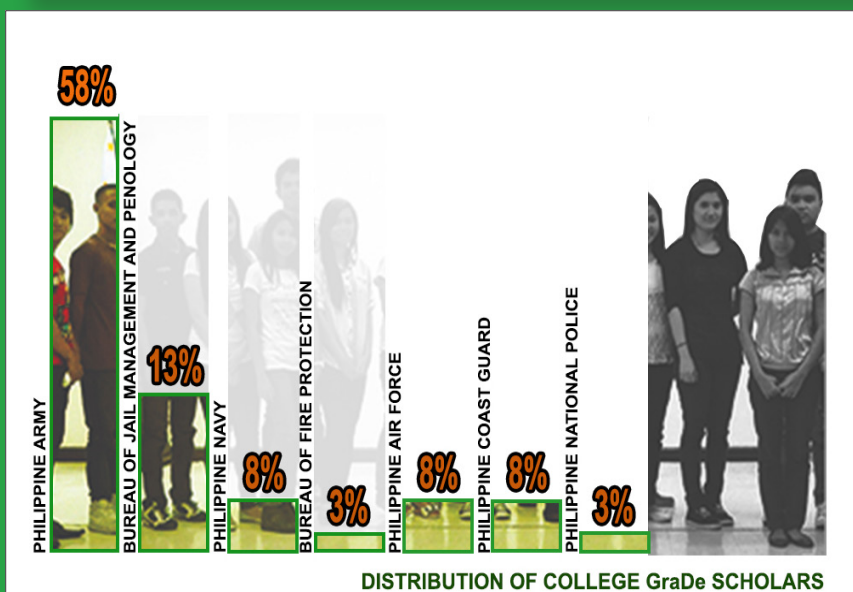
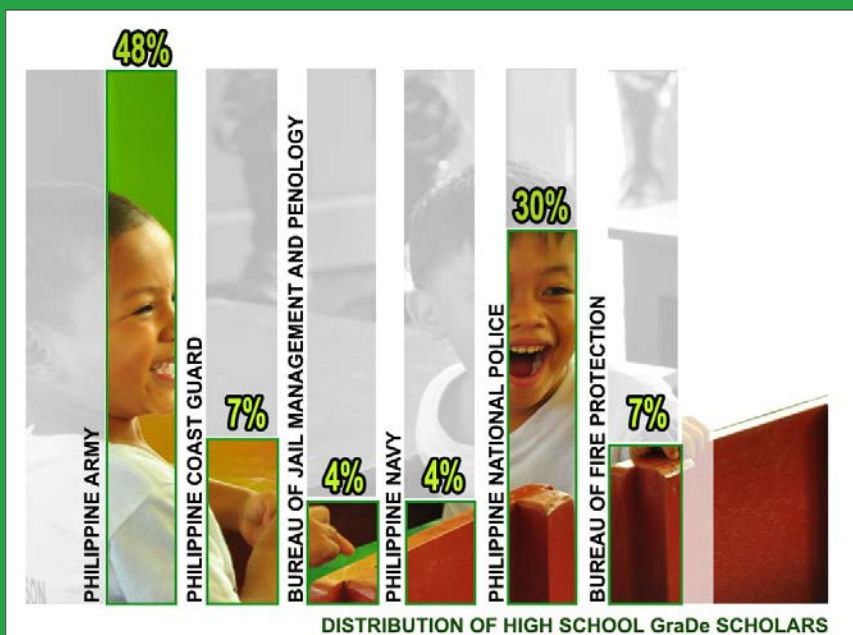




### Grants for Dependents (GraDe) Scholarship Program

Since 2012, the AFPMBAI has made significant progress in providing scholarship grants to the dependents of its fallen or incapacitated members through its GraDe scholarship program. The program provides stipends as well as tuition fee grants for up to three dependents of members who were killed in action or have died in line of duty. Additionally, one dependent is eligible for the program for complete disability discharged members. Succeeding dependents after the allowable number of eligible scholars may be taken in post previous applicant(s) course completion or graduation.

The GraDe scholarship program is a testament to AFPMBAI's commitment to supporting its members' families, even in the face of adversity. By providing educational opportunities to the dependents of fallen or incapacitated members, AFPMBAI is investing in the future of the community and honoring the sacrifices made by its members.





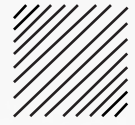
## Flagship Programs

Vital to the sustainability of the AFPMBAI's CSR programs is the approval of the Board through its Social Services Program Committee (SSPC) of the annual budget allocation and distribution to the major services that comprise the Association's membership. This working budget in turn is distributed to the various priority areas and projects of the major services in the fields of Health, Education, and General Welfare.

For 2022, majority of the major services' programs were under health and general welfare programs. Under health, a total of P14M worth of donations were given to the major services while P55.9M worth of general welfare projects were handed over.

CSR Distribution Chart





### Supplemental Initiative and Programs

For 2022, the AFPMBAI Board of Trustees through the vision and initiative of its Chairman and AFP Chief of Staff, Gen Andres C Centino embarked on a monumental project to provide accommodation for transitory personnel and guests at the Philippine Army Headquarters in Taguig City. AFPMBAI management took a proactive approach to address the need for transient facilities by initiating the construction of four units of 2-storey, modular transient facilities. The management approved the initiative, and the construction was completed in less than half a year.

Held at the Headquarters, Philippine Army in Taguig City last 11 April 2023, the AFPMBAI President and CEO MGen Rizaldo B Limoso PA (Ret) said this project is a reflection of the Association's undying commitment to plow back benefits holistically to the men and women in the uniformed services.

This housing project reflects the organization's commitment to providing its members with the necessary facilities and services, and a testament to AFPMBAI's dedication to improving the lives of its members.

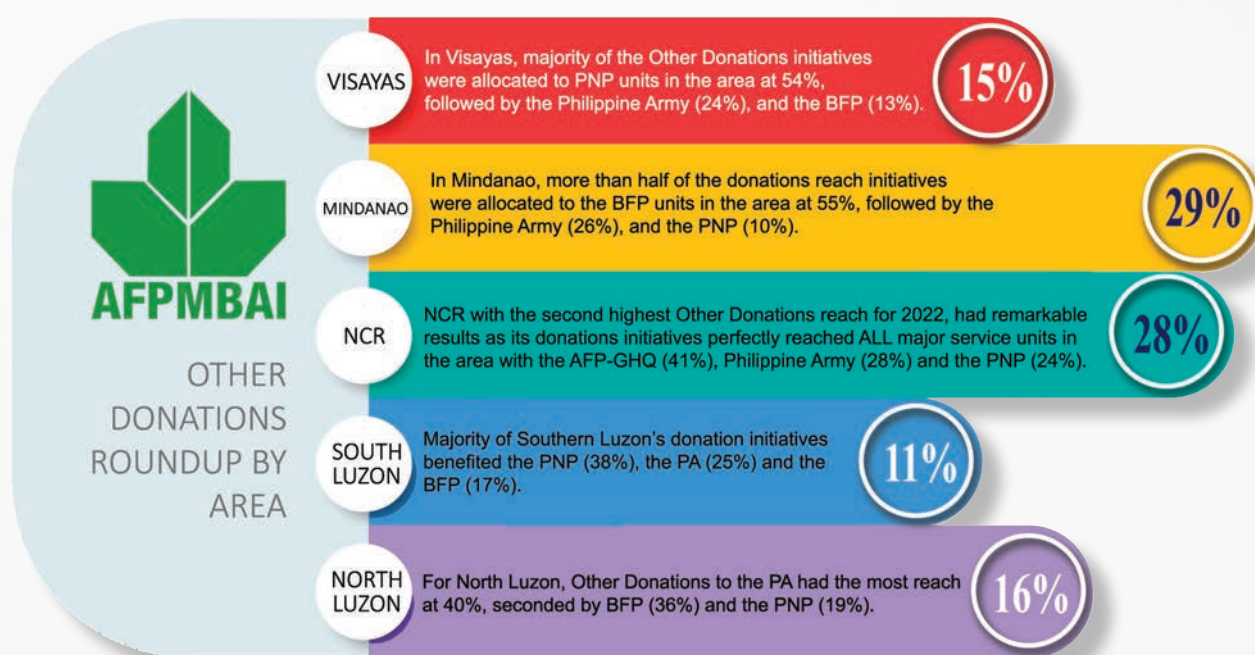
Meanwhile, the AFPMBAI branches and extension offices through its Regional Sales and Service Centers (RSSC) ripple the



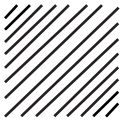
The Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI) as part of its corporate social responsibility (CSR) through its Social Services Program, accords a portion of its income to social services-related programs in the areas of Health, Education and General Welfare. In this event, the AFPMBAI through its Chairman of the Board of Trustees and AFP Chief of Staff, General Andres C Centino PA, inaugurated and handed over the completed four 2-storey transient facility units to Lieutenant General Romeo S Brawner Jr., Commanding General of the Philippine Army.

initiatives of the home office CSR thrust by championing various equipment and other donations to the camps and stations of the branches of service located nationwide.

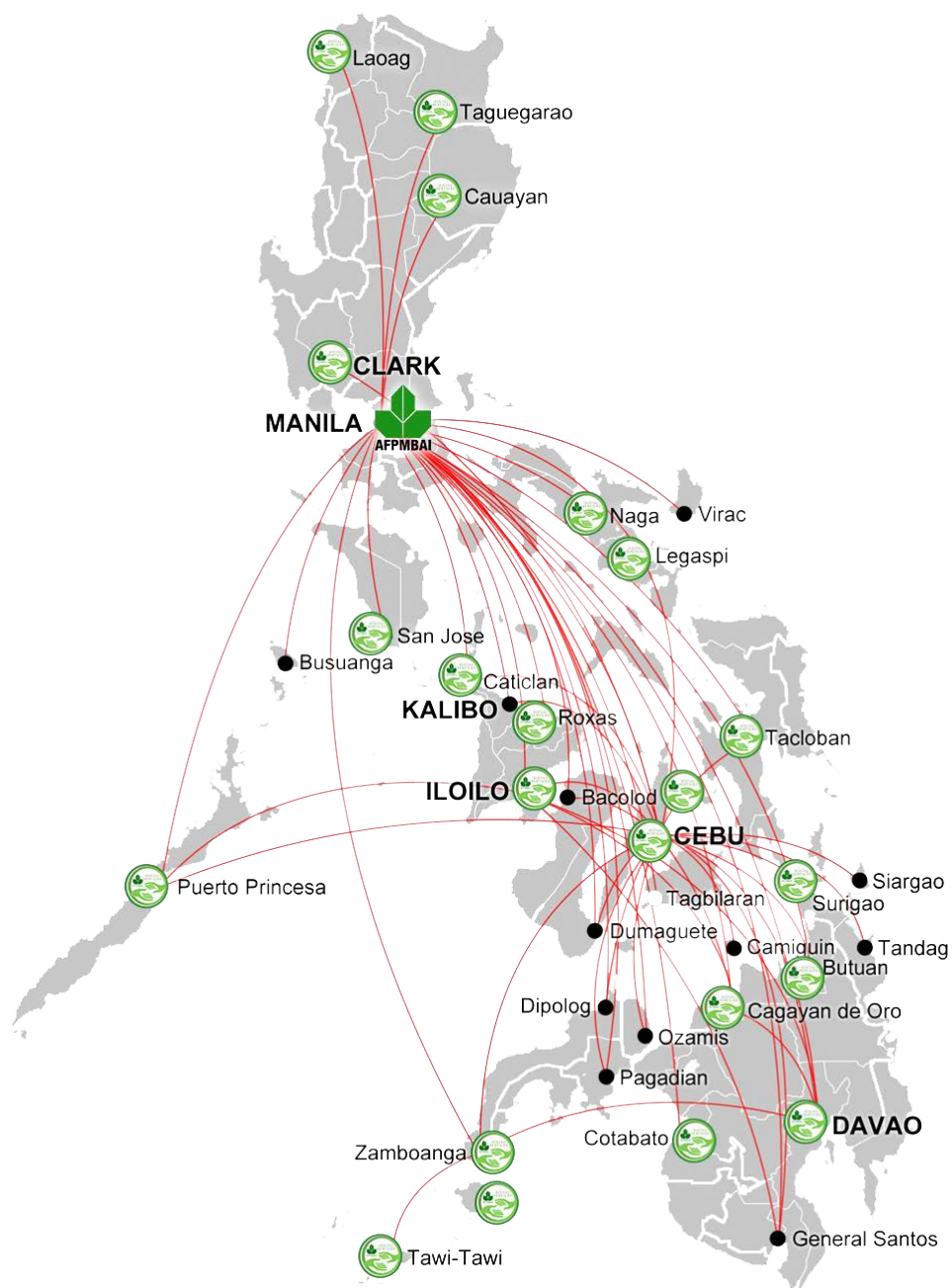
AFPMBAI's Other Donations Program is a strategic initiative that enables RSSCs to allocate their budgets, with good business sense and in keeping with the Association's social impact perspective. The program ensures visibility, branding and rapport with the major service communities in the respective areas of responsibility.







For 2022, majority of the Other Donations penetration and visibility efforts were distributed among the five areas of responsibility: National Capital Region (28%), Northern Luzon (16%), Southern Luzon (11%), Visayas (15%) and Mindanao (29%). The combined major services pro-rated allocations and the RSSC's Other Donations efforts have taken the Association's CSR initiatives to the far reaches and the remotest parts of the country like the Panguan Island in Tawi-Tawi, Jolo to the islands up North in Santa Ana, Cagayan manned by the Marine Battalion Landing Team of the Philippine Navy.



## LEADIng The Way

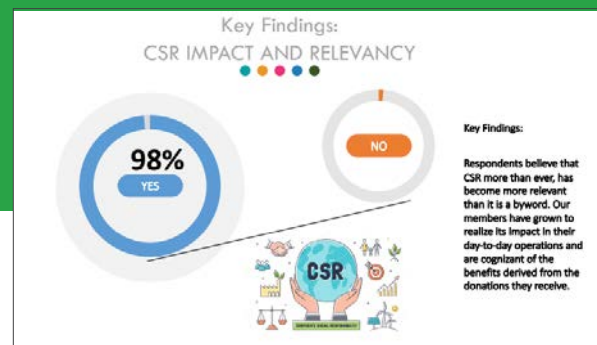
The success of the AFPMBAI's CSR program is hinged on its ability to holistically consider all fronts of service, including adding value to its members' financial management knowledge as well as to arm their dependents with technical skills that may lead to cottage industry entrepreneurial ventures. Through the CSR's Livelihood Education And Development (LEAD) and Training Advocacy for Dependents (TrADe) seminars, members are further equipped to manage their finances through a series of lectures from subject matter experts. For 2022, the LEAD program reached 11 areas from Luzon, Visayas and Mindanao and TrADe with 3 areas covered. The AFPMBAI's financial literacy advocacy is further concretized through a series of financial wellness seminars done online and on social media through Marketing Division's Money Talks segments.

## CSR Impact Study Results

As directed by the Board, the AFPMBAI Management is required to conduct its CSR Impact Study and Analysis annually through surveys conducted among members represented by each major service as well as distributed in the five areas of responsibility of the AFPMBAI regional sales and service centers.

For 2022, the AFPMBAI CSR Program improved on its rating from the previous year, with 77% out of a hundred percent in branding recall, and garnering an overall satisfaction rating of 98%. The above survey was carried out with a 99.9% response accuracy and with a 4% margin of error.

Through its CSR programs, the AFPMBAI maintains its steadfast course and mandate to be at the forefront in providing meaningful social services to its members—an initiative that continues to set it apart from many financial institutions in the country.



# THE BOARD OF TRUSTEES



**GEN ANDRES C CENTINO PA**

*Chairman of the Board  
Chief of Staff, Armed Forces of the Philippines*



**BGEN RODEL MAURO R ALARCON PA (RET), FICD**

*Vice Chairman of the Board*



**MGEN RIZALDO B LIMOSO PA (RET)**

*President and CEO*



**ATTY JONAS B CALLEJA**

*Corporate Secretary*



**BGEN BIENVENIDO Y REGONDOLA JR PA (RET)**

*Corporate Treasurer*



**MGEN ADONIS R BAJAO PA**

*Philippine Army Representative*



**MGEN JOSE MARIA R CUERPO II PA**

*GHQ Representative*



**CG VADM ROLANDO LIZOR N PUNZALAN JR**

*Philippine Coast Guard  
Representative*



**2LT ROGELIO O OBILLO PN(M) (Ret)**

*Office of the AFP Sergeant Major  
Representative*



**LTGEN ARTHUR M CORDURA PAF**

*Philippine Air Force  
Representative*



**RADM CAESAR BERNARD N VALENCIA PN**

*Philippine Navy Representative*





**PLTGEN RHODERICK C ARMAMENTO PNP**

*Philippine National Police  
Representative*



**PMGEN JONNEL C ESTOMO PNP**

*Philippine National Police  
Representative*



**CSUPT JESUS P FERNANDEZ BFP**

*Bureau of Fire and Protection  
Representative*



**JCSUPT RINCO T MONTAUS BJMP**

*Bureau of Jail Management and  
Penology Representative*



**GEN RICARDO A DAVID JR PA (RET)**

*Independent Trustee*



**BGEN PHILIP S LAPINID PA (RET)**

*Independent Trustee*

# BIOGRAPHICAL DETAILS OF THE BOARD OF TRUSTEES

## Chairman of the Board AFP Chief of Staff

**Gen Andres C Centino PA**

Age ----- 55 years old  
Date of First Election ----- November 25, 2021

### Relevant Academic Background 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	-----	July 13, 2013
Relevant Training	-----	Corporate Governance Orientation Program
Inclusive Date	-----	February 23-24, 2022



## Vice Chairman of the Board

**Representative of the Joint Staff of the AFP MGen Adriano S Perez Jr PA**

Age ----- 55 years old  
Date of First Election ----- November 25, 2021

### Relevant Academic Background and Training / Experience

Graduate School	-----	Philippine Christian University
Degree / Course	-----	Master in Management
Completed	-----	September 18, 2007
Relevant Training	-----	Anti-Money Laundering Act Compliance in the Age of Digital World
Inclusive dates	-----	September 14, 2021
Relevant Training	-----	Continuing Education Program (CEP)
Inclusive dates	-----	June 25, 28, and 29, 2021
Relevant Training	-----	Briefing on AFPMBAI Operations
Inclusive dates	-----	2020
Relevant Training	-----	Continuing Education Program
Topics / Inclusive Dates	-----	Business Model Shift: Pivoting Toward a New and Better Normal (August 26, 2020 Part I)
	-----	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 Commis
Relevant Training	-----	Professional Directors Program (ICD)
Inclusive Date	-----	June 24, 2016
Relevant Training	-----	Corporate Governance Orientation Program
Inclusive Date	-----	2016



### Executive Trustee President and CEO

**MGen Rizaldo B Limoso PA (Ret)**

Age ----- 58 years old  
Date of First Election ----- July 11, 2010

### Relevant Academic Background and Training / Experience

Graduate School	-----	University of Melbourne
Degree / Course	-----	Master in Applied Finance
Completed	-----	2002
Graduate School	-----	Ateneo De Manila University
Degree / Course	-----	Master in Business Administration
Completed	-----	1996
Degree / Course	-----	Anti-Money Laundering-Counter (AMLC)
Completed	-----	February 22, 2022
Relevant Training	-----	Level Up Leadership Masterclass
Inclusive Date	-----	January 25-28, 2022
Relevant Training	-----	Business Model Design and Innovation
Inclusive Date	-----	November 3, 5, 8, 10 and 12, 2021
Relevant Training	-----	Continuing Education Program (CEP)
Inclusive Date	-----	June 25, 28, 29, 2021
Topics / Inclusive Dates	-----	Business Model Shift: Pivoting Toward a New and Better Normal (August 26, 2020 Part I)
	-----	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	-----	Corporate Governance Orientation Program
Inclusive Date	-----	2012
Relevant Training	-----	Professional Directors Program (ICD)
Inclusive Date	-----	May 2012

## Philippine Army Representative

## MGen Roy M Galido PA

Age ----- 53 years old  
Date of First Election ----- February 1, 2022

### Relevant Academic Background and Training / Experience

Graduate School	-----	University of South Wales, Australia
Degree / Course	-----	Master of Science in Information Technology
Completed	-----	2022
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
Inclusive Date	-----	March 17, 2017
Relevant Training	-----	Professional Directors Program (PDP)
Inclusive Date	-----	March 16, 2017
Relevant Training	-----	Briefing on AFPMBAI Operations
Inclusive Date	-----	February 4, 2022
Relevant Training	-----	Anti-Money Laundering Act of 2001
Inclusive Date	-----	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 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 and Security
Completed	-----	August 31, 2011
Relevant Training	-----	Corporate Governance Orientation Program
Inclusive Date	-----	August 3 and 4, 2021
Relevant Training	-----	Anti-Money Laundering Act
Inclusive Date	-----	September 14, 2021
Relevant Training	-----	Continuing Education Program
Inclusive Date	-----	June 25, 28 and 29, 2021

## Philippine Air Force Representative

## LtGen Arthur M Cordura

Age ----- 53 years old  
Date of First Election ----- February 1, 2022

### 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**

**PLtGen Rhoderick C Armamento**

Age ----- 53 years old  
Date of First Election ----- May 15, 2021

**Relevant Academic Background and Training / Experience**

Graduate School	-----	Araullo University
Degree / Course	-----	Master of Arts
Completed	-----	2005
College	-----	PNPA
Degree / Course	-----	BS Public Safety
Completed	-----	1990
College	-----	Manuel S. Enverga University Foundation
Degree / Course	-----	AB Political Science
Completed	-----	1987
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	-----	September 30, 1993

## Philippine National Police Representative

**PBGEN Jonnel C Estomo**

Age ----- 53 years old

### Relevant Academic Background and Training / Experience

Graduate School	-----	San Beda College
Degree / Course	-----	Master in Legal Studies
Completed	-----	2014
Graduate School	-----	Comptrollership Course
Degree / Course	-----	2007

## Philippine Coast Guard Representative

**VAdm Eduardo D Fabricante PCG**

Age ----- 55 years old  
Date of First Election ----- November 4, 2021

### Relevant Academic Background and Training / Experience

Graduate School	-----	World Maritime University, Sweden
Degree / Course	-----	Master in Science in Maritime Affairs
Completed	-----	2001
Graduate School	-----	Anti-Money Laundering Act (AMLA)
Degree / Course	-----	March 22, 2022 (Registered)
Graduate School	-----	AFPMBAI Operations
Degree / Course	-----	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 Background 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
Topics / Inclusive Dates	-----	Business Model Shift: Pivoting Toward a
	-----	New and Better Normal (August 26, 2020 Part I)
	-----	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)
Inclusive Date	-----	March 2016
Relevant Training	-----	Corporate Governance Orientation Program
Inclusive Date	-----	March 3 and 4, 2021
Relevant Training	-----	Anti-Money Laundering Act
Inclusive Date	-----	March 22, 2022 (registered)
Relevant Training	-----	Business Model Design and Innovation
Inclusive Date	-----	November 3,5,8,10 and 12, 2021
Relevant Training	-----	Continuing Education Program
Inclusive Date	-----	June 25-28, 2021

## Bureau of Jail Management and Penology

### Representative

**J/CSupt Rinco T Montaus**

Age ----- 53 years old

### Relevant Academic Background and Training / Experience

Graduate School	-----	Ateneo de Cagayan (Xavier University)
Degree / Course	-----	Master in Business Administration
Completed	-----	2000-2002
Relevant Training	-----	AMLA Seminar
Inclusive Dates	-----	October 18, 2012
Relevant Training	-----	Director for Comptrollership, BJMP
		General Manager, BJMP Multi-Purpose
		Cooperative (BJMP-MPC)
Inclusive Dates	-----	2017 to present (DC)
		2016 to present (BJMP-MPC)

### AFP Sergeant Major

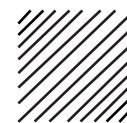
**2LT ROGELIO O OBILLO PN(M) (RET)**

Age ----- 55 years old

### Relevant Academic Background and Training / Experience

Graduate School	-----	Cagayan de Oro College
Degree / Course	-----	Bachelor of Science in Criminology
Completed	-----	2020



**Independent Trustee****Gen Ricardo A David Jr PA (Ret)**

Age ----- 67 years old

**Relevant Academic Background and Training / Experience**

Graduate School	-----	Ateneo de Cagayan (Xavier University)
Degree / Course	-----	Master in Business Administration
Completed	-----	2005
Relevant Training	-----	Basic Management Course (AIM)

**Independent Trustee****BGen Rodel Mauro R Alarcon PA (Ret)**

Age ----- 60 years old

**Relevant Academic Background and Training / Experience**

Graduate School	-----	Philippine Christian University
Degree / Course	-----	Master in Management
Completed	-----	2006
Relevant Training	-----	Professional Directors Program, ICD
Inclusive Date	-----	2012
Relevant Experience	-----	EVP and GM, AFPSLAI
Inclusive Date	-----	May 2018-May 2021

**Independent Trustee****BGen Philip S Lapinid PA (Ret)**

Age ----- 56 years old

**Relevant Academic Background and Training / Experience**

Graduate School	-----	United States Army War College
Degree / Course	-----	Master in Strategic Studies
Completed	-----	2016
Graduate School	-----	Philippine Christian University
Degree / Course	-----	Master in Public Administration
Completed	-----	2007
Graduate School	-----	University of San Jose Recoletos
Degree / Course	-----	Master in Management
Completed	-----	1999

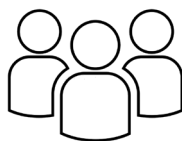
# AFPMBAI MANAGEMENT

OFFICE OF THE PRESIDENT

**MGEN RIZALDO B LIMOSO PA (RET)**

*AFPMBAI President and CEO*





**JOCELYN T MIRANDA**

*Head, Internal Audit Office*



**JASMIN M DAMO**

*Head, Support Services Audit Section  
Internal Audit Office*



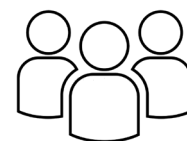
**RAMONA JOSEFA M PANIS**

*Head, Board Relations Office*



**LEA A MALIGASO**

*Head, Executive Services Division*



**GERALDSAM S AGBAY**

*Head, Strategic Management Office  
Executive Services Division*



**ATTY ELIZABETH D HIDALGO**

*Head, Compliance Office  
Executive Services Division*



**IAN RAYMOND E PAYOT**

*Head, Risk Management Office  
Executive Services Division*



**JEFF MATTHEW L UY**

*Head, Social Services Office  
Executive Services Division*

## SALES AND OPERATIONS GROUP



**MGEN NATHANIEL Y CASEM PN(M) (RET)**

*Head, Sales and Operations Group and COO*



**MARK GERARD L BUMATAY**

*Head, Actuarial Office*



**RODERICK A DONES**

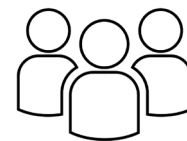
*Head, Investment Office*



**JOAHNA P GO**

*Head, Active Investment  
Investment Office*





**BONNALIZA B SAXBY**

*Head, Alternative Investment  
Investment Office*



**ALPHA GRACE F VENTANILLA**

*Head, Underwriting, Policy and Membership Department*



**BGEN FERDINAND JOSE G RIVERA PROF (RET)**

*Head, Area and Branch Operations Division*



**ANGELINA S JUTIE**

*Acting Head, National Capital Region  
Sales and Service Center (NCRSSC)  
Area and Branch Operations Division*



**IMELDA L JAMANDRON**

*Acting Head, Northern Luzon Regional Sales  
and Service Center (NOLRSSC)  
Area and Branch Operations Division*



**DEONESIO B CORONG II**

*Head, Mindanao Regional Sales  
and Service Center (MRSSC)  
Area and Branch Operations Division*



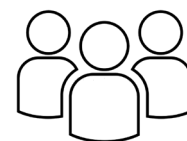
**SHARINA A DERIZA**

*Acting Head, Visayas Regional Sales  
and Service Center (VRSSC)  
Area and Branch Operations Division*



**LORRAINE MARIE L DE VILLA**

*Acting Head, Southern Luzon Regional Sales  
and Service Center (SOLRSSC)  
Area and Branch Operations Division*



**LEAH Y JOYA**

*Deputy Head, NCRSSC  
Area and Branch Operations Division*



**SALLY T SANTOS**

*Acting Deputy Head, NOLRSSC  
Area and Branch Operations Division*



**MARY JOY B LOCSIN**

*Acting Deputy Head, SOLRSSC  
Area and Branch Operations Division*



**MARY ANN J MALUNHAO**

*Acting Deputy Head, VRSSC  
Area and Branch Operations Division*



**MENCHIE C MAKILANG**

*Acting Deputy Head, MRSSC  
Area and Branch Operations Division*



**GIUSEPPE LAURO E MORTA**

*Head, Marketing Division*



**MGEN DANTE M HIDALGO PN(M) (RET)**

*Head, Real Estate Division*



**ANNIE D ARCE**

*Head, Insurance Sales Division*



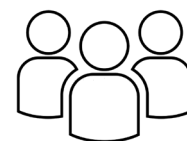
**ARCH EDGAR A CLARIZ**

*Head, Construction and Engineering Department  
Read Estate Division*



**MICHELLE A ESPULGAR**

*Head, Read Estate Sales Department  
Read Estate Division*



## CORPORATE SERVICES GROUP



**BGEN BIENVENIDO Y REGONDOLA JR PA (RET)**

*Head, Corporate Services Group and CCSO*



**MGEN HENRY M DOYAOEN PA (RET)**

*Head, Human Resource Division*



**KRISH RAINJIT R SALAS**

*Head, HR Administration Department  
Human Resource Division*



**ANTHONY T TALAMPAS**

*Head, HR Development Department  
Human Resource Division*



**FLORDELIZA D OCBANIA**

*Head, Finance Division*



**FELISA T LINGAN**

*Head, Accounting Department  
Finance Division*



**JESUS A LAGUNA**

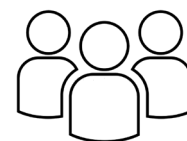
*Head, Billing, Collection and Remedial Department  
Finance Division*



**MYLENE P ORCULLO**

*Head, Accounts Management Department  
Finance Division*





**ATTY MARICARR M MIRABEL**

*Head, Legal Office*



**ATTY LYNELL L SESE**

*Head, Litigation and Prosecution Unit  
Legal Office*



**ATTY AL-MAY SAIR F PATANGAN**

*Head, Documentation and Compliance Unit  
Legal Office*



**ENGR ANNALY A LAVARIAS**

*Head, Business Technology Solutions Office  
Information Technology Division*



**JEFFREY A CARREON**

*Head, Project and Quality Assurance  
Information Technology Division*



**BGEN FERDINAND S RAZALAN PA (RET)**

*Head, Administration Division*



**CELSO M ROBLES**

*Head, General Services Department  
Administration Division*



**2LT ALADIN S DACAYANAN PA (RET)**

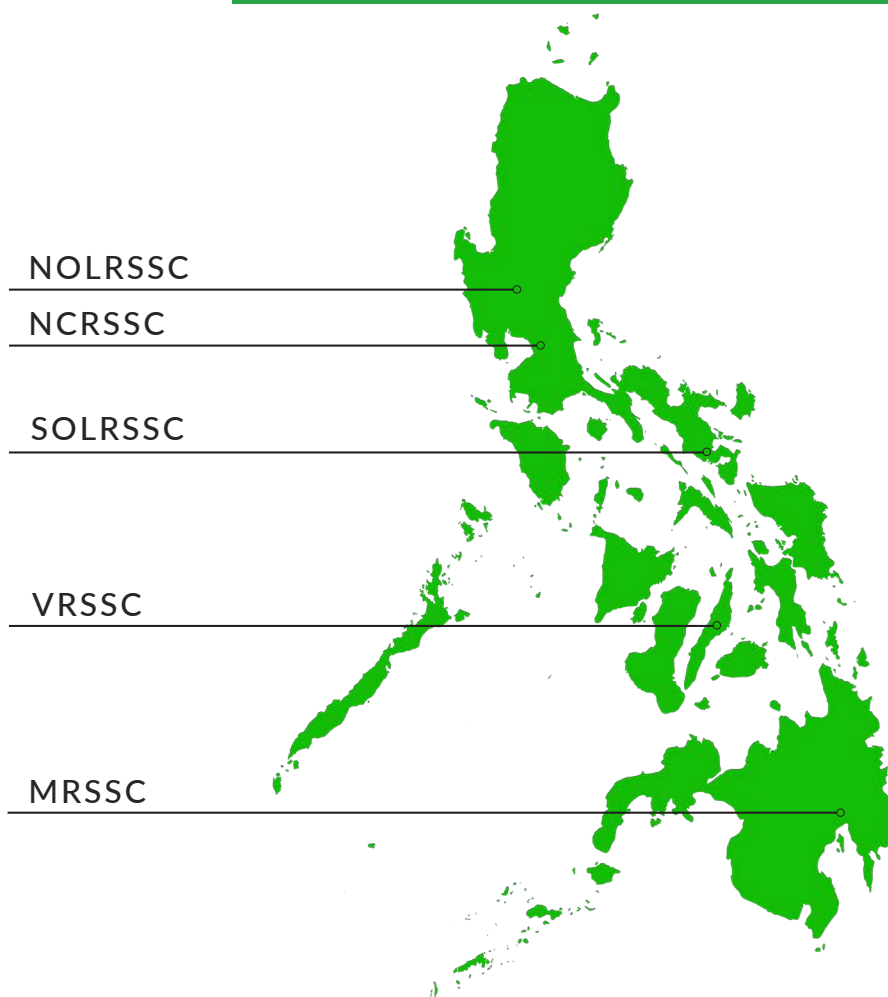
*Head, Safety, Security and Building Administration Department  
Administration Division*



**COL WENCESLAO M ROMERO JR PAF (RET)**

*Safety Officer / Manager, Office of the Head  
Administration Division*

# BRANCH AND EXTENSION OFFICES



NOLRSSC

NCRSSC

SOLRSSC

VRSSC

MRSSC

**01. Northern Luzon Regional  
Sales & Service Center**

Acting Head:  
Imelda L Jamandron  
2F, Liwag Building, Burgos Ave.  
Cabanatuan City, Nueva Ecija  
09338695732 / (044) 4643908

**02. National Capital Region  
Regional Sales & Service Center**

Head: Angelina S Jutie  
Col Bonny Serrano Rd  
cor EDSA, Quezon City  
(AFPMBAI Head Office)

**03. Southern Luzon Regional  
Sales & Service Center**

Head: Lorraine L De Villa  
ANST Bldg., Washington Drive  
Legazpi City  
09338695655 / 09473861320

**04. Visayas Regional  
Sales & Service Center**

Head: Sharina A Deriza  
CENTCOM, AFP,  
Camp Lapu-Lapu, Apas,  
Cebu City  
09271441378 / 09338695682  
(032) 2341028

**05. Mindanao Regional  
Sales & Service Center**

Head: Deonesio B Corong II  
4F, AFPMBAI Bldg, Maya Street,  
Ecoland, Matina, Davao City  
09338695788 / 09361958075  
(082) 2975482



## NATIONAL CAPITAL REGION SSC

Head: Angelina S Jutie

### Camp Aguinaldo Branch

Supervisor: Aileen Reyes  
Col Bonny Serrano Rd  
Cor Edsa, Quezon City  
09157915994

### Fort Bonifacio Branch

Supervisor: Shaila I Timbaga  
B 36 L 21 and 29 LBO Bldg  
AFPOVAI Bayani Road  
Western Bicutan, Taguig City  
09554537042

### Tanay Extension Office

In-Charge: Macey Sulpico  
Camp Gen Capinpin  
Tanay, Rizal  
09474607307

### Villamor Extension Office

In-Charge: Alvin Malibiran  
3F, PAF Airmen's Mall  
CJVAB, Pasay City  
09297082305

## NORTHERN LUZON RSSC

Head: Imelda L Jamandron

### Baguio Branch

Supervisor: Edna P Ramos  
2F, AFPSLAI Bldg.,  
Camp Henry Allen  
Baguio City  
09488908196  
09151874270  
(074) 443-5883

### La Union Extension Office

In-Charge: Earl John M Claravall  
Mark Vincent C. Reyes  
2F, CAP Bldg, Gov. Luna St, Brgy 4  
City of San Fernando  
La Union  
09563929480 / 09817613010  
(072) 6078120

### Dagupan Extension Office

In-Charge: Michael Lark A Aloroy  
Room 203, 2F, Siapno Bldg. cor  
Rivera St. and Zamora St.  
Dagupan City  
09957831706  
09604125914

### Laoag Extension Office

In-charge: Esteffany S. Silvestre  
Marie Cris S Camagon  
Unit 202 VL and SONS Bldg. Brgy. 23  
P. Gomez St., Laoag City  
09663316940  
09695882716  
(077) 677-1715

### Isabela Branch

Supervisor: Restituto M Duran III  
1F, Mango Suites Hotel  
1 City Rd, Santiago City, Isabela  
09354699483  
(078) 682-0935

### Bayombong Extension Office

In-Charge: Grazelle Jaluquit  
Room D, F and V Delos Santos  
Commercial Bldg.  
146 National Road  
District IV, Bayombong  
Nueva Vizcaya  
09338695652

### Upi Extension Office

In-Charge: Melanie Nabanalan  
Hilario Balisi  
Camp Melchor F Dela Cruz  
Upi, Gamu, Isabela  
09566485319

### Tuguegarao Branch

Supervisor: Grandee P Dumlao  
2F, Rios Bldg Cor.  
College Ave and Taft St.  
Centeo 8, Tuguegarao City  
Cagayan  
09161676224 / 09338695712  
(078) 844-6728



#### Tabuk Extension Office

In-charge: Florante Seno  
2F, Kalinga Bazaar Bldg,  
Bulanao  
Tabuk City, Kalinga  
09338695665  
09262262217

#### Cabanatuan Branch

Acting Deputy Head:  
Sally T Santos  
2F, Liwag Building  
Burgos Avenue  
Cabanatuan City  
Nueva Ecija  
09395067438  
(044) 464-3908

#### Fort Magsaysay Extension Office

In-charge: Julius Villas  
Carolyn D Villar  
7th Infantry Division  
Philippine Army  
Fort Magsaysay, Palayan  
City, Nueva Ecija  
09165135606

#### Clark Extension Office

In-charge: June Lyndon Balmeo  
600th Air Base Wing  
Clark Air Base, Pampanga  
09935393783

#### Olangapo Extension Office

In-Charge: Ellen G Importado  
1869 Rizal Avenue  
West Bajac-Bajac  
Olongapo City  
09603103934

#### Tarlac Extension Office

In-charge: Catherine Allag  
Lealyn D Arceo  
2F, AJ-AS Building  
Brgy. Maligaya, Tarlac City  
09616947174  
09276641981

#### Capas Extension Office

In-charge: John Carlo L Manalac  
GF, 2R Bldg. Sta. Lucia  
Capas, Tarlac  
09696084913

#### San Fernando Extension Office

In-Charge: Kimberly Enriquez  
Hannah Lyn Arevalo  
Unit 8, 2F, GF Building  
McArthur Hi-way  
Dolores, San Fernando  
Pampanga  
09493552730  
09673404240

### SOUTHERN LUZON RSSC

Acting Head: Lorraine Marie L. De Villa

#### Cavite Branch

Supervisor:  
Maria Nimfa Recaido  
3F, Unit-D 685 R. Basa st  
Brgy. Labanos, San Roque  
Cavite City  
09159123587  
(046) 435-8992

#### Palawan Extension Office

In-Charge:  
Maria Clarissa A Barroma  
Janice Rabajante  
Unit 204, 2F, SJD Green Bldg.  
132 National Highway, Brgy.  
San Pedro, Puerto Princesa  
Palawan  
(048) 7163560

#### Lucena Branch

Supervisor:  
Estrellita O Querimit  
SOLCOM, Camp Guillermo  
Nakar, Lucena City  
09428026224 / 09451688199  
(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  
0956-3252669

#### Batangas Branch

OIC: Trixia Virtucio  
2F, N and A Bldg. B1-L2  
Commercial Area, Base  
View Homes, Brgy Sico  
Lipa City, Batangas  
0956-712-5147

#### Canlubang Extension Office

In-charge:  
Geneca S Cammayo  
Jay Javison  
Camp Vicente Lim  
Canlubang, Laguna  
09162606483

#### Calapan Extension Office

In-charge:  
Kathlyn Grace Alzate  
2F, San Agustin Bldg.  
Bonifacio, cor Osmena St.  
Brgy. Ilaya, Calapan City  
Oriental Mindoro  
09473861320

#### Legazpi Branch

OIC: Karla Erika Q Casasis  
ANST Bldg., Washington Drive  
Legazpi City  
09955310243  
(052) 732-7980

#### Pili Extension Office

In-charge:  
Faye M Barajas  
2F, REMC New San  
Roque, Pili Camarines Sur  
09359307236

#### Masbate Extension Office

In-Charge:  
HoneyLynn L Marcaida  
3F Manalo-Pecson Bldg.  
Ibanez St., Masbate City  
09350391931

#### VISAYAS RSSC

Acting Head: Sharina A Deriza

#### Iloilo Branch

Supervisor: Marielle Joy J Villaruel  
Arthur Suite General Luna st.  
Iloilo City  
09814044053 / (033) 337-8416

#### Bacolod Extension Office

In-charge: Jomesa S Seville  
Door 5 Elcourt Bldg.  
1<sup>st</sup> Street, Lacson,  
Bacolod City  
09565436821  
(034) 434-6044

#### Jamindan Extension Office

In-charge:  
Genalyn D Panhilason  
Sitio Agbalagon, Jaena Norte  
Jamindan, Capiz  
0981-4821461

#### Kalibo Extension Office

In-Charge:  
Rutchel V Camrines  
Door# 206 2F,  
Waldolf Garcia Bldg.  
Osmeña Avenue  
Kalibo, Aklan  
09814038854





#### Cebu Branch

OIC: Maricel Mata  
CENTCOM, AFP,  
Camp Lapu-Lapu  
Apas, Cebu City  
09271441378  
(032) 234-1028

#### Dumaguete Extension Office

In-charge: Geoviliza Z Tayag  
Door no. 4 Jft Bldg.  
Cervantes St.  
Dumaguete City  
09359168990  
0908-(035) 522-9225

#### Bohol Extension Office

In-charge: Sheryl A Paeste  
Unit 3, 2F Vennore  
Commercial Bldg  
JA Clarin St., Tagbilaran City  
Bohol  
09083271527  
(038) 422-8901

#### Bogo Extension Office

In-charge:  
Heziel Yen Y Jayme  
Central Highway  
Solid Homes  
Brgy Taytayan  
Bogo City, Cebu  
09153907453  
(032) 421-5255

#### Tacloban Branch

Supervisor:  
Barbara Jane A Nuyte  
Aqua Glass Bldg cor.  
P. Gomez and Real St.  
Tacloban City  
09266540815  
(053) 325-6552

#### Catbalogan Extension Office

In-charge: Benjie P Sarona  
Camp Lukban, Maulong  
Catbalogan, Samar  
09772391423  
(055) 251-5351

#### Catarman Extension Office

In-charge:  
Novelin A Mahinay  
Bonifacio St.  
Corner Roxas St  
Brgy Casoy Catarman  
Northern Samar  
09150968062  
(055) 251-8555

#### Maasin Extension Office

In-charge: Roxane C Omay  
Capt. Iyano St. Brgy. Tagnipa  
Maasin City, Southern Leyte  
09815963443  
(053) 802-5459

### MINDANAO RSSC

Head: Deonesio B Corong II

#### Zamboanga Branch

OIC:  
Krystal Lynne Duran  
Western Mindanao Command  
Camp Basilio Navarro, Lower  
Calarian, Zamboanga City  
09367938841  
(062) 993-8990

#### Pagadian Extension Office

In-charge: Jessa G Yangao  
Kuta Dao, Pagadian City  
09530785118

#### Dipolog Extension Office

In-charge:  
Kenneth Joshua Banagudos  
3F, Baluma Building, Rizal Ave.,  
Central Barangay  
Dipolog City  
09067105971

#### Jolo Extension Office

In Charge: Katarina P Dinsuat  
Kuta Heneral Teodulfo Bautista  
Brgy Busbus, Jolo, Sulu  
09368785489

#### Bongao Extension Office

In Charge: Al-baharuddin H Jailang  
2F, Midway Plaza,  
Brgy.Pag-asa, Bongao, Tawi-Tawi  
09774759553

#### Cagayan De Oro Extension Office

Supervisor: Conchita Ma  
Concepcion L Salazar  
Nuñez Bldg, Zone 1, Bulua  
Cagayan De Oro City  
09067224070  
(088) 880-8703

#### Iligan Extension Office

In-charge: Jefilamae T Silao  
GF, Abalos Bldg. II, San Miguel  
Corner Burgos Street  
Iligan City  
0916-109-9712  
(063) 222-3718

#### Malaybalay Extension Office

In Charge: Marie Lei L Pamittan  
GF, Pace Building, Fortich  
Street, Malaybalay City  
Bukidnon  
09361467366  
(088) 813-0575

#### Butuan Extension Office

OIC: Shirley Mae D Millan  
Door 1 Apatan Bldg., Brgy.  
Bancasi, Butuan City  
09121372590  
(085) 815-3764

#### Surigao Extension Office

In-charge:  
Nyza Madhel E Bondaog  
2F, A Santos Bldg.  
1208-C Diez St, Brgy Taft  
Surigao City  
09811376457  
(086) 826-0459

#### Tandag Extension Office

In charge:Cindy P Felias  
GF, Tecon Bldg. Quezon St.  
Bag-ong Lungsod  
Tandag City  
Surigao Del Sur  
09518792941

#### Davao Branch

OIC: Jonephine G Porton  
2F, AFPMBAI Bldg, Maya St.  
Ecoland, Matina, Davao City  
09361958075  
(082) 297-5482

#### Mati Extension Office

In-charge:  
Paullyn Grace P Gamayon  
Manongas Bldg. Limotoc St.  
Mati City  
09632809102  
(087) 811-7425

#### General Santos Extension Office

In-charge:Janet M Jaudian  
3F, SAFI Bldg., 2,  
Mansanitas St. cor  
Magsaysay Ave.  
General Santos City  
09393511249  
(083) 553-1454

#### Cotabato Branch

Supervisor: Annaliza B Lim  
2F, Herrera Bldg.,  
154 Quezon Ave,  
Cotabato City  
09156286729  
(064) 421-4004

#### Kidapawan Extension Office

In-Charge: Janelyn S Llaban  
2F, ZEPOL Bldg. Quezon Blvd.  
Kidapawan City  
09307303930  
(064) 248-0139

#### Tacurong Extension Office

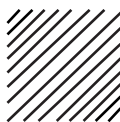
In-Charge: Richard S Corpus  
13-B, 2F, Notre Dame  
Centrum II, National Highway  
Tacurong City, Sultan Kudarat  
09946280129  
(064) 562-3602

## INDEPENDENT AUDITOR'S REPORT

# *Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI)*

**Financial Statements**

**As at and for the years ended December 31, 2022 and 2021**



Isla Lipana & Co.

### **Independent Auditor's Report**

To the Board of Trustees and Members of  
**Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI)**  
 AFPMBAI Building, Col Bonny Serrano Road,  
 Corner Epifanio delos Santos Avenue,  
 Quezon City

### **Report on the Audits of the Financial Statements**

#### ***Our Opinion***

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI) (the "Association") as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

#### ***What we have audited***

The financial statements of the Association comprise:

- the statements of financial position as at December 31, 2022 and 2021;
- the statements of total comprehensive income for the years ended December 31, 2022 and 2021;
- the statements of changes in fund balance for the years ended December 31, 2022 and 2021;
- the statements of cash flows for the years ended December 31, 2022 and 2021;
- the notes to the financial statements, which include a summary of significant accounting policies.

#### ***Basis for Opinion***

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Independence***

We are independent of the Association in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics.



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 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.





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 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.





Isla Lipana &amp; Co.

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 audits were 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 audits 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.**

  
 Ruth F. Blasco  
 Partner

CPA Cert No. 112595

P.T.R. No. 0018519, issued on January 9, 2023, 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 November 14, 2025

Makati City  
 April 12, 2023



## STATEMENTS OF FINANCIAL POSITION

Statements of Financial Position  
December 31, 2022 and 2021  
(All amounts in Philippine Peso)

	Notes	2022	2021
<b><u>ASSETS</u></b>			
Cash and cash equivalents	2	1,421,242,606	1,065,753,299
Other investments	2	3,611,115,257	5,615,827,407
Loans receivables, net	3	12,330,744,343	10,653,511,862
Held-to-maturity (HTM) investments	4	11,402,158,084	8,117,623,955
Available-for-sale (AFS) investments	4	1,808,419,477	1,668,050,809
Financial assets at fair value through profit or loss (FVTPL)	4	14,875,162	43,194,645
Premiums receivable from members		35,750,017	591,575
Other receivables, net	5	422,396,203	450,316,466
Assets held for sale	6	91,435,743	95,978,558
Investment properties	7	6,482,287,328	6,363,446,149
Investments in subsidiary and associates, net	8	453,265,704	456,105,704
Property and equipment, net	9	630,325,697	620,099,242
Other assets, net	10	44,608,739	46,527,478
<b>Total assets</b>		<b>38,748,624,360</b>	<b>35,197,027,149</b>



### LIABILITIES AND FUND BALANCE

Accounts payable and accrued expenses	11	495,980,714	396,204,942
Legal policy reserves	12	17,699,386,481	16,005,210,079
Claims and benefits payable	13	790,826,899	880,038,910
Dividends payable	14	385,817,071	314,516,672
Income tax payable	23	11,872,066	180,975
Reserve for members' refund	15	4,933,718,459	4,245,019,101
Net retirement liability	21	177,096,306	322,042,903
Deferred tax liability	23	1,443,970,303	1,414,260,008
Other liabilities		300,849,840	220,394,025
<b>Total liabilities</b>		<b>26,239,518,139</b>	<b>23,797,867,615</b>
Members' contributions	16	79,121,043	79,189,327
Accumulated other comprehensive income		243,292,320	114,133,537
Accumulated net income:	17		
Assigned		133,197,717	168,853,368
Unassigned		12,053,495,141	11,036,983,302
<b>Total fund balance</b>		<b>12,509,106,221</b>	<b>11,399,159,534</b>
<b>Total liabilities and fund balance</b>		<b>38,748,624,360</b>	<b>35,197,027,149</b>

# STATEMENTS OF TOTAL COMPREHENSIVE INCOME

## Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI)

Statements of Total Comprehensive Income  
For the years ended December 31, 2022 and 2021  
(All amounts in Philippine Peso)

	Notes	2022	2021
<b>UNDERWRITING INCOME</b>			
Insurance premiums	19	4,268,370,495	4,179,506,191
<b>UNDERWRITING EXPENSE</b>			
Claims expense	13	(2,053,097,726)	(2,351,901,020)
Commission expense		(246,556,199)	(229,313,530)
Dividend expense	14	(158,154,835)	-
Increase in legal policy reserves	12	(1,694,176,402)	(1,531,137,813)
<b>NET UNDERWRITING INCOME</b>		<b>116,385,333</b>	<b>67,153,828</b>
<b>INTEREST INCOME</b>	4	<b>1,785,301,774</b>	<b>1,464,874,069</b>
<b>INTEREST EXPENSE</b>		<b>(10,346,356)</b>	<b>(33,034,393)</b>
<b>NET INTEREST INCOME</b>		<b>1,774,955,418</b>	<b>1,431,839,676</b>
<b>REVERSAL OF (PROVISION FOR)</b>			
CREDIT LOSSES	3, 7	102,464,188	(182,639,382)
<b>NET INTEREST INCOME AFTER CREDIT LOSSES</b>		<b>1,877,419,606</b>	<b>1,249,200,294</b>
<b>OTHER INCOME</b>			
Increase (decrease) in fair value of investment properties		118,841,179	(193,040,500)
Policy income		123,553,177	119,461,709
Rental income	24	89,380,564	84,862,547
Dividend income	4	6,260,850	5,707,350
Gain on sale of assets held-for-sale	6	2,669,580	1,487,490
Gain on sale of AFS investments		5,892,388	1,732,800
Other income, net	9	9,270,879	193,154,990
		<b>355,868,617</b>	<b>213,366,386</b>
<b>INCOME BEFORE OPERATING EXPENSES</b>		<b>2,349,673,556</b>	<b>1,529,720,508</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	20	<b>(1,206,329,762)</b>	<b>(1,110,232,391)</b>
<b>INCOME BEFORE INCOME TAX</b>		<b>1,143,343,794</b>	<b>419,488,117</b>
<b>INCOME TAX (EXPENSE) BENEFIT</b>	23	<b>(158,703,455)</b>	<b>217,612,272</b>
<b>NET INCOME FOR THE YEAR</b>		<b>984,640,339</b>	<b>637,100,389</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
Item that may be subsequently reclassified to profit or loss			
Net movement in cumulative fair value changes on AFS investments	4	(20,083,569)	29,084,680
Item that will not be subsequently reclassified to profit or loss			
Remeasurement gain (loss) on retirement benefit obligation	21	149,242,352	(53,975,173)
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>		<b>129,158,783</b>	<b>(24,890,493)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>1,113,799,122</b>	<b>612,209,896</b>

(The notes on pages 1 to 59 are an integral part of these financial statements.)





# STATEMENTS OF CHANGES IN FUND BALANCE

## Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI)

Statements of Changes in Fund Balance  
For the years ended December 31, 2022 and 2021  
(All amounts in Philippine Peso)

	Members' contributions (Note 16)	Accumulated income		Accumulated other comprehensive income (Note 4,21)	Total
		Assigned (Note 17)	Unassigned		
<b>Balances as at January 1, 2021</b>	<b>77,017,387</b>	<b>406,571,827</b>	<b>10,166,101,825</b>	<b>139,024,030</b>	<b>10,788,715,069</b>
Transactions with members					
Contributions during the year	2,171,940	-	-	-	2,171,940
Total transaction with members					
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 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
<b>Balances as at December 31, 2021</b>	<b>79,189,327</b>	<b>168,853,368</b>	<b>11,036,983,302</b>	<b>114,133,537</b>	<b>11,399,159,534</b>
Transactions with members					
Contributions during the year	(68,284)	-	-	-	(68,284)
Other movements					
Reversal of assigned accumulated income	-	(31,871,500)	31,871,500	-	-
Utilization of assigned accumulated income	-	(3,784,151)	-	-	(3,784,151)
Total other movements	(68,284)	(35,655,651)	31,871,500	-	(3,852,435)
Comprehensive income (loss)					
Net income for the year	-	-	984,640,339	-	984,640,339
Other comprehensive income	-	-	-	129,158,783	129,158,783
Total comprehensive income for the year	-	-	984,640,339	129,158,783	1,113,799,122
<b>Balances as at December 31, 2022</b>	<b>79,121,043</b>	<b>133,197,717</b>	<b>12,053,495,141</b>	<b>243,292,320</b>	<b>12,509,106,221</b>

(The notes on pages 1 to 59 are an integral part of these financial statements.)

# STATEMENTS OF CASH FLOW

## Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI)

Statements of Cash Flows  
For the years ended December 31, 2022 and 2021  
(All amounts in Philippine Peso)

	Notes	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash (used in) generated from operations	18	(169,943,856)	60,806,231
Interest received		1,204,742,838	1,466,370,973
Income tax paid		(117,302,069)	(117,577,329)
Contributions to the retirement fund		(41,680,000)	(41,680,000)
Dividends paid	14	(97,200,792)	(148,735,681)
<b>Net cash from operating activities</b>		<b>778,616,121</b>	<b>1,219,184,194</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		569,087,355	515,107,666
Dividends received		6,260,850	-
Acquisitions of:			
Short-term investments		(6,201,646,975)	(6,813,341,023)
Long-term investments	2	-	(230,000,000)
HTM investments	4	(4,074,256,602)	(2,432,172,397)
Property and equipment	9	(64,096,808)	(34,507,326)
Investments at FVTPL		(24,898,276)	(47,514,442)
Assets held for sale		(2,195,493)	(1,629,985)
AFS investments	4	(180,202,291)	(23,439,745)
Proceeds from sale/maturities of:			
Short-term investments		7,506,359,125	6,046,467,432
HTM investments	4	793,728,830	1,605,360,187
AFS investments		25,642,422	57,650,001
Long-term investments	2	700,000,000	-
Investments at FVTPL		54,984,794	22,203,714
Property and equipment		5,705,960	5,891,041
Assets held for sale		9,407,888	4,753,896
Investments in a subsidiary and associates - net		2,840,000	17,160,000
<b>Net cash used in investing activities</b>		<b>(873,279,221)</b>	<b>(1,308,010,981)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from:			
Reserve for members' refund of equity value	15	587,287,269	570,992,629
Members' contributions		68,284	2,171,940
Payment of refund on members' contributions	15	(133,418,995)	(102,541,631)
Payment upgrade of systems, equipment & facilities and capacity building		(3,784,151)	-
<b>Net cash from financing activities</b>		<b>450,152,407</b>	<b>470,622,938</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>355,489,307</b>	<b>381,796,151</b>
<b>CASH AND CASH EQUIVALENTS</b>			
January 1		1,065,753,299	683,957,148
December 31		<b>1,421,242,606</b>	<b>1,065,753,299</b>

(The notes on pages 1 to 59 are an integral part of these financial statements.)





# ANNUAL REPORT 2022

## CONTACT

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