

The background of the lower half of the page is a photograph of the AFPMBAI building's exterior. The building has a light-colored facade with large windows and a prominent sign that reads 'AFPMBAI' in large, metallic, three-dimensional letters. The entire image is overlaid with a semi-transparent green filter and a pattern of thin, parallel diagonal lines.

# ANNUAL REPORT 2015

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## VISION

"By 2025, a customer-centered Organization operating in accordance with global standards, preferred and trusted by its members in providing full financial security and protection."

## MISSION

"To provide our members the most responsive insurance protection and investments, affordable housing/financial products, and meaningful social services."

## VALUES

With the guiding faith to the Lord God Almighty, we adhere to the following:

Customer  
Centered

Integrity

Social  
Responsibility

Prudence

Professionalism



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# MESSAGE FROM THE CHAIRMAN

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Imbued with outstanding professionalism and commitment, the Armed Forces and Police Mutual Benefit Association Inc. (AFPMBAI) has managed to perform its varied task with excellence for the benefit of our valiant men and women in uniform. Through the years, AFPMBAI has achieved remarkable feats in providing effective insurance protection, affordable financial products and responsive social services.

Our theme, ***“Karamay mo noon. Kaagapay mo noon. Kabalikat mo habang panahon.”*** is a meaningful declaration of our enduring dedication to serve with goodwill and cultivate a lasting partnership with our customers. Indeed, we have proven that even in the most difficult and challenging situations, our Association remains as the steady partner of our members in times of need.

As your AFPMBAI Chairman of the Board, I congratulate everyone for your selfless contribution which led us to achieve financial breakthroughs for this year. It is my ardent prayer that we remain steadfast in sustaining our momentum in the years to come.

Mabuhay ang AFPMBAI!

A stylized black ink signature of General Hernando DCA Iriberry.

**General Hernando DCA Iriberry AFP**  
**Chairman and AFP Chief of Staff**

A man with dark hair, smiling, wearing a green suit, white shirt, and patterned tie. He has his arms crossed and is standing against a white background.

# REPORT OF THE PRESIDENT

## **Of Beginnings and Stability**

50 years standing! It is indeed a great deal of achievement surpassing 50 years of existence in the industry, particularly of a life insurance business intended to serve the strong force of uniformed personnel.

My sincerest gratitude to you, my fellow members, who have shared the journey of AFPMBAI's evolution and success. AFPMBAI remains to be the top mutual benefit association in the country in terms of assets and revenues.

From its advocacy of "Damayan" where contributions were started at a minimal amount, AFPMBAI became an institution recognized by the regulatory agencies, functioning today as the number 1 mutual benefit association in terms of assets in the country, providing quality insurance protection.

For CY 2015, the Association had accumulated total assets of P16.16Billion, an increase of 12% from its P14.45Billion figure from the previous year, and recorded a consolidated revenue of P3.078Billion. The Association's continuous growth is notable of its increased earnings of total comprehensive consolidated income of P685.54Million from its previous year's figure of P542.90Million. This is attributed to the continuous efforts from the Management, its employees and the unceasing guidance from the Board of Trustees.

## **Leap for Another 50 Years**

From where it is today, I am honoured and at the same time challenged with the responsibility of taking the first steps that will prompt AFPMBAI's journey to its next golden year. A good beginning should be in place and carefully identified for us to make it through another 50 years amidst challenges and the permanent scenario of changes.



For CY 2015, the Management enhanced the Company's Vision and Mission in line with its crafted three (3)-year Strategic Objectives. The conceptualized new Vision *"By 2025, a customer-centered organization operating in accordance with global standards, preferred and trusted by its members in providing full financial security and protection"* is AFPMBAI's manifestation of sustaining its operation and service to the members to be globally competitive.

While its new Mission *"To provide our members the most responsive insurance protection and investments, affordable housing/financial products and meaningful social services"* expresses a holistic approach of catering all the members' needs aside from life insurance.

On August 29, 2015, The Association also held its first Special General Membership meeting which marked the Management's effort of engaging its members in the decision making process of the Association. This meeting will be preceded by a yearly Annual General Membership meeting where majority of the members will be gathered to be informed of the Association's performance and its other significant transactions in the spirit of transparency.

### **Business Portfolio**

Part of AFPMBAI's constant initiative is its continuous development of its products and services. The former Basic Insurance coverage of the members has been enhanced into what we now call the Upgraded Basic Insurance (UBI) and Modified Basic Insurance (MBI). In 2015, the BFP and BJMP Management both signed a Memorandum of Agreement (MOA) for the UBI coverage of all of their uniformed personnel.

As being done annually, the Association declared total dividends based on 1.40% of policy reserves (approximately P104.188 Million) to be distributed to approximately 151,546 eligible policy holders of Additional Insurance and E-56) that will be released on the policy's anniversary month starting January 2016.

For the covered period July 2015 to April 2016, the Association processed and released P2.981 Billion living benefits for 134,487 members. Moreover, for the said period, a total death benefit claims of P113.106 Million was released to 1,855 members.

In uplifting the lives of its members, AFPMBAI had also laid our foundation for CY2015 projects by starting the development of Golden Sunrise Mutual Homes in Tanza, Cavite, the latest members' subdivision. Moreover, for the period July 2015 to April 2016, the Association granted a total of P164.04 Million real estate mortgage loans for 113 members and a total of P89.59 Million real estate housing loans for 89 members.

Also this year, AFPMBAI launched its Pre-Retirement Real Estate Loan which can be availed of a member who is due for

compulsory retirement from the service within 5 years or less.

For the year, the Association also granted a calamity loan of P50 Million to members affected by Typhoon Lando.

AFPMBAI will continue to explore and adapt to changes in improving its products and services that will be more beneficial to its members.

### **Management Enhancement**

To better serve those who serve, AFPMBAI engaged the services of an HR consultant who has been reviewing the existing organizational structure of the Association to rationalize functions and channels of authority for efficient operation and maximum productivity. Changes in Management commenced as AFPMBAI personnel were evaluated based on their current positions and job competencies.

Another project of the Association is the implementation of HRIS (Human Resource Information System), a system designed to enhance and speed up collection and dissemination of HR data. HRIS plays a major role in the creation of accurate and timely reports pertaining to salaries and benefits and employee demographics that would help Management in its decision making and strategic planning activities.

The Association also installed an enhanced its Performance Development Management System (PMDS) that will aid Management to realize its strategic objectives and increase its productivity. The said program involved series of orientation and coaching sessions in the first quarter of 2016 and a follow through of Balanced Scorecard seminars were also conducted which focused on the deployment of core values, setting of targets and strategies, and its alignment to the different strategic objectives of the Association covering all the perspectives (financial, internal business process, members/customers, learning and growth and social impact) as well as the setting of metrics for evaluation of the said perspectives.

### **Commitment to Serve**

In its mission to provide its members the best services, the Association has launched a series of projects:

#### **Enhanced AFPMBAI Members' ID Card**

The enhanced AFPMBAI member's ID card which was launched in September 2015 intends to give members the convenience of having membership identification and ATM functionality in one card. It can also be used by the members for disbursement of their claims.

#### **SM Bills Payment**

AFPMBAI also engaged the services of SM Mart as a Collecting Agent where members can pay their loans, insurance premiums

and other dues to the Association at over 200 branches of SM Bills Payment counters of SM Malls located at SM Department Store, SM Supermarket, SM Hypermarket, and Savemore nationwide, seven (7) days a week. The said facility will make bills payment hassle-free for the members, saving them time from going to and from any AFPMBAI offices for payment.

#### **Real Estate Monitoring System (REMS)**

For Real Estate transactions, the Association started an in-house development of Real Estate Monitoring System where it will make possible the generation of payment schedule or ledger, uploading of scanned TCTs for verification purposes and creation of Deed of Absolute (DAS) record. This is a step closer to streamlining the Association's manual business processes which is beneficial to our members.

#### **Law Lecture Series**

The Legal Team of AFPMBAI also conducted a Law Lecture Series in the different camps and station offices of the different branches of services which addressed the clamour of members for basic knowledge and familiarity with the laws on Family and Marriage, Estate Succession, Commercial Contracts, Property Law and Registration, Civil Litigation, Criminal Law, Civil Contracts and Labor.

#### **Upgrade of Butuan Extension Office into a Branch**

To be felt by members nationwide, AFPMBAI extended its presence in Mindanao with the upgrade of Butuan Extension Office to a Branch. Being a Branch, members can file and claim their claims expeditiously.

#### **Construction of LBO Building and Rehabilitation of Annex Building**

The construction of Luzon Branch Office (LBO) Building in Bayani Road, Taguig City and the rehabilitation of Annex Building were initiated by Management to provide its members better facilities where they can be comfortable while transacting business with us.

All these are apart from the projects and programs continuously implemented by the Association through its Corporate Social Responsibility, in keeping its commitment to serve the needs of its members and their families.

#### **Subsidiary Report**

The AFP General Insurance Corporation, AFPMBAI's wholly owned subsidiary, recorded a net loss after tax of P17.6 Million for CY2015. Their Gross Premium Written (GPW) for year-to-date April 2016 amounted to P47.2 Million which was an increase of 56% from their production on the same period last year. Their

total Assets also grew by 2% from their 2015 year-to-date figure of P592 Million to P605.5 Million for the same period this year.

Despite their struggles caused by the loss of their institutional business with AFP, PNP and PCG, AFPGen remained steadfast in its continuous efforts in creating initiatives to enhance its products and services.

Company developments of AFPGen include their signed MOA with Money Max for a partnership to continue its services to its clients all over the country and received their Authority to Transact Business as Surety with the following ports in Manila, Manila International Container, Ninoy Aquino International Airport, Clark, Subic, and Cagayan De Oro. AFPGen also conducts monthly sales drive in various parts of the country to strengthen their sales.

AFPGen will work harder in sustaining their business to provide the non-life insurance needs of their clients 24/7.

#### **Moving Forward**

The AFPMBAI Management will continue all the improvements it has begun and will sustain its efforts of living its mandate to provide insurance protection and welfare benefits to the men and women in uniform, including their families.

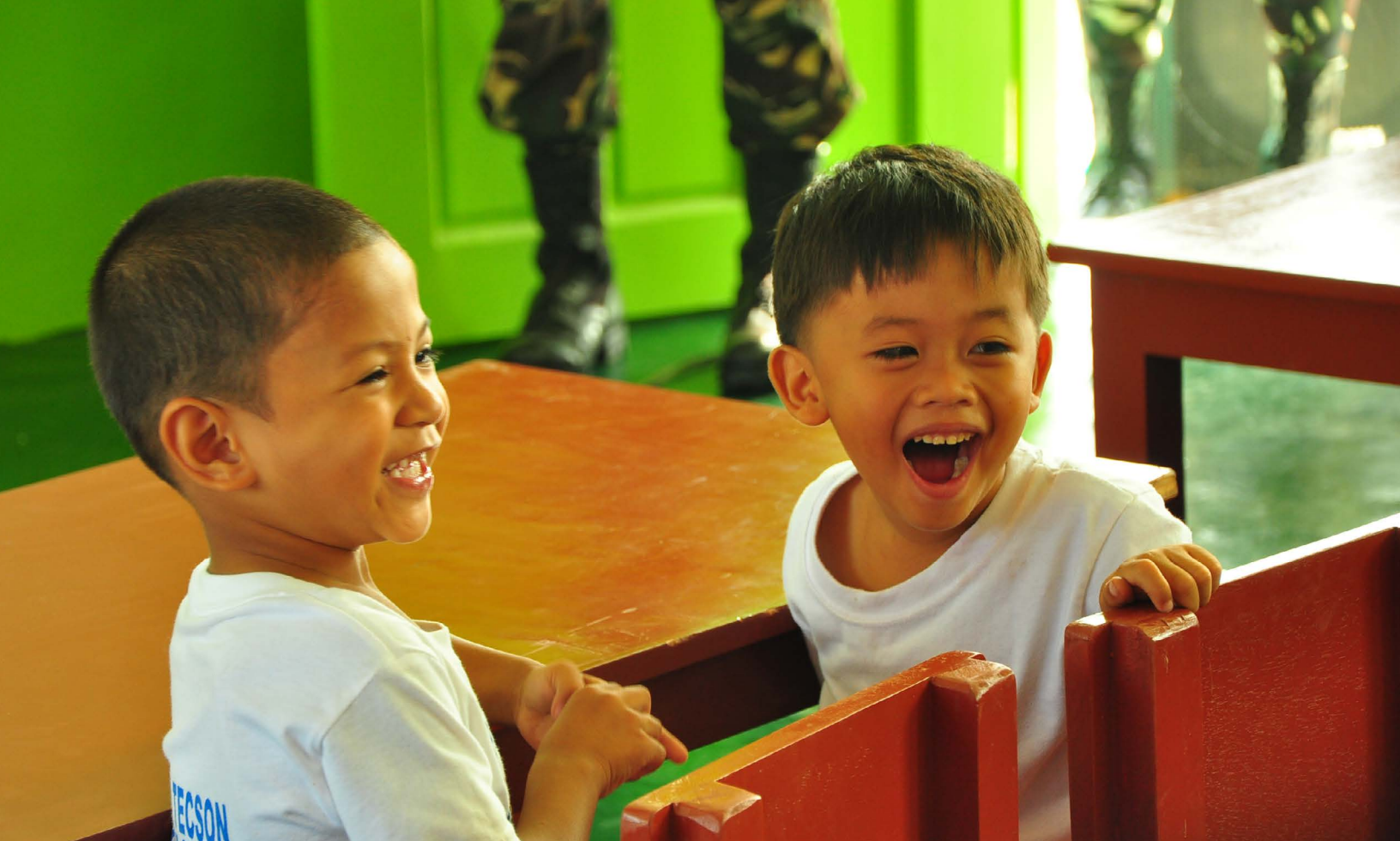
For the next years of AFPMBAI, we will see opportunities in the challenges that the Association may face ahead. Together, AFPMBAI will rise and embrace the changes that will improve its products and services making it the best, the most responsive to the needs of members and globally competitive.

For AFPMBAI's next 50 years! Mabuhay Tayong lahat!



**MGEN EDGARDO RENE C SAMONTE AFP (RET)  
PRESIDENT AND CEO**





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# CORPORATE SOCIAL RESPONSIBILITY

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In line with its mission, AFPMBAI is steadfast in its pledge to remain an uplifting force in the lives of its members as it continues to address their plight by providing them with assistance to improve the quality of their lives.

AFPMBAI is resolute in its mandate in delivering its members meaningful social services through its various projects under the Social Services Program in the areas of Education, Health, Livelihood, General Welfare and Community Development.

## **GIVING UTMOST SIGNIFICANCE TO EDUCATION**

AFPMBAI uplifts the significance of education in one's future. This is why the Association is unceasing to seed dependents of members with the gift of education through persuaded projects which provide quality education to dependents in lieu of honoring the valor and sacrifice of the members for the country.

The AFPMBAI has an enduring scholarship partnership program with the AFP Educational Benefit System (AFPEBSO) which led to the establishment of the GRANTS for DEPENDENTS (GRADE) Scholarship Program in 2012. The GRADE Program is the scholarship program of the Association which provides stipend benefits amounting to P 12,000.00 to dependents of AFP members who were

killed in action.

Through the said scholarship program, AFPMBAI has assisted 18 students to earn an undergraduate degree, while 28 are still continuing. For AY 2016 – 2017, two (2) students have been added to the list of scholars. Currently, the Association has a total of 65 AFPEBS scholars.

In November, another scholarship program has been approved for implementation in CY 2016, the extension of the GRADE Scholarship Program to junior and senior high school students who are likewise, dependents of members who were either killed in action or discharged due to complete disability because of combat reasons. To date, two students have been accepted as scholars for its first kickoff.





*Proud to be a GRADE scholar graduate:  
Princess Lea Flores  
BS Travel Management - UE Caloocan  
Graduated March 2016*



*Livelihood Education And Development (LEAD) Seminar in Cebu in ties with UCPB.*



*Mass donation to all branches of services in commemoration of the Association's Golden Anniversary Celebration.*



*Inauguration and blessing of the 4th Early Childhood Care and Development (ECCD) Center which was turned over to 6th Infantry Division in Camp General Manuel T Yan Sr., Compostella Valley Province.*

In 2014, AFPMBAI has extended its wing for projects focused on education. Thus, the launch of the Early Childhood Care and Development (ECCD) Center. The ECCD Program intends to deliver excellent educational facilities and equipment to members' dependents nationwide.

Under the ECCD Program, AFPMBAI has aided in the construction of early childhood centers and classrooms, which piloted in FSRR in San Miguel Bulacan in 2014; and the latest center being built in 2nd Infantry Division, Camp Capinpin, Tanay Rizal. Presently, four (4) ECCD Centers have been turned over and the 5th center will be turned over this year.

## ADVOCATING BETTER HEALTH AND WELLNESS

The costly health services and equipment became an opportunity for the Association to initiate numerous health projects and programs providing medical services and assistance to the members.

In CY2015, AFPMBAI has turned over 16 wards through the Adopt-A-Ward Program. The Association improved medical facilities of recipients through equipment donations and ward renovations. Relative to these efforts, (7) HEAL (Healthy and Active Lifestyle) packages and 13 dental chairs were likewise given to improve the physical well being of



Ambulance and entertainment package donation to SOLCOM.

E-car donation to Camp Vicente Lim.

Blood letting activity in partnership with NKTl.

Rescue ambulance donation to Basa Air Base.

our members.

## CREATING AVENUES FOR FINANCIAL STABILITY

Livelihood Education and Development (LEAD) was initiated in 2014 as the Association saw the opportunity of providing the members and their families avenues to enrich their economic well being through free seminars focused on financial management, basic principles of starting a business, and various livelihood opportunities.

This year, AFPMBAI, in ties with UCPB have also reached members in Visayas and Mindanao as three (3) seminars on Financial Management were conducted in Manila, Cebu and Davao, with A total of 456 members and civilian employees participated in the said seminar.

And to enhance general welfare and boost the morale of our members, the Association has turned over several entertainment packages to selected units of the different branches of service. Among which of the entertainment packages include microphone, speakers, amplifiers.

## PROVIDING HOLISTIC BENEFITS

Furthermore, the Association employs assistance in improving the members' emergency facilities hence, the donation of 16 rescue ambulances as part of the Calamity Assistance and Resistance (CARE) Project. A rescue ambulance unit is complete with rescue tools, such as shovels, 24-inch axe, head immobilizers, 24-inch bolt cutters, chainsaws, all-risk helmets, spine boards and pneumatic chisels. The said donations were turned over to aid the different branches of service in mitigating pre-and post- emergency responses to natural and man-made calamities that can happen in the country.

## SUSTAINING ADVOCACY FOR CHANGE

AFPMBAI's desire to be a catalyst of change in the country made the Association establish the Rebuilding. Empowering. Advocating Change (REACH) Project. The REACH Project aims to pursue community development projects that uplift the value of volunteerism among members and civilian employees. In June 2015, the Association conducted a fun run tagged as "REACH Run for the Mangroves" where over 900 runners participated the activity. This was followed by a simultaneous mangrove planting activity in Cavite, Cagayan de Oro and Tacloban.

Helping save one's life was the mantra of the blood donation drive conducted in April, in partnership with the National Kidney Transplant Institute (NKTl) where members and AFPMBAI employees joined this event for a cause.

## GOING BEYOND OUR DUTIES

Aside from being the forefront provider of financial security and protection to its members, AFPMBAI also partakes in enriching the well being of the uniformed men and women. The Association commits to a bolder change not only to the members but to the nation as well. The Association is resolute in its mandate of providing unwavering service to its members.

This is AFPMBAI, your Association, our Association, maaasahan sa lahat ng oras!



# GOVERNANCE REPORT

In 2015, AFPMBAI recorded significant achievements as it met the challenges of lifting the bar of the Association's standards for good corporate governance. Being the No. 1 mutual benefit Association in the Philippines in terms of assets, the Association acknowledges its role as the standard-bearer of all mutual benefit associations in the country by striving to be among the industry leaders adhering to the ASEAN Corporate Governance standard. 2015 saw AFPMBAI furthering its efforts toward achieving this standard by instituting changes in its Charter, among other reforms, in the conduct of its business.

## ASEAN CORPORATE GOVERNANCE SCORECARD

In 2014, AFPMBAI adopted the ASEAN Corporate Governance Standards in preparation for the 2015 ASEAN Financial Integration. AFPMBAI supports the five core principles of good corporate governance as endorsed by the Organization for Economic Cooperation and Development (OECD). AFPMBAI recognizes the rights and equitable treatment of its members, acknowledges the role of its stakeholders, puts great emphasis on disclosure and transparency in its business transactions and operations, as well as strengthens the responsibilities of the Board of Trustees in steering the company towards raising the bar of corporate governance in the mutual benefit industry.

## PROTECTING MEMBERS' RIGHTS AND ENSURING EQUITABLE TREATMENT

With the success of its efforts in 2014 to obtain a consensus from two-thirds of the general membership, the Association was able to re-institute the Annual General Membership Meeting (AGM) in its By-Laws, which was approved by the Securities and Exchange Commission (SEC) on May 12, 2015. Since the schedule for an AGM had, by that time, already passed (schedule per Amended By-Laws is every last Saturday of April), AFPMBAI immediately prepared for a Special General Membership Meeting (SGM) scheduled on August 29, 2015. During the SGM, the Association informed the general membership present of the outcome of their consensus: the stamp of approval of the Insurance Commission (IC) and SEC on the proposed amendments to the Association's Articles of Incorporation and By-Laws. Questions were entertained from the members and the resulting exchange of ideas served as inputs for the Board and Management on how to improve the operations of the Association in accordance to the members' need and preference.

Immediately following the SGM, the Board of Trustees convened the Ad-Hoc Committee on Amendments to look into other provisions in the By-Laws which may be improved, in preparation for the AGM of April 2016.

## RECOGNIZING THE ROLE OF STAKEHOLDERS

AFPMBAI is committed to the interests of its stakeholders and their significant role in the success of the Association in the industry for 50 years.

The Association recognizes their importance by continually enhancing its internal processes that increases customer value and customer experience. Likewise, improving products and services that are beneficial to its members.

AFPMBAI also gives priority to its employees through providing them with relevant skills training seminars and workshops as well as holistic programs which promotes safety and welfare of the Association's workforce.

Stakeholders are also ensured with access to relevant and reliable information on a timely and regular basis.

## DISCLOSURE AND TRANSPARENCY

The AFPMBAI Board is transparent and fair in the facilitation of the Annual General Membership Meeting where members are strongly encouraged to participate by personally attending the said meeting.

On August 29, 2015, the AFPMBAI held its Special General Membership Meeting (SGMM) to re-institute and ratify the proposed amended Articles of Incorporation and By-Laws approved by Securities and Exchange Commission (SEC) last May 12, 2015. The SGMM was preceded by the President's report and ratification of the Amended Articles of Incorporation and By-Laws through election and proxy voting of all regular members of the Association.

AFPMBAI undertakes submission of annual reports, corporate governance reports and financial statements.

Also, the Association continues to improve different mediums to disclose to the members and the general public its current undertakings, as well as explicit information on the following:

- AFPMBAI History
- Vision, Mission, and Philosophy of Service
- Organization and Management Team
- Corporate Governance
- Board of Trustees
- Products and Services
- Social Services
- List of Stakeholders
- Newsletters
- Contact Information for all branches and extension offices nationwide



## COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE

To guarantee AFPMBAI's adherence to corporate governance standards and best practices, the Board of Trustees designated a Compliance Officer who ensures the Association's observance of provisions of the Code of Corporate Governance. The said officer is also responsible in identifying, monitoring and controlling compliance risks, as well as submission and delivery of requirements to the government regulatory agencies such as Securities and Exchange Commission (SEC), the Insurance Commission (IC), the Bureau of Internal Revenue (BIR) and other regulatory bodies.

## UPHOLDING THE VALUE OF INTEGRITY

AFPMBAI is committed to maintain the highest ethical standards and vigorously enforce the integrity of business practices nationwide. The Association will not engage in bribery or corruption.

## SAFEGUARDING CREDITOR'S RIGHTS

AFPMBAI supports strategic partnerships with creditors, suppliers and such with service commitment to comply with the agreements, payment obligations and contracted responsibilities. Also, the Procurement Policy promotes systematic guidelines of procurement of goods and materials owned by the Association.

## REBUILDING. EMPOWERING. ADVOCATING CHANGE

The Association's unwavering commitment to be agents of change propelled the creation of the Rebuilding. Empowering. Advocating Change Project or REACH. The REACH project aims to empower members and employees to become advocates of change through volunteering in numerous activities that create greater social impact.

In 2015, under the REACH project, a fun run was held in support to the simultaneous tree planting in Cavite, Tacloban and Cagayan de Oro.

## RESPONSIBILITIES OF THE BOARD

In accordance with AFPMBAI's Manual of Corporate Governance, the Board of Trustees shall have management and control over the affairs and properties of AFPMBAI. In addition to the above general powers, the Board of Trustees shall have the following specific powers:

1. To determine the AFPMBAI's corporate purpose, its

vision and mission and strategies to carry out its objectives;

2. To formulate and define the policies, guidelines and controls necessary to carry out its corporate purposes in accordance with existing laws, rules and regulations, its Articles of Incorporation and By-Laws, and best business practices;

3. To have overall supervision and control, including the power to hire and fire, promote and discipline, and fix the remunerations and terms of employment, of the officers and personnel of the AFPMBAI, and to delegate such powers to the management of AFPMBAI as may be proper or necessary;

4. To authorize the investment of funds in securities, properties and businesses in accordance with law;

5. To determine the organization of, and establish the governing rules and regulations for the AFPMBAI;

6. To perform such acts and exercise such powers necessary to accomplish its corporate purposes;

7. To adopt a system of internal checks and balances and to ensure that its actions comply with all laws, rules and regulations, its Articles of Incorporation and By-Laws, and the business practices;

8. To adopt an annual budget of expenditures for the operation of the Association and appropriate funds therefore;

9. To prescribe the amount and mode of distribution of surplus.

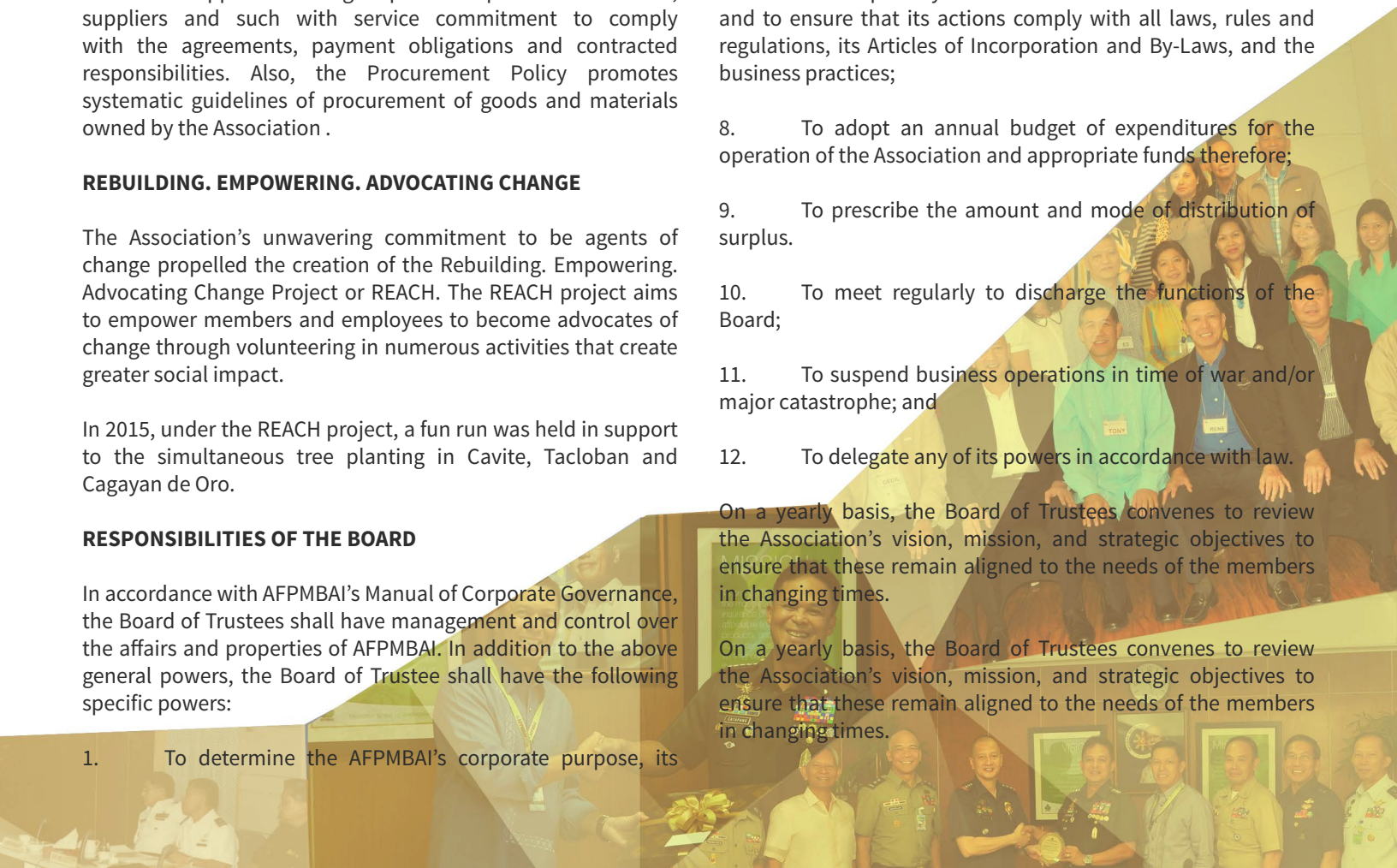
10. To meet regularly to discharge the functions of the Board;

11. To suspend business operations in time of war and/or major catastrophe; and

12. To delegate any of its powers in accordance with law.

On a yearly basis, the Board of Trustees convenes to review the Association's vision, mission, and strategic objectives to ensure that these remain aligned to the needs of the members in changing times.

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## BOARD MEMBERS

The AFPMBAI Board of Trustees is currently composed of thirteen (13) members:

- The AFP Chief of Staff as Chairman of the Board;
- The AFPMBAI President as the only executive trustee;
- One (1) representative each from the Major Service Commands of the Armed Forces of the Philippines: Philippine Army, Philippine Navy, and Philippine Air Force;
- One member (1) from the AFP Joint Staff at General Headquarters;
- Two (2) representatives from the Philippine National Police;
- One (1) representative each from the Bureau of Fire Protection, Bureau of Jail Management and Penology, and Philippine Coast Guard;
- The AFP Sergeant Major; and
- One (1) independent trustee who is independent of management and major/substantial shareholders.

The Association defines the independent trustee as a person other than an officer or employee of the Association, its parent or subsidiaries, or any other individual having any relationship with the Association which would interfere with the exercise of independent judgment in carrying out the responsibilities of a Trustee. This means that he should be independent of management and free from any business or other relationship which could materially interfere with the exercise of his independent judgment.

The Association's By-Laws allow for two (2) more independent trustees; however, certain limitations in the eligibility for membership have prevented AFPMBAI from seating civilians with the desired expertise for these positions. With the effort to review the Amended By-Laws and incorporate provisions for the purpose beginning September 2015, the Association hopes to open these seats to qualified civilian candidates by 2016.

All members of the AFPMBAI Board of Trustees have been evaluated by the Nomination and Remuneration Committee to possess the necessary academic education and experience related to the business operations of the Association. Their extensive experience and representation enable them to steer AFPMBAI toward its established strategic direction.

The performance of all the members of the Board and the President during the financial year is evaluated through an established performance appraisal system. The performance of Board members is assessed using the following criteria: Ethics/Professionalism, Initiative, Service Representation,

Communication Effectiveness, and Meeting Participation Effectiveness. Each criteria receives a maximum rating of 100%, with the final score being the average rating. Each Board member is evaluated by the Board Chairman and the Chairman of the Governance Committee.

Part A of the performance assessment of the President and only Executive Trustee is based on the corporate score of the Association, a score which effectively rates the performance of the Association with respect to the five (5) perspectives of its Balanced Scorecard, namely: Financial, Customer, Internal Business Process, Learning and Growth, and Social Impact. This portion of the President's assessment receives a maximum of 60 points. Part B of his assessment pertains to his rating on qualitative measures such as: Implementation of Board Resolutions, Effective Relationship with the Board, and Transparency and High ethical Standards. Part B of the assessment receives a maximum of 40 points. The points are then added to come up with the final rating. The President is rated by all the members of the Board of Trustees, including the Chairman.

## Board and Board Committee Meetings

The AFPMBAI Board of Trustees currently has five (5) regular committees and one (1) ad-hoc committee. These are the Governance Committee, the Audit and Enterprise Risk Management Committee, the Investment Committee, the Social Services Program Committee, and the Nomination and Remuneration Committee. Each committee has oversight over the Association's established strategic objectives. The Amendments Committee was convened to review all proposed amendments to the Association's Articles of Incorporation and Amended By-Laws.

All Board and Board Committee meetings for the current year have been scheduled in the previous year. The schedule of meetings for 2015 was approved on November 13, 2014.

## AUDIT AND ENTERPRISE RISK MANAGEMENT COMMITTEE (AERMC)

AERMC's primary purpose is to ensure a thorough review of the financial reporting process and system of internal control, the audit process, and the Association's process of monitoring compliance with existing laws and regulations and its own code of business conduct. It also aims to establish a risk free management system to minimize and control the probability/impact of unfortunate events and to maximize the realization of opportunities.

## CORPORATE GOVERNANCE COMMITTEE

The Governance Committee's primary purpose is to guarantee AFPMBAI's adherence to established and accepted corporate governance principles and best practices, and to ensure the Association's compliance with the Manual of Corporate Governance.

## INVESTMENT COMMITTEE

The Investment Committee ascertains that an investment policy is in place and oversees the execution of investment guidelines and decisions.

## SOCIAL SERVICES PROGRAM COMMITTEE (SSPC)

The SSPC assures that policies and programs for the implementation of social services programs are in place.

## NOMINATION AND REMUNERATION COMMITTEE (NRC)

The NRC's primary purpose is to make sure 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's secondary purpose is to properly develop and implement the Board Performance Management and Remuneration Programs.

## DEFINITION OF INDEPENDENCE (OF DIRECTORS)

**By-Laws: Article 9, Section 2**  
**AS AMENDED on 27 Feb 2015**

The Board of Trustees shall consist of a maximum of fifteen (15) members to be appointed by the Chairman of the Board or elected during the General Membership Meeting. Three (3) of the members shall come from and represent the Major Service Commands, one (1) from the Joint Staff, GHQ, AFP; the AFP Sergeant Major; two (2) from the PNP; one (1) each from the BFP, BJMP, and PCG; the AFPMBAI President, and three (3) independent trustees, one (1) of whom shall be a retired member of the AFP. All members must possess the necessary academic education and experience in business and insurance administration or activities related to the business operations of the Association to qualify as members of the Board.

## CORPORATE OBJECTIVES

Members/Customers

1. Achieve 100 per cent market coverage of uniformed personnel by 2018

2. Create responsive, competitive and differentiated products and services to serve the needs and wants of our members (regular, associate, active and retired)

Social Impact

3. Significantly improve quality of life of members
4. Maximize engagement of members and staff in community development project.

Learning and Growth

5. Promote a culture of productivity, excellence and innovation

Internal Business Process

6. Enhance and create internal processes to improve the conduct of our business environment

Financial

7. Achieve a cumulative net income of P1.5 billion by 2018.
8. Manage risk

## KEY RISKS (FINANCIAL AND NON-FINANCIAL)

### Non- Financial

Based on the top ten risks identified by the members of the Board of Trustees, the non-financial risks include: IT, Culture, Competitor, Product Development, Customer Wants and Satisfaction, Market, Governance, and Regulatory.

A Risk Management Workshop was held where the identified risks were defined, the likelihood of occurrence, impact and velocity to the operations were determined. Solutions on how to mitigate or avoid the said risks are also being work out by the management

### Financial

Refer to pp.55-71 of the Financial Statement Notes.



## RELATED PARTY TRANSACTIONS AND RELATIONSHIPS

Related party relationships exist when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with reporting enterprise, or between and/or among the enterprise and its key management personnel, trustees, or its members.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

## INCOME TAXES OF THE SUBSIDIARY

Income tax on the profit or loss for the year of the Subsidiary comprises current, final and deferred taxes. Income tax is recognized in statements of income.

### Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute this amount are those that are enacted or substantively enacted as at the reporting date.

### Deferred Income Tax

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences and carryforward of unused tax credits from minimum corporate income tax (MCIT) and unused net operating loss carry-over (NOLCO) can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred income tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.

The carrying amount of deferred tax assets is reviewed at reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally

enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current tax and deferred tax are recognized in consolidated statements of income except to the extent that it relates to a business combination or items recognized directly in equity or in OCI.

## PROVISIONS

Provisions are recognized when the Group and the Parent Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group and the Parent Company expect some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain and the expense relating to any provision is presented in profit or loss, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense in profit or loss.

## CONTINGENCIES

Contingent liabilities are not recognized in the consolidated and separate financial statements but are disclosed unless the possibility of an outflow of resources embodying benefits is remote. Contingent assets are not recognized in the consolidated and separate financial statements but are disclosed when an inflow of economic benefits is probable.

## EVENTS AFTER THE REPORTING DATE

Any post year-end event that provides additional information about the Group and the Parent Company's consolidated and separate statements of financial position at the reporting date (adjusting event) is reflected in the consolidated and separate financial statements. Any post year-end events that are not adjusting events, if any, are disclosed in the consolidated and separate financial statements when material.

## FINANCIAL REPORTING

All materials, information i.e., anything that could potentially affect net worth, shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, board changes, related party transactions and changes to ownership.

## LIST OF BOARD MEMBERS 2015

**CHAIRMAN**

<b>Gen Hernando DCA Iriberry AFP</b>	<b>MMDS; CGOP ICD</b>
<b>Gen Gregorio Pio P Catapang Jr AFP</b>	<b>Master in Defense and Strategic Studies; CGOP ICD</b>

**VICE CHAIRMAN**

<b>RAdm Jose Renan C Suarez AFP</b>	<b>Master in Business Administration, MA Public Administration; Master in Development Management, CGOP ICD</b>
<b>RAdm Antonio A Habulan Jr AFP</b>	<b>Master in Business Management, CGOP ICD, ACGS Orientation ICD</b>

**MEMBERS**

<b>MGen Edgardo Rene C Samonte AFP (Ret)</b>	<b>Master in Development Management</b>
<b>PDDG Danilo S Constantino PNP</b>	<b>Master in Management</b>
<b>PDDG Leonardo A Espina PNP</b>	<b>Master in Development Management major in Public Management Laws and Jurisprudence, CGOP ICD</b>
<b>RAdm Allan B Rosal</b>	<b>Corporate Governance Orientation Program, ICD</b>
<b>MGen Emerald C Magnaye AFP</b>	<b>Corporate Governance Orientation Program, ICD</b>
<b>MGen Edgar R Fallorina AFP</b>	<b>Master in Business Management (Major in Finance)</b>
<b>S/Supt Cesar Hawthorne R Binag</b>	<b>Master in Public Administration</b>
<b>CSupt Sonny Y David PNP</b>	<b>BS PMA; Corporate Governance Orientation Program, ICD</b>
<b>BGen R Demosthenes C Santillan AFP</b>	<b>Comptrollership Basic Course, MBA, Project Management, CGOP ICD</b>
<b>RAdm Cecil R Chen PCG</b>	<b>Master in Business Administration; MSMA; CGOP, ICD</b>
<b>CSupt Rodrigo R Abrazaldo BFP</b>	<b>Master in Management; Master in Public Administration; CGOP ICD</b>
<b>CSupt Ruben F Bearis BFP</b>	<b>Master in Public Administration, CGOP ICD</b>
<b>BGen Rolando M Aquino AFP (Ret)</b>	<b>Master in Public Administration; Master in Development</b>
<b>MGen Danilo M Servando AFP (Ret)</b>	<b>PDP ICD; ACGS Orientation ICD</b>
<b>FCMS Romeo H Jandugan (INF) PA</b>	<b>Corporate Governance Orientation Program, ICD</b>
<b>FCMS Guillermo P Francisco AFP</b>	<b>Corporate Governance Orientation Program, ICD</b>
<b>FCMS Guillermo P Francisco AFP</b>	<b>Program, ICD</b>

**CORPORATE SECRETARY**

<b>Atty Renato A David, FICD</b>	<b>LLB, PDP ICD</b>
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## LIST OF BOARD MEMBERS AND THEIR BOARD MEETING ATTENDANCE IN 2015

Position	Board of Trustees	Attendance (13 meetings)
Chairman	Gen Hernando DCA Iriberri AFP	83%
Chairman	Gen Gregorio Pio P Catapang Jr AFP	86%
Vice Chairman	RAdm Jose Renan C Suarez AFP	92%
Vice Chairman	RAdm Antonio A Habulan Jr AFP	80%
President	MGen Edgardo Rene C Samonte AFP (Ret)	100%
Member	PDDG Danilo S Constantino PNP	57%
Member	PDDG Leonardo A Espina PNP	83%
Member	RAdm Allan B Rosal	100%
Member	MGen Emerald C Magnaye AFP	75%
Member	MGen Edgar R Fallorina AFP	71%
Member	S/Supt Cesar Hawthorne R Binag	75%
Member	CSupt Sonny Y David PNP	100%
Member	BGen R Demosthenes C Santillan AFP	85%
Member	RAdm Cecil R Chen PCG	77%
Member	CSupt Rodrigo R Abrazaldo BFP	100%
Member	CSupt Ruben F Bearis BFP	100%
Member	JCSupt Romeo S Elisan Jr BJMP	85%
Member	BGen Rolando M Aquino AFP (Ret)	100%
Member	MGen Danilo M Servando AFP (Ret)	100%
Member	FCMS Romeo H Jandugan (INF) PA	100%
Member	FCMS Guillermo P Francisco (INF) PA	100%
Corporate Secretary	MGen Renato A David AFP (Ret)	92%

## LIST OF BOARD COMMITTEE MEMBERS AND THEIR ATTENDANCE IN 2015

GOVERNANCE COMMITTEE: 13 MEETINGS		
Position	Board of Trustees	Attendance (12 meetings)
Chairman	BGen Rolando M Aquino AFP (Ret)	100%
Chairman	MGen Danilo M Servando AFP (Ret)	100%
Vice Chairman	RAdm Cecil R Chen PCG	83%
President	MGen Edgardo Rene C Samonte AFP (Ret)	100%
Member	MGen Edgar R Fallorina AFP	50%
Member	BGen R Demosthenes C Santillan AFP	75%
Member	S/Supt Cesar Hawthorne R Binag PNP	83%
Member	C/Supt Rodrigo R Abrazaldo BFP	90%
Member	CSupt Ruben F Bearis BFP	100%

AUDIT AND ENTERPRISE RISK MANAGEMENT COMMITTEE		
Position	Board of Trustees	Attendance (11 meetings)
Member/Acting Chair	RAdm Jose Renan C Suarez AFP	100%
Chairman/Vice	PDDG Leonardo A Espina PNP	100%
Member	RAdm Allan B Rosal AFP	86%
Member	RAdm Antonio A Habulan Jr AFP	67%
Member	PDDG Danilo S Constantino PNP	71%
Member	JCSupt Romeo S Elisan Jr BJMP	82%
Member	MGen Danilo M Servando AFP (Ret)	80%



**INVESTMENT COMMITTEE**

Position	Board of Trustees	Attendance (11 meetings)
Chairman	RAdm Jose Renan C Suarez AFP	100%
President	MGen Edgardo Rene C Samonte AFP (Ret)	100%
Member	PDDG Danilo S Constantino PNP	100%
Member	PDDG Leonardo A Espina PNP	100%
Member	S/Supt Cesar Hawthorne R Binag PNP	50%
Member	BGen Rolando M Aquino AFP (Ret)	100%
Member	MGen Emerald C Magnaye AFP	75%
Member	MGen Danilo M Servando AFP (Ret)	100%
Member	BGen R Demosthenes C Santillan AFP	80%

**SOCIAL SERVICES PROGRAM COMMITTEE**

Position	Board of Trustees	Attendance (12 meetings)
Chairman	MGen R Demosthenes C Santillan AFP	83%
Chairman	CSupt Sonny Y David PNP	100%
Vice Chairman	FCMS Guillermo P Francisco AFP	100%
President	MGen Edgardo Rene C Samonte AFP (Ret)	100%
Member/VC*	PDDG Danilo S Constantino PNP	83%
Member	S/Supt Cesar Hawthorne R Binag PNP	100%
Member	MGen Edgar R Fallorina AFP	60%
Member	C/Supt Rodrigo R Abrazaldo BFP	90%
Member	CSupt Ruben F Bearis BFP	100%
Member	FCMS Romeo H Jandugan (INF) PA	50%
Member	RAdm Cecil R Chen PCG	83%

**NOMINATION AND REMUNERATION COMMITTEE**

Position	Board of Trustees	Attendance (11 meetings)
Chairman	RAdm Allan B Rosal AFP	83%
Chairman	RAdm Antonio A Habulan Jr AFP	100%
Vice Chairman	JCSupt Romeo S Elisan Jr BJMP	100%
President	MGen Edgardo Rene C Samonte AFP (Ret)	100%
Member	C/Supt Sonny Y David PNP	100%
Member	MGen Emerald C Magnaye AFP	100%
Member	S/Supt Cesar Hawthorne R Binag PNP	67%
Member	FCMS Romeo H Jandugan (INF) PA	100%
Member	FCMS Guillermo P Francisco (INF) PA	69%

**NOMINATION AND REMUNERATION COMMITTEE**

<b>Position</b>	<b>Board of Trustees</b>	<b>Attendance (3 meetings)</b>
<b>Chairman</b>	<b>C/Supt Rodrigo R Abrazaldo BFP</b>	<b>100%</b>
<b>Vice Chairman</b>	<b>Atty Renato A David, FICD</b>	<b>100%</b>
<b>Member</b>	<b>BGen Rolando M Aquino AFP (Ret)</b>	<b>100%</b>
<b>Member</b>	<b>S/Supt Cesar Hawthorne R Binag PNP</b>	<b>50%</b>
<b>Member</b>	<b>Atty Maricarr Martinez-Mirabel</b>	<b>100%</b>
	<b>Atty Elizabeth del Fonso-Hidalgo</b>	<b>100%</b>

**Continuing Education Program for Board Members**

It is the thrust of the Association to keep the members of its Board of Trustees informed, updated, and empowered, particularly pertaining to matters of corporate governance as well as matters related to its core business. Yearly, a Continuing Education Program (CEP) is conducted to update the Board on new issuances from the Insurance Commission, and to increase their knowledge and expertise in governing the Association. All new Trustees are also required to attend the Corporate Governance Orientation Program (CGOP) of the Institute of Corporate Directors (ICD).

In the CEP conducted on January 30, 2015, updates from the Insurance Commission were relayed to the Board of Trustees and members of Management by the Honorable Dorothy M Calimag, Deputy Insurance Commissioner for the Management Support Services Group. Best practices in the real estate

industry were also relayed by one of the top executives of Ayala Land, Inc, Mr Aniceto V Bisnar, Jr. Ms. Perlita Marcelo-Skaar, former AFPMBAI Independent Trustee and Senior Vice President of Sterling Paper Products Enterprises, Inc. also shared her expertise and experiences in analysing AFPMBAI's financial performance.

In March 2015, select members of the Board of Trustees also participated in the orientation program of the Institute of Corporate Directors (ICD) on the ASEAN Corporate Governance Scorecard (ACGS), in preparation for the Association's submission of the ACGS Response Form in June 15, 2015. After a thorough evaluation by the ICD, AFPMBAI ranked among the Top 10 mutual benefit associations in the country in terms of good corporate governance.

# AUDITED FINANCIAL STATEMENTS

17 Financial Statements

ARMED FORCES AND POLICE MUTUAL BENEFIT ASSOCIATION, INC.  
AND SUBSIDIARIES  
STATEMENTS OF INCOME  
YEARS ENDED DECEMBER 31

	CONSOLIDATED	2013	2012	2011
<b>REVENUES</b>				
Premiums, net of reinsurance	P1,112,894,715	P1,041,125,493	P1,054,265,506	P1,055,551,296
Interest income	831,205,535	771,055,485	761,595,504	763,381,245
Policy income	81,312,335	75,962,038	76,333,355	75,990,375
Income for real estate sales	25,869,575	15,537,555	16,945,506	16,945,506
Commissions	15,869,547	5,891,881	5,891,881	5,891,881
Rent	21,557,555	18,235,285	18,235,285	18,235,285
Dividends	3,023,595	1,355,461	1,355,461	1,355,461
Gain on sale of available-for-sale securities	42,461	745,235	745,235	745,235
Increase in fair value of investment properties	191,957,251	191,957,251	191,957,251	191,957,251
Others	10,350,946	10,350,946	10,350,946	10,350,946
	3,312,941,561	3,312,941,561	3,312,941,561	3,312,941,561
<b>BENEFITS AND EXPENSES</b>				
Death and other policy benefits	1,122,123,493	1,122,123,493	1,122,123,493	1,122,123,493
Increase in legal policy reserves	831,205,535	831,205,535	831,205,535	831,205,535
General and administrative expenses	851,143,485	851,143,485	851,143,485	851,143,485
Commissions	123,789,497	123,789,497	123,789,497	123,789,497
Dividends on participating policies	74,745,235	74,745,235	74,745,235	74,745,235
<b>INCOME FROM OPERATIONS</b>				
	1,122,123,493	1,122,123,493	1,122,123,493	1,122,123,493
<b>CHANGE IN NET LIABILITIES OF ASSOCIATED ENTITIES</b>				
	851,143,485	851,143,485	851,143,485	851,143,485
<b>INCOME BEFORE INCOME TAX</b>				
	1,973,266,978	1,973,266,978	1,973,266,978	1,973,266,978
<b>INCOME TAX</b>				
	1,122,123,493	1,122,123,493	1,122,123,493	1,122,123,493
<b>NET INCOME</b>				
	851,143,485	851,143,485	851,143,485	851,143,485



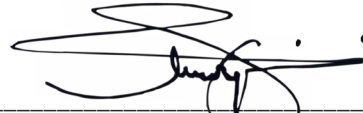
### STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **ARMED FORCES & POLICE MUTUAL BENEFIT ASSOCIATION, INC.**, is responsible for the preparation and fair presentation of the financial statements as at and for the years ended **December 31, 2015 and 2014**, including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Trustees reviews the financial statements before such statements are approved.

R.G. Manabat & Co. (formerly known as Manabat Sanagustin & Co., CPAs), the independent auditors appointed by the management has audited the financial statements of the **ARMED FORCES & POLICE MUTUAL BENEFIT ASSOCIATION, INC.** in accordance with Philippine Standards on Auditing, has expressed its opinion on the fairness of presentation upon completion of such audit.

Chairman of the Board



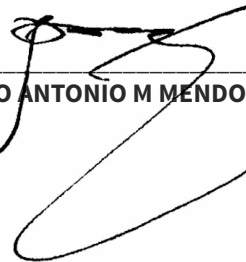
GEN HERNANDO DCA IRIBERRI AFP

President and CEO



MGEN EDGARDO RENE C SAMONTE AFP (RET)

Treasurer



COMMO ANTONIO M MENDOZA AFP (RET)

**ARMED FORCES AND POLICE MUTUAL BENEFIT ASSOCIATION, INC  
AND SUBSIDIARY  
STATEMENTS OF FINANCIAL POSITION  
YEARS ENDED DECEMBER 31**

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>				
Cash and cash equivalents	<b>P1,745,479,919</b>	P1,256,420,000	<b>P1,715,642,348</b>	P1,173,506,648
Short-term investments	-	150,000,000	-	150,000,000
Financial assets at fair value through profit loss (FVPL)	<b>34,191,907</b>	34,915,424	<b>34,191,907</b>	34,915,424
Available-for-sale (AFS) securities	<b>2,169,977,776</b>	1,938,345,550	<b>1,847,124,892</b>	1,554,962,504
Held-to-maturity (HTM) investments	<b>1,562,074,020</b>	1,478,009,864	<b>1,493,750,000</b>	1,410,908,057
Long-term investments	<b>20,000,000</b>	-	<b>20,000,000</b>	-
Loan receivables - net	<b>7,617,593,703</b>	7,266,793,678	<b>7,617,593,703</b>	7,266,793,678
Premiums due to insurance receivables - net	<b>60,083,904</b>	71,047,052	<b>2,631,837</b>	1,106,874
Other receivables - net	<b>71,851,734</b>	71,174,282	<b>67,056,264</b>	63,365,239
Investment properties	<b>2,547,849,246</b>	2,127,739,561	<b>2,518,497,890</b>	2,096,918,205
Asset held-for-sale	<b>266,917,208</b>	212,439,015	<b>266,917,208</b>	212,439,015
Investments in a subsidiary and associates - net	<b>19,277,950</b>	14,426,158	<b>198,265,704</b>	198,265,704
Property equipment - net	<b>368,610,970</b>	302,223,348	<b>340,002,042</b>	271,777,533
Deferred reinsurance premiums	<b>3,945,399</b>	6,180,934	-	-
Deferred acquisition costs	<b>6,289,446</b>	1,526,987	-	-
Deferred tax assets - net	<b>23,401,465</b>	20,858,305	-	-
Other assets - net	<b>60,133,368</b>	23,672,916	<b>39,604,371</b>	12,372,254
	<b>P16,577,678,015</b>	P14,975,773,074	<b>P16,161,278,166</b>	P14,447,331,135
<b>LIABILITIES AND MEMBERS' EQUITY</b>				
<b>Liabilities</b>				
Claims and benefits payable	<b>P376,370,040</b>	P404,470,077	<b>P330,976,514</b>	P302,345,563
Accounts payable and accrued expenses	<b>444,730,929</b>	448,608,199	<b>405,764,569</b>	423,654,609
Legal policy reserves	<b>8,622,619,814</b>	7,914,721,584	<b>8,622,619,814</b>	7,914,721,584
Due to reinsurers and ceding companies	<b>1,880,308</b>	5,164,813	-	-
Funds held for reinsurers	<b>1,141,850</b>	25,441,850	-	-
Reserve for unearned premiums	<b>49,021,005</b>	28,854,699	-	-
Deferred reinsurance commission	<b>750,952</b>	1,559,042	-	-
Dividends payable	<b>297,810,471</b>	261,832,278	<b>297,810,471</b>	261,832,278
Reserve for refund of members' equity	<b>1,659,476,864</b>	1,496,624,713	<b>1,659,476,864</b>	1,496,624,713
Retirement liability	<b>71,491,667</b>	32,012,575	<b>65,294,368</b>	31,457,551
Other liabilities	<b>436,568,326</b>	424,687,104	<b>436,568,326</b>	424,687,104
<b>Total Liabilities</b>	<b>11,961,862,226</b>	11,043,976,934	<b>11,818,510,926</b>	10,855,323,402
<b>Members' Equity</b>				
Members' contribution	<b>96,065,213</b>	97,589,383	<b>96,065,213</b>	97,589,383
Reserve for fluctuation in value of AFS financial assets	<b>(17,273,412)</b>	53,257,233	<b>53,374,502</b>	58,250,156
Employee benefit reserve	<b>(27,662,990)</b>	(6,452,879)	<b>(17,327,188)</b>	1,429,909
Retained surplus	<b>4,564,686,978</b>	3,787,402,403	<b>4,210,654,713</b>	3,434,738,285
<b>Total Members' Equity</b>	<b>4,615,815,789</b>	3,931,796,140	<b>4,342,767,240</b>	3,592,007,733
	<b>P16,577,678,015</b>	P14,975,773,074	<b>P16,161,278,166</b>	P14,447,331,135

**ARMED FORCES AND POLICE MUTUAL BENEFIT ASSOCIATION, INC  
AND SUBSIDIARY  
STATEMENTS OF INCOME  
YEARS ENDED DECEMBER 31**

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>REVENUES</b>				
Premiums, net of reinsurance	<b>P2,251,595,480</b>	P2,136,653,979	<b>P2,159,242,504</b>	P2,069,408,387
Interest income	<b>925,184,340</b>	876,314,462	<b>921,238,395</b>	871,449,548
Increase in fair value of investment properties	<b>463,064,311</b>	2,691,149	<b>463,064,311</b>	-
Policy income	<b>90,329,902</b>	90,607,200	<b>90,329,902</b>	90,607,200
Rental income	<b>47,868,225</b>	29,009,996	<b>46,572,190</b>	27,740,508
Gain on sale of real estate	<b>24,214,132</b>	27,938,126	<b>24,214,132</b>	27,938,126
Dividend income	<b>17,741,221</b>	4,764,153	<b>11,877,729</b>	2,269,189
Gain on sale of AFS financial assets	<b>8,333,447</b>	8,630,363	-	-
Commission income	<b>2,722,064</b>	6,502,827	-	-
Other income	<b>19,685,710</b>	8,889,016	<b>7,745,234</b>	15,061,763
	<b>3,850,738,832</b>	3,192,001,271	<b>3,724,284,397</b>	3,104,474,721
<b>BENEFITS AND EXPENSES</b>				
Death and other policy benefits	<b>1,230,949,913</b>	1,260,649,656	<b>1,211,051,891</b>	1,255,759,173
General and administrative expenses	<b>887,726,460</b>	881,845,825	<b>784,680,215</b>	799,925,437
Increase in legal policy reserves	<b>707,898,230</b>	435,636,300	<b>707,898,230</b>	435,636,300
Commission expense	<b>147,565,481</b>	125,606,924	<b>140,549,553</b>	119,001,033
Dividend on participating policies	<b>104,188,079</b>	95,438,412	<b>104,188,079</b>	95,438,412
	<b>3,078,328,163</b>	2,799,177,117	<b>2,948,367,968</b>	2,705,760,355
<b>INCOME FROM OPERATIONS</b>	<b>772,410,669</b>	392,824,154	<b>775,916,429</b>	398,714,366
<b>SHARE IN NET INCOME OF AN ASSOCIATE</b>	<b>4,851,792</b>	1,553,125	-	-
<b>INCOME BEFORE INCOME TAX</b>	<b>777,262,461</b>	394,377,279	<b>775,916,429</b>	398,714,366
<b>INCOME TAX BENEFIT</b>	<b>22,114</b>	5,750,368	-	-
<b>NET INCOME FOR THE YEAR</b>	<b>P777,284,575</b>	P400,127,647	<b>P775,916,429</b>	P398,714,366



**ARMED FORCES AND POLICE MUTUAL BENEFIT ASSOCIATION, INC  
AND SUBSIDIARY  
STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31**

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>NET INCOME</b>	<b>P777,284,575</b>	P400,127,647	<b>P775,916,429</b>	P398,714,366
<b>OTHER COMPREHENSIVE INCOME</b>				
Items that will never be reclassified subsequently to profit or loss				
Remeasurements of defined benefit obligation - net of tax	<b>(21,210,111)</b>	59,805,745	<b>(18,757,097)</b>	49,908,604
Items that may be reclassified subsequently to profit or loss				
Net change in fair value of AFS financial assets	<b>(70,556,420)</b>	73,337,953	<b>(4,875,654)</b>	79,134,372
Net change in fair value of AFS financial assets reclassified to profit or loss	<b>25,775</b>	9,623,977	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>P685,543,819</b>	P542,895,322	<b>P752,283,678</b>	P527,757,342

**ARMED FORCES AND POLICE MUTUAL BENEFIT ASSOCIATION, INC  
AND SUBSIDIARY  
STATEMENTS OF CHANGES IN MEMBERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<b>CONSOLIDATED</b>					
	<b>Members' Contribution</b>	<b>Reserve for Fluctuation in Value of AFS Securities</b>	<b>Employee Benefit Reserve</b>	<b>Retained Surplus</b>		<b>Total</b>
				<b>Appropriated</b>	<b>Unappropriated</b>	
Balance at December 31, 2013	P99,004,776	(P29,704,697)	(P66,258,624)	P173,698,069	<b>P3,213,576,687</b>	<b>P3,390,316,211</b>
Net income for the year	-	-	-	-	<b>400,127,647</b>	<b>400,127,647</b>
Other comprehensive income	-	82,961,930	59,805,745	-	-	<b>142,767,675</b>
Decrease in members' contribution	(1,415,393)	-	-	-	-	<b>(1,415,393)</b>
Reversal of prior year appropriated retained surplus	-	-	-	(113,698,069)	<b>113,698,069</b>	-
Appropriation of retained surplus	-	-	-	453,030,220	<b>(453,030,220)</b>	-
Balance at December 31, 2014	97,589,383	53,257,233	(6,452,879)	513,030,220	<b>3,274,372,183</b>	<b>3,931,796,140</b>
Net income for the year	-	-	-	-	<b>777,284,575</b>	<b>777,284,575</b>
Other comprehensive loss	-	(70,530,645)	(21,210,111)	-	-	<b>(91,740,756)</b>
Decrease in members' contribution	(1,524,170)	-	-	-	-	<b>(1,524,170)</b>
Reversal of prior year appropriated retained surplus	-	-	-	(159,769,220)	<b>159,769,220</b>	-
Appropriation of retained surplus	-	-	-	639,317,375	<b>(639,317,375)</b>	-
Balance at December 31, 2015	<b>P96,065,213</b>	<b>(P17,273,412)</b>	<b>(P27,662,990)</b>	<b>P992,578,375</b>	<b>P3,572,108,603</b>	<b>P4,615,815,789</b>

**ARMED FORCES AND POLICE MUTUAL BENEFIT ASSOCIATION, INC  
AND SUBSIDIARY  
STATEMENTS OF CHANGES IN MEMBERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

SEPARATE						
	Members' Contribution	Reserve for Fluctuation in Value of AFS Securities	Employee Benefit Reserve	Retained Surplus		Total
				Appropriated	Unappropriated	
Balance at December 31, 2013	P99,004,776	(P20,884,216)	(P48,478,695)	P123,698,069	P2,912,325,849	P3,065,665,783
Net income for the year	-	-	-	-	398,714,366	398,714,366
Other comprehensive income	-	79,134,372	49,908,604	-	-	129,042,976
Decrease in members' contribution	(1,415,393)	-	-	-	-	(1,415,393)
Reversal of prior year appropriated retained surplus	-	-	-	(113,698,069)	113,698,069	-
Appropriation of retained surplus	-	-	-	453,030,220	(453,030,220)	-
<b>Balance at December 31, 2014</b>	<b>97,589,383</b>	<b>58,250,156</b>	<b>1,429,909</b>	<b>463,030,220</b>	<b>2,971,708,064</b>	<b>3,592,007,732</b>
Net income for the year	-	-	-	-	775,916,429	775,916,429
Other comprehensive loss	-	(4,875,654)	(18,757,097)	-	-	(23,632,751)
Decrease in members' contribution	(1,524,170)	-	-	-	-	(1,524,170)
Reversal of prior year appropriated retained surplus	-	-	-	(159,769,220)	159,769,220	-
Appropriation of retained surplus	-	-	-	639,317,375	(639,317,375)	-
<b>Balance at December 31, 2015</b>	<b>P96,065,213</b>	<b>P53,374,502</b>	<b>(P17,327,188)</b>	<b>P942,578,375</b>	<b>P3,268,076,338</b>	<b>P4,342,767,240</b>

**ARMED FORCES AND POLICE MUTUAL BENEFIT ASSOCIATION, INC  
AND SUBSIDIARY  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31**

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax				
Adjustments:	<b>P777,262,461</b>	P394,377,279	<b>P775,916,429</b>	P398,714,366
Dividend on participating policies	<b>104,188,079</b>	95,438,412	<b>104,188,079</b>	95,438,412
Incremental benefit reserves	<b>57,531,784</b>	140,096,367	<b>57,531,784</b>	140,096,367
Depreciation and amortization	<b>42,713,349</b>	38,365,988	<b>33,930,438</b>	31,953,774
Impairment loss on loans and insurance receivables	<b>39,824,753</b>	22,991,275	<b>39,824,753</b>	21,732,945
Retirement benefit expense	<b>17,217,689</b>	20,874,691	<b>15,079,720</b>	16,884,408
Decrease (increase) in fair value of financial assets at FVPL	<b>723,517</b>	(8,086,591)	<b>723,517</b>	(8,086,591)
Gain on sale of investment properties	-	(376,197)	-	-
Impairment loss on other receivables and other assets	-	566,294	-	566,294
Share in net income of an associate	<b>(4,851,792)</b>	(1,553,125)	-	-
Gain on sale of AFS financial assets	<b>(8,333,447)</b>	(8,630,363)	-	-
Dividend income	<b>(17,741,221)</b>	(4,764,153)	<b>(11,877,729)</b>	(2,269,189)
Gain on sale of real estates	<b>(24,214,132)</b>	(27,938,126)	<b>(24,214,132)</b>	(27,938,126)
Increase in fair value of investment properties	<b>(463,064,311)</b>	(2,691,149)	<b>(463,064,311)</b>	-
Interest income	<b>(925,184,340)</b>	(876,314,462)	<b>(921,238,395)</b>	(871,449,548)
Operating loss before working capital changes	<b>(403,927,611)</b>	(217,643,860)	<b>(393,199,847)</b>	(204,356,888)
Decrease (increase) in:				
Loans receivable	<b>(366,410,646)</b>	(663,236,535)	<b>(366,410,646)</b>	(663,236,535)
Premiums due and insurance receivables	<b>10,963,148</b>	(31,672,492)	<b>(1,524,963)</b>	1,079,476
Other receivables	<b>992,388</b>	(5,870,087)	<b>(975,030)</b>	(1,654,453)
Deferred acquisition cost	<b>(4,762,459)</b>	746,460	-	-
Deferred reinsurance premiums	<b>2,235,535</b>	20,903,425	-	-
Other assets	<b>(36,460,450)</b>	(2,788,544)	<b>(27,232,117)</b>	6,651,454
Increase (decrease) in:				
Claims and benefits payable	<b>(28,100,037)</b>	38,689,763	<b>28,630,951</b>	41,301,881
Accounts payable and accrued expenses	<b>(3,877,270)</b>	(183,306,515)	<b>(17,890,040)</b>	(189,920,886)
Legal policy reserves	<b>707,898,230</b>	435,636,300	<b>707,898,230</b>	435,636,300
Due to reinsurers and ceding companies	<b>(3,284,505)</b>	2,253,495	-	-
Funds held for reinsurers	<b>(24,300,000)</b>	20,697,290	-	-
Reserve for unearned premiums	<b>20,166,306</b>	(23,700,713)	-	-
Deferred reinsurance commissions	<b>(808,090)</b>	(2,325,343)	-	-
Other liabilities	<b>11,881,222</b>	424,687,104	<b>11,881,222</b>	424,687,104



## YEARS ENDED DECEMBER 31

	CONSOLIDATED		SEPARATE	
	2015	2014	2015	2014
Net cash used in operations	(P117,794,239)	(P186,930,252)	(P58,822,240)	(P149,812,547)
Interest received	923,514,499	868,397,781	918,522,399	864,165,835
Income taxes paid	(1,469,754)	(850,248)	-	-
Dividends received	17,741,221	4,764,153	11,877,729	2,269,189
Dividends paid	(68,209,886)	(62,265,692)	(68,209,886)	(62,265,692)
Net cash provided by operating activities	753,781,841	623,115,742	803,368,002	654,356,785
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from disposal (payments for acquisition) of:				
Short-term investments	150,000,000	(150,000,000)	150,000,000	(150,000,000)
Financial assets at FVPL	-	-	-	-
AFS financial assets	(293,829,425)	(635,453,157)	(297,038,042)	(440,000,000)
HTM investments	(84,064,156)	(242,537,411)	(82,841,943)	(283,370,558)
Long-term investments	(20,000,000)	-	(20,000,000)	-
Investment properties	1,102,685	810,110	(367,315)	(187,610)
Assets held-for-sale	(12,626,252)	118,323,190	(12,626,252)	118,323,190
Property and equipment	(109,100,971)	(42,227,064)	(102,154,947)	(29,296,218)
Investment in a subsidiary and associates	-	-	-	(173,140,704)
Net cash used in investing activities	(368,518,119)	(951,084,332)	(365,028,499)	(957,671,900)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase in reserve for refund of member's equity	105,320,367	83,078,809	105,320,367	83,078,810
Decrease in members' contribution	(1,524,170)	(1,415,393)	(1,524,170)	(1,415,393)
Net cash provided by financing activities	103,796,197	81,663,416	103,796,197	81,663,417
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>				
	489,059,919	(246,305,174)	542,135,700	(221,651,698)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>				
	1,256,420,000	1,502,725,174	1,173,506,648	1,395,158,346
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>				
	P1,745,479,919	P1,256,420,000	P1,715,642,348	P1,173,506,648

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# BOARD OF TRUSTEES

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**GEN HERNANDO DCA IRIBERRI AFP**  
Chief of Staff, AFP  
Chairman, AFPMBAI Board of Trustees  
Date of Appointment: 10 July 2015



**RADM ALLAN B ROSAL AFP**  
Deputy Chief of Staff for Personnel, J1  
Date of Appointment: 1 June 2015



**MGEN EDGARDO RENE C SAMONTE AFP (RET)**  
President and CEO, AFPMBAI  
Date of Appointment: 4 August 2014



**MGEN RODOLFO DEMOSTHENES C SANTILLAN AFP**  
Vice Commander, Philippine Army  
Date of Appointment: 03 November 2014



**BGEN ALEXANDER F BALUTAN AFP**  
Vice Commander, Philippine Navy  
Date of Appointment: 1 March 2016



**DDG DANILO S CONSTANTINO PNP**  
Deputy Chief PNP for Operations  
Date of Appointment: 1 June 2015



**SSUPT CESAR HAWTHORNE R BINAG PNP**  
Chief, Law Enforcement Division  
Directorate for Operations, PNP  
Date of Appointment: 30 January 2015



**CSUPT ROMEO S ELISAN JR, MPA, BJMP**  
Chief of Directorial Staff, BJMP  
Date of Appointment: 30 June 2014



**CSUPT RODRIGO R ABRAZALDO BFP**  
Deputy Chief for Administration, NHQ, BFP  
Date of Appointment: 28 February 2015





**RADM CECIL R CHEN PCG**  
Commander, Coast Guard Fleet, PCG  
Date of Appointment: 01 March 2014



**FCMS ROMEO H JANDUGAN (INF) PA**  
AFP Master Sergeant  
Date of Appointment: 29 October 2015



**BGEN ROLANDO M AQUINO AFP (RET)**  
Independent Trustee  
Date of Appointment: 1 September 2015



**ATTY RENATO A DAVID, FICD**  
Corporate Secretary  
Date of Appointment: 03 July 2013

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# THE MANAGEMENT

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**MGEN EDGARDO RENE C SAMONTE AFP (RET)**  
**PRESIDENT**



**COMMO ANTONIO M MENDOZA AFP (RET)**  
**SVP/HEAD, CORPORATE SERVICES GROUP**



**RADM PHILIP L CACAYAN AFP (RET)**  
**COO/HEAD, SALES AND OPERATIONS GROUP**



**RADM PRIMITIVO P GOJO AFP (RET)**  
HEAD, AUDIT ENTERPRISE AND  
RISK MANAGEMENT OFFICE



**CARMELITA G RESQUID**  
HEAD, STRATEGIC MANAGEMENT OFFICE



**COL WENCESLAO M ROMERO JR PAF (RET)**  
OIC, SOCIAL SERVICES OFFICE



**ANNIE D ARCE**  
HEAD, INSURANCE DIVISION



**ANGELINA S JUTIE**  
HEAD, DIRECT SALES DEPARTMENT



**LEAH Y JOYA**  
HEAD, INSURANCE REPRESENTATIVES AND  
SALES DEPARTMENT





**ALPHA GRACE F. VENTANILLA**  
HEAD, UNDERWRITING AND  
POLICY SERVICES DEPARTMENT



**GERALD SAM S. AGBAY**  
HEAD, ACTUARIAL OFFICE



**JEFFREY RICHARD NIXON MATTHEW L. UY**  
HEAD, MARKETING COMMUNICATIONS  
PRODUCT AND RESEARCH DEV'T DIVISION



**FE E. GERONA**  
HEAD, REAL ESTATE DIVISION



**ENGR. FRUDESMA B. BALBUENA**  
HEAD, REAL ESTATE SALES DEPARTMENT



**ARCH EDGAR A. CLARIZ**  
HEAD, CONSTRUCTION AND ENGINEERING  
DEPARTMENT





**WILMA F ASTROLOGO**  
HEAD, AREA AND BRANCH OPERATIONS  
DIVISION



**MARIO C SERIOSA**  
HEAD, NATIONAL CAPITAL REGION AREA



**RUBEN G ACLETA**  
HEAD, SOUTHERN LUZON AREA



**ANITA L BAGASALA**  
HEAD, VISAYAS AREA



**DEONESIO B CORONG II**  
HEAD, MINDANAO AREA



**TERESITA D CALARANAN**  
HEAD, FINANCE DIVISION



**REGINA B FAJOTINA**  
HEAD, CONTROLLERSHIP



**ATTY ELIZABETH DEL FONSO-HIDALGO**  
HEAD, COMPLIANCE AND REMEDIAL  
ACCOUNTS OFFICE



**JASMIN M DAMO**  
ACTING TAX MANAGEMENT AND  
MEDIATION OFFICER



**JOCELYN T MIRANDA**  
HEAD, ACCOUNTING DEPARTMENT



**JESUS A LAGUNA**  
HEAD, ACCOUNTS MANAGEMENT DEPARTMENT



**ARLENE M MAGUGAT**  
HEAD, BILLING AND COLLECTION DEPT





**ANICITAS D PEREZ**  
HEAD, TREASURY AND INVESTMENT DEPT



**ROSALIE P DIONES**  
HEAD, MANAGEMENT ACCOUNTING AND  
BUDGET DEPARTMENT



**ENGR ANNALY A LAVARIAS**  
HEAD, METHODS AND RECORDS  
OFFICE



**ATTY MARICARR MARTINEZ-MIRABEL**  
HEAD, LEGAL DIVISION



**ATTY LYNELL L SESE**  
HEAD, LITIGATION AND PROSECUTION DEPT



**ATTY AL-MAY SAIR F PATANGAN**  
HEAD, DOCUMENTATION AND  
COMPLIANCE DEPT





**FE V AGLIPAY**  
HEAD, HUMAN RESOURCE DIVISION



**LEA A MALIGASO**  
ACTING HEAD, HR DEVELOPMENT DEPT.



**MYLENE P ORCULLO**  
HEAD, HR ADMIN DEPARTMENT



**DIONISIO T DYCHIOCO III**  
HEAD, INFORMATION TECHNOLOGY DIVISION



**ENGR YULITO B NARAJA**  
HEAD, ADMINISTRATION DIVISION



**ENGR FERDINAND D DE LEON**  
HEAD, GENERAL SERVICES DEPARTMENT



# PRODUCTS & SERVICES

## MODIFIED BASIC INSURANCE FOR AFP PERSONNEL

Type of Insurance Plan	Term Insurance with equity
Monthly Contribution	0.5% of base pay (automatic) +1.0% of base pay: additional
Total Living Benefit	Member's Equity + Interest
Equity Loan	Loans for members at only 6% interest per annum
Dismemberment / Disability Benefit	For total and permanent injuries due to accident or incurred while in the performance of duty
Death Benefit (natural)	100% Face Amount + Total Living Benefit
Death Benefit (accidental)	150% Face Amount + Total Living Benefit
Death Benefit (KIA)	150% Face Amount + P50,000 + Total Living Benefit

## UPGRADED BASIC FOR BFP, BJMP, PCG & PNP PERSONNEL

Particulars	Upgraded Basic Insurance (UBI)
Type of Insurance Plan	Term Insurance with equity
Monthly Contribution	1.5% of base pay
Total Living Benefit	Member's Equity + Interest
Equity Loan	Equity Loan at 6% interest per annum
Dismemberment /Disability Benefit	For total and permanent injuries due to accident or incurred while in the performance of duty
Death Benefit (natural)	100% Face Amount + Total Living Benefit
Death Benefit (accidental)	200% Face Amount + Total Living Benefit
Death Benefit (KIA)	100% Face Amount + P50,000 + Total Living Benefit

## SPECIAL GROUP TERM INSURANCE (SGTI)

- coverage of P16,000 for natural deaths and P32,000 for members killed-in-action
- P1,000 funeral benefit
- disability benefit if incurred while on performance of duty

**INSURANCE PRODUCTS****ENDOWMENT AT 56**

- a life insurance, savings and investment plan for regular members 55 years old and below
- 100% maturity benefit at age 56 and dividends starting on the 4th year
- with disability benefit
- double insurance benefit in case of accidental death
- with funeral benefit

**ENDOWMENT PLAN (10, 15, 20 YEARS)**

- payable in 10, 15 or 20 years and insured for the same period
- 100% maturity benefit
- with dividends starting on the 4th year, if plan is participating

**ANTICIPATED 20-YEAR ENDOWMENT**

- payable in 20 years and insured for the same period
- with 20% bonus on the 5th, 10th, 15th policy anniversary year
- 100% maturity benefit

**SAVER'S PROTECTION PLUS (10-15)**

- payable in 10 years and insured for 15 years
- with dividends starting on the 4th year
- 20% bonus on the 10th to 14th policy anniversary year
- 100% maturity benefit on the 15th year
- double insurance coverage from 6th year onwards in case of death

**EASY PAY PLAN (10-20)**

- 10 years to pay, insured for 20 years
- with dividends starting on the 4th year
- 100% maturity benefit

**COLLEGE EDUCATIONAL PLAN**

- an educational fund and insurance plan for dependents of members, newborn to 11 years old
- payable in 5 or 10 years and matures on the policy anniversary date after the child's 17th birthday
- with life insurance for the child and dividends starting on the 4th year
- with waiver of premium for death and total and permanent disability of payor

**WHOLE LIFE**

- lifetime insurance protection which guarantees biggest amount of protection at minimum cost

**20-PAY LIFE**

- payable in 20 years, insurance coverage until age 99
- with dividends if plan is participating, starting on the 4th year

**SPECIAL WHOLE LIFE**

- lifetime insurance protection for retired servicemen, available to members ages 50-69 years old

**GROUP TERM INSURANCE**

- insurance protection for members of CAFGU, ROTC, PMA classes, security agencies, cooperatives and other special groups

**REDEMPTION INSURANCE (CREDIT, SALES, MORTGAGE)**

- an assurance of payment of theoretical balance of the loan in the event of death of the borrower

**INSURANCE BENEFITS****DIVIDENDS**

- benefit given to members with participating additional insurance in force for at least three years.

**DISABILITY BENEFIT**

- benefit given to members with Basic and Modified or Upgraded Basic insurance for total and permanent loss or loss of use of the parts of the body as a result of accident or combat operations

- benefit for E-56 policyholders if loss is due to accident only
- benefit for SGTI policyholders if loss is incurred while on duty

**BATTLE INJURY ASSISTANCE**

- financial assistance granted to members with Modified Basic Insurance or Upgraded Basic Insurance whose injury sustained in battle is not covered under the disability program of Modified Basic Insurance (MBI)/Upgraded Basic Insurance (UBI) and Special Group Term Insurance (SGTI)
- face amount depends on injury

**LOAN SERVICES****POLICY LOAN**

- available after two years of premium payment for Endowment Plans and three years for other Life Insurance Plans
- payable in 6, 12, 18 or 24 months at 6% interest per annum

**EQUITY LOAN**

- for members with Modified or Upgraded Basic Insurance
- payable in 12, 24, or 36 months at 6% interest per annum

**SALARY LOAN**

- for all active members with active Additional Insurance
- maximum of P300,000 at 8% interest per annum for loan term of 36 months and below, 10% for more than 36 months
- available after paying one month of premium contribution remitted to the Association through payroll deduction
- renewable after payment of six monthly amortizations for loans with payment term of 36 months and below; and after payment of 12 monthly amortizations for loans with payment term of more than 36 months.

**MEMBER'S EDUCATIONAL ASSISTANCE LOAN (MEDAL)**

- for the schooling of members or their dependents regardless of school level and number of grantees
- maximum of P50,000 payable within one year
- 7% interest per annum

**HOUSING LOAN**

- for the acquisition of lot or house and lot unit from AFPMBAI subdivision projects
- payable up to 20 years, depending on the age of borrower
- 5.5% - 11% fixed interest rates per annum

**MORTGAGE LOAN**

- for the purchase of lot, house and lot or condominium (completed), house construction, purchase of lot with house construction, home improvement, refinancing of real estate/housing loan with other institutions.
- maximum of P5M loanable amount
- payable up to 20 years, depending on the age of the borrower
- 5.5% -11% fixed interest rates per annum

**CALAMITY LOAN**

- special loan privilege granted to members who are victims of calamities

**OTHER SERVICES****TEXT 2 ATM LOAN FACILITY**

- availment of loans or loan renewal through text
- for regular and associate members who enrolled to TXT 2 ATM facility
- must have active and updated Basic Insurance or Additional Insurance plan with cash value

**EDUCATIONAL BENEFIT PROGRAM**

- financial assistance given to qualified dependents of military personnel killed-in-action in partnership with AFP Educational Benefit System (AFPEBS)

**GRANTS FOR DEPENDENTS (GRADE) PROGRAM**

- college scholarship grant for direct dependents of AFPMBAI members who were killed-in-action, died in line of duty or Complete Disability and Dismemberment (CDD) starting December 1, 2000.

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# BRANCH & EXTENSION OFFICES

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**Northern Luzon Area**  
**OIC Head: Marieta O Alejo**

**Baguio Branch**  
**Supervisor: Edna P Ramos**  
**AFPSLAI Bldg, Camp Henry Allen**  
**Baguio City**  
**0999-515-3918 / 0923-7420891**  
**0927-982-9859 / (074)443-5883**

**San Fernando La Union Extension**  
**Office In-Charge: Heziel Yen G Yosoya**  
**Unit C, National Road, Pagdalagan**  
**Norte City of San Fernando, La Union**  
**0909-5295572 / (072) 607-8120**

**Dagupan Extension Office**  
**In-Charge: Al Bryan J Senin**  
**Room 203 2nd floor, Siapno Bldg,**  
**corner Rivera St. and Zamora St.,**  
**Dagupan City**  
**0923-7471514/ 0930-9664762**

**Laoag Extension Office**  
**In-charge: Marie Cris S Camagon**  
**Unit 202 VL & SONS Bldg**  
**P. Gomez St., Laoag City**  
**0932-5127185 / 0923-7457561**

**Isabela Branch**  
**Supervisor: Restituto M Duran III**  
**CLU Bldg, National Highway**  
**Cauayan, Isabela**

**0907-8227859 / 0923-7420889**  
**(078)652-1743**

**Bayombong Extension Office**  
**In-Charge: Kristine Irish R Villareal**  
**Room D, F & V Delos Santos**  
**Commercial Bldg. 146 National Road,**  
**District IV,**  
**Bayombong, Nueva Vizcaya**  
**0923-7471473**

**Upi Extension Office**  
**In-Charge: Frances V Siddayao**  
**Camp Melchor F Dela Cruz**  
**Upi, Gamu, Isabela**  
**0933-3817764**  
**Tuguegarao Branch**  
**Supervisor: Grandee P Dumlao**  
**Rios Bldg Cor. College Ave and Taft St.**

**Tuguegarao City, Cagayan**  
**0999-3025330 / 0923-7421812**  
**(078)844-6728**

**Tabuk Extension Office**  
**In-charge: Cherie Pie G Pullis**  
**2F Kalinga Bazaar, Bulanso**  
**Tabuk, Kalinga**  
**0923-743-4646/ 0935-9314911**  
**Cabanatuan Branch**  
**Supervisor: Engr Julito V Arucan**  
**G/F, P Wycoco Bldg., 102 Bantug**  
**Norte, Cabanatuan City 0923-**  
**7327870**  
**(044)464-3908**

**Fort Magsaysay Extension Office**  
**In-charge: Carolyn P De Guzman**  
**7th Infantry Division, Philippine**  
**Army**  
**Fort Magsaysay, Palayan City**  
**Nueva Ecija**  
**0923-7420870/ 0947-5287887**

**Clark Extension Office**  
**In-charge: Perfecto G Libunao**  
**600th Air Base Wing,**  
**Clark Air Base, Pampanga**  
**0923-7421791**

**Olongapo Extension Office**  
**In-Charge: Ellen G Importado**  
**1869 Rizal Ave., West Bajac-Bajac,**  
**Olongapo City**

**arlac Extension Office**  
**In-charge: Catherine P Allag**  
**2/F AJ-AS Building, Brgy. Maligaya**  
**Tarlac City**  
**0929-3809059**

**Capas Extension Office**  
**In-charge: John Carlo L Mañalac**  
**2R Bldg., Sta. Lucia, Capas Tarlac**  
**0933-0471069**

**Camp Olivas Extension Office**  
**In-charge: Crisostomo M Bruel**  
**Camp Olivas, City of San Fernando,**  
**Pampanga**  
**0943-7087265**

**Southern Luzon Area**

**Head: Ruben G Acleta**

**Fort Bonifacio Branch**  
**Supervisor: Ma. Jocelyn Junsay**  
**Naval Station Jose Francisco**  
**Gate 3 Fort Bonifacio Taguig City**  
**(02)888-6438 / (02)888-9057**  
**0923-7420892**

**Canlubang Extension Office**  
**In-charge: Jhon Daniel L Magistrado**  
**Camp Vicente Lim, Canlubang, Laguna**  
**0999-9077752 / 0923-7420868**

**Tanay Extension Office**  
**In-charge: Maribel M Manalo**  
**Camp Gen Capinpin, Tanay, Rizal**  
**0943-8700066**

**Palawan Branch**  
**In-charge: Janice Rabajante**  
**Unit 1, 2/F, SJD Green Bldg**  
**132 National Highway, Brgy. San Pedro**  
**Puerto Princesa, Palawan**  
**0949-3364100 / 0923-7471482**  
**(048)434-7012**

**Cavite Branch**  
**Supervisor: Maria Nimfa A Recaido**  
**2/F Unit-D 685 R.Basa St.**  
**Brgy. Labanos, San Roque, Cavite City**  
**0949-3403639 / 0923-7421809**

**Lucena Branch**  
**Supervisor: Estrellita O Querimit**  
**SOLCOM, Camp Nakar Lucena City**  
**0918-3976367 / 0923-7420847**  
**(043)373-1091**

**Daet Extension Office**  
**In-charge: Resty V Pacle**  
**No. 2 Blk 6 Lot 1 Bel-Air Subdivision**  
**Lag-on Daet, Camarines Norte**  
**0943-5547618 / 0927-9247343**  
**(054) 440-0680**

**Batangas Branch**  
**Supervisor: Nenita H Buco**  
**Unit 5 2/F Verde Centre**  
**Paninsingin, Lipa City, Batangas**  
**0923-742-1794/ 0947-7253654**  
**(043) 702-4352**

**Calapan Extension Office**

In-charge: Nollie Rose P Martinez  
2/F HCP Bldg., M.H Del Pilar St., San  
Vicente East,  
Calapan City, Oriental Mindoro  
0923-7421802/ 0947-3861320

**Legaspi Branch**

Supervisor: Jecris C Sagragao  
ANST Bldg, Washington Drive,  
Legazpi City  
0923-7420862 / 0916-7879077  
(052)481-1573

**Pili Extension Office**

In-charge: Glenda O Pacis  
Omega Gold Plaza Bldg, Pili,  
Camarines Sur  
0946-9363691 / 0906-4101427  
(054) 477-3406

**Masbate Extension Office**

In-Charge: Honeylyn Lambaja  
Room 1 Shopper's Arcade  
Domingo St., Masbate City  
0923-7434643 / 0906-4101427

**Visayas Area**

Head: Anita Bagasala

**Iloilo Branch**

Supervisor: Mila R Sison  
Arthur Suite, General Luna St.  
Iloilo City  
0923-7421814  
(033) 337-8416

**Bacolod Extension Office**

In-charge: Mary Joy B Locsin  
Door 5 Elcourt Bldg, 1st Street,  
Lacson, Bacolod City  
0923-7421822  
(034) 434-6044

**Jamindan Extension Office**

In-charge: Genalyn D Diosaban  
Sitio Agbalagon, Jaena Norte  
Jamindan, Capiz  
0923-9756235

**Kalibo Extension Office**

In-Charge: Dechel R Harvey  
Door #206, 2F Waldolf Garcia Bldg.  
Osmeña Ave., Kalibo, Aklan  
0923-7434634

**Cebu Branch**

Supervisor: Vembe V Magalso  
CENTCOM, AFP, Camp Lapu-Lapu  
Lahug, Cebu City  
0923-7259328 / (032) 234-1028

**Dumaguete Extension Office**

In-charge: Geoviliza Z Tayag  
Door No. 4 Canlas Bldg,  
Cervantes St., Dumaguete City  
0923-7455310  
(035) 226-3527

**Bohol Extension Office**

In-charge: Sheryl A Paeste  
140 J.A Clarin St. Tagbilaran City, Bohol  
0923-7455318  
(038) 412-7282

**Bogo Extension Office**

In-charge: May Anne O Astillo  
Bogo City Police Station  
Brgy. Taytayan, Bogo City, Cebu  
0908-2577473

**Tacloban Branch**

Supervisor: Rebecca S Gayod  
G/F Aqua Glass Bldg cor. P. Gomez  
& Real Sts. Tacloban City  
0943-7079484  
(053) 325-6552

**Catbalogan Extension Office**

In-charge: Rommel A Romero  
Camp Lukban, Maulong  
Catbalogan, Samar  
0923-7457575 / (055) 251-5351

**Catarman Extension Office**

In-charge: Novelin A. Mahinay  
Catarman Police Station  
JP Rizal St. Brgy. Acacia  
Catarman, Northern Samar  
0943-0948734

**Maasin Extension Office**

In-charge: Elizabeth A Aberte  
Capt. Iyano St., Brgy. Tagnipa, Maasin  
City  
Southern Leyte  
0943-7087268 / 0915-7466962  
(053)381-2914

**Mindanao Area**

Head: Deonesio B Corong II

**Zamboanga Branch**

Supervisor: Jocelyn B Paala  
Western Mindanao Command  
Camp Basilio Navarro, Lower  
Calarian,  
Zamboanga City  
0919-4911649 / 0923-7457583  
0942-7126122 / (062)991-1053

**Pagadian Extension Office**

In-charge: Marie Lei L Pamittan  
Kuta Dao, Pagadian City  
0928-7128245 / 0923-7457446  
(062) 215-3907

**Jolo Extension Office**

In-charge: Nhasramona U Jasim  
Camp PSSupt, Julasim A Kasim,  
Asturias,  
Jolo, Sulu  
0977-4871945 / 0943-1331884

**Dipolog Extension Office**

In-charge: Katrina Marie E Saguin  
Jucit Bess Bajamunde Sanico Bldg.,  
Gonzales cor., Malvar St., Dipolog  
City  
0923-7457456

**Ipil Extension Office**

In-charge: Richel C dela Cruz  
Stall no. 6 Schuck Arcade  
Climaco St., Poblacion Ipil  
Zamboanga Sibugay Province  
0923-749-1566

**Cagayan De Oro Branch**

Supervisor: Conchita Ma  
Concepcion L Salazar  
Nuñez Bldg, Zone 1, Bulua  
Cagayan De Oro City  
0999-4697000 / 0923-7455323  
(08822) 735-695

**Iligan Extension Office**

In-charge: Jefilamae Silao  
Jariol Bldg,  
Del Pilar St., Iligan City  
0928-7107777 / 0923-3747472



**Bukidnon Extension Office**

In-charge: Riza Manguera  
Rubio Bldg., Magsaysay St.,  
Malaybalay, Bukidnon  
0923-7491567

**Tacurong Extension Office**

In-Charge: Noemi I Sumalpong  
Notre Dame Centrum II, National  
Highway, Tacurong City,  
Sultan Kudarat  
0943-7087267

**Butuan Branch Office**

OIC: Krizza C Simudlan  
Brgy. Bancasi, Butuan City  
0928-3687565 / 0923-7457460  
(085) 226-6084

**Surigao Extension Office**

In-charge: Allvin A Yosores  
3/F Calejesan Bldg., Magallanes St.  
Surigao City  
0923-7491606

**Davao Branch**

OIC: Maria Menchie C Makilang  
4/F AFPMBAL Bldg., Maya Street,  
Ecoland, Matina, Davao City  
0929-8102531 / 0923-7457415  
(082) 297-5482

**Mati Extension Office**

In-charge: Paullyn Grace P  
Gamayon  
Manongas Bldg. Limotoc St.  
Mati City  
0923-7471515  
(082) 811-3685

**General Santos Extension Office**

In-charge: Janet M Jaudian  
3/F SAFI Bldg. 2, Mansanitas St.  
cor Magsaysay Ave., General Santos  
City  
0948-4927464 / 0923-7457551  
(083) 553-1454

**Cotabato Branch**

Supervisor: Annaliza B Lim  
2/F Herrera Bldg.154 Quezon Ave,  
Cotabato City  
0949-4565168 / 0923-7457429  
(064) 421-9398 / 421-4004

**Kidapawan Extension Office**

In-Charge : Janelyn Soliza  
2/F ZPOL Bldg.  
Quezon Blvd., Kidapawan City  
0943-1343605