



KARAMAY MO NOON KAAGAPAY MO NGAYON
KABALIKAT MO HABANG PANAHON.

ANNUAL REPORT

— 2014 —



**Armed Forces and Police
Mutual Benefit Association, Inc.**

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CONTENTS

2 Vision, Mission and Values

3 Chairman's Message

4 Report of the President

10 Corporate Social Responsibility

14 Governance Report

21 Audited Financial Statements

30 Board Members

34 Management Team

40 Company Milestones

42 Products and Services

44 Branch and Extension Offices



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

MESSAGE FROM THE CHAIRMAN



Imbued with outstanding professionalism and commitment, 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!

General Hernando DCA Iriberry AFP
Chairman and AFP Chief of Staff

REPORT OF THE PRESIDENT



Fellow AFPMBAI Members:

The Philippine economy decelerated its pace of growth by 15%, from a GDP of 7.2% in 2013 to 6.1% in 2014, due to a slowdown in government expenditure. Total premiums by life insurance companies likewise decreased, attributed to a huge drop in single-premium income and first-year premiums.

Amidst the slight decline of the country's macro level performance, the Association ended 2014 with a 30% increase in consolidated net income or P400.13 million from P307.23 million in 2013. The Association itself generated a net income of P398.71 million which is 29% higher than the P309.46 million a year ago. Relatedly, total comprehensive consolidated income rose to P541.75 million, while total separate comprehensive income stood at P527.76 million; showcasing a 125% and 95% growth respectively.

The sustained momentum of the Association's profit was greatly attributed to interest income on loans. Our financial investments rank next in income generation brought by improved market condition, additional investments and better management. Meanwhile, our life insurance business maintained its modest growth and obtained a better bottom figure as compared to the previous year, due to increase in premiums and adjustment in increase in legal reserves as directed by the Insurance Commission. Our real estate business likewise reaped higher returns because of its gains from Real Estate Housing Loans (REHL) and Real Estate Mortgage Loans (REML).

Moreover, our assets made a 10% upturn from last year's P12.99 billion to P14.26 billion this year, retaining our industry's position of being the number one mutual benefit association in the country in terms of assets.

The remarkable performance in 2014, was the fruit of hard labor of management and employees working together towards a common goal, supplemented by the active engagement of the members of the Board of Trustees.

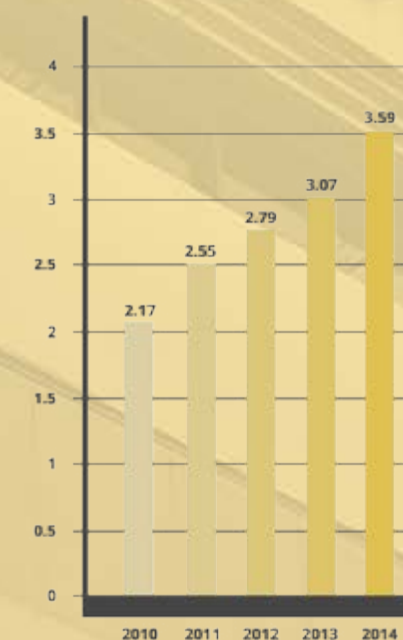
Life Insurance Business

For CY 2014, our life insurance premiums grew by P65.12 million from the 2013 figure of P2.00 billion to P2.07 billion. This is attributed to the increased number of sales agents, improved sales incentive scheme, intensified marketing efforts both in the head office and in the regional offices, and strengthened conservation efforts.

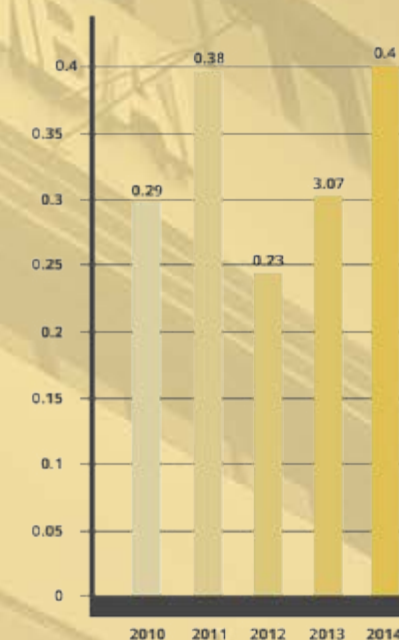
In terms of members' benefits, we released P1.09 billion living benefits and P163.38 million in death benefits to 36,567 members.

Financial Highlights

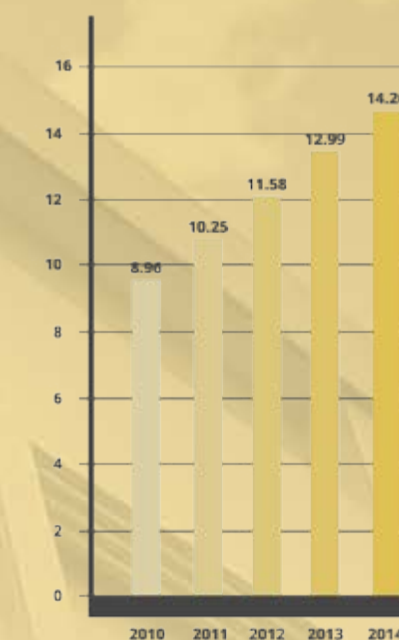
Members' Equity
In Billion Pesos



Net Income
In Billion Pesos



Assets
In Billion Pesos



Real Estate Business

We continue to capitalize on our real estate business as we believe this will provide long-term steady source of income to the Association. We have finished the construction of the additional 60 housing units in Bacolod Homes Royale, Bacolod City. We also keep our commitment to provide facilities to our subdivisions as well as maintaining and increasing their value, we have provided a deep well for La Tierra Verde Mutual Homes, Lipa City, Batangas to ensure its water supply, have stone-lined its open canal and repaired its perimeter fence to ensure security within the area. We have also laid our foundation for 2015 projects by commencing the construction of the Luzon Branch Office Building in Taguig City after its groundbreaking, and land development of the Tanza Property in Cavite City.

In addition, the Association granted a total of P262.55 million in housing loans and P124.84 million in real estate mortgage loans in 2014.

Financial Investments and Loans

We optimized investment yields through engagement of services of banks under Investment Management Agreement (IMA) and explored other allowable investment outlets with higher potential returns, coupled with aggressive marketing drive which resulted to a total interest income of P 871.45 million or 6% increase from last year's figure of P820. 99 million.

Service Delivery

To improve the delivery of service to members, the Association engaged the services of UCPB as bank partner for the issuance of enhanced members' ID card. The soon to launch members' ID card will have an ATM functionality for disbursement of members' claims and benefits.

To augment the existing collection facilities for members opting to pay directly to the Association, we will soon be using the services of SM Mart for its SM Bills Payment Facility as an alternative channel for the payment of members' loans, insurance premiums and other payables. The said facility likewise aims to encourage prompt payment of members and promote AFPMBAI's insurance and real estate products.

Company Loans

We granted Calamity Loan to victims of Typhoon Glenda in the total amount of P72.23 million. Members who were affected by the said calamity in Muntinlupa, Legaspi, Lucena and Laguna were able to apply for a maximum loan amount of P50 thousand with a very affordable interest rate at 6% per annum, payable within five years.

Human Resources and Organizational Enhancement

Recognizing the need for all employees to maintain a well-balanced life that would result to motivated, high-performing personnel and robust organization, we conducted a series of holistic wellness programs related to the physical, financial, emotional and spiritual needs of employees.

Moreover, to foster a culture of continuous learning among employees to serve the members better, new supervisors underwent a two-day Basic Supervisory Workshop last October, where diverse concepts of leadership were taught. This was followed by a three-day Advance Supervisory Seminar in December where supervisors learned to hone their leadership skills and coaching abilities.

To ensure that behaviour and accomplishments of the employees are aligned with the Association's goals, the Objective Setting and Performance Rating Workshop was held



Architectural perspective of the facade and rear view of the soon to rise and Development (ECCD) Center (right).

Luzon Branch Office (LBO) building (left); and the Early Childhood Care

to all employees both in the head office and the regional offices.

Furthermore, we conducted a Job Description Writing Workshop for all managers, supervisors, and select rank and file employees to update or revise the job descriptions which has to be in line with the present task and the current organizational structure.

Organizational changes were also implemented to further improve effectiveness and efficiency of operation. The Compliance and Remedial Accounts Unit (CARA) was created to lessen and prevent dormancy of accounts, undertake mediation, negotiate and settle accounts of delinquent borrowers and represent AFPMBAI to the Philippine Chamber of Mutual Benefit Associations. The unit is also responsible for the submission of requirements to government regulatory agencies such as the Insurance Commission (IC), Bureau of Internal Revenue (BIR), Anti-Money Laundering Council (AMLC) and Securities and Exchange Commission (SEC).

Meanwhile, the Direct Payment-Billing and Monitoring Section under the Billing and Collection Unit (BCU) was created to handle, monitor and manage accounts of members with direct mode of payment.

Internal Business Process

To ensure continuity of operations in case of emergencies, we have acquired servers and storage for Disaster Recovery (DR). A five-year disaster recovery site co-location agreement was signed between AFPMBAI and Total Information Management Corporation (TIM). A simulation exercise was done at the head

office datacenter and the same will be performed in a remote site in 2015. Relocation of DR equipment will also commence on in 2015.

Amended Articles of Incorporation and By-laws

We were successful in securing the written assent of more than two-thirds of our members that paved the way to the amendment of the Association's Articles of Incorporation and By-Laws. With the said amendment, members will be able to reinforce their rights to participate in key corporate governance decisions and be sufficiently informed on decisions concerning the company through the institution of the Annual General Membership Meeting (AGMM).

Subsidiary Report

Our wholly-owned subsidiary, the AFP General Insurance Corporation (AFPGen) recorded a net loss of P548.53 thousand in 2014. This is primarily due to the decline in Gross Premium written from AFP, PNP, and PCG brought by the Commission on Audit's issuance of notice of disallowance, where all properties of AFP and PNP should be with GSIS. In addition, the eleven-month delay in obtaining the Certificate of Accreditation and Certificate of Authority to issue the Compulsory Insurance Coverage for Agency-Hired OFWs from Insurance Commission resulted to non-achievement of premium target.

In its effort to improve income, the AFPGen conducted monthly sales drives in various camps in Luzon, Visayas and Mindanao for their enhanced Microinsurance. The said product offers the most

comprehensive coverage amounting to P242,000 at an affordable price of P1,900 a year. Its coverage includes fire, acts of nature assistance, personal accident, loan amortization assistance, hospital cash assistance, emergency room assistance, burial assistance and Memorial Package.

Meanwhile, Philippine Military Academy (PMA) Classes '51 to '54, '63, '67, and '72 signed a Memorandum of Agreement with AFPGen on the program "Support Your Class, Insure with Us", which aims to raise funds for the activities of the classes by insuring their assets with AFPGen.

They have likewise formed a partnership with the Philippine Mortuary Association in Microinsurance. AFPGen and PMA signed a MOA to seal the commitment to Microinsurance clients in servicing their memorial package which can be availed at any of the more than 250 PMA members nationwide.

Moreover, AFPGen received an Accreditation to Transact Business as Surety (ATBAS) from five Bureau of Custom's offices in eight ports in Manila, Clark, Subic, Manila International Container, San Fernando La Union, Batangas, NAIA and Cebu. The company was also accredited by the Department of Energy (DOE) as a bonding company until June 2015 for performance bond purposes of DOE's service contractors.

AFPGen also implemented several computer systems to improve business operations. It engaged the services of Geniisys to enhance insurance policy writing, Vista for the outsourcing of the payroll system and DMS for creating a digital documentation system. AFPGen also has an Automated Payroll and Automated Timekeeping and Attendance Systems.

Continuous trainings of employees are also being provided in the area of management enhancement, coaching and counselling, communication and planning, basic oral and written communication, delighting customers and culture building "Tatak AFPGen".

Golden Anniversary Celebration

On January 5, 2015, the Association began its year-long celebration of its 50 years of outstanding service to its members. Upholding its theme, "Karamay Mo Noon. Kaagapay Mo Ngayon. Kabalikat Mo Habang Panahon.", the Association will relive the milestones achieved through time. Moreover, to show its deep gratitude to its members, a wide array of activities and programs were prepared, which include: the Grand Anniversary Giveaway Raffle, the Salute to Talent singing contest, Insured @ 50! Raffle Promo, Penalty Condonation Program, opening of new grants for the GRANTS for DEpendents (GRADE) Scholarship Program, Financial Management Seminar and Run for the Mangroves. The Grand Anniversary Giveaway Raffle is a raffle promo



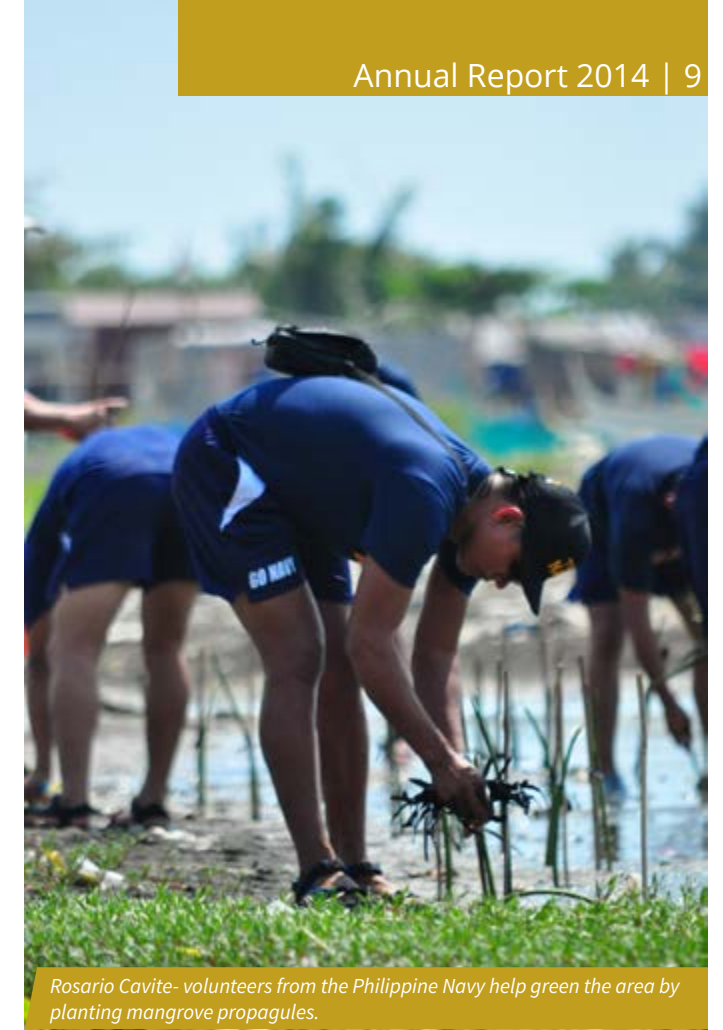
Top: Salute to Talent Grand Champion, CPL Malou V Eslaga (EW) PA sings her heart out during her encore performance as the proclaimed winner of the said singing contest.
Bottom: CPL Eslaga PA receives P300,000, a trophy and a house and lot from Lumina Homes.



AFP-GHQ- participants to SSO's REACH Run for the Mangroves race to the finish line.



Carigara, Leyte- Military and civilian volunteers gather for a cause during the simultaneous mangrove planting in Cavite, Tacloban and CDO.



Rosario Cavite- volunteers from the Philippine Navy help green the area by planting mangrove propagules.

for members who availed of real estate, insurance and loan products from January 1, 2015 to December 1, 2015. Winners of this contest will have a chance to win house and lot prizes.

A first of its kind, the Salute to Talent singing contest is a nationwide talent search opened to all regular members where winners received cash prizes and the grand champion winning a house and lot courtesy of Lumina Homes.

Meanwhile, we launched the Insured@50! Raffle Promo for members who sign-up for group insurance or have their basic insurance upgraded to UBI/MBI. Every month, 50 members who availed the said promo will have a chance to win a limited edition 50th Anniversary T-shirt during the monthly raffle draw.

Last March 1, 2015, the Penalty Condonation Program was launched to reduce the Association's dormant accounts and non-performing loans. Under the said program, regular and associate members were granted a 50% penalty condonation on their

penalties for Salary Loan, Calamity Loan, Members' Educational Assistance Loan (MEDAL) and loans of similar nature. Members can also update and settle their past obligations in full within the same calendar month resulting to a matured or closed account.

The Association also looks forward to implementing more meaningful social services. The GRADE Scholarship Program opened again for SY 2015-2016 last March. This serves as the Association's avenue in providing educational opportunities for the dependents of members who have offered selfless service to the country and to the people.

Moreover, we conducted a livelihood seminar on financial management to 170 uniformed personnel from different branches of service last May 21 and 22, 2015 at the head office. During the said seminar, participants were taught to look at their finances more wisely by differentiating needs and wants. Members were also given ideas on how to start their own businesses and franchise while doing their tasks for the country. Also, in celebration of the Philippine Environmental Month,

a fun run for members and employees dubbed as "Run for the Mangroves" was also held last June 20, 2015 to support the Association's simultaneous mangrove planting project in Rosario Cavite, El Salvador, Cagayan de Oro City and Carigara Leyte on June 27, 2015.

Future Plans

I believe that as the market changes, there will always be occasions to improve, correct and reform. Instead of fearing or worrying about these changes; let us welcome them as opportunities for growth to make things better. In fact, I am excited and hopeful for the Association's future. This year, we started a number of new real estate projects that will add up to our current product portfolio; we will also be launching a new Expanded Salary Loan Program, develop an advanced IT system for HR, organizational review for efficient management and operation as well as building improvements for members and employees. Above these things, we will continue to set strategies for the Association's sustainable future.

As our Association celebrates its 50 years of service to the men and women in uniform, I commend and thank the past and present members of the Board of Trustees, Chairmen, Executives and Stakeholders for the wisdom and guidance imparted to management, to make the Association stand strong and resilient through the passage of time. I am equally grateful to the management and employees of AFPMBAI for their time and devotion in sustaining and growing this Association, as it is today. To our members who entrust this Association to us, we are humbled and honored for the patronage and support you have given us through the years; to our business partners, thank you for helping us deliver our products and services to our members. Lastly, I thank our Almighty Father above for making His blessings stay and abound in this Association.

Happy Golden Anniversary! Mabuhay ang AFPMBAI!


MGEN EDGARDO RENE C SAMONTE AFP (RET)
PRESIDENT



CORPORATE SOCIAL RESPONSIBILITY

Looking beyond growth and financial stability, the real success story of Armed Forces and Police Mutual Benefit Association, Inc. (AFPMBAI) for the past 50 years is anchored on the inspiration and progress the Association has effected on the lives of its members. Its steadfast commitment to be an uplifting force in the lives of its members has been the driving force behind its continuous success and one that defines its enduring partnership with its members.

In keeping alive the spirit of *damayan*, AFPMBAI has made part of its core mission to be of service to its members and their families beyond providing them with competitive insurance and financial products.

Recognizing that it can do more to help in addressing the plight of the members through helping them improve their quality of life, the Association embarked on this mission through the establishment of the Social Services Program in 2011.

The Association ventured into holistically addressed the needs of the members by creating social impact projects in the areas of education, health, general welfare, and community development.

For four years, the Association has remained in its proactive stance in the holistic development and empowerment of its members and their families by adopting a multi-stakeholder approach with the establishment and regular assembly of the Social Services Program Committee to ensure that all stakeholders are properly represented and empowered to contribute in the development of the programs and the delivery of services.

FOCUS AREAS	TOTAL AMOUNT DISBURSED	PERCENTAGE (JULY 2014- JUNE 2015)
Health	P54.99 M	78.73%
Education	P 8.89M	12.72%
General Welfare	P5.59 M	8%
Community Development	P0.38 M	0.54%
TOTAL	P69.85M	100%

For the period of July 2014 to June 2015, projects implemented under the Social Services Program summed up a total disbursement of P 69.85 million.

PROVIDING THE GIFT OF EDUCATION

AFPMBAI believes in the importance of investing in the future through education. Hence, projects that would answer the educational needs of financially challenged dependents of members remained a priority.

AFPMBAI-AFPEBS EDUCATIONAL BENEFIT PROGRAM

AFPMBAI offers the gift of education to its members' dependents through a scholarship program. Since 2008, the Association has been granting financial support for college students under the AFPMBAI-AFPEBS Educational Benefit Program in partnership with AFP Educational Benefit System Office (AFPEBSO). This scholarship program provides stipend benefits amounting to P12,000.00 to the dependents of AFP members who were killed in action as a way of honoring their service to the country. For CY 2015-2016, the Association has 65 continuing scholars.

GRANTS FOR DEPENDENTS (GRADE) PROGRAM

The exclusivity of the AFPMBAI-AFPEBS Educational Benefit Program to military dependents induced the establishment of the GRANTS for DEpendents (GRADE) Program in 2012. The GRADE Program is also a college scholarship program wholly funded and managed by the Association for the dependents of its members from the Armed Forces of the Philippines (AFP), Philippine National Police (PNP), Bureau of Fire Protection (BFP), Bureau of Jail Management and Penology (BJMP), and Philippine Coast Guard (PCG) who were killed in action, died in line of duty, or discharged due to complete disability.

In its aim to provide better education opportunities, the Program support the tuition and stipend benefits of its scholar amounting to P90,000.00 per year.

For CY 2014, the AFPMBAI GRADE program has helped six students to graduate, one of which is a cum laude from Ateneo de Naga in Camarines Sur.



PROUD TO BE GRADE SCHOLAR:

REGINE MAE V DELA CRUZ
 graduated Cum Laude Bachelor of Science in Psychology from Ateneo de Naga University last March 28, 2015.

For CY 2015, the Program has 56 continuing scholars. The Program shall also accept new batch of scholars starting Academic Year 2015 to 2016 until completion of their chosen courses. More than the gift of education, each GRADE scholar is now given a chance to a better future.

EARLY CHILDHOOD CARE AND DEVELOPMENT (ECCD) PROGRAM

Broadening the opportunity to deliver the gift of education to its members' dependents, the AFPMBAI also ventured into providing educational facilities and equipment through its Early Childhood Care and Development (ECCD) Program. Under the ECCD Program, recipients were given a financial grant amounting to P1.2 million for the construction or renovation of the educational facility and

donation of educational materials.

The construction of an educational facility in Camp Tecson, San Miguel Bulacan, the first of five donations, was completed and turned over last December 2014. Meanwhile, the four other constructions are expected to be completed within the year.

FOSTERING BETTER HEALTH FOR ALL MEMBERS

Recognizing the importance of health to its members, the Association placed health programs as another priority of development in our members' lives due to the rising cost and inadequacy of medical services.

Striving towards fostering better health for all members, several projects were implemented in CY 2014 to provide assistance in enhancing the health facilities and medical services offered at the different branches of service.

ADOPT-A-WARD PROGRAM

Under the Adopt-A-Ward Program, a total of 14 health facilities from the AFP General Headquarters, Philippine Army (PA), Philippine Air Force (PAF), Philippine Navy (PN), PNP, BFP and BJMP were selected as recipients of a total of P14-million financial grants for construction or renovation of facility and donation of medical equipment.

Construction and renovation work commenced in all "AFPMBAI Wards" for the period July 2014-June 2015. The following are the recipients of the Adopt-A-Ward Program per branch of service are: AFP GHQ: AFP Medical Center Department of Rehabilitation, Camp General Emilio Aguinaldo Hospital; PA: Camp Melchor, Fort Magsaysay Regional Health Service, Police Regional Office 2; BFP: Emergency Medical Service; BJMP: BJMP Health Service.

Furthermore, the Association also provided medical equipment to include a total of 21 units of defibrillators for the requesting units from PA, BFP, and BJMP and nine units stress test machine for the requesting units from AFP GHQ, PA, BFP, and PAF.

AMBULANCE DONATION

Another thrust of AFPMBAI is the improvement of the emergency service units of the respective branches of service. Donation of fully-equipped ambulances was made to AFP GHQ: Camp General Emilio Aguinaldo Station Hospital; PA: Tradoc Medical Service Medical Dispensary, First Scout Ranger Regiment Medical Dispensary, Mechanized Infantry Division Medical Dispensary, Army General Hospital, 1st Infantry Division, 3rd Infantry Division, 4th Infantry Division, 5th Infantry Division, and 6th Infantry Division; PN: Manila Naval Hospital, Cavite Naval Station, and Naval Forces Western Mindanao; PNP: PNP Health Service, Regional Health Service PRO 3, National Capital Region Police Office, Regional Health Service PRO 8; BFP:



The launch of the AFPMBAI Early Childhood Care and Development Center (ECCD) in Bulacan led by AFPMBAI employees, Deputy Regiment Commander, FSRR, Col Ramon C Yogyog, together with some Scout Rangers and their

dependents.

Iriga City, Region 5, Regional Office, Region 11, BFP Region 1, BFP Region 3, BFP Region 11, BFP NCR; BJMP: BJMP National Headquarters, BJMP Region 12.

DENTAL AND ORAL CARE (DOC) PROJECT

Aside from addressing the problem of inadequate health facilities, the Social Services Program also aimed to improve the dental health services offered at selected dispensaries through donation of dental equipment packages.

For CY 2014, the Association has distributed a total of 20 dental packages to requesting units from AFP GHQ, PA, PN, BFP and BJMP.

Meanwhile, for CY 2015, the Association has distributed a total of 13 dental packages to the requesting units from AFP GHQ, PA, and BJMP to upgrade the dental facilities available for our members.

By upgrading the facilities and equipment of the selected military, police and bureau hospitals and clinics, the Association was able to provide opportunities for hundreds of its members and dependents to receive quality and responsive health and oral care.

HEALTHY AND ACTIVE LIFESTYLE (HEAL) PROJECT

Bearing in mind the welfare of its members, the AFPMBAI takes a proactive stance on health by encouraging its

members to be active and get involved in physical fitness training to combat lifestyle diseases.

Through the HEAL Project, the Association provides gym equipment packages. For the period July 2014 to June 2015, the Association has provided 35 units of gym equipment packages to requesting units from AFP GHQ, PA, PN, PAF, PNP, BFP, BJMP, and PCG.

PROVIDING HOLISTIC BENEFITS

Seizing all opportunities to deliver more benefits to address the changing demand of the members, general welfare programs were implemented in 2014. These programs focused on boosting the morale and holistic well-being of the beneficiaries. For the period July 2014 to June 2015, the Association has provided a total of 53 sports equipment packages under its Group Activities for MEmbers (GAME) Program. Furthermore, it also provided a total of 65 entertainment packages under its Members' Entertainment (ME) Program.

EMPOWERING MEMBERS AND THEIR FAMILIES

Livelihood, Education and Development (LEAD) The Association believes that providing avenues for the promotion of financial stability and self-reliance of its members and their families is pertinent in fulfilling its mission to be an uplifting force in the lives of its members.

As steps towards assisting them improve their economic well-being, the Association launched the Livelihood, Education and Development (LEAD) Program. The Program provided the members with a free seminar wherein they were imparted with knowledge vital in properly handling their finances. Topics during the said seminar include financial management, starting up a business, and various livelihood opportunities.

ADVOCATING FOR CHANGE

The AFPMBAI's unwavering commitment to be an instrument of change propels the creation of REACH or Rebuilding, Empowering, Advocating Change. (REACH) Project. The Project aims to empower the employees and/or members to get involved in advocating change and creating greater social impact through volunteerism.

Various volunteer activities were conducted during CY 2014 that were attended by 986 participants comprising of both AFPMBAI employees and members. The REACH Project CY 2014 was kicked off by a fun run activity conducted at the Headquarters, Philippine Army last July 10, 2014. The said activity was in celebration of the National Disability Prevention and Rehabilitation Week. Succeeding activities include outreach projects to various institutions.

The biggest community development project conducted in 2014 was a team-up with the local government of Davao City for the "TreeVolution: Greening MindaNow", the greening project of Davao City in Mindanao, where a new Guinness World Record of having planted the most number of trees and mangroves in one hour was confirmed.

This June 2015, in response to the growing need to protect the environment, a fun run entitled as "AFPMBAI Run for the Mangrove", was held at the GHQ Grounds in Camp, Aguinaldo, Quezon City. After which, a simultaneous mangrove planting activity was simultaneously conducted last June 27, 2015 in Cavite, Leyte, and Cagayan de Oro. Both activities were in celebration of the Philippine Environment Month.

CREATING A LASTING DIFFERENCE

As the Association moves towards another fifty years of its corporate life, its sincere commitment to be significant to its members is still its guiding force in continuously providing member-centric services that are significant, sustainable and responsive to their needs. The continuous improvement of the various social services programs is an indication of the unwavering commitment of the Association to be a steadfast partner to its members which create lasting difference in their lives.

At the heart of the Social Services Program is to be relevant with the members' lives. And this is why it choose to serve those who serve, to give importance to their concerns and be "maasahan sa oras ng pangangailangan".

GOVERNANCE REPORT

In 2014, 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. 2014 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

Although absent from its Charter since the Martial Law years, AFPMBAI surged forward in its effort to reinstitute the Annual General Membership Meeting in its By-Laws to ensure that its members are given the avenue to participate in the decision-making process of the Association.

Members of the Board of Trustees mobilized their troops to explain to the over 300,000-strong membership of the Association the proposed amendments to its Articles of Incorporation and By-Laws, and attempted to secure the written assent of at least two-thirds of the general membership. With members scattered all over the Philippines, this was the most difficult challenge for 2014 in the quest to live up to the standards of good corporate governance.

AFPMBAI also authored a Memorandum Circular on the Association's commitment to its members to deliver customized-

applicable services to qualified regular and associate members.

Living on its mission to provide the members with the most responsive insurance protection, affordable products and meaningful social services, AFPMBAI continues to design, develop and deliver these services to improve the economic and social well-being of its members and return financial value to the premiums entrusted to the Association.

RECOGNIZING THE ROLE OF STAKEHOLDERS

AFPMBAI acknowledges the significant role played by its stakeholders in the success that the Association has reaped thus far. In return, it continually seeks to enhance its internal business processes to improve the delivery of its services, not just toward its members but also to third parties.

The Association also reached out to its stakeholders through Corporate Social Responsibility (CSR) programs conducted year-round, such as the Sharing Our Service Program (SOS), Grants for Dependents Program (GRADE), Early Childhood Care and Development Project (ECCD), Adopt-A-Ward Program, Dental and Oral Care Project, Health and Active Lifestyle (HEAL), Vaccination and Immunization Project (VIP), Hepatitis Outbreak Prevention and Education (HOPE), and Rebuilding, Empowering, Advocating Change (REACH) programs conducted throughout 2014. Member and non-member communities alike benefited as AFPMBAI sought to plow back its earnings to these communities.

Concern for the health, welfare, and continuous growth of employees remains a focal point for the Association. The Collective Bargaining Agreement (CBA) with the Employees' Union was signed mid-2014 to the satisfaction of the Management and the Rank and File Employees. Continuous job-related training, the institution of health and wellness programs and benefits, and the conduct of safety drills are already year-round activities of AFPMBAI to promote the safety and welfare of its workforce.

DISCLOSURE AND TRANSPARENCY

AFPMBAI continues to improve its website to disclose to the members and the general public news of its activities, as well as 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 officers 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.

RESPONSIBILITIES OF THE BOARD

In 2014, the Manual of Corporate Governance guiding the Board of Trustees was amended to further aid the Board members as they carry out their responsibilities. The Board of Trustees continues to commit itself to serve and promote the best interests of AFPMBAI. The Board members owe their duty and responsibility to the Association and, in the process, promote the long-term sustainability and success of AFPMBAI in a manner consistent with international corporate governance best practices.

The Board of Trustees governs with an emphasis on outward vision rather than an internal preoccupation, strategic leadership more than administrative detail, clear distinction of Board and Chief Executive roles, collective rather than individual decisions, future rather than past or present, and proactivity rather than reactivity.

The Board of Trustees is committed to:

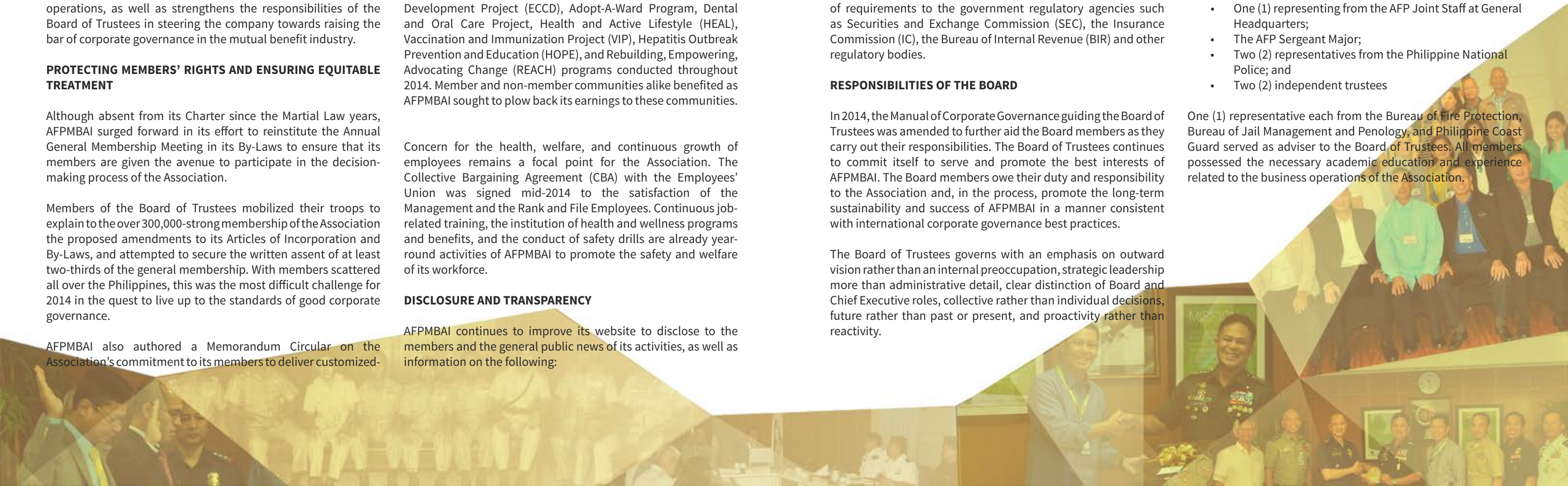
1. Cultivate a sense of group responsibility.
2. Direct, control and inspire the Association through the careful establishment of broad written policies reflecting the Board's values and perspectives.
3. Enforce upon it whatever discipline is needed to govern with excellence.
4. Monitor and discuss the Board's process and performance.

BOARD MEMBERS

In 2014, the AFPMBAI Board of Trustees consisted of eleven (11) members. These are the following:

- The AFP Chief of Staff as Chairman of the Board;
- The AFPMBAI President;
- Three (3) members representing the Major Service Commands of the Armed Forces of the Philippines: Philippine Army, Philippine Navy, and Philippine Air Force;
- One (1) representing from the AFP Joint Staff at General Headquarters;
- The AFP Sergeant Major;
- Two (2) representatives from the Philippine National Police; and
- Two (2) independent trustees

One (1) representative each from the Bureau of Fire Protection, Bureau of Jail Management and Penology, and Philippine Coast Guard served as adviser to the Board of Trustees. All members possessed the necessary academic education and experience related to the business operations of the Association.



BOARD COMMITTEES

Board Committees play an important role in overseeing the Association's accomplishment of its strategic objectives and in the review and evaluation of all matters to be raised to the Board of Trustees for approval or information. Board meetings are thus conducted more efficiently and effectively after all matters have been deliberated on in the Board Committee meetings.

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.

In 2014, the AERMC has closely reviewed courses of actions and processes undertaken by the Management to address issues such as the development of Enterprise Information System Project. The committee has also scrutinized the actions taken by the Management on matters concerning compliance to statutory requirements like application for the Association's tax exemption privilege, investment in AFPGEN to meet IC capital requirements, the completion of the CY 2013 Statutory Audit and the engagement of external auditor for the CY 2014 Statutory Audit.

In terms of the Association's Enterprise Risk Management, the AERMC has approved an ERM Framework and directed Management its execution and full implementation to properly manage the Top 10 Risks which were identified by the Board of Trustees.

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.

For 2014, the Governance Committee ensured that all Board Committees would be in charge of overseeing Management's accomplishment of specific strategic objectives set for the year. The most significant accomplishment of the Committee for 2014, however, is its spearheading of the efforts to seek the written assent of the general membership of the Association for the proposed amendments to the Articles of Incorporation and By-

Laws. The Committee also updated the Association's Corporate Governance Manual, to run parallel with these proposed amendments. Protocols for the conduct of Board and Board Committee meetings were also established in order to facilitate more efficient meetings.

INVESTMENT COMMITTEE

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

For 2014, the Investment Committee revised the investment policy to align with the changing business environment, new regulations and best practices. Investments in corporate bonds and preferred shares in prime companies in the amount of P474.75M, which will afford the Association a regular stream of income of around P23M per year, were endorsed for information/approval of the Board. To extend assistance to members affected by typhoon Glenda, the ICOM also endorsed to the Board the appropriation of a P76M fund for calamity loans with interest rate of only 6% per annum. With the Association's desire to provide alternative borrowing facilities to valued retiring members, the ICOM also endorsed for approval of the Board the Expanded Salary Loan Program with interest rate of 8% per annum.

SOCIAL SERVICES PROGRAM COMMITTEE (SSPC)

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

For 2014, the SSPC through the Social Services Office was able to plow back benefits to AFPMBAI members through various meaningful social services programs in the areas of Education, Health, Livelihood, General Welfare and Community Development. Dependents of members were given the gift of education through the AFPMBAI-AFPEBS Educational Benefit Program and the Grants for Dependents (GRADE) Program, six (6) of which graduated for AY 2014-2015. Furthermore, the first day care center was inaugurated on 19 December 2014 at the First Scout Ranger Regiment Command in Bulacan. Meanwhile, twenty-eight thousand three hundred eighty (28,380) members were given their complete shot of Hepa B Vaccine. The members were also provided with various medical, dental, and physical fitness equipment and ambulances that are geared towards their holistic development.

In 2014, the members together with the AFPMBAI employees were empowered to contribute in uplifting the marginalized through the REACH Program CY2014 which was kicked off by the Reach For the Finish Line Fun Run last 19 July 2014.

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.

For 2014, the NRC ensured that all members of the different branches of service were represented in the Board of Trustees upon the termination of the incumbent Trustees' term. Replacement candidates were evaluated according to the standards set in the Manual of Corporate Governance and the By-Laws. The Performance Appraisal System for the Board of Trustees, the Corporate Secretary, and the President was also implemented, covering 2013 performance, and proposed enhancements to the System were recommended to cover performance for 2014. The NRC also developed a Continuing Education Program for the members of the Board, to ensure that they are equipped for their task and are updated on best practices in the industries relevant to the Association.

MEETINGS AND ATTENDANCE FOR 2014

The Board and its Committees met regularly throughout the year with majority of the members present, enabling each Committee and the Board to conduct business for the Association.

DEFINITION OF INDEPENDENCE (OF DIRECTORS)

**By Law: 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

Social Impact

1. Significantly improve quality of life of members.
2. Maximize engagement of members and staff in community development projects

Financial

3. Achieve a cumulative net income of P 1.5B by 2018
4. Mitigate financial risk
5. Strengthen financial capability to support current and future obligations.

Customer/Members

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

Internal Business Process

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

Learning and Growth

8. Promote a culture of productivity, excellence and innovation

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 p.57, and pp.59-66 of the Financial Statement Notes.

LIST OF BOARD MEMBERS 2014

CHAIRMAN		
Gen Gregorio Pio P Catapang Jr AFP	Corporate Governance Orientation Program, ICD	AFP Chief of Staff, from July onwards
Gen Emmanuel T Bautista AFP	Master in Business Administration	AFP Chief of Staff, up to June
VICE CHAIRMAN		
RAdm Antonio A Habulan Jr AFP	Master in Management	From May onwards
RAdm Philip L Cacayan AFP	LLB; Master in Devt Administration	Up to April
MEMBERS		
MGen Edgardo Rene C Samonte AFP (Ret)	Master in Development Management	President, from July onwards
Ms Maria Carmela G Cabading, FASP, FLMI	BS Math major in Actuarial Science	President, up to June
PDDG Leonardo A Espina PNP	Master in Devt Mgt major in Public Mgmt	PNP, year round
RAdm Jose Renan C Suarez AFP	Master in Business Administration; MA Public Administration; Master in Development Management	PN, year round
MGen Edgar R Fallorina AFP	Master in Business Management (Major in Finance)	PAF, year round
CSupt Sonny Y David PNP	BS PMA; Corporate Governance Orientation Program, ICD	PNP, year round
BGen R Demosthenes C Santillan AFP	Master in National Security Administration	PA, from November onwards
Col Noel S Clement GSC (INF), FICD	Master in Public Administration	PA, up to August
MGen Danilo M Servando AFP (Ret)	Master in Business Administration	PA, from August onwards
Ms Perlita Marcelo-Skaar	Bachelor of Science in Commerce; CPA; Basic Mgmt Program; Strategic Business Educ Program	Independent, up to June
Ms Evangeline T Mayuga	Master in Business Administration	Independent, up to January
FCMS Guillermo P Francisco AFP	Corporate Governance Orientation Program, ICD	Sgt Major, year round
ADVISERS		
RAdm Cecil R Chen PCG	Master in Business Administration; MSMA	PCG, from March onwards
Commo Enrico Efren A Evangelista	Master in Business Administration	PCG, up to January
CSupt Ruben F Bearis BFP	BS Public Safety	PCG, year round
CSupt Diony D Mamaril BJMP	Master in Public Safety Administration	BJMP, up to June
JCSupt Romeo S Elisan Jr BJMP	Master in Public Administration	BJMP, from June
CORPORATE SECRETARY		
Atty Renato A David, FICD	MBA; MNSA	From July 2013

BOARD MEETINGS AND ATTENDANCE 2014

		Attendance	No. of meetings held	%
Chairman	Gen Gregorio Pio P Catapang Jr AFP	5	7	71%
Chairman	Gen Emmanuel T Bautista AFP	4	7	57%
Vice Chairman	RAdm Antonio A Habulan Jr AFP	9	10	90%
Vice Chairman	RAdm Philip L Cacayan AFP	4	4	100%
President	MGen Edgardo Rene C Samonte AFP (Ret)	7	7	100%
President	Ms Maria Carmela G Cabading, FASP, FLMI	6	7	86%
Member - PNP Rep	PDDG Leonardo A Espina PNP	14	14	100%
Member - PN Rep	RAdm Jose Renan C Suarez AFP	14	14	100%
Member - PAF Rep	MGen Edgar R Fallorina AFP	12	14	86%
Member - PNP Rep	CSupt Sonny Y David PNP	13	14	93%
Member - PA Rep	BGen R Demosthenes C Santillan AFP	1	3	33%
Member - PA Rep	Col Noel S Clement GSC (INF)	9	10	90%
Member, Independent	MGen Danilo M Servando AFP (Ret)	6	6	100%
Member, Independent	Ms Perlita Marcelo-Skaar	5	5	100%
Member, Independent	Ms Evangeline T Mayuga	1	1	100%
Member - Sgt Major	FCMS Guillermo P Francisco AFP	14	14	100%
Adviser - PCG	RAdm Cecil R Chen PCG	9	12	75%
Adviser - PCG	Commo Enrico Efren A Evangelista PCG	1	1	100%
Adviser - BFP	CSupt Ruben F Bearis BFP	14	14	100%
Adviser - BJMP	CSupt Diony D Mamaril BJMP	3	6	50%
Adviser - BJMP	JCSupt Romeo S Elisan Jr BJMP	7	7	100%

LIST OF BOARD COMMITTEE MEMBERS AND THEIR ATTENDANCE IN 2014

GOVERNANCE COMMITTEE: 13 MEETINGS		Attendance	No. of meetings held	%
Chairman	Ms Evangeline T Mayuga	1	1	100%
Chairman	MGen Danilo M Servando AFP (Ret)	5	6	83%
Vice Chairman/Chairman	Col Noel S Clement GSC (INF)	8	10	80%
Adviser/Vice Chairman	RAdm Cecil R Chen PCG	9	11	82%
President	MGen Edgardo Rene C Samonte AFP (Ret)	7	7	100%
President	Ms Maria Carmela G Cabading FASP, FLMI	6	6	100%
Member	MGen Edgar R Fallorina AFP	10	13	77%
Member	BGen R Demosthenes C Santillan AFP	2	3	67%
Member	Commo Enrico Efren A Evangelista PCG	1	1	100%
Member	CSupt Ruben F Bearis BFP	11	13	85%
NOMINATION AND REMUNERATION COMMITTEE: 13 MEETINGS		Attendance	No. of meetings held	%
Vice Chairman	RAdm Antonio A Habulan Jr	9	9	100%
Vice Chairman	RAdm Philip L Cacayan AFP	4	4	100%
President	MGen Edgardo Rene C Samonte AFP (Ret)	7	7	100%
President	Ma Carmela G Cabading FASP, FLMI	2	6	33%
Member	CSupt Sonny Y David PNP	11	13	85%
Member	Col Noel S Clement	7	9	78%
Member	FCMS Guillermo P Francisco AFP	10	13	77%

NOMINATION AND REMUNERATION COMMITTEE: 13 MEETINGS		Attendance	No. of meetings held	%
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Adviser	CSupt Diony D Mamaril BJMP	5	6	83%
Adviser	JCSupt Romeo S Elisan Jr BJMP	5	5	100%
Corporate Secretary	MGen Renato A David AFP (Ret)	4	4	100%

AUDIT AND ENTERPRISE RISK MANAGEMENT COMMITTEE: 12 MEETINGS		Attendance	No. of meetings held	%
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Chairman/Vice Chairman	PDDG Leonardo A Espina PNP	11	12	92%
Chairman	Ms Perlita Marcelo-Skaar	5	6	83%
Member	RAdm Philip L Cacayan AFP	2	4	50%
Member	RAdm Antonio A Habulan Jr AFP	8	8	100%
Member	RAdm Jose Renan C Suarez AFP	11	12	92%
Member	CSupt Diony D Mamaril BJMP	5	6	83%
Member	JCSupt Romeo S Elisan Jr BJMP	5	5	100%
Member	MGen Danilo M Servando AFP (Ret)	2	2	100%

INVESTMENT COMMITTEE: 12 MEETINGS		Attendance	No. of meetings held	%
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Chairman	RAdm Jose Renan C Suarez AFP	12	12	100%
Vice Chairman	Ms Perlita Marcelo-Skaar	5	6	83%
President	MGen Edgardo Rene C Samonte AFP (Ret)	6	6	100%
President	Ms Maria Carmela G Cabading, FASP, FLMI	5	6	83%
Member	PDDG Leonardo A Espina PNP	10	12	83%
Member	BGen R Demosthenes C Santillan AFP	2	2	100%
Member	CSupt Ruben F Bearis BFP	8	10	80%

SOCIAL SERVICES PROGRAM COMMITTEE: 11 MEETINGS		Attendance	No. of meetings held	%
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Chairman	CSupt Sonny Y David PNP	9	11	82%
Vice Chairman	FCMS Guillermo P Francisco AFP	7	11	64%
President	MGen Edgardo Rene C Samonte AFP (Ret)	6	6	100%
President	Ms Maria Carmela G Cabading, FASP, FLMI	5	5	100%
Member	MGen Danilo M Servando AFP (Ret)	2	4	50%
Member	MGen Edgar R Fallorina AFP	7	11	64%
Member	CSupt Ruben F Bearis BFP	1	1	100%
Member	RAdm Cecil R Chen PCG	9	10	90%

TRAINING OR CONTINUING EDUCATION PROGRAM (CEP) ATTENDED BY TRUSTEES

Chairman	Gen Gregorio Pio P Catapang Jr AFP	ICD-CGOP
Vice Chairman	RAdm Antonio A Habulan Jr AFP	ICD-CGOP
President	MGen Edgardo Rene C Samonte AFP (Ret)	ICD-CGOP
Member, Independent	MGen Danilo M Servando AFP (Ret)	ICD-PDP

AUDITED FINANCIAL STATEMENTS



**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, 2014 and 2013**, 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 GREGORIO PIO P CATAPANG JR AFP

President



MGEN EDGARDO RENE C SAMONTE AFP (RET)

Treasurer



COMMO RAUL B LEYRITANA (RET)

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

	CONSOLIDATED		SEPARATE	
	2014	2013	2014	2013
ASSETS				
Cash and cash equivalents	P1,256,420,000	P1,502,725,174	P1,173,506,648	P1,395,158,346
Short-term investments	150,000,000	-	150,000,000	-
Financial assets at fair value through profit loss (FVPL)	34,915,424	26,828,833	34,915,424	26,828,833
Available-for-sale (AFS) securities	1,938,345,550	1,212,420,597	1,554,962,504	1,035,828,132
Held-to-maturity (HTM) investments	1,478,009,864	1,235,472,453	1,410,908,057	1,127,537,499
Loan receivables - net	7,082,263,460	6,597,351,962	7,082,263,460	6,597,351,962
Premiums due to insurance receivables - net	71,047,052	40,632,890	1,106,874	2,186,350
Other receivables - net	70,179,200	57,387,514	62,370,157	54,427,071
Investment properties	2,127,739,561	2,154,154,095	2,096,918,205	2,125,374,595
Asset held-for-sale	212,439,015	302,118,205	212,439,015	302,118,205
Investments in a subsidiary and associates - net	14,426,158	12,873,033	198,265,704	25,125,000
Property equipment - net	302,223,348	298,362,272	271,777,533	274,435,089
Deferred reinsurance premiums	6,180,934	27,084,359	-	-
Deferred acquisition costs	1,526,987	2,273,447	-	-
Deferred tax assets - net	12,090,068	9,731,083	-	-
Other assets - net	21,647,877	21,337,716	12,372,255	19,590,004
	P14,779,454,498	P13,500,753,633	P14,261,805,836	P12,985,961,086
LIABILITIES AND MEMBERS' EQUITY				
Liabilities				
Claims and benefits payable	P404,470,077	P365,780,314	P302,345,563	261,043,682
Accounts payable and accrued expenses	685,744,964	631,801,764	662,816,415	613,575,495
Legal policy reserves	7,914,721,584	7,479,085,284	7,914,721,584	7,479,085,284
Due to reinsurers and ceding companies	5,164,813	2,911,318	-	-
Funds held for reinsurers	25,441,850	4,744,559	-	-
Reserve for unearned premiums	28,854,699	52,555,412	-	-
Deferred reinsurance commission	1,559,042	3,884,385	-	-
Dividends payable	261,832,278	228,659,558	261,832,278	228,659,558
Reserve for refund of members' equity	1,496,624,713	1,273,449,537	1,496,624,713	1,273,449,537
Retirement liability	32,012,575	75,185,261	31,457,551	64,481,747
Total Liabilities	10,856,426,595	10,118,057,392	10,669,798,104	9,920,295,303
Members' Equity				
Members' contribution	97,589,383	99,004,776	97,589,383	99,004,776
Reserve for fluctuation in value of AFS securities	52,108,965	(29,704,698)	58,250,156	(20,884,216)
Employee benefit reserve	(14,072,848)	(73,878,593)	1,429,909	(48,478,695)
Retained surplus	3,787,402,403	3,387,274,756	3,434,738,284	3,036,023,918
Total Members' Equity	3,923,027,903	3,382,696,241	3,592,007,732	3,036,023,918
	P14,779,454,498	P13,500,753,633	P14,261,805,836	P12,985,961,086

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

	CONSOLIDATED		SEPARATE	
	2014	2013	2014	2013
REVENUES				
Premiums, net of reinsurance	P2,136,653,979	P2,118,804,715	P2,069,408,387	P2,004,289,929
Interest income	876,314,462	831,206,036	871,449,548	820,989,626
Policy income	90,607,200	81,318,935	90,607,200	81,318,935
Gain on sales of real estates	27,938,126	20,009,929	27,938,126	20,009,929
Commission income	6,502,827	10,489,942	-	-
Rental income	29,009,996	27,697,560	27,740,508	26,178,578
Dividend income	4,764,153	3,028,606	2,269,189	1,503,178
Gain on sale of AFS securities	8,630,363	42,481	-	42,481
Increase in fair value of investment properties	2,691,149	191,892,831	-	189,955,331
Other income	8,889,016	28,550,046	15,061,763	33,450,132
	3,192,001,271	3,313,041,081	3,104,474,721	3,177,738,119
BENEFITS AND EXPENSES				
Death and other policy benefits	1,260,649,656	1,122,125,433	1,255,759,173	1,062,552,978
Increase in legal policy reserves	435,636,300	837,213,429	435,636,300	837,213,429
General and administrative expenses	881,845,825	851,743,405	799,925,437	773,780,014
Commission expense	125,606,924	123,789,497	119,001,033	119,947,086
Dividend on participating policies	95,438,412	74,783,777	95,438,412	74,783,777
	2,799,177,117	3,009,655,541	2,705,760,355	2,868,277,284
INCOME FROM OPERATIONS	392,824,154	303,385,540	398,714,366	309,460,835
SHARE IN NET INCOME OF AN ASSOCIATE	1,553,125	-	-	-
INCOME BEFORE INCOME TAX	394,377,279	303,385,540	398,714,366	309,460,835
INCOME TAX BENEFIT	5,750,368	3,845,970	-	-
NET INCOME FOR THE YEAR	P400,127,647	P307,231,510	P398,714,366	P309,460,835

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

	CONSOLIDATED		SEPARATE	
	2014	2013	2014	2013
NET INCOME	P400,127,647	P307,231,510	P398,714,366	P309,460,835
OTHER COMPREHENSIVE INCOME				
Items that will never be reclassified to profit or loss				
Remeasurements of defined benefit obligations	59,805,745	(36,298,570)	49,908,604	(18,085,905)
Items that may be reclassified to profit or loss				
Net change in fair value of AFS securities	75,076,879	(30,165,472)	79,134,372	(21,188,257)
Net change in fair value of AFS securities transferred to profit or loss	6,736,784	-	-	-
TOTAL COMPREHENSIVE INCOME	P541,747,055	P240,767,468	P527,757,342	P270,186,673

**ARMED FORCES AND POLICE MUTUAL BENEFIT ASSOCIATION, INC
AND SUBSIDIARY
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	CONSOLIDATED					
	Members' Contribution	Reserve for Fluctuation in Value of AFS Securities	Employee Benefit Reserve	Retained Surplus		Total
				Appropriated	Unappropriated	
Balance at December 31, 2012	P95,688,277	P460,774	(P37,580,023)	P792,480,017	P2,287,563,229	P3,138,612,274
Net income for the year	-	-	-	-	307,231,510	307,231,510
Other comprehensive loss	-	(30,165,472)	(36,298,570)	-	-	(66,464,042)
Increase in members' contribution	3,316,499	-	-	-	-	3,316,499
Reversal of prior year appropriated retained surplus	-	-	-	(694,781,948)	694,781,948	-
Appropriation	-	-	-	76,000,000	(76,000,000)	-
Balance at December 31, 2013	99,004,776	(29,704,698)	(73,878,593)	173,698,069	3,213,576,687	3,382,696,241
Net income for the year	-	-	-	-	400,127,647	400,127,647
Other comprehensive income	-	81,813,663	59,805,745	-	-	141,619,408
Decrease in members' contribution	(1,415,393)	-	-	-	-	(1,415,393)
Reversal of prior year appropriated retained surplus	-	-	-	(113,698,069)	113,698,069	-
Appropriation	-	-	-	453,030,220	(453,030,220)	-
Balance at December 31, 2014	P97,589,383	P52,108,965	(P14,072,848)	P513,030,220	P3,274,372,183	P3,923,027,903

**ARMED FORCES AND POLICE MUTUAL BENEFIT ASSOCIATION, INC
AND SUBSIDIARY
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	SEPARATE					
	Members' Contribution	Reserve for Fluctuation in Value of AFS Securities	Employee Benefit Reserve	Retained Surplus		Total
			Appropriated	Unappropriated		
Balance at December 31, 2012	P95,688,277	P304,041	(P30,392,790)	P742,480,017	P1,984,083,066	P2,792,162,611
Net income for the year	-	-	-	-	309,460,835	309,460,835
Other comprehensive loss	-	(21,188,257)	(18,085,905)	-	-	(39,274,162)
Increase in members' contribution	3,316,499	-	-	-	-	3,316,499
Reversal of prior year appropriated retained surplus	-	-	-	(694,781,948)	694,781,948	-
Appropriation	-	-	-	76,000,000	(76,000,000)	-
Balance at December 31, 2013	99,004,776	(20,884,216)	(48,478,695)	123,698,069	2,912,325,849	3,065,665,783
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	-	-	-	453,030,220	(453,030,220)	-
Balance at December 31, 2014	P97,589,383	P58,250,156	P1,429,909	P463,030,220	P2,971,708,064	P3,592,007,732

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

	CONSOLIDATED		SEPARATE	
	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	P394,377,279	P303,385,540	P398,714,366	P309,460,835
Adjustments:				
Depreciation and amortization	38,365,988	26,488,966	31,953,774	20,856,040
Share in net income of an associate	(1,553,125)	-	-	-
Impairment (reversal of) loss on loans and insurance receivables - net	18,414,837	(937,492)	17,156,568	(937,492)
Impairment loss on investments and other assets -net	566,294	32,713,830	566,294	34,138,043
Decrease (increase) in fair value of financial assets at FVPL	(8,086,591)	4,448,364	(8,086,591)	4,448,364
Increase in fair value of investment properties	(2,691,149)	(191,892,831)	-	(189,955,331)
Gain on sale of real estate	(27,938,126)	(20,009,929)	(27,938,126)	(20,009,929)
Gain on sale of AFS securities	(8,630,363)	(42,481)	-	(42,481)
Gain on sale of investment properties	(376,197)	-	-	-
Decrease (increase) in: Reserve for unearned premiums	(23,700,713)	17,895,760	-	-
Deferred reinsurances commissions	(2,325,343)	167,407	-	-
Increase (decrease) in: Deffered reinsurance premiums	20,903,425	(19,759,585)	-	-
Deferred acquisition cost	746,460	(192,364)	-	-
Dividend income	(4,764,153)	(3,028,606)	(2,269,189)	(1,503,178)
Interest income	(876,314,462)	(831,206,036)	(871,449,548)	(820,989,626)
Interest expense	140,096,367	(111,899,158)	140,096,367	111,899,158
Retirement benefit expense	20,874,691	9,750,697	16,884,408	8,830,829
Operating loss before working capital changes	322,084,881	(560,319,572)	(304,371,677)	(543,804,768)
Decrease (increase) in :				
Loans receivable	(474,129,940)	(496,720,811)	(474,129,940)	(496,720,811)
Premiums due and insurance receivables	(31,672,431)	(20,612,692)	1,079,476	1,783,770
Other receivables	(4,875,005)	13,430,201	(659,373)	11,945,955
Other assets	(876,455)	4,357,619	6,651,454	(701,407)
Increase (decrease) in:				
Claims and benefits payable	38,689,763	124,604,374	41,301,881	60,608,281
Accounts payable and accrued expenses	53,943,200	26,112,267	49,240,920	29,574,957
Legal policy reserves	435,636,300	837,213,429	435,636,300	837,213,429
Due to reinsurers and ceding companies	2,253,495	(3,059,226)	-	-
Fund held for reinsurers	20,697,290	1,381,346	-	-
Dividends payable	33,172,720	949,532	33,172,720	949,532

YEARS ENDED DECEMBER 31

	CONSOLIDATED		SEPARATE	
	2014	2013	2014	2013
Net cash used in operation	P249,195,944	(P72,663,533)	(P212,078,239)	(P99,151,062)
Interest received	868,397,781	831,877,602	864,165,835	819,279,157
Income taxes paid	(850,248)	3,243,004	-	-
Dividends received	4,764,153	3,028,606	2,269,189	1,503,178
Net cash provided by operating activities	623,115,742	758,999,671	654,356,785	721,631,273
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal (payments for acquisition) of:				
Short-term investments	(150,000,000)	-	(150,000,000)	-
Financial assets at FVPL	-	(31,277,197)	-	(31,277,197)
AFS securities	(635,453,157)	(1,082,872,738)	(440,000,000)	(930,879,408)
HTM investments	(242,537,411)	27,497,634	(283,370,558)	(14,104,891)
Investment properties	810,110	(2,234,652)	(187,610)	(2,234,652)
Assets held for sale	118,323,190	(87,210,949)	118,323,190	(87,210,949)
Property and equipment	(42,227,064)	(76,607,759)	(29,296,218)	(72,129,409)
Investment in a subsidiary and associates	-	-	(173,140,704)	-
Net cash used in investing activities	(951,084,332)	(1,252,705,661)	(957,671,900)	(1,137,836,506)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in reserve for refund of member's equity	83,078,809	63,807,981	83,078,810	63,807,981
Increase (decrease) in member's contribution	(1,415,393)	3,316,499	(1,415,393)	3,316,499
Net cash provided by financing activities	81,663,416	67,124,480	81,663,417	67,124,480
NET DECREASE IN CASH AND CASH EQUIVALENTS				
	(246,305,174)	(426,581,510)	(221,651,698)	(349,080,753)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
	1,502,725,174	1,929,306,684	1,395,158,346	1,744,239,099
CASH AND CASH EQUIVALENTS AT END OF YEAR				
	P1,256,420,000	P1,502,725,174	P1,173,506,648	P1,395,158,346

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 and deferred tax. Income tax is recognized in profit or loss.

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 is provided, using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. 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 income tax, however, is not recognized on temporary differences that arise from 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 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 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 profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income.

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 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 provision due to the passage of time is recognized as an interest expense.

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 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.

BOARD OF TRUSTEES



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



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



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



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



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



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



RADM JOSE RENAN C SUAREZ AFP
 Commander, Naval Education and Training Command, PN
 Vice Chairman
 Date of Appointment: 25 January 2013



FCMS GUILLERMO P FRANCISCO (INF) PA
 AFP Sergeant Major
 Date of Appointment: 24 October 2012



MGEN DANILO M SERVANDO AFP (RET)
 Independent Trustee
 Date of Appointment: 01 August 2014



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



J/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



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

THE MANAGEMENT



MGEN EDGARDO RENE C SAMONTE AFP (RET)
PRESIDENT



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



COL EDMUNDO F GAMMAD (RET)
EVP/HEAD, SALES AND OPERATIONS GROUP

OFFICE OF THE PRESIDENT



WILMA F. ASTROLOGO
HEAD, AUDIT ENTERPRISE AND RISK MANAGEMENT OFFICE

CARMELITA G. RESQUID
HEAD, STRATEGIC MANAGEMENT OFFICE

COL. WENCESLAO M. ROMERO JR. AFP (RET)
OIC, SOCIAL SERVICES OFFICE



MYLENE P. ORCULLO
TAX MANAGEMENT AND MEDIATION OFFICER

ANICITA D. PEREZ
HEAD, BILLING AND COLLECTION UNIT

ROSALIE P. DIONES
HEAD, TREASURY UNIT

CORPORATE SERVICES GROUP



TERESITA D. CALARANAN
HEAD, FINANCE DEPARTMENT

MARIO C. SERIOSA
HEAD, ACCOUNTING UNIT

ATTY. ELIZABETH DEL FONSO-HIDALGO
HEAD, COMPLIANCE AND REMEDIAL ACCOUNTS UNIT



JESUS A. LAGUNA
HEAD, ACCOUNTS MANAGEMENT UNIT

GERALDSAM S. AGBAY
HEAD, ACTUARIAL DEPARTMENT

ATTY. MARICARR MARTINEZ-MIRABEL
HEAD, LEGAL DEPARTMENT



ATTY LYNEE L. SISE
HEAD, LITIGATION AND PROSECUTION UNIT

ATTY ALMA MAE T. PATANGAN
HEAD, DOCUMENTATION AND COLLECTION UNIT

FE Y. AGUIFY
HEAD, HUMAN RESOURCE DEPARTMENT



RADM PHILIP L. CACAYAN AFP (RET)
HEAD, BRANCH OPERATIONS DEPARTMENT

JOCELYN T. MIRANDA
HEAD, NCR UNIT

ANGELINA S. JUTIE
HEAD, SOUTHERN LUZON UNIT



DIONISIO T. DIVINCOLO III
HEAD, INFORMATION TECHNOLOGY STRATEGY

ENGR. YULITO B. NARAJA
HEAD, ADMINISTRATION DEPARTMENT

ENGR. FERDINAND B. DE LOON
HEAD, GENERAL SERVICES UNIT



RUBEN G. ACLETA
HEAD, NORTHERN LUZON UNIT

ANITA L. BAGASALA
HEAD, VISAYAS UNIT

DIONESIO B. CORONG II
HEAD, MINDANAO UNIT



FE E GERONA
HEAD, REAL ESTATE DEPARTMENT



ARCH EDGAR A CLARIZ
OIC, ENGINEERING UNIT



ENGR FRUDESMA B BALBUENA
HEAD, REAL ESTATE SALES UNIT



REGINA B FAJOTINA
HEAD, HEAD OFFICE OPERATIONS DEPARTMENT



ALPHA GRACE F VENTANILLA
HEAD, UNDERWRITING POLICY
AND POLICY SERVICES UNIT



ENGR ANNALY A LAVARIAS
HEAD, METHODS AND BENEFITS
ADMINISTRATION UNIT



ANNIE D ARCE
HEAD, INSURANCE SALES DEPARTMENT



ARLENE M MAGUGAT
HEAD, DIRECT SALES UNIT



LEAH Y JOYA
HEAD, INSURANCE REPRESENTATIVES AND
SALES UNIT



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

COMPANY MILESTONES

HIGHLIGHTS FROM JULY 2014 TO JUNE 2015

2015

2014

JUNE 18-19
Team Caravan-PAF, Air Education Training Command, Fernando Airbase, Batangas



JULY 19
REACH Fun Run, AFP General Headquarters, Camp Emilio Aguinaldo, QC



SEPTEMBER 9-10
Free Legal Clinic, AFPMBAI Head Office



SEPTEMBER 26
Treevolution: Greening MindaNOW tree planting, Davao City



OCTOBER 24-26
Livelihood and Entrepreneurship Assistance Program, AFPGHQ, Canopy



DECEMBER 19
Turnover of Early Childhood Care and Development (ECCD) Center at Camp Tecson, San Miguel Bulacan



JANUARY 30
Continuing Education Program for Board of Trustees and Management, EDSA Shangri-La, Ortigas



FEBRUARY 6
Adopt-A-Ward: Turnover of ward and medical equipment to Edwin Andrews Base Hospital, Zamboanga City



FEBRUARY 17
Disaster Preparedness Training for AFPMBAI Employees, AFPMBAI Head Office



MARCH 31
Groundbreaking of Tanza property in Cavite City



APRIL 28
Groundbreaking of the Luzon Branch Office Building and Early Childhood Care and Development (ECCD) Center, Taguig City



JUNE 18
Turnover of donations to different branch of services.



PRODUCTS & SERVICES

MODIFIED BASIC INSURANCE FOR AFP PERSONNEL

Particulars	Modified Basic Insurance (MBI)
Type of Coverage	Term Insurance
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 Coverage	Term Insurance
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.

BRANCH & EXTENSION OFFICES

Northern Luzon Unit Head: Ruben G Acleta

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
0923-7471510/ 0909-5295572

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 Dumlaog
Rios Bldg Cor. College Ave and Taft St.
Tuguegarao City, Cagayan
0999-3025330 / 0923-7421812
(078)844-6728

Tabuk Extension Office
In-charge: Sheena Malu B Bulao
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
0921-9784169 / 0923-7420871
(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: Crisostomo M Bruel
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
0923-7471485

Tarlac Extension Office (M-W-F)
In-charge: Catherine P Allag
2/F AJ-AS Building, Brgy. Maligaya
Tarlac City
0923-7459330/ 0947-886-3549

Capas Extension Office (T-TH)
In-charge: Catherine P Allag
2R Bldg. Sta. Lucia, Capas Tarlac
0923-7459330

Camp Olivas Extension Office
In-charge: Perfecto G Libunao
Camp Olivas, City of San Fernando,
Pampanga
0943-708-7265

Southern Luzon Unit Head: Angelina S Jutie

Fort Bonifacio Branch
OIC: Shaila I Tumbaga
Naval Station Jose Francisco
Gate 3 Fort Bonifacio Taguig City
0905-2438839 / 0923-742-0892
(02)888-6438 / (02)888-9057

Canlubang Extension Office
In-charge: Jhon Daniel L Magistrado
Camp Vicente Lim, Canlubang Laguna
(049)531-4234 / 0923-7420868
0999-9077752

Tanay Extension Office
In-charge: Maribel M Manalo
Camp Gen Capinpin, Tanay, Rizal
(02) 544-2657 / 0923-6840624

Palawan Branch
Supervisor: Col Alex E Asuncion (Ret)
Unit 1, 2/F, SJD Green Bldg
132 National Highway, Brgy. San Pedro
Puerto Princesa, Palawan
(048)434-7012 / 0923-747-1482
0949-3364100

Cavite Branch
Supervisor: Cynthia M Guillermo
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
(042)373-1091

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

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: Dolores T Briñas
ANST Bldg, Washington Drive, Legaspi City
0923-7420862/ 0916-7879077
(052)481-1573

Pili Extension Office
In-charge: Faye Morada
Omega Gold Plaza Bldg, Pili, Camarines Sur
0946-9363691 / 0923-7421808
0935-9307236

Masbate Extension Office
In-Charge: Charmagne O Palma
Room 1 Shopper's Arcade
Domingo St. Masbate City
0923-7434643/ 0906-4101427

Daet Extension Office
In-charge: Florence A Manlangit
No. 2 Blk 6 Lot 1 Bel-Air Subdivision
Lag-on Daet, Camarines Norte
0923-743-4653/ 0927-9247343

Visayas Unit Head: Anita Bagasala

Iloilo Branch
Supervisor: Mila R Sison
Arthur Suite Lot 3 General Luna St.
Iloilo City
0920-2651471 / 0923-7421814
(033) 337-8416

Bacolod Extension Office
In-charge: Mary Joy B Locsin
Door 5 Elcourt Bldg, 1st Street,
Lacson, Bacolod City
0949-7667168 / 0923-7421822
(034) 434-6044

Jamindan Extension Office
In-charge: Genalyn D Diosaban
Camp Gen Macario Peralta Jr
Jamindan, Capiz
0912-4571636/0923-743-4643

Kalibo Extension Office
In-Charge: Dechel R Harvey
Veterans Ave. Cor Roxas Ave, Kalibo, Aklan
0923-743-4634

Cebu Branch
Supervisor: Vembe V Magalso
CENTCOM, AFP, Camp Lapu-Lapu
Lahug, Cebu City
0920-5001827 / 0923-7259328
(032) 234-1028

Dumaguete Extension Office
In-charge: Geoviliza Z Tayag
Door No. 4 Canlas Bldg,
Cervantes St., Dumaguete City
0919-6661048 / 0923-7455310
(035) 226-3527

Bohol Extension Office
In-charge: Sheryl A Paeste
140 J.A Clarin St. Tagbilaran City, Bohol
0908-3271527 / 0923-7455318
(038) 4127282

Tacloban Branch
Supervisor: Rebecca S Gayod
2/F Aqua Glass Bldg cor. P. Gomez & Real sts.
Tacloban City
0921-4354529 / 0923-7421820
(053) 325-655

Catbalogan Extension Office
In-charge: Jocelyn P Baccol
Camp Lukban, Maulong
Catbalogan, Samar
0921-7605946 (055) 251-5351

Catarman Extension Office
In-charge: Novelin J Abiar
BFP-Provincial Office, Catarman
Northern Samar 0939-4500811

Maasin Extension Office
In-charge: Evangeline C Brua Capt. Iyanko St.
Brgy. Tagnipa, Maasin City
Southern Leyte
0943-708-7268

Mindanao Unit 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 / 0923-7457472
(062) 215-3907

Jolo Extension Office
In-charge: Nhasramona U Jasim
Camp PSSupt, Julasim A Kasim, Asturias,
Jolo, Sulu
0999-4871945 / 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 B Tangub
No. 2 Jariol Bldg,
Del Pilar St., Iligan City
0928-7107777 / 0923-3747472

Bukidnon Extension Office
In-charge: Michelle L Dayaday
Rubio Bldg., Magsaysay St.,
Malaybalay, Bukidnon
0923-7434653

Butuan Extension Office
In-charge: Mary Ann J Malunhao
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
Acting Supervisor: Maria Nimfa A Recaido
4/F AFPMBAI Bldg., Maya Street,
Ecoland, Matina, Davao City
0929-8102531 / 0923-7457415
(082) 297-5482

Mati Extension Office
In-charge: Pautlyn Grace P Gamayon
Manongas Bldg. Limotoc St.
Mati City
0923-7471515

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

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