

THE ANNUAL REPORT

Future AFPMBAI Corporate Headquarters
(by Palafox Associates)

20
23



ABOUT THE COVER

Marking 58 years since its inception, the AFPMBAI has come a long way from its humble beginnings. Depicting the seedling from where its logo is based from, the Association has continuously exhibited growth in the frontiers of governance, sound financial management, product development, corporate social responsibility, sustainability and responsive operations. Way ahead, the realization of the AFPMBAI's corporate headquarters is in the horizon, bridging the Association's symbol of fortitude with its unrelenting pursuit of being the preferred financial institution partner of the uniformed services for the years to come.

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VISION

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

MISSION

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

PHILOSOPHY OF SERVICE

At AFPMBAI, the needs of the members and their families come first. We pledge our expertise, time and effort to the service of these needs.

We endeavor to serve to the best of our ability in the spirit of professionalism, dedication, and compassion.

CORPORATE VALUES



SERVICE

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



COMMITMENT

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



INTEGRITY

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



PROFESSIONALISM

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



INNOVATION

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



MESSAGE FROM THE CHAIRMAN

On behalf of the Armed Forces of the Philippines, I extend my snappiest salute to the Armed Forces and Police Mutual Benefit Association, Inc. (AFPMBAI) for continuously upholding the Association's core values, fulfilling its vision and mission, and reaffirming its position as a trusted ally for the uniformed personnel and their families.

Remarkably, the AFPMBAI invested substantially in the well-being of its members by offering a range of support such as medical, emergency, fitness, administrative, and operational equipment, along with service vehicles provided to various units of the uniformed services. I commend the Association for ensuring that those who perform in service are comprehensively protected in the line of duty.

Further, I extend my heartfelt congratulations to the Association for its second time in a row receiving the Golden Arrow Award – an insurance industry recognition of the Association's good governance and financial acumen. This underscores the AFPMBAI's unwavering commitment to delivering seamless and accessible support to its members nationwide.

Let us persistently advocate for their holistic well-being and financial security as we forge ahead with steadfast determination and dedication to fulfill our sworn duties. Together, we can ensure a brighter future for those who serve our nation selflessly.

Mabuhay ang AFPMBAI!

GEN ROMEO S. BRAUNER JR PA
Chief of Staff, AFP



MESSAGE FROM THE PRESIDENT AND CEO

The AFPMBAI has transcended expectations, expanding its vision to become “the leader and industry standard for all mutual benefit associations.” Evolving into a premier provider of financial services solutions for the military and uniformed personnel, and their families, the Association's commitment remains unwavering.

Accessibility is key to the AFPMBAI's goal, ensuring that its services reach members wherever they are - from urban landscapes to isolated areas. The development of Regional Sales and Service Centers strategically located around the Philippines demonstrates this commitment.

The 2023 year-end report highlights the AFPMBAI's extraordinary accomplishment, revealing strong financial performance, with profitability, liquidity, and sustainability ratios hitting new highs.

As the nation's first and largest mutual benefit association for military and uniformed personnel, the AFPMBAI continues to set the benchmark in the industry, managing hardship with unshakable fortitude.

The Association, along with the Chairman, Board of Trustees, and Management Committee members, takes pleasure in its resolute dedication to duty, exemplifying the standards for good governance and providing selfless assistance for the well-being of its members and their families.

With the AFPMBAI, life's serenity is actually affirmed, inspired by the bravery and courage of all uniformed men and women who protect Filipinos, the flag, and freedom.

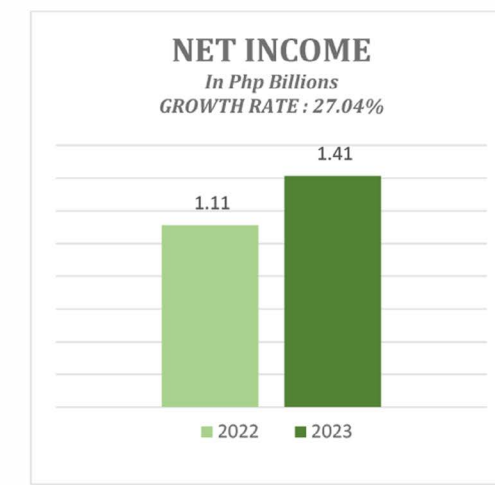
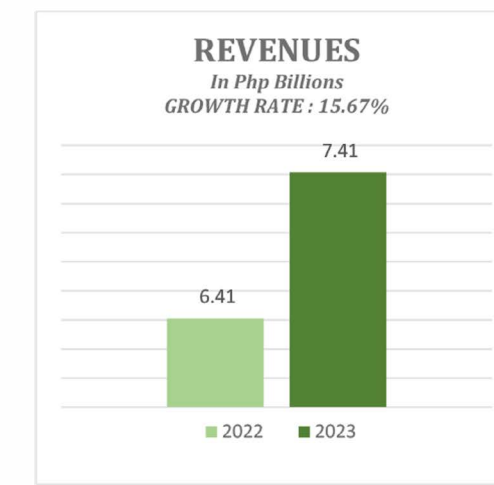
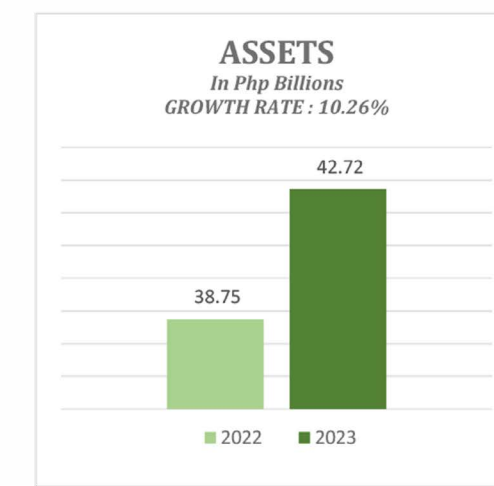
Talagang may “Buhay na Panatag” sa AFPMBAI!

BGEN BIENVENIDO Y RECONDOLA JR PA (RET)
President and CEO



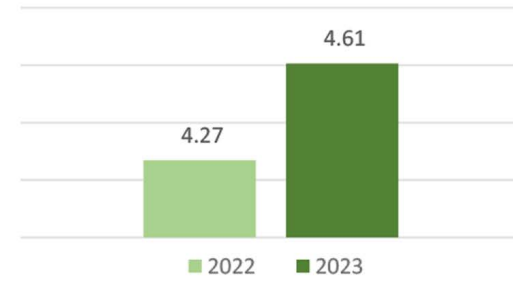
FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS



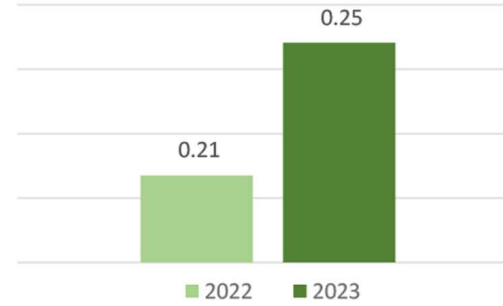
TOTAL INSURANCE PREMIUMS WRITTEN

Net of Reinsurance
In Php Billions
GROWTH RATE : 7.90%



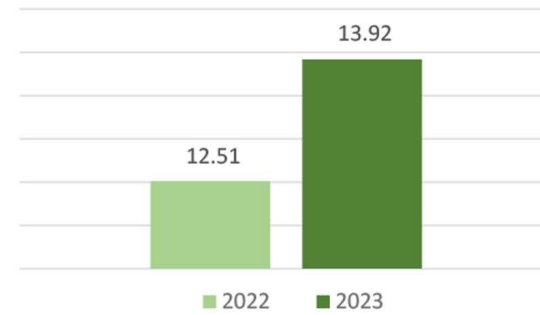
POLICY DIVIDENDS DECLARED

In Php Billions
GROWTH RATE : 19.90%



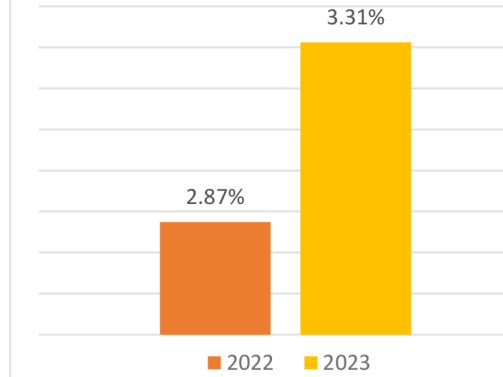
FUND BALANCE (MEMBER'S EQUITY)

In Php Billions
GROWTH RATE : 11.27%



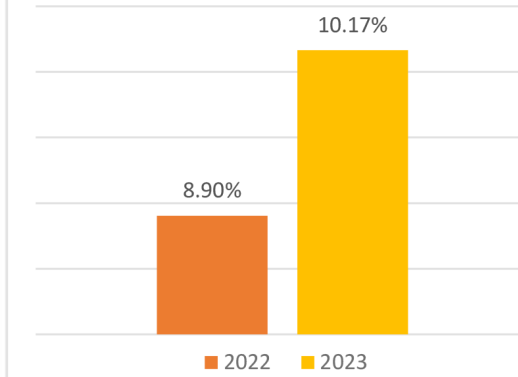
RETURN ON ASSETS

INCREASE : 0.44%



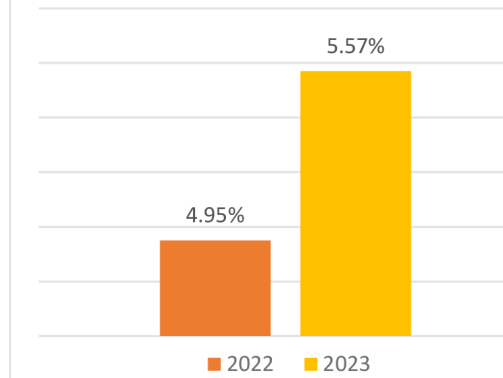
RETURN ON EQUITY

INCREASE : 1.26%



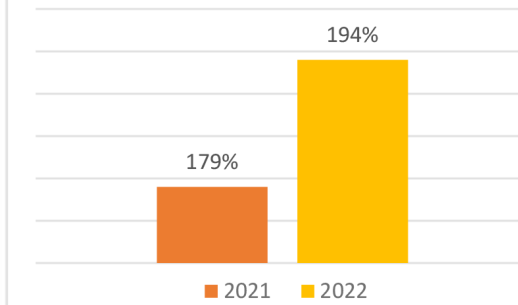
LIQUIDITY RATIO

INCREASE : 0.62%

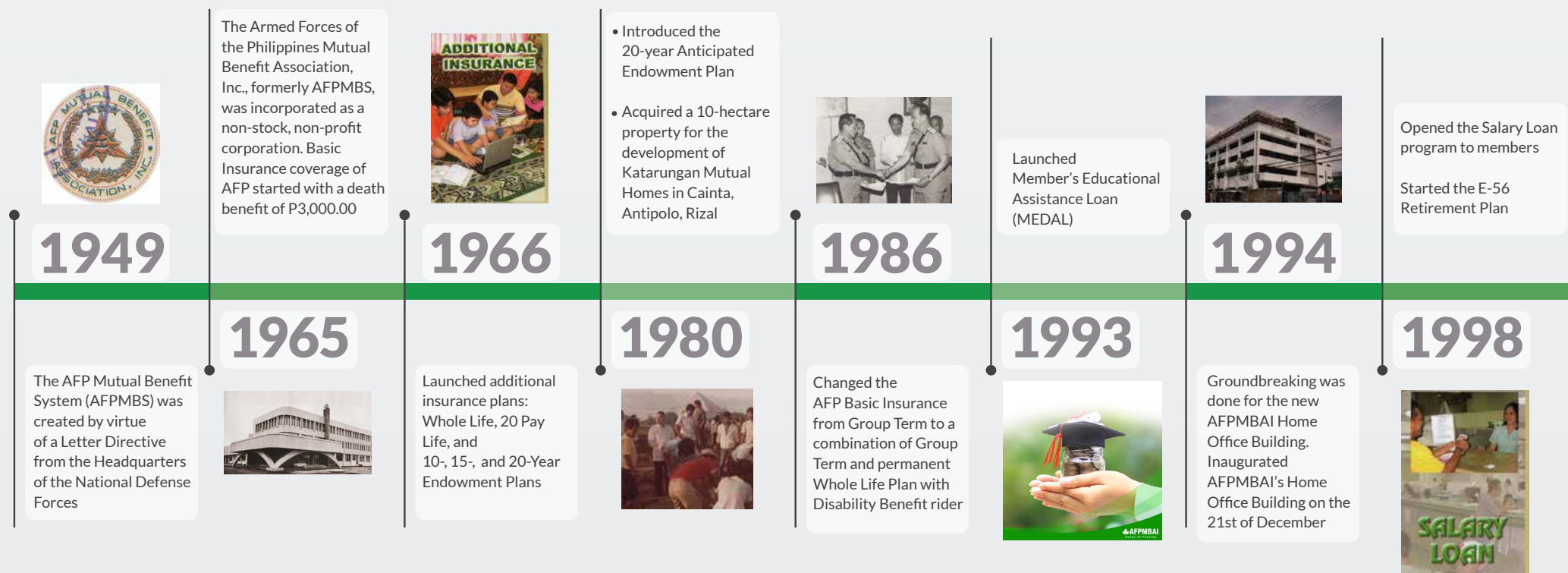


RISK BASED CAPITAL RATIO

Insurance Commission Verified
INCREASE : 15%



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



The Association was registered with the Securities and Exchange Commission (SEC) on January 13, 1966. In March of the same year, the Insurance Commission also granted the Association the authority to start its mutual benefit operations. With the aim of further improving the services to the uniformed men and women, President Ferdinand E Marcos issued Letter of Instruction No. 333 placing the AFPMBAI under the management of the AFP Chief of Staff. It thereafter established the Armed Forces and Police Savings and Loan Association, Inc. (AFPSLAI) on December 1, 1972.

For two consecutive years in 2022 and 2023, AFPMBAI has received the prestigious Golden Arrow Award from the Institute of Corporate Directors (ICD) and the Insurance Commission. It ranked 22nd out of 114 insurance companies and 5th out of 35 mutual benefit associations in 2023. This was based on the ASEAN Corporate Governance Scorecard (ACGS), whose scoring system rates the performance of companies in terms of their corporate governance.

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



WHAT WE OFFER TO OUR MEMBERS

AFPMBAI takes pride in offering a comprehensive array of products and services tailored to meet the diverse needs of its valued members. From life insurance plans providing peace of mind to real estate loans facilitating dreams of homeownership, the Association is committed to safeguarding and enhancing the financial well-being of its members and their families.

LIFE INSURANCE

AFPMBAI offers a comprehensive set of life insurance products designed to provide financial security and peace of mind to its members. Among its top offerings is the MBAI Protek, a basic membership insurance plan that ensures coverage from the date of entry into service. Additionally, the MBAI iProtek extends protection to spouses and dependents, retirees, and civilian/non-uniformed personnel with various plan options catering to different demographics. With Whole Life and 20-Pay Life plans, members enjoy lifelong protection and financial benefits.

SAVINGS PLANS

AFPMBAI's savings plans provide members with guaranteed savings and additional protection over specified terms. Endowment Plans offer flexibility and security, with dividends accruing from the fourth year onwards. Saver's Protection Plus, a 10-pay 15-year endowment plan, ensures members' financial goals are met with guaranteed 20% yearly cash bonuses starting on the 10th year, while providing added benefits for their families in case of unforeseen circumstances.

RETIREMENT AND EDUCATIONAL PLANS

The Endowment at Age 56 (E-56) and MBAI Achiever cater to members' retirement and their dependents' educational needs, respectively. These plans offer a combination of protection and savings, ensuring members and their families are financially prepared for the future.



GROUP LIFE INSURANCE

AFPMBAI's Group Life Insurance programs provide coverage for employees of specific groups, offering additional financial security and peace of mind. The Group Yearly Renewable Term Insurance and Special Group Term Insurance further enhance coverage for specific groups within the uniformed services.

MBAI 5SECURE

For those seeking affordable short-term protection, MBAI 5secure offers a 5-year term insurance plan with maximum coverage and benefits, ensuring financial stability for members and their loved ones.

INSURANCE LOANS

AFPMBAI offers various loan options to its members, including Salary Loan, Policy Loan, Equity Loan, Member's Educational Assistance Loan (MEDAL), Expanded Salary Loan, and Emergency Loan. These loans provide financial assistance tailored to the unique needs of members, ensuring access to funds when needed the most.

REAL ESTATE LOANS

AFPMBAI's Real Estate Loans enable members to achieve their housing goals with flexible and affordable payment options. Whether it is purchasing a house and lot, mortgage financing, or pre-retirement real estate loans, AFPMBAI ensures members have access to housing solutions that fit their needs.

In 2023, the Association has focused on enhancing existing offerings and developing new ones to deliver innovative and reliable financial solutions to its members. While it has been giving extra financial assistance benefits with no extra premiums required, such as Burial Cash Assistance, Wounded-in-Action, and Battle Injury Assistance, a Daily Hospital Income Benefit of P1,000 per day (maximum of 45 days per year) will soon be offered as well to members who are hospitalized due to sickness, accidents, and other causes in the performance of duty.

As another year of service and growth ended, AFPMBAI extends its heartfelt gratitude to its valued members for entrusting the Association with their financial needs. With a steadfast dedication to service, excellence, and member satisfaction, the Association stands ready to support its members' financial journey every step of the way.

WHAT OUR MEMBERS ARE SAYING

MEMBERS' FEEDBACK ON PRODUCTS AND SERVICES

Dedicated to delivering exceptional service and products, AFPMBAI conducted a comprehensive customer satisfaction survey (CSAT) in partnership with Kantar Philippines in 2023. With a 95% confidence level, the CSAT survey aimed to measure customer satisfaction levels regarding the Association, its products, and services. It covered a weighted representative sample of 539 respondents from the various branches of service in 10 locations nationwide.

OVERALL SATISFACTION

The majority of respondents expressed high levels of satisfaction with the Association, with 97% of the respondents rating their experience as either “satisfied” or “very satisfied.” This demonstrates the Association’s continuous commitment to meeting and exceeding customer expectations.

PRODUCT QUALITY

One of the standout areas of positive feedback was regarding the quality of products. Respondents consistently praised the security, functionality, and affordability of the products. Here are some actual comments from survey respondents:

- “Convenient ang product itself, nakakuha na kasi ako ng ilan product at na-avail ko ang mga incentive, convenient kase no other documents needed.” – Major, Philippine Army Baguio
- “Makakasiguro na insured family members nila kasi makakatanggap sila benefits in case ng emergency.” – Private First Class, Philippine Army Zamboanga
- “Talagang nakakatulong sa financial at emergency needs, at yung mga additional plans nagagamit talaga.” – Second Lieutenant, Philippine Army Cavite
- “Pang-masa ang mga produkto nila. Kumbaga binibigyan ng halaga ang pamilya ng mga sundalo in case na may mangyari na hindi maganda. May nakukuha na benefits ang pamilyang maiwan.” – Senior Sergeant, Philippine Army NCR
- “Mababa ang interest rate kumpara sa ibang company. Yung mga insurance na ino-offer maganda sa pamilya kasi may mga para sa education ng anak ko.” – Fire Officer III, Bureau of Fire Protection Batangas
- “Nindot ang benefits sa insurance.” – Jail Officer I, Bureau of Jail Management and Penology Cebu
- “Accessible, mababa ang porsyento ng payment, na-avail lahat ng benefits, dibedendo at insurance, gusto ko ang MBI” – Police Captain, Philippine National Police NCR
- “May pinakamababang interes, saka yung hinuhulog mo pwede mo i-loan at pag nag-mature na pwede mo siya makuha. Sa education plan 5 years lang at after 17 years pwede na siyang gamitin.” – Police Master Sergeant, Philippine National Police NCR



CUSTOMER SERVICE

Another highlight from the survey was the commendations the Association received for its customer service. Respondents highlighted the promptness, friendliness, and transparency of the support team. Here are some quotes showcasing AFPMBAI’s customer service excellence:

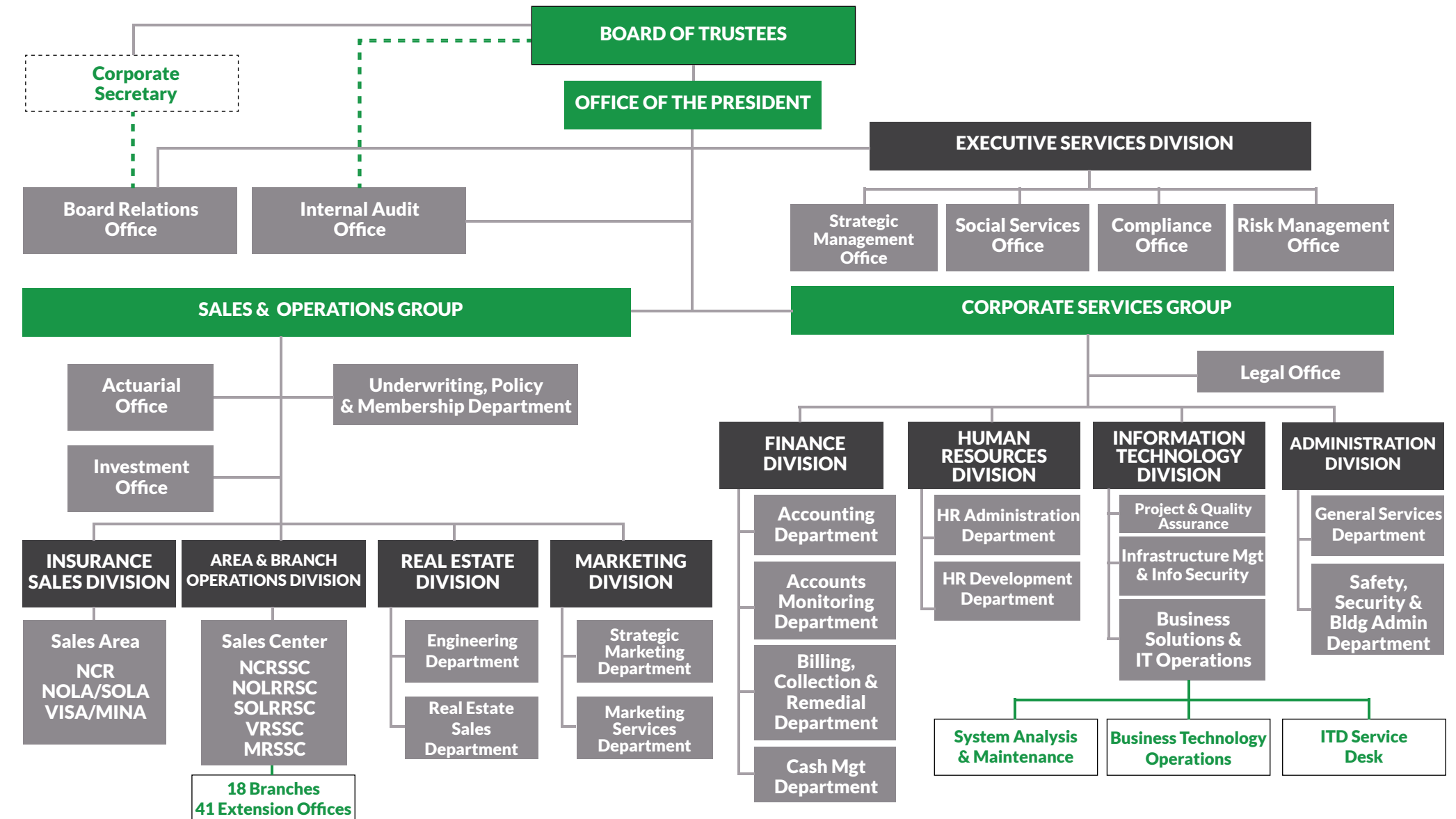
- “Magaling manghikayat regarding sa products nila at magaling mag-explain. Talagang naiintindihan at very approachable sila.” – Private, Armed Forces of the Philippines General Headquarters
- “Accessibility – malapit lang sa airbase. Mabilis ang transaction – pag nag-file sa umaga, hapon nakukuha na, one day transaction. Mabait ang mga empleyado – flexible at magalang.” – Master Sergeant, Philippine Air Force Batangas
- “Nagbibigay ng pangangailangan hindi lamang sa member pati na din sa mga beneficiaries kasama ang para sa health and education.” – Private First Class, Philippine Army Zamboanga
- “Malaking bagay na nakakatulong sa akin at sa aking pamilya pwede akong magloan at magamit ng aking pamilya.” – Corporal, Philippine Navy Batangas
- “Kampante ra kaayo ko sa AFPMBAI kontinto ug ganahan kaayo.” – Senior Fire Officer I, Bureau of Fire Protection Cebu
- “Nakakatulong for emergency at biglaang pangangailang pinansyal sa bills, tuition fees at mga dues. Maaasahan ang AFPMBAI sa LAHAT ng pagkakataon.” – Senior Fire Officer III, Bureau of Fire Protection NCR

- “Maaasahan ang AFPMBAI, matatag na kumpanya.” – Senior Jail Officer II, Bureau of Jail Management and Penology NCR
- “Kay ang AFPMBAI naghatag ug serbisyo nga para preparasyon sa future sa akong pamilya especially ang educational plan nga importante para sa among anak.” – Jail Officer II, Bureau of Jail Management and Penology Cebu
- “Para sa akin okay naman ang AFPMBAI, mabilis silang mag-approve sa mga loans ko. Maayos ang serbisyo at mapagkakatiwalaan.” – Admiral, Philippine Coast Guard Davao
- “Napakinabangan ko noong naaksidente ako. Nakakuha ako ng financial assistance na inabot sa hospital. Napatunayan ko sa aking mga estudyante at nai-share ko sa kanila ang mga pwedeng ma-avail sa Asosasyon na ito.” – Police Staff Sergeant, Philippine National Police NCR

In conclusion, the results of the CSAT survey reaffirm the Association's dedication to providing top-notch products and services. AFPMBAI deeply values the feedback provided by its members and will continue to strive for excellence in all aspects of the business.



AFPMBAI ORGANIZATIONAL STRUCTURE



PRESIDENT'S REPORT

AFPMBAI ANNUAL REPORT 2023

REPORT OF THE PRESIDENT AND CEO

For 2023, AFPMBAI started the year in full gear aiming *sustainability thru collaboration, innovation and growth*. It embraced all the challenges to raise its bar of standards, breaking ground to adapt to the changes needed to improve its services and business processes in the spirit of innovation.

Inspired by an attitude of gratitude, withstanding the onslaught of the pandemic, the Association continued its commitment of dedicated service to its members. The great leap of bringing its products and services closer to the members was realized during this year with the full installation of all the Regional Sales and Service Centers (RSSCs).

Guided by the AFPMBAI's vision to become the undisputed leader and the industry standard among mutual benefit associations, the Association kept the balance on good governance and member satisfaction thru strategic corporate initiatives on the different perspectives of Social Impact, Financial, Customer, Internal Process, and Learning and Growth.

SOCIAL IMPACT

The AFPMBAI has succeeded in strengthening its corporate image and social responsibility through its various donations and handovers made nationwide during its caravans/information drives. The AFPMBAI as well created a positive influence to its members thru financial literacy talks and livelihood seminars.

As published in Manila Standard and Malaya, the AFPMBAI reached the P2 Billion milestone in CSR projects manifested through flagship programs on education, health, and general welfare.

The Association's key donations for the year included the PA Transient Facility handover and the future PNP Grandstand ground breaking in Quezon Province. It is also noteworthy to mention that several of the Grants for Dependents (GRADE) Program Scholars successfully graduated from their respective courses with honors. These scholars are dependents of the AFPMBAI's MUP members who were either killed-in-action, died in the line of duty or discharged due to complete disability.

Among all these CSR endeavors, AFPMBAI received several recognitions as appreciation from various offices, such as the Office of the Adjutant General of the AFP, Finance Center of the Philippine Army, AFP Health Service Command, and Philippine Navy Personnel Management Center, to name a few.





FINANCIAL PERSPECTIVE

In 2023, the Association was honored with the prestigious Golden Arrow Award from the Institute of Corporate Directors (ICD) for the second time covering 2022 CGS assessment. This is a manifestation of the AFPMBAI's effective internal control and risk management systems as reflected by the increased rating of the Association's Corporate Governance Score of 84.88%, a 0.56 point increase from the previous year.

This recognition is bestowed by the ICD, an accredited evaluator appointed by the Insurance Commission (IC). The AFPMBAI ranked 22nd out of 114 companies, and 5th out of 35 MBAs. The Association was granted One Golden Arrow for achieving a governance rating of over 80%.

For the period, the Association has released loans from policy, equity, salary and MEDAL amounting to P11.94 Billion; Claims of matured policies, bonus, termination and disability benefits amounting to P1.45 Billion; Death benefits worth P256.35 Million and Comprehensive Financial Assistance Benefits (CFAB) worth of P29.56 Million. This is the financial assistance given to cover those killed in action (KIA), wounded in action (WIA), or those who incurred injuries or illnesses while performing their duties. This is given at no added cost to the monthly premiums paid by the regular members for their existing policies.

In addition, to ensure the financial security of its members and their families, AFPMBAI continues to provide Real Estate Housing, Mortgage, and Pre-retirement Mortgage Loans. During the reported period, grants for Real Estate Mortgage Loans totaled P376.46 Million.

CUSTOMER PERSPECTIVE

In pursuit of AFPMBAI's commitment to offer members responsive and innovative products along with comprehensive benefits, the Association initiated a series of product patronage promotions involving its members:

- "INSUride" raffle promo which was extended to members who availed permanent and individual insurance plans;
- "Beat the Heat" promo served as AFPMBAI's Summer Giveaway, providing incentives to those who utilized real estate loans;
- "Watch Up Member Promo" awarded to members upon approval of loans under the Enhanced Salary Loan Program; and
- "MoneyCARsary" raffle promo allowed members to earn entries for every P100,000 loan or insurance purchase in time for the AFPMBAI's anniversary celebration

The Member's Referral Incentive/Reward known as "Kaagapay Member to Member Referral Promo" remained in effect until the middle of the year. It offered rewards to members who successfully referred others to sign up for MBI 5 Secure and MBI iProtek.

During this period, the Association also obtained approval from the IC for the new Group Credit Redemption Life Insurance, covering the outstanding balances of AFPMBAI loans taken out by members. The reduced rates will result in higher loan proceeds for our offerings and lower amortization payments.

With the full implementation of the decentralized processes in the Regional Sales and Service Centers (RSSCs), members can now enjoy processing of their insurance and loan applications, death and disability claims, and termination benefits, as well as requests for copies of insurance policies, certifications, and clearances. The RSSCs are strategically located in the following areas:

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

INTERNAL PROCESS PERSPECTIVE

Through innovative measures geared towards improving business processes and services, AFPMBAI has successfully completed the 4th phase of digitizing AFPMBAI records using the Document Management System (DMS).

For the Real Estate Accounts Monitoring System (REAMS), AFPMBAI has initiated the data migration process to facilitate the management of real estate loan payment postings.

The Association also fully integrated Zendesk as its customer service ticketing system, providing a comprehensive solution to efficiently address the inquiries and concerns of its members.

Furthermore, as part of measures to achieve a fully integrated system and pursue digital transformation, the Association accomplished the following in addition to its IT framework:

- Procurement of Whispir, an online communications management platform
- Completed the initial development of the Claims Register Module
- Completed the initial development of the Channel Development and E-commission system

AFPMBAI strengthened its channel development efforts by collaborating with various payment facilities, providing members with increased flexibility in paying amortizations and receiving loan proceeds. The Association's payment options now encompass UnionBank, Landbank, Metrobank, BDO, alongside payment facilities such as SM Bills, Palawan Pawnshop Express Padala, LBC, GCash, Cebuana Lhuillier, and Maya Billspay.

Additionally, in pursuit of a streamlined frontline, middle, and back-end system, AFPMBAI initiated the ISO 9001:2015 Project Kick-Off and Orientation in October 2023. Partnering with Infocycle Solutions Inc as its consultant, this endeavor focuses on the administration and implementation of processes under the Death and Disability Benefit Section.

The Association maintained its leading digital presence across various platforms, including its official social media accounts on Facebook, LinkedIn, Instagram, X, and its website. Additionally, AFPMBAI persisted with its monthly radio program, MBAI-Connect, broadcasted on DWDD AFP Radio.



LEARNING AND GROWTH PERSPECTIVE

In taking human resource as part of the greatest asset of any institution, the Association has continued developing its manpower capability to offer best service, thru the conduct of several seminars, workshops and activities to ensure employee engagement, skills improvement, strengthening corporate culture, and building organizational capacity.

These were designed to equip all levels of employees—from frontline staff to supervisors, managers, executives, and members of the Board of Trustees—with the necessary skills and mindset to ensure AFPMBAI remains competitive and delivers excellent service to its members.

WAY FORWARD

Driven by AFPMBAI's service philosophy, which prioritizes the needs of its members, the Association will persist in delivering excellence and quality service. Anchored on key initiatives for the upcoming year, including the Financial Literacy Program, AFPMBAI CSR Program, Channel Development, Strategic Asset Management, Cost Management Program, Product and Services Development, Customer Relationship Management, Sales Force Recruitment, Process Optimization and Re-engineering, Innovation and Digital Transformation, and Human Capital Strategy, the Association remains committed to upholding good governance and ensuring member satisfaction.

SUMMARY OF THE GOVERNANCE & SUSTAINABILITY REPORTS



Governance Report



Sustainability Report

Scan the QR codes to download the comprehensive reports

SUMMARY OF THE GOVERNANCE REPORT

Beginning at the Board level, implementing governance best practices organization-wide remains a constant aim of the AFPMBAI. With the guidance of the IC and the ICD, the Association continues to adopt global governance standards in order to demonstrate to its members and stakeholders the value they hold for the AFPMBAI.

To improve its governance practices, in 2023 the Board of Trustees approved the conduct of an external party assessment of Board performance by commissioning ICD to evaluate how the AFPMBAI Board performed its duties and responsibilities for the year. The external assessment of Board performance has now been established as a practice to be conducted every three years in AFPMBAI.

The Internal Audit Office also conducted a Board Governance Practices Review through controlled self-assessment under the oversight of the Audit Committee, the results of which were presented to the Board with the intention of pointing out key areas of improvement that the Board could work on. These practices assure the members of an objective performance evaluation of the representatives they elected, as well as a comprehensive review of the Board's work processes. The results serve as a guide for the members of the Board to continue improving on areas that may further be strengthened. Among the areas of improvement that were pointed out were the assessment of the performance of the Chief Risk Officer (CRO) and the Chief Compliance Officer (CCO), as well as Management's adherence to the submission of meeting materials. The performance assessment of the CRO and CCO has already been included in the AFPMBAI's Manual of Corporate Governance, while Management initiatives are being conducted in order to observe adherence to the submission of meeting materials.

Heeding the call for greater independence at the Board level, the Board also restructured its committees to assure a majority of independent trustees in the Governance Committee and the Audit Committee, while the Risk Oversight and Related Party Transaction Committee continues to be composed of a majority of independent trustees. This re-composition assures that Board decisions will be made with impartiality and with greater balance of business and stakeholder interests.

In compliance with the IC Circular Letter No. 2020-71 on the Revised Code of Corporate Governance for IC Regulated Companies, the Board also elected its Lead Independent Trustee in 2023 by electing to the position the Governance Committee Chairman and former Chief of Staff of the Armed Forces of the Philippines, Gen Ricardo A David Jr PA (Ret). Gen David has completed the Professional Development Program from ICD.

The Board and Management has demonstrated an outstanding performance for CY 2023. Detailed reports of this performance are found in the 2023 Governance Report, which has also been uploaded in the AFPMBAI website for viewing and evaluation.

And for the first quarter of 2024, the Board included in its Manual of Corporate Governance the rights that AFPMBAI has always upheld for its members. These rights are:



1. *The right to be provided excellent products and services.*

All AFPMBAI members are considered the most important stakeholders of AFPMBAI. They are entitled to receive quality products and services from the Association, delivered in a timely and efficient manner, subject to qualifications and procedures. All the AFPMBAI members have rights as embodied in the Bill of Rights of Policyholders based on Insurance Commission Circular Letter No. 2016-30.

2. *The right to be informed.*

The AFPMBAI shall keep its website and social media accounts regularly updated in order to provide information needed by the members to keep abreast of the activities, products and services, and operational status of the Association.

3. *The right to participate.*

All regular voting members have the right to participate in the decision-making process of the AFPMBAI through the Annual General Membership Meeting (AGM) conducted according to the provisions of the Bylaws.

All regular members also have the right to call for a special meeting of the members, subject to the conditions stipulated in the Bylaws.

4. *The right to nominate.*

All regular voting members have the right to nominate candidates to the AFPMBAI Board of Trustees, subject to the Nomination and Election Policy and the Rules on Nomination and Election published for every AGM.

5. *The right to vote.*

All regular voting members have the right to vote on all matters presented in the Order of Business or Agenda for the AGM. Voting may either be in person, in absentia, or by proxy in accordance with the Guidelines published for every AGM.

The tally of votes shall be announced during the AGM itself and the Minutes of the AGM, including the tabulation of voting results, shall be published in the AFPMBAI website not later than the following working day after the AGM.



6. *The right to be heard.*

The AFPMBAI opens all available communication channels to its members to receive their comments, complaints, inputs and suggestions. All regular voting members are also given the right to raise their concerns during the AGM by asking questions and airing their thoughts and ideas regarding AFPMBAI.

7. *The right to receive feedback.*

The AFPMBAI ensures that all queries sent by members through formal and accepted channels shall receive a response within 3-7 working days from the submission of required personal information for identity and system verification.

8. *The right to be involved.*

AFPMBAI values the ideas and experiences of its members with regard to their transactions and interactions with the Association, and encourages their involvement in improving AFPMBAI's products, services, and operations through suggestions and recommendations sent through e-mail (mail@afpmbai.ph), through its website (www.afpmbai.com.ph), or its social media pages in Facebook (AFPMBAIOfficial), Instagram (AFPMBAI), and X (formerly Twitter) (@AFPMBAIOfficial).

These improvements in AFPMBAI's governance best practices are geared toward increasing member confidence in the Association, in the Board and Management, and in our products and services. The Association has always emphasized that AFPMBAI members come first, and all governance efforts are conducted to bring to the members an assurance of Buhay na Panatag.

SUMMARY OF THE SUSTAINABILITY REPORT

Throughout 2023, AFPMBAI faced challenges and underwent significant transformations following the conclusion of the COVID-19 State of Public Health Emergency in the Philippines. The report, titled "Breaking Ground," marks the Association's inaugural disclosure of its non-financial performance, emphasizing economic, environmental, social, and governance sustainability. AFPMBAI's dedication to sustainability is evident throughout its 58-year history, aligning with Sustainable Development Goals and demonstrating responsible operational practices. By prioritizing good governance, member-centricity, and digital transformation, AFPMBAI aims to empower its members and their families toward financial security and healthier living, setting industry leadership standards.

AFPMBAI's sustainability efforts are supported by a strong framework emphasizing responsible business practices and stakeholder engagement. The Board of Trustees, management, and employees collectively promote sustainability to optimize business operations, enhance competitiveness, and achieve long-term success. Economic disclosures reveal AFPMBAI's prudent fund management, including investments exceeding P700M in corporate and green bonds and equities, and over P12 Billion in government securities by the end of 2023. Additionally, the Association's Business Continuity Program ensures resilience and sustainability by safeguarding operations through strategic partnerships, comprehensive policies, and employee training initiatives, reinforcing its commitment to member welfare and organizational longevity.

CORPORATE OFFICERS

CORPORATE OFFICERS



from left to right

MGEN HENRY M DOYAOEN PA (RET)
Corporate Treasurer
Senior Vice President

ATTY JONAS B CALLEJA
Corporate Secretary

BGEN BIENVENIDO Y REGONDOLA JR PA (RET)
President and CEO

GEN ROMEO S BRAWNER JR PA
Chief of Staff, AFP
AFPMBAI Chairman

BGEN RODEL MAURO R ALARCON PA (RET)
Vice Chairman
Independent Trustee

MGEN NATHANIEL Y CASEM PN(M) (RET)
Compliance Officer
Senior Vice President

THE BOARD OF TRUSTEES

BOARD OF TRUSTEES

from left to right

BGEN BIENVENIDO Y REGONDOLA JR PA (RET)
Executive Trustee
President and CEO

GEN RICARDO A DAVID JR PA (RET)
Lead Independent Trustee

GEN ROMEO S BRAWNER JR PA
Chief of Staff, AFP
AFPMBAI Chairman

BGEN RODEL MAURO R ALARCON PA (RET)
Vice Chairman
Independent Trustee

BGEN PHILIP S LAPINID PA (RET)
Independent Trustee



BOARD OF TRUSTEES

from left to right

MGEN LEODEVIC B GUINID PA
Philippine Army Representative

FCMS FELICIANO M LAZO (INF) PA
Office of the AFP Sergeant Major Representative

RADM CAESAR BERNARD N VALENCIA PN
Philippine Navy Representative

MGEN RAMON J GUIANG PAF
Philippine Air Force Representative

MGEN ROMMEL P ROLDAN PAF
AFP Joint Staff Representative



BOARD OF TRUSTEES

from left to left

CG VADM ROLANDO LIZOR N PUNZALAN JR
Philippine Coast Guard Representative

CSUPT RINCO T MONTAUS BJMP
Bureau of Jail Management and Penology Representative

CSUPT JESUS P FERNANDEZ BFP
Bureau of Fire Protection Representative

PBGEN DINDO R REYES
Philippine National Police Representative

PBGEN RODERICK AUGUSTUS B ALBA
Philippine National Police Representative



THE MANAGEMENT TEAM

OFFICE OF THE PRESIDENT AND CEO



from left to right

JOCELYN T MIRANDA
Head, Internal Audit Office

JASMIN M DAMO
Head, Support Services Audit Section
Internal Audit Office

BGEN BIENVENIDO Y REGONDOLA JR PA (RET)
AFPMBAI President and CEO

RAMONA JOSEFA M PANIS
Head, Board Relations Office

OFFICE OF THE PRESIDENT AND CEO

from left to right

ATTY ELIZABETH D HIDALGO
Head, Compliance Office
Executive Services Division

IAN RAYMOND E PAYOT
Head, Risk Management Office
Executive Services Division

JEFF MATTHEW L LUY
Head, Social Services Office
Executive Services Division

LEA A MALIGASO
Head, Executive Services Division

GERALDSAM S AGBAY
Head, Strategic Management Office
Executive Services Division



SALES AND OPERATIONS GROUP

from left to right

GIUSEPPE LAURO E MORTA
Head, Marketing Division

ALPHA GRACE F VENTANILLA
Head, Underwriting, Policy & Membership Department

MGEN NATHANIEL Y CASEM PN(M) (RET)
Head, Sales & Operations Group &
Chief Operating Officer

MARK GERARD L BUMATAY
Head, Actuarial Office



from left to right

IMELDA L JAMANDRON
Head, Northern Luzon RSSC (NOLRSSC)
Area and Branch Operations Division

DEONESIO B CORONG II
Head, Mindanao RSSC (MRSSC)
Area and Branch Operations Division

BGEN FERDINAND JOSE G RIVERA PROF (RET)
Head, Area & Branch Operations Division

LORRAINE MARIE L DE VILLA
Head, Southern Luzon RSSC (SOLRSSC)
Area and Branch Operations Division

ANGELINA S JUTIE
Head, National Capital Region SSC (NCRSSC)
Area and Branch Operations Division

SHARINA A DERIZA
Head, Visayas RSSC (VRSSC)
Area and Branch Operations Division



THE REGIONAL SALES AND SERVICE CENTER (RSSC) HEADS SALES AND OPERATIONS GROUP

THE REGIONAL SALES AND SERVICE CENTER (RSSC) DEPUTY HEADS SALES AND OPERATIONS GROUP



from left to right

LEAH Y JOYA
Deputy Head, NCRSSC
Insurance Sales Division

SALLY T SANTOS
Deputy Head, NOLRSSC
Insurance Sales Division

MARY ANN J MALUNHAO
Deputy Head, VRSSC
Insurance Sales Division

RADM DORVIN JOSE L LEGASPI PN (RET)
Head, Insurance Sales Division

MARY JOY B LOCSIN
Deputy Head, SOLRSSC
Insurance Sales Division

MENCHIE C MAKILANG
Deputy Head, MRSSC
Insurance Sales Division

SALES AND OPERATIONS GROUP

from left to right

ARCH EDGAR A CLARIZHead, Construction & Engineering Department
Real Estate Division**MGEN DANTE M HIDALGO PN(M) (RET)**

Head, Real Estate Division

MICHELLE A ESPULGARHead, Real Estate Sales Department
Real Estate Division**RODERICK A DONES**

Head, Investment Office

JOAHNA P GO

Head, Active Investment

BONNALIZA B SAXBY

Head, Alternative Investment



CORPORATE SERVICES GROUP

from left to right

JEFFREY A CARREONHead, Project & Quality Assurance
Information Technology Division**ENGR ANNALY A LAVARIAS**

Head, Information Technology Division

MGEN HENRY M DOYAOEN PA (RET)Head, Corporate Services Group &
Chief Corporate Services Officer**MGEN PETER ANGELO L RAMOS PA (RET)**

Head, Human Resource Division

RAMONSON C ROJASHead, Human Resource Development Department
Human Resource Division**KRISH RAINJIT R SALAS**Head, HR Administration Department
Human Resource Division

CORPORATE SERVICES GROUP

from left to right

FELISA T LINGANHead, Accounting Department
Finance Division**JESUS A LAGUNA**Head, Cash Management Department
Finance Division**FLORDELIZA D OCBANIA**

Head, Finance Division

CHARIBEL P FRONDAHead, Billing Collection and
Remedial Department, Finance Division**VINCENT JOEY I PANGILINAN**Head, Accounts Monitoring Department
Finance Division

CORPORATE SERVICES GROUP

from left to right

ATTY LYNELL L SESEHead, Litigation & Prosecution Unit
Legal Office**ATTY MARICARR M MIRABEL**

Head, Legal Office

ATTY AL-MAY SAIR F PATANGANHead, Documentation & Compliance Unit
Legal Office**2LT ALADIN S DACAYANAN PA (RET)**Head, Safety, Security and
Building Administration Department
Administration Division**BGEN FERDINAND S RAZALAN PA (RET)**

Head, Administration Division

CELMO M ROBLESHead, General Services Department
Administration Division

BRANCH AND EXTENSION OFFICES

AFPMBAI REGIONAL SALES AND SERVICE CENTERS

01. Northern Luzon Regional Sales & Service Center

Head: Imelda L Jamandron
2F, Liwag Building, Burgos Ave.
Cabanatuan City, Nueva Ecija
0939-5067438 / 0961-7569131
0999-4198144 / (044) 464-3908

02. National Capital Region Sales & Service Center

Head: Angelina S Jutie
Col Bonny Serrano Ave cor EDSA,
Quezon City
(AFPMBAI Head Office)
0915-7915994 / 0960-2684462
0956-2010544 / 0966-8472618

03. Southern Luzon Regional Sales & Service Center

Head: Lorraine L De Villa
ANST Bldg., Washington Drive
Legazpi City
0995-5310243 / (052) 732-7980

04. Visayas Regional Sales & Service Center

Head: Sharina A Deriza
VISCOR, AFP, Camp Lapu-Lapu
Apas, Cebu City
0927-1441378 / (032) 384-5171

05. Mindanao Regional Sales & Service Center

Head: Deonesio B Corong II
2F, AFPMBAI Bldg, Maya Street,
Ecoland, Davao City
0936-1958075 / (082) 297-5482

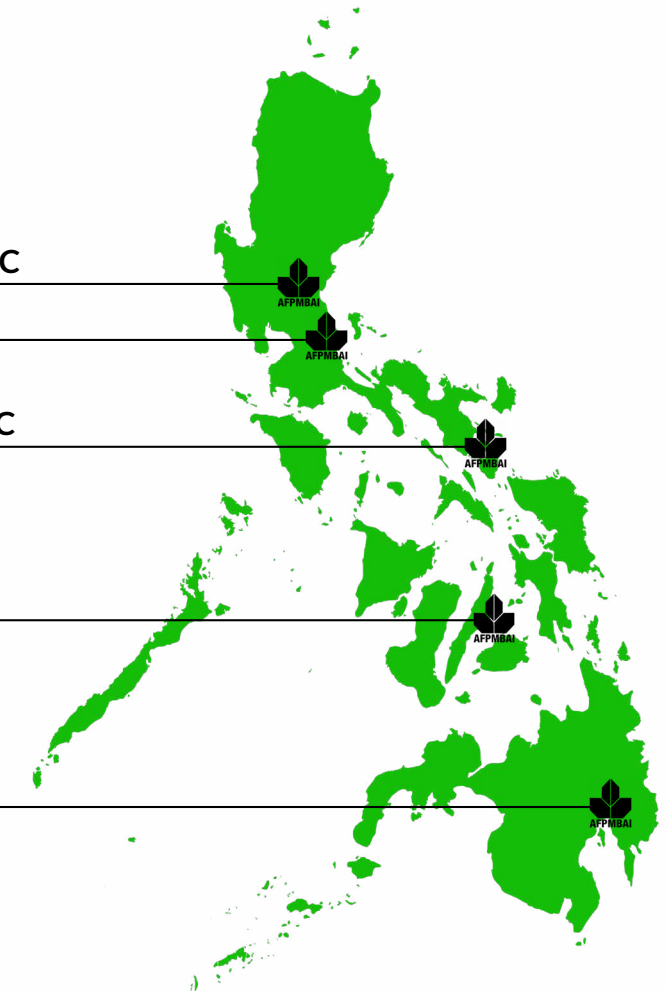
NOLRSSC

NCRSSC

SOLRSSC

VRSSC

MRSSC





NATIONAL CAPITAL REGION SSC

Head: Angelina S Jutie

Camp Aguinaldo Branch

Supervisor: Aileen O Reyes
1st Floor, AFPMBAI Annex Bldg
AFPMBAI Head Office
Quezon City
0915 7915-994 / 0960 2684-462
0966 8472-618 / 0942 2406-140
0960 2684-624 / 0960 2684-625

Fort Bonifacio Branch

Supervisor: Shaila I Tumbaga
B 36 L 21 and 29 LBO Bldg.
AFPOVAI Bayani Road
Western Bicutan, Taguig City
0995 4537-042 / 0916 7383-177
0927 2050-360 / 0996 7003-533

Tanay Extension Office

In-Charge: Macey Sulpico
Camp Gen Capinpin
Tanay, Rizal
0947 4607-307

Villamor Extension Office

In-Charge: Alvin T Malibiran
3rd Floor, PAF Airmen's Mall
Villamor Air Base, Pasay City
0929 7082-305

NORTHERN LUZON REGIONAL SSC

Head: Imelda L Jamandron

Cabanatuan Branch

Supervisor: Helen Grace G Ingusan
2nd Floor, Liwag Bldg., Burgos Ave.
Cabanatuan City, Nueva Ecija
0939 5067-438 / 0961 7569-131
0999 4198-144 / (044) 4643-908

Fort Magsaysay Extension Office

In-Charge: Carolyn Villar
Soldier's Mall, Fort Magsaysay
Palayan, Nueva Ecija
0967 4322-642

San Fernando Extension Office

In-Charge: Kimberly Mae Enriquez
2nd Floor, Unit 10, 5G Bldg.
McArthur Hiway, Dolores
Intersection, San Fernando,
Pampanga
0927 7019-304

Clark Extension Office

In-Charge: June Lyndon Balmeo
600th Airbase Wing, Clark Air Base
Pampanga
0993 5393-783

Tarlac Extension Office

In-Charge: Catherine Allag
2nd Floor AJ/AS Bldg., Brgy.
Maligaya Tarlac City
0961 6947-174

Capas Extension Office

In-Charge: John Carlo Manalac
GF 2R Bldg, Sta Lucia, Capas
Tarlac
0969 6084-913

Olongapo Extension Office

In-Charge: Ellen Importado
1869 Rizal Ave., West Bajac-Bajac
Olongapo
0960 3103-934

Baguio Branch

Supervisor: Edna P Ramos
2nd Floor, AFPSLAI BLDG.,
Honasan St., Camp Allen
Baguio City
0948 8908-196 / 0915 1874-270
0919 3231-748 / (074) 4435-883
(074) 2448-751

Laoag Extension Office

In-Charge: Marie Cris S Camagon
Unit 202 VL & SONS Bldg.
P. Gomez St., Laoag City
0966 3316-940 / 0969 5882-716
(077) 6771-715

La Union Extension Office

In-Charge: Mark Vincent C Reyes
2nd Floor, CAP Gov Luna St.
Brgy 4 Gen. Luna St., San Fernando
City, La Union
0956 3929-480 / 0981 7610-310
(072) 6078-120

Dagupan Extension Office

In-Charge: Mark Lark Aloroy
Room 203 2nd Floor, Siapno Bldg.
corner Rivera St. and Zamora St.
Dagupan City
0995 783-170 / 0995 7831-706
(075) 6000-876

Isabela Branch

Supervisor: Restituto M Duran III
UGF Mango Suites, City Road,
Calao East, Santaigo City, Isabela
0995 7153-162 / 0935 4699-483
(078) 6820-935

Upi Extension Office

In-Charge: Melanie G Nabanalan
Camp MF dela Cruz, 5ID, PA,
Gamu, Isabela
0956 6485-319

Bayombong Extension Office

In-Charge: Grazelle M Julaquit
Room C, F & V delos Santos Bldg.
District IV, Bayombong
Nueva Vizcaya
0916 1742-901 / (078) 3921-300

Tuguegarao Branch

Supervisor: Grandee P Dumlao
2nd Floor, Rios Bldg., College Avenue
cor Taft Streets, Centro 8
Tuguegarao City
0916 1676-224 / 0906 1771-887
(078) 8446-728

Tabuk Extension Office

In-Charge: Florante Seno
2nd Floor Kalinga Bazaar, Purok 4,
Bulanao, Tabuk City
0926 2262-217

SOUTHERN LUZON REGIONAL SSC

Head: Lorraine L De Villa

Legaspi Branch

Acting Sup.: Karla Erika Q Casasis
ANST Bldg Washington Drive
Legaspi City
0995 5310-243 / (052) 7327-980

Pili Extension Office

In-Charge: Faye M Barajas
2nd Floor REMC, New San Roque
Pili, Camarines Sur
0935 9307-236

Masbate Extension Office

In-Charge: HoneyLyn Marcaida
3rd Floor Manalo-Pecson Bldg.
Ybanez St., Masbate City
0935 0391-931

Lucena Branch

Supervisor: Estrellita O Querimit
SOLCOM Camp Guillermo Nakar
Lucena City
0942 8026-224 / 0945 1688-199
(042) 3731-091

Daet Extension Office

In-Charge: Amiel L Arevalo
No2 Blk 6 Lot 1 Bel-Air Subdvision,
Lag-on Daet, Camarines Norte
0956 3252-669

Cavite Branch

Supervisor: Maria Nimfa Recaido
3rd Floor Unit D 685 R. Basa St. Brgy.
Labanos, San Roque, Cavite City
0915 9123-587 / (046) 4358-992

Palawan Extension Office

In-Charge: Maria Clarissa Barroma,
and Janice C Rabajante
Unit 204, 2nd Floor, SJD Green Bldg.
132 National Highway Brgy. San
Pedro Puerto Princesa Palawan
0918 5303-440 / (048) 7163-560

Batangas Branch

Acting Supervisor: Trixia C Virtucio
2nd Floor, N&A Bldg B1 L2
Commercial Area, Baseview Homes,
Brgy. Sico Lipa City, Batangas
0956 7125-147

Canlubang Extension Office

In-Charge: Jay Javison
Camp Vicente Lim, Canlubang
Laguna
0916 2606-483

Calapan Extension Office

In-Charge: Kathryn Grace G Alzate
2nd Floor San Agustin Bldg. Bonifacio
cor Osmena St. Brgy. Ilaya
Calapan City, Oriental Mindoro
0947 3861-320

VISAYAS REGIONAL SSC

Head: Sharina A Deriza

Cebu Branch

Supervisor: Maricel C Mata
VISCOM, AFP, Camp Lapu-Lapu
Apas, Cebu City
0927 1441-378 / (032) 3845-171

Bogo Extension Office

In-Charge: Heziel Yen Y Jayme
Central Highway, Solid Homes
Brgy. Taytayan, Bogo City, Cebu
0915 3907-453 / (032) 4215-255

Dumaguete Extension Office

In-Charge: Geoviliza Z Tayag
Door No. 12 Locsin Apartment
Bldg., Jose Teves St. Pob. 07,
Dumaguete
0935 9168-990 / (035) 5229-225

Bohol Extension Office

In-Charge: Sheryl A Paeste
Unit 3, 2nd Floor Vennore
Commercial Bldg., JA Clarin St.
Tagbilaran City, Bohol
0908 327-152/ (038) 4228-901

Iloilo Branch

OIC: Marielle Joy J Villaruel
Arthur Suite General Luna St.
Iloilo City
0981 4044-053 / (033) 3378-416

Bacolod Extension Office

In-Charge: Jomesa S Seville
Door 5 El Court Bldg., 1st Street,
Lacson, Bacolod City
0956 5436-821 / (034) 4346-044

Jamindan Extension Office

In-Charge: Lionel E Lopez
Sitio Agbalagon, Jaena Norte
Jamindan, Capiz
0981 4821-461

Kalibo Extension Office

In-Charge: Rutchel V Camarines
Door No. 206, 2nd Floor Waldolf
Garcia Bldg. Osmeña Avenue,
Kalibo, Aklan
0981 4038-854 / (036) 2683-903

Tacloban Branch

Supervisor: Barbara Jane A Nuyte
Aqua Glass Bldg cor P. Gomez &
Real St. Tacloban City
0926 6540-815 / (053) 3256-552

Maasin Extension Office

In-Charge: Kathleen Jane Bawi-in
Capt. Iyano St., Brgy. Tagnipa
Maasin City, Southern Leyte
0926 6540-815 / (053) 8025-459

Catarman Extension Office

In-Charge: Novelin A Mahinay
Bonifacio St., cor Roxas St
Brgy. Casoy Catarman
Northern Samar
0915 0968-062 / (055) 2518-555

Catbalogan Extension Office

In-Charge: Benjie P Sarona
Camp Lukban, Maulong
Catbalogan, Samar
0977 2391-423 / (055) 2515-351

MINDANAO REGIONAL SSC

Head: Deonesio B Corong II

Davao Branch

Supervisor: Jonephine G Porton
2nd Floor, AFPMBAI Building,
Maya St., Ecoland, Davao City
0936 1958-075 / (082) 2975-482

General Santos Extension Office

In-Charge:
Sheerah Ruby C Fernandez
3rd Floor, SAFI Bldg. 2
Mansanitas St. cor Magsaysay
Ave., General Santos City
0939 3511-249 / (083) 5521-454

Mati Extension Office

In-Charge:
Paullyn Grace P Gamayon
2nd Floor, Manongas Building,
Limatoc Street, Mati City
0963 2809-102 / 0906 5788-293
(087) 8117-425

Zamboanga Branch

Supervisor: Krystal Lyne W Duran
Western Mindanao Command,
Lower Calarian, Zamboanga City
0936-7938841 / (062) 9938-990

Dipolog Extension Office

In-Charge:
Kenneth Joshua C Banagudos
3rd Floor, Baluma Building,
Rizal Avenue, Central Barangay,
Dipolog City
0906 7105-971 / (065) 9181-441

Pagadian Extension Office

In-Charge: Jeany Rose M Laroa
AFPMBAI Building, Kuta Dao
Pagadian City
0953 0785-118 / (062) 2153-907

Jolo Extension Office

In-Charge: Katarina P Dinsuat
Kuta Heneral Teodulfo Bautista
Brgy. Busbus, Jolo, Sulu
0936 8785-489

Bongao Extension Office

In-Charge:
Al-Baharuddin H Jailang
2nd Floor, Midway Plaza Bldg.
Brgy. Pag-asa, Bongao, Tawi-tawi
0977 4759-553

Cagayan De Oro Branch

Supervisor: Conchita Ma
Concepcion L Salazar
Nuñez Bldg., Zone 1, Bulua,
Cagayan de Oro City
0906 7224-070 / (088) 880-8703

Iligan Extension Office

In-Charge: Jefilamae T Silao
Ground Floor, Abalos Building 2
San Miguel cor Burgos St.
Iligan City
0916 1099-712 / (063) 2223-718

Malaybalay Extension Office

In-Charge: Marie Lei L Pamittan
Ground Floor, Pace Building,
Fortich Street, Malaybalay City
Bukidnon
0936 1467-366

Cotobato Branch

Supervisor: Annaliza B Lim
2nd Floor, Unit 1, Herrera Bldg.
Quezon Ave., Cotabato City
0915 6286-729 / (064) 4214-004

Tacurong Extension Office

In-Charge: Veatriz Agsaulio
2nd Floor, 13-B, Notre Dame
Centrum II, National Highway,
Tacurong City
0985 3123-287 / 0994 6280-129
(064) 5623-602

Kidapawan Extension Office

In-Charge: Janelyn S Llaban
2nd Floor, Zepol Building
Quezon Blvd., cor Alim St.
Kidapawan City
0930 7303-930 / (064) 2480-139

Butuan Branch

Supervisor: Shirley Mae D Millan
Ground Floor, Door 2, Apatan Bldg.
Brgy. Bancasi, Butuan City
0912 1372-590 / 0945 3221-971
(085) 8153-764

Surigao Extension Office

In-Charge: Nyza Madhel Bondaog
2nd Floor, A. Santos Building
1208-C Diez St., Brgy. Taft
Surigao City
0981 1376-457 / (086) 8260-459

Tandag Extension Office

In-Charge: Cindy P Felias
Tecon Bldg., Quezon Street
Bag-ong Lungsod, Tandag City
0951 8792-941

Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI)

Financial Statements
As at and for the years ended December 31, 2023 and 2022



Independent Auditor's Report

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

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI) (the "Association") as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

What we have audited

The financial statements of the Association comprise:

- the statements of financial position as at December 31, 2023 and 2022;
- the statements of total comprehensive income for the years ended December 31, 2023 and 2022;
- the statements of changes in fund balance for the years ended December 31, 2023 and 2022;
- the statements of cash flows for the years ended December 31, 2023 and 2022; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

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

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

Independence

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



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

Other Information

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

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

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

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

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

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

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



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

Report on the Bureau of Internal Revenue Requirement

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

Isia Lipana & Co.

Ruth F. Blasco

Partner
CPA Cert No. 112595
P.T.R. No. 0018519, issued on January 11, 2024, Makati City
TIN 235-725-236
BIR A.N. 08-000745-133-2023, issued on May 9, 2023; effective until May 8, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 8, 2024

Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI)

Statements of Financial Position
December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022
ASSETS			
Cash and cash equivalents	2	1,464,702,269	1,421,242,606
Other investments	2	4,333,231,888	3,611,115,257
Loans receivables, net	3	13,780,795,715	12,330,744,343
Held-to-maturity (HTM) investments	4	12,658,965,075	11,402,158,084
Available-for-sale (AFS) investments	4	1,681,019,841	1,808,419,477
Financial assets at fair value through profit or loss (FVTPL)	4	12,144,304	14,875,162
Premiums receivable from members		1,899,479	35,750,017
Other receivables, net	5	535,970,888	422,396,203
Assets held for sale	6	105,617,119	91,435,743
Investment properties	7	7,020,430,309	6,482,287,328
Investments in subsidiary and associates, net	8	443,265,704	453,265,704
Property and equipment, net	9	629,583,453	630,325,697
Other assets, net	10	54,870,877	44,608,739
Total assets		42,722,496,921	38,748,624,360
LIABILITIES AND FUND BALANCE			
Accounts payable and accrued expenses	11	371,275,752	495,980,714
Legal policy reserves	12	19,426,212,511	17,699,386,481
Claims and benefits payable	13	922,108,281	790,826,899
Dividends payable	14	417,868,780	385,817,071
Income tax payable	23	2,555,456	11,872,066
Reserve for members' refund	15	5,706,084,772	4,933,718,459
Net retirement liability	21	163,570,123	177,096,306
Deferred tax liability	23	1,578,506,048	1,443,970,303
Other liabilities		215,978,324	300,849,840
Total liabilities		28,804,160,047	26,239,518,139
Members' contributions	16	77,070,609	79,121,043
Accumulated other comprehensive income		284,153,363	243,292,320
Accumulated net income:	17		
Assigned		126,707,313	133,197,717
Unassigned		13,430,405,589	12,053,495,141
Total fund balance		13,918,336,874	12,509,106,221
Total liabilities and fund balance		42,722,496,921	38,748,624,360

(The notes on pages 1 to 55 are an integral part of these financial statements.)

Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI)

Statements of Total Comprehensive Income
For the years ended December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022
UNDERWRITING INCOME			
Insurance premiums	19	4,605,523,295	4,268,370,495
UNDERWRITING EXPENSE			
Claims expense	13	(2,263,403,348)	(2,053,097,726)
Commission expense		(272,900,259)	(246,556,199)
Dividend expense	14	(188,362,075)	(158,154,835)
Increase in legal policy reserves	12	(1,726,826,030)	(1,694,176,402)
NET UNDERWRITING INCOME		154,031,583	116,385,333
INTEREST INCOME	4	2,014,835,330	1,785,301,774
INTEREST EXPENSE		(26,477,950)	(10,346,356)
NET INTEREST INCOME		1,988,357,380	1,774,955,418
(PROVISION FOR) REVERSAL OF CREDIT LOSSES	3	(101,696,090)	102,293,594
NET INTEREST INCOME AFTER CREDIT LOSSES		1,886,661,290	1,877,249,012
OTHER INCOME			
Increase in fair value of investment properties		538,142,981	118,841,179
Policy income		127,226,542	123,553,177
Rental income	24	87,325,728	89,380,564
Dividend income	4	8,465,092	6,260,850
Gain on sale of assets held-for-sale	6	600,959	2,669,580
Gain on sale of AFS investments		26,550,866	5,892,388
Other income, net	9	5,384,323	9,270,879
		793,696,491	355,868,617
INCOME BEFORE OPERATING EXPENSES		2,834,389,364	2,349,502,962
GENERAL AND ADMINISTRATIVE EXPENSES	20	(1,146,468,495)	(1,206,159,168)
INCOME BEFORE INCOME TAX		1,687,920,869	1,143,343,794
INCOME TAX EXPENSE	23	(313,850,642)	(158,703,455)
NET INCOME FOR THE YEAR		1,374,070,227	984,640,339
OTHER COMPREHENSIVE INCOME			
Item that may be subsequently reclassified to profit or loss			
Net movement in cumulative fair value changes on AFS investments	4	39,657,963	(20,083,569)
Item that will not be subsequently reclassified to profit or loss			
Remeasurement gain on retirement benefit obligation	21	1,203,080	149,242,352
TOTAL OTHER COMPREHENSIVE INCOME		40,861,043	129,158,783
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,414,931,270	1,113,799,122

(The notes on pages 1 to 55 are an integral part of these financial statements.)

Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI)

Statements of Changes in Fund Balance
For the years ended December 31, 2023 and 2022
(All amounts in Philippine Peso)

		Accumulated income		Accumulated Other comprehensive income	
	Members' contributions (Note 16)	Assigned (Note 17)	Unassigned	(Note 4,21)	Total
Balances as at January 1, 2022	79,189,327	168,853,368	11,036,983,302	114,133,537	11,399,159,534
Transactions with members					
Contributions during the year	(68,284)	-	-	-	(68,284)
Total transaction with members	(68,284)	-	-	-	(68,284)
Other movements					
Reversal of assigned accumulated income	-	(31,871,500)	31,871,500	-	-
Utilization of assigned accumulated income	-	(3,784,151)	-	-	(3,784,151)
Total other movements	-	(35,655,651)	31,871,500	-	(3,784,151)
Comprehensive income					
Net income for the year	-	-	984,640,339	-	984,640,339
Other comprehensive income	-	-	-	129,158,783	129,158,783
Total comprehensive income for the year	-	-	984,640,339	129,158,783	1,113,799,122
Balances as at December 31, 2022	79,121,043	133,197,717	12,053,495,141	243,292,320	12,509,106,221
Transactions with members					
Contributions during the year	642,544	-	-	-	642,544
Transfer to reserve for member's refund	(2,692,978)	-	-	-	(2,692,978)
Total transaction with members	(2,050,434)	-	-	-	(2,050,434)
Other movements					
Reversal of assigned accumulated income	-	(2,840,218)	2,840,218	-	-
Utilization of assigned accumulated income	-	(3,650,186)	-	-	(3,650,186)
Total other movements	-	(6,490,404)	2,840,218	-	(3,650,186)
Comprehensive income					
Net income for the year	-	-	1,374,070,230	-	1,374,070,230
Other comprehensive income	-	-	-	40,861,043	40,861,043
Total comprehensive income for the year	-	-	1,374,070,230	40,861,043	1,414,931,273
Balances as at December 31, 2023	77,070,609	126,707,313	13,430,405,589	284,153,363	13,918,336,874

(The notes on pages 1 to 55 are an integral part of these financial statements.)

Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI)

Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(All amounts in Philippine Peso)





	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operations	18	(188,589,586)	(169,943,856)
Interest received		1,086,678,320	1,204,742,838
Income tax paid		(188,631,507)	(117,302,069)
Contributions to the retirement fund	21	(41,680,000)	(41,680,000)
Dividends paid	14	(182,788,316)	(97,200,792)
Net cash from operating activities		484,988,911	778,616,121
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		828,371,280	569,087,355
Dividends received		8,465,092	6,260,850
Acquisitions of:			
Short-term investments		(6,868,098,854)	(6,201,646,975)
HTM investments	4	(3,027,106,881)	(4,074,256,602)
Property and equipment	9	(42,210,905)	(64,096,808)
Investments at FVTPL		(28,279,951)	(24,898,276)
Assets held for sale		(15,060,903)	(2,195,493)
AFS investments	4	(80,844,538)	(180,202,291)
Proceeds from sale/maturities of:			
Short-term investments		5,845,982,223	7,506,359,125
HTM investments	4	1,795,943,356	793,728,830
AFS investments		274,453,004	25,642,422
Long-term investments	2	300,000,000	700,000,000
Investments at FVTPL		30,997,086	54,984,794
Property and equipment		1,288,881	5,705,960
Assets held for sale		1,480,486	9,407,888
Investments in a subsidiary and associates - net		10,000,000	2,840,000
Net cash used in investing activities		(964,620,624)	(873,279,221)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Reserve for members' refund of equity value	15	636,480,892	587,287,269
Members' contributions		(2,050,435)	68,284
Payment of refund on members' contributions	15	(111,339,081)	(133,418,995)
Payment upgrade of systems, equipment & facilities and capacity building		-	(3,784,151)
Net cash from financing activities		523,091,376	450,152,407
NET INCREASE IN CASH AND CASH EQUIVALENTS		43,459,663	355,489,307
CASH AND CASH EQUIVALENTS			
January 1		1,421,242,606	1,065,753,299
December 31		1,464,702,269	1,421,242,606

(The notes on pages 1 to 55 are an integral part of these financial statements.)





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