

# SUSTAINABILITY REPORT



20  
23





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## About The Cover



The seedling breaking ground at first light, is the rationale behind the AFPMBAI's logo, symbolizing the unending cycle of bringing hope, wisdom, growth, and development as its blueprint. The theme, "Breaking Ground" is all about convergence. It is when social impact, ecology, and governance as pillars of sustainability, come together to form a framework that espouses good business sense. This convergence captures the Association's corporate social responsibility initiatives, non-financial risks, employee engagement, and opportunities inherent in its day-to-day activities. It is the Association's vision that the sustainability initiatives as the seeds that are planted today, become the resolve that heralds continuous future transformation, growth and productivity.

## ABOUT THE REPORT

2023 proved to be very challenging as the government announced the lifting of the State of Public Health Emergency throughout the Philippines due to COVID-19. Although we are slowly returning to a pre-pandemic state, this announcement has indeed opened up more opportunities for face-to-face activities and transactions, not just on member interface, but also interaction with co-workers, and with the community.

Thus, the theme for this year, *Breaking Grounds*, aptly describes this first-time reporting of the non-financial performance of the Association in terms of economic, environmental, social, and governance sustainability.



## STATEMENT ON SUSTAINABLE DEVELOPMENT STRATEGY

## Commitment to Sustainability

Throughout its 58-year history, AFPMBAI has consistently prioritized sustainability. As a mutual benefit association specializing in life insurance and financial security solutions, its core values naturally align with the Sustainability Development Goals with significant engagement in various social services projects.

AFPMBAI is dedicated to forging a sustainable future, aiming to create a positive impact on all its stakeholders through responsible operational practices with a focus on good governance, member centricity, and digital transformation. With people and solutions as catalysts for meaningful change in the lives of its members and their families, the Association aims to empower them to achieve financial security and embrace healthier living for future generations.

This guiding principle shapes the Association's perspective on success and sustainability, challenging conventional standards for industry leadership. It encourages the organization to stay relevant and continuously evolve in its pursuit of a sustainable and impactful member legacy.





## SUSTAINABILITY FRAMEWORK

At the heart of the AFPMBAI's mandate, the Board of Trustees, the Management, and the employees recognize the value of sustainability and responsible business practices as a standing commitment benefiting all stakeholders. The shared corporate values provide an environment for meaningful services for the members. AFPMBAI consistently strives for supreme quality that lives up to the trust and expectations upon it, and together with its stakeholders, contribute to the creation of a society where members can pursue a stable life, nurture their families, as they perform their mandate for public safety and security, and in the process, preserve the Association's impact on the environment and society, in general.

Thus, it was on Nov 24, 2022 that the Board of Trustees approved the Sustainability Framework via Resolution No. 103, Series of 2022. Under these dimensions of sustainability, the Association seeks to optimize business operations, improve competitiveness, and aim for long-term success.

Aside from the financial condition of the company, the economic dimension focuses more on the company's impact on the economic conditions of its stakeholders, as well as the local, national, and global economic systems.

Economic disclosures relate to how the Association directly increases the pool of resources that flow into the local and national economy.

|                                       |  |   |
|---------------------------------------|--|---|
| OUR COMPANY is a Sustainable Business | We conduct our businesses in an ETHICAL and RESPONSIBLE manner | Corporate Governance                    |
|                                       | We manage our KEY IMPACTS                                      | Economic<br>Environmental<br>Social     |
|                                       | Our products and services create VALUE TO SOCIETY              | Contribution to Sustainable Development |

## SUSTAINABILITY REPORT 2023



## SUSTAINABILITY REPORT 2023

### Prudent management of funds through sustainable Investments

Every year, funds are allocated for eligible projects, programs, and activities, as defined in the annual Board-approved plans and programs. The Finance Division and Investment Office monitor the monthly utilization of the various investible funds through the Financial Statement Report and Strategic Asset Allocation (SAA) Report. The SAA and all investments are reported to the Board of Trustees to ensure prudent management of funds which will redound to the Association's sustainability in providing service to its Members and their families.



AFPMBAI is at the forefront of supporting sustainability projects relative to environmental, economic, and social aspects. As of yearend 2023, the company invested more than P700Mn in Corporate and Green Bonds and Equities related to financing various utility projects (e.g., electricity, water, fuel, communication, etc.) and renewable energies (e.g., solar, wind, water, geothermal, etc.). AFPMBAI also purchased more than P2Bn Corporate Bonds from various Holding Companies, Real Estate Companies, and Banks/Financial Institutions (e.g., Ayala, SM, San Miguel, and Aboitiz Group, etc.), with strong advocacies/CSR programs in environment, economic, and social development.

AFPMBAI contributed to nation-building through the purchase of various Government Securities (GS) estimated at more than P12Bn as of yearend 2023. Proceeds from the said GS investments will be used by the government for infrastructure projects, education, health, housing, poverty alleviation programs, etc.

### Business Continuity Program: Ensuring Resilience and Sustainability

In a world where uncertainties and unforeseen events are the only constant, AFPMBAI stands committed to safeguarding the continuity and resilience of its operations. The Business Continuity Program (BCP) is a testament to its unwavering dedication to serving its members and stakeholders, even in the face of adversity. By forging strategic partnerships and developing robust continuity and disaster recovery plans, the Association ensures that its operations can withstand and quickly recover from disruptions.

This program not only protects the members and their families but also secures the future of the organization, embodying its pledge to provide lifetime financial security and valuable services to the stakeholders.







#### Core Components of the BCP

1. Third-Party Agreement for Data Backup Storage: Understanding the importance of data integrity and availability, the Association entrusted the responsibility of housing its data backup to a third-party service provider. This partnership ensures that data is stored securely and can be retrieved swiftly, maintaining operational capabilities even during unforeseen disruptions.

2. Disaster Recovery Plan: Disaster recovery strategy is a crucial element of BCP. Developed in collaboration with the third-party partner, this plan outlines the steps to be taken to restore operations quickly in the event of a disaster. It covers various scenarios, ensuring preparedness for a wide range of potential disruptions.

3. Comprehensive Policy Framework: As detailed in the "AFPMBAI Revised Business Continuity Management Policy," the program is built on a solid foundation of policies and procedures that propel appropriate action in times of crisis. This document, since September 30, 2021, provides a clear roadmap for maintaining and resuming critical functions, ensuring the safety of employees, and safeguarding assets.

4. Employee Training and Awareness: Recognizing that employees are essential to the effective implementation of BCP, the Association instituted comprehensive training and awareness initiatives. These programs ensure that all team members understand their roles and responsibilities within the context of continuity strategies.

In achieving the vision of the Association by 2025 to become the undisputed leader and industry standard among mutual benefit associations trusted to fulfill the needs of members and their families, the Association lives by the different roles we play.

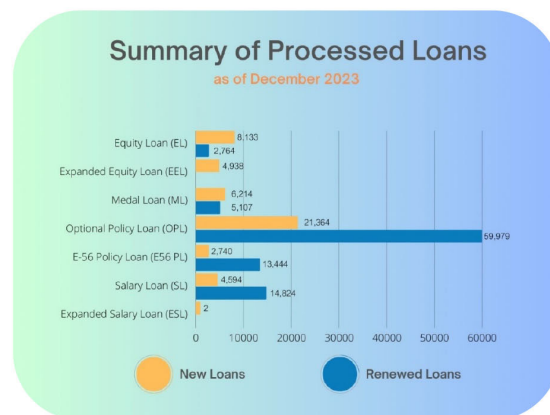
#### AFPMBAI AS ENABLER

*"SERVICE to our members is what we are here for,  
Extending our hands to the men in uniform..."*

This is an excerpt from the AFPMBAI Hymn that makes SERVICE a byword within the organization. The Association adheres to this value in enhancing the corporate culture. Hence, its objective is to deliver exceptional service to its members, their beneficiaries, and their families. The Association is committed to providing its members access to fair and affordable products, services, and financial solutions, whenever, and wherever needed.

#### New Payment Facility

To reach more members, the Association capitalized on available technology by entering into partnerships with various payment facilities, such as Cebuana Lhuillier, Maya Billspay, SM Billspay, Palawan Pera Padala, Metrobank, and Landbank of the Philippines. These facilities accept payments for insurance premiums, and loan amortizations credited to their respective accounts in one to two business days. Meanwhile, GCash is both a payment and disbursement facility, providing the convenience and ease that members deserve for their valued transactions with the Association.

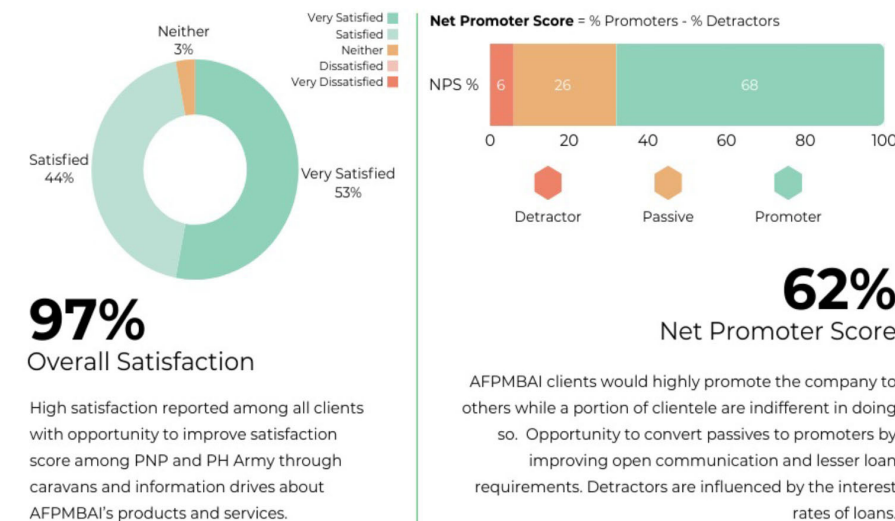


#### Customer Satisfaction Survey

To understand members' sentiments and enhance service quality, the AFPMBAI conducted a comprehensive customer satisfaction survey in partnership with Kantar Philippines in 2023. The CSAT survey aimed to measure customer satisfaction levels, identifying areas for improvement in overall customer experience, product, and service offerings. With a 95% confidence level, the survey was conducted using a computer-assisted personal interview (CAPI) method covering a weighted representative sample of 539 respondents from the various branches of service in 10 locations nationwide.

The survey revealed a high customer satisfaction level and net promoter score, with notable areas for improvement identified in the areas of communication openness, response timeliness, and clarity of product offerings.

### 2023 Customer Satisfaction Survey



Recommendations included increasing brand awareness through seminars and roadshows, enhancing digital presence, refining product clarity, and improving branch facilities and personnel interactions.

In response to the survey findings, the AFPMBAI outlined its action plans for 2024, including a brand audit of branches, new product initiatives, and alignment with study recommendations. The results were disseminated to relevant divisions and reported to stakeholders for appropriate action, demonstrating the Association's commitment to enhancing customer experience and driving continued growth.

#### Product Development

Committed to the financial well-being and financial security of the members and their families, the AFPMBAI undertakes various product development initiatives in response to the members' sentiments and market dynamics.

#### Financial Assistance Enhancement

In pursuit of providing higher financial assistance to its members and their families, the AFPMBAI implemented the Enhanced Salary Loan with an increase in the maximum loanable amount from P300,000 to P500,000 and reduced Salary Loan Redemption Insurance (SLRI) rates. The collateral for this loan is based on the face amount of both the basic membership insurance policy and the permanent insurance policy. The staggered implementation of this enhancement commenced on May 5, 2023, with specific eligibility criteria, mode of payment, and other conditions.

Following the Insurance Commission approval on June 5, 2023, the Association also launched the reduction of the Credit Redemption Insurance (CRI) rates by 35% to 40%, thereby making loan products more accessible to a wider range of members and increasing financial flexibility for the members. The implementation of the reduced rate is another initiative to enhance the members' trust in the AFPMBAI and to strengthen its position as a reliable provider of financial services.



### Transition Plan and Future Developments

Despite the discontinuance of certain insurance plans, such as the College Education Plan and COVID-19 Emergency Loan, the Association is prepared to develop more products to address the real and emerging needs of the members and their families. The Repackaged Emergency Loan, Special Member's Educational Assistance Loan (MEDAL), and the FREE Daily Hospital Income Benefit of P1,000 per day are already in the pipeline.

With specific focus on member welfare and product improvement, AFPMBAI responds to the current market dynamics towards member satisfaction and long-term financial security.

The Association strives to provide comprehensive financial services that meet the evolving needs of the market. By addressing customer feedback, implementing strategic initiatives, and adapting to changing landscapes, the Association remains poised to serve its members effectively in the years to come.



### AFPMBAI AS STEWARD

By instilling good corporate governance practices on various aspects of the business operations, and disclosing strategic and operational objectives with impact on a wide range of sustainability issues, AFPMBAI is indeed addressing sustainability challenges ethically and responsibly.

### Whistle-blowing Policy

The AFPMBAI is committed to continuously improving the service to all members by upholding Integrity, being one of the core values of the organization. It is this principle that builds on the guidelines and procedures for whistle-blowing.

Promoting whistle-blowing encourages members, employees, suppliers, contractors, third-party service providers, and other stakeholders to speak freely to the Integrity Team (Whistle-blowing Committee) directly, without fear of any repercussion, or negative impact on their employment, or transaction with the Association. Confidentiality of disclosures raised through whistle-blowing is of paramount importance.

### Anti-corruption Program

Still anchored in the Association's commitment to the highest standards of integrity and promotion of good corporate governance, a zero-tolerance approach to bribery and corruption is exercised within the organization through the Anti-Corruption policy. This supports the Code of Conduct, the Code of Ethics, the Policy on Gifts, Whistle-blowing, and other related policies.

The Anti-corruption program introduces a three-pronged approach to eliminate corruption – (1) training by improving awareness about corruption; (2) prevention by limiting the opportunities to do unwanted acts of corruption; and (3) deterrence by promoting carrot and sticks approach or the rewards and recognition, and punishment for those who caught in corruption activities.

This policy shall promote transparency, accountability, and member's trust. The Association therefore lives by the following goals:

- (1) Upholding transparency within the organization's transactions and our commitment to prevent corruption; and
- (2) Strengthening the capacity of each division/ department/ office to link their respective budgets with performance outcomes.



### AFPMBAI AS PARTNER

AFPMBAI is a responsible corporate citizen and a trustworthy partner in building a sustainable future.

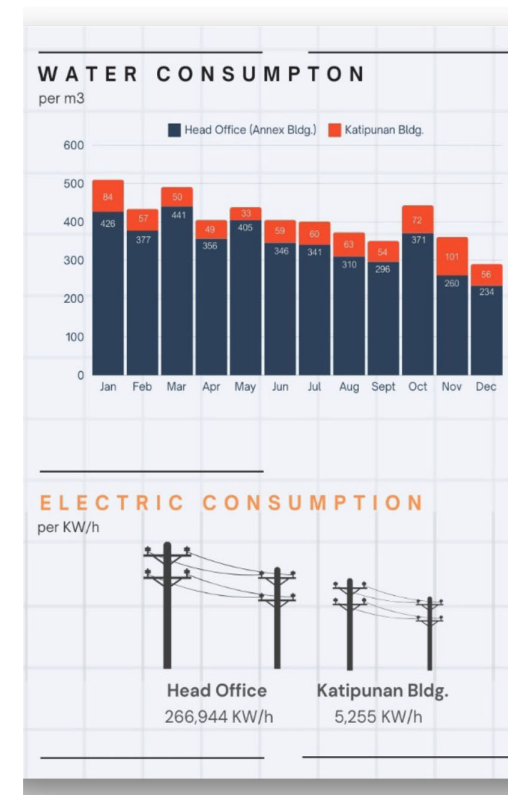
Disclosures on sustainable environment refer to the impact on living and non-living natural systems, including land, air, water, and ecosystems. It relates to the Association's management of natural resources needed for the business while minimizing its negative impact on the environment. The Association's ability to access materials needed for its operations is critical to its long-term success.

### Policy on Safeguarding the Environment

Adhering to the policy of the national and local governments in promoting environmental protection, AFPMBAI has adopted policies on safeguarding the environment.

Through the years, AFPMBAI has been advocating the preservation, protection, and revival of the ecosystem through the conservation of air, water, energy, and waste disposal.

To ensure an efficient supply of potable water, AFPMBAI regularly inspects water lines and fixtures and immediately repairs any leak to ensure that no clean water will be wasted. Moreover, reminders on water conservation are regularly given to its employees to sustain our advocacy.



Conservation of energy is also one of the major advocacies of the Association. Adopting shorter operating hours for air conditioning units reduced electric consumption. The Association also shifted from the use of traditional lighting fixtures to more energy-efficient LED lights to further reduce electric consumption. On top of those efforts, since 2016, AFPMBAI has harnessed solar energy through the installation of solar panels at the Annex and Records Buildings, generating 98.8 KWP and 35.20 KWP, respectively.

The Association also enforces proper waste disposal, including the segregation of biodegradable, non-biodegradable, and recyclable materials.

Moreover, to save on fuel consumption, all company vehicles undergo annual car maintenance to ensure that carbon emission is within acceptable levels thereby lessening the carbon footprint with fewer pollutants contributing to global warming.

Additionally, the Association also aims to reduce paper consumption by continuously exploring innovative ways to optimize the company's operations and leverage on technology. Employees are also encouraged to observe sustainable practices to further minimize the company's environmental impact.



## AFPMBAI AS EMPLOYER

People are considered the most important resource in the organization. In order for an organization to achieve its goals, its people must perform and deliver. Starting from leadership down to the grassroots and legwork, it is through people that objectives are met.

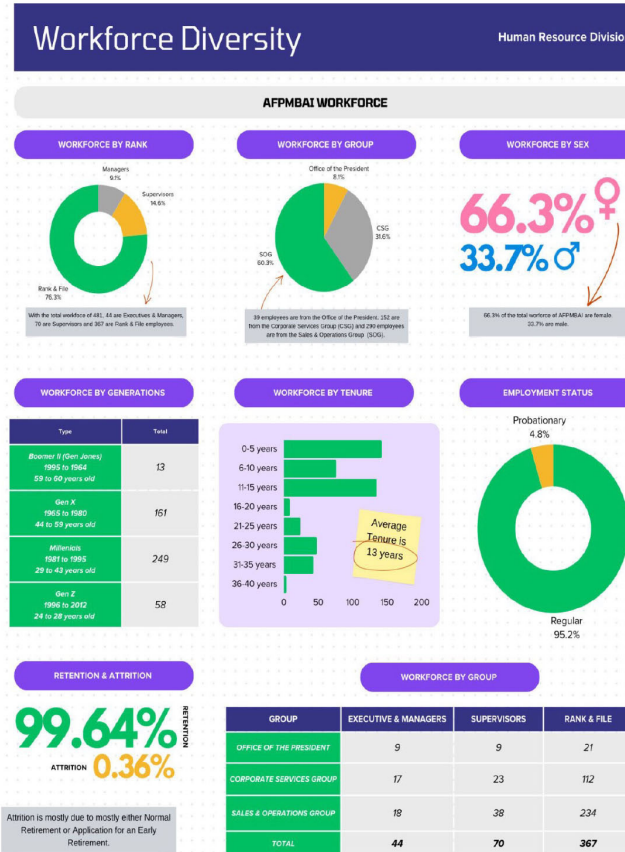
As a human resource and capital, they both have to be managed and invested. Both success and failure depend on people. Therefore, ensuring that people perform is tantamount to ensuring the continued life of the organization.

The AFPMBAI values people and their performance.

The fact that Association has been existing and thriving for many years is a testament that the people performed and delivered the desired results.

With the ever-changing dynamic society, we in, Management evolves with it to keep up with the needs of the market and to ensure its sustainability.

As trends in people management show the need to embed a performance oriented mindset in the organization's culture, the AFPMBAI pursues this as a priority initiative.

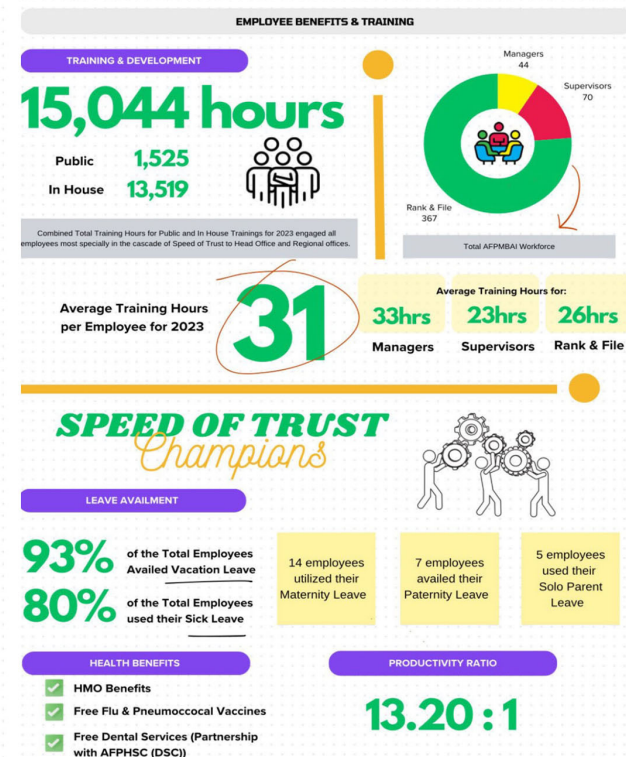


## Rewards Policy



## Benefits, Welfare, and Training & Development

Human Resource Division



As AFPMBAI's people continue to deliver results, it is important to determine and understand the factors of motivation. Frederick Herzberg, a behavioral scientist introduced his two-factor theory on motivation where the essentials are noted as Hygiene factors – things that have to be present to ensure performance; and Motivating factors which attract people to consistently perform and strive for development. To achieve the initiative, these Motivating factors must be consistently introduced systematically and equitably. Over the years, the Association never failed to recognize and reward employees for the overall performance of the company. Performance-based rewards system is a method that supports the Association's culture anchored on performance such that each individual will be rewarded accordingly.

## Occupational Safety and Health

In recent years, the World Health Organization (WHO) has declared Coronavirus disease-19 (COVID-19) a public health emergency and a major health crisis in all countries affecting the global economy. Although COVID-19 is no longer considered a pandemic, it does not mean that the Association will stop monitoring.

Managing the COVID-19 pandemic, and the health and safety of the employees and customers has been the most challenging while facing the toughest health risk. For that reason, the Association continues to maintain a scalable and effective emergency plan where the Occupational Safety and Health (OSH) Committee implements safety and health protection measures in the workplace. There are regular reminders to strictly adhere to government-mandated health protocols. There is also a significant budget allocated for the OSH program to ensure that it can continue to provide optimum protection for the members, employees, and their respective families.



The Association's approved OSH program comprises the procurement of sanitation materials and hygiene supplies, like alcohol, soap, and hand sanitizers for all Offices, in addition to test kits for the Rapid Antigen Test (RAT) for all employees. Moreover, routine building facility disinfection is being carried out to guarantee a healthy atmosphere at the workplace.

In addition to the OSH program, the Management ensures that the AFPMBAI complies with the guidelines established by OSH. In the first and third quarters of the year, twenty-five (25) employees received Basic Occupational Safety and Health (BOSH) orientation and



National Simultaneous Earthquake Drill  
08 June 2023

AFPMBAI values the welfare and good health of its employees as one of its top priorities. Hence, the Association conducts the Annual Physical Exam (APE) and gives the flu vaccine, and pneumococcal vaccines in cooperation with the Health Maintenance Organization (HMO) provider for the employees to ensure their overall well-being and mental resilience. In addition, the OSH Committee updates its health protocols to promote wellness and safety.

**AFPMBAI Health Protocols**  
Occupational Safety & Health Committee

In addition to the OSH program, the Management ensures that the AFPMBAI complies with the guidelines established by OSH.

In the first and third quarters of the year, twenty-five (25) employees received Basic Occupational Safety and Health (BOSH) orientation and training as Safety Officers 1 and 2, respectively, in the branches and extension offices nationwide.

Furthermore, AFPMBAI has five (5) organic personnel with a Safety Officer 2 certification, surpassing the minimum required number for an organization.



### AFPMBAI AS ADVOCATE

The Association publicly supports open and easy communication with its stakeholders by adopting a transparent framework and process that allows the stakeholders to communicate with the Association and to obtain redress for the violation of stakeholder's rights.

#### Policy on Safeguarding Suppliers/Contractors' Rights

The Association strictly enforces and implements established rules, guidelines, and protocols, particularly the Board-approved Terms of Reference (TOR) in the procurement of real estate, goods, and services, as well as in the accreditation of suppliers and contractors.



The legal team is always on hand to render legal advice as a member of the Bids and Awards Committee and the Technical Working Group to ensure that the rights and interests of all parties, including suppliers and contractors, are respected.

#### Supplier selection criteria

The Association has implemented a set of guidelines for accrediting suppliers, as detailed in its Memorandum Circular 004-2021 on Procurement Policy. These guidelines outline the criteria for the selection process, which include Eligibility, Legality/Authenticity, Cost, and Quality of Service. To ensure transparency in transactions, the pertinent Management Committee/s undertakes comprehensive evaluations and deliberations.

Once a supplier has been selected and approved, the Association commits to faithfully follow the terms and conditions specified in the purchase order/contract.



### THE CORPORATE SOCIAL RESPONSIBILITY REPORT 2023

Investment Fundamentals talk with Mr. Rienzie Biolená during the Financial Literacy Seminar series held for the PMA Cadets.

#### Corporate Social Responsibility and its Impact

2023 was a provenance of a post-pandemic, "new normal" environment for the AFPMBAI. Landing on the ground rolling, the Association through its President and CEO, BGen Bienvenido Y Regondola Jr PA (RET), steered the Corporate Social Responsibility (CSR) programs into full throttle to meet the most discerning needs of the Association's members through the social services programs and projects as prioritized and endorsed by the major service representatives to the Association's Board.

Through the annual strategic planning, the social impact perspective where the CSR programs were latched to, gave rise to action points that elevate the importance and urgency of inculcating financial literacy among the members.



In heeding the call, the Association through its Social Services Office (SSO), beefed up its initiatives by improving the reach and penetration ratios of its Other Donations program nationwide, as a commencement point of the social impact perspective campaign. As the Association's main ambassador in strengthening its corporate image and social responsibility, the SSO rolled out its financial literacy programs at the year's first light, making its mark at the areas covered by the Northern Luzon Regional Sales and Service Center (RSSC) beginning on January.

Vis-a-vis the imperative for the efficient management of the CSR/plowback program budget, the SSO upheld its commitment to the Social Services Program Committee (SSPC), a committee of the Board of Trustees, to see through the prudent and efficient disbursement and monitoring of the budget utilization of the major services.



Photo 1 - A 68-room Transient Facility donated by AFPMBAI for the Philippine Army Headquarters.

From the point of view of the members, the Association's CSR continues to stand resolute, resilient against the challenges and diversity of the service needs, but remains to be the driving force that endears it closer to their hearts and minds, through it all.

#### CSR Highlights

##### The GRADE Scholarship Program

Under the Association's flagship program is Education where a scholarship project dubbed: GRAnTs for DEpendents (GRADE) is provided to beneficiaries of member MUPs from the Armed Forces of the Philippines (Philippine Army, Philippine Navy, Philippine Air Force), Philippine National Police, Bureau of Fire Protection, Bureau of Jail Management and Penology, and the Philippine Coast Guard among others; who were killed in action, have died in the line of duty, or have been discharged from the service due to complete disability. To date,





An educational tour at the Museo de San Agustin as part of the 3-day fellowship event for AFPMBAI's graduating GRADE scholars.

the program has had more than 300 scholars who have successfully graduated from both secondary and tertiary schools all over the country.

For 2023, the Association sponsored 50 college scholars and 28 high school scholars. Of this number, seven graduated from college while five graduated from the K-12 program. The Association's GRADE program is notable in its aspect of inclusivity where all eligible, major services' dependents are welcome to the program.

As a way to honor the GRADE scholars, a thanksgiving event was held last July 21-23 where President and CEO, BGen Regondola, thanked the scholars personally for their diligence in the progression of their academic performance, and emphasized the organization's commitment to provide service to the military and uniformed personnel (MUP), its strong CSR programs and the role it plays in nation building through education.

Worthy of note, the current school year witnessed a milestone in the Association's

history for having the most number of scholars under the GRADE program since its establishment in 2013.

AFPMBAI President and CEO, BGen Regondola, likewise expressed his warmest regards, feting the graduates of this year's batch, reflecting the fruits of the Association's enduring devotion to recognize the sacrifices and service of the MUP through the scholarship Program. Leading the year's college graduates were two Latin Honor awardees namely: Sataralyn L Abantas (Cum Laude), BS Economics at Bicol University; and Marc Eulyse Rey Lacson (Cum Laude), BSBA Marketing pontifical University of Santo Tomas.



| SCHOLARS<br>AY2023-2024       | BOS   | BOS TOTAL<br>SCHOLARS | PERCENTAGE | TOTAL DISBURSMENT<br>(AS OF DECEMBER 2023) |
|-------------------------------|-------|-----------------------|------------|--|
| HIGH SCHOOL<br>GRADE SCHOLARS | PA    | 14                    | 36%        | ₱1,030,740.17                              |
|                               | PN    | 1                     | 3%         |  |
|                               | BFP   | 2                     | 5%         |  |
|                               | BJMP  | 1                     | 3%         |  |
|                               | PCG   | 2                     | 5%         |  |
|                               | PNP   | 8                     | 21%        |  |
|                               | TOTAL | 28                    |            |  |

| SCHOLARS<br>AY2023-2024   | BOS   | BOS TOTAL<br>SCHOLARS | PERCENTAGE | TOTAL DISBURSMENT<br>(AS OF DECEMBER 2023) |
|---------------------------|-------|-----------------------|------------|--|
| COLLEGE<br>GRADE SCHOLARS | PA    | 25                    | 50%        | ₱3,431,403.45                              |
|                           | PAF   | 1                     | 2%         |  |
|                           | PN    | 2                     | 4%         |  |
|                           | BFP   | 5                     | 10%        |  |
|                           | BJMP  | 3                     | 6%         |  |
|                           | PCG   | 1                     | 2%         |  |
|                           | PNP   | 13                    | 26%        |  |
|                           | TOTAL | 50                    |            |  |

Table 1 - For 2023, AFPMBAI made a difference in the lives of 78 dependents of the MUP. To date, the GRADE program is one of the few scholarship programs that grant scholarships to all the major ser vices of the MUP.

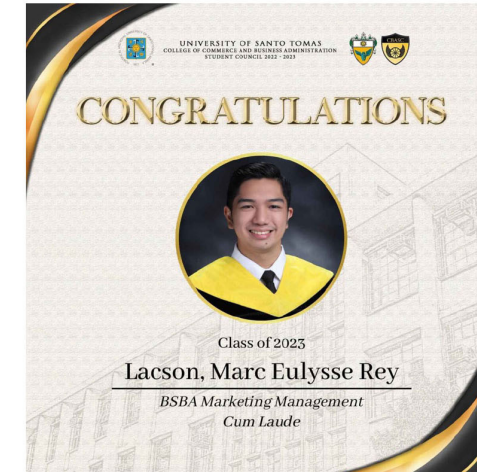


Image Source: Marc Eulyse Lacson / University of Santo Tomas and Sataralyn Abantas / Bicol University



GRADE scholar Abantas expressed her profuse gratitude as she recounted her academic journey. "The GRADE Scholarship took part in easing this burden through providing assistance with my requirements for a laptop, school supplies, uniform, and materials for my projects and they got it all covered!" Abantas stated, adding that it was comforting that as a grantee, she need not worry about anything and thus allow her more time studying, and participating in extracurricular activities resulting in improved academic achievement and overall well-being.

"With AFPMBAI our future is secured, and everything is possible. The AFPMBAI GRADE scholarship program should be continued because its existence will benefit a lot of MUP dependents who may be struggling financially but still have numerous ambitions in life to fulfill, and are truly deserving of the institution's assistance," Abantas added.

Comprising the rest of the GRADE college scholars who graduated for 2023 were: Jobert H Aniasco, BS Computer Engineering - Liceo De Cagayan de Oro; Aira V Ballesteros, BS Education - New Era University QC; Dannah April M Cabayan, BS Social Work -Notre Dame of Midsayap (Cotabato); Sheila May A Gonzales, BS Medical Laboratory Science - Virgen Milagrosa University Foundation (Pangasinan); and Julis V Muega, BS Criminology - Notre Dame of Marbel University (South Cotabato).

Secondary level graduates included: Kiana Alexa U Baltazar, ABM strand - St Mary's Educational Institute (Batangas); Marc Jastin M Buyan, HUMMS strand - Quirino National Highschool (La Union); Fong Sai Yuk Ferrer, ABM stand - Garcia College of Techonology (Aklan); Princess A Monera, GAS strand - Our Lady of Fatima Highschool (Bukidnon); Mary Yvonne B Perez, STEM strand - First City Providential College (Bulacan); and Yoffra Zyria M Vicente, HUMMS strand - University of Baguio.

### The Flagship Programs

The AFPMBAI CSR program takes flight after the annual CSR budget is endorsed by the SSPC as propounded by the President and CEO. The annual CSR budget is based on the Actuarial Office's in-depth analyses of the previous year's revenue production, strength, membership equities and legal reserve considerations. The budget is then submitted for Board deliberation and approval. Post approval of the Board, this working budget in turn, is distributed pro-rata to the various priority areas and projects of the major services in the fields of Health, Education and General Welfare, also referred to as the Flagship Programs.

For 2023, majority of the major services' priority programs were committed to the areas of health and general welfare. Under health, a total of ₱72.4M worth of donations and ₱50.5M worth of general welfare projects were handed over to various units of the major services.





## CSR PRO-RATED DISTRIBUTION DATA 2023



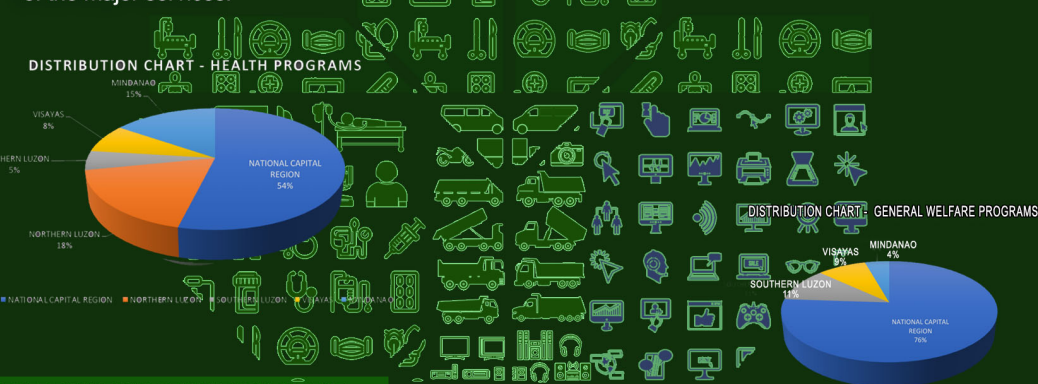
| HEALTH PROGRAMS                            | AMOUNT                |
|--|-----------------------|
| ADOPT-A-WARD                               |                       |
| Construction                               | ₱2,400,000.00         |
| Medical Equipment                          | ₱14,208,500.00        |
| CARE (Calamity Assistance And Rescue Eqpt) |                       |
| ICOM-Compliant Ambulance                   | ₱4,934,200.00         |
| HEAL (HEALTHY & ACTIVE LIFESTYLE)          |                       |
| Gym Packages                               | ₱1,771,176.50         |
| GAME (Group Activities for Members)        |                       |
| Sports Packages                            | ₱197,700.00           |
| PARAMEDIC EQUIPMENT                        |                       |
| Emergency and Medical Related Equipment    | ₱28,500,934.99        |
| Dental Equipment                           | ₱9,918,735.00         |
| Ambulance                                  | ₱5,761,810.00         |
| Therapy Machine and Equipment              | ₱4,805,965.00         |
| <b>TOTAL</b>                               | <b>₱72,499,021.49</b> |

**₱50.5M**

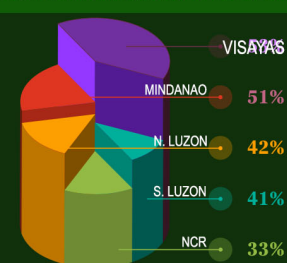
was utilized in support of various needs under general welfare requirements such as machines and equipment for office--audio-visual, multimedia, and presentation aid. Also included are heavy trucks, construction equipment and other mobility transport needs.

**₱72.4M**

of the 2023 CSR budget was utilized for medical and dental equipment, health ward and/or facility improvements, disaster mitigation projects and other health services requirements of the major services.



## OTHER DONATIONS REACH THROUGH THE REGIONAL SALES AND SERVICE CENTERS (RSSC)



With an annual target of 30% penetration and reach for the Other Donations program, the RSSC units went above and beyond, collectively penetrating 44% of the major services within their areas of jurisdiction, subsequently translating to a higher visibility and awareness of the Association's CSR programs and business services to its stakeholder beneficiaries.

**98%**

Results from the 2023 CSR Impact Study culled from 10,000 respondents (at 99.9% accuracy) gave an outstanding 98% approval rating to AFPMBAI, citing its CSR programs' relevancy, responsiveness and impact in the lives of the Military Uniformed Personnel as well as its contributions to the Association's reputation and corporate image.

## The Other Donations Program

At the regional side, the AFPMBAI branches and extension offices through the RSSCs, ripple the initiatives of the social impact perspective by championing the Other Donations facet of the CSR program.

Under the Other Donations program, the RSSCs strategized the distribution of their budget in the form of small donations to the major service units in their respective areas to promote and build rapport, ensure visibility and branding of the Association.

| AREA    | Budget         | Percentage |
|---------|----------------|------------|
| NCRSSC  | ₱4,730,000.00  | 18.92%     |
| NOLRSSC | ₱5,972,500.00  | 23.89%     |
| SOLSSC  | ₱3,897,500.00  | 15.59%     |
| VRSSC   | ₱3,900,000.00  | 15.60%     |
| MRSSC   | ₱6,500,000.00  | 26.00%     |
|         | ₱25,000,000.00 | 100.00%    |

Budget for the Other Donations penetration and visibility efforts distributed to the five areas of responsibility, were broken down as follows: National Capital Region (18.92%), Northern Luzon (23.89%), Southern Luzon (15.59%), Visayas (15.6%) and Mindanao (26%).



## Financial Literacy: Upholding A Pioneering Advocacy

Much to the credit of the AFPMBAI is its trailblazing success over other financial institutions in pioneering the advocacy to promote financial literacy among the members. In 2017, the SSO got the nod from the SSPC and the Board to launch its financial literacy flagship program. SSO then mounted what would be, the first of many series of financial literacy programs nationwide under the Livelihood, Education, And Development (LEAD) seminar series--a program that envisions to add value in the member's uniformed services' career by empowering them with the knowledge on financial management tools. Months after, SSO launched the pioneering TRaining Advocacy for DEpendents (TRADE) program which



Photo 2 - LEAD Seminar series with a speaker from the Department of Trade and Industry at the 403rd Infantry Brigade in Malaybalay, Bukidnon.



Photo 3 - TRADE seminar by the Technical Education and Skills Development Authority at the 9th Infantry Division where dependents were joined by their spouses/parents as they tried their hand at baking products that can be sold during the holiday season.

promotes home-based business startup skills and ideas solely for members' dependents. It aims to encourage participants to adopt the knowledge for conversion during their available time, thereby potentially aiding in their family's revenue generation activities as their MUP spouses and/or parents are in the active service.

For the year, the LEAD program covered 14 areas in Luzon, Visayas and Mindanao. In addition, SSO also conducted three TRADE events for the year. The combined LEAD and TRADE events produced a 2000-strong engagement with the Members nationwide. The Association's financial literacy advocacy is further enhanced through a series of financial wellness webinars, with six segments conducted for the year, through Marketing Division's MoneyTalks.



## CSR Impact Study

As part of the mandate to continuously improve the CSR program that the Association champions, a survey is conducted annually to ensure the program still meets and serves its intended reason for being. SSO launched its year-long, CSR Impact Study survey via online channels, as well as through the RSSCs as source points, to gather insights from respondents nationwide.



The collaboration between SSO and the RSSCs raked in over 100,000 respondents--an unprecedented turnout that raised the statistical response accuracy to 99.9% with only 1% margin for error.

Results from the CSR Impact Study revealed that corporate identity brand recall was at 64% (an improvement from improvement from its benchmark rating of 55%), awareness index on CSR programs was at 91%, while a staggering 98% satisfaction rating on the Association's CSR program's impact to the members was achieved.



### At The Homefront

CSR more than ever, has become more relevant than it is a byword. The Association's members have grown to realize CSR's impact and benefits derived from the initiative entitlements they receive as gathered from the 2023 CSR Impact results.

At the level of the home office and branches, awareness to CSR programs is key to etch the Association's mission and vision on top of mind. Furthermore, it aids the employees to properly enliven topnotch service for the members.

As a way to promote CSR right where the heart is, the Association's employees are encouraged to participate in socially-relevant activities like the “*Pamaskong Handog Sa Kabataan*” and clean-up initiatives held at Fort Aguinaldo Elementary School, among others, to promote the culture of selfless service, giving up of one's time, talent and effort to where they are needed most.



Photo 4 - AFPMBAI Employees took time out to share the spirit of the holiday season with the MUP children / dependents at Fort Aguinaldo Elementary School last December 15.

Through its robust CSR programs, the AFPMBAI maintains its steadfast course and mandate to be at the forefront of providing meaningful social services to its members—an initiative that continues to set it apart from many financial institutions in the country, to date. And as a way forward, projects and activities that nurture the members' shared communities and environment, and especially where the RSSCs are co-located to conduct its businesses, will play a pivotal part in the way the Association's CSR programs are to be shaped into, for the years to come.



Photo 5 - The Association's AFP Reservists winged the challenge to take on the cleaning and beautification works at the Fort Aguinaldo Elementary School Garden.



Photo 6 - As part of the CSR initiative to bolster wellness, camaraderie among financial institutions, and consensus-strengthening on matters affecting operations, the AFPMBAI participates actively in the Inter-FI Fellowship Golf. The AFPMBAI Golf Team is not only composed of Management representatives but also by the members of the esteemed Board of Trustees, to include past and present Board Chairmen.



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