

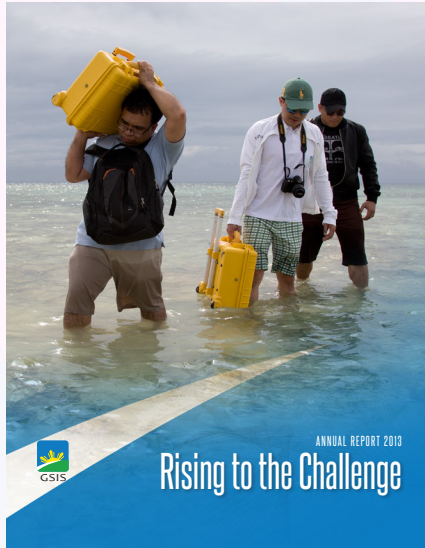


ANNUAL REPORT 2013

# Rising to the Challenge

## The Cover

The year 2013 was marked with challenges that tested the resilience of GSIS members and pensioners, and that of the institution as a whole. While adversities came in droves, the pension fund never wavered in its duty to help rebuild the lives of its affected stakeholders.



Clear proof of this is the courage and determination of GSIS employees to reach out to members and pensioners in the aftermath of a 7.2-magnitude earthquake that hit Bohol in November. Because roads became impassable, three of them braved the waters of Loon Beach, carrying portable GSIS Wireless Automated Processing System (GWAPS) kiosks (*front cover*) that would enable earthquake-hit members and pensioners to immediately apply for an emergency loan.

The portable kiosk is deployed to other areas across the country whenever calamities strike. Shown in an open case at the *back cover*, it has now become an enduring symbol of GSIS's commitment to provide responsive service to members and pensioners.







## Vision

To be the premier pension fund institution and a world-class center for providing the highest quality of service to its members. The GSIS will be an organization that is transparent, autonomous and beyond public reproach.

## Mission

Regain the trust and confidence of stakeholders by pursuing the social mission of the GSIS's charter and by promoting an efficient organization that is fully-automated and member-focused;

Strive for continual improvement in services driven by integrity, professionalism and a culture of public service;

Sustain the financial viability of the System and ensure its prolonged actuarial life, for the benefit not only of existing members, but also of the next generation of government employees;

Restore the pride of the GSIS so as to retain and recruit staff that share the commitment of the System; and

Endeavor to empower members to enable them to participate in the evolution of the institution.

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**“ Yes, we were confronted with challenges during the year. It was, however, in our response to these difficult times that one can truly measure the character of our institution. ”**

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**DANIEL L. LACSON JR.**  
Chairman

# JOINT REPORT FROM THE CHAIRMAN AND THE PGM



**The year 2013 was filled with challenges for GSIS — the yearlong wave of natural and man-made calamities that hit the country, notably super typhoon Yolanda (international name Haiyan) and Bohol-Cebu earthquake; Zamboanga siege; volatility in domestic financial markets; and implementation of rationalization plans across the government sector that reduced the System's total comprehensive income by more than half.**

Despite these difficulties, 2013 was also a pivotal year for the System as we reaped the results of our reform agenda. The milestones include the following:

From an average Failed rating of 73.82 percent under the Anti-Red Tape Act - Report Card Survey (ARTA-RCS) conducted by the Civil Service Commission (CSC) in 2012, GSIS bounced back and obtained an average Good rating of 88.67 percent. Eleven branch offices were rated Excellent, eight of which merited the CSC's Citizen's Satisfaction Center Seal of Excellence for exemplary member service.

Members working in agencies who are delayed or deficient in their premium payments were no longer suspended, a first in the history of the System.

A record Php83.2 billion in claims and benefits were released to members and pensioners, a 27 percent increase from Php65.5 billion recorded the prior year.

Undistributed collections — an issue that our members have long struggled with — continually dropped from a high of Php30 billion in 2010 to a single-digit level of Php3.6 billion in 2013.

More than 93,000 active and retired members from the Department of Education (DepEd) were refunded their premium contributions that were deducted from their life insurance benefits. As a result, they received a proportionate increase in their loanable amounts and potentially, increased retirement benefits.

More than 58,000 old-age and disability pensioners started receiving in January the new minimum basic pension of Php5,000. As well, around 43,000 pensioners receiving over Php5,000 but less than Php8,000 were granted a Php200 increment.

For the third year in a row, the Commission on Audit issued an unqualified opinion on our financial position as of December 31, 2013, indicating the soundness of our financial statements.

Yes, we were confronted with challenges during the year. It was, however, in our response to these difficult times that one can truly measure the character of our institution. With a team of over 2,700-strong personnel, GSIS rose above these challenges with immediacy, focus, and determination, mindful of our mission to always be there for our members and pensioners, particularly in their moments of great need and uncertainty.

#### **SPECIAL EMERGENCY ASSISTANCE PACKAGE FOR CALAMITY VICTIMS**

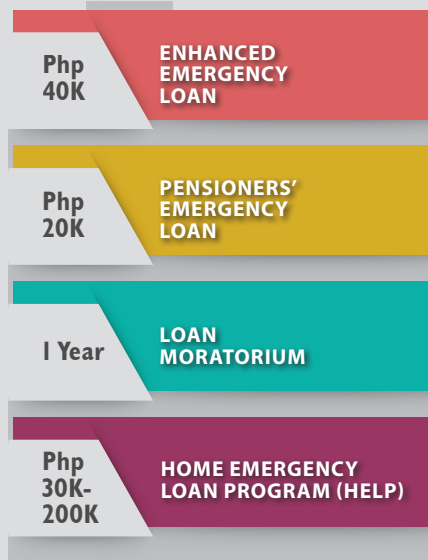
We offered an enhanced emergency assistance package for our calamity-hit members and pensioners in response to the massive devastation of natural and man-made disasters that struck the country in 2013 — typhoon Maring in August, siege of Zamboanga by the Moro National Liberation Front in September, 7.2- magnitude earthquake in Bohol and Cebu, as well as typhoon Santi in October and super typhoon Yolanda in November.



**CLOSER TO MEMBERS IN NEED.** Calamity-affected state workers in Cavite use a portable GWAPS kiosk to apply for emergency loan.

A higher emergency loan credit limit of Php40,000 was granted to members with emergency loan balance who are either living or working in the 172 areas severely damaged by Yolanda. The higher limit also benefited members affected by the Zamboanga siege and by the earthquake in Bohol and Cebu. The requirement to pay the 12 monthly amortizations was further waived to allow renewal of the loan.

### Special Emergency Assistance Package



Recognizing that disasters do not distinguish whether one is an active member or a pensioner, GSIS extended for the first time a Php20,000 emergency loan program for pensioners, dubbed Pensioners' Emergency Loan (PEL).

Further, to enable our members and pensioners in the areas hit by Yolanda to use their available funds to recover and rebuild their lives, we provided a one-year loan moratorium in November that deferred the payment for all existing loans without interest and penalties. This was also in accordance with Memorandum Circular No. 59 issued by President Benigno S. Aquino III on November 26, 2013. The program covered all active loan accounts, including those with arrears as of October 31, 2013. Loans covered were consolidated loan, eCard cash advance, pension loan, pensioner's restructured loan, policy loan, emergency loan, enhanced salary loan, educational assistance loan, summer one-month salary loan, and housing loan (deed of conditional sale and real estate loan).

**“ Our financial standing remains robust. For the third year in a row, GSIS earned an unqualified opinion from the Commission on Audit indicating the financial statements for December 31, 2013 are presented fairly ‘in all material respects.’ ”**

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**ROBERT G. VERGARA**  
President and General Manager



Finally, the GSIS Board also approved a new loan window called Home Emergency Loan Program (HELP) to further assist our members in rebuilding their homes and restoring normalcy to their lives. With a 6 percent interest rate and a repayment term of 10 years, members could borrow from Php30,000 to Php200,000 depending on their length of service.

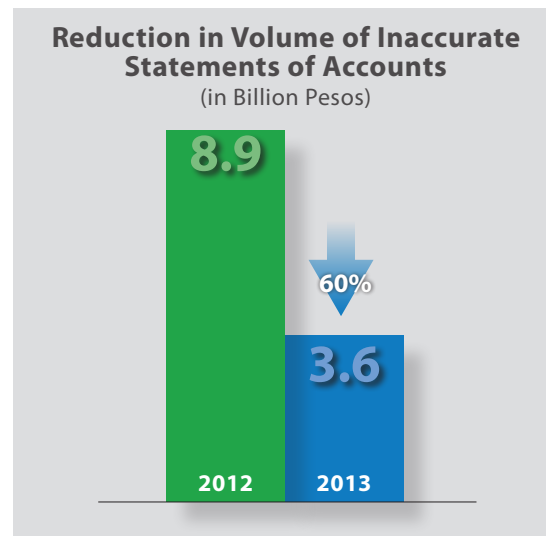
While our office stood directly in Yolanda's path, incurring heavy damage, this did not stop us from helping our members and pensioners. We accepted emergency loan applications on makeshift service desks at the grounds of our Tacloban Branch Office and processed these at other branch offices in Visayas and Mindanao.

The year also saw the first deployment of our portable GWAPS kiosks which were used extensively in the calamity areas of Bohol, Cebu, and Tacloban. These units were shipped unaccompanied to affected areas where they were met by our staff and immediately assembled and set up for our members who could then apply for GSIS loans.

As of end-December 2013, more than 303,000 members and 8,600 pensioners benefited from Php8.7 billion released under the enhanced emergency loan program and Php172.3 million under PEL, respectively.

### UPDATED MEMBERS' RECORDS

Owing to our sustained reconciliation and updating efforts, the volume of inaccurate accounts of remitting agencies and members continued its downward trend, further declining by 60 percent from Php8.9 billion the prior year to Php3.6 billion in 2013. Our collection and posting efficiency for premiums and loan repayments also improved to 98 percent and 85 percent, respectively.

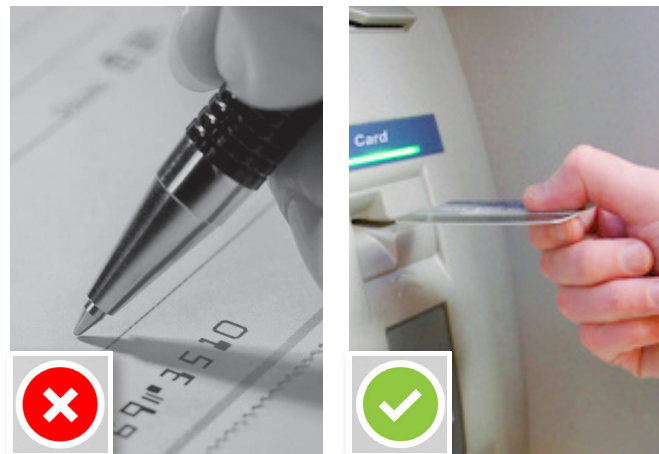


Our efficiency was enhanced by the reduced number of pending transactions, covering members' claims, requests for recomputation, inquiries, and complaints as recorded by our Transaction Monitoring System. Through the vigilance of our operations groups, we resolved more than half of pending transactions, reducing the backlog from a starting balance of 140,483 in 2013 to 73,283 by year-end. We believe our improvements in processing efficiency will further bring down this number.

Moreover, delinquent agencies continued to settle their unpaid premium and loan obligations by entering into memoranda of agreement (MOAs) with GSIS. A total of 62 additional agencies signed MOAs in 2013, restoring the loan privileges of nearly 10,000 members. Of the 181 agencies with agreements since 2010, 80 have fully paid their obligation by year-end.

As a result of the tripartite MOA that GSIS signed with the Department of Budget and Management (DBM) and DepEd in 2012, we refunded amounts previously deducted

“ We believed it wrong that our members suffer the consequence of their agencies’ failure to remit premium contributions and loan repayments, particularly when these are mandatorily deducted from their salaries. ”



**CHANGING THE WAY WE DO THINGS.** In lieu of checks, GSIS now credits claims and benefits of members and pensioners to their bank accounts via their GSIS-issued cards.

from life insurance proceeds of 93,000 DepEd active and retired employees. Nearly Php500 million was refunded to DepEd employees in 2013. We are similarly finalizing the terms of a tripartite agreement with DBM and the DepEd-Autonomous Region in Muslim Mindanao (DepEd-ARMM) that will settle almost Php1 billion in unpaid premiums of 26,000 employees of DepEd-ARMM. We expect the agreement to be signed in the coming year.

In 2013, we took the unprecedented step to lift the suspension and restore the loan privileges of employees working in suspended agencies. We believed it wrong that our members suffer the consequence of their agencies’ failure to remit premium contributions and loan repayments, particularly when these are mandatorily deducted from their salaries. Under the new policy, suspended agencies may choose from any of three options to restore the loan privileges of their employees: pay their premium delinquencies in full; restructure their arrears and commit to settling these through a MOA with GSIS; or, upon payment of at least

90 percent of any three consecutive months’ premium obligations beginning July 2013, sign an undertaking to enter into a MOA with GSIS for the settlement of their premium deficiencies. At the same time, efforts to put pressure on agencies that failed to remit were intensified through closer coordination with these agencies, encouraging them to reconcile with GSIS.

#### SYSTEMS’ ENHANCEMENTS

We continued leveraging on new advances in technology to provide greater convenience to our stakeholders and promote wider efficiency.

In October, we started e-crediting benefits, such as retirement, life insurance, survivorship, and pre-need claims through our members’ eCard or unified multipurpose identification (UMID) card, instead of releasing the benefits through checks. Thus, our members no longer had to wait for their claim checks to be printed, deposited, and cleared before encashing them in the



**GREATER ACCESS TO GSIS SERVICES.** A GSIS member is welcomed by a GSIS Pasig Extension Office employee. The newly opened office caters to members and pensioners in the vicinity.

bank. This also ensures the timely release of benefits and gives them the option to withdraw the amount from the nearest automated teller machine (ATM).

We also expanded the coverage areas of our 24/7 GSIS contact center (847-4747) to include Cabanatuan for Northern Luzon, Legaspi for Southern Luzon, Bacolod City for Visayas, and General Santos for Mindanao. Members served in these areas now have the convenience of accessing GSIS from the comfort of their homes. Call center agents underwent a year-long training to enable them to respond to members' inquiries and provide first-call resolution for basic and most frequently asked questions. Members may also follow up the status of their claims and loans and validate personal records through the contact center.

Next year, we will roll out several system enhancement projects to further empower our remitting partners and members and give them online access to their records real time. One is the Electronic Billing and Collection

System (eBCS), a web-based application that will enable GSIS to send its billing statements for premium and loan amortization to government agencies electronically, and accept payments online.

To provide fast and reliable wide area network connections and better network infrastructure support to our employees in branch offices, we are also set to upgrade our existing telecommunication lines, providing additional bandwidth for branch offices across the country. Ultimately, this will lead to faster processing of benefits of our members and pensioners.

#### **BROUGHT SERVICES CLOSER TO MEMBERS AND PENSIONERS**

Toward our goal of making it easier for our members to transact with GSIS, we deployed 282 additional GWAPS kiosks this year, bringing the total to 836 units, a fourfold increase over the 200 units in 2010. Because they are installed in all division offices of DepEd, provincial capitols, city halls, clusters of municipalities, and large government agencies, members and pensioners no longer need to visit a GSIS office to apply for loans. The total also covers the 22 kiosks that were deployed in Robinsons Malls to further expand the reach of our services. In the aftermath of calamities, our 30 portable and rapid deployment-type kiosks stood ready for onsite emergency loan applications of our disaster-stricken members.

In October, more than 107,000 GSIS members and nearly 15,000 pensioners based in Pasig, Pateros, Taguig, Marikina, and Rizal province began transacting with our new Pasig Extension Office instead of journeying to the Central Office in Pasay City. The Pasig office is also near DepEd Central Office, whose personnel accounts for 73 percent of Pasig's membership base.

In addition, members and pensioners living or working outside urban centers and in remote locations can visit

our 58 service desks nationwide located in provincial capitols and city and municipal halls. These desks accept loan applications, serve walk-in clients, and send loan applications and forms to branch offices for processing. Thus, members and pensioners who live in Bontoc, Mountain Province, for instance, need not make the six-hour trip to GSIS Baguio Branch Office. Instead, they can visit our service desk in the Bontoc provincial capitol every second and fourth Monday of the month for their GSIS concerns.

**ENCOURAGED MEMBERS TO SETTLE LOAN BALANCES**

To encourage settlement of outstanding loan balances, we implemented in July a one-time condonation program for grantees under the Study Now, Pay Later (SNPL) and Fly PAL, Pay Later (FPPL) credit facilities. SNPL grantees (and their co-makers) and FPPL borrowers enjoy a 100 percent condonation of all surcharges if they would pay their outstanding balance in full by July 24, 2014.

We likewise implemented the Enhanced Optional Exit Mechanism in June for 1,800 fully paid pre-need planholders that allowed them not only to convert their plans to cash but recover up to 150 percent of their contract price depending on the type of plan.

In August, housing loan borrowers with arrears were given the opportunity to save their houses from being sold to other buyers under the new Housing Loan Remedial and Restructuring Program (HLRRP). Borrowers whose deeds of conditional sale were cancelled but not yet sold and whose accounts are under foreclosure proceedings may apply for restructuring. Members with updated housing loans are also eligible, a new feature never before implemented in any restructuring program. HLRRP is likewise open to buyers of rights and heirs of deceased borrowers subject to eligibility criteria.

Under the program, we condoned unpaid penalties and surcharges and extended the payment terms for qualified



**SAVING HOMES FROM FORECLOSURE.** Valuing the time and effort of applicants, the GSIS adopted a by-appointment-only policy for its Housing Loan Remedial and Restructuring Program.



**KEEPING COMMUNICATION LINES OPEN.** (From left) Trustee Karina Constantino-David, PGM Robert G. Vergara, and Trustees Mario J. Aguja and Elisea G. Gozun explain reforms at the consultative meeting with public sector union representatives. NCR OIC-VP Sonia P. Holgado (at the rostrum) moderates the open forum.



**CONNECTING WITH MEMBERS.** The GSIS attends to members' queries and accepts loan applications in service desks set up in various parts of the country.



**GIVING STAKEHOLDERS A VOICE.** A teacher relays her concern in one of the dialogues.

borrowers who opt to restructure their housing loans. We further granted discounts to applicants who intend to pay their outstanding obligations in full. To ensure that applicants are properly attended to when they visit the GSIS office and avoid unnecessary waste of their time, a by-appointment-only policy was strictly enforced.

From August to December 2013, more than Php477 million worth of accounts have been restructured, covering a total of 937 borrowers. Of this, 270 or 29 percent have already fully paid their housing loans, amounting to Php61 million, while 667 or 71 percent opted to pay on instalment, totalling Php416 million.

## ENGAGED STAKEHOLDERS

Believing that open and transparent communication is vital to regaining the trust of our stakeholders, we sustained the conduct of dialogues to keep them well informed on significant developments in our policies and programs. During dialogues, comments of our members and pensioners were recorded and taken as inputs to refine our policies. Throughout the year, more than 250 face-to-face nationwide dialogues were held with our members and pensioners, including representatives of public sector unions, teachers, retirees' and pensioners' organizations, as well as agency and liaison officers.

We are encouraged when we hear from our stakeholders that our services have improved. But we still have a long way to go in completely winning their hearts and minds. In the coming year and to further identify areas for service improvement, we will undertake an independent customer feedback survey to gather information and views on our policies, programs, and service delivery along the dimensions of service responsiveness, awareness on policies and programs, and communication efforts.

As part of easing the transition into retirement, more than 500 pre-retirement briefings for some 30,000 soon-to-

retire employees were conducted, which discussed various retirement modes and the computation of retirement claims under each retirement law. This year, we partnered with the Philippine Deposit Insurance Corporation in holding financial literacy briefings ('Usapang Pera') for retiring government workers to guide them in the disposition of their pension and retirement benefits, making them less vulnerable to financial schemes of unscrupulous individuals and institutions.

**GOOD CORPORATE CITIZENSHIP**

In 2013, we strengthened corporate citizenship with our new corporate social responsibility (CSR) statement aimed at creating more opportunities for our employees to give back to society. Through a range of activities, we will support education, environmental protection, cultural promotion, and disaster preparedness. We will also invest in our employees' development through special interest lectures that cover topics such as financial management and health and wellness.

The annual GSIS Scholarship Program remains the heart of our CSR, under which we give priority to 200 children of GSIS members with the lowest annual basic salary. Incoming first year college students accepted in schools accredited by the Commission on Higher Education are eligible under the program. Scholars are entitled to the actual cost of tuition and miscellaneous fees not exceeding Php20,000 and a monthly stipend of Php2,000. Since the inception of the program in 1998, we have awarded 1,887 scholarship grants. Of the grantees, 639 are active scholars enrolled in various colleges and universities nationwide as of 31 December 2013.

For the first time, we became an active partner of DepEd and the Metrobank Foundation Inc. in celebrating the 2013 National Teachers' Month from September 5 to October 5, our way of paying tribute to teachers as they play a significant role in strengthening



**GSIS, PDIC, AND SSS UNITE FOR FINANCIAL LITERACY.** (From left) GSIS PGM Robert G. Vergara, PDIC President Valentin A. Araneta, and SSS President Emilio S. de Quiros Jr. sign the memorandum of agreement institutionalizing the conduct of financial literacy briefings for retiring government and private sector employees.



**PROTECTING RETIREES' HARD-EARNED BENEFITS.** PDIC teaches retiring GSIS members ways to manage their retirement benefits well in GSIS pre-retirement seminars.

## A PRAYER FOR TEACHERS

Giver of All Wisdom and Greatest of all Teachers,  
 Look upon our teachers with love

Grant them the resolve  
 To nurture our eager minds  
 And to never give up on us who fall behind

Bless their hearts  
 For they rejoice when we succeed  
 And encourage us when we fail

Endow them with gentle patience  
 For the path of learning is never easy

Kindle a spirit of passion in them  
 It is the flame that ignites the love of learning in us

Help them see the potential in each student  
 Their belief in us means much more than the grade we make

Instill in them a commitment to keep on learning  
 It shows us to not fear new knowledge and experiences

Inspire them to touch the future  
 They influence how big a dream we dream for ourselves

Bless our teachers who have come before  
 for their work endures to this day

Let the light of Your example shine upon all teachers:  
 To build up with their words  
 To love with their mind  
 To share with their heart  
 Amen.



Prayer composed by the 2010 Teachers' Month Steering Committee



**HONORING TEACHERS.** The GSIS, Department of Education, and Metrobank Foundation Inc. jointly offer a prayer for teachers as part of the National Teachers' Month celebration. Teachers constitute a third of the pension fund's membership.

**“ We became an active partner of the Department of Education and the Metrobank Foundation Inc. in celebrating the 2013 National Teachers' Month from September 5 to October 5, our way of paying tribute to teachers as they play a significant role in strengthening communities and building the nation. ”**

communities and building the nation. At the Central Office, we hosted a month-long series of activities, including lectures entitled “Si Bonifacio, ang Guro at ang Bayan” in observance of Andres Bonifacio’s 150th birth anniversary, Ballet Philippines “Rock Supremo,” and a briefing on the reforms that the pension fund has implemented in the last three years to provide responsive service to teachers.

As part of our greening program, we have planted nearly 9,000 seedlings of mangrove, molave, narra, and fruit-bearing trees since 2012. In May, we unveiled the Hardin ng Kalayaan at the GSIS Garden grounds. In the GSIS Garden, we planted 76 native trees, such as bani, ipil, kamagong, and siar, our flagship tree, also known as tree of freedom. Tree planting was undertaken in cooperation with the San Beda College Alumni Foundation Inc. and the UP Association of Biology Majors.



**CARING FOR THE ENVIRONMENT.**  
GSIS employees plant trees at the GSIS Kalayaan Garden.

### PROMOTED EMPLOYEES' DEVELOPMENT

We continued to invest in the skills of our employees. During the year, more than a thousand employees benefited from in-house training programs to develop their competencies in leadership and management, communication, customer service, forgery detection, and computing capability. In addition, the Board approved in September the interim guidelines on training and development which will further enhance the identification of training needs and development opportunities for our employees.

In cooperation with the Philippine Stock Exchange and the University of the Philippines Development Center for Finance, 32 GSIS employees graduated in July as certified securities specialists under the Certified Securities Specialist Course (CSSC). A five-month in-house certification program,



**HARNESSING EMPLOYEES' POTENTIALS.**  
Topping the Second Certified Securities Specialist Course, Atty. Sheryl Ann D. Tizon (left) receives a gold bull trophy at the commencement rites, which PGM Robert G. Vergara graced.



**BREATHING LIFE TO THE GSIS BRAND.** GSIS employees are in a huddle during a group work for Mikropono, the corporate awareness program that trains them to become effective GSIS brand ambassadors.

the CSSC curriculum is composed of 13 subjects, including financial market theories, valuation techniques and analysis, investment portfolio management, market regulation, and ethics. Since the program was implemented in 2010, our employees consistently graduated from the rigorous course with top honors.

The rollout of our corporate awareness program Mikropono in May further increased the understanding of our executives and employees — as brand ambassadors — on the various member-focused reforms GSIS has instituted, as well as

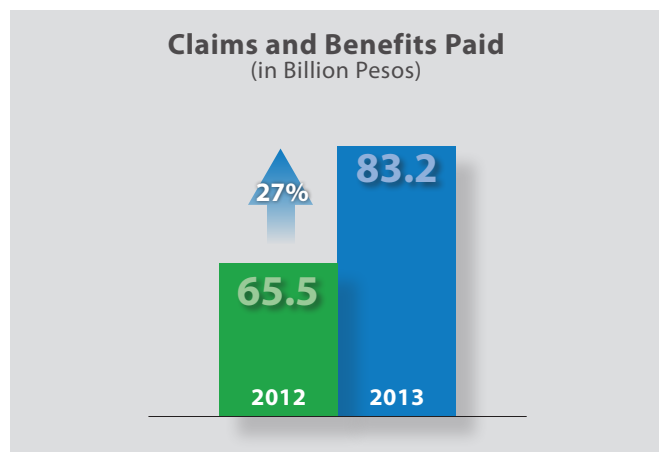
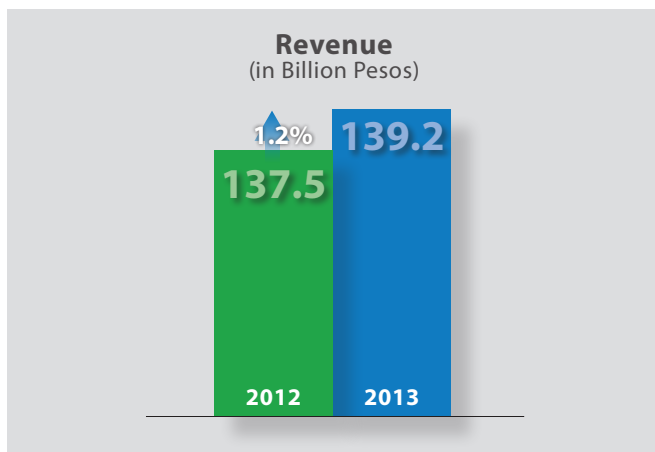
other essential information on our new programs. Branch managers and frontline service personnel constituted the first batch of attendees this year. Mikropono will continue to be implemented across salary grade levels and functional groups next year in 22 branch offices to empower our employees to act as spokespersons of GSIS.

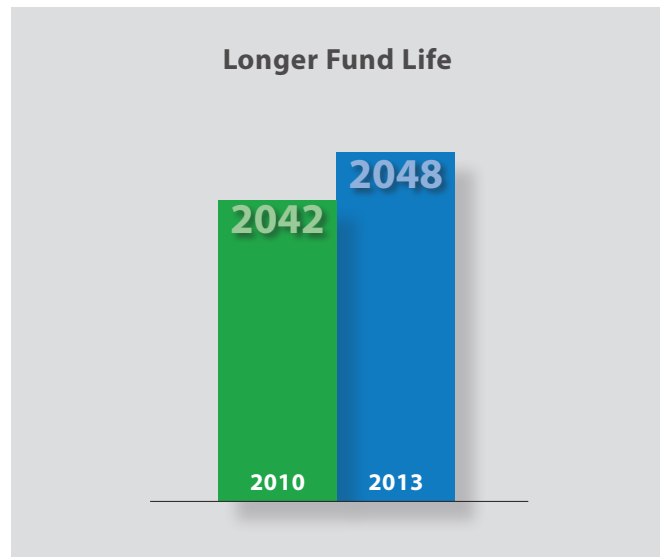
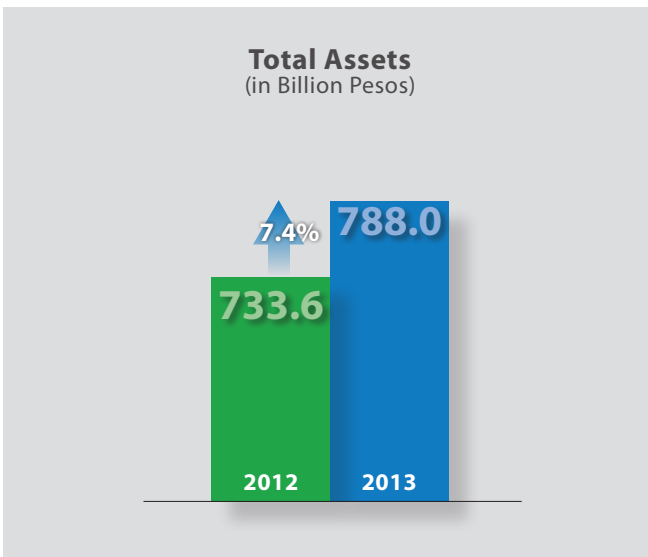
### FINANCIAL PERFORMANCE

Our financial standing remains robust. For the third year in a row, GSIS earned an unqualified opinion from the Commission on Audit indicating the financial statements for December 31, 2013 are presented fairly ‘in all material respects.’

Total revenue improved to Php139.2 billion from Php137.5 billion the prior year. Our total comprehensive income, however, decreased by more than half due to lower gains from investment, in what proved to be a challenging year for domestic capital markets, and the effect of rationalization plans implemented in national government agencies, such as DepEd, which allowed the early retirement of qualified employees.

For the full year 2013, the number of retirement claims processed rose 56 percent from 34,705 in 2012 to 54,077 in





2013. This propelled the surge in claims and benefits paid to Php83.2 billion, a 27 percent jump from Php65.5 billion in 2012. Other factors that contributed to the increased disbursement were the implementation of the minimum monthly pension of Php5,000 in January, as well as the increased life claims processed from 56,592 in 2012 to 86,939 in 2013.

Local capital markets were roiled by US Federal Reserve pronouncement midyear of a “tapering” in quantitative easing or QE. Both equity and fixed income markets fell from record levels, briefly entering negative territory, before recovering by the end of the year. Sentiment in the stock market was further hurt by the impact of Yolanda. At year-end, the investment portfolio comprised 47 percent in fixed income, 16 percent in equities, 29 percent in loans, and 4 percent in property, with the balance in cash. Despite this weak result, we continue to believe that the domestic economy is on a solid growth trajectory and remain convinced that investing in the local markets offers good risk-adjusted returns.

Other highlights on the investment front include the successful auction of three properties by public bidding, which not only achieved record prices and realized significant gains on disposal but also set a precedent for future competitive and transparent sales. Our infrastructure fund, the Philippine Investment Alliance for Infrastructure, also known as PInAI, made its first investment in the construction of a wind farm in Northern Luzon.

Our total assets further increased to Php788.0 billion, up by 7.4 percent from Php733.6 billion in 2012. Our balance sheet remained strong with cash position of Php25.4 billion at year-end.

We granted Php1.23 billion in cash benefits to more than 1.4 million compulsory and optional life insurance policyholders whose policies have been in force for at least one year as of December 31, 2012. This represents an increase of 22 percent over last year’s total declared amount of Php1 billion. For pensioners, we granted Php2.1

billion in cash gift to more than 238,000 pensioners, a 17 percent growth over last year's Php1.8 billion.

Notwithstanding the increase in benefits granted, the life of the Fund was further extended to 2048 this year from 2042 three years ago, an earnest assurance that when members retire, GSIS will be there to pay their pension throughout their retirement.

In spite of all the new programs implemented during the year, we remained prudent in our expenses. Under Section 35 of Republic Act 8291 (GSIS Act of 1997), a "maximum expense loading of 12 percent of the yearly revenues from all sources may be disbursed for administrative and operational expenses." Since 2011, our administrative loading remained significantly below the 12 percent limit and continued to decline from 5 percent in 2011 to 3.8 percent in 2013.

### MADE THE ARTA GRADE

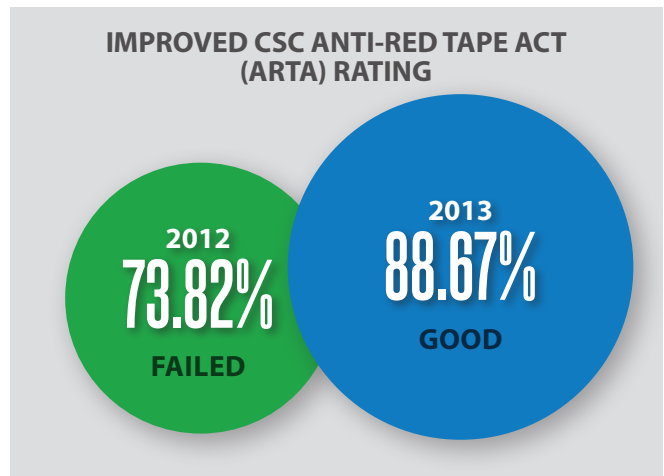
There is no more telling indication of our commitment to improve our frontline service for the past three years than the turnaround of our service delivery performance under the 2013 ARTA-RCS that the CSC administered. This year, our team's remarkable efforts to deliver responsive service to our over 1.7 million members and pensioners earned us an overall Good rating of 88.67 percent from a Failed rating of 73.82 percent in 2012. More importantly, 11 branch offices obtained an Excellent rating, eight of which were conferred the CSC's Citizen's Satisfaction Center Seal of Excellence for exemplary member service.

### CLOSING

Two fellow trustees left the GSIS Board in September — Danilo A. Gozo and Mario L. Ramirez. The Board of Trustees thanks "Danny" and "Mario" for their dedicated service and valuable contributions in the past years. Also



**CUSTOMER SERVICE BREAKTHROUGH.** (From left) SVP Dionisio C. Ebdane Jr. and Manager Ma. Vilma L. Fuentes of the Bacolod Branch Office receive the Seal of Excellence for exemplary client service from Civil Service Commission Chairman Francisco T. Duque III. Bacolod was the first GSIS office to receive the award.



“ In fact, we choose to set a higher standard of service, one that would ‘endear’ us to our stakeholders. ”

ARTA RATINGS OF GSIS OFFICES					
2012 vs. 2013					
BRANCH / EXTENSION OFFICE	2012	2013	BRANCH / EXTENSION OFFICE	2012	2013
Number of GSIS Offices Surveyed	45	28			
<b>NCR</b>			<b>VISAYAS</b>		
1 Quezon City	-	81.52	22 Aklan EO	66.17	89.10
<b>NORTH LUZON</b>			23 Antique EO	74.10	92.70
2 Bataan	82.55	-	24 Bacolod	68.04	91.57
3 Bayombong	79.72	-	25 Bohol	71.54	93.28
4 Bulacan	59.74	90.20	26 Borongan EO	81.99	-
5 Cabanatuan	87.50	-	27 Catarman EO	84.81	-
6 Cauayan	76.32	70.45	28 Catbalogan	87.19	-
7 Dagupan	69.25	95.81	29 Cebu	83.79	-
8 Iba EO	85.98	-	30 Dumaguete	76.15	89.85
9 La Union	53.88	90.14	31 Maasin	81.10	-
10 Laoag	77.06	90.58	32 Ormoc EO	78.03	89.71
11 Pampanga	83.13	-	33 Roxas	67.08	86.12
12 Tarlac	80.92	-	34 Tacloban	80.43	-
13 Tuguegarao	70.18	89.28	<b>MINDANAO</b>		
14 Vigan EO	72.55	-	35 Butuan	48.10	88.73
<b>SOUTH LUZON</b>			36 Cagayan de Oro	86.00	-
15 Batangas	53.29	89.12	37 Cotabato	77.94	-
16 Laguna	68.34	93.21	38 Davao	76.71	85.57
17 Legaspi	78.41	-	39 Dipolog	71.05	81.48
18 Lucena	55.91	89.11	40 General Santos	76.54	92.77
19 Masbate EO	67.77	90.34	41 Iligan	64.19	81.45
20 Palawan	76.96	89.35	42 Kidapawan	78.81	88.20
21 Virac EO	88.65	-	43 Malaybalay	63.84	89.81
			44 Surigao	68.25	93.86
			45 Tagum	58.05	89.51
			46 Tandag EO	83.88	-
			<b>AVERAGE</b>	<b>73.82</b> (FAILED)	<b>88.67</b> (GOOD)

In September, we welcomed Elisea G. Gozun, former environment secretary and presidential assistant on climate change, and Romeo M. Alip, president of the Philippine Association of Schools Superintendents and Central Luzon Association of Schools Superintendents. The GSIS will benefit from their vast experience and perspective as it seeks to realize its vision to become a center for world-class service.

In 2013, we experienced difficulties that tested our resolve to serve our stakeholders. Although GSIS was only 87 percent staffed, we successfully rose above these challenges — thanks to our employees whose unparalleled hard work and dedication made our achievements possible.

For the coming year, our commitment to our members and pensioners remains steadfast. In fact, we choose to set a higher standard of service, one that would ‘endear’ us to our stakeholders. Anchored on our commitment to put our members and pensioners at the center of everything we do and the dedication of our employees to provide a truly responsive service, we are confident that we can deliver on this promise.

**DANIEL L. LACSON JR.**  
Chairman

**ROBERT G. VERGARA**  
President and General Manager



# TALES OF TRIUMPH

**GSIS has been steadfast in its commitment to help members and pensioners, especially in difficult times. How GSIS and its stakeholders jointly surmounted various challenges are captured in the stories in this section.**



**Antonio B. Lacanaria and his family stand in front of the house that his emergency loan helped rebuild.**

"Papa, we're going to be trapped!," his son shouted two hours after the landfall, as he saw floodwaters rising fast.

He told his son to break the glass windows of their house. They then stepped on window frames to climb up to the beam of the ceiling where they stayed.

Waters rose by seven feet. The raging wind blew away the roof above them, giving a view of the neighborhood.

"It was scary. Everything was knocked down," Mr. Lacanaria recounted as they waited for waters to subside.

When it finally did, he brought his family to the GSIS Tacloban Branch Office to seek temporary shelter.

"We did not have any place to sleep. It has been raining nonstop and I pitied my children. I am grateful to GSIS for taking us in," he said.

Mr. Lacanaria later learned that GSIS was offering an increased emergency loan of Php40,000 for those with existing loans like him.

He used his loan proceeds for his family's immediate needs, such as food and initial repair of their house, the cost of which skyrocketed by then due to scarcity of supply.

"It lifted our spirits. It was a big help not only to my family but to other government employees affected by typhoon Yolanda," said Mr. Lacanaria, who also informed his colleagues and relatives of the good news.

"Besides, private lending companies offer high interest rates and require us to pay one year in amortizations prior to renewal," he added.



**Antonio B. Lacanaria, administrative officer of Eastern Visayas State University**

## Surviving the Storm

**ANTONIO B. LACANARIA, 55-year-old administrative officer of Eastern Visayas State University - Carigara Campus, survived to tell the story and shared the good that came after typhoon Yolanda unleashed its fury on November 8, 2013.**

Mr. Lacanaria stayed at home with his wife and three children that Friday morning. At around 6 a.m., they were already experiencing strong winds, unaware that the worst is yet to come.



GSIS Chairman Daniel L. Lacson Jr. and SVP Dionisio C. Ebdane Jr. (second and third from left) mount the Civil Service Commission's Seal of Excellence on the wall of the Bacolod Branch Office. Standing beside them are VP Salvacion P. Mate and Manager Ma. Vilma L. Fuentes.

## Pursuing Service Excellence

In September 2013, the CSC conferred on GSIS Bacolod Branch Office the Seal of Excellence Award for providing excellent service to members and for complying with the provisions of the Anti-Red Tape Act (RA 9485).

What made it special was that the branch office was the first in GSIS to earn the award from the institution mandated by the State to promote professionalism and integrity in government service.

The recognition is similarly affirmed by people who regularly transact with the GSIS Bacolod Branch Office.

GSIS member EFREN A. CANLAS, assistant public services department head of the Bacolod City Government, is one of them.



**Efren A. Canlas of Bacolod City Government**

Mr. Canlas's GSIS record showed that he was short of 2.25 years of premium contributions that were already deducted from his salary. He was worried that he might not get the correct retirement benefits from GSIS once he retires in 2014.

GSIS Bacolod Branch Office Manager MA. VILMA L. FUENTES

then invited him to go to her office upon learning of his predicament.

"It was a refreshing experience. In my 38 years in government service, it was the first time that I talked to a GSIS manager about my concerns," he said.

"I am satisfied. Through her assistance, I was able to put my GSIS records in order prior to my retirement," he added.



**Rosario A. Remegio, teacher at Daan Danwa Elementary and president of Victorias District 2 Teachers League.**

ROSARIO A. REMEGIO, teacher at the Daan Danwa Elementary School, described the branch office's kind of service to its members as "exemplary."

"They are easy to talk to – from the manager to the frontliners. You can personally go to the manager or text 24/7 regarding your concerns and be sure to get answers," she said.

"Teachers here have a good relationship with GSIS," said Ms. Remegio, who also coordinates her colleagues' concerns with the branch office as president of Victorias District 2 Teachers League.

When asked about the team's formula for success, Manager Fuentes shared that she reoriented her staff about the GSIS products, services, and procedures so that they can be effective and well-rounded service providers. She called these two-hour daily sessions "masteral classes."

On their own initiative, the staff worked on weekends and holidays to bring down the branch office's pending transactions to zero.

Bacolod's Public Assistance Complaints Desk is consistently managed at all times to attend to visitors. There was a conscious effort to create a friendly and welcoming atmosphere for them.

"I always tell them that they should imbibe that genuine desire to serve," said Manager Fuentes.

PGRA officers hold regular dialogues with GSIS representatives. The conduct of dialogues serves as a means for GSIS to touch base with its various stakeholder groups.



## Forging Stronger Ties



Atty. Evalyn I. Fetalino,  
PGRA president

**It was a Thursday afternoon and a group of senior citizens was in a tête-à-tête over lunch. They came from a board meeting that they regularly hold in GSIS. They are the officers of the Philippine Government Retirees Association (PGRA), Inc., a pioneer association of retirees that celebrated its 41st anniversary.**

Presiding the meeting was Atty. EVALYN I. FETALINO, the group's president. She was director of the Civil Service Commission for over 30 years until she left government service in 1998. She was later appointed commissioner at the Commission on Elections.

Atty. Fetalino keeps herself busy with her duties at the Association.

"It was my first time to attend a gathering in 2012. They convinced me to actively participate in PGRA events. The next thing I knew I was elected vice president in 2013. The elected president resigned, so I had to assume the leadership," Atty. Fetalino recounted.

"PGRA aims to educate our members who are government retirees, and promote their welfare as well," she said. "We achieved this through dialogues with GSIS. Its corporate awareness program enabled us to familiarize ourselves with policies and reforms initiated by the new leadership."

According to her, PGRA's proposal during one of the dialogues gave rise to the No-ARAS (Annual Renewal of Active Status) policy. The policy ensures that old-age and disability pensioners continue receiving their pension even though they are no longer required to go to a GSIS office annually to renew their status.

With a disarming smile, Atty. Fetalino said, "GSIS officers and employees are very consultative. They listen. They walk the talk."

## Ending the 'Drought' with Synergy: The PHLPost Experience

**2013 was a momentous year for the Philippine Postal Corporation (PHLPost). It was during this year when the suspension of its employees from GSIS loan privileges and other benefits was finally lifted. PHLPost employees' privileges were suspended since 2010 because of the agency's outstanding premium in arrears.**

Entailing the settlement of more than Php500 million in unpaid social insurance contributions of more than 23,000 employees scattered in 46 PHLPost offices across the nation, it was an incredible feat for a corporation that was largely perceived to be on the verge of collapse and obsolescence at that time. On the surface, the magnitude of the problem appeared too difficult to work out.

It took the extraordinary persistence and determination of MA. JOSEFINA M. DE LA CRUZ, the first female postmaster general (PMG) and chief operating officer of PHLPost, to put the pieces of the puzzle together.

PMG de la Cruz was firm in her belief that she could not run the organization smoothly if its greatest asset, its people, were disgruntled and demoralized because they were being deprived of their benefits. In her dialogues with employees, the loudest uproar was that they cannot borrow money from GSIS.

"We had several hundreds of millions in arrears not only in the remittance of mandatory premium contributions but also in loan amortizations. I could not demand nor exact the best kind of service from my people unless I am able to resolve these issues," PMG de la Cruz lamented.

Armed with her vast experience in public administration, coupled with her solid academic background



Postmaster General Ma. Josefina M. de la Cruz

in management engineering and psychology from Ateneo de Manila University, the first thing PMG de la Cruz did was to analyze the extent of the problem. It turned out that the employees' personal share, although deducted from their salary, as well as employer's contributions, were not remitted to the pension fund.

Next, she spent a great deal of time studying the financial position of the corporation. She found out that there was actually money but it was not used properly.

After getting a full view of the situation in 2011, she immediately wrote PGM Robert G. Vergara and informed him that she is ready to settle the accounts of the corporation. She requested reconciliation of accounts to determine its entire financial obligation. Her request was acted upon at once. The synergy thus started.

A GSIS Operations team worked with the PHLPost Finance and HR Department to complete reconciliation of records on a per region basis. Records covered in the

reconciliation were from July 1997 to December 2011, which included unremitted contributions of the previous PHLPost management.

The GSIS granted certain concessions to PHLPost, such as waiver on penalties and reduction of interest charges that were incorporated in the drafting of a memorandum of agreement (MOA). PHLPost, on the other hand, agreed to settle the restructured obligation on a monthly basis within a reasonable period.

At the end of 2013, the MOAs executed covered 68 percent or 15,915 of the 23,423 PHLPost employees nationwide. The remaining four MOAs were ready for execution at the start of the following year.

She said that the advice given by PGM Vergara facilitated the settlement of their accounts, particularly the "piecemeal scheme" where a MOA was executed per area whenever completion of reconciliation and service record updating was done. Since they did not require the completion of reconciliation of the entire account of the corporation, the suspension was gradually lifted area after area.

"Another helpful advice from PGM Vergara was to pay the current account and work backwards. At first, what we were doing was to pay from the longest delinquency but he said that I would never be updated if I would do that, and he was right," she said with a smile.

## Receiving Claims Made Easier



Marichu P. Bautista, GSIS retiree

**MARICHU P. BAUTISTA** was four years short of retirement age when she decided on July 1, 2013, to leave the work that she had loved for 32 years. She was then assistant department manager of the Land Bank of the Philippines (LBP) branch office in Passi City, Iloilo.

At 56, she was diagnosed with spondylosis, a symptom of degenerative arthritis of the spine that gave her chronic low-back and neck pain down to even her arms or legs. She was thankful that after the medical evaluation, her illness was considered work-related, which eventually qualified her to avail of an early retirement package under the LBP's Separation Incentive Program.

When she submitted her application for retirement, the GSIS's electronic crediting (e-crediting) program for claims was newly implemented. It was the first time the pension fund veered away from the old check system in disbursing various claims, including retirement or separation, maturity, pre-need, death, and disability benefits.

Previously, only loan proceeds were credited to the GSIS eCard or UMID card of members and pensioners. Mrs. Bautista, in fact, used her UMID card in 2012 when she withdrew from the ATM her policy loan proceeds, as well as her cash advance and consolidated loan proceeds in February 2013.

"I got the benefit faster than cashing a check," Mrs. Bautista recounted, adding that there was no more need for the usual check clearing, which takes longer to complete.

"As a former bank officer, I must say clients like me always prefer real-time ecrediting because it is more convenient," she said.

Enjoying the benefit of the new and expedited system did not end there. Later, the refund of her GSIS pre-need plans was also credited to her UMID card – a surrendered memorial plan and seven unavailed educational plans.

"GSIS must keep doing its innovations to make the lives of its members and pensioners a little better one step at a time," Mrs. Bautista said.



Vicky L. Samonte, beneficiary of the Housing Loan Remedial and Restructuring Program

## Realizing the Dream of Homeownership

**VICKY L. SAMONTE**, a survivorship pensioner, only learned of her housing loan arrears upon the death of her husband. She was informed by her children that their house and lot could be taken away from them.

A Php56,065.68 housing loan was granted to her late husband, Fernando, in January 1970. Little did she know that her husband skipped payments. His last payment was recorded in July 1997.

In 2013, the outstanding balance reached Php1.27 million. Their property was thus foreclosed.

*“Wala kaming kabahay-bahay. Wala kaming kalupa-lupa kundi ito lang. (We have no house. We have no other property but this lot.)”*

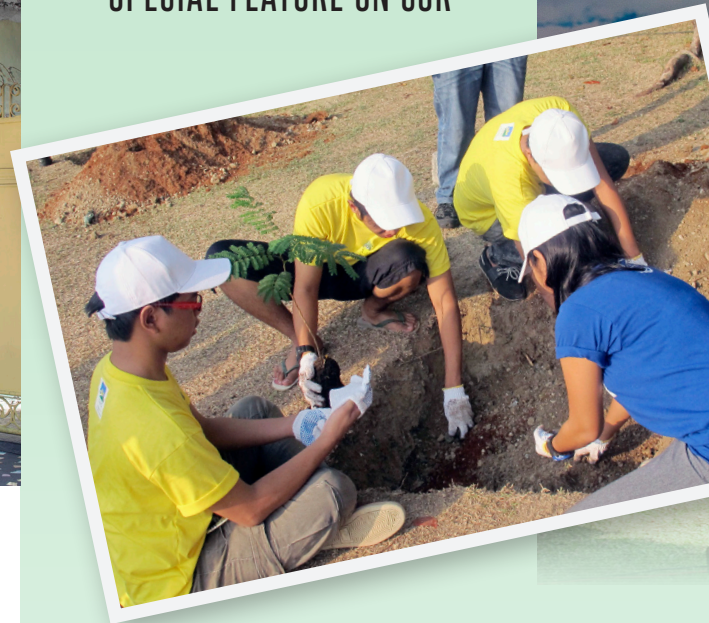
When she learned about the Housing Loan Remedial and Restructuring Program, she immediately set an appointment with GSIS.

GSIS granted 100% condonation of penalties and surcharges. Mrs. Samonte was further granted 50 percent discount on interest as she made a one-time cash payment for housing loan arrears, which amounted to almost Php268,000.

Looking back, she was very happy that they were able to keep their home.

*“Malaking tulong sa amin ang GSIS housing restructuring program. (The program was a big help.)”*

## SPECIAL FEATURE ON CSR



**In 2013, the GSIS’s simplest share in the society’s environmental initiatives took off – its green program.**

At the heart of the program is the GSIS Garden, a contribution of the pension fund in the collective effort to restore biodiversity in the urban setting, as well as protect and preserve the country’s natural environment.

The GSIS Garden is a sprawling 4,829-meter-square section of the GSIS lawn near the perimeter wall west of the GSIS building. Cast against the usually clear blue seas and skies, the Garden is strewn with flowery shrubs and a few native wood and fruit-bearing trees that grow all around. A portion of it is designated GSIS Hardin ng Kalayaan (GSIS Kalayaan Garden), which is named after its yellow-crowned flagship tree, siar (pronounced *see-ar*), also known as *puno ng kalayaan* (tree of freedom).

On 24 May 2013, the GSIS planted more seedlings of native trees in the Garden in partnership with San Beda College Alumni Foundation



(From left) PGM Robert G. Vergara, SVP Severina L. Resurreccion, and Trustee Roman Felipe S. Reyes unveil the painting of the GSIS Hardin ng Kalayaan at the GSIS Garden.

# The GSIS's Green Initiative

Inc., headed by its president, former Health Secretary Jaime Z. Galvez-Tan. The Foundation donated 76 saplings of native species that included ipil, bani, and kupang, which were as colorful as siar. Witnessing the activity were guests from the Biology Department of the University of the Philippines-Manila.

Tree planting is a priority government thrust in line with the National Greening Program (NGP) under Executive Order No. 26, which President Benigno S. Aquino III signed in February 2011. The GSIS National Greening Program Oversight Committee (NGPOC) was created in August 2012 to carry out the NGP's mandate, which requires students and government employees to plant a minimum of 10 seedlings per year to grow 1.5 billion trees in six years.

GSIS NGPOC started implementing the program in 2012 in coordination with the Department of Environment and Natural Resources (DENR) by holding tree-planting activities, which were replicated in GSIS branch offices.

As of end-2013, or barely two years since the issuance of EO 26, the Central Office and branch offices have already planted a total of 8,843 seedlings in various planting sites.

"For every tree we plant, for every tree that we save from cutting down, we can be closer to our goal of a greener and healthier Philippines," PGM Robert G. Vergara said.

Environmental awareness and conservation is only one area of GSIS's involvement as far as its corporate social responsibility (CSR) is concerned. The pension fund has also begun reaching out to beneficiaries belonging to another important sector – education. It laid down some ground work to partner with DepEd in support of its Brigada Eskwela and Adopt-a-School projects.

On December 12, 2013, as a formal declaration of its social mission, the GSIS Board of Trustees adopted, approved, and confirmed the GSIS CSR Statement and CSR Activities via Board Resolution No. 147.

The CSR Statement reads:

*Beyond our primary mandate of managing the pension fund for public servants, the GSIS recognizes its bigger responsibility towards the society as a whole. For our members and pensioners, we will support activities that benefit their children and the organizations that they are part of. For our society and the environment, we will endeavor to promote undertakings in cultural involvement, environmental awareness and disaster response. For our employees, we will encourage and carry out programs that primarily target their development as well-rounded individuals with varied interests and involvement in worthwhile causes.*

The statement espouses a culture of change in the GSIS and succinctly embodies the overall aspiration to contribute to noble sociocivic endeavors.

# LETTER TO THE AUDITOR



## PASEGURUHAN NG MGA NAGLILINGKOD SA PAMAHALAAN

(GOVERNMENT SERVICE INSURANCE SYSTEM)  
Financial Center, Pasay City, Metro Manila 1308

30 June 2014

**HON. MARIA GRACIA M. PULIDO-TAN**

Chairperson

Commission on Audit

Commonwealth Avenue, Quezon City

Dear Hon. Pulido-Tan:

This representation letter is provided in connection with your audit of the accompanying consolidated financial statements of the **Government Service Insurance System (GSIS)** as at and for the years ended December 31, 2013 and 2012. We recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the GSIS as at December 31, 2013 and 2012, and its financial performance and cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with Generally Accepted Standards on Auditing, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary

in the circumstances, and is not designed to identify nor necessarily be expected to disclose fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

**A. Financial Statements and Financial Records**

1. We acknowledge, as members of management of the GSIS, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above present fairly, in all material respects, the financial position, financial performance and cash flows of the GSIS in accordance with PFRS, and are free of material misstatements, including omissions.

However, the bond swap transactions in 2010 and 2011 pursuant to the Domestic Bond Consolidation Program of the Republic of the Philippines were recorded in accordance with the prescribed financial reporting framework for participating entities. The details of the 2010 and 2011 bond swap transactions are fully disclosed in the Notes to the Financial Statements.

We have approved and authorized for issue the financial statements on 30 June 2014.



2. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
3. Each element of the financial statements is properly classified, described and disclosed in accordance with PFRS.
4. We believe that the GSIS has a system of internal controls adequate to ensure that transactions are properly authorized and recorded; assets are safeguarded against unauthorized use or disposition and financial statements are accurately prepared in accordance with PFRS.

## **B. Accounts for Clearing**

As disclosed in the Notes to the Financial Statements, the premiums and loans receivables are presented net of the accounts for clearing amounting to P3.307 billion to reflect the most conservative balance of the account. The accounts for clearing represent accumulated collections on both premiums and loans that have not yet been posted to the individual member's accounts due to timing differences. These unposted payments are mostly due to remittances for new members whose accounts are yet to be created in the GSIS' database and those resulting from the late updating of members' data with the GSIS by their respective agencies.

The untiring and steadfast efforts of the management to bring down and maintain the accounts for clearing at a manageable level paid off. The significant portion of the remaining balance of the accounts for clearing is due to the gap between the time the open item is created and the time of posting due mainly to the delay in the submission by the agencies of the changes in the membership data of their employees. Currently, 97% out of the average P9.4 billion monthly remittance received

from government agencies are posted to the right accounts immediately.

Aside from the various program enhancements implemented in the previous years, the management is continuously working on programs to further address the posting issues. These enhancements aim to minimize, if not totally prevent, the accumulation of accounts for clearing. Meantime, batch clearing programs have been ran to fast-track the clearing of the undistributed collections which have accumulated over the years. The GSIS has come to a point where the transactions which comprise the remaining balance have to be scrutinized one by one. This means having to go through every hundred or thousand peso remittance in prior periods to make sure that the payment is posted to the correct individual member account.

To ensure that the members receive the correct amount of benefits and/or loan proceeds while the Reconciliation Project is on-going, members' accounts are reconciled manually upon filing of retirement/life insurance claims or loan applications.

## **C. Appropriated Surplus**

Following accrual basis of accounting, the current policy of the GSIS is to recognize claims and benefits paid as expense and accrue all unpaid filed claims at year-end in accordance with PAS 37.

On the other hand, Section 34 of Republic Act No. (RA) 8291 requires the GSIS to maintain the required reserves for the fulfillment of its obligations.

Pursuant to Section 34 of RA 8291, the GSIS appropriates portions of the accumulated earnings of each fund to ensure the payment of possible future

obligations of the System. The Actuarial and Risk Management Group, the Insurance Group and the Legal Services Group determine the estimated year-end reserve requirements of the different Funds, including the estimated reserve requirements pertaining to possible losses on legal suits. Based on these, the Controller Group recommends for Board approval the changes in the appropriated surplus of the different Funds. The Controller Group records the changes in the appropriated surplus upon Board approval.

Appropriated surplus are portions of the accumulated earnings that are set aside for possible future obligations of the System rather than a recognition of present obligations. The appropriated surplus cannot be used for any other purposes other than those for which these were set aside and appropriated.

The nature and purpose of the appropriated surplus are disclosed in the Notes to the Financial Statements in accordance with PAS 1.

In 2013, the GSIS conducted a thorough study with regard to the presentation of the System's Financial Reserve in the Financial Statements. The comprehensive position paper was submitted to the Commission on Audit as part of its report on the status of the recommendations contained in the 2012 Annual Audit Report.

#### **D. Fraud and Error**

1. We acknowledge that we are responsible for the design and implementation of internal controls to prevent and detect error. The management, likewise, discloses to the GSIS' Audit Committee and to the Corporate Auditor, all significant deficiencies in the design and material weaknesses in the operation of

internal controls that could adversely affect its ability to record, process, and report financial data.

2. We have no knowledge of any fraud or suspected fraud that affects the GSIS' financial statements and involves:
  - Management;
  - Employees who have significant roles in internal controls; or
  - Others where fraud could have a material effect on the financial statements.
3. We believe that the effects of any unadjusted audit differences accumulated by you during the current audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

#### **E. Compliance with Laws and Regulations**

1. We are unaware of any violations or possible violation of laws or regulations the effects of which should be considered for disclosure in the financial statements or as basis of recording a contingent loss.
2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance for the year under review, except as matters of routine, normal, recurring nature, none of which involves any allegations of non-compliance with laws or regulations that should be considered for disclosure in the financial statements or a basis for recording a loss contingency.

#### **F. Information Provided and Completeness of Information and Transactions**

1. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All transactions have been recorded in the accounting records and are reflected in the financial statements. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
3. We have disclosed to you all tax opinions, correspondence with tax authorities, or other appropriate information that served as support for the accounting of potentially material matters.
4. We confirm that we have disclosed all known related party relationships and related party transactions as well as related balances due to or from such parties at year-end. These transactions have been measured and disclosed in the financial statements.

#### **G. Recognition, Measurement and Disclosure**

1. We believe that the significant assumptions underlying the fair value measurements and

disclosures used in the preparation of the financial statements are reasonable and appropriate in the circumstances.

2. We have disclosed, and the GSIS has complied with, all aspects of contractual agreements that could have a material effect on the event of non-compliance, including all covenants, conditions or other requirements of all outstanding obligations.

#### **H. Liabilities and Contingencies**

All liabilities and contingencies have been disclosed to you and are appropriately reflected in the financial statements.

#### **I. Subsequent Events**

In June 2014, in view of the decrease in interest rates, the management decided to reclassify all outstanding Fixed Income investments classified as Held to Maturity to Available for Sale category and invest the proceeds at better yields without decreasing the credit quality of its Fixed Income portfolio. The effects of the reclassification are disclosed in the Notes to the Financial Statements.

Very truly yours,



**HILCONEDA P. ABRIL**  
Senior Vice President  
Controller Group



**ROBERT G. VERGARA**  
President and General Manager

# INDEPENDENT AUDITOR'S REPORT



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Commonwealth Avenue, Quezon City

## **The Board of Trustees**

Government Service Insurance System  
Financial Center, Pasay City

We have audited the accompanying consolidated financial statements of the Government Service Insurance System (GSIS) and its subsidiary, which comprise the consolidated statement of financial position as at December 31, 2013 and the consolidated statement of comprehensive income, consolidated statement of changes in net worth and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, 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.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Generally Accepted Standards on

Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of GSIS and its

subsidiary as at December 31, 2013, and their financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards.

**Emphasis of Matter**

We, however, emphasize without qualifying our opinion, Note 6 to financial statements on the Accounts for clearing net balance of P3.307 billion representing billings/ collections of premiums and loans that have not yet been posted to the individual member’s accounts and are presented as a deduction from the total Premiums and loans receivable account. Said practice affects the accuracy of members’ privileges, claims, and the validity of the affected subsidiary ledger accounts as of statement of condition date. The reconciliation of the general and subsidiary ledgers is on-going to ensure that the members receive the correct amount of benefits and/or loan proceeds upon filing of retirement/life insurance claims, loan application or upon request of those concerned.

We further draw attention to Notes 2.1a and 7 which disclosed that the System, in support of the monetary policies of the Republic of the Philippines (ROP), participated in bond exchange covering its Held-to-Maturity (HTM) and Available for Sale (AFS) investments in 2010 and 2011 for new benchmark bonds issued by the ROP. The Securities and Exchange Commission (SEC) granted an exemptive relief from the existing tainting rule on HTM investments for entities covered by Securities Regulation Code (SRC) Rule 68. The System is not covered by the SEC and the SRC Rule 68, however, it availed itself of the exemptive relief, which resulted in unrealized gain on exchange of P13.361 billion for exchange offers. While the System departs from a requirement of paragraph 9, PAS 39 on the exchange of HTM investments, it has also disclosed under Note 7, as required under paragraph 18, PAS 1, that the unrealized gain on bond exchanged totaling to P13.361 billion should have been credited to the System’s net income for CYs 2010 and 2011 and the entire HTM

portfolio with amortized cost of P154.083 billion should have been reclassified to AFS investments and carried at fair value of P204.326 billion with net unrealized gain of P50.243 billion.

Furthermore, Note 15.1 presents the System’s Financial Reserve requirement for their mandated obligation amounting to P661.809 billion as part of the Net Worth which must be subjected to thorough study for proper presentation in the financial statements. The investment required to secure the computed reserve has to be defined in the study to conform to the provision of Section 34 of RA 8291 and other applicable rules and regulations.

**Report on the Supplementary Information Required Under Revenue Regulations 19-2011 and 15-2010**

The supplementary information required under Revenue Regulations 15-2010 and 19-2011 in Note 37 to the financial statements is presented for 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. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

COMMISSION ON AUDIT



**JULIA E. MORENO**  
Supervising Auditor

June 30, 2014

# FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2013 and 2012  
 (In Philippine Peso)

	2013	2012 (Restated)
<b>ASSETS</b>		
Cash and cash equivalents	25,393,774,278	35,348,722,239
Premiums and loans receivable - net	238,206,671,969	227,758,602,452
Financial assets	454,194,573,198	411,404,294,293
Other receivables - net	26,309,715,084	16,528,963,638
Investment property	32,431,860,251	31,026,077,700
Property and equipment - net	10,772,036,324	10,671,990,335
Other assets	736,986,764	829,239,152
<b>TOTAL ASSETS</b>	<b>788,045,617,868</b>	<b>733,567,889,809</b>
<b>LIABILITIES AND NETWORTH</b>		
Insurance liabilities	21,035,918,055	12,228,300,782
Other liabilities	6,611,574,962	4,736,273,293
Deferred credits	4,250,115,588	4,910,595,595
<b>TOTAL LIABILITIES</b>	<b>31,897,608,605</b>	<b>21,875,169,670</b>
Surplus		
Appropriated surplus	661,809,487,087	603,665,143,603
Unappropriated surplus	28,509,196,847	38,332,416,582
	690,318,683,934	641,997,560,185
<b>Other comprehensive income</b>	<b>65,825,744,759</b>	<b>69,690,837,617</b>
<b>Net worth attributed to parent company</b>	<b>756,144,428,693</b>	<b>711,688,397,802</b>
<b>Non-controlling interest</b>	<b>3,580,570</b>	<b>4,322,337</b>
<b>TOTAL NETWORTH</b>	<b>756,148,009,263</b>	<b>711,692,720,139</b>
<b>TOTAL LIABILITIES AND NETWORTH</b>	<b>788,045,617,868</b>	<b>733,567,889,809</b>

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2013 and 2012

(In Philippine Peso)

	2013	2012 (Restated)
<b>REVENUE</b>		
Revenue from insurance	83,728,095,231	80,387,170,384
Revenue from loans	21,014,293,473	19,469,059,944
Revenue from financial assets	30,404,582,424	34,842,424,455
Revenue from investment properties	2,848,539,486	744,915,165
Other revenues	1,162,281,180	2,056,841,265
	<b>139,157,791,794</b>	<b>137,500,411,213</b>
<b>EXPENSES</b>		
Claims and benefits	83,192,720,247	65,487,000,888
Investment expenses	124,125,448	152,931,508
Insurance expenses	2,379,800,767	2,430,784,522
Personal services	3,369,073,242	3,232,685,986
Operating expenses	1,731,554,578	3,578,187,599
	<b>90,797,274,282</b>	<b>74,881,590,503</b>
<b>NON-CONTROLLING INTEREST</b>	<b>(606,237)</b>	<b>(333,719)</b>
<b>NET INCOME</b>	<b>48,361,123,749</b>	<b>62,619,154,429</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Net unrealized gains(losses) on investments	(3,875,088,119)	24,604,154,647
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Revaluation surplus	9,995,261	6,085,075,987
	<b>(3,865,092,858)</b>	<b>30,689,230,634</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>44,496,030,891</b>	<b>93,308,385,063</b>
<b>NET INCOME/(LOSS) ATTRIBUTABLE TO:</b>		
Parent	48,361,729,986	62,619,488,148
Non-controlling interest	(606,237)	(333,719)
<b>NET INCOME</b>	<b>48,361,123,749</b>	<b>62,619,154,429</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:</b>		
Parent	44,496,644,895	93,308,726,742
Non-controlling interest	(614,004)	(341,679)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>44,496,030,891</b>	<b>93,308,385,063</b>

## CONSOLIDATED STATEMENTS OF CHANGES IN NET WORTH

As of December 31, 2013 and 2012  
 (In Philippine Peso)

	SURPLUS		TOTAL SURPLUS	OTHER COMPREHENSIVE INCOME		TOTAL OTHER COMPREHENSIVE INCOME	NETWORTH ATTRIBUTED TO PARENT COMPANY	NON-CONTROLLING INTEREST	NETWORTH
	Appropriated	Unappropriated		Net unrealized gains (losses) on investments	Revaluation surplus				
Balance, 1/1/2012	543,177,299,621	36,232,198,148	579,409,497,769	38,575,406,009	426,200,974	39,001,606,983	618,411,104,752	4,664,016	618,415,768,768
Net income	-	62,619,154,429	62,619,154,429	-	-	-	62,619,154,429	-	62,619,154,429
Increase in appropriation	60,487,843,982	(60,487,843,982)	-	-	-	-	-	-	-
Dividends declared	-	(31,092,013)	(31,092,013)	-	-	-	(31,092,013)	-	(31,092,013)
Additions/(deductions) during the year	-	-	-	24,604,154,647	6,085,075,987	30,689,230,634	30,689,230,634	(341,679)	30,688,888,955
<b>Balance, 12/31/2012-1/1/2013</b>	<b>603,665,143,603</b>	<b>38,332,416,582</b>	<b>641,997,560,185</b>	<b>63,179,560,656</b>	<b>6,511,276,961</b>	<b>69,690,837,617</b>	<b>711,688,397,802</b>	<b>4,322,337</b>	<b>711,692,720,139</b>
Net income	-	48,361,123,749	48,361,123,749	-	-	-	48,361,123,749	-	48,361,123,749
Increase in appropriation	58,144,343,484	(58,144,343,484)	-	-	-	-	-	-	-
Dividends declared	-	(40,000,000)	(40,000,000)	-	-	-	(40,000,000)	-	(40,000,000)
Additions/(deductions) during the year	-	-	-	(3,875,088,119)	9,995,261	(3,865,092,858)	(3,865,092,858)	(741,767)	(3,865,834,625)
<b>Balance, December 31, 2013</b>	<b>661,809,487,087</b>	<b>28,509,196,847</b>	<b>690,318,683,934</b>	<b>59,304,472,537</b>	<b>6,521,272,222</b>	<b>65,825,744,759</b>	<b>756,144,428,693</b>	<b>3,580,570</b>	<b>756,148,009,263</b>

## CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2013 and 2012  
(In Philippine Peso)

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipt of premiums	80,093,514,477	75,553,507,378
Receipt from other receivable	522,322,133	5,420,850,956
Contributions to ECC & OSHC	(46,864,523)	(91,902,919)
Other miscellaneous receipts	11,343,495,255	6,917,298,436
Payment of claims and benefits	(81,064,233,279)	(63,368,145,575)
Payment of reinsurance premiums	(1,733,175,313)	(1,562,404,241)
Payments for operating expenses	(4,508,809,879)	(4,343,778,559)
<b>Net cash provided by operating activities</b>	<b>4,606,248,871</b>	18,525,425,476
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net loan releases	(12,917,631,342)	(21,106,134,339)
Receipt of earnings from loans	12,926,807,174	15,145,258,468
Net investment placements	(45,403,582,524)	(51,268,271,567)
Receipt of earnings from investments	31,242,734,012	34,267,232,416
Receipt of earnings from investment property	228,168,310	190,958,991
Purchase of information technology resources	(338,160,363)	(309,175,284)
Purchase/payments for capital expenditures	(204,457,121)	(503,402,148)
Net cash flow from subsidiaries	(95,074,978)	286,561,865
<b>Net cash used in investing activities</b>	<b>(14,561,196,831)</b>	(23,296,971,598)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(9,954,947,961)</b>	(4,771,546,121)
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<b>35,348,722,239</b>	40,120,268,360
<b>CASH AND CASH EQUIVALENTS, END</b>	<b>25,393,774,278</b>	35,348,722,239

# BOARD OF TRUSTEES



(From left) Chairman **DANIEL L. LACSON JR.** • President and General Manager **ROBERT G. VERGARA** •  
Trustee **MARIO J. AGUJA** • Trustee **ROMEO M. ALIP** • Trustee **GERALDINE MARIE B. BERBERABE-MARTINEZ**



Trustee **KARINA CONSTANTINO-DAVID** • Trustee **ELISEA G. GOZUN** • Trustee **ROMAN FELIPE S. REYES** •  
Trustee **GREGORIO T. YU** • Corporate Secretary **MA. THERESA A. RAAGAS**

# BOARD COMMITTEES

## Audit Committee

Chairperson : Chairman **Daniel L. Lacson Jr.**  
Co-Chairperson: Trustee **Roman Felipe S. Reyes**  
Core Members : Trustee **Gregorio T. Yu**  
Trustee **Romeo M. Alip**

The Audit Committee assists the Board in fulfilling its responsibilities for policy formulation and for oversight of GSIS's financial reporting process, the system of internal control, the audit process, and the process for monitoring compliance with laws, rules, regulations and code of conduct.

## Corporate Governance Committee

Chairperson: Chairman **Daniel L. Lacson Jr.**  
Co-Chairperson: Trustee **Karina Constantino-David**  
Core Members: PGM **Robert G. Vergara**  
Trustee **Elisea G. Gozun**

The Corporate Governance Committee assists the Board in promoting and institutionalizing corporate governance principles and practices in the organization.

The Committee is specifically responsible for the planning, formulation and review of policies, systems and processes; human resource management; communication and stakeholder relations; and corporate social responsibility.

## Legal Oversight Committee

Chairperson : Chairman **Daniel L. Lacson Jr.**  
Co-Chairperson: Trustee **Geraldine Marie B. Berberabe-Martinez**  
Core Members : Trustee **Karina Constantino-David**  
Trustee **Gregorio T. Yu**

The Legal Oversight Committee assists the Board in formulating policies and overseeing legal cases involving big-ticket accounts of the GSIS and those that substantially impact the financial viability and reputation of the GSIS. It is also in charge of criminal, civil, and administrative cases filed by or against the members of the Board of Trustees and officers of the GSIS.

The Committee monitors and reviews quasi-judicial cases to ensure speedy, efficient and responsive dispensation of justice, as well as recommends to the Board actions to be taken on said matters.

## Risk Oversight Committee

Chairperson: Chairman **Daniel L. Lacson Jr.**  
Co-Chairperson: Trustee **Gregorio T. Yu**  
Core Members: PGM **Robert G. Vergara**  
Trustee **Roman Felipe S. Reyes**

The Risk Oversight Committee assists the Board in carrying out its responsibilities for policy formulation and for oversight of System-wide risks, including compliance with applicable laws and regulations. It likewise performs oversight functions in all Information Technology (IT) matters.

# EXECUTIVES

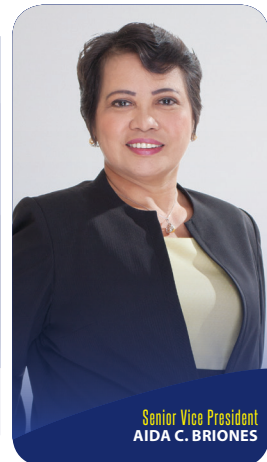
Office of the President and General Manager



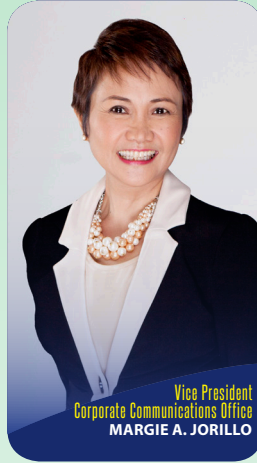
Internal Audit Services Office

Actuarial and Risk Management Group

Controller Group



Controller Group



Corporate Services Group



Financial Management Group



Information Technology Services Group



Insurance Group



Legal Services Group



NCR Group



Luzon Group



Luzon Group



VisMin Group



# BRANCH AND EXTENSION OFFICES

## CENTRAL OFFICE

GSIS Building  
Financial Center, Roxas Boulevard  
Pasay City 1308  
Tel. No.: (02) 976-4900

## NCR OPERATIONS

### Pasig Extension Office

Upper Ground Floor, JNCV Bldg.  
Pasig Boulevard corner Rosemary Lane  
Pasig City

### Quezon City Branch Office

M. Geronimo Bldg.  
746 Mindanao Avenue  
Tandang Sora, Quezon City  
Tel. No.: (02) 859-0265

## LUZON OPERATIONS

### Baguio Branch Office

3F EDY Bldg., 143 Kidad Road  
Baguio City 2600  
Tel. No.: (074) 446-8060  
Fax No.: (074) 446-8060

### Bataan Branch Office

San Ramon  
Dinalupihan 2110, Bataan  
Tel. No.: (047) 636-1482  
636-1481

### Iba Extension Office

PEO Compound, Sitio Balili  
Barangay Palanginan  
Iba 2201, Zambales  
Tel. No.: (047) 811-3101

### Batangas Branch Office

Alangilan, Batangas City 4200  
Tel. No.: (043) 723-4345  
723-4123  
Fax No.: (043) 723-4345  
723-4123

### Calapan Extension Office

Lalud, Calapan City 5200  
Tel. No.: (043) 288-2491

### Mamburao Extension Office

Triple A.A.A. Building  
Purok Maligaya, Payompon  
Mamburao 5106, Occidental Mindoro

### Bayombong Branch Office

NVSU Bayombong Compound  
Don Domingo Maddela 3700  
Nueva Vizcaya  
Tel. No.: (078) 805-3614  
Fax No.: (078) 805-3512

### Bulacan Branch Office

Km 41, McArthur Highway  
Sumapang Matanda  
Malolos City 3000  
Tel. No.: (02) 859-0213  
(044) 794-2616

### Cabanatuan Branch Office

NFA Compound  
Maharlika Highway  
Cabanatuan City 3100  
Tel. No.: (044) 463-0572  
Fax No.: (044) 463-0573

### Cauayan Branch Office

Tagaran, Cauayan City 3305  
Tel. No.: (078) 652-1127  
Fax No.: (078) 652-1042

### Dagupan Branch Office

PNR Site, Mayombo District  
Dagupan City 2400  
Tel. No.: (075) 522-0436  
523-7511  
Fax No.: (075) 523-7511

### Laguna Branch Office

Brgy. Biñan  
Pagsanjan 4008, Laguna  
Fax No.: (049) 501-6955

### Laoag Branch Office

Brgy. 23, P. Paterno St.  
Laoag City 2900  
Tel. No.: (077) 772-0053

### La Union Branch Office

Bugayong Bldg., Quezon Avenue  
Brgy. Catbangan  
San Fernando City 2500  
Tel. No.: (072) 242-6893  
Fax No.: (072) 242-6893

### Legazpi Branch Office

Alternate Road, Bitano  
Legazpi City 4500  
Tel. No.: (052) 480-4685

### Virac Extension Office

P. Araojo Arcade Bldg.  
Cavinitan, Virac 4800  
Catanduanes

### Lucena Branch Office

GSIS Bldg., Maharlika Highway  
Brgy. Isabang, Lucena City 4301  
Tel. No.: (042) 710-7772  
373-6358

### Boac Extension Office

R.E.B. Abetria Bldg.  
Santol, Boac 4900  
Marinduque  
Tel. No.: (042) 332-2460

### Naga Branch Office

Del Rosario, Naga City 4400  
Tel. No.: (054) 472-1250

### Palawan Branch Office

Nat'l Highway, Brgy. San Miguel  
Puerto Princesa City  
Tel. No.: (048) 433-2579  
Fax No.: (048) 433-6826

### Pampanga Branch Office

Sindalan, City of San Fernando 2000  
Tel. No.: (045) 455-1261

### Sorsogon Branch Office

Flores St., Capitol Compound  
Sorsogon City 4700  
Tel. No.: (056) 421-5279

### Masbate Extension Office

City Hall Compound  
Municipal Road  
Masbate City 5400

### Tarlac Branch Office

Urquico Oval, San Roque  
Tarlac City 2300  
Tel. No.: (045) 982-9866

### Tuguegarao Branch Office

Carig, Tuguegarao City 3500  
Tel. No.: (078) 304-9356  
Fax No.: (078) 304-9394



## VISAYAS OPERATIONS

### Bacolod Branch Office

Araneta St., Brgy. Tanguib  
Bacolod City 6100  
Tel. No.: (034) 444-0982

### Bohol Branch Office

2nd Flr., DBP Bldg.  
CPG North Avenue  
Tagbilaran City 6300  
Tel. No.: (038) 501-0579

### Catbalogan Branch Office

RPP Building, del Rosario St.  
Brgy. 4, Catbalogan City 6700  
Tel. No.: (055) 251-5496

### Borongan Extension Office

JRC Bldg. Brgy. Songco  
Borongan 6800, Eastern Samar

### Catarman Extension Office

NSDWCC Bldg., Brgy. Lapu-Lapu  
J. P. Rizal Avenue, Catarman 6400

### Cebu Branch Office

Leon Kilat St., Cebu City 6000  
Tel. No.: (032) 253-2940

### Dumaguete Branch Office

National North Road  
Dumaguete City 6200  
Tel. No.: (035) 422-4032

### Iloilo Branch Office

Sto. Rosario corner Zamora Sts.  
Iloilo City 5000  
Tel. No.: (033) 335-0638

### Aklan Extension Office

Leyson-Escalona Bldg.  
Roxas Avenue Ext.  
Brgy. Andagao  
Kalibo 5600, Aklan  
Tel. No.: (036) 268-9379

### Antique Extension Office

G/F AML Bldg.  
Dalipe corner Atabay Sts.  
San Jose 5700, Antique  
Tel. No.: (036) 540-9596

### Maasin Branch Office

Servacio Bldg., Kangleon St.  
Mantahan, Maasin City 6600  
Tel. No.: (053) 570-8011

### Roxas Branch Office

A. Belo St., Roxas City 5800  
Tel. No.: (036) 621-3127

### Tacloban Branch Office

Marasbaras, Tacloban City 6500  
Tel. No.: (053) 323-2506

### Ormoc Extension Office

Stall #105  
Ormoc City Superdome  
Ormoc City 6541  
Tel. No.: (053) 255-7901

## MINDANAO OPERATIONS

### Butuan Branch Office

Libertad, Butuan City 8600  
Tel. No.: (085) 341-5029  
Fax No.: (085) 342-1650

### Cagayan de Oro Branch Office

Carmen, Cagayan de Oro City 9000  
Tel. No.: (088) 858-5818

### Cotabato Branch Office

Gov. Gutierrez Avenue  
Cotabato City 9600  
Tel. No.: (064) 421-1168  
Fax No.: (064) 421-3215

### Davao Branch Office

McArthur Highway, Matina  
Davao City 8000  
Tel. No.: (082) 296-2431  
Fax No.: (082) 299-0141

### Dipolog Branch Office

Minaog, Dipolog City 7100  
Tel. No.: (065) 212-2308

### General Santos Branch Office

LLIDO Bldg., Santiago Boulevard  
Gen. Santos City 9500  
Tel. No.: (083) 301-7065  
Fax No.: (083) 301-6213

### Iligan Branch Office

YIMA Bldg., Badelles and Ramiro Sts.  
Iligan City 9200  
Tel. No.: (063) 221-8698  
221-8362  
221-8020

### Kidapawan Branch Office

Dimano Bldg., National Highway  
Kidapawan City 9400  
Tel. No.: (064) 288-5111  
288-5109

### Malaybalay Branch Office

Onda Bldg. Sayre Highway  
Casisang, Malaybalay City 8700  
Tel. No.: (088) 813-4711

### Pagadian Branch Office

Jaloux Bldg., Purok Subida  
Pagadian City 7016  
Tel. No.: (062) 214-4475

### Surigao Branch Office

G/F Parkway Bldg.  
National Highway  
Surigao City 8400  
Tel. No.: (086) 826-9113

### Tandag Extension Office

Capitol Rd., Brgy. Telaje  
Tandag City 8300  
Tel. No.: (086) 211-4424

### Tagum Branch Office

Sobrecarey St., Tagum City 8100  
Tel. No.: (084) 655-6168  
655-6908

### Zamboanga Branch Office

Moret Field, Baliwasan  
Zamboanga City 7000  
Tel. No.: (062) 991-1556  
Fax No.: (062) 991-1258

### Basilan Extension Office

Valderosa St., Isabela City 7300  
Tel. No.: (062) 200-3176



GSIS

GSIS Building  
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Pasay City 1308  
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Email: [gsiscare@gsis.gov.ph](mailto:gsiscare@gsis.gov.ph)  
[www.gsis.gov.ph](http://www.gsis.gov.ph)