Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue, Manila

BAGONG PILIPINAS

26 March 2025

RADM DORVIN JOSE L. LEGASPI PN (RET.)
President and CEO
ARMED FORCES AND POLICE MUTUAL BENEFIT ASSOCIATION INCORPORATED (AFPMBAI)
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SUBJECT: Closing of the 2023 Annual Statement (AS) Verification

Dear **President and CEO Legaspi**:

This refers to your letter dated 27 February 2025 requesting the reconsideration of various accounts as admitted assets, addressing the other audit findings, and submitting proof of payment for the imposed penalty.

Upon evaluation, the fund balance increased from ₱10,411,689,615.77 to **₱10,412,368,431.19**, while the Risk-Based Capital (RBC) ratio remains at **308%** after reconsidering the following account:

Particulars	**Amount**
As Additional Admitted Asset:	
Investment Property	₱ 678,815.42
TOTAL AMOUNT RECONSIDERED	**₱ 678,815.42**

On the other hand, we deny the following accounts for reasons stated as follows:

Accounts Not Reconsidered	**Amount**	**Reasons for Non-Reconsideration**
Financial Assets at Amortized Cost	₱ 800,179,272.65	The amount was not reconsidered as the Association withdrew its request to avoid incurring further penalties following the revisions made in the schedules of the accounts.
Loans Receivable		
Policy Loans	71,579,244.92	
Real Estate Mortgage Loan	229,592,522.00	
Property and Equipment		
IT Equipment	16,580,658.54	
TOTAL	**₱1,117,931,698.11**	

In view of the Association's compliance with the regulatory requirements and directives of the Commission, the figures in the attached summary of accounts shall be the final balances of the 2023 AS. We now consider its 2023 AS verification **CLOSED**.

Nonetheless, we reiterate the continuous monitoring of the Association's compliance with the provisions of the Code and directives of the Commission in the succeeding AS examination or verification.

Thank you.

Very truly yours,

REYNALDO A. REGALADO
Insurance Commissioner

ARMED FORCES AND POLICE MUTUAL BENEFIT ASSOCIATION, INCORPORATED
FINAL BALANCE OF THE ANNUAL STATEMENT
VERIFICATION AS OF 31 DECEMBER 2023

ADMITTED ASSETS		
Cash & Cash Equivalents	₱	1,470,564,146.96
Financial Assets at Amortized Cost (FAAC) - current		15,034,364,869.22
Financial Assets at Fair Value (FAFV) - P&L		12,144,303.80
Financial Assets at Fair Value (FAFV) - Other Comprehensive Income (OCI)		1,667,370,532.75
Unremitted Member's Contributions, Dues and Fees		269,724.00
Accrued Income		223,658,021.02
Short-term Financial Assets		914,776,245.17
Loans Receivable		12,173,450,942.80
Investment In Property		7,125,609,150.74
Property and Equipment		536,364,115.89
Other Non-Current Assets		230,000,000.00
TOTAL ADMITTED ASSETS	₱	**39,388,572,052.35**
LIABILITIES		
Liability on Individual Equity Value	₱	5,388,869,321.73
Basic Contingency Benefits Reserve		95,419,966.72
Optional Benefit Reserve		19,330,792,543.97
Claims Payable on Basic Contingent Benefit		235,856,642.77
Claims Payable on Optional Benefits		1,103,542,400.92
Other benefits on Basic Policies		578,017.16
Premiums Received in Advance - Current		1,779,656.00
Unearned Income		215,904,969.54
Accounts Payable		805,512,441.28
Accrued Expenses		55,270,209.83
Premiums Received in Advance - Non Current		527,926.28
Net Pension Liability		163,570,123.00
Other Long-Term Liabilities		1,578,579,401.96
TOTAL LIABILITIES	₱	**28,976,203,621.16**
FUND BALANCE		
Free and Unassigned Fund Balance	₱	3,560,412,954.05
Assigned Fund Balance		
Funds Assigned for Guaranty Fund		50,000,000.00
Funds Assigned for Member's Benefit		203,777,921.73
Revaluation Increment (net of changes)		6,598,177,555.41
TOTAL FUND BALANCE		**10,412,368,431.19**
TOTAL LIABILITIES AND FUND BALANCE	₱	**39,388,572,052.35**

ADDITIONAL INFORMATION

Risk-Based Capital Ratio, as prescribed under existing regulations	**308%**

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