



16 October 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 2024 Annual Statement Verification

Dear **President and CEO Legaspi**:

This refers to the Association's letter dated 15 August 2025 and additional supporting documents received on 29 August 2025 and 8 October 2025, on its request for reconsideration of various accounts as admitted assets and response to the other audit findings.

Upon evaluation, the Association's fund balance increased from ₱7,811,948,704.78 to ₱12,104,746,756.09, while Risk-Based Capital ratio increased from 177% to 246% after reconsideration made to the following accounts:

Account	Amount Reconsidered
Cash and Cash Equivalents	₱ 3,000,000.00
Financial assets at fair value - OCI	1,200,000.00
Accrued Income	120,000.00
Loans Receivables - net	1,140,061,429.42
Investment Property	3,125,577,837.53
Property and Equipment-net	22,838,784.36
Total	₱ 4,292,798,051.31

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 2024 AS.

Nonetheless, we reiterate the continuous monitoring of the Association's compliance with the provisions of the Code and directives of the Commission.

Thank you.

Very truly yours,


REYNALDO A. REGALADO
Insurance Commissioner



ARMED FORCES AND POLICE MUTUAL BENEFIT ASSOCIATION, INCORPORATED
FINAL BALANCE OF THE ANNUAL STATEMENT
AS OF 31 DECEMBER 2024

ADMITTED ASSETS

Cash and cash equivalents	P	2,641,113,216.05
Financial assets at amortized cost (FAAC)		16,773,240,526.56
Financial assets at fair value (FAFV) - OCI		2,247,037,444.29
Financial assets at fair value (FAFV) - P&L		14,616,459.00
Unremitted premiums and members' contributions, dues and fees		6,932,240.65
Accrued income		250,174,965.64
Short-term financial assets		275,277,067.74
Loans receivable - net		13,221,628,250.77
Investment Property		8,133,053,462.24
Property and Equipment- net		589,932,764.98
Other Non-Current Assets - net		530,000,000.00
TOTAL ADMITTED ASSETS	P	<u>44,683,006,397.92</u>

LIABILITIES

Liability on individual equity value	P	6,683,974,554.03
Basic contingency benefits reserve		102,613,492.79
Optional benefit reserve		21,130,494,988.21
Claims payable on basic contingent benefit		279,054,344.13
Claims payable on optional benefits		1,176,775,431.18
Other benefits on Basic Policies		4,649,633.32
Premiums Received in Advance		2,463,720.92
Unearned Income		261,784,684.20
Accounts Payable		847,406,863.53
Accrued Expenses		22,400,727.71
Net Pension Liability		238,547,484.00
Other Long-Term Liabilities		1,828,093,717.81
TOTAL LIABILITIES	P	<u>32,578,259,641.83</u>

FUND BALANCE

Free and Unassigned Fund Balance	P	4,301,051,872.32
Assigned Fund Balance:		
Funds Assigned for Guaranty Fund		50,000,000.00
Funds Assigned for Member's Benefit		201,177,220.14
Revaluation Increment/Surplus		7,552,517,663.63
TOTAL FUND BALANCE	P	<u>12,104,746,756.09</u>
TOTAL LIABILITIES AND FUND BALANCE	P	<u>44,683,006,397.92</u>

ADDITIONAL INFORMATION

Risk-Based Capital Ratio, as prescribed under existing regulations	<u>246%</u>
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