

Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI)

Financial Statements

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

Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI)

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

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

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

Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI)

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

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

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

Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI)

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

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

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

Armed Forces and Police Mutual Benefit Association Incorporated (AFPMBAI)

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

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

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