



Hope Ahead

The AXA Philippines 2020 Annual Report

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Message from the Chairman

Solomon S. Cua

We now face a new normal

Without a doubt, 2020 and COVID-19 disrupted the global economy and forced businesses to make groundbreaking shifts. Specifically in Southeast Asia, the management of the pandemic differed from country to country depending on each one's preparedness to handle the outbreak. For many industry players, this determined their success or their survival.

In the middle of all this, the Philippines has remained tough. Consumers—now more than ever—are prioritizing their health in response to this crisis. OFW remittances were at \$33.2B, which is only 0.08% lesser than what was recorded in 2019. 2020's inflation rate was at 2.44%, which is 0.04% lower than the previous year. GDP for 2020 kept its growth rate of -8.3%.

Fallbacks and prioritizations

Despite seeing an industry decline of 9.85%, AXA Philippines persistently got through the year by sticking to our promise of service. We knew that by putting people first, we would still find ourselves standing by the time the worst was over.

And while that is not currently the case—it pays to be realistic at times, and a global health crisis is one such time—it is called the “new normal” for a reason. The abrupt shift in protocol and, ultimately, culture is difficult to get around, but it is nevertheless ongoing and inescapable. It is our principles that do not and should not change; it is thanks to that that we still managed to come out of 2020 with a Total Comprehensive Income higher than that of 2019.

What this means for us, and where we can go from here

AXA Philippines not only endured 2020 but also continues to increase its growth. In the advent of our new normal, AXA Philippines sees itself expanding its businesses, brands, and networks.

Especially due to the pandemic, one's physical well-being became a conscious priority for many. More consumers had become more aware of the importance of a health insurance policy and its role in minimizing catastrophic expenses due to hospitalization costs. To address the worries of many Filipinos, AXA Philippines answered with its new roster of health insurance policies and offerings.

2020 was a year that got out of hand, but if we remain on this path to empower people, march forward with a clearer vision, and meet the demands of a world going digital, we can say that AXA Philippines is on the right track.

There is hope ahead, and we can aim for it together.



Message from the **President & CEO**

Rahul Hora

AXA Philippines showed 2020 that Together, We Can.

This year marks 21 years of providing secured quality insurance products to more than 1.5 million Filipino people. We remain recognized for our efforts to be one of the country's leading insurance and financial management providers through AXA Philippines' wholly-owned subsidiary, Charter Ping An. The unprecedented demands from last year due to the COVID-19 pandemic made us rise to the occasion, stand tall, and face the challenges that come with it. We held our ground as we managed to quickly arrange a remote work setup and mobilized our IT team to be available 24/7 to ease the digital transition.

Amidst the pandemic, we at AXA wanted to deliver on our commitment accumulation through our assured products, which include life insurance, health plans, savings and investments, and income protection. To further reassure our customers, we released an improved version of our Global Health Access product that includes pandemic coverage. Since people have become reluctant to leave their homes, we also decided to offer free medical teleconsultations for our health policyholders as well as non-customers. Dedicated to being our customers' safety net, we partnered with a couple of companies with the same values—caring for the Filipino people's health and future.

With the government's imposition of the community quarantine, people practiced social distancing, adjusted, and switched to the digital platform. We quickly took advantage of the demand for remote and virtual-based technology. We ensured our availability and presence to the people that needed us the most through online communication and transactions.

Our quick response and initiative to launch AXA Virtual Assistant (AVA) made our interactions with our customers safe and convenient, even without the physical approach.

As we advanced into the digital platform, the Emma by AXA PH app more than served its purpose and even became the leading source of information about AXA's policies. We took this opportunity and gradually improved Emma by adding new functionalities for more accessible filing of our user's motor and hospitalization claims, top-up their investments, and withdraw funds. The improvements also reflected how

AXA's Rescue line utilized the app to reach a wide range of populations and promote its free services such as ambulance, fire, police, and roadside assistance.

As we are all moving to uncharted waters presented by the consequences of the pandemic, we continued to face them headstrong to ease the worries of our policyholders by launching our partnership with Metrobank and giving their prospects free personal accident coverage. This exclusive partnership is made for Filipinos to give them a headstart in their journey towards financial freedom.

We also joined hands with Cebu Pacific to develop the most affordable health plan through the carrier's website and introduce health as a priority for "every Juan." Our common interest in ensuring the Filipino's safety in their journey decided our launch of a non-travel insurance offering line for Cebu Pacific.

The COVID-19 pandemic impacted us in ways that we didn't anticipate nor imagine. Still, it gave light on several opportunities on how we can further encourage the growth of our services to reach and provide assistance to Filipinos and the next generations. 2020 tested us to show our commitment to prioritizing the safety of Filipinos. Being able to protect our customers and develop trust with the community is fulfilling and encourages us to be strong and build the future together in the coming years.

Corporate Profile

Who We Are

AXA is a global leader in financial protection engaged in three main lines of business:



**Health
Protection**



**Property and
Life Protection**



**Savings and
Asset Protection**

AXA as Global Brand

#1 Global Insurance
Brand for 10
Consecutive Years

*Ranking is from Interbrand,
a brand consultancy firm*

#48 Best
Global
Brand

*Ranking is from Interbrand,
a brand consultancy firm*

#2 Most Responsible
Insurer in DOW JONES
SUSTAINABILITY INDEX

#34 Fortune
in Global
500 List

We now have **153,000** employees worldwide
serving **105** million customers in **54** countries

Our Philosophy



To act for human
progress by
protecting what
matters

PURPOSE



From
Payer to
Partner

VISION



Customer First
Integrity
Courage
One AXA

VALUES

AXA Philippines

- Established in **1999**
- **Top 3 player** in the Philippine Life Insurance Industry according to the Insurance Commission on a consolidated channels basis.
- A **joint venture** between AXA (45%) and the Metrobank Group (55%)
- **One of the first in bancassurance** operations in the country
- Present in the **life insurance and general insurance** business
- One of the pioneers and leaders to introduce **Investment-linked insurance**

Financial Highlights

12.6%

MARKET SHARE
*as of Q4 2020

2.8 B

NET INCOME

633

**NO. OF COMPANIES
OR ORGANIZATIONS INSURED**

5.2 B

**ANNUALIZED
PREMIUM EQUIVALENT**

31.6 B

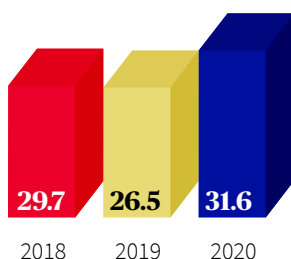
**GROSS
WRITTEN PREMIUMS**

1,503,116

**NO. OF INDIVIDUAL
CUSTOMERS**

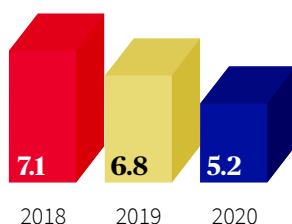
**GROSS WRITTEN PREMIUMS
IN PHP BILLION**

CAGR: 3%



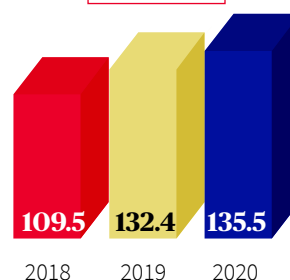
**ANNUALIZED PREMIUM
EQUIVALENT IN PHP BILLION**

CAGR: -15%



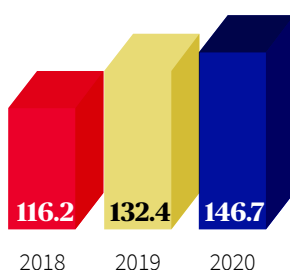
**ASSETS UNDER MANAGEMENT IN
PHP BILLION**

CAGR: 11%



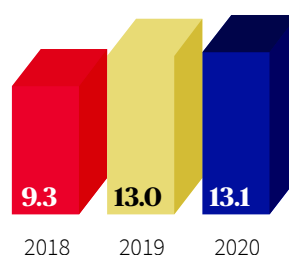
**TOTAL ASSETS
IN PHP BILLION**

CAGR: 12%



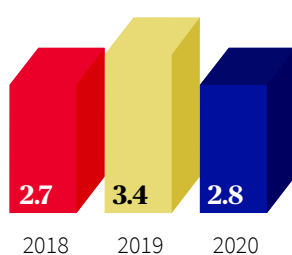
**TOTAL EQUITY
IN PHP BILLION**

CAGR: 19%

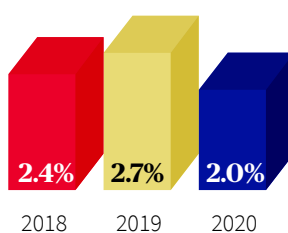


**NET INCOME
IN PHP BILLION**

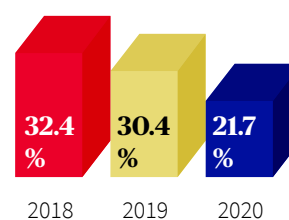
CAGR: 2%



RETURN ON ASSETS



RETURN ON EQUITY



Operational Highlights

2020 and the worldwide health crisis brought about by COVID-19 signaled the need for us all to stay resilient, hold fast to our strengths, and make changes to the way we live. In the face of this year's challenges, AXA Philippines leaned into its role as a provider of world-class insurance products to Filipinos, especially ones that best suit their needs in such trying times.

Recognizing that health truly is wealth

More than ever, the 2020 COVID-19 pandemic and economic crisis solidified the importance of having a health policy and more as it reduces our financial vulnerability to sickness by preparing early for the unexpected. As one of the country's leading insurance providers, AXA Philippines was quick on the uptake and rapidly adapted its offerings to suit the new normal.

To help Filipinos better protect themselves from the financial impact of costly hospitalizations, lab tests, and medicines, we expanded our suite of health plans and services to offer top-tier coverage versus pandemic illnesses.



Lifetime comprehensive critical illness plan

Health Max

- Provides coverage against 56 major and 18 minor conditions
- Doubles as a life insurance and offers protection up to age 100

Affordable critical illness protection for young professionals and families

Health Start

- Provides coverage against the top life threatening diseases like cancer, heart attack, and stroke
- Doubles as life insurance coverage

Renewable and affordable health insurance plan for single, young professionals

Health Start Lite

- Fully online health plan
- Provides critical illness protection for as low as P535 monthly

Comprehensive worldwide medical coverage

Global Health Access

- The best-in-class comprehensive health plan
- Gives access to the best health solutions in the Philippines and abroad

Convenient and quality health and medical services within reach—even at a distance

With the community quarantine and physical distancing protocols in place, many Filipinos find it difficult to get the medical services that they need. By strengthening its partnerships with MyPocketDoctor, AIDE, and Preferred Consultation and Care, AXA Philippines addressed the need for safe, less-contact at-home health services and teleconsultations. The Emma by AXA PH app is our own emergency initiative, which gives policyholders access to urgently needed assistance (Rescue Line) and the power to purchase quality insurance online, as well as monitor their investments.

It should be noted that Filipinos are often hesitant to apply for insurance coverage because of the product's reputation for being expensive, not to mention a time-consuming process. With AXA's partnership with GCash, more people can take charge of their lives and their health and prove that being prepared for the future does not have to cost more than they can pay.

GCash Insure is a comprehensive Life, Personal Accident (PA) and Daily Hospital Income (DHI) insurance product for GCash users, aged 18 to 65. For as low as P39 and with coverage up to P400,000, including select COVID-related expenses, this insurance product is about as accessible as mobile load.

We also launched CEB Health Protect in partnership with Cebu Pacific. This non-travel insurance coverage offers attainable packages for three of the most critical and most common diseases in the Philippines: cancer, heart attacks, and strokes. According to the Department of Health, we lose over 90 of our fellow citizens to cancer daily, and heart disease has long been the leading cause of death among Filipinos.

This allows both parties to reach out to more people, and to give those traveling with Cebu Pacific some peace of mind by covering their flight and their health.

To continue serving Filipinos in all circumstances, we've launched new programs and special services that meet our policyholders where they are.

In times of both crisis and calm, we believe in that old adage, "safety first." AXA Virtual Assistant (AVA) is just one of our ways of reaching out without putting anyone in danger—one more avenue by which we can make insurance more accessible. With this contactless service, we take care of our policyholders even from afar.

In early 2020, the Metropolitan Manila Development Authority reported that the previous year had seen an all-time high for vehicular accidents—specifically, a total of 121,771 incidents, marking a 6.25% increase from 2018. We understand that this sparked concern for those who are regularly on the road. That is why we now have the AXA Motor Club, which provides exclusive benefits to policyholders, such as roadside assistance, 24/7 access to concierge services, and help with Land Transportation Office (LTO) registration.



Supporting goals and future plans—even in uncertain times

AXA Philippines understands that this situation has strengthened the resolve of many to bounce back and continue reaching for their goals in life. As the insurance partner of our policyholders, AXA Philippines lends a hand by helping our fellow Filipinos grow their hard-earned funds with affordable online investment and insurance plans so that they can build towards a more hopeful future.



Goal Getter

- Provides convenience in achieving one's goals
- Available online



MyLifeChoice –Health

- Helps policyholders prepare for health setbacks while growing their money at the same time
- Allows policyholders to personalize a policy based on their priorities, budget, desired payment terms, investment profile, and desired supplementary benefits

Corporate Social Responsibility

Since the 1950s, various companies and corporations have integrated programs en masse to give back to their respective communities. The impact is undeniable to the point that organizations require corporate social responsibility of themselves—and to the point that governments are currently making moves to require it by hard law.

At AXA, we make it our business to ensure that we not only improve our service but also to help the communities we serve to make progress on their own. Accessibility, diversity, and adaptability in the workplace may only be the first steps in a long trek towards a more inclusive and compassionate world. Still, these are what we owe ourselves, our policyholders, our children—and even the people we have yet to meet.

We subscribe to the belief that one good turn inspires another; incorporating our hopes for the future in all that we do will reach even farther than we can.

Helping hands in the health sector

At AXA Philippines, we also believe in teaching children to be health-conscious as early as possible. Malnutrition is a serious health concern among younger people and a violation of a person's right to survival and adequate development. The lack of nutrients and variety in modern diets is not just a medical issue but also both a manifestation of and contributor to any number of socioeconomic problems. The Prevention and Management of Overweight and Obesity in Children project aims to address these concerns in the Philippines and Brazil.

This partnership expands UNICEF's original program, which was meant for older children and young adults between the ages of 5 and 19, to then include children between the ages of 0 and 5. Though the results of the 2018 Expanded National Nutritional Survey as conducted by the Food and Nutrition Research Institute showed that the likelihood of obesity increases in the initially intended age bracket, we at AXA Philippines believe that good habits should be formed early, and that children and their caregivers have the right to correct information about their health. This way, we improve the knowledge, attitudes, and practices of these children, in addition to improving their food environments and equipping the relevant delivery systems with the right tools. Our hope is to garner further support and have a hand in the creation of long-term change through health-conscious legislation and policy-making.



Looking out for one another in more ways than one

As a rule, AXA Philippines makes it a point to look at things from all sides. The conversation around holistic approaches to healthcare is just picking up speed. Still, in the face of a foreseeable but unpredictable future where the only guarantee was safety in isolation, we discovered that mental health is often tied to—and is just as important as—one's physical health, or seeing to one's financial security. From publishing hacks for maximizing time and productivity to initiating health webinars; from pointers for expectant mothers to tried and true investment strategies; from mental wellness tips to a refresher on defensive driving, AXA continues to spread the message that if we stay ready, we won't have to get ready.

Knowing this, the most pressing issue of the moment was still the COVID-19 crisis; our collaboration with the WASH Program and Philippine Red Cross aimed to increase awareness and prevention campaigns in public spaces. Two public schools were outfitted with pedal-activated alcohol dispensers, soap, mobile sinks and faucets, as well as the pertinent communication materials.

Moreover, we understand that there are a myriad of factors that affect the overall health of a nation and its people. Something as simple as a renewable light source could change the lives of an entire household completely, and so it is with great pride that we partner with Liter of Light, and count 200 assembled solar lamps that were delivered to families in women-based communities outside of the electric grid.

AXA Philippines is also gunning for a sustainable future by going paperless. In addition to doing away with paper waste, this initiative also minimizes physical contact points in any transaction.

Creating wider horizons for all is possible—and necessary

In recent years, the concept of tolerance has been touted as the standard for diversity. At AXA Philippines, we believe that that bar is far and away too low. We believe not only in “recognizing differences” but also in fully celebrating what makes each person unique—this means meeting them where they are.

Apart from the obvious advantage of giving our company a better idea of how to serve a growing and ever-diversifying population of Filipinos, AXA stands firm in the belief that giving those who have previously been silenced—for who they love, for the color of their skin, or simply for being their true self—more to work with is the key to a prosperous, fair, and compassionate tomorrow. Our anti-discrimination policy still stands to protect not only our clients, but also our own teams, to this effect.

A necessary facet of our fight against discrimination is reaching out to those with disabilities.

Whether they be physical handicaps or cases of neurodivergence, AXA Philippines is committed to assisting and protecting the interests of the people with disabilities. We also partnered with Bukas Buhay Cooperative Livelihood Assistance to produce facemasks which were supplied to public schools for the Brigada Eskwela program. This allowed its cooperative members with disabilities a better chance of bouncing back from the financial setbacks of the pandemic. We also know that community-building is important for persons with autism and Down syndrome. In line with this, we raised funds and supported Best Buddies' Virtual Game Night to provide activity-packed get-togethers for persons with autism and Down syndrome to address the lack of social interaction brought on by the pandemic.

Setting the stage for future generations

In the past year, AXA Philippines has also partnered with Metrobank and the Department of Education to teach financial literacy in elementary schools. Following through from the project's launch in October 2019, teachers from partner schools have been trained in financial literacy to give the next generation of responsible adults a boost—as early as Grade 6.

Apart from teaching young minds the value of saving money, we as an insurance company naturally believe that to be forewarned is to be forearmed. There are many pitfalls in the adult world that guardians do not always remember to warn their children about, especially when it comes to money; sadly, it may happen because the adults in their lives were also unaware.

We believe that whatever economic growth the country experiences should be felt by all—not only those currently with the resources to drive that growth. This CSR initiative is just the first of many steps towards giving every Filipino their best chance at a brighter, more secure tomorrow.



Board of Directors



Board of Directors



SOLOMON S. CUA Chairman

Age: 65 years old

Date of first appointment: 2010

Length of Service: 10 years

Directorship in other companies:

Charter Ping An Insurance Corporation,
Philippine Racing Club, Inc.,
Grand Titan Holdings, Inc.,
Philippine Newton Global Solutions
Palm Integrated Commodities, Inc.,
SC & SSC Holdings, Inc., and Profriends
Developer, Inc.,
Metropolitan Bank and Trust Co.

Relevant experience: Mr. Cua was Vice Chairman of First Metro Investment Corporation from 2005 to 2016, Director of First Metro Investment Corporation from 2001 to 2016, and Director of Metropolitan Bank, China from 2014 to 2016.

Qualifications:

Chairman Cua completed his Bachelor of Arts in Economics & Mathematical Science from the University of Melbourne, Bachelor of Law from University of Queensland, and Masters in Law from London School of Economics & Political Science. He was Undersecretary of Department of Finance from 1998 to 2000

Trainings Attended in 2020:
Corporate Governance Seminar



ARTHUR V. TY Vice Chairman / Non-Executive Director

Age: 54 years old

Date of first appointment: 2016

Length of Service: 4 years

Directorship in other companies:

Metropolitan Bank & Trust Company,
Metropolitan Bank (China) Ltd.,
GT Capital Holdings, Inc.,
First Metro Investment Corporation,
Philippine Savings Bank,
Charter Ping An Insurance Corporation (2018).

Relevant experience:

Mr. Ty is currently the Chairman of Metropolitan Bank & Trust Company, Metropolitan Bank (China) Ltd., and GT Capital Holdings. He is currently the Vice Chairman of First Metro Investment Corporation and Philippine Savings Bank.

Qualifications:

Mr. Ty completed his Bachelor of Science in Economics from University of California, Los Angeles, and Masters in Business Administration from Columbia University, New York.

Trainings Attended in 2020:

Advanced Corporate Governance Training Program, Institute of Corporate Directors

Board of Directors



**FERNAND ANTONIO
A. TANSINGCO**
Vice Chairman /
Non-Executive Director

Age: 54 years old

Date of first appointment: 2010

Length of Service: 10 years

Directorship in other companies:

Metrobank
(Bahamas) Limited,
Charter Ping An Insurance Corporation (2018)

Relevant experience:

Mr. Tansingco is currently the Head of the Financial Markets Sector, Senior Executive Vice President and Treasurer, of Metropolitan Bank and Trust Company. Director of Metrobank (China) limited from 2012 to 2016. Adviser of Metrobank (China) Limited since 2016.

Qualifications:

Mr. Tansingco completed his Bachelor of Science in Electrical Engineering from the University of the Philippines. He is a Chartered Financial Analyst (CFA).

Trainings Attended in 2020:

Corporate Governance Seminar



RAHUL HORA
Member, President & CEO

Age: 47 years old

Date of first appointment: 2016

Length of Service: 4 years

Directorship in other companies:

Charter Ping An Insurance Corporation

Relevant experience:

Mr. Hora was the Chief Operating Officer of AXA Philippines from 2015 to 2016, Chief Agency officer from 2009 to 2016, Board member from 2012 to 2014, and Regional Distribution Head of AXA ASIA from 2007 to 2009. He also held different positions in other life insurance companies from 1996 to 2007.

Qualifications: Mr. Hora completed his Bachelor of Science from St. Stephen's College and Post Graduate Degree from Centre of Management Development with MBA Marketing

Board of Directors



GORDON WATSON

Member, Non-Executive Director

Age: 56 years old

Date of first appointment: 2018

Length of Service: 2 years

Directorship in other companies:

AXA ASIA (2018), AXA China Region Insurance Company (Bermuda) Limited (2018), AXA China Region Insurance Company Limited (2018), AXA Wealth Management (HK) Limited (2018), AXA General Insurance Hong Kong Limited (2018).

Relevant experience:

Mr. Watson has been with AIG / AIA for over thirty years and has held many key senior roles based out of London, New York, Nairobi, Dubai, Tokyo, Seoul and Hong Kong. The last 20 years he has been based in Asia. From 2008 to 2010, he was the Regional President for AIG Life Companies in Japan & Korea and then Global Executive Vice Chairman for ALICO responsible for the Japan business and also overseeing the remaining 50 countries for strategy, distribution, corporate solutions, product and marketing. Since 2011, Gordon Watson has been Regional Chief Executive responsible for AIA Group's operations in Hong Kong & Macau, Australia, the Philippines, Vietnam and New Zealand as well as the Group's Corporate Solutions, Healthcare, Partnership and AIA Vitality businesses.

Qualifications:

Mr. Watson has an MBA and is both a Fellow of the Chartered Insurance Institute and the Society of Marketing.



FRANCOISE GILLES

Non-Executive Director

Age: 45 years old

Date of first appointment: 2020

Length of Service: 1 year

Directorship in other companies:

Charter Ping An Insurance Corporation;
AXA Bank Belgium;
AXA Banque France;
AXA Bank Europe SCF

Relevant experience:

Ms. Gilles has been Chief Risk Officer and Head of Insurance Office at AXA Asia since October 2019. Prior to her current role, she was Member of the Executive Board of AXA Asia since October 2019.

Qualifications:

Ms. Gilles holds both a Master Degree in Actuarial Sciences and Civil Engineer in Applied Mathematics in Universite Catholique de Louvain-le-Nueve.

Board of Directors



ALESANDRA T. TY
Member / Treasurer
/ Non-Executive Director

Age: 41 years old

Date of first appointment: 2010

Length of Service: 10 years

Directorship in other companies:

GT Capital Holdings, Inc.,
Federal Homes, Inc.,
Sumisho Motor Finance Corporation,
First Metro Investment Corporation,
GT Foundation, Inc.

Relevant experience: GT Capital Holdings, Inc., Federal Homes, Inc., Sumisho Motor Finance Corporation, First Metro Investment Corporation, GT Foundation, Inc., ORIX Metro Leasing and Finance Corporation.

Qualifications:

Ms. Ty completed her Bachelor of Science in Legal Management from the Ateneo de Manila University, and Masters in Business Administration from China Europe International Business School, Shanghai, China.

Trainings Attended in 2020:

Corporate Governance Seminar



DONGJUN CHOI
Member

Age: 49 years old

Date of first appointment: 2020

Length of Service: 1 year

Directorship in other companies:

AXA ASIA, AXA Holdings Japan Co., Ltd

Relevant experience:

Mr. Choi has been Chief Strategy and Customer Officer since February 2020 and Member of the board for AXA Holdings Japan Co., Ltd. since June 2020.

Qualifications:

Mr. Choi completed his Bachelor of Law at Seoul National University, College of Law, Seoul, South Korea and Master of Business Administration (MBA) at Northwestern University, Kellogg School of Management.

Board of Directors



JAIME C. LAYA Independent Director

Age: 82 years old

Date of first appointment: 2006

Length of Service: 14 years

Directorship in other companies:

Charter Ping An Insurance Corporation, Philtrust Bank, Escuela Taller de Filipinas Foundation, Inc., GMA Network, Inc., GMA Holdings, Inc., Ayala Land, Inc., Manila Water Company, Inc., Cultural Center of the Philippines, St. Paul University QC, Ayala Foundation, Yuchengco Museum, Don Norberto Ty Foundation Inc., Metropolitan Museum of Manila

Relevant experience:

Mr. Laya was the Minister of Budget from 1975 to 1981, Minister of Education, Culture, and Sports from 1984 to 1986, Governor of Central Bank of the Philippines from 1981 to 1984, Chairman of the National Commission for Culture and the Arts from 1996 to 2001, Professor and Dean of Business Administration of the University of the Philippines until 1987.

Qualifications:

Mr. Laya is a Certified Public Accountant since 1957. Mr. Laya completed his B.S.B.A Accountancy from the University of the Philippines, MS in Industrial Management from Georgia Institute of Technology, and Ph.D. in Financial Management from Stanford University.

Trainings Attended in 2020:

Corporate Governance Seminar



LOPE M. YUVIENCO Independent Director

Age: 76 years old

Date of first appointment: 2008

Length of Service: 12 years

Directorship in other companies:

Charter Ping An Insurance Corporation

Relevant experience:

Mr. Yuvienco was an Independent Director of ORIX Metro Leasing and Finance Corp. from 2005 to 2007, Director for Regulatory and Government Sector of Buenaventura Echaz & Partners from 2001 to 2003, and Vice President of Citibank N.A., Manila from 1972 to 1994.

Qualifications:

Mr. Yuvienco completed his Bachelor of Science in Business Administration and Master in Business Administration from the University of the Philippines and is a Certified Public Accountant.

Trainings Attended in 2020:

Corporate Governance Seminar

Board of Directors



**CARMELO MARIA
LUZA BAUTISTA**
Director

Age: 64 years old

Date of first appointment: 2019

Length of Service: 1 year

Directorship in other companies:

Federal Land, Inc., Toyota Motor Philippines Corporation (TMP), GT Capital Auto Dealership Holdings, Inc. (GTCAD)

Relevant experience:

Mr. Bautista assumed the role of Director and President of GT Capital in 2011. Prior to his election, he joined First Metro Investment Corporation (FMIC) in April of 2008 as Executive Director and was appointed as Chairman of the Risk Management Committee. He later assumed the position of Head of FMIC's Investment Banking Group in 2009. Mr. Bautista has been in the Banking and Financial Services sector for 42 years. Some highlights of his previous scope of responsibilities over this period include: Program Director at Citibank Asia Pacific Banking Institute; Vice President and Head of the Local Corporate and Public Sector Groups Citibank-Manila; Vice President-Real Estate Finance Group, Citibank N.A.-Singapore branch; Vice President-Structured Finance, Citibank N.A.-Singapore Regional Office; Country Manager, ABN AMRO Bank-Philippines; and President and CEO, Philippine Bank of Communications.

He is also an Adviser to the Board of Trustees of GT Foundation, Inc. and an Independent Director of Vivant Corporation, a listed company.

Qualifications: Mr. Bautista has a Master's Degree in Business Management from the Asian Institute of Management where he graduated in the Dean's Citation List. He also has a Bachelor's degree, Major in Economics, from the Ateneo de Manila University.

LYNDON OLIVER
Director

From July 5, 2019 to January 8, 2020

JAMESON ONG*
Adviser to the Board

ANGELICA S. REYES
Corporate Secretary

JILL MARIE B. LOPEZ
Asst. Corporate Secretary

ARIC JUSTIN TY
Asst. Corporate Secretary

*To attend twice a year only

Executive Leadership Team



Rahul Hora
President and CEO



Jaspreet Singh Kakar
Chief Human Resources Officer



Gael Lapie
Chief Financial Officer



Aleta Y. Lepatan
Chief Operations Officer



Rosa Maria L. Musico
Chief of Commercial Business



Maria Faustina B. Raymundo
Chief Distribution Officer



Alok Kumar Arunkumar Roongta
Chief of Retail Propositions



Delfin Jay Sabido XI
Chief Transformation and Technology Officer



Ronaldo C. San Jose
Chief Risk Officer



Fernando V. Villar
Chief Customer Officer

Corporate Governance

AXA Philippines is committed to the highest standard of corporate governance.

AXA Philippines board-approved Corporate Governance Manual (CGM) is the local implementation of the Regional Corporate Governance Blueprint (RCGB) rolled-out by the Regional Office in 2008. The CGM seeks to bridge the gaps between the Regional Corporate Governance Standards and the existing corporate governance structure in AXA Philippines. The CGM also embodies the corporate governance rules and regulations of the Securities & Exchange Commission (SEC), and the Insurance Commission (IC) and incorporates policies on the compliance system.

The Board of Directors

Board Composition

The Board is composed of eleven highly qualified business professionals. Of the eleven, two are independent directors. The members of the Board collectively have the full range of skills needed for the effective and prudent operation of AXA Philippines. Each director has skills that allow him or her to make an effective contribution to the Board deliberations and processes.

The Board will have at least two (2) independent directors.

Duties and Responsibilities of the Board

The Board of Directors has the overall responsibility for:

- governance of the Company including its strategic direction;
- reviewing and approving plans established by management;
- monitoring of performance against agreed plans;
- establishment and monitoring of internal controls and compliance with applicable legislative and regulatory requirements; and
- delegation of authority to management.

The directors consider that there are fundamental ethical values that underpin their role as directors and as members of its Board and committees. At all times, directors are expected to:

- act with integrity;
- be honest and open with each other;
- ensure whenever and wherever possible that they do not engage in any activities that may result in a conflict of interest with their duties to the Company and that cannot be appropriately managed;
- work co-operatively among themselves and with management in the best interests of the Company;
- recognise the separate roles and responsibilities of the Board and management;
- be diligent and continuously strive to improve the Company and Board operations and performance;
- observe the letter and the spirit of the constitution, laws, regulations and any policies under which the Company operates;
- have an active interest in and concern for the communities in which the Company operates; and
- avoid any behaviour that is likely to reflect badly on the Board or the Company.

Policy on Conflicts of Interest

Under AXA Philippines' CGM, Directors are required to disclose any conflicts of interest and to abstain from participating in any discussion or voting on any matter in which they have a material personal interest except with the prior approval of the Board.

Board Attendance

The Board holds regular meetings, at least four (4) times a year, on dates set at the beginning of every year. In 2020, the Board held six (6) meetings with an attendance rate of 85%.

	JAN 8	MAR 13	APR 20	JUN 26	SEP 14	NOV 16	DEC 21
Solomon S. Cua	✓	✓	✓	✓	✓	✓	✓
Arthur V. Ty	✓	✓	✓	✓	✓	✓	✓
Fernand Antonio A. Tansingco	✓	✓	✓	✓	✓	✓	✓
Rahul Hora	✓	✓	✓	✓	✓	✓	✓
Carmelo Maria Luza Bautista	✓	✓	✓	✓	✓	✓	✓
Alesandra T. Ty	✓	✓	✓	✓	✓	✓	✓
Lope M. Yuvienco	✓	✓	✓	✓	✓	✓	✓
Jaime C. Laya	✓	✓	✓	✓	✓	✓	✓
Gordon Watson	✓	✓	✓	✓	✓	✓	✓
Francoise Gilles*			✓	✓	✓	✓	✓
Dongjun Choi**				✓	✓	✓	✓
Jameson Ong	✓	✓	✓	✓	✗	✗	✗
Angelica S. Reyes	✓	✓	✓	✓	✓	✓	✓
Aric Justin Ty	✓	✓	✓	✓	✓	✓	✓

* Elected on 20 April 2020

** Elected on 26 June 2020

Board Committees

AXA Philippines exercises authority over specific aspects of its business through various Board Committees.

Executive Committee (EXCOM)

The EXCOM is currently composed of seven (7) directors which includes the Chairman of the Board, Vice-Chairman, and President and CEO. The EXCOM acts within the power and authority granted by the Board and is called upon when the Board is not in session to exercise the powers of the latter in the management of the Company.

	MAR 25	MAY 29	JUL 30	AUG 26	OCT 28
Solomon S. Cua	✓	✓	✓	✓	✓
Arthur V. Ty	✓	✓	✓	✓	✓
Fernand Antonio A. Tansingco	✓	✓	✓	✓	✓
Rahul Hora	✓	✓	✓	✓	✓
Francoise Gilles*		✓	✓	✓	✓
Dongjun Choi**			✓	✓	✓
Alesandra T. Ty	✓	✓	✓	✓	✓

* Elected on 20 April 2020

** Elected on 26 June 2020

Board Risk Management, Audit & Compliance Committee (BRMACC)

AXA Philippines BRMACC monitors and approves internal controls, risk management policies and procedures. BRMACC reviews and approves material or significant related-party transactions (RPTs). It monitors AXA Philippines business conduct and compliance with laws, regulations, Company policies and relevant codes of conduct.

	FEB 26	MAR 13	JUN 10	SEP 17	NOV 20	DEC 9
Jaime C. Laya	✓	✓	✓	✓	✓	✓
Solomon S. Cua	✓	✓	✓	✓	✓	✓
Lope M. Yuvienco	✓	✓	✓	✓	✓	✓
Francoise Gilles*			✓	✓	✓	✓
Angelica S. Reyes	✓	✓	✓	✓	✓	✓

* Elected on 20 April 2020

Board Investment Committee (BIC)

The BIC approves material acquisitions and disposal of Company property.

	APR 23	JUN 29	NOV 3	DEC 15
Fernand Antonio A. Tansingco	✓	✓	✓	✓
Rahul Hora	✓			✓
Francoise Gilles*			✓	✓
Solomon S. Cua	✓	✓	✓	✓
Carmelo Maria Luza Bautista	✓	✓	✓	✓
Ronaldo C. San Jose	✓	✓	✓	✓

* Elected on 20 April 2020

Risk Management and Compliance

AXA Philippines is in the business of risk, and risk management for our customers is one of its core competencies. AXA Philippines considers risks are owned by the respective business units and process owners. Therefore, everyone in AXA Philippines is expected to proactively manage the risks inherent in their respective areas.

AXA Philippines commits to comply with all insurance and consumer laws and regulations. In this regard, AXA Philippines shall continuously enhance its compliance programs that will assist its employees and the Board in identifying, measuring, monitoring, reporting and controlling compliance and business risks.

Board Risk Management, Audit and Compliance Committee (BRMACC)

The BRMACC is mandated to assist the Board in overseeing the risk management and compliance of AXA Philippines. The BRMACC's primary duties and responsibilities are as follows:

Compliance, Risk Management & Internal Control

To allow the Committee to review and form an opinion on the effectiveness of the Company's compliance, risk management and internal control frameworks, the Committee:

- Considers management's and/or internal / external auditors' assessments of the effectiveness of the internal control and risk management processes including any weaknesses or other issues revealed by investigations of the causal factors behind events such as internal frauds, significant legal actions and reported operational failures, as well as the results of reviews performed by bodies such as internal and external audit, compliance, management control functions, and regulators;

- b.** Reviews regular updates from management on significant complaints, external and internal fraud.
- c.** Obtains regular updates from management, Compliance and Legal on significant regulatory compliance matters, the effectiveness of systems for monitoring compliance and any instances of non-compliance;
- d.** Obtains regular updates from Legal on the status of material open litigation and other proceedings and the related reserves;
- e.** Reviews periodically any significant complaints received;
- f.** Reviews business risk profiles and periodic risk management statements including key risk report and action plan progress;
- g.** Reviews and monitors fraud and anti-money laundering policies of the Company;
- h.** Discusses with management the Group's framework for assessing and managing the Group's exposure to risks, the results of the risk assessments performed, and the steps management has taken to monitor that such exposures remain within the risk appetite set by the Group;
- i.** Validates the Company's risk appetite position, as endorsed by the LRC, and set alert levels and limits on all functional risk indicators at least once every year, and should make all necessary decisions to manage risk consistently with their risk appetite;
- j.** Assists the Board in performing its oversight functions for avoiding conflicts of interest of related parties by:
 - i.** Implementing effective controls to effectively manage and monitor Related Party Transactions (RPTs) and ensure compliance with the approved RPT policy guidelines, as well as regulatory requirement;
 - ii.** Reviewing and approving RPTs and ensure that dealings and ensure that dealings with RPTs are conducted on an arm's length basis at all times;
 - iii.** Overseeing the evaluation of RPTs to ensure that approvals are conducted at arm's length basis, and made for the best interest of AXA Philippines
 - iv.** Ensuring that appropriate steps are taken to control or mitigate the risks, and
 - v.** Ensuring that these duties and duties that may from time to time be required under the existing Related Party Guidelines of the Company are performed.
- k.** The scope of the systems of internal control, as reviewed by the Committee, should include internal control systems, including information technology security, that help ensure sound financial reporting and safeguarding of the Company's assets.

Financial Statements & Reporting Processes

To allow the Committee to form an opinion on the integrity of the publicly reported results and disclosures made in the financial statements of AXA Philippines and its contribution to the AXA Group and/ or Metrobank Group consolidated financial statements, the Committee:

- a.** Reviews recent professional and regulatory issues and pronouncements and their impact on the financial statements and reporting processes of the Company;
- b.** Reviews the results of management's testing of internal controls over financial reporting designed to assure the integrity of the entities' financial statement disclosures;
Reviews the draft local GAAP financial statements to be submitted for approval to the Board to consider the quality, accuracy, completeness and clarity of the information provided and challenge, where necessary, the actions and judgments of management, particularly focusing upon:
 - i.** Significant accounting policies or practices and any changes thereto;
 - ii.** Compliance with Accounting Standards;
 - iii.** Material decisions requiring a major element of judgment or significant estimates;
 - iv.** The treatment and disclosure of any new complex and/or unusual transactions during the period;
 - v.** Any significant adjustments resulting from external audit work or otherwise;
 - vi.** Any qualifications or non-compliance with accounting standards or any listing, regulatory and/or legal requirements with regard to financial reporting;
 - vii.** Any matters drawn to the attention of the Committee by the Company's external auditors;

Considers the reconciliation between local GAAP financial statements and the financial statements reported for consolidation by the AXA Group and/ or Metrobank Group;

Considers the results of, and procedures for the receipt, retention and investigation of, any significant complaints received by the Company regarding accounting, internal controls over financial reporting, or auditing matters.

External Auditors

To allow the Committee to form an opinion on the effectiveness, performance and independence of the Company's external auditors, the Committee:

- a.** Considers the external auditors' internal policies and procedures regarding independence and quality control and receive confirmation that they have been applied;
- b.** Reviews the external auditors' assignment plan, annual report and management letter;
- c.** Monitors the statutory audit of the annual and consolidated financial statements;
- d.** Informs the Board of Directors of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of financial reporting and what the role of the Committee was in that process;
- e.** Reviews and monitors the independence of the external auditors;
- f.** Reviews and makes a recommendation to the Board of Directors as to the appointment of the external auditors to provide non-audit services after analysing the threats to their independence and relevant safeguards that have been applied by the auditors;
- g.** Considers the Group Non-Audit Services Policy and its implementation and advise the Board as to whether any updates or changes should be made to this Policy on a regular basis;
- h.** Reviews the breakdown of the fees paid to the external auditors by the Company;
- i.** Considers the appointment, reappointment, dismissal or resignation of the external auditors and oversee the process for selecting the external auditors, making recommendations regarding their appointment, reappointment, or dismissal to the Board;
- j.** Reviews the additional report required from the external auditors and including their declaration of independence.

Internal Auditors

To allow the Committee to form an opinion on the effectiveness, performance and independence of the Company's internal auditors:

- a.** Reviews and approves the Company's internal audit plan, charter, and activities particularly with regard to the Company's strategy and risk and control profile, ensuring it being adequately resourced and free from constraint by management;
- b.** Considers the adequacy of resources available to the Company's internal audit function (both financial budget and skills available) in the context of the risk and control profile of the Company;
- c.** Reviews the major findings presented by Internal Audit and consider the appropriateness of management's response to them;
- d.** Reviews the quarterly report on resolution of internal audit issues, requesting further management explanation where necessary for high priority issues that are overdue;
- e.** Review a periodic independent assessment of the effectiveness of the internal audit function, including compliance with the International Professional Practices Framework or generally accepted auditing standards;
- f.** Reviews the performance of the internal audit function including a periodic objective assessment of the effectiveness of the internal audit function; and
- g.** Considers the appointment, appraisal, resignation and dismissal of the Head of Audit

Other Duties

The Committee:

- a.** Performs other activities according to the applicable regulatory requirements and the joint venture agreement between the shareholders;
- b.** Performs other activities related to these terms of reference as requested by the Board;

- c. Reviews and assesses the adequacy of these terms of reference annually, requesting Board approval for proposed changes;
- d. Confirms annually that all responsibilities outlined in these terms of reference have been carried out; and
- e. Evaluates the performance of the Committee and its members on a regular basis.

Related Party Transactions

AXA Philippines has an existing Related Party Guidelines being implemented pursuant to Insurance Commission Circular No. 2017-29 dated May 2, 2017. Said Guidelines is being implement to: (1) Ensure that Related Party transactions are only undertaken on an arm's length basis for the financial, commercial and economic benefit of AXA Philippines and the entire group where AXA Philippines belongs; (2) Identify, manage or avoid conflict of interest and comply with regulatory and best practices; and (3) Ensure that a process for approval or rejection of Related Party transaction has been undertaken.

The RPT policy guidelines cover and capture a broader spectrum of transactions not only those that give rise to credit and/or counterparty risks but also those that could pose material risk or potential abuse to AXA Philippines, and its stakeholders. Approval and endorsement by the appropriate Related Party Committee (Committee) is required for all related party transactions which would have significant risks to AXA Philippines, among others.

Under the guidelines, the members of the board, stockholders, and management shall disclose to the Committee whether they directly, indirectly or on behalf of third parties, have a financial interest in any transaction or matter affecting AXA Philippines. Directors and officers with personal interest in the transaction shall abstain from the discussion, approval and management of such transaction or matter affecting AXA Philippines.

The Guidelines also require disclosure and reporting according to the requirements of regulations.

Dividend Policy

AXA Philippines shall declare and pay dividends out of the unrestricted retained earnings which shall be payable in cash, property or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law and applicable rules and regulations. In so doing, the Board of Directors shall take into account the provisions of applicable law, the By-laws, and the reasonable financial requirements of the Corporation for the following 12 months in order for the Corporation to maintain a solvency ratio that is at least compliant with the applicable laws plus such margin as is determined by the Board of Directors from time to time.

For 2020, AXA Philippines declared and paid cash dividends of Php 2.07 billion from its unrestricted retained earnings as of 31 December 2019, payable to its stockholders in proportion to their respective shareholdings.

Whistle Blowing Policy

AXA Philippines adheres to its 2018 Local Whistleblower Policy which is designed to facilitate fair and thorough investigations of all reported instances of improper conduct through a mechanism that ensures that the person making the disclosure is protected from any potential reprisals or retaliatory actions. All reported incidents and any information given will be treated in confidence and every effort will be made not to reveal the identity of the person making the disclosure. Reporting of any concerns or suspicions on possible violation of rights or unethical behavior may be made through the following details below:

AXA Philippines

34/F GT Tower, 6813 Ayala Avenue corner H.V. dela Costa Street, Makati City
Tel. No.: +63 2 8885-0101
Email: whistleblower@axa.com.ph

AXA Group

Email: speak-up@axa.com



Financial Statements

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Philippine AXA Life Insurance Corporation

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of Philippine AXA Life Insurance Corporation (the Parent Company), which comprise the parent company statements of financial position as at December 31, 2020 and 2019, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Parent Company as at December 31, 2020 and 2019, and its parent company financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the parent company financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In connection with our audits of the parent company financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the parent company financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, management is responsible for assessing the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Parent Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Parent Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Responsibilities of Management and Those Charged with Governance for the Parent Company Financial Statements

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 31 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic parent company financial statements. Such information is the responsibility of the management of Philippine AXA Life Insurance Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic parent company financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic parent company financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Juan Carlo B. Maminta
Partner

CPA Certificate No. 115260 Accreditation No. 115260-SEC (Group A)

Valid to cover audit of 2020 to 2024

financial statements of SEC covered institutions Tax Identification No. 210-320-399

BIR Accreditation No. 08-001998-132-2020,

November 27, 2020, valid until November 26, 2023

PTR No. 8534323, January 4, 2021, Makati City

April 28, 2021

PHILIPPINE AXA LIFE INSURANCE CORPORATION
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

		December 31	
	Notes	2020	2019
ASSETS			
Cash and cash equivalents	4	₱3,223,433,010	₱3,610,752,638
Insurance receivables	5	536,059,769	424,937,396
Financial assets	6		
Financial assets at fair value through profit or loss		1,981,685,067	2,017,978,394
Available-for-sale financial assets		13,705,586,986	11,115,743,912
Loans and receivables - net		1,101,460,837	1,061,779,494
Accrued income	7	196,117,215	174,890,352
Investment in a subsidiary	8	5,029,440,576	5,029,440,576
Property and equipment - net	10	681,952,745	507,763,091
Intangible assets - net	11	40,993,650	28,745,346
Deferred tax assets - net	23	1,042,847,047	387,222,550
Right of use assets	26	469,567,119	340,470,959
Other assets		191,807,416	178,088,267
		28,200,951,437	24,877,812,975
Assets held to cover unit-linked liabilities	12	118,475,057,849	107,552,485,888
		₱146,676,009,286	₱132,430,298,863
LIABILITIES AND EQUITY			
Liabilities			
Insurance contract liabilities	13, 14	₱10,416,974,607	₱8,010,724,817
Premium deposit fund		191,165,741	167,836,067
Life insurance deposits		455,545,373	178,993,598
Insurance payables	15	397,363,273	373,924,339
Trade and other liabilities	16	2,628,706,932	2,161,645,478
Lease liability	26	513,307,531	371,497,533
Net pension liability	22	183,835,040	267,849,225
Income tax payable		288,304,429	335,338,413
		15,075,202,926	11,867,809,470
Unit-linked liabilities	12	118,475,057,849	107,552,485,888
		133,550,260,775	119,420,295,358
Equity			
Capital stock	17	1,000,000,000	1,000,000,000
Contributed surplus		50,000,000	50,000,000
Contingency surplus		9,343,183	9,343,183
Retained earnings	17	12,047,241,697	11,287,379,610
Revaluation reserves on available-for-sale financial assets	18	1,424,371,741	736,365,632
Remeasurement gain (loss) on life insurance reserves	13	(1,365,281,833)	70,800,570
Actuarial losses on defined benefit plan	22	(39,762,899)	(143,722,112)
Treasury stock	17	(163,378)	(163,378)
		13,125,748,511	13,010,003,505
		₱146,676,009,286	₱132,430,298,863

See accompanying Notes to Parent Company Financial Statements.

PHILIPPINE AXA LIFE INSURANCE CORPORATION
PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31	
	Notes	2020	2019
REVENUE			
Gross premiums on insurance contracts issued		₱31,602,047,834	₱26,541,347,883
Premiums ceded to reinsurers		(334,970,712)	(304,584,737)
Net insurance premiums	19	31,267,077,122	26,236,763,146
Subscriptions allocated to investment in unit-linked funds	12	(20,813,816,261)	(16,239,127,375)
		10,453,260,861	9,997,635,771
Asset management fees		1,931,145,947	2,004,134,945
Gain on assets held to cover unit-linked liabilities	20	1,616,942,544	10,335,992,733
Investment income	19	679,805,786	898,161,192
Other income		103,011,562	82,933,614
		14,784,166,700	23,318,858,255
BENEFITS, CLAIMS AND OPERATING EXPENSES			
Gross benefits and claims		11,781,386,111	16,289,797,880
Reinsurers' share of gross benefits and claims	19	(113,894,585)	(92,339,436)
Policyholders' dividends and interest	19	116,051,914	95,572,456
Decrease in unit-linked liabilities due to surrenders	12	(9,815,502,978)	(14,738,713,254)
Net benefits and claims incurred	19	1,968,040,462	1,554,317,646
Increase (decrease) in legal policy reserves	13	53,523,909	(616,546,768)
Net insurance benefits and claims		2,021,564,371	937,770,878
Operating and administrative expenses	21	4,886,637,137	4,862,727,303
Commission expense		1,827,762,399	1,966,907,783
Increase in unit-linked liabilities due to gain on assets held to cover unit-linked liabilities	20	1,616,942,544	10,335,992,733
Agency development expenses		240,627,889	301,287,556
Premium and documentary stamp taxes		130,602,797	117,375,016
Interest on lease liability	26	39,116,997	37,661,619
Foreign exchange losses		11,337,239	28,345,618
Interest on defined benefit obligation	22	11,198,491	9,944,904
Medical and inspection fees		3,908,431	3,874,764
Interest on premium deposit fund		3,643,459	3,093,327
		10,793,341,754	18,604,981,501
INCOME BEFORE INCOME TAX		3,990,824,946	4,713,876,754
PROVISION FOR INCOME TAX	23	1,160,962,859	1,325,235,201
NET INCOME		2,829,862,087	3,388,641,553
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified into profit or loss, net of tax:			
Remeasurement gains (losses) on defined benefit plan	22	103,959,213	(65,700,113)
Net change in remeasurement on life insurance reserves	13	(1,436,082,403)	(442,101,575)
		(1,332,123,190)	(507,801,688)
Item that will be reclassified into profit or loss:			
Net change in fair value of available-for-sale financial assets	18	688,006,109	1,236,536,495
		(644,117,081)	728,734,807
TOTAL COMPREHENSIVE INCOME		₱2,185,745,006	₱4,117,376,360

See accompanying Notes to Parent Company Financial Statements.

PHILIPPINE AXA LIFE INSURANCE CORPORATION
PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 17)	Contributed Surplus	Contingency Surplus	Revaluation Reserves on Available-for- sale Financial Assets (Note 18)	Remeasurement Gain (Loss) on Life Insurance Reserves (Note 13)	Actuarial Losses on Defined Benefit Plan (Note 22)	Retained Earnings (Note 17)	Treasury Stock (Note 17)	Total
Balances as at January 1, 2020	₱1,000,000,000	₱50,000,000	₱9,343,183	₱736,365,632	₱70,800,570	(₱143,722,112)	₱11,287,379,610	(₱163,378)	₱13,010,003,505
Net income for the year	—	—	—	—	—	—	2,829,862,087	—	2,829,862,087
Other comprehensive income (loss)	—	—	—	688,006,109	(1,436,082,403)	103,959,213	—	—	(644,117,081)
Total comprehensive income (loss)	—	—	—	688,006,109	(1,436,082,403)	103,959,213	2,829,862,087	—	2,185,745,006
Cash dividends	—	—	—	—	—	—	(2,070,000,000)	—	(2,070,000,000)
As of December 31, 2020	₱1,000,000,000	₱50,000,000	₱9,343,183	₱1,424,371,741	(₱1,365,281,833)	(₱39,762,899)	₱12,047,241,697	(₱163,378)	₱13,125,748,511
Balances as at January 1, 2019	P1,000,000,000	P50,000,000	P9,343,183	(P500,170,863)	P512,902,145	(P78,021,999)	P8,307,738,057	(P163,378)	P9,301,627,145
Net income for the year	—	—	—	—	—	—	3,388,641,553	—	3,388,641,553
Other comprehensive income (loss)	—	—	—	1,236,536,495	(442,101,575)	(65,700,113)	—	—	728,734,807
Total comprehensive income (loss)	—	—	—	1,236,536,495	(442,101,575)	(65,700,113)	3,388,641,553	—	4,117,376,360
Cash dividends	—	—	—	—	—	—	(409,000,000)	—	(409,000,000)
As of December 31, 2019	P1,000,000,000	P50,000,000	P9,343,183	P736,365,632	P70,800,570	(P143,722,112)	P11,287,379,610	(P163,378)	P13,010,003,505

See accompanying Notes to Parent Company Financial Statements.

PHILIPPINE AXA LIFE INSURANCE CORPORATION
PARENT COMPANY STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		₱3,990,824,946	₱4,713,876,754
Adjustments for:			
Interest income	19	(718,287,858)	(766,319,127)
Depreciation and amortization	10, 11, 26	348,590,758	299,902,861
Fair value losses (gains) on financial assets at fair value through profit or loss	6	100,661,947	(109,772,571)
Retirement expense	22	99,094,360	75,066,487
Interest on lease liability	26	39,116,997	37,661,619
Gain on sale of available-for-sale financial assets	18, 19	(36,059,960)	—
Dividend income	19	(24,712,867)	(20,870,886)
Amortization of bond premium (discount)	6	12,715,920	(27,526,805)
Unrealized foreign exchange losses		11,337,239	28,345,618
Interest on defined benefit obligation	22	11,198,491	9,944,904
Provision for credit losses on loans and receivables	6, 21	—	2,863,675
Operating income before changes in working capital		3,834,479,973	4,243,172,529
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Insurance receivables		(111,122,373)	(131,437,994)
Loans and receivables		(39,681,343)	(117,373,031)
Other assets		(13,719,149)	1,648,399
Increase (decrease) in:			
Trade and other liabilities		467,729,917	496,868,057
Insurance contract liabilities		354,703,500	(157,534,860)
Life insurance deposits		276,551,775	(75,183,536)
Insurance payables		23,438,934	201,337,828
Premium deposit fund		23,329,674	37,670,237
Net cash generated from operations		4,815,710,908	4,499,167,629
Proceeds from disposal/maturities of:			
Available-for-sale financial assets	6	5,317,930,569	3,094,356,000
Financial assets at fair value through profit or loss	6	1,113,739,894	1,007,179,891
Acquisitions of:			
Available-for-sale financial assets	6	(7,196,423,494)	(4,091,437,520)
Financial assets at fair value through profit or loss	6	(1,178,108,514)	(1,406,181,108)
Interest received		697,735,129	744,533,093
Interest paid on lease obligation	26	(39,116,997)	(37,661,619)
Contributions paid to the pension fund	22	(46,462,338)	(85,011,393)
Dividends received		24,038,733	21,221,738
Income taxes paid		(1,292,711,401)	(1,433,867,463)
Net cash provided by operating activities		₱2,216,332,489	₱2,312,299,248

(Forward)

		Years Ended December 31	
	Notes	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment	10	(P383,201,808)	(P225,402,500)
Intangible assets	11	(18,096,349)	(25,198,987)
Capital infusion to investment in a subsidiary	8	—	(1,470,000,000)
Net cash used in investing activities		(401,298,157)	(1,720,601,487)
CASH FLOWS FROM FINANCING ACTIVITY			
Cash dividends paid	17	(2,070,000,000)	(409,000,000)
Payment of principal portion of lease liabilities	26	(121,016,721)	(96,462,502)
Net cash used in financing activities		(2,191,016,721)	(505,462,502)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(375,982,389)	86,235,259
EFFECTS OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS		(11,337,239)	(28,345,618)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		3,610,752,638	3,552,862,997
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	P3,223,433,010	P3,610,752,638

See accompanying Notes to Parent Company Financial Statements.



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