



**Ready to Dream Bigger**

AXA Philippines Annual Report 2021

**We're strong enough to face the future.**

Toughened by challenging times,  
we've discovered ways to adapt better,  
learn faster, and come out braver—  
so we can always emerge ready to dream bigger.

**AXA Philippines thrives by protecting  
what truly matters to every Filipino.**

5:02

emma

Good afternoon, MYAXA!  
What can I help you with today?

### POLICIES (61)



Policy  
Information



Claims



Pay Online



Rescue Line



### HEALTH HUB

Your quick access to  
anything health, from  
healthcare services,

[LEARN MORE →](#)

[View all](#)

### More services



Top Up



Withdraw



View Account  
Value



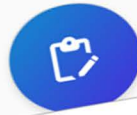
Contact Advisors



Discover



Policies



Services



Docs



Account







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# 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

# TOP 5

FASTEST-GROWING  
FINANCIAL SERVICES  
BRAND GLOBALLY

Ranking is from Interbrand,  
a brand consultancy firm

# #48

BEST GLOBAL  
BRAND

Ranking is from Interbrand,  
a brand consultancy firm

WE NOW HAVE  
**153,000** EMPLOYEES  
WORLDWIDE SERVING  
**105** MILLION  
CUSTOMERS IN  
**54** COUNTRIES

# 13

consecutive years of being  
among the world's Top 50  
Best Global Brands

Ranking is from Interbrand, a brand consultancy firm

# #46

FORTUNE IN GLOBAL  
500 LIST

# OUR PHILOSOPHY



To act for human progress by  
protecting what matters

## PURPOSE



From Payer to Partner

## MISSION



Customer First Integrity  
Courage One AXA

## VALUES

## AXA PHILIPPINES

- Established in 1999
- A joint venture between AXA (45%) and the Metrobank Group (55%)
- Present in the life insurance and general insurance business
- Top 2 player in the Philippine Life Insurance Industry according to the Insurance Commission on a consolidated channels basis
- One of the first in bancassurance operations in the country
- One of the pioneers and leaders to introduce Investment-linked insurance



# Financial Highlights



633

Number of companies or organizations insured

12.6%

Market share  
*\*as of Q4 2021*



1,989,492

Number of individual customers

39.4B

Gross written premiums

6.2B

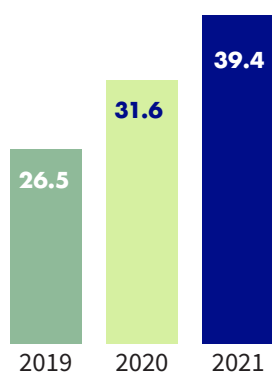
ANNUALIZED  
PREMIUM  
EQUIVALENT

2.8B

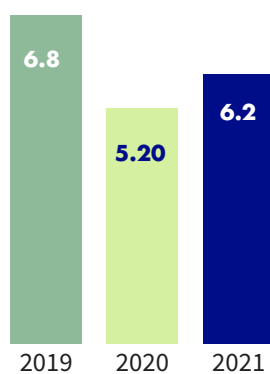


Net income

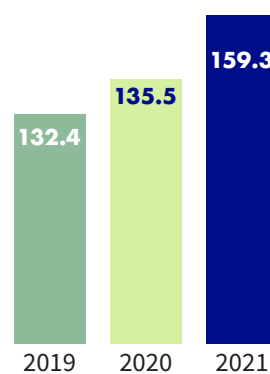




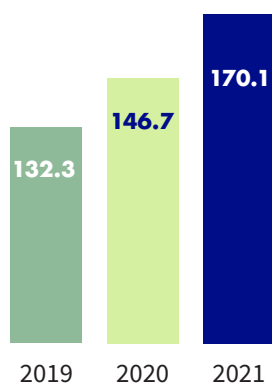
**Gross written premiums**  
in PHP billion  
**CAGR: 14%**



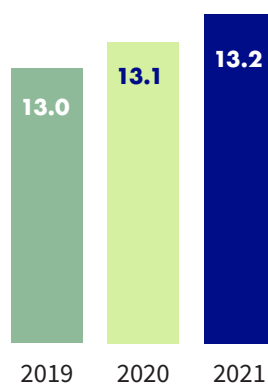
**Annualized premium equivalent**  
in PHP billion  
**CAGR: -3%**



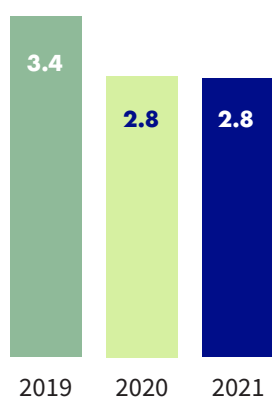
**Assets under management**  
in PHP billion  
**CAGR: 6%**



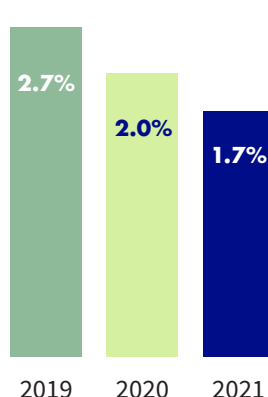
**Total assets**  
in PHP billion  
**CAGR: 9%**



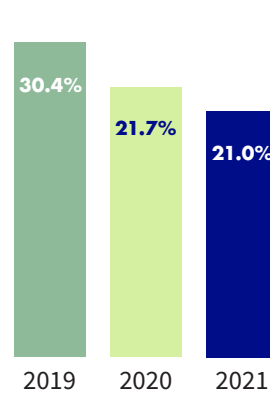
**Total equity**  
in PHP billion  
**CAGR: 1%**



**Net income**  
in PHP billion  
**CAGR: -7%**



**Return on assets**



**Return on equity**

# Board of Directors



## **SOLOMON S. CUA**

*Chairman*

*Age: 66 years old*

*Date of first appointment: 2010*

*Length of Service: 11 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.
- 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 2021:*

*Corporate Governance Seminar*



## **ARTHUR V. TY**

*Vice Chairman /Non-Executive Director*

*Age: 55 years old*

*Date of first appointment: 2016*

*Length of Service: 5 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 2021:*

*Advanced Corporate Governance Training Program, Institute of Corporate Directors*



**FERNAND ANTONIO A. TANSINGCO**

*Vice Chairman /Non-Executive Director*

*Age: 55 years old*

*Date of first appointment: 2010*

*Length of Service: 11 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 2021:*

*Corporate Governance Seminar*



**RAHUL HORA**

*Member, President & CEO*

*Age: 48 years old*

*Date of first appointment: 2016*

*Length of Service: 5 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*



### **GORDON WATSON**

*Member, Non-Executive Director*

*Age: 57 years old*

*Date of first appointment: 2018*

*Length of Service: 3 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: 46 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*





**ALESANDRA T. TY**

*Member / Treasurer/ Non-Executive Director*

*Age: 42 years old*

*Date of first appointment: 2010*

*Length of Service: 11 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 2021:*

*Corporate Governance Seminar*



**DONGJUN CHOI**

*Member*

*Age: 50 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.*



### **JAIME C. LAYA**

*Independent Director*

*Age: 83 years old*

*Date of first appointment: 2006*

*Length of Service: 15 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 2021:*

*Corporate Governance Seminar*



### **LOPE M. YUVIENCO**

*Independent Director*

*Age: 77 years old*

*Date of first appointment: 2008*

*Length of Service: 13 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 2021:*

*Corporate Governance Seminar*



**CARMELO MARIA LUZA BAUTISTA**

*Director*

*Age: 65 years old*

*Date of first appointment: 2019*

*Length of Service: 2 years*

*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.*

**JAMESON ONG\***

*Adviser to the Board*

**ANGELICA S. REYES**

*Corporate Secretary*

**DAN DAVID VINCENT ANTONIO**

*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 IX**

*Chief Transformation  
and Technology Officer*

\*resigned April 24, 2022



**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 2021, the Board held seven (7) meetings with an attendance rate of 85%.

	JAN 26	MAR 31	APR 28	JUN 30	AUG 24	OCT 26	DEC 9
Solomon S. Cua	✓	✓	✓	✓	✓	✓	✓
Arthur V. Ty	✓	✓	✓	✓	✓	✓	✓
Fernand Antonio A. Tansingco	✓	✓	✓	✓	✓	✓	✓
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	✓	✓	✓	✓	✓	✓	✓

### 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.

	FEB 26	MAY 26	JUL 23	SEP 23	NOV 29
Solomon S. Cua	✓	✓	✓	✓	✓
Arthur V. Ty*	✓				
Fernand Antonio A. Tansingco	✓	✓	✓	✓	✓
Rahul Hora	✓	✓	✓	✓	✓
Francoise Gilles*	✓	✓	✓	✓	✓
Dongjun Choi**	✓	✓	✓	✓	
Alesandra T. Ty	✓	✓	✓	✓	✓
Carmelo Maria Luza Bautista		✓	✓	✓	✓

\*Replaced by Carmelo Maria Luza Bautista after February 26, 2021

#### 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.

	MAR 17	MAR 24	JUN 11	JUL 8	SEP 23	NOV 15	DEC 3
Jaime C. Laya	✓	✓	✓	✓	✓	✓	✓
Solomon S. Cua	✓	✓	✓	✓	✓	✓	✓
Lope M. Yuvienco	✓	✓	✓	✓	✓	✓	✓
Francoise Gilles	✓	✓	✓	✓	✓	✓	✓
Angelica S. Reyes	✓		✓	✓	✓	✓	✓

### Board Investment Committee (BIC)

The BIC approves material acquisitions and disposal of Company property.

	APR 8	JUL 12	OCT 14	DEC 14
Solomon S. Cua	✓	✓	✓	✓
Fernand Antonio A. Tansingco	✓	✓	✓	✓
Carmelo Maria Luza Bautista	✓	✓	✓	✓
Rahul Hora	✓	✓	✓	✓
Francois Gilles	✓	✓		
Dongjun Choi				

### 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;
- 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 statement 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;

- 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 2021, AXA Philippines declared and paid cash dividends of Php 2.47 billion from its unrestricted retained earnings as of 31 December 2020, payable to its stockholders in proportion to their respective shareholdings.





### **Whistle Blowing Policy**

AXA Philippines adheres to its 2021 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](mailto:whistleblower@axa.com.ph)

AXA Group

Email: [speak-up@axa.com](mailto:speak-up@axa.com)



# **Financial Statements**

# Independent Auditor's Report

The Board of Directors  
Philippine AXA Life Insurance Corporation  
34th Floor, GT Tower International  
6813 Ayala Avenue corner H.V. Dela Costa Street  
Makati City

## 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, 2021 and 2020, 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.

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, 2021 and 2020, 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.

## **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.



- 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 30 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

Tax Identification No. 210-320-399

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 115260-SEC (Group A)

Valid to cover audit of 2020 to 2024 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-132-2020, November 27, 2020, valid until November 26, 2023

PTR No. 8854326, January 3, 2022, Makati City

March 31, 2022

**PHILIPPINE AXA LIFE INSURANCE CORPORATION**  
**PARENT COMPANY STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2021	2020
<b>ASSETS</b>		
Cash and cash equivalents	₱4,795,969,477	₱3,223,433,010
Insurance receivables	644,818,567	536,059,769
Financial assets		
Financial assets at fair value through profit or loss	1,995,626,150	1,981,685,067
Available-for-sale financial assets	12,233,220,135	13,705,586,986
Loans and receivables - net	1,281,671,490	1,101,460,837
Accrued income	202,032,296	196,117,215
Investment in a subsidiary	5,029,440,576	5,029,440,576
Property and equipment - net	667,195,201	681,952,745
Intangible assets - net	61,265,776	40,993,650
Deferred tax assets - net	598,432,514	1,042,847,047
Right-of-use assets - net	444,909,683	469,567,119
Other assets	188,071,249	191,807,416
	28,142,653,114	28,200,951,437
Assets held to cover unit-linked liabilities	141,975,208,640	118,475,057,849
	₱170,117,861,754	₱146,676,009,286
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Insurance contract liabilities	₱10,099,022,097	₱10,416,974,607
Premium deposit fund	240,182,724	191,165,741
Life insurance deposits	518,246,218	455,545,373
Insurance payables	353,745,267	397,363,273
Trade and other liabilities	2,891,394,244	2,628,706,932
Lease liability	490,864,449	513,307,531
Net pension liability	204,307,850	183,835,040
Income tax payable	131,561,181	288,304,429
	14,929,324,030	15,075,202,926
Unit-linked liabilities	141,975,208,640	118,475,057,849
	156,904,532,670	133,550,260,775
<b>Equity</b>		
Capital stock	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	12,336,904,668	12,047,241,697
Revaluation reserves on available-for-sale financial assets	291,764,460	1,424,371,741
Remeasurement losses on life insurance reserves	(433,564,677)	(1,365,281,833)
Actuarial losses on defined benefit plan	(40,955,172)	(39,762,899)
Treasury stock	(163,378)	(163,378)
	13,213,329,084	13,125,748,511
	₱170,117,861,754	₱146,676,009,286

**PHILIPPINE AXA LIFE INSURANCE CORPORATION**  
**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

	<b>Years Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
<b>REVENUE</b>		
Gross premiums on insurance contracts issued	<b>₱39,346,949,105</b>	₱31,602,047,834
Premiums ceded to reinsurers	<b>(403,777,821)</b>	(334,970,712)
Net insurance premiums	<b>38,943,171,284</b>	31,267,077,122
Subscriptions allocated to investment in unit-linked funds	<b>(27,968,057,077)</b>	(20,813,816,261)
	<b>10,975,114,207</b>	10,453,260,861
Asset management fees	<b>2,456,878,741</b>	1,931,145,947
Gain on assets held to cover unit-linked liabilities	<b>5,338,182,748</b>	1,616,942,544
Investment income	<b>739,331,237</b>	679,805,786
Foreign exchange gains (losses) - net	<b>119,365,712</b>	(11,337,239)
Other income	<b>190,919,256</b>	103,011,562
	<b>19,819,791,901</b>	14,772,829,461
<b>BENEFITS, CLAIMS AND OPERATING EXPENSES</b>		
Gross benefits and claims	<b>15,778,445,569</b>	11,781,386,111
Reinsurers' share of gross benefits and claims	<b>(236,004,724)</b>	(113,894,585)
Decrease in unit-linked liabilities due to surrenders	<b>(12,573,347,159)</b>	(9,815,502,978)
Policyholders' dividends and interest	<b>53,313,257</b>	116,051,914
Net benefits and claims incurred	<b>3,022,406,943</b>	1,968,040,462
Increase in legal policy reserves	<b>186,848,641</b>	53,523,909
Net insurance benefits and claims	<b>3,209,255,584</b>	2,021,564,371
Operating and administrative expenses	<b>5,285,495,553</b>	4,886,637,137
Increase in unit-linked liabilities due to gain on assets held to cover unit-linked liabilities	<b>5,338,182,748</b>	1,616,942,544
Commission expense	<b>1,983,290,223</b>	1,827,762,399
Agency development expenses	<b>203,340,793</b>	240,627,889
Premium and documentary stamp taxes	<b>150,459,579</b>	130,602,797
Interest on lease liability	<b>33,879,559</b>	39,116,997
Interest on defined benefit obligation	<b>5,618,658</b>	11,198,491
Medical and inspection fees	<b>5,025,167</b>	3,908,431
Interest on premium deposit fund	<b>4,208,770</b>	3,643,459
	<b>16,218,756,634</b>	10,782,004,515
<b>INCOME BEFORE INCOME TAX</b>	<b>3,601,035,267</b>	3,990,824,946
<b>PROVISION FOR INCOME TAX</b>	<b>841,372,296</b>	1,160,962,859
<b>NET INCOME</b>	<b>2,759,662,971</b>	2,829,862,087
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
<b>Items that will not be reclassified into profit or loss, net of tax:</b>		
Remeasurement gains (losses) on defined benefit plan	<b>(1,192,273)</b>	103,959,213
Net change in remeasurement on life insurance reserves	<b>931,717,156</b>	(1,436,082,403)
	<b>930,524,883</b>	(1,332,123,190)
<b>Item that will be reclassified into profit or loss:</b>		
Net change in fair value of available-for-sale financial assets	<b>(1,132,607,281)</b>	688,006,109
	<b>(202,082,398)</b>	(644,117,081)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱2,557,580,573</b>	₱2,185,745,006

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

	Capital Stock	Contributed Surplus	Contingency Surplus	Revaluation Reserves on Available-for-Sale Financial Assets	Remeasurement Losses on Life Insurance Reserves	Actuarial Losses on Defined Benefit Plan	Retained Earnings	Treasury Stock	Total
Balances as at January 1, 2021	₱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
Net income for the year	–	–	–	–	–	–	2,759,662,971	–	2,759,662,971
Other comprehensive income (loss) for the year	–	–	–	(1,132,607,281)	931,717,156	(1,192,273)	–	–	(202,082,398)
Total comprehensive income (loss)	–	–	–	(1,132,607,281)	931,717,156	(1,192,273)	2,759,662,971	–	2,557,580,573
Dividend declaration	–	–	–	–	–	–	(2,470,000,000)	–	(2,470,000,000)
As of December 31, 2021	₱1,000,000,000	₱50,000,000	₱9,343,183	₱291,764,460	(₱433,564,677)	(₱40,955,172)	₱12,336,904,668	(₱163,378)	₱13,213,329,084
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) for the year	–	–	–	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
Dividend declaration	–	–	–	–	–	–	(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

**PHILIPPINE AXA LIFE INSURANCE CORPORATION**  
**PARENT COMPANY STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	<b>₱3,601,035,267</b>	<b>₱3,990,824,946</b>
Adjustments for:		
Interest income	<b>(705,889,006)</b>	<b>(718,287,858)</b>
Depreciation and amortization	<b>449,461,403</b>	<b>348,590,758</b>
Unrealized foreign exchange losses (gains)	<b>(81,987,577)</b>	<b>11,337,239</b>
Retirement expense	<b>89,691,292</b>	<b>99,762,823</b>
Amortization of bond premium	<b>45,023,875</b>	<b>12,715,920</b>
Interest on lease liability	<b>33,879,559</b>	<b>39,116,997</b>
Dividend income	<b>(27,726,664)</b>	<b>(24,712,867)</b>
Provision for credit and impairment losses	<b>8,634,950</b>	<b>—</b>
Fair value losses (gains) on financial assets at fair value through profit or loss	<b>(7,485,296)</b>	<b>100,661,947</b>
Interest on defined benefit obligation	<b>5,618,658</b>	<b>11,198,491</b>
Gain on sale of available-for-sale financial assets	<b>—</b>	<b>(36,059,960)</b>
Operating income before changes in working capital	<b>3,410,256,461</b>	<b>3,835,148,436</b>
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Insurance receivables	<b>(108,758,798)</b>	<b>(111,122,373)</b>
Loans and receivables	<b>(188,845,603)</b>	<b>(39,681,343)</b>
Other assets	<b>3,736,167</b>	<b>(13,719,149)</b>
Increase (decrease) in:		
Trade and other liabilities	<b>262,687,312</b>	<b>467,061,454</b>
Insurance contract liabilities	<b>1,054,363,873</b>	<b>354,703,500</b>
Life insurance deposits	<b>62,700,845</b>	<b>276,551,775</b>
Insurance payables	<b>(43,618,006)</b>	<b>23,438,934</b>
Premium deposit fund	<b>49,016,983</b>	<b>23,329,674</b>
Net cash generated from operations	<b>4,501,539,234</b>	<b>4,815,710,908</b>
Proceeds from disposal/maturities of:		
Available-for-sale financial assets	<b>5,256,126,000</b>	<b>5,317,930,569</b>
Financial assets at fair value through profit or loss	<b>285,111,635</b>	<b>1,113,739,894</b>
Acquisitions of:		
Available-for-sale financial assets	<b>(4,961,390,305)</b>	<b>(7,196,423,494)</b>
Financial assets at fair value through profit or loss	<b>(291,567,422)</b>	<b>(1,178,108,514)</b>
Interest received	<b>699,401,720</b>	<b>697,735,129</b>
Interest paid on lease liability	<b>(33,879,559)</b>	<b>(39,116,997)</b>
Contributions paid to the pension fund	<b>(72,639,894)</b>	<b>(46,462,338)</b>
Dividends received	<b>28,298,869</b>	<b>24,038,733</b>
Income taxes paid	<b>(997,689,757)</b>	<b>(1,292,711,401)</b>
Net cash provided by operating activities	<b>4,413,310,521</b>	<b>2,216,332,513</b>

(Forward)



	<b>Years Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of:		
Property and equipment	<b>(₱236,360,217)</b>	(₱383,201,808)
Intangible assets	<b>(28,842,370)</b>	(18,096,349)
Net cash used in investing activities	<b>(265,202,587)</b>	(401,298,157)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash dividends paid	<b>(2,470,000,000)</b>	(2,070,000,000)
Payment of principal portion of lease liabilities	<b>(187,559,044)</b>	(121,016,721)
Net cash used in financing activities	<b>(2,657,559,044)</b>	(2,191,016,721)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,490,548,890</b>	(375,982,389)
<b>EFFECTS OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>81,987,577</b>	(11,337,239)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>3,223,433,010</b>	3,610,752,638
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>₱4,795,969,477</b>	₱3,223,433,010



**AXA Philippines**

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