



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.

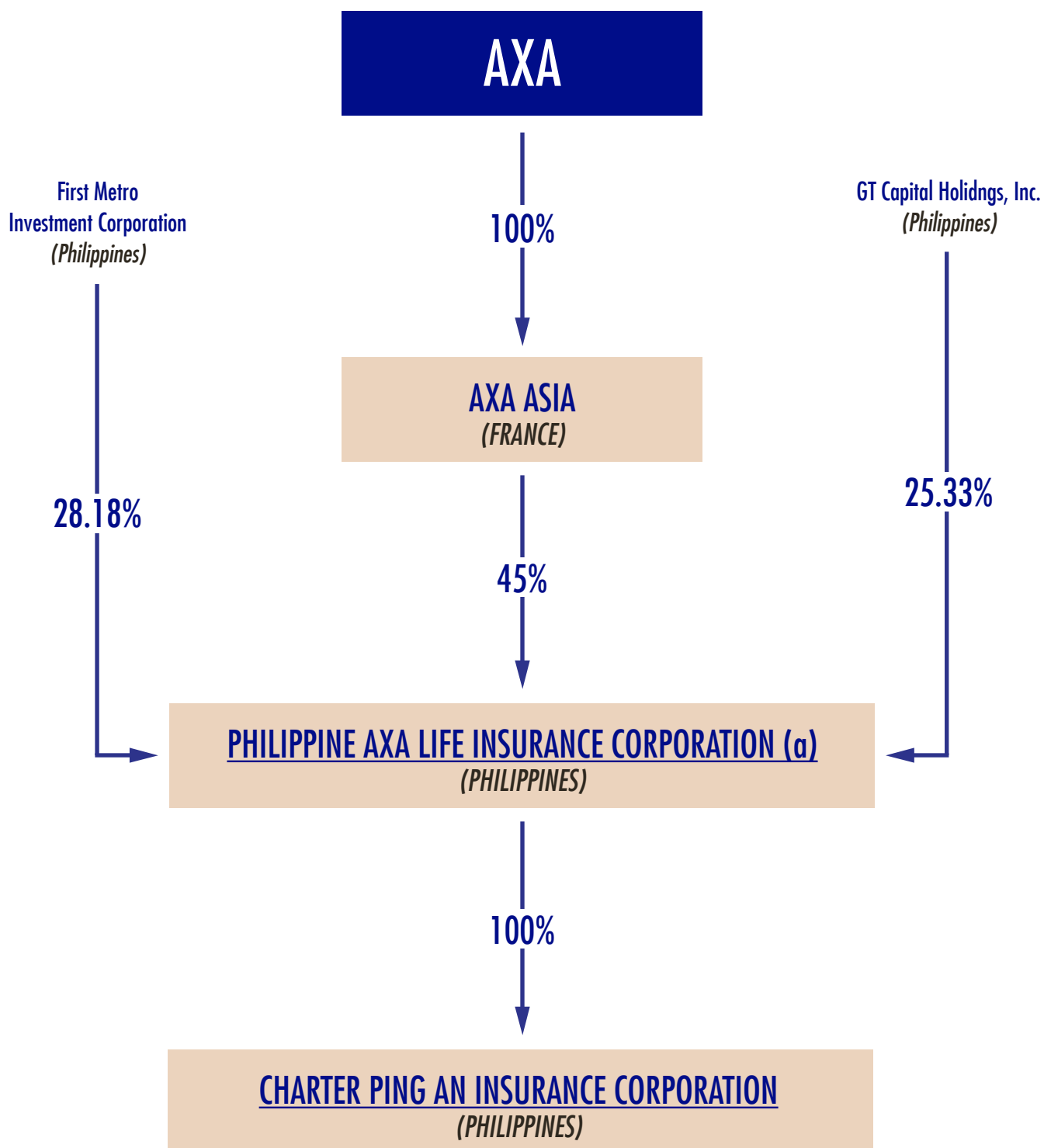
**AXA Philippines thrives by protecting
what truly matters to every Filipino.**

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AXA Philippines

Corporate Structure as of September 2021



a. 1.49% held by other shareholders

Solomon S. Cua

We are ready to move forward.

After an unprecedented year that left the world at a standstill, we entered 2021 with a more hopeful prospect. While the effects of the COVID-19 pandemic could still be felt, we had cleared the road of major obstacles, making it possible for us to get back on track.

The arrival of vaccines was a game changer. As vaccination rates increased and healthcare systems were relieved, people slowly gained the confidence to find their way through this new reality, gradually revitalizing economies across the globe.

Here in the Philippines, we had a long way to go, as evident in the three-year high, above-target inflation rate of 4.5% that ended our year. But there were positive indicators that signaled better times ahead. Before the end of 2021, unemployment rate eased to 6.5%, from an all-time high of 17.7% the previous year. Gross Domestic Product (GDP) growth exceeded targets, as we capped off the year with a GDP growth rate of 5.6%.

With the redeployment of Overseas Filipino Workers (OFWs), remittances grew to an all-time high of \$34.88 billion in 2021 from \$33.19 billion in 2020, registering a 5.1% growth and exceeding the previous all-time high of \$33.47 billion before the COVID-19 pandemic.

Protection as priority.

As the economy slowly gained traction, consumers remained clear about their priorities. Protection was a major consideration, as seen in the growth of the insurance industry. For the full year, the industry's total net income grew by 32% year-on-year, while total premium income rose by 25%.

With the difficult lessons learned from the pandemic, preparedness was seen as key in facing future challenges. Consumers welcomed advances in digital technology, which made products and services such as insurance more accessible and convenient, even as physical restrictions were eased.

AXA Philippines responded by continuing to innovate in order to respond to the changing needs of our client base. We are glad that our efforts did not go unrewarded. Rising from the third spot in 2020, AXA Philippines secured the second place in total premium income with P38.9 billion in 2021. We also maintained our market share at 12.6%.

A force for human progress.

Amidst a fast-evolving world, what remained unchanged was the noble purpose of AXA Philippines: acting for human progress by protecting what matters. As in the past, we supported our clients, ignited passion among our employees, and helped address the major challenges that every Filipino is facing today.

AXA Philippines bravely faced the year with agility and resilience, focusing on our core business: protection. Now, we are ready to move forward, armed with our commitment to serve Filipinos from all walks of life. As a leader and innovator, AXA Philippines is capable of providing solutions suited to their needs, while protecting what matters to them.

Insurance as a force for progress: This was our north star—the guiding light that gave meaning to the crucial role we played in 2021. It helped us determine the tasks we need to accomplish as we move ahead—and define our path for the future.

"AXA Philippines bravely faced the year with agility and resilience, focusing on our core business: protection. Now, we are ready to move forward, armed with our commitment to serve Filipinos from all walks of life."

Solomon S. Cua



Message from the President and CEO

Rahul Hora

AXA Philippines achieved way beyond what we imagined.

In its 22nd year, AXA Philippines remained one of the country's largest and fastest growing insurance companies in the country, helping close to two million Filipinos secure their financial future. We are proud to be one of the very first major insurance companies offering life insurance, health propositions, and wealth accumulation together with general insurance products, making us a financial one-stop shop for Filipinos.

We celebrated many wins this year, but let me start by sharing the remarkable news that according to data released by the Insurance Commission, AXA Philippines secured the second top spot in total premium income with P38.9 billion, displaying a strong and steady performance amid a highly volatile environment. Credit for this accomplishment also goes to the many innovations we introduced to address and manage the effects of the COVID-19 pandemic.


Furthermore, our commitment to our customers has been clearly manifested with our Brand Tracking Study showing that AXA is number two in top-of-mind awareness and a strong number one in overall consideration and intention to buy. Our Net Promoter Score also rose from number three in 2020 to number two in 2021 which is nine points above competitive market average.

During the gradual transition to a changing normal, we understood the continuing challenges faced by our customers, employees, and the communities we serve. After seeing that health remained the number one priority, we launched Health Care Access for those who wanted an affordable and flexible option, and those who wanted to supplement an already existing health care plan. For added peace of mind, we assured customers that their online credit card payments are secure through the Payment Card Industry Data Security Standard certification we received this year.

As an organization that takes pride in our certification from the Great Place to Work Institute, AXA Philippines promoted safety and inclusivity in the workplace so our employees could continue to thrive in this environment. To show we value their health, we gave our employees free access to mental health services. We engaged them in virtual discussions to address issues that affect employees, and identified possible solutions. We raised awareness of the personal experiences of the LGBTQ+ community in the workplace so we could understand them better. AXA's global parenting policy was kept in place, allowing new parents to take paid leaves beyond what the government mandates. For our insurance professionals, AXA Prime was an avenue towards protecting more individuals and families as it gave them access to specialized digital tools and training programs.

As a testament to the success we enjoyed this year, AXA Philippines received the following recognition from the most prestigious awards programs. Insurance Asia recognized AXA Philippines as International General Insurer of the Year (Philippines) and cited the Emma by AXA PH app as Mobile App of the Year (Philippines). Our pioneering recruitment tool called ROSA (Recruitment Online Served by AXA) earned a nod at the 18th Philippine Quill Awards under the Communications for Web Category. We proudly received these awards—a testament to our relentless efforts to offer exceptional solutions to our customers.

As 2021 ended, the COVID-19 pandemic was far from over. But by the time we closed the year, we had attained way beyond what we imagined. We leveraged on offering a full suite of protection solutions to be in step with today's needs. Being a financial one-stop shop and equipped with our technological capabilities, we were with our customers at every touchpoint. Despite the drastic changes in this new reality we live in, we learned it is not impossible to dream bigger for our future—and drive the progress we envision for our stakeholders.

A portrait of a man with dark hair and glasses, wearing a blue blazer over a white shirt. He is smiling and looking towards the camera. A yellow patterned pocket square is visible in his blazer pocket. The background is a plain, light color.

"We leveraged on offering a full suite of protection solutions to be in step with today's needs. Being a financial one-stop shop and equipped with our technological capabilities, we were with our customers at every touchpoint."

Rahul Hora

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

#2 in TOTAL PREMIUM INCOME across the
Philippine insurance industry

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

PHP

39.4B

Gross written premiums

PHP

6.2B

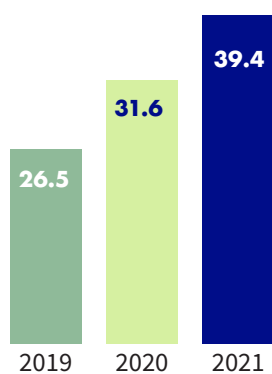
ANNUALIZED
PREMIUM
EQUIVALENT

PHP

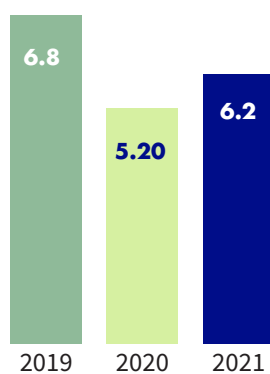
2.8B



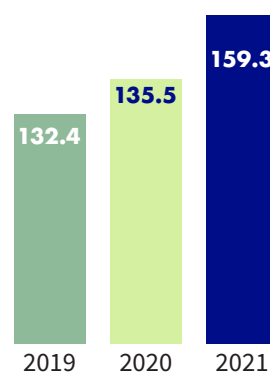
Net income



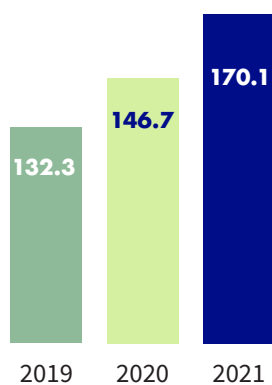
Gross written premiums
in PHP billion
CAGR: 14%



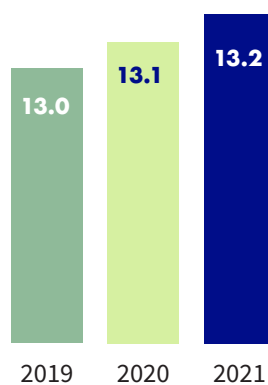
Annualized premium equivalent
in PHP billion
CAGR: -3%



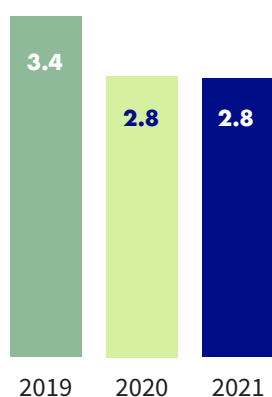
Assets under management
in PHP billion
CAGR: 6%



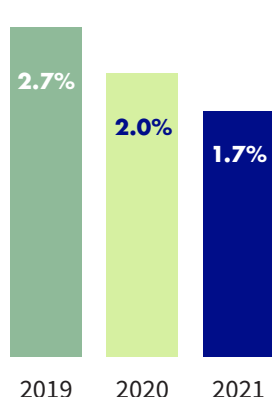
Total assets
in PHP billion
CAGR: 9%



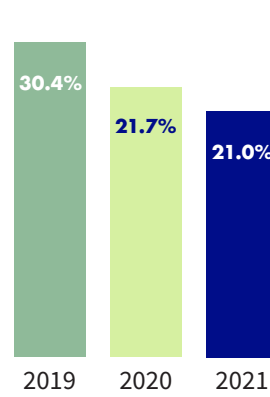
Total equity
in PHP billion
CAGR: 1%



Net income
in PHP billion
CAGR: -7%



Return on assets



Return on equity

Operational Highlights



Though the challenges arising from the COVID-19 pandemic were still felt, the year 2021 opened up opportunities for AXA Philippines to accomplish many feats. Most notable of these is taking the number two position in total premium income across the Philippine insurance industry, as AXA Philippines registered P38.9 billion. At the same, we maintained our market share at 12.6%.

Still, against a background of careful optimism, AXA Philippines delivered an excellent performance on all fronts: providing access to world-class insurance products, gaining industry recognition, and promoting inclusivity and diversity in the workplace.

An affordable and flexible health care plan

As Filipinos continued to place utmost priority on their health, it was clear that AXA Philippines had an important role to play in ensuring that their health protection needs were met. In this journey, Filipinos needed health protection solutions that would be accessible and beneficial to them, no matter their stature in life.

AXA Philippines understands that while the need for health protection is universal, each person's health care needs are unique. With this in mind, we launched Health Care Access, a health care plan which provides comprehensive health protection that is not only affordable but also flexible.

Health Care Access puts the health of individuals and all types of families in their hands—with the flexibility offered by its



different plans to suit every budget and coverage for medical needs. Benefits extend beyond retirement, with medical coverage up to 75 years old and a longevity health fund that kicks in from age 76 onwards.

Valuable partnerships

In the Philippines, micro, small and medium enterprises or MSMEs are among the most vulnerable when natural disasters and calamities strike. Majority of businesses in the country are made up of MSMEs, but not all have access to insurance protection that can shield them from the financial challenges of being exposed to climate and disaster risk.

12.6%

Market Share

PHP

38.9B

Total Premium Income

PHP
25,000

All CEB passengers were given life insurance coverage and personal accident insurance, each worth PHP 25,000, with a three-month coverage period.



Asian sports champion Yuka Saso embodies AXA's brand signature, "Know You Can."

As an insurance coverage company dedicated to sustainability, AXA Philippines forged a collaboration with Cebuana Lhuillier and the German Development Cooperation / Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) to launch MicroBiz Protek Jr., an affordable microinsurance product to insure local businesses against typhoons, floods, earthquake, lightning, and fire.

CEB Anniversary Promo. In celebration of the first anniversary of our partnership with Cebu Pacific (CEB), AXA Philippines extended the opportunity for CEB customers to get free insurance coverage until the end of 2021. As part of the special anniversary offer, all CEB passengers were given life insurance coverage and personal accident insurance, each worth PHP 25,000, with a three-month coverage period. CEB Health Protect, an affordable critical illness plan, became the first of many non-travel insurance products to be given to CEB fliers.

Partnership with Yuka Saso. For the first time, AXA partnered with an Asian sports champion at the regional level. As a sponsor to professional golfer Yuka Saso, AXA Asia displayed its commitment to celebrating women in sports, while raising awareness of gender inclusion through her inspiring story. Yuka embodies AXA's brand signature, "Know You Can," as she rose to the top through hard work, determination, and the tenacity to succeed.

The sponsorship supported the development of Yuka's career. Yuka won the 2021 US Women's Open (USWO) and attracted global attention when she won at the Olympic Club and tied for the recognition of being the youngest USWO champion of all time.

Industry excellence

AXA Philippines continued to position itself as one of the leading insurance companies in the digital world. Its efforts to ramp up its services amidst the painstaking challenges brought on by the pandemic placed AXA Philippines alongside the best in the insurance industry.

Insurance Asia Awards

International General Insurer of the Year (Philippines)
Mobile App of the Year (Philippines)

Insurance Awards Asia, an awards program that gathers leading insurance companies and honors exceptional initiatives and solutions, named AXA Philippines as International General Insurer of the Year (Philippines), and singled out the Emma by AXA PH app as Mobile App of the Year (Philippines).

The goal of AXA Philippines has always been to empower people to live better lives by providing options that help them prepare for the future. Its roster of protection solutions—life, health, and non-life insurance—enables people to protect what matters. Insurance Asia Awards lauded the gains that AXA Philippines has made in serving its customers in a new environment via new distribution channels.

The Emma by AXA PH mobile app is a one-stop digital concierge that brings a human element to customer service. Considered the insurance and wellness partner of customers, the Emma by AXA PH mobile app helps make customer claims easier, provides free access to emergency services such as ambulance, fire, police, and roadside assistance through its Rescue Line feature.

18th Philippine Quill Awards (Communications for Web Category)

AXA (ROSA)

At the prestigious 18th Philippine Quill Awards, one of the country's most esteemed awards programs in business communication, AXA Philippines was recognized for its pioneering recruitment tool

called ROSA (Recruitment Online Served by AXA). A first in the local industry, ROSA is an online platform that provides a seamless end-to-end recruitment experience for both recruiters and aspiring AXA agents.

Among ROSA's main features is the automation and digitalization of all recruitment stages: e-Attraction, e-Application, e-Training, and e-Licensing. Accessed by both recruiters and applicants, ROSA helps increase leads and interview requests while accelerating the digital capabilities of the workforce.

Interbrand Best Global Brands

Top 50 Best Global Brands

For the 13th consecutive year, AXA was once again among the world's Top 50 Best Global Brands as recognized by Interbrand.

Interbrand is the world's leading brand consultancy for over 40 years. The Best Global Brands list ranks the world's most valuable brands, determined by brand performance and social relevance.

Golden Arrow Awards

Most Improved Company (Charter Ping An Insurance Corporation)

AXA Philippines and Charter Ping An Insurance Corporation (CPAIC), the general insurance arm of AXA Philippines, were recognized for good corporate governance in the Golden Arrow Awards at the ASEAN Corporate Governance Scorecard (ACGS) recognition ceremony.

Charter Ping An received the award for Most Improved Company in recognition of its various programs that allowed the building of trust among its stakeholders. These include significantly improved disclosures on policies and activities relating to its stakeholders, as well as reports and annual financial statements which disclosed ACGS-relevant information. Charter Ping An also made the Code of Ethics more available and accessible to customers and partners.

PCI-DSS Certification

AXA Philippines received the Payment Card Industry Data Security Standard (PCI-DSS) certification, a global certification to confirm secure online credit card payments and transactions. With this, customers are assured that their personal data is authenticated, encrypted, and protected in each step of the transaction process—from card reader to mobile phone to server. The system also ensures that a customer's credit card information is never stored in the smartphone used, and is protected from various theft schemes such as skimming.

The certification strengthens the commitment of AXA Philippines to provide a secure customer experience, wherein information remains private and protected.

A supportive, safe, and inclusive workplace

At AXA Philippines, we recognize that the workplace is an integral part of our employees' daily lives. Amidst many competing priorities during this pandemic, we are aware that providing a safe and inclusive work environment is essential in order to attract, nurture, and retain the best talent.

As COVID-19 vaccines became available, AXA Philippines partnered with Metrobank in its vaccination program for employees. AXA Philippines employees were among the recipients of free vaccines in order to increase their protection against the virus. This made the workplace safe for both employees and customers, and further ensured the safety of their family members at home.

In 2021, AXA Philippines received certification as an exemplary workplace by the Great Place to Work (GPTW) Institute, a global people analytics and consulting firm based in the U.S. that works with companies to build a high-trust and high-



performance culture that drives better business performance. As an employer of choice for Filipinos, AXA Philippines promotes an inclusive workplace culture wherein employees always come first.

Access to mental health services. To support the mental health of employees as they navigate the changing times, AXA Philippines launched the Employee Assistance Programme, which gives direct access to private and confidential sessions with a mental health professional or counselor. The sessions are free of charge.

Safety and inclusivity. Taking strides toward creating a safe and inclusive work culture, AXA Philippines held a virtual forum for employees entitled “Creating A Safe and Inclusive Workplace” in cooperation with the Philippine Business Coalition for Women Empowerment. The forum

helped identify issues that can affect employees and company culture as a whole and identified self-analysis, education, and training as possible solutions.

Zero tolerance for misconduct. Maintaining zero tolerance for any kind of misconduct, AXA Philippines established the Whistleblower Policy, which protects anyone against reprisal or retaliatory action. With the Whistleblower Policy in place, the company takes urgent action against unprofessional conduct, customer mistreatment, acts that endanger the health, life, and safety of other employees, and discrimination based on gender and sexual orientation, disabilities, age, or attributions.

Pride in the workplace. AXA Philippines enables all of its employees, regardless of sexual orientation, to bring their whole selves to work. In celebration of Pride Month in June 2021, it released the results of a study commissioned by AXA Asia, which provided an understanding of the personal experiences of the LGBTQ+ community at work. The survey underscored the role of companies in educating others to accept and understand these unique experiences, and what steps can be taken to foster an LGBTQ+-friendly work environment through inclusivity and diversity initiatives.

Career growth. The elite program AXA Prime was launched to help professionals become the next generation of confident and empowered financial advisors and leaders. Recognizing technology as a critical component for business success, especially during the pandemic, AXA Prime allows for opportunities to utilize specialized digital tools and training programs to enable financial advisors to protect more individuals and families. They can create their own personalized micro website with AXA Prime's My AXA Pages and attend training sessions offered by the AXA Prime Development Center.

Wealth management and protection

The COVID-19 pandemic has underscored the need to always be prepared for the unexpected. Prioritizing worthwhile investments, be it for one's health or financial stability to face unexpected situations that may arise, became a necessity.

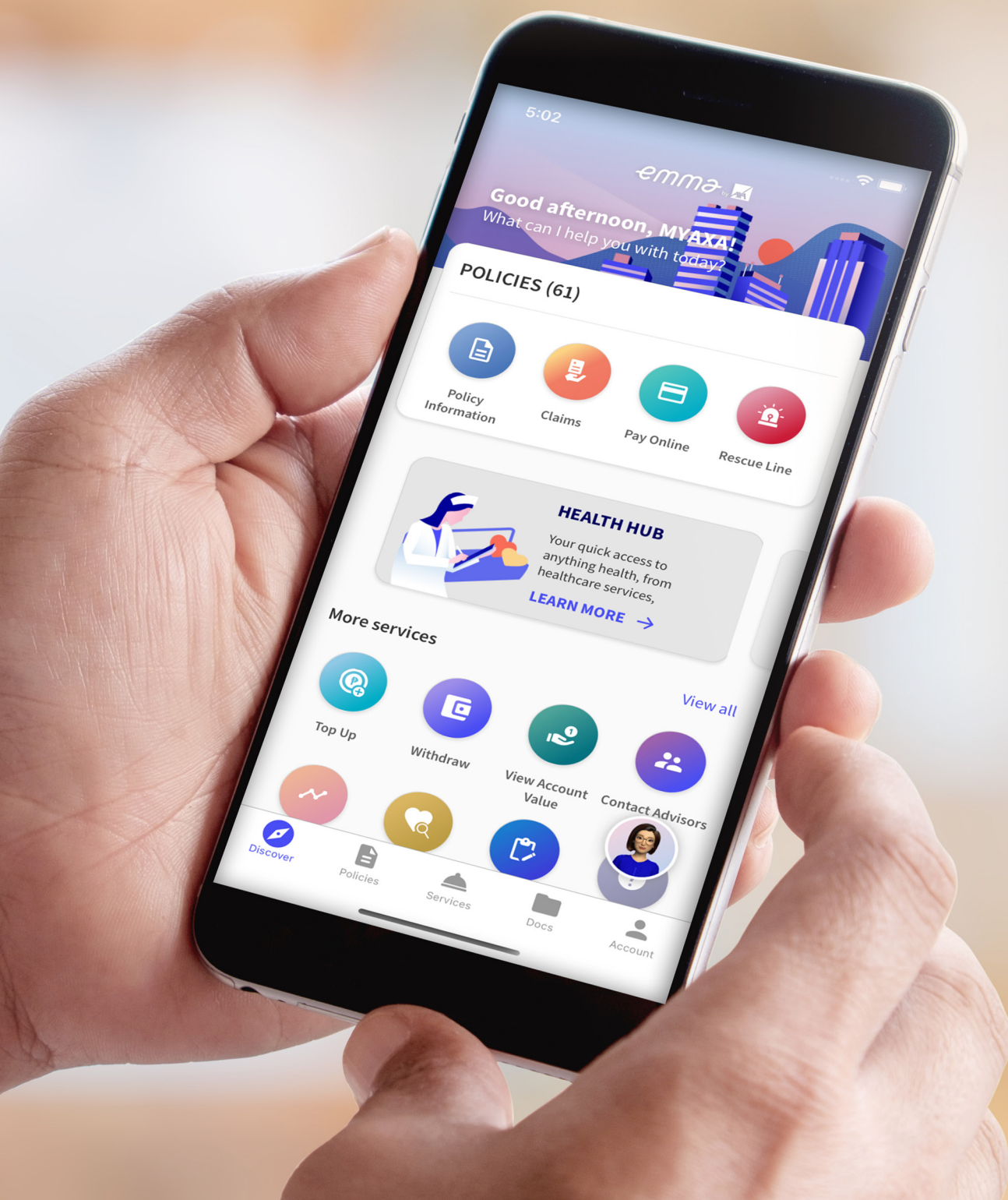
The timely launch of the Target Date Fund and the Peso-Denominated Dollar Funds in 2021 gave investors the opportunity to continue working towards their life goals. In the face of uncertainty, diversifying investors' portfolios with a mix of local and global investments is one way of helping protect their assets from market volatility.

Target Date Fund. The AXA Target Date Fund is a Philippine peso-denominated fund that helps manage and grow investments in order to achieve long-term goals with a target date. These may include a child's education, starting a business, or planning for retirement. It was launched to help customers diversify investments across fixed income instruments and stocks. The investment is distributed into different asset classes which are reassessed over time as the client's target date approaches. Growth-oriented assets, such as equities, are prioritized before investments are moved to protect gains by the target date.

Peso-Denominated Dollar Funds. AXA's Peso-Denominated Dollar Funds is a new investment tool that allows insurance policyholders to invest globally using local currency. This allows them to switch funds seamlessly from local to global and gain access to more investments—without needing to constantly convert currencies. This type of global diversification affords bigger opportunities to investors. The Peso-Denominated Dollar Funds is available with various AXA products, such as Asset Master, MyLifeChoice, Ambition X, 3GXceed, aXelerator, and LifeBasiX.

Sustainability

Dreaming bigger, caring deeper



AXA Philippines takes pride in having a strong sustainability agenda behind its efforts to lower carbon footprint, increase green investments, achieve carbon neutrality, and provide environment-friendly products and services. We recognize the need for people initiatives and inclusive partnerships to bring this plan of action to life.

In 2021, AXA Philippines worked with local non-government and non-profit organizations to provide support to social causes such as climate change, physical and mental health, and social inclusion for the most vulnerable. AXA Philippines extended a helping hand to allow communities to overcome adversities, especially amidst the COVID-19 pandemic. We make it our business to ensure that we not only improve our service but also enable progress in the communities we serve.

Fighting climate change

The Philippines is among the countries most vulnerable to the impact of climate change. These initiatives and partnerships enabled AXA Philippines to do its part in mitigating the effects, including the promotion of sustainable practices.

Plastic waste reduction. AXA Philippines pledged to remove 100 tons of plastic waste from the community. It started with the donation of 15 kg of recyclable plastic materials to PCEx on behalf of customers who registered on the Emma by AXA PH mobile app or website.

AXA Philippines and PCEx also worked together on the “Aling Tindera” program, a waste-to-cash program that gives women livelihood and enables them to care for the environment. AXA Philippines set up stations for plastic waste collection points at several locations including SM Mall of Asia, SM Megamall, SM North EDSA, SM Marikina, SM East Ortigas, and SM City Fairview.

Paper recycling and waste reduction. Customers were encouraged to participate in paper recycling and waste reduction efforts by allowing them to view their e-policies and receipts through the Emma by AXA app and web. By using the app to purchase insurance online, submit claims, and update policy information, customers contributed to saving tons of paper every year.



Sustainability and livelihood. The “Adopt a Mangrove Seedling” program allowed customers, who are also users of the Emma by AXA PH mobile app and web, to do their part in promoting sustainability. Mangroves were planted on their behalf, ultimately creating a sustainable environment and livelihood for women living in communities located in the countryside.

Responsible investing

To empower local investors to integrate sustainable practices within their investment strategies, AXA Philippines partnered with the European Chamber of Commerce of the Philippines in a series of webinars which aimed to highlight the importance of sustainability, and promote a more responsible way of growing and protecting their wealth.



For AXA, sustainability involves integrating three important factors to promote responsible investing among local investors and fund managers: environmental, social, and governance (ESG). This approach allows stakeholders to gain competitive returns on their investment in the long run and make a social impact through their investment.

Support for local businesses

Microinsurance for local businesses. In line with our sustainability agenda, AXA Philippines provided inclusive protection for one of the most vulnerable sectors: micro, small, and medium enterprises or MSMEs. AXA Philippines teamed up with Cebuana Lhuillier and the German Development Cooperation / Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), to introduce the microinsurance product, MicroBiz Protek Jr. With MSMEs comprising the majority of businesses in the Philippines, MicroBiz Protek Jr. insures microenterprises against typhoons, floods, earthquake, lightning, and fire for an annual premium as low as PHP 172.

MicroBiz Protek Jr. provides lump sum cash assistance in case of property damage caused by natural calamities and

disasters. It also offers 10% personal accident insurance for two employees, 10% coverage for incidents of robbery and burglary, and free emergency assistance through the Emma by AXA PH mobile app.

Uplifting the lives of children, women, and families

Various sectors in the country have been affected by the COVID-19 pandemic—children, women, and families. In response, AXA Philippines partnered with several organizations and participated in various initiatives to provide support where needed.

UNICEF. Since 2019, AXA Philippines has been collaborating with UNICEF to address the challenges of obesity and being overweight among Filipino children. The program “Prevention and Management of Overweight and Obesity in Children” aimed to support 177,000 Filipino children and their mothers and caregivers by highlighting healthier food options and habits. The three-year program, which started in 2019, focused on children aged 0 to 5 years old in Northern Samar, Samar, and Zamboanga del Norte.

In another initiative, AXA Philippines donated PHP 3.8 million to UNICEF in aid of children affected by the COVID-19 pandemic. With the help of AXA Philippines, UNICEF and its partners likewise delivered supplies such as water and hygiene kits, personal protective equipment, tents, and handwashing stations. UNICEF also provided training on infection prevention and control, social mobilization and community engagement, caring for children with disabilities, and psychological first aid.

Rise Against Hunger. AXA Philippines remained committed to aiding the problem of hunger and malnutrition in the Philippines. Since 2018, it has partnered with Rise Against Hunger, an international hunger relief organization that distributes food and life-changing aid to the world's most vulnerable.

In 2021, AXA Philippines worked with Rise Against Hunger in an initiative called Kain Tayo Mobile Kitchen. AXA Philippines raised close to PHP600,000 as funding support for the mobile kitchen, which prepared weekly meal plans, and then prepared and distributed meals to nutritionally at-risk members of the community. Beneficiaries included 10,650 community members including pregnant and lactating women, young

children, elderly, and persons with special needs in Pasig City and Taguig City.

Habitat for Humanity. The needs that came to light during the COVID-19 pandemic strengthened the partnership between AXA Philippines and Habitat for Humanity Philippines. Under the two-year partnership program, holistic community intervention is provided for families in Humanityville Site 2 in Calauan, Laguna. Other social initiatives include education through financial literacy, health, and social inclusion.

Gender inclusion. AXA Philippines is proud to have parent- and women-centric policies and initiatives. It implemented the global parenting policy in 2017, providing 16 weeks paid maternity leave and four weeks paid paternity leave for newborn parents. The pay structure remained the same for men and women regardless of location of operation. In the context of the COVID-19 pandemic, AXA Philippines gave employees two additional days paid leave to reinforce their health and well-being.

As part of the campaign during International Women's Month,





AXA Philippines Chief Distribution Officer Marie Raymundo joined a panel discussion during the She Talks Asia Summit 2021 entitled, “#REFRAME: Same, Same But Different.” Women were given a platform to talk about their struggles and how companies like AXA are creating a safer and more progressive environment for them.

A culture of volunteerism

Volunteerism is a well-kept tradition at AXA Philippines. In the annual AXA Week for Good, which was held virtually in 2021, employees took positive action by offering time and skills to support climate change and biodiversity, as well as inclusive protection.

In a partnership with Plastic Credit Exchange (PCEX), the first global non-profit plastic offset program that helps businesses around the world offset their plastic footprints, more than 100 AXA Philippines employees learned how to recycle plastic waste and pledged 20 tons of plastic waste to PCEX’s partner non-profit organizations at the end of the week.

As part of the initiative, AXA Philippines employees participated in a global challenge to practice Plogging—a portmanteau of Swedish terms *plockaupp* which means “to pick up,” and *jogga*, which means “jogging.” Employees picked up litter while jogging, combining self and environmental care.

Eighty employees attended a talk and composting workshop

held by GreenSpace, a food waste composting company that helps divert food wastes away from the landfills and into urban areas where healthy soil is produced and local food production is supported. Twenty communities and 20 farmers received provisions for composting materials and compost fertilizers by the week’s end.

MakeSense, a global community that engages citizens, entrepreneurs, and organizations to build an inclusive and sustainable society together, worked with more than 90 AXA employee volunteers who helped translate student modules and story books for more than 1,000 marginalized Filipino public school students.

In a digital clean-up drive, AXA Philippines employees minimized digital waste by deleting files and software they no longer use in their work laptops.

AXA Week for Good was capped off by a fund-raising quiz show to provide digital school materials to 50 students with autism and Down syndrome. A month’s supply of groceries were also given to abandoned persons with autism.

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:

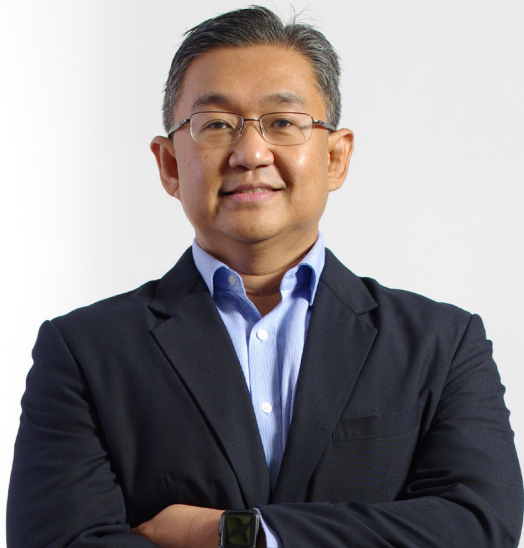
Mr. Ty is currently the Chairman of Metropolitan Bank & Trust Company, Metropolitan Bank (China) Ltd., and GT Capital Holdings. He is currently the Vice Chairman of First Metro Investment Corporation and Philippine Savings Bank.

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. He is also the Director of Metrobank (China) limited from 2012 to 2016 and 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. In 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 Université 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
 AMLA Compliance in the Age of the Digital World



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*



**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;
- recognize 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 behavior 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**	✓	✓	✓			✓	

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 Local Risk Committee, 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 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;
- c. 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;
- d. Considers the reconciliation between local GAAP financial statements and the financial statements reported for consolidation by the AXA Group and/ or Metrobank Group;
- e. 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; and
- 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 are being implemented 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 P2.47 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

AXA Group

Email: 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
ASSETS		
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
LIABILITIES AND EQUITY		
Liabilities		
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
Equity		
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

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

See accompanying Notes to Parent Company Financial Statements.

PHILIPPINE AXA LIFE INSURANCE CORPORATION
PARENT COMPANY STATEMENTS OF CASH FLOWS

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

(Forward)

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

AXA Philippines bravely faced the year with agility and resilience, focusing on our core business: protection. Now, we are ready to move forward, armed with our commitment to serve Filipinos from all walks of life



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