



HEALTHIER, LONGER,  
BETTER LIVES



# ROAD TO RECOVERY

AIA PHILIPPINES ANNUAL REPORT 2022



**HEALTHIER, LONGER,  
BETTER LIVES**

AIA Philippines continues to make a positive difference in the lives of Filipinos by giving them peace of mind through the innovative protection and long-term savings solutions we offer, strengthened by game-changing health and wellness propositions to help them live healthier, longer, better lives.

We are our customers' partner in creating a secure and healthy future for them and their loved ones. The strength and stability of our business makes it possible for us to fulfill our commitments to our customers, while access to global insight and expertise through our parent company, AIA Group, enables us to create relevant solutions that address our customers' needs.

## **AIA PHILIPPINES: THE ROAD TO RECOVERY**

AIA Philippines officially transitioned to its new brand name aligned with its Hong Kong-based parent company, AIA Group, on 9 August 2021.

The Company was originally established as The United States Life Insurance Company in the Philippines in 1947 by AIG founder Cornelius Vander Starr and his partner, Earl Carroll. By 1948, the name was amended to The Philippine American Life Insurance Company, becoming more popularly known as Philam Life, serving as a "house of savings" to Filipinos. Within two years from its establishment, the founders were able to achieve their goal of helping Filipinos protect themselves against risk, even helping the Philippine economy recover postwar.

In 2009, then Philam Life officially became a part of the AIA Group, an over 100-year-old leading pan-Asian life insurance organization based in Hong Kong, with presence in 18 markets across the Asia-Pacific region.

While times have changed, the Company's mission of racing against risk to protect Filipino families has not. Through the decades, AIA Philippines has been a strong

partner of Filipinos to protect themselves and prepare for life's uncertainties. Today, the protection mission is grounded on its purpose of helping people live Healthier, Longer, Better Lives.

In 2022, as the economy normalized post pandemic, AIA Philippines was able to regain its footing. The foundational developments that began the past two years became the much-needed leverage that hastened its recovery.

With its key strategic pieces firmly established last year, AIA Philippines is coming out strong from the pandemic, well on its road to recovery. The Company continues to reinforce its strength, making sure that years from now, it will still be saving lives, protecting dreams and securing the future as it fulfills its mission of racing against risk to protect every Filipino family and empower them to live Healthier, Longer, Better Lives.

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**ABOUT AIA  
PHIIPPINES**

Our **vision** is to be the Philippines' pre-eminent life insurance provider, driven by our **mission** of racing against risk to protect every Filipino family and empower them to achieve Healthier, Longer, and Better Lives.

**OVER  
7,000 AGENTS**  
nationwide



**NEARLY  
1.2 MILLION**  
individual policies

**ALMOST  
1,000,000**  
insured group  
members



**PHP1.87 BILLION  
IN CAPITAL**  
for its  
life insurance  
license

Excess capital  
**3.7X THE  
AMOUNT**  
set by the  
Insurance  
Commission



**PHP800  
MILLION  
IN CAPITAL**  
for its non-life  
insurance  
license

**OVER 4,000**  
group policies  
issued



**HEALTHIER, LONGER,  
BETTER LIVES**

## OUR STRENGTH

AIA Philippines has been keeping its commitment to its customers and stakeholders for 75 years now, recognized many times, through awards and accolades from the Philippine government, from the business community here and overseas, from peers in the industry, and through the continued trust of its policyholders.

As part of the AIA Group, AIA Philippines is part of the network of trust that has been painstakingly built across several countries for over a century. Steadfast in its commitment, AIA Philippines remains a pillar of strength so it can fulfill its Purpose of helping people live Healthier, Longer, Better Lives.

AIA Philippines was awarded at the prestigious Golden Arrow Awards in recognition for its top score in the 2021 ASEAN Corporate Governance Scorecard Assessment mandated by the Insurance Commission. The Golden Arrow is awarded to Insurance Commission Regulated Companies (ICRCs) which achieve a score of at least 80 points. A three-arrow recognition which represents a Corporate Governance Score of 100 to 109 points was given to AIA Philippines who was also lauded as one of the top performing companies in the life insurance sector.



For the 18th year, AIA Philippines is again recognized by Reader's Digest Asia's Trusted Brand Awards with 11 Platinum and seven Gold awards. The recognition is based on consumer surveys measuring trustworthiness, credibility, quality, value, understanding customer needs, innovation and social responsibility.



In 2013, AIA Philam Life was recognized as the top performing company in the AIA Group by winning two prestigious awards – the AIA Premier League Cup and the AIA Champions' League Cup – for achieving the highest sales growth over target for the year.

In 2008, AIA Philam Life was recognized by the Philippine government, through the Overseas Workers Welfare Administration, for its outstanding programs for Overseas Filipino Workers.

AIA Philam Life received the Presidential Citation from the Philippine government for its contribution to nation building (1994).

AIA Philam Life was given the prestigious Asian Management Award for two consecutive years (1991 to 1992) for strong performance in General and Financial Management.

**OUR PURPOSE  
IS TO HELP  
PEOPLE LIVE  
HEALTHIER, LONGER,  
BETTER LIVES.**





## ABOUT AIA

AIA Group Limited and its subsidiaries (collectively “AIA” or the “Group”) comprise the largest independent publicly listed pan-Asian life insurance group. It has a presence in 18 markets – wholly-owned branches and subsidiaries in Mainland China, Hong Kong SAR<sup>(1)</sup>, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei and Macau SAR<sup>(2)</sup>, and a 49 per cent joint venture in India.

The business that is now AIA was first established in Shanghai more than a century ago in 1919. It is a market leader in Asia (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$303 billion as of 31 December 2022.

AIA meets the long-term savings and protection needs of individuals by offering a range of products and services including life insurance, accident and health insurance and savings plans. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents, partners and employees across Asia, AIA serves the holders of more than 41 million individual policies and over 17 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code “1299” with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: “AAGIY”).

Notes:

(1) Hong Kong SAR refers to the Hong Kong Special Administrative Region.

(2) Macau SAR refers to the Macau Special Administrative Region.

# AIA AT-A-GLANCE

**THE LARGEST  
LISTED COMPANY  
ON THE HONG KONG  
STOCK EXCHANGE**

which is incorporated and  
headquartered in Hong Kong<sup>(1)</sup>

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Present in

**18 MARKETS AND  
100% FOCUSED ON ASIA**

**THE LARGEST  
LIFE INSURER  
IN THE WORLD**

by market capitalisation<sup>(1)</sup>

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**NO.1 WORLDWIDE FOR  
MDRT REGISTERED MEMBERS**

The only multinational  
company to top the table for  
**EIGHT CONSECUTIVE YEARS**

Note:  
(1) As at 31 December 2022.



Serving the holders of more than

**41 MILLION**

individual policies and over

**17 MILLION**

participating members of group insurance schemes

**RANKED TOP 10**

in Fortune's 2022

"Change the World" list

Provides protection with total sum assured of over

**US\$2 TRILLION**

to people across Asia

**"DIGITAL INSURER OF THE YEAR"**

by InsuranceAsia News for two years

Benefits and claims of

**US\$16 BILLION**

in 2022

**"ENTERPRISE ARCHITECTURE AWARD"**

by Forrester's 2022 Asia Pacific Technology Awards





## Dear Shareholders,

As we moved past the challenges of the pandemic and took ever-bigger steps toward sustainability, this year we put in place the significant pieces of business economic blocks that helped us keep to our Purpose of helping people live Healthier, Longer, Better Lives.

Among these building blocks were the launch of AIA Investment Management and Trust Company (AIAIM PH), the acquisition of MediCard Philippines, and the founding of AIA Group IT (Philippines).

With AIAIM PH and MediCard firmly positioned within AIA Philippines, we can now better capture opportunities and remain the leading brand that provides the protection, long-term savings, and healthcare needs of Filipinos. Our decision to prioritize our customers' need for protection, long-term savings, and health and wellness is poised to deliver more growth for AIA Philippines, and with the completion of our acquisition of MediCard, we foresee a stronger Total Health Solution proposition.

Meanwhile, the establishment of AIA Group IT (Philippines) – the Group Technology entity dedicated to provide technology-related services across the 18 markets of AIA – allows us to easily augment human resources needed for IT, giving us better access to talent, flexibility and scalability.

Further manifesting confidence in our path to growth is our return to AIA Tower, our headquarters in Makati City and the crown jewel among the properties owned by AIA Philippines. With the change in location of our corporate offices, we are now closer to our distribution and agency partners and other subsidiaries, allowing us to connect easier and come together as one AIA Philippines.

We maintained our foothold in the market this year as one of the strongest life insurance companies, remaining at the top spot in net worth and top two ranking for assets and net income. AIA Philippines' strong financial performance in 2022 attests to the soundness of its decision to maximize the use of digital platforms and technology in delivering services; prioritize the needs of clients for protection, savings, and health and wellness; and strengthen its agency network. We exhibited strong double-digit Annualized new premiums (ANP) growth across all channels, as well as in key performance metrics that included a single-digit growth for Value of New Business (VONB).

Our commitment to effective corporate governance paid off, earning us a score of 100, one of the highest scoring companies in our industry, and awarded the Three Golden Arrows award by the Institute of Corporate Governance (ICD) in partnership with the Insurance Commission (IC) last September 2022. The Golden Arrow award is given to select insurance companies hailed to have outstanding corporate governance practices after closer scrutiny is performed by the ICD on the public disclosures of insurance companies.

In 2022, we achieved nearly 90 percent of our target for both the number of lives saved and the basic sum assured, and reached over 90 percent for the trinity sum assured in life, critical illness and medical.

Enhancements in our offerings for Health and Wellness continue, with members becoming more active, driving us to continuously improve the customer experience and functionality for My AIA and AIA Vitality.

Sensitive to the needs of Filipinos, we sought to address the rising financial insecurity among customers due to market volatility, with products that delivered straightforward benefits and guaranteed returns, leading to the enhancement of our existing products, specifically Income Assure 7, Income Assure 10, Future Scholar, and AIA All-In-One Plus.

As always, the execution of our growth strategy rests on the success of our agency partners. Our Agency Distribution focused on growing the agency and driving the productivity of agents this year. We accomplished this through intensified recruitment initiatives and the launch of an integrated marketing campaign that helped grow the Total New Recruits by double-digit over the previous year. Our Average Active New Agents grew by nearly 40 percent, driven by various initiatives, including the enhancement of the Next Gen Advisor Development Program. These achievements would not have been possible without the support of technology enablers iRecruit and Next Gen iPOS.

BPI AIA, our bancassurance venture with BPI, made great strides this year by optimizing technology. PamilyaProtect, BPI AIA's low-cost protection product available through Facebook Messenger, was publicly launched last September, generating PHP150 million in sales, and covering about 20,000 lives. Another contributor to BPI AIA's strong 2022 finish is the use of MyData, where the bank client's application form is prepopulated using their information from the bank, initiated upon the client's consent, which goes through data driven underwriting. With the fast lane application process, getting coverage from BPI AIA has never been easier and faster.

## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

We remain agile in our use of Technology, Digital, and Analytics (TDA) in supporting our business priorities and in responding to our customers and agency partners.

On the technology side, cloud adoption was one of the major undertakings, with 72 percent achieved in less than three years. Artificial intelligence also played a more important role, as we relied heavily on its support to enable us to take on numerous repetitive tasks that can be automated, as well as respond to the standardized queries and concerns of our customers and agency partners.

When it comes to developments in digital, it was our digital platforms that pushed to above 80 percent our straight through processing (STP) of buy, after-sales service, and claims processing. This means that the need for human intervention in processes involved in buy, after-sales and claims has decreased, making it more efficient, accurate and reliable. I am pleased to report that this strategic and timely use of digital tools has rewarded us with a top rank in Net Promoter Score (NPS) among our competitors. Moreover, the upgrading of the digital capabilities of AIA Philippines platforms became instrumental in helping in the recruitment and activation of agents.

Significant progress was also made in data analytics, with the improving data quality scores across identified attributes that are critical for business processes covering 65 percent Critical Data Elements (CDE) implementation for Customer, Policy and Claims, and 20 percent CDE implementation for Agency, Partnership Distribution (PD), Vitality, Marketing, and Products. The centralized data storage system was also implemented successfully, enabling us to increase our data richness level from 6 to 58 percent, an accomplishment achieved within a short period of time.

Alongside the progress in TDA, we sustained the initiatives that support our aspiration to become an Organization of the Future (OotF). We became simpler and faster, successfully streamlining our structure, reducing the layers for better and swifter decision-making, focused on continuous improvement and the training and development of our people. We worked on becoming more connected, adopting agile ways of working with workstreams and cross collaboration teams coming together, with employee engagement pivoted around the return to on-site work, and the re-establishing of connections. We eased our workforce to their safe return to on-site work and increased in-office attendance from 50 percent in the mid-year, to 60 percent by December. As we continue to renew face-to-face interaction and engagement amongst



**The AIA Philippines Management Team**

our people, we look forward to stronger collaborations and renewed relationships within our teams.

As a leader in an industry that will continue to become vital in the years to come, we are well-positioned to create positive change in society. Thus we carry on with renewed vigor our efforts to truly embed Environmental, Social and Governance (ESG) into the way we do business at AIA Philippines. To help gauge the effectiveness of our efforts, we have identified specific metrics for the five pillars of our ESG, namely Health and Wellness, Sustainable Operations, Sustainable Investment, People and Culture, and Effective Governance. We continued to support various initiatives that champion Health and Wellness through projects like Hope for the Breast. The



full report of these initiatives are contained in the dedicated ESG Report, which comprehensively captures the activities of the past year.

It is in these extraordinary and uncertain times that we truly appreciate the unfailing dedication of our people and partners. We thank our Agency partners for their continued love and loyalty to AIA Philippines. We are grateful to our business partners who remain steadfast through the best and through the most challenging of times. Their hard work and commitment to our mission of racing against risk makes it possible for us to continue saving lives, protecting dreams, and securing the future of many Filipinos who need our help.

On behalf of the Board, let me thank this extraordinary team for its unfailing dedication. Once again, I am grateful for the abiding trust put in this leadership. Let us continue building the momentum to achieve our goals as we remain anchored on our Purpose of helping people live Healthier, Longer, Better Lives.

**KELVIN ANG**  
Chief Executive Officer



**HEALTHIER, LONGER,  
BETTER LIVES**

# CORPORATE OBJECTIVES

The key focus for 2022 was to support the customers, agency partners and employees of AIA Philippines as the country recovered from the COVID pandemic. As a result, encouraging new business sales growth and improved customer retention were achieved.

Throughout the year, significant progress was made in the Technology, Digital and Analytics program of the Company to further support its ease of doing business objectives. This was accomplished by improving the customer journeys with increased straight through processing and faster turn-around times.

On the product development side, propositions continued to be enhanced to ensure that the protection and long-term savings solutions offered to customers and their families remain relevant.

As the Philippines continues to recover from COVID and supported by the foundations that have been laid in 2022, AIA Philippines is confident of a strong performance in 2023, grounded on its Purpose of helping people live Healthier, Longer, Better Lives.

# FINANCIAL HIGHLIGHTS

## REVENUE

Premiums from new business ordinary life products registered strong growth at over 300 percent compared to 2021, significantly coming from Income Assure products sold during the year. Accordingly, net premium grew to PHP16.4 billion albeit the pull down from variable life products which showed a decline of 15 percent compared to last year.

## POLICY BENEFITS

Benefits paid to policyholders during the year was at PHP12.6 billion, lower by PHP0.74 billion when compared to last year, significantly driven by decline in death and living claims but partially offset by higher surrenders and maturities during the year.

## NET INCOME

Net income is at PHP6.6 billion during the year, lower when compared to last year largely from market timing of disposals of investment securities classified as Available-For-Sale (AFS).

## INVESTMENTS

Total invested asset contracted by 14 percent during the year at PHP211 billion primarily driven by lower market value of fixed income securities held. This is due to higher interest rates coupled with lower market value of equity securities held, as volatility in the local equity market remain during the year. The investment income, net of investment expense, amounted to PHP10.2 billion in 2022.

## SHAREHOLDERS' EQUITY

Total shareholders' equity grew to PHP72.5 billion as at 31 December 2022 mainly from net profit during the year of PHP6.6 billion partially offset by decline in reserves balance which is significantly driven by the fluctuation of the AFS financial assets and remeasurements of the insurance contract liabilities.



## BUSINESS REVIEW

### AGENCY DISTRIBUTION

As the nation's COVID-19 health restrictions started to ease, AIA Philippines' Agency Distribution (AD) took this as an opportunity to rebound strong from the effects of the pandemic. For 2022, AD focused on intensifying business expansion, and increasing activity ratio and productivity.

The various AD business units laid out different initiatives and campaigns that support business growth while driving stronger engagement within the Agency Force. All Agency-related events shifted to face-to-face as early as the second quarter of the year to firmly establish normalcy and encourage interaction, contributing to the Agency's upward momentum.

The launch of the Step Up Business Opportunity Program (BOP) nationwide enabled AD to attract and source more recruits as well as increase the Advisor-Recruiter engagement via Agency Builder Club (ABC), further increasing month-on-month BOP Participation and Recruitment.

Recognizing the power of digital marketing, Agency Distribution launched an integrated marketing campaign for its recruitment initiative, maximizing AIA Philippines' owned social media platforms and utilizing digital tools. Through the campaign, AD observed a significant increase in brand awareness and leads generated. On the ground, Agency Leaders and Advisors were supported with resource capabilities using revitalized plug and play tools available in the iRecruit Recruitment Content Hub that helped attract potential recruits. All these resulted to a double-digit growth in Total New Recruits versus previous year.

Average Active New Agents grew by almost 40 percent this year, attributed to several initiatives such as the New Agent engagement via Rookie Reunion, the enhancement of the Next Gen Advisor Development Program, and the continued drive for New Agents to acquire a dual license that will allow them to offer the full suite of AIA Philippines products, in alignment with the expansion of the Company's Product Portfolio.

To further advance the recruitment, activation and productivity of the Agency Force, Agency Distribution beefed up its digital capabilities by continuously improving the performance and user experience of its digital tools. One notable initiative is the enhancement of Next Gen iPoS, AIA Philippines' newest end-to-end sales tool that will completely replace iPoS 1.0 by 2023. Together with the added features and products, Next Gen iPoS also launched its iPad version with offline mode. All these enabled Agents to sell faster, earn better, and achieve goals easier.

Alongside the developments happening on the recruitment and expansion side are other upgrades in support of AD's business goals, focused on streamlining, enhancing, and improving the overall business quality (BQ) and operations.

Agency Distribution took on a new approach to improve its operation, particularly on reducing document requirements and enhancing iRecruit applications to shorten the turnaround time. The syncing of Leads Management System in iRecruit also eased the completion of exam registration requirements by eliminating the manual submission of training certificates. Other initiatives were also implemented in support of leader development by updating the promotion application form and extending the submission deadline resulting to more applications and leader promotions.

A series of nationwide face-to-face and online roadshows were also rolled out in 2022, part of the Company's efforts to ensure that the Agency Force stayed compliant with AIA's standards and policies. This was followed by the release of BQ Flix every two months, a guide that will help ensure that every Agent of AIA Philippines remained cognizant of AIA's standards and policies. With the supplementary BQ Flix and the continued communication of new and existing Agency guidelines, the number of non-compliant agents have gone down, guiding advisors and leaders in their delivery of high-quality service to their clients.

Another focus of Agency Distribution is the improvement of the Agency Benefit and Compensation scheme that covers healthcare, protection, and investment of Agency Partners until their retirement. Following the new scheme, the number of Agents applying for exclusive agency benefits increased and enrollment for the following benefit programs surpassed the previous year's: Agency Share Purchase Plan, Group Medical, Group Life and Agency Retirement Annuity Plan/ Agent's Provident Plan.

01

**NEXT GEN**  
**iPOS**

01

Next Gen iPoS, AIA Philippines' newest end-to-end sales tool, was launched in 2022. The upgraded version of the iPoS enabled Agents to sell faster, earn better, and achieve goals easier.



**02** Onsite events such as the Pinnacle Awards and Peak Awards, where the best of the best among agency partners are recognized, resumed.



**03** Recruitment for new agents stepped up in 2022, with Business Opportunity Programs (BOP) taking place nationwide on a regular basis.



**04** Business Quality Roadshows were held nationwide to ensure compliance of its Agency Force.



**05** Roadshows updating agency partners on the upgraded digital tools were held to enable them to sell faster, earn better, and achieve their goals easier.

With the growth of the Agency Force, continuous education was vital and was supplemented all year round. The user experience enhancements applied in the LMS allowed both Advisors and Leaders to track their training progress properly, cultivating learner-centric and data-driven e-learning with the adaptation of local and global best practices frameworks.

Agency Distribution will continue to uphold its promise of delivering an agency-centric focus across all business functions as the foundation for its growth. Together with the strong business momentum gained by the consistent month-on-month growth, and followed by a strong closing last December—the best since the pandemic started—AIA Philippines is well-positioned to further strengthen the foundation that will help it achieve its ambitious goals in the succeeding years.

## CORPORATE SOLUTIONS

Coming from the pandemic, Corporate Solutions regained momentum throughout the year.

By focusing on targeted market segments for Employee Benefits and Credit Life, Corporate Solutions was able

to boost its overall financial performance. Through collaborative efforts to push initiatives between channels, the consolidated profitability reached new limits, achieving over 200 percent of its defined target in Employee Benefits' Operating Profit Before Taxes (OPBT) and 54 percent growth in Value of New Business (VONB).

One of the key initiatives for the year is the push of Total Health Solutions, the complete health and wellness proposition of AIA Philippines, as part of its engagement program with its partners. By providing customers with benefits, incentives and perks throughout their wellness journey, engagement was observed and penetration rate on an individual member level increased.

With Partnership Distribution, the stretch on accounts' renewal growth efforts, voluntary program for BPI accountholders, and credit life portfolio contributed to 100 percent increase in Annualized New Premiums.

Corporate Solutions ended the year with over PHP2.3 billion in Total Weighted Premium Income (combined AIA Philippines and BPI AIA), more than 4,000 policies in force, and almost one million group insured members.



## MARKETING

### INTEGRATED MARKETING COMMUNICATIONS

With the easing of restrictions, the Integrated Marketing Communications (IMC) Team also began to slowly go back to its normal face-to-face marketing activities.

In April, IMC Team held AIA Philippines' first hybrid event since the pandemic started with the First Quarter Business Media Roundtable. Another first for the event is the unified front presented by AIA Philippines and BPI AIA as One AIA Philippines Group. AIA Philippines executives Kelvin Ang (Chief Executive Officer), Gary Ogilvie (Chief Financial Officer) and Leo Tan (Chief Marketing Officer) were joined by BPI AIA Chief Executive Officer Surendra Menon.

The media roundtable became an opportunity for the AIA and BPI AIA executives to share business updates from the previous year, the priorities moving forward, and their outlook for the year ahead. Major publications nationwide attended the event, both physically and virtually.

The new AIA Philippines brand campaign was launched in late October, featuring its brand ambassador Gary Valenciano. The new brand campaign talks about showing love in a more meaningful way, through an insurance policy with AIA. It encapsulates AIA Philippines' role as a way to express love and responsibility to those we love most.

By November, another media event was held, this time for the technology/ lifestyle media, with the Digitalization Media Event, where they were given a chance to experience the latest digital innovations of AIA Philippines and BPI AIA. The event showcased the Innovation Lab, AIA's ways of working across technology, digital and analytics projects, that has paved the way for various game-changing innovation projects.

### PRODUCTS

For the AIA Philippines Products Team, the words **Agility**, **Innovation**, and **Adaptability** encapsulate the focus for 2022,

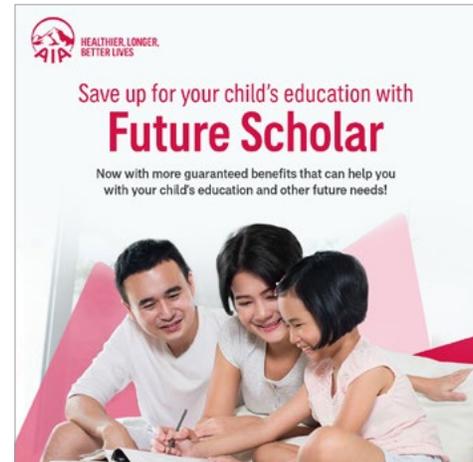


with the goal of providing compelling propositions that support the **long-term savings goals** of Filipinos.

The year kicked off with the launch of **AIA All-in-One Plus** offering comprehensive life, health, and investment benefits to customers. This upgraded version of AIA Philippines' traditional protection product protects customers while their savings grow.

To enable the agency distribution channel, the onboarding of **AIA Elite Funds** was completed for all existing investment-linked products, giving customers more ways to experience the stewardship of AIA Investment Management. More investment-linked product solutions addressing various customer needs were also offered this year, with the revival of selected short-pay variants and the lowered minimum premium requirements available for a limited period.

The operation of AIA Investment Management and Trust Corporation Philippines (AIAIM PH), the wholly owned trust company of AIA Philippines, officially commenced in 2022. With its launch, there was tighter integration in the development of savings and investment products. AIAIM PH exclusively caters to the needs of AIA Philippines, dedicating investment resources to manage its peso assets.



**01** AIA Philippines, together with BPI AIA, holds its first face to face First Quarter Business Media Roundtable since 2019.

**02** Technology/ Tech-Lifestyle Media were given a chance to experience the latest digital innovations of AIA Philippines and BPI AIA at the Digitalization Media Event.

**03** The latest brand campaign for AIA Philippines talks about showing love through an insurance policy.

**04** Products with guaranteed benefits such as Future Scholar and Income Assure 10 helped address customers' financial insecurity.

**05** Long-term savings products such as AIA All-in-One helped customers get comprehensive coverage for life's many risks.

### Products with Guaranteed Benefits

As the country slowly emerged from the impact of the pandemic, financial insecurity among customers created demand for fixed and straightforward benefits that will help them plan their future without worries.

To address customers' dual need for protection and guaranteed benefits, Income Assure 7 was re-introduced, a single pay product that guarantees payout of 3.5 percent of the premium every year for the next seven years, while providing life insurance coverage at 110 percent of the premium. After seven years, the initial payment will be returned.

Because of the unexpected success and reception of **Income Assure 7**, the original product design was modified to offer extended benefit payout years, with the new product launched as **Income Assure 10**. This single pay product will provide customers a 5 percent return on the initial payment at the end of each policy year for the next ten years, with the initial payment to be paid back to the customer on the tenth year. On

top of that, the policy owner will be covered for 125 percent of the premium payment, should anything untoward happen to the policy owner after two years.

**Future Scholar** another existing product, was tweaked to offer a premium allocation option skewed towards more guaranteed benefits. This lessens the customers' exposure to risks and worries about the education of their children in the future, or other future big expense.

To help high-net-worth customers with their estate planning needs, AIA All-in-One Plus, an enhanced new version of the original AIA All-in-One product was made available. This particular variant maximizes the premiums paid by customers to give them a higher equivalent benefit in case of the unexpected, with protection against four major risks: death, accident, disability and critical illness.

This year, the foundation of AIA Philippines' product portfolio was furthered strengthened, resulting to a suite of offerings responsive to the needs of customers, making it one of



the most competitive in the life insurance industry. By staying agile, adapting to customer needs, and innovating its offerings, the Company will continue enriching its comprehensive protection solutions to be well-positioned to help more Filipinos live Healthier, Longer, Better Lives.

### HEALTH AND WELLNESS

At the core of AIA Philippines' mission to race against risk and protect lives is the Total Health Solution (THS) proposition where customers have access to a comprehensive health and wellness ecosystem spanning every stage of their health journey—from prediction/prevention, protection, diagnosis, treatment to recovery. Through the Company's proprietary digital platform, My AIA, customers can enjoy easy access to augmented health and policy servicing solutions right at their fingertips. With Total Health Solution, AIA Philippines fulfils its commitment to be its customers' most trusted life partner through every stage of their health journey—helping them to Live Better, Protect Better, and Get Better.

In 2022, the THS proposition was further solidified by enriching the AIA Vitality program. As the first-of-its-kind

comprehensive wellness program in the Philippines, AIA Vitality leverages on its robust science-backed and evidence-driven strategy to drive long-term behavior change by incentivizing healthy choices.

### Membership and Engagement

As a key enabler of the Total Health Solution's Live Better pillar, AIA Vitality continues to motivate members to do one more for their health. Now, on its seventh year, AIA Vitality membership is at approximately 105,000 members, reaffirming its stake as the wellness program of choice among Filipinos.

The key to driving member engagement is to keep the program relevant and compelling, made possible through a yearly refresh featuring more intuitive core benefits and hyper-targeted campaigns.

As opening salvo for 2022, AIA Vitality launched the Fast Start campaign to help members kickstart their health journey. The campaign made it easier for members to earn points for their healthy activities and move up in their status faster. The



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Partnerships with sporting events such as Spartan Race gave AIA Vitality brand mileage, while providing opportunities for lead generation and sales.

higher their status, the greater their rewards — from partner discounts to insurance benefits. These limited-time offers included doubling their fitness points, earning points for food tracking by uploading a photo of their meals, introducing Hepatitis A vaccine as a new points-earning activity, and increasing the points for taking a health check from up to 6,000 to 10,000, for results within the healthy range.

In the second quarter, engagement campaigns focused on promoting the AIA Vitality app as their wellness buddy to guide them through their personal health pathways. Dubbed as the AIA Vitality Appciting Promo, the eight-week campaign featured simple challenges that encouraged them to explore and maximize the functionalities of the app. Prizes ranged from GCash vouchers, fitness devices, healthy gear gift certificates, smart weighing scales and ultra-high definition (UHD) TVs. To drive members to know their health numbers and risk factors, a health check promo was likewise offered where members get access to the following: free health check, PHP100 eGift for simply signifying their intent to take the health check, and a PHP200 bonus for completing the health check.

By September, more benefits awaited AIA Vitality members with the launch of Ideal Vision Center as a new vision partner offering free check-up and up to 30 percent discount for frames and lenses. To promote healthier outcomes within the family, the optical benefit was also extended to immediate family members. September also marked the shift to weekly rewards where members get instant PHP100 eGift for hitting

their weekly fitness target. From the previous bi-weekly construct, the new set-up enables members to earn points, move up a status and enjoy rewards faster.

The ultimate salvo for the year took place in the fourth quarter, with the launch of the Fitter, Healthier, Winner Promo. Amazing prizes up for grabs included home entertainment, kitchen appliances, home gym equipment, fitness devices and mobile gadgets. To join the monthly raffles, members must take the health check or earn 100 points from healthy activities.

With these year-round initiatives, 2022 saw an improvement in better health outcomes scores at almost 0.5 percent amongst in-force members. Better health outcomes score percentage refers to the number of members out of total member count who satisfy any of these two criteria: a) improved from an unhealthy to a healthier range in at least one of the four biometrics (body mass index, blood pressure, cholesterol or glucose); b) lowered their AIA Vitality Age gap, which is the difference between their biological age and their AIA Vitality age. Similarly, members taking part in fitness activities the past three months grew in 2022.

### Distribution

AIA Vitality spearheaded partnerships with sporting events that are aligned with the brand's values to strongly demonstrate the AIA brand purpose of helping people live Healthier, Longer, Better Lives. Collaborations were done either with organizers with an already established set of



enthusiasts or are expanding their own following so that the AIA Vitality brand can grow with its community. Particularly in 2022, AIA Vitality proudly sponsored two major events in the country with IronMan 70.3 Philippines and Spartan Race Philippines. Aside from extensive brand mileage, these provided opportunities for both financial advisors and bancassurance sales executives to generate leads and insurance sales. These activities also greatly contributed to the AIA One Billion campaign.

With the easing of quarantine protocols, coupled with more health-conscious customers following the pandemic, recovery of membership was top of mind. Highlighting access to health checks as part of the AIA Vitality proposition was essential in driving membership. An onsite health check campaign was launched to encourage customers to go back to transacting in AIA PH and BPI branches. The campaign addressed Filipinos' need for a health check by making it both hassle- and worry-free. The activity was supplemented with a financial wellness needs assessment to provide customers with information on the available health and protection solutions depending on their needs. A free health check voucher campaign was later launched to increase the reach of this acquisition initiative with a similar intention to help customers get access to a free health check.

Indeed, total wellness has become one of the top priorities of customers when deciding their insurance coverage. As such, it was important to communicate to them the message of total health solution and the end-to-end health and wellness proposition that AIA Philippines can provide. Thus, at the Bancassurance Week (an in-branch bank event that highlights specific insurance products), the messaging was revamped to give emphasis on the value of total wellness and what the Company can offer to help customers achieve this.

#### **Technology and Operations**

To reverse the downward trend in app ratings, a laser-focused strategy was implemented covering the following:

- historical review analysis from Google Play Store covering November 2021 up to January 2022
- identification of the top five low star rating contributors to determine low-hanging fruits
- engagement of a third-party vendor to provide content management solutions
- initiation of a new process to proactively resolve concerns raised in app stores with the support of the local Call Center team.

In addition, key enhancements were constantly introduced in the app to ensure a delightful user experience for customers.

Since the transition to the new AIA Vitality app last April 2021, the app rating target of 4.0 has been surpassed, achieving a combined app rating of 4.1 by the end of 2022. Both iOS and AOS ratings are on a record-high of 4.2 and 4.0 stars, respectively.

This was a monumental turn-around from the dip in combined ratings starting November 2021 to a low of 3.5 in February 2022.

### Conclusion

With the unique value proposition of providing a fully integrated, digitally enabled Total Health Solution, AIA Philippines remains at the forefront of keeping customers at their healthiest – whenever, wherever they may be. As a trusted life partner that walks with them every step of the way, AIA Philippines continues to bring to life its brand purpose of helping people live Healthier, Longer, Better Lives.

## INVESTMENTS

The global economy continued to recover in 2022 but at a much slower pace than in 2021, as the initial boost to growth that resulted from the economic reopening in 2021 faded gradually while fiscal and monetary policies became less supportive. Inflation surprised to the upside in most countries, with few exceptions, as the war in Ukraine pushed commodity prices higher and lingering imbalances between supply and demand brought service prices to levels unseen in decades.

The AIA Philippines Investment Portfolios comprised mainly of fixed income, equity, and real estate assets were positioned according to the general market trends to enhance overall performance. The strategy employed in the fixed income portfolios in 2022 enabled the funds to outperform their benchmarks for the year. As the market showed intensified signals of US-led recession towards the end of 2022, the portfolios were positioned as well to align with this shift. For equities, the volatile nature of the market in 2022 prompted a cautious approach to equity investing. Dynamic strategies utilizing derivatives and geographic diversification were utilized to achieve sustainable long-term returns.

2022 saw the full implementation of the ESG rating scorecard across the AIA Group. The ESG rating scorecard is being used across the AIA Group to quantify the evaluation of the relevant ESG risks and opportunities of investee companies, and the continuous training and development of the research analysts. This allowed for the maintenance of high asset quality levels in the investment decision-making process of AIA.

Risk, Compliance, and Sustainable Investment promote the level of investing quality of AIA Group, thus continuous improvements in policies, processes, and procedures in all areas of investment operations were implemented. All these are in accordance with the requirements of the AIA Group Investment Governance Framework (IGF). The IGF serves as the foundation supporting the operations of investment teams across the AIA Group and evolves continually to adapt to a dynamic market environment and remain consistent with global best practice.

## REAL ESTATE

Following the easing of restrictions due to the COVID-19 pandemic in 2022, the real estate sector saw generally positive movement and activity in the market. For AIA Philippines, this meant further normalization of the operation of its investments properties.

Occupancy at AIA Philippines-owned properties improved in 2022. Despite downward pressure on occupancy and lease rates in the market, the closing rates and occupancy of its buildings remained generally protected through creative lease concessions, resulting in an average of 90 percent occupancy of the AIA Philippines property portfolio, slightly higher vis-à-vis the 80 percent market occupancy, while effectively retaining above-market closing rates.

The last phase of the renovation of the common areas of AIA Tower was completed in November. This involved upgrading the two main lobbies on the ground floor, as well as the elevator lobbies and common area toilets for all floors of the building.

The agency office and Customer Service Center in Naga City were successfully relocated to its new location, while the Cubao Customer Service Center transferred to a location more suitable to the changing requirements of the AIA Philippines customers who patronize this particular branch in Quezon City.

For Real Estate, one of the biggest highlights for the year was the rollout of the building name change for its various assets, and particularly for AIA Philippines' biggest Makati-based asset, Philam Life Tower, which has now been renamed to AIA Tower. This is in line with the rebranding of AIA Philam Life to AIA Philippines Life and General Insurance Company.

By December, AIA Philippines moved to its new head office at AIA Tower in Makati City – formalizing its return to the Company's key asset in the country.

## **CUSTOMER OPERATIONS**

For 2022, Customer Operations focused on delivering a digital transformation journey for a seamless customer experience. The various access channels and AIA technology were utilized, enabled by strong collaboration with other internal teams, to deliver improved solutions that meet the needs of customers .

The shift towards achieving total experience management took place, to provide customers with a better experience. Branch services and call centers were equipped with the right tools and trainings to meet customers' needs and requests at the first point of contact. Systems were enhanced, and bots were developed to ensure that service delivery to customers remained robust.

The AIA Philippines website and My AIA are the online platforms that give customers access to after sales services via desktop and mobile facilities, with the following expanded functionalities making it easier for them to enjoy a better self-service journey: Viewing of Policy Details, Online Payment via credit/ debit card, Viewing of Billing Notice, Contact Information Update, Benefit Pay-out Update, Management of Investment Funds, Receiving Important Notifications on pending dues and requirements, Filing of Claim anytime anywhere, Accessing the list of AVEGA accredited doctors and hospitals for customers with AIA Med Assist, Accessing AIA Vitality, and Viewing of latest insurance products, promotions, and articles. These functionalities were added based on continuous understanding of customer needs coming from direct feedback and experience checks, ensuring that the improvements in service are based on articulated needs of customers.

These digitalization solutions have also delivered various bots that transformed the way AIA Philippines operates, allowing 24/7 delivery of different services to help augment care maintenance while enabling the confirmation of necessary controls to provide more secure and complete services.

Furthermore, part of the digital adoption initiatives is the enhancement of the features of AYA and Bessie, the chatbots of AIA Philippines and BPI AIA, respectively, which can be easily accessed via Facebook Messenger or Viber. There are about 4,000 monthly unique users of the chatbots, with over 4,000 correspondences processed successfully. These easily accessible chatbots provide answers to commonly asked questions such as the processing of new policy application, premium payment options, policy benefits availment, filing of claim, AIA Vitality and benefits, and My AIA registration and access. Both chatbots are now able to process transactions such as requests for certifications. Various enhancements continue to take place to make these chatbots even more transactional and more helpful to customers.



The initiatives to enhance and improve service delivery bore fruit, with AIA Philippines taking the top spot in the 2022 Net Promoter Score (NPS) Ranking among the top six insurance companies in the Philippines. This achievement is an acknowledgment of the Company's efforts to upgrade and continue digitalization projects that are relevant and useful to customers. It affirms that AIA Philippines is on the right path in its mission to protect even more Filipinos. The drive to increase the adoption of paperless services as part of AIA Philippines' ESG strategy to establish a more sustainable way to operate remain a key initiative, in alignment with the Company's Purpose of helping people live Healthier, Longer, Better Lives in a better world.

Customer Operations will continue to utilize its technology, digital and analytics capabilities to deepen understanding of the customers' needs, better anticipate help that can be provided, develop innovations, and enhance services that will address their needs.

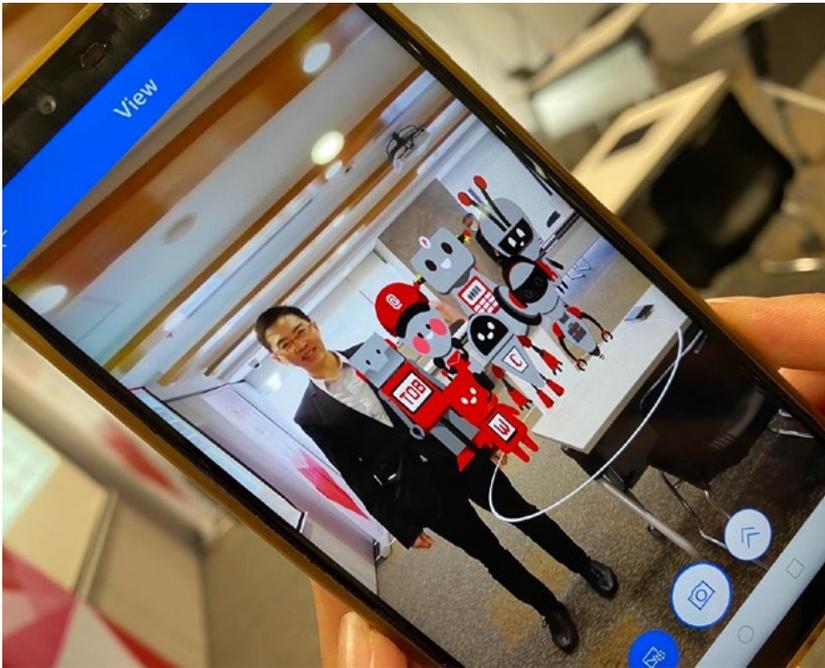
## **INFORMATION TECHNOLOGY**

Information technology (IT) is the driving force behind AIA Philippines' digital transformation, with the digital enablement of the organization as its priority for the year.

As AIA Philippines embarks on the second full year of its Technology, Digital, and Analytics (TDA) transformation, the Company is fully committed to enabling digital capabilities. This includes modernizing applications on the Cloud, deploying a powerful data platform, increasing Automation, and introducing Artificial Intelligence (AI) innovations, initiatives that are crucial to support AIA Philippines in the achievement of its digital goals.

On the Partnership Distribution front, IT has enabled the release of Pamilya Protect, the first product sold via digital self-service selling, available through the Facebook Messenger platform. This innovative product set the

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foundation for future distribution of similar sachet products, with the whole journey experience taking only five to ten minutes, including the issuance of the policy. With its launch, insurance is now more accessible than ever for Filipinos.

IT recently implemented a Cloud-based Customer Communications Management (CCM) platform to improve the way AIA Philippines manages its communication with customers. By using CCM, Customer Communications, such as SMS, email, and e-letters, have been automated, digitized, and centralized. Additionally, the use of Robotic Process Automation (RPA) and Bots has enabled the business to reduce the number of policy queries managed by the contact center and branches, as well as increase Straight-Through Processing (STP). These initiatives have resulted in improved customer engagement and satisfaction, while also reducing operational costs.

As the organization moved toward the end of 2022, the goal of increasing Cloud adoption was at the forefront of the modernization of applications. Along with other applications onboarded to the Cloud, the massive goal of 72 percent cloud adoption in less than three years has been remarkably achieved with the successful implementation of Lotus, a centralized data storage system and business data warehouse information repository. The Lotus platform has enabled the organization to increase data richness level from 6 to 58 percent, an accomplishment achieved within a brief period of time.

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The use of bots has enabled the business to reduce the number of policy queries handled by the contact center and branches, at the same time increase Straight-Through Processing (STP).

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Pamilya Protect, the first product sold via digital self-service selling available through the Facebook Messenger platform was launched this year by BPI AIA.

AIA Philippines has also made strides in modernizing its business decision-making and customer experience using Data Analytics and Artificial Intelligence (AI). The Data Platform and Governance has also made significant progress in improving data quality scores across identified attributes that are critical for business processes covering 65 percent Critical Data Elements (CDE) implementation for Customer, Policy and Claims, and 20 percent CDE implementation for Agency, Partnership Distribution (PD), Vitality, Marketing, and Products. To further increase customer engagement and retention, Talkbots AI, which provide data-driven insights, were also developed that resulted in an uptick in customer engagement rates, with 74 percent touch rate and 17 percent interest rate.

With all these modernization projects with Cloud, Analytics, Automation, Innovation and digital product releases, the security of customer data has remained an important focus area. Multi-factor authentication, data leakage prevention technologies, and data labelling technology have been enabled, always ensuring the safety and security of data overseen by AIA Philippines.

Within the past two years, AIA Philippines through its IT initiatives has set up a strong foundation to support a digital operating model taking full advantage of TDA enablement. With the right talent and an agile approach to work, AIA Philippines is now able to better use these resources to further drive its market growth and leadership.

## OUR PEOPLE

**“Empowering our people to succeed through fostering a learning environment in a diverse, inclusive and supportive culture.”**

This is the thrust of the People and Culture pillar of AIA Philippines’ ESG Strategy.

AIA Philippines’ culture is shaped by leaders who embrace the three **Leadership Essentials** – Clarity, Courage, and Humanity. Leaders should (a) live the Company’s purpose and operating philosophy with a clear direction (b) deliver the best solutions together and ensure that ideas are turned into action and (c) create a culture that people can thrive in as they develop and shape the future of AIA Philippines together as a team. The Leadership Essentials set out the desired behaviors for all its people, not just for its leaders but at every level of the organization. When these behaviors are brought to life every day, AIA Philippines employees do the Right Thing in the Right Way, with the Right People thus creating long-term value for all its stakeholders, delivering on its Purpose of helping people live Healthier, Longer, Better Lives.

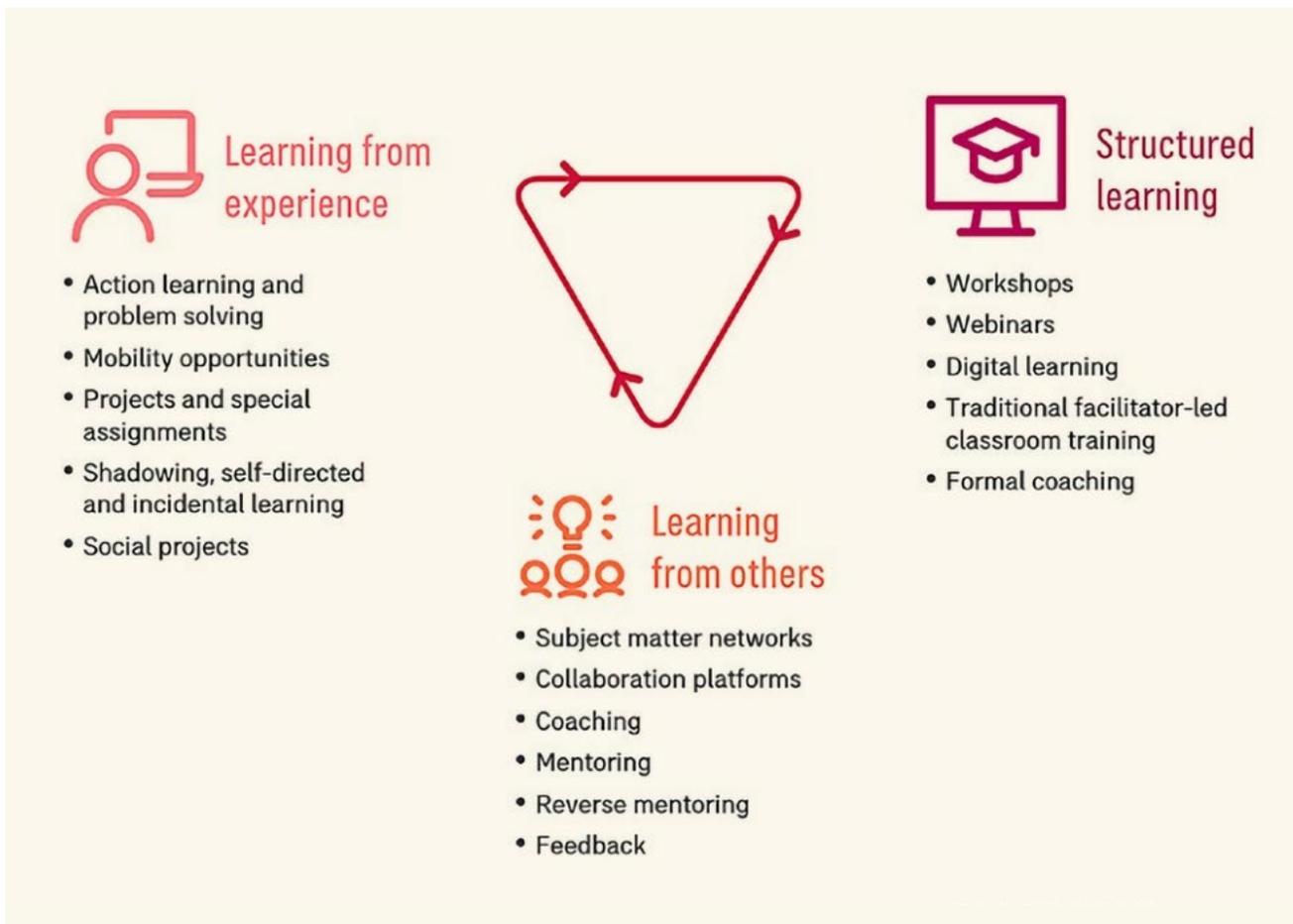
### FOSTERING A LEARNING CULTURE

AIA Philippines subscribes to a comprehensive and holistic development in the belief that each employee can make a difference. The Company’s holistic development opportunities ensure a proportionate way for employees to make the best out of their learning journey.

The difference that the organization makes starts with every individual at AIA. Its people are empowered to be the best they can be, and make a difference in their own unique way. They are provided with growth opportunities through appropriate and relevant training, development, and experience that will enable them to have a prosperous and fulfilling future in the organization.

### LEARNING FROM EXPERIENCE

The best learning opportunities come from providing employees on-the-job experience such as experiential learning, new project exposure, and job rotation and mobility to broaden their perspective and support their career aspirations.





### LEARNING FROM OTHERS

Peer learning is an effective way for employees to learn from others. Coaching is a critical aspect of managers' development of their teams. In addition, conferences, company events, networking opportunities, brownbag sessions and regular team meetings can be venues where they can share their knowledge and expertise, creating a natural setting for peer learning and leveraging subject matter experts (SME) within the Company.

### STRUCTURED LEARNING

Workshops, eLearning courses, certifications, and training programs can help bridge the gap in skills and capabilities. The Company has invested in providing different online learning platforms that make learning accessible and contribute to the overall development of employees.

### ORGANIZATION OF THE FUTURE

Organization of the Future is one of the key enablers which underpins the Ascend 200 strategic priorities. To ensure that its people will flourish through a simpler, faster and more connected AIA Philippines, the focus areas in 2022 centered on employee engagement and capability uplift.

### CAPABILITY UPLIFT

AIA Philippines has an array of Core Programs that are targeted for Individual Contributors, People Managers, and Senior Leaders in the Company. As AIA Philippines invests in developing its people, its **Catalyst for Growth** Capability-Building Framework has four focus areas which directly align with the Company's strategic priorities.

**CATALYST FOR GROWTH**



Additional programs are also implemented to support the different developmental needs of its people:

**New Employee Orientation Online Course**

An online course designed for all new joiners to help them navigate their way and facilitate their integration into AIA Philippines. The self-paced course contains modules that will help them learn about the organization’s history, teams, leadership team, and other essential information unique to working in AIA Philippines.

**Your Role in Safeguarding AIA’s Interests**

This is a mandatory eLearning course that increases the employee’s awareness of critical regulatory requirements and expected conduct that are key to preserving the brand image, reputation, and transparency of the Company.

**Life Office Management Association (LOMA)**

An international trade association for the insurance and financial services industry that provides globally recognized educational resources and products that illuminate new ideas and ignite potential. It helps career advancement and performance development by building a deeper understanding of the best practices in the insurance business.

**Enterprise Leadership Program**

An executive development program that is designed to help the senior leadership team embrace the AIA Operating Principles and Leadership Essentials, as well as achieve the Company’s ambitions.

**LinkedIn Learning through Workday Learning**

Integrated in Workday, HR’s software system, are online learning courses accessible to employees anytime, anywhere through their desktop computers, laptops, or mobile phones. More than 16,000 LinkedIn Learning courses on creative, business, technology, and management are made available to address different learning needs of employees.

**Udemy for Business**

An online platform specifically designed for employees with technical development needs as they work on different projects related to technology, digital, and analytics. Employees can earn online certifications and short courses coming from reputable institutions and subject matter experts.

**Coffee and Conversation with Leaders**

A regular informal session that gives Senior Leaders (ExCo) a venue to engage the employees of AIA Philippines in a dialogue where they share the priorities of their function.

AIA Philippines regularly updates its employees about various learning and development opportunities through numerous internal communication channels. The Company values its people and is committed to help them develop their skills and capabilities to succeed in their role as they achieve personal and professional growth.

Through these combined approaches, AIA Philippines achieved a target average of **26.4 learning hours** in 2022.

**ENGAGEMENT**

Emerging from the pandemic, AIA Philippines remained committed to strengthening and building an organization that is more connected through the installation of different programs targeted towards the provision of a safe environment for feedback and revitalizing employee connections.

**PEOPLE LISTENING MACHINERY**

At AIA Philippines, feedback matters. The **Annual Employee Engagement Survey** conducted by Gallup aims to understand how employees are connected to the Company Vision and Purpose, how each one contributes to Company goals, and how they can make a difference.

Apart from the annual survey, AIA Philippines creates venues to receive feedback such as the **New Hire Roundtable** where new joiners are gathered for an informal session on their third month with the Company, as well as the **Speak Up** session, a monthly informal ask-me-anything session facilitated by the CHRO.



These activities give Leaders and Managers an opportunity to listen to its people and gather inputs frequently on a regular basis, giving them valuable insights that may influence people-related decisions, continuously improve employee experience, and increase employee engagement.

#### KEEPING OUR PEOPLE INFORMED

Company-wide employee activities that rebuild and strengthen social connections were conducted throughout the year. Quarterly townhalls provided an avenue to share organization-wide goals, share milestones and celebrate successes together.

#### KEEPING CONNECTED

In 2022, workstreams and engagement champions (E-Champs) composed of employees from different functions and levels were established to strengthen collaboration. AIA Philippines Communities was launched to foster a sense of belonging and help its people link with others who share common interests.

Fun O' Clock, a 30-minute activity to take a break and have fun together is organized by various collaborating teams. All activities are anchored on further promoting health and wellness, productivity, engagement, and a culture of collaboration within the organization.

### PROMOTING WORKPLACE DIVERSITY AND ADVANCING OUR CULTURE OF INNOVATION AND INCLUSION

#### HEALTH AND WELLBEING

AIA Philippines has its own health and wellness program that allows employees to take charge of their total health and wellbeing through the **WorkWell with AIA Program**.

Powered by **AIA Vitality**, employees are encouraged to lead a healthier lifestyle so they can live better and get more out of

life. Initiatives that encourage and motivate employees in their journey towards wellness in a fun and collaborative way are also implemented to help them live Healthier, Longer, Better Lives.

In 2022, AIA Philippines partnered with MindYou, a mental health technology company that provides companies access to preventive and unlimited therapy sessions with licensed psychologists to make professional help accessible anytime and anywhere. The partnership was launched to provide employees access to psychological support through unlimited mental health counselling sessions, escalation policy and full coverage of referred high-risk cases, free educational campaigns, wellness webinars, employee mental health check and psychometric reports.

Wellness-related activities and webinars on topics such as Psychosocial Support, Burnout Prevention, Handling Conflict in the Workplace, Managing Success and Failures in the Workplace, Raising Mentally Healthy Children, Stronger Relationships, and Work-Life Balance were made available to employees.



## OUR PEOPLE

**REWARDING PERFORMANCE**

AIA Philippines provides a dynamic work environment that encourages employees to bring their best to work each day. In return, the Company offers a Total Reward program including growth opportunities and a comprehensive package of pay and benefits which aims to give employees the choice and flexibility to meet their individual needs.

AIA Philippines' Reward Philosophy is built on the principle of providing an equitable, motivating, and market-competitive total remuneration package that fosters a strong performance-oriented culture. Its strong pay-for-performance culture is aligned with AIA Group's Operating Philosophy of "Doing the Right Thing, in the Right Way, with the Right People... and the results will come." It aims to ensure that individual rewards and incentives relate directly to the individual's performance, the function in which they work, and the overall performance of the business.

The **Short-Term Incentive (STI) Plan** is designed to reward employees for achieving individual objectives and contributing to AIA's annual business performance. It is an incentive scheme intended to link reward directly with individual and AIA's overall business success.

The **Long-Term Incentive (LTI) Plan** is a discretionary plan intended for key executives and selected critical talent, based on their individual performance and potential. It's based on the GCB (Group Career Band), the criticality of the nominee's job, and the individual's performance and long-term potential at AIA.

The **Employee Share Purchase Plan (ESPP)** is another important element of the Total Reward program which offers a convenient and attractive means for employees to further benefit from the Company's future success through its one-for-two share matching.

**Recognition for Happy Hacks, Above and Beyond, and Super Synergy.** To promote the right behaviors, recognition is given to employees who have given quantifiable contributions while exhibiting the Leadership Essentials. This is by a) innovating or simplifying processes, b) going above and beyond one's job to delight customers or c) promoting cross-functional collaboration and challenging the status quo.

**EMBEDDING A CULTURE OF ETHICAL DECISION-MAKING AND STRONG RISK MANAGEMENT****SAFE AND SECURE WORKPLACE**

AIA Philippines is a Safe, Healthy, and Secure Workplace. The Company observes Occupational Safety, Security, and Health Standards being promoted by the Department of Labor and

Employment, and conducts its business in a manner that protects the health, safety, and security of its employees and customers.

Promptly reporting to management or to the appropriate Corporate Security Personnel the situations that may pose health, safety, security, and environmental hazards is mandated. Employees are encouraged to notify management or Corporate Security of any issue that may impact the company's security, fire and life safety, or emergency readiness.

Using, selling, possessing, or working under the influence of illegal drugs at AIA Philippines is strictly prohibited. At the same time, use of alcohol while conducting business for AIA Philippines is also prohibited.

AIA Philippines abides by local labor and employment laws including those addressing discrimination and harassment. Its **Code of Conduct** also mandates that employees treat each other with respect, including valuing each other's differences and respecting each other's opinions.

Physical security systems reduce the risk of exposure. Entry controls are implemented to ensure the Company's safety, security, and protection. Wearing of ID is strictly observed.

AIA Philippines respects the personal information and property of employees. Employees expect the Company to carefully maintain the personal information they provide. Employee trust must not be compromised by disclosing this information other than to those with a legitimate need to know.

Access to personal information or employee property is given only to authorized personnel with a legitimate reason to access such information or property.

From time to time, AIA Philippines may access and monitor employee internet use and communications to assess compliance with laws and regulations, policies, and behavioral standards. Subject to local laws, employees will have no expectation of privacy with regard to workplace communication, and especially when using the information technology resources of the Company.

**DISCIPLINARY GUIDELINES**

The Company takes appropriate action against erring employees who violate company policies and procedures, or have exhibited any aberrant behavior. Violating applicable laws, regulations, the Company's Code of Conduct, or encouraging others to do so may result in disciplinary action. Failing to promptly report known violations by others may also be a violation of the Code of Conduct.

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**Pamalya Protect**  
INSTANT Insurance

**BPI AIA**

**Gift yourself the protection you deserve.**

Get started via FB messenger

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Pamalya Protect, BPI AIA's first digitally available product, was launched this year.

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BPI AIA introduced its first brand ambassador, long-time customer Chito Miranda of Parokya ni Edgar fame.

## BPI AIA

BPI AIA continued its strong push to provide affordable, accessible, and personalized products for Filipinos in 2022.

Three new products were introduced – PamalyaProtect, Total Care Max, and Income Booster 5, with each one catering to different needs and markets, all aimed at protecting and saving lives. The Free COVID-19 Life Insurance Coverage program, started in the third quarter of 2020, also grew, ending the year with over 800,000 lives covered.

My Data continues to match customers with the most suitable life insurance product for them. The BPI AIA sales force and BPI bank partners continue to utilize this platform to shorten the customer's application process, ensuring that they and their loved ones are protected as fast as possible.

Towards the end of 2022, BPI AIA introduced its first brand ambassador, long-time customer Chito Miranda of Parokya ni Edgar fame. He headlined the branding campaign dubbed "Love is better said with BPI AIA" alongside AIA Philippines' brand ambassador Gary Valenciano. The duo sang "It's Real Love", an original song they also co-wrote, dedicated to and featuring several BPI AIA and AIA Philippines customers.

For the sixth year in a row, BPI AIA was awarded "Best Life Insurance Company" in the Philippines by World Finance Magazine as it continues to be one of the leading bancassurance operations in the country.

## AIAIM PH / PHILAM ASSET MANAGEMENT, INC.

AIAIM PH is a wholly owned company of AIA Philippines. AIAIM PH provides on-the-ground application of AIA Investment Management investment expertise to Philippine assets.

In 2022, the Bangko Sentral ng Pilipinas (BSP) approved the application of AIAIM PH to operate as a Trust Corporation. In May 2022, AIAIM PH started to manage the peso investment portfolio of AIA Philippines, and focused on investment requirements that support its core insurance business.

As of 31 December 2022, AIAIM PH manages PHP155.6 billion across asset classes and has a team of 22 employees. AIAIM PH solely caters to the needs of AIA Philippines and dedicates investment resources to manage its peso assets.

**OUR MANAGEMENT TEAM**



**KELVIN ANG**  
Chief Executive Officer



**MARGARITA LOPEZ**  
Chief Operations Officer



**EMMANUEL MENDOZA**  
Chief Technology Officer



**LEE LONGA**  
Chief Investment Officer



**MARIA CRISTINA HELENA SAMANIEGO**  
Chief Risk and Compliance Officer



**KAREN CUSTODIA**  
Chief Executive Officer, BPI AIA



**ELLEN IMASA**  
Chief Human Resource Officer



**KARLA DOMINGO**  
Chief Legal Officer  
and Corporate Secretary



**GARY OGILVIE**  
Chief Financial Officer



**TEODULO MARTIN CRISOLOGO**  
Chief Agency Officer



# CORPORATE GOVERNANCE

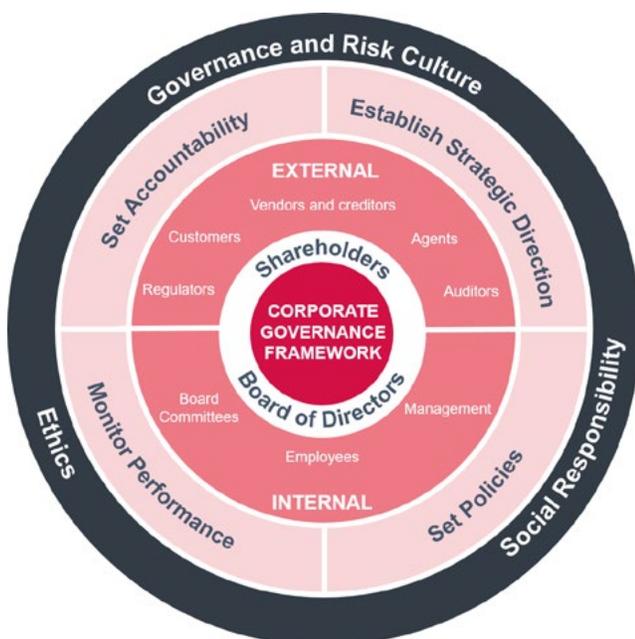
AIA Philippines confirms its full compliance with the Code of Corporate Governance. Its commitment to the highest standards of corporate governance is rooted in the belief that a culture of integrity and transparency is essential to the consistent achievement of its goals. Creating a sustainable culture, where trust and accountability are as vital as skill and wisdom, steers the Board towards achieving long-term value for shareholders and customers, and strengthens confidence in the institution.

## CORPORATE GOVERNANCE POLICY

The Company's Corporate Governance Policy placed on the Board the ultimate responsibility for the sustainable performance of the Company, including its consistent achievement of business plans and compliance with statutory and corporate obligations. To fulfill such responsibility, the Board adopted a policy of adherence to all legislations, regulations, and statutory standards as may be applicable and relevant to the Company, and mandates all directors, senior management, and employees to abide by the principles of good governance and the Company's Code of Conduct (or more commonly known as Code of Ethics).

## CORPORATE GOVERNANCE FRAMEWORK

The Company's corporate governance framework underpins its commitment to corporate governance principles and leading practices.



## ROLE AND RESPONSIBILITIES OF THE BOARD

The Board of Directors exercises all the powers of the corporation ("Company"), and all business and properties of the Company are conducted, controlled, and held by them. The Board is completely independent from management and major stockholders. It is accountable to the shareholders and as such, will ensure the highest standard of governance in running AIA Philippines' business and setting its strategic direction. The detailed roles and responsibilities are set forth in the By Laws and the Revised Corporate Governance Policy and Procedure Manual ("Corporate Governance Manual") of the Company.

The Board of Directors, through its Board Risk Committee and Audit and Related Party Transaction (RPT) Committee, conducted a regular review of the Company's material controls (including operational, financial and compliance controls) and risk management systems. The Board Risk Committee, the Audit and RPT Committee and the Board of Directors have declared their satisfaction and confidence on the Company's internal controls and risk management systems.

## BOARD INDEPENDENCE AND DIVERSITY

The Board of Directors has a balanced composition of executive and non-executive directors, such that no individual or small group of individuals can dominate the Board's decision making. The Board will determine whether a director is independent in character and judgment, or if there are relationships or circumstances which are likely to affect the director's judgment.

The Board also recognizes the benefits of having a diverse Board as an essential element in maintaining a competitive advantage and achieving optimal decision-making. The Board considers diversity in age, gender, ethnicity, culture, race, skills, regional and industry experience and background, and other distinctions in determining the composition of the Board of Directors.

The Board also ensures that each director does not have, directly or indirectly, a financial, legal or other relationship with the Company or its affiliates that would reasonably interfere with the exercise of independent judgment in carrying out his or her responsibilities.

## BOARD PROCESS

The Board meetings are held on a quarterly basis unless a special meeting is necessary to discuss urgent matters. Minutes of meetings of the Board and all Committees are kept by the Corporate Secretary and are open for inspection by the Board and Stockholders upon request. Board materials are sent to the members at least five business days in advance of the scheduled board meetings.

In addition to the regular meetings, the directors also engage in informal meetings on a quarterly basis to further discuss

<b>BOARD OF DIRECTORS</b>	
<b>Chairman of the Board</b>	Leo Michel Grepin
<b>Executive Director</b>	Kelvin Ang, CEO
<b>Non-Executive Director</b>	Mitchell David New Jayne Plunkett
<b>Independent Directors</b>	Francis G. Estrada Antonino T. Aquino Joaquin E. Quintos IV Doris Magsaysay Ho
<b>Corporate Secretary</b>	Carla Domingo

issues and strategies. Non-executive directors also find time to meet separately to discuss the business affairs of the Company. Independent Directors likewise regularly meet with management, the compliance officer, the internal auditors, and the external auditors, separately, to ensure proper check and balance is achieved by the Company.

**BOARD AND SENIOR MANAGEMENT  
 SUCCESSION AND SELECTION PROCESS**

The Board ensures that plans are in place for orderly succession to the Board and senior management to maintain a balance of appropriate skills and experiences within the Company. The Company’s Corporate Governance Manual prescribes a formal, rigorous and transparent procedures for the selection and appointment of directors of the Board and senior management. Appointments to AIA Philippines Board of Directors or senior management are made on merits and subject to objective criteria as set forth in the Corporate Governance Manual. Careful deliberation and consideration are done to ensure that nominees are fit-and-proper to sit in the Board or in senior management.

The Company, through its major shareholder and the Corporate Governance Committee (acting as the Nomination and Remuneration Committee, pursuant to IC Circular 2020-71), considers the knowledge, competencies, skills, and experience of the nominee-director or senior executives, taking into account the Company’s business objectives and strategies. The Company ensures that its Board membership and senior management consist of highly qualified individuals with sufficiently diverse talents, skills, experience and background, and possess a record of integrity and good repute. Another primary consideration in the hiring process is, based on the wealth of experiences of the nominees, their possible contribution to the development and achievement of strategies and ultimate achievement of the Company’s goals

and objectives. This is important to ensure that the quality of directors is aligned with the Company’s strategic directions.

To enable selection of most qualified individuals, the Company utilizes the aid of independent third-party professional search firms to identify and source qualified directors and senior executives.

For senior management succession, the Board continues to maintain oversight on the Organization People Review (OPR) exercise annually conducted by the Company’s Human Resources to ensure retention of talents and minimize business disruption in the event of any senior executive separation from the Company.

**PROCEDURE FOR ELECTION OF DIRECTORS**

The Board uses a transparent procedure for the election of directors. Screening processes are done both locally and in the AIA Group. The Corporate Governance Committee, acting as the Nomination and Remuneration Committee, considers the qualifications of directors and thereafter, the Board deliberates on the recommendation of the Committee. At the shareholders meeting, the shareholders are duly informed by the Corporate Secretary of the qualified nominees and of the voting method and vote counting system. Each shareholder with voting privilege will be entitled to cumulate his vote in the manner provided by law. After the election process, the Corporate Secretary will count the votes and thereafter declare the duly elected members of the Board.

**NEW DIRECTOR ORIENTATION PROGRAM  
 AND CONTINUOUS ANNUAL BOARD TRAINING**

For newly elected directors, the Corporate Secretary schedules and provides a comprehensive orientation to explain the organizational profile, charters, by laws, policies, and procedures of the Company. In compliance with the Circular issued by the Insurance Commission (IC), AIA Philippines ensures that all its directors have attended a training and orientation course on Corporate Governance conducted by duly accredited training providers of the Commission.

The Board members are also encouraged to attend further training and inform the Company on such trainings attended. AIA Philippines provides necessary resources in developing and updating its directors’ knowledge and capabilities. Since 2020, the Company has been sponsoring its own four -hour IC-Mandated Annual Continuing Board Training on Corporate Governance where various topics were covered and discussed by competent speakers who are experts in their field. The Company encourages the directors to attend continuous professional education programs such as the Professional Directors’ Program of the Institute of Corporate Directors.

## SEMINARS ATTENDED BY THE BOARD OF DIRECTORS, 2022

DIRECTOR	TRAINING/SEMINAR
<b>Kelvin Ang</b>	<ul style="list-style-type: none"> <li>• Corporate Governance Orientation Program by ICD, 28 August 2019</li> <li>• IC Mandated Annual Continuing Board Training on Corporate Governance, 09 December 2020</li> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 04 November 2021</li> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 05 December 2022</li> </ul>
<b>Antonino Aquino</b>	<ul style="list-style-type: none"> <li>• Orientation Course for Corporate Governance by ICD, 18 February 2015</li> <li>• IC Mandated Annual Continuing Board Training on Corporate Governance, 09 December 2020</li> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 04 November 2021</li> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 05 December 2022</li> </ul>
<b>Leo Michel Grepin</b>	<ul style="list-style-type: none"> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 05 December 2022</li> </ul>
<b>Francis Estrada</b>	<ul style="list-style-type: none"> <li>• Professional Directors Program on Corporate Governance by ICD, 24 to 28 May 2004</li> <li>• Chairman of the Board of ICD, and with attendance in various roundtable discussions, trainings and seminars undertaken by said institution</li> <li>• IC Mandated Annual Continuing Board Training on Corporate Governance, 09 December 2020</li> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 04 November 2021</li> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 05 December 2022</li> </ul>
<b>Doris Magsaysay Ho</b>	<ul style="list-style-type: none"> <li>• Orientation Course on Corporate Governance by ICD, 27 November 2014</li> <li>• Corporate Governance by SGV on 08 December 2017</li> <li>• Corporate Governance Seminar by Center for Global Best Practices, 14 December 2018</li> <li>• IC Mandated Annual Continuing Board Training on Corporate Governance, 09 December 2020</li> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 04 November 2021</li> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 05 December 2022</li> </ul>
<b>Mitchell David New</b>	<ul style="list-style-type: none"> <li>• Corporate Governance, 02 November 2020</li> <li>• AIA Singapore <ul style="list-style-type: none"> <li>- Reimagining Your Cyber Security Strategy (via online webcast 09 February 2021)</li> <li>- Valuation–Addressing Challenges in Uncertain Economic (via online webcast 18 February 2021)</li> <li>- Cyber Awareness Training by RSM– Board members and ExCo members (held on 28 October 2021)</li> </ul> </li> <li>• PT Indonesia <ul style="list-style-type: none"> <li>- Anti-Money Laundering and Anti-Terrorist Financing Training 2020 (completed by 06 January 2021)</li> </ul> </li> <li>• AIA Group (with Board of Directors) <ul style="list-style-type: none"> <li>- Group Wide Supervision (GWS) training on Group Internal Economic Capital Assessment (GIECA) and other areas under the GWS framework (held on 07 September 2021)</li> </ul> </li> <li>• ACP 4 – Maximizing the Value of Internal Audit conducted by the Singapore Institute of Directors (held on 06 June 2022)</li> <li>• NCP 1 – Leveraging Board Diversity for Performance conducted by the Singapore Institute of Directors (held on 05 April 2022)</li> </ul>
<b>Jayne Plunkett</b>	<ul style="list-style-type: none"> <li>• BDF-Board and Director Fundamentals (held online), 28 September 2020</li> <li>• IC Mandated Annual Continuing Board Training on Corporate Governance, 09 December 2020</li> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 04 November 2021</li> <li>• Annual Director Training, AIA Singapore Pte Ltd, 6 October 2022</li> <li>• Knowing Me Knowing You Workshop 2022, Life Skill Institute, Singapore, 11 October 2022</li> <li>• Director Orientation Program, TATA AIA Life Insurance Co Ltd, 9 November 2022</li> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 05 December 2022</li> </ul>
<b>Joaquin Quintos IV</b>	<ul style="list-style-type: none"> <li>• Orientation Course on Corporate Governance by ICD, 03 December 2012</li> <li>• Advance Corporate Governance Training, 23 October 2020</li> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 09 December 2020</li> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 04 November 2021</li> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 05 December 2022</li> </ul>



### PERFORMANCE EVALUATION

The Board has established its own performance evaluation, the criteria of which are based on the IC's Circular on Corporate Governance. Every year, the Board, as well as the Committees, conducts annual self-assessment of its own, the Committees and senior executive performance, the results of which are submitted to the Corporate Committee (formerly: Governance, Nomination and Compensation Committee) and to the Board of Directors.

In the Annual Board Performance Evaluation Survey, the Board members are required to rate the performance of the Chairman, the CEO, the Board, and the Board Committees based on the standards and criteria provided. The criteria include, but are not limited, to the following: the appropriateness of the Board's composition; the directors' skills, expertise, and their participation and contribution in the Board and Committee discussions; the working relationship among the Board, the Chairman, and the senior management; the overall performance of the Chairman, the CEO, the independent directors, the Board and the various Board Committees.

In the Survey, the Board members are required to give the subject either an 'excellent'; 'consistently good'; 'adequate'; or 'needs major improvement' rating. The directors are also required to provide other ideas and suggestions on how they could further improve the performance of the Board. After accomplishing the survey, the directors will submit the same to the Corporate Secretary, who will then consolidate and evaluate the answers and submit the results to the Governance, Nomination and Compensation Committee for its approval. The results will then be reported to the Board for its notation.

For 2022, the Annual Board Performance Evaluation Survey was supported by an external facilitator, the Institute of

Corporate Directors (ICD). It was participated by the members of the Board, where they registered an overall rating of "very good" on various criteria such as board structure and composition, roles and accountability, board process, and board dynamics, each individual director, and the chairperson of the Board. The same very good rating was given to each of the Committee – Audit and RPT, Board Risk and Corporate Governance Committee.

The key observations of the ICD-facilitated performance evaluation about the AIA Philippines Board include:

- The Board is composed of very competent and professional directors with diverse experience;
- The Board is very much engaged in strategy execution, formulation and monitoring of policies and accountability;
- The Board discussions are collegial and very dynamic;
- The Board is strongly committed to ethical business practices;
- There is very good collaboration and working relation between the CEO and the independent directors; and
- The Board adopted a policy not to invest in coal and supported breast cancer advocacy.

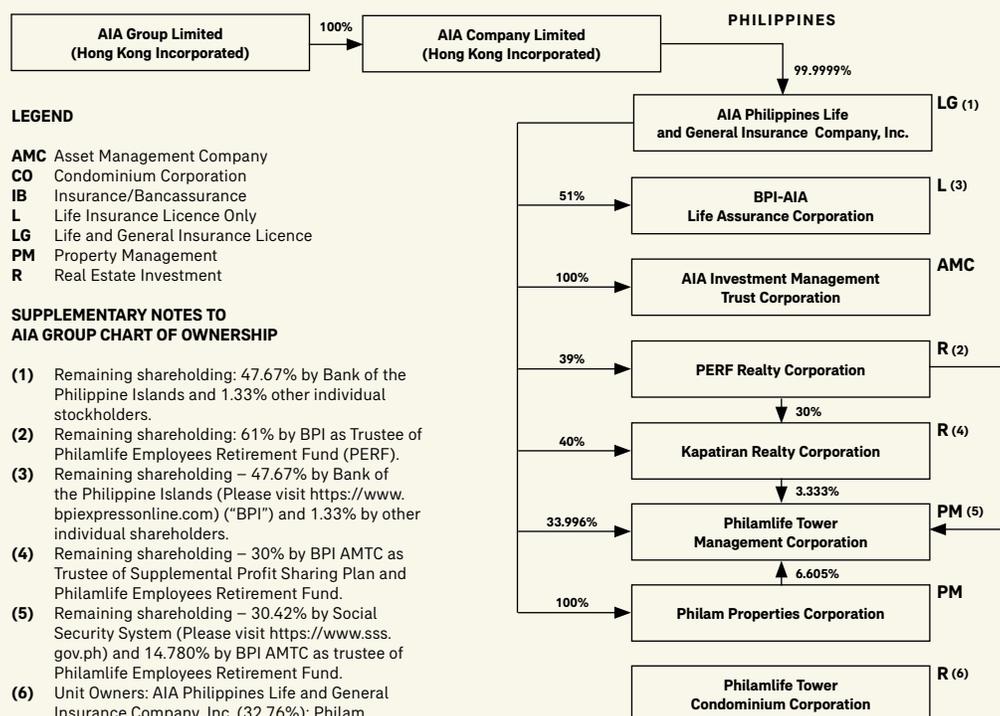
As likewise required by the IC's Revised Code of Corporate Governance, the Board also evaluated the key officers of the Company, particularly the Chief Executive Officer, Corporate Secretary, Chief Risk and Compliance Officer, Head of Internal Audit, Chief Financial Officer, Chief Investment Officer, Chief Operations Officer, and the Chief Technology Officer who received an overall rating of "very good" to "good" noting their clear knowledge and understanding of their respective functions and responsibilities.

During the 2022 Annual Stockholders Meeting, the results of the Board, the different Board Committees, and the above-mentioned key officers annual performance survey was also presented to the stockholders of the Company.

## LIST OF STOCKHOLDERS

	Shares Held	Class	Amount Paid	Percentage of Ownership	Nationality	Beneficiary Ownership
<b>AIA Company Limited</b>	199,560,514	Common	1,995,605,140.00	99.99993%	Hong Kong SAR	
<b>Leo Michel Grepin</b> (Non-Executive Director/Chairman)	1	Common	10.00		American	AIA Company Ltd
<b>Kelvin Ang</b> (Executive Director/Chief Executive Officer)	1	Common	10.00		Malaysian	AIA Company Ltd
<b>Mitchell David New</b> (Non-Executive Director)	1	Common	10.00		Canadian	AIA Company Ltd
<b>Francis G. Estrada</b> (Independent Director)	1	Common	10.00		Filipino	AIA Company Ltd
<b>Antonino T. Aquino</b> (Independent Director)	1	Common	10.00		Filipino	AIA Company Ltd
<b>Joaquin E. Quintos IV</b> (Independent Director)	1	Common	10.00		Filipino	AIA Company Ltd
<b>Doris Magsaysay Ho</b> (Independent Director)	1	Common	10.00		Filipino	AIA Company Ltd
<b>Jayne Plunkett</b> (Non-Executive Director)	1	Common	10.00		American	AIA Company Ltd
<b>Estate of Luis Yulo</b>	149	Common	1,490.00	0.00007%	Filipino	
<b>TOTAL</b>	<b>199,560,671</b>		<b>1,995,606,710.00</b>	<b>100.00000%</b>		

## PHILAM GROUP CHART OF OWNERSHIP



## CAPITAL STRUCTURE

**Authorised Capital Stock:**  
 PHP2,700,000,000.00

**Subscribed and Paid-Up:**  
 PHP1,995,606,710.00

**No. of Shares Issued and Outstanding:**  
 199,560,671 shares

**Treasury Share:**  
 67,349,329 as of April 2022

**Par Value:**  
 PHP10.00/share

**BOARD OF DIRECTORS**

MEMBER	DATE OF MEETING
	24 January 2022 (Regular) 22 April 2022 (Outgoing) 22 April 2022 (Organizational) 12 May 2022 (Special) 26 July 2022 (Regular) 03 August 2022 (Special) 21 October 2022 (Regular) 06 December 2022 (Special) <b>8 Meetings (95.31%)</b>
<b>Kelvin Ang</b>	8 Meetings (100%)
<b>Antonino Aquino</b>	7 Meetings (87.5%)
<b>Jacky Chan</b> (until 12 May 2022) <b>Leo Michel Grepin</b> (effective 12 May 2022)	4 Meetings (100%)
<b>Francis Estrada</b>	4 Meetings (100%)
<b>Doris Magsaysay Ho</b>	8 Meetings (100%)
<b>Mitchell David New</b>	8 Meetings (100%)
<b>Jayne Plunkett</b>	6 Meetings (75%)
<b>Joaquin E. Quintos IV</b>	8 Meetings (100%)

**BOARD MEETINGS IN 2022**

To exercise its discretionary powers and management oversight of the Company, the Board of Directors sees to it that it meets on a regular basis as required by law and Company By-Laws. Unless otherwise provided by law or the Company By-Laws, majority of the directors will constitute a quorum to transact corporate business, provided that when a Board decision is required, a minimum quorum of two-thirds of the directors will be required, except for the election of officers which will require the vote of majority of all the members of the Board, to be considered as a valid corporate act.

Before the start of the financial year, the Corporate Secretary advises the members of the Board of the schedules of their meetings, which may change subject to their availability and other reasonable circumstances. Board meetings are regularly set on a quarterly basis, while special meetings are called by the Chief Executive Officer, or as provided in the Company-By-Laws.

Five days prior to the scheduled meetings, the Corporate Secretary sends to the members of the Board their respective

**AUDIT & RPT COMMITTEE**

MEMBER	DATE OF MEETING
	4 January 2022 22 April 2022 26 July 2022 21 October 2022 <b>4 Meetings (100%)</b>
<b>Antonino Aquino</b>	4 Meetings (100%)
<b>Francis G. Estrada</b>	4 Meetings (100%)
<b>Joaquin E. Quintos IV</b>	4 Meetings (100%)

**CORPORATE GOVERNANCE COMMITTEE (Formerly Governance, Nomination and Compensation Committee)**

MEMBER	DATE OF MEETING
	7 March 2022 12 May 2022 16 June 2022 9 September 2022 14 December 2022 <b>5 Meetings (100%)</b>
<b>Doris Magsaysay-Ho</b>	5 Meetings (100%)
<b>Joaquin E. Quintos IV</b>	5 Meetings (100%)
<b>Mitchell David New</b>	5 Meetings (100%)

meeting packs, which would contain, among others, the Board and Committee meeting minutes, the management report and financial highlights, and other items that need action and approval of the Board.

For 2022, the Board of Directors had a total of seven meetings, where the Board posted an overall attendance rate of 95.31 percent.

**NON-EXECUTIVE DIRECTORS MEETING**

The Non-Executive Directors (NEDS) have separate meetings with each of the External Auditor and Head of Internal Audit both without the presence of management last 27 January 2022; 27 April 2022; 21 July 2022 and 26 October 2022.

On the other hand, the NEDS meetings with the Chief Risk and Compliance Officer were held in September and December 2022.

**AUDIT AND RPT COMMITTEE**

**Antonino Aquino**, Chairman  
(Independent Director)

**Joaquin E. Quintos IV**  
(Independent Director)

**Francis G. Estrada**  
(Independent Director)

**EXECUTIVE COMMITTEE**

**Leo Michel Grepin**, Chairman  
(Non-Executive Director)

**Kelvin Ang**, Vice-Chairman  
(Executive Director)

**Mitchell David New**  
(Non-Executive Director)

**BOARD RISK COMMITTEE**

**Francis Estrada**, Chairman  
(Lead Independent Director)

**Doris Magsaysay Ho**  
(Independent Director)

**Antonino T. Aquino**  
(Independent Director)

**Jayne Plunkett**  
(Non-Executive Director)

**Kelvin Ang**  
(Executive Director)

**INVESTMENT COMMITTEE**

**Kelvin Ang**, Chairman  
(Executive Director)

**Francis Estrada**  
(Lead Independent Director)

**Antonino Aquino**  
(Independent Director)

**CORPORATE GOVERNANCE COMMITTEE  
(FORMERLY: GOVERNANCE, NOMINATION AND COMPENSATION COMMITTEE)**

**Doris Magsaysay Ho**, Chairperson  
(Independent Director)

**Mitchell David New**  
(Non-Executive Director)

**Joaquin E. Quintos IV**  
(Independent Director)

**FEE STRUCTURE AND REMUNERATION OF DIRECTORS**

The independent directors, who compose 50 percent of the Board of Directors of AIA Philippines, play significant roles in achieving the Company's business objectives today and in the future. As independent directors, they effectively participate and provide objective, independent judgment in the business affairs of the Company, and at the same time ensure that proper checks and balances are in place.

Considering the above, and in view of the stricter corporate and regulatory environment in the country, the Company believes that the independent directors should be adequately compensated for the knowledge, skills, and expertise they share and impart to the Board; for the time and effort they provide to the Company; and for potential risks and liability they may be exposed to as its members. The fee structure of the independent directors is based on various factors, such as but not limited to director's qualification and experience, skills, and expertise; financial services sector benchmark; market condition; and regulatory environment.

As reviewed and approved by the shareholders of the Company on an annual basis, the independent directors receive fixed directors' fees per Board and Committee meeting attended, and annual bonus. For 2022, the total annual gross directors' fees of the independent directors of the Company amounted to Philippine Pesos: Six Million Nine Hundred Sixty Thousand (PHP6,960,000), broken down as follows: 1) Francis Estrada – PHP1,780,000.00; 2) Antonino Aquino –

PHP1,780,000.00; 3) Joaquin Quintos IV – PHP1,700,000.00; and 4) Doris Magsaysay Ho – PHP1,700,000.00.

The executive and non-executive directors do not receive any remuneration for their directorship in AIA Philippines.

**DIVIDEND POLICY**

In declaring and paying cash dividends, the Company considers the following factors: a) local statutory requirements relating to solvency and liquidity; b) ongoing sustainability of corresponding insurance fund taking into consideration likely future changes in regulatory requirement; and c) likely future strategic initiatives.

For the year 2022, the Company did not declare any cash dividend.

**NEW BOARD CHARTER, REVISED CORPORATE GOVERNANCE MANUAL AND POLICIES**

In compliance to the requirements stipulated in the Insurance Commission Circular Letter (IC CL) 2020-71, the Board approved its new Board Charter, revised its Corporate Governance Manual, and passed several policies. Below are the highlights of the said manual and policies:

**a. Board Charter** – sets out the roles and responsibilities of the Board primarily delegating to the Board the ultimate responsibility for the sustainable performance of the Company and its subsidiaries, including the consistent achievement of business plans and compliance with statutory as well as



corporate obligations. For more details, the full text of the charter is available on the company website.

**b. Revised Corporate Governance Policy and Procedure Manual (Corporate Governance Manual)** – articulates the Company's good corporate governance practices including board annual and on-boarding training, and training topics, among others. For more details, the full text of the Corporate Governance Manual is available on the company website.

**c. Remuneration Policy** – ensures that board and senior management remuneration programs are designed to be market competitive, fully compliant with local regulations, and foster a strong performance-oriented culture within an appropriate risk management framework.

**d. Board Diversity Policy** – sets out the Company's approach to ensuring adequate diversity in the Board and that selection of candidates for appointment to the Board will be based on merit which include a review of candidate's integrity, educational background, industry or related experience, among others.

**e. Retirement Age Policy** – as part of succession planning and to promote dynamism in the Company, the Board approved the Retirement Age Policy that provides, among others, the maximum tenure for independent directors to be aligned with local regulations. Retirement age of directors other than independent, key officers and employees will follow the compulsory retirement age by law. Procedure for their retirement is also detailed in the Policy.

**f. Environment, Social and Governance (ESG) Policy** – provides that the Company’s ESG direction is aligned with the direction of its parent company, AIA Group Limited, while further developing suitable local strategies and initiatives, as may be needed.

**g. Financial Disclosure Policy** – sets out AIA Philippines’ approach to disclosure of financial information to give a complete picture of the Company’s financial standing and results of business operations to stakeholders. It states that the Company will fully abide by legal and regulatory mandates on financial reporting standards and disclosures of financial information.

**h. Internal Audit Charter** – sets out, among others, the role, mission, scope and responsibilities of the Company’s internal audit functions, called Group Internal Audit Philippines (GIAPH), including arrangements for ensuring GIAPH’s

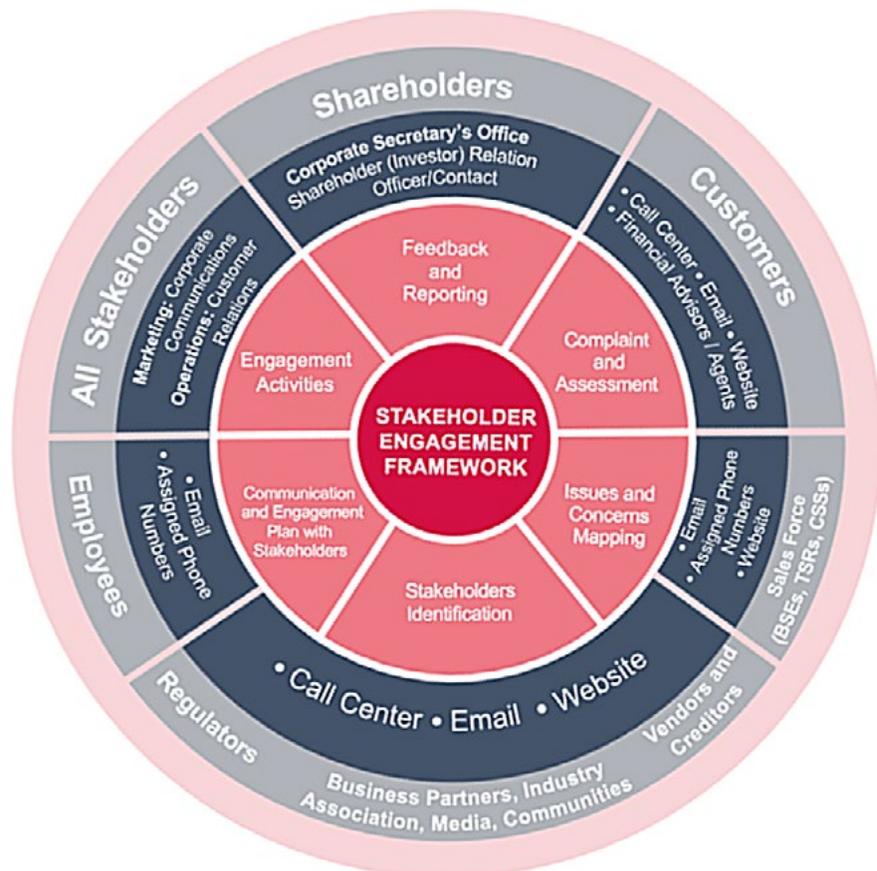
independence and objectivity. It articulates GIAPH’s purpose, which is to support the Board, the Audit Committee, and the senior management to protect the assets, reputation and sustainability of the Company. It further provides that GIAPH’s mission is to provide independent and objective assessment and reporting of the overall effectiveness of risk management, internal controls and governance processes and appropriately challenge executive management to improve the effectiveness of these processes.

**i. Stakeholder Engagement Policy** – designed to facilitate communication for various stakeholders to raise their queries and concerns with ease, and to ensure that the same are addressed in a timely manner by the appropriate functional units of the Company. The policy also defines the Company’s Stakeholder Engagement Framework.

**STAKEHOLDER ENGAGEMENT FRAMEWORK**

Defined in AIA Philippines’ Stakeholders’ Engagement Policy, the Stakeholder Engagement Framework is envisioned to provide a holistic view of the various stakeholders of the Company and the manner by which they can interact and communicate with the Company.

Various individuals, groups or organizations can affect or is affected by the Company or its activities. To better manage stakeholder engagements, the Company identifies below as its priority the stakeholders, possible engagement activities and various communication touchpoints available to each:



**A. VARIOUS ENGAGEMENTS**

Priority Stakeholders	Common Touchpoints		
<b>Customer</b>	Website: <a href="https://www.aia.com.ph/en/index.htm">https://www.aia.com.ph/en/index.htm</a>	Telephone No.: (02) 8 528 2000	Email Address: customerservice.ph@aia.com
<b>Shareholder</b>			
<b>Regulators</b>			
<b>Employees</b>			
<b>Sales Force</b>			
<b>Vendors</b>			
<b>Business partners</b>			
<b>Industry associations</b>			
<b>Communities</b>			

**B. REGULATORY AND CONDUCT-RELATED ENGAGEMENTS**

Priority Stakeholders	Common Touchpoints		
<b>Customer</b>	Data Privacy: dpo@aia.com	Whistleblower/conduct complaints: compliance@aia.com  www.aiaethicsline.com  1010-5511-00 (PLDT) then dial 800-245-4179  105-11 (Other providers) then dial 800-245-4179	
<b>Shareholder</b>			
<b>Regulators</b>			
<b>Employees</b>			
<b>Sales Force</b>			
<b>Vendors</b>			
<b>Business partners</b>			
<b>Industry associations</b>			
<b>Communities</b>			

**C. PURCHASE OR SERVICE ENGAGEMENTS, OTHER CONCERNS**

	MODE	TOUCHPOINTS	FUNCTIONAL UNITS	ROLES AND RESPONSIBILITIES
<b>Customers</b>	Digital	My AIA <a href="https://www.aia.com.ph/en/myaia/home.html/home">https://www.aia.com.ph/en/myaia/home.html/home</a>	Operations	Primary digital platform that gives customers direct access to information about their policy, as well as apply minor changes to their policy details.
	Digital	Website <a href="https://www.aia.com.ph/">https://www.aia.com.ph/</a>	Operations	Digital platform where customers can submit claim request, update their contact info, enroll their benefit pay out (CTA/ PUA), and pay electronically.
	Digital	iServe	Operations	The platform used by CSC/ financial advisors to assist customers in submitting aftersales requests via digitalized forms.
	Digital	Mailbox <ul style="list-style-type: none"> <li>• customerservice.ph@aia.com – AIA Philippines customer touch-point mailbox</li> <li>• customercare.ph@aia.com – AIA Philippines Customer Care Office Mailbox</li> <li>• claims@aia.com – AIA Philippines Claims Mailbox</li> <li>• policyrequests@aia.com – Policy Owners Servicing AIA Philippines Policy Requests Mailbox</li> </ul>	Operations	Email addresses where customers can send their inquiries/ request.

	MODE	TOUCHPOINTS	FUNCTIONAL UNITS	ROLES AND RESPONSIBILITIES
<b>Customers</b>	Digital	Facebook Messenger and Viber - Chatbot - AYA	Operations	Digital platform and social media assets owned by AIA Philippines where customers and the general public can directly reach out to the Company.
		Facebook Instagram Twitter	Marketing	
		LinkedIn	HR	
	Digital	AIA Vitality	Marketing	App that tracks customers' progress as they improve their health and receive rewards.
	Email Hotline	CustomerCare@aia.com • (02) 8-528-2000 • 1800-10-528-2000	Operations	Communication channel where customers can reach out to AIA Philippines through digital means.
	Face-to-face	Customer Service Centers	Operations ASG Finance	Physical means of facilitating requests that ensures prompt delivery of services in accordance with the Customer Commitment Standard, Claims Operations Standard, and New Business Operations Standard.
Servicing Agents				
<b>Shareholders/ Investors</b>	Email	AIAPHCorporateSecretary@aia.com	Corporate Secretary	Implements the Company's Corporate Governance Policy and Manual.
<b>Regulators</b>	Email	Direct contact with relevant units via: • Email • Mobile phone • Others – Facebook Messenger/ Viber	All	In accordance with the Regulatory Framework of AIA Philippines, all functional units ensure that all regulatory communications addressed to the Company are promptly handled, monitored, and any responses or communications are signed-off by appropriate units and signed by an officer of the Company with a rank of at least Vice President and up.
	Face-to-face	Direct contact with relevant units • IC pigeonhole • Conference	All	
	Mail	Direct contact with relevant units	All	
<b>Employees</b>	Digital	Workday Workplace	Human Resources	Digital platform that provides employees access to information about their employment, at the same time gives them the means to reach out to HR on employee-related concerns.
<b>Sales Force</b>	Digital	Agency Portal	Agency Sales Group Finance	Digital platform where the sales force can access information they need to perform their day-to-day responsibilities, as well as get updated on the latest announcements from the Head Office.
	Face-to-face	Nationwide Customer Service Centers		Communication channels open to the sales force that allow them to remain in touch with the Head Office and colleagues from the Agency Sales Group.
	Email Face to-face	Official email of agents; servicing agents		
<b>Vendors</b>	Digital	Ariba	Sourcing	Digital platform that ensures appropriate due diligence are conducted prior to on-boarding of vendors and suppliers, maintains records of engagement with vendors in accordance with the records management policy, ensures prompt settlement of vendor payments, and handles all vendors/suppliers concerns promptly.
	Email	aiaph.strategicsourcing@aia.com		Digital communication channel that facilitates accreditation of external vendors.

**ANNUAL ORGANIZATION PEOPLE REVIEW (OPR) AND PERFORMANCE DEVELOPMENT DIALOGUE (PDD)**

In an executive session, the Company’s Chief Human Resources Officer presents to the Corporate Governance Committee and subsequently, to the Board, the Company’s annual OPR aimed at ensuring effective succession planning for directors, key officers and senior management to ensure growth and continued increase in the shareholders’ value.

The Corporate Governance Committee and the Board also approved the Company’s PDD ensuring that remuneration

and incentives granted the management, including the Chief Executive Officer, and the personnel are at par with the performance standards set by the Board and senior management. The PDD also aims to encourage employees to actively participate in the realization of the Company’s goals and governance.

**2022 IC-MANDATED ANNUAL CONTINUING BOARD TRAINING ON CORPORATE GOVERNANCE**

In compliance with IC CL 2020-71, the Company conducted annual continuing training for the board with the topics below:

**CONTINUING TRAINING FOR THE BOARD**

	2022 TOPICS	SPEAKER	DURATION
<b>Group Internal Audit – Philippines</b>	Environment Social and Governance (ESG) and the Role of Internal Audit <ul style="list-style-type: none"> <li>• Current ESG risk landscape</li> <li>• Internal Audit’s role to help unlock ESG’s strategic value</li> </ul>	<b>Joseph Ian Canlas</b> (SGV & Co)	30 min
<b>Finance</b>	Sustainable Finance for Insurance Companies <ul style="list-style-type: none"> <li>• Rebuilding a sustainable and inclusive recovery post-COVID through sustainable finance</li> <li>• Overview of sustainable finance landscape</li> <li>• Market landscape, demand and growth opportunity of the market</li> <li>• Case studies on sustainable finance strategies and commitments of insurance companies</li> </ul>	<b>Katrina Francisco</b> (SGV & Co)	30 min
<b>Compliance</b>	Anti-Money Laundering (AML) and Counter-Terrorist and Proliferation (CTPF) – Regulatory updates <ul style="list-style-type: none"> <li>• IC Circular Letter 2021-55 Dissemination of the AML 2021 Sanction Guidelines</li> <li>• MC No. 01 s.2021: Guidelines in Preventing the Misuse of Corporations for Illicit Activities through Measures Designed to Promote Transparency of Beneficial Ownership (BO) Transparency Guidelines</li> <li>• IC Circular Letter 2022-27: Thematic Review Report-Insurance Commission Regulated Entities Compliance with Targeted Financial Sanctions Obligations</li> <li>• The Philippines Progress in Strengthening Measures to Tackle Money Laundering and Terrorist Financing</li> <li>• Relevant recently published typologies/ cases</li> </ul>	<b>Veronica Balisi</b> (SGV & Co)	30 min
<b>Risk</b>	Cybersecurity <ul style="list-style-type: none"> <li>• EY Global Information Security Survey (GISS) 2021 Results</li> <li>• Challenges holding back Chief Information Security Officers (CISOs)</li> <li>• Next steps for the CISOs</li> </ul>	<b>Philip Casanova</b> (SGV & Co)	45 min
<b>Corporate Secretary</b>	Overview on Sustainability <ul style="list-style-type: none"> <li>• Benefits of sustainability reporting</li> <li>• Developments on sustainability reporting</li> </ul>	<b>Benjamin Villacorte</b> (SGV & Co)	45 min
<b>Products</b>	Product Trends and Propositions, and the Competitive Landscape	<b>Tennyson Paras</b> Associate Director, AIA Philippines	30 min

## BOARD OF DIRECTORS' PROFILES



**LEO MICHEL GREPIN (47)**  
Regional Chief Executive  
and Group Chief Strategy Officer  
Non-Executive Director,  
Chairman of the Board  
(since 12 May 2022)

**Leo Grepin** is the Regional Chief Executive and Group Chief Strategy Officer responsible for AIA Group's businesses operating in Australia, New Zealand, Indonesia and the Philippines as well as leading the Group's Strategy and Corporate Development functions.

Mr. Grepin joined the AIA Group in January 2022. Prior to joining the Group, Mr. Grepin was President of Sun Life, Asia. Before joining Sun Life, he was at Bridgewater Associates, a global hedge fund, where

he led the team managing portfolio construction and trade generation. He also spent 15 years at McKinsey & Company and led the global client service teams serving several multinational insurers and asset managers as Senior Partner.

Mr. Grepin has a Master of Science in Aeronautics and Astronautics from the Massachusetts Institute of Technology and a Bachelor of Engineering in Mechanical Engineering (Hons) from McGill University.



**CHEE KEONG (KELVIN) ANG (57)**  
Executive Director,  
Chief Executive Officer  
(since 01 March 2019)

**Kelvin Ang**, Chief Executive Officer of AIA Philippines Life and General Insurance Company Inc (AIA Philippines), is a home-grown talent with over 20 years of service in AIA. He has served in various leadership and agency distribution roles across the AIA Group Office and the local business units – including Hong Kong, Malaysia, Indonesia, Vietnam, and China.

In his role as Chief Agency Officer of China and General Manager of Shanghai, he played a vital part in the success of AIA China's agency transformation. Mr. Ang also led the successful AIA-ING agency integration in Malaysia from 2015 to

2018. After his successful stint in AIA Malaysia, he was appointed as Regional Chief Agency Officer, with AIA Hong Kong, China, and Vietnam in his portfolio, with the mission to future proof the business through digitalization and new market expansion.

Mr. Ang earned his bachelor's degree at the Royal Melbourne Institute of Technology in Australia and his master's degree in Business Administration from Bath University in the United Kingdom. He is also currently a corporate member of the Philippine Life Insurance Association Inc. (PLIA).



**MITCHELL DAVID NEW (59)**  
Non-Executive Director  
(since 01 May 2020)

**Mitchell New** is the Group General Counsel responsible for the provision of legal services for AIA Group and providing leadership to legal and corporate governance functions within country operations. Previously, he acted as Group Chief Risk Officer of AIA. In addition to his position on the Board of AIA Philippines, he is a director of various companies within the Group including AIA International Limited, AIA Reinsurance Limited, AIA Investment Management Private Limited, and the Group's operating subsidiaries in Singapore, Indonesia, and Vietnam. He is also Chairman of the Group ESG Committee with executive responsibility for the Group's ESG program.

He joined the Group in April 2011. Prior to joining the Group, Mr. New was a member of the law firm Fasken Martineau and occupied various senior roles with Manulife Financial, including Senior Vice President and Chief Legal Officer for Asia and Japan, based in Hong Kong, and Senior Vice President and General Counsel to Manulife's Canadian division. He is a qualified barrister and solicitor and member of the Law Society of Upper Canada and holds a Bachelor of Commerce Degree and Master's Degree in Business Administration from McMaster University and a Bachelor of Laws Degree from the University of Western Ontario



**JAYNE PLUNKETT (53)**  
Non-Executive Director  
(since 01 May 2020)

**Jayne Plunkett** is the Group Chief Risk Officer responsible for AIA Group's risk and compliance functions. She is a director of various Group companies, including AIA Singapore Private Limited and AIA Philippines. Ms. Plunkett joined AIA in November 2019 from Swiss Re, where she was most recently Chief Executive Officer Reinsurance Asia, Regional President Asia, and member of the Group Executive Committee.

During her time with Swiss Re, she held several senior positions including Head of Casualty Underwriting for Asia and Division Head Casualty Reinsurance. Prior to that, she was with GE Insurance Solutions. Ms. Plunkett holds a Bachelor of Science in Business Administration from Drake University. She is a Fellow of the Casualty Actuarial Society and a member of the American Academy of Actuaries.



**ANTONINO T. AQUINO (75)**  
Independent Director  
(since 22 April 2015)

**Antonino Aquino**, Filipino, 75, has served as Independent Director of AIA Philippines since April 2015. He is also a Board member of two publicly listed companies - Ayala Land Inc (ALI) since April 2009 and Manila Water Company, Inc. (MWC) since 1998.

(ICD). In 2009, He was named "Co-Management Man of the Year 2009" by the Management Association of the Philippines for his leadership role in a very successful waterworks privatization and public-private sector partnership.

He was the President of ALI from April 2009 to April 2014, MWC from April 1999 to April 2009, and Ayala Property Management Corporation from 1989 to 1999. He is also a Board member of Nuevocentro, Inc., Anvaya Beach and Nature Club and Mano Amiga Academy, Inc. He is also in the Board of Advisers of Hero Foundation Inc. He is also a private sector representative in the Multi-sectoral Advisory Board of the Philippine Army and the Multi-sector Governance Council of the Armed Forces of the Philippines.

He earned his degree in BS Management and completed academic requirements for Masters in Business from the Ateneo de Manila University in 1968 and 1975, respectively.

In 2020, he was conferred Honorary Fellow by the Institute of Corporate Directors

In 2022, he attended the IC mandated training for AIA directors on ESG, Cyber Security, Anti Money Laundering. He also attended the Ayala Group Integrated Corporate Governance, Risk Management and Sustainability Summit. He also attended the Manila Water's Executive Briefing on Crisis Communication and Dealing with Controversies.



**FRANCIS G. ESTRADA (73)**

Independent Director

(since 18 April 2006)

Lead Independent Director

(since 21 October 2021)

**Francis Estrada** serves or has served as independent director and Board Committee Chair in a number of leading publicly listed companies like: Ayala Land, Inc.; AIA Philippines; Energy Development Corporation; Rizal Commercial Banking Corporation; RCBC Savings Bank; Engineering Equipment Inc., etc.

He serves or has served on the Boards of a number of private companies in both the profit and not-for-profit areas.

He also serves (or has served) as Board Chair of the Institute of Corporate Directors, De La Salle University, Philippine Military Academy, the Development Bank of the Philippines Advisory Council, the Armed Forces of the Philippines Multisectoral Governance Council and the De La Salle (Philippines) Investment Committee.

He has served as Trustee, Governor or Board Member of the Asian Institute of Management, De La Salle University, Xavier Labor Relations Institute (India), Shanghai Jiao Tong University School of Management (PRC), Clean Air Asia, Institute for Solidarity in Asia, Armed Forces of the Philippines Multi-Sectoral Governance Council, the Philippine Board of Investments Multi-Sectoral Governance Council and the Sociedad de Beneficiencia, among others.

He has served as President/ CEO of the Asian Institute of Management and William E. Simon and Sons (Asia) LDC from 1992 to 1997 – an investment partnership he co-founded with former US Treasury Secretary, William E. Simon.

He was President and Chief Operating Officer of Asian Oceanic Holdings Limited from 1983 to 1991—an investment banking partnership he co-founded with former American Express Bank Chairman/ CEO, Richard M. Bliss.

He was Senior Vice President, ASEAN Regional Coordinator for Indonesia of Bancom Group Incorporated from 1974 to

1982. He concurrently served as Managing Director and Chief Operating Officer of P.T. First Indonesian Financing and Investment Corporation (“Ficorinvest”), a joint-venture merchant banking partnership between Bank Indonesia (the Indonesian central bank) and the Bancom Group of the Philippines from 1975-1980.

Following his return to the Philippines in 1997, Mr. Estrada was Chairman and was General Partner of Equity Managers Asia, Inc., an investment firm which he co-founded. He has established a number of Asia-related financial institutions and commercial enterprises within and outside the Asian region, and advised on numerous capital-raising, turn-around and cross border financial transactions.

He has served as board director with over 40 public and private enterprises in the Australasia region and the US. In addition, he serves/has served as trustee or governor in 15 not-for-profit institutions in the Philippines, Hong Kong and Vatican City. He is also a Lead Independent Director of AIA Philippines.

Mr. Estrada graduated “With Distinction” from AIM with a Masters in Business Management in 1973 and completed the Advanced Management Program at the Harvard Business School in 1989. He obtained his Bachelor of Science in Business Administration and Bachelor of Arts degrees from De La Salle University in 1971 where he was awarded the institution’s Leadership Award.



**DORIS MAGSAYSAY HO (70)**  
Independent Director  
(since 22 April 2015)

**Doris Magsaysay Ho** is the President and CEO of A. Magsaysay, Inc. which has a network of offices located in the Philippines, Hong Kong, Japan and Canada.

Its activities involve international shipping as well as shipping and logistics services in the Philippines. Magsaysay is also involved in providing human resource solutions for large companies around the world.

Ms. Magsaysay Ho also serves as Chair of listed Lorenzo Shipping Corp., director of Steamship Mutual Underwriting Association (Bermuda); and is a trustee of business and non-profit organizations including: Asia Society (New York); Asia Society Philippine Foundation, Inc.; First Philippine Conservation Inc.; Makati Business Club; Metropolitan Museum Manila; Philippine Business for Education; Philippine Business for Social Progress; Philippine Disaster Recovery Foundation; Philippines-Japan Economic Cooperation Committee. She is Chairman Emeritus of the Philippine

Interisland Shipping Association and is a member of the Young President's Organization.

In November 2015, the Office of the President of the Philippines conferred upon her the Order of Gawad Mabini with the rank of Commander for her many years representing the country as a member of the APEC Business Advisory Council.

Ms. Magsaysay Ho is the recipient of several international and local awards such as Safety4Sea 2022 Crew Welfare Personality Award; Shero of the Year by the Asia CEO Awards in 2019; MVP Grand Bossing Award 2018; Seatrade Personality of the Year Award in 2018; Asia CEO Awards Global Filipino Executive of the Year in 2012; and Lloyd's List Asia Lifetime Achievement Award in 2011.

She has a Masters in Industrial Design from Pratt Institute in New York.



**JOAQUIN E. QUINTOS IV (63)**  
Independent Director  
(since 22 April 2015)

**Joaquin Quintos IV** is currently a Senior Executive at First Philippine Holdings (FPH), a publicly listed Philippine conglomerate engaged in energy, property, construction, manufacturing, healthcare, and education businesses. He joined FPH in 2015 and is currently a board director in various operating subsidiaries of the group. He is primarily involved in many of the new business initiatives of FPH.

In his operational role, Mr. Quintos runs the group's healthcare and education businesses. He is the President of the group's various healthcare businesses, Asian Eye Institute, Philippine Impact Health, and Pi Health Manufacturing and Distribution Services. He is also the President of the group's entry into education, First Industrial Science and Technology College. In addition, he also drives the digital technology initiatives of the group and served as former President of Infopro Business Solutions, FPH's in-house shared services unit.

Mr. Quintos was also the former President of IBM Philippines. He held various management positions during a successful 27-year career at IBM from 1982 to 2009, including assignments at IBM's headquarters in Singapore and New York.

He currently holds various board positions in leading companies including Energy Development Corporation. He continues to be involved in education as a board trustee of De La Salle College of St. Benilde and University of St. La Salle. He is currently an independent director of The Filipino Fund. He previously served as Board Chairman of De La Salle University Manila and was a former board member of STI Education Services, iPeople, and AB Capital. He also serves as an advisor to many technology start-up companies in the Philippines and abroad.

A graduate of the University of the Philippines, Mr. Quintos earned his Bachelor of Science degree in Industrial Engineering, with cum laude honors. He participated and completed the New York Marathon in 2007.

## BOARD SUPPORT



**CARLA J. DOMINGO**  
Corporate Secretary

**Atty. Carla Domingo** is currently the Chief Legal Officer and Corporate Secretary of AIA Philippines. She also serves as the Corporate Secretary of BPI AIA and heads the Company's Centralized Investigation Team and Records Management.

She was Corporate Secretary to various AIA companies from 2008 to 2014: Philam Equitable Life Assurance Company, Philam Properties Group of Companies, Philam Asset Management Inc., Philam Call Center Services, Inc., the Tower Club, Inc., and Philam Foundation, Inc.

She served as Deputy Company Secretary of AIA Group Company Limited in Hong Kong from February 2014 to February 2015.

Atty Domingo is a fellow of the Institute of Corporate Directors. She is supported by Atty Jenny Anne Dones, Legal Principal and Assistant Corporate Secretary of AIA Philippines. They both attended the IC-mandated annual continuing board training held since 2020 and every year thereafter, with the most recent training held on 05 December 2022.



**MARIA CRISTINA HELENA G. SAMANIEGO**  
Chief Risk and Compliance Officer

**Maria Cristina Helena Samaniego**, the Chief Risk and Compliance Officer of AIA Philippines, is a Senior Vice President and a member of the Company's Executive Committee. Ms. Samaniego is not a member of the board of the Company. She has been attending the IC-mandated annual board continuing training on corporate governance since 2020, including the one held on 05 December 2022.

Ms. Samaniego joined AIA Philippines with an extensive international and local experience on risk and compliance. Prior to joining the Company, Ms. Samaniego was the Chief Risk Officer and Member of the Board of Directors of ANZ Bank Taiwan Ltd.

She also held various roles in the Singapore Regional Office of ANZ Banking Group including Head of Risk for Retail, Wealth and Private Bank, and Head of Retail Credit Risk, covering Asia Pacific. Prior to ANZ Bank, she spent ten years in HSBC performing senior roles heading Consumer Credit Risk and Collection and Local Conglomerates Relationship Banking. She also worked for BNP and Union Bank of the Philippines.

Ms. Samaniego earned her degree in Industrial Management Engineering from De La Salle University.



**RIKKA C. PERALTA**  
Head, Group of Internal Audit Philippines

**Rikka Peralta** is a Certified Public Accountant and a Certified Internal Auditor. She started her career with Sycip Gorres Velayo & Co (a member firm of Ernst & Young Global) and has obtained over 20 years of internal audit experience outside and within AIA. Ms. Peralta currently plays a key role in managing the audit plans and activities for the companies under AIA Philippines while overseeing the team of internal auditors. She is an active member of the Institute of Internal Auditors and a fellow of Life Management Institute.

Ms. Peralta has been a regular participant of the IC-mandated annual continuing training of the Board held since 2020, including the most recent one held last 05 December 2022.

## OPERATING PHILOSOPHY

### AIA CODE OF CONDUCT

Honesty and integrity are the cornerstones of the AIA business. AIA Group Limited (“AIA Group”) serves millions of customers across the most dynamic growth region in the world—and is known and admired for its unwavering commitment to these values. This reputation and the trust it inspires is critical to the success of the organization. Dedication and commitment to high standards have helped build the organization in the past and continue to do so. It can only maintain such reputation when each employee strives harder to do what is right and by being committed to the highest standards of integrity and conduct at all times and in every dealing.

This is what the AIA Code of Conduct is about. It sets out AIA’s and its member companies’ commitment to the Operating Philosophy of “Doing the Right Thing, in the Right Way, with the Right people... and the Right results will come.” This is the core of the unique culture of AIA across all 18 markets within the Asia Pacific region which includes AIA Philippines (“Company”).

The AIA Code of Conduct sets out the ethical guidelines for conducting business which is the same code that AIA Philippines observes. This serves as a guide in managing the Company’s compliance, ethics, and risk issues.

The standards set forth in the Code also apply to business partners including agents, contractors, subcontractors, suppliers, distribution partners, and those who act on behalf of AIA and AIA Philippines. The corporation, its directors, senior management, and employees are mandated to comply with the policies. The Compliance Department is tasked to implement and monitor compliance to these policies.

AIA Philippines has always believed in the power of diverse, talented people coming together to create value and deliver customer and shareholder expectations. Thus, it competes vigorously to create new opportunities for the business. However, competitive advantages are sought only through legal and ethical business practices. Promoting compliance with local laws and local regulatory requirements that apply to the business is at the foundation of AIA Philippines’ good corporate citizenship.

### CODE OF CONDUCT ANNUAL CERTIFICATION

To ensure that all AIA Philippines employees are aware of the provisions of the AIA Code of Conduct, an annual certification program is conducted where all employees confirm their

knowledge, understanding, and practice of the rules and guidelines written in the Code.

### NEW EMPLOYEES ORIENTATION PROGRAM (NEOP)

Company policy mandates for all new joiners to complete the New Hires Mandatory Course where the Code of Conduct and all other relevant company policies are discussed. This program is offered through an online learning platform and must be completed within 90 days from joining date.

### TREATING CUSTOMERS FAIRLY

AIA Philippines’ Customer Commitment Standard demands that customers are treated fairly at all times. This ensures that customer needs and reasonable expectations have been considered by the Company in its business activities. Appropriate standards of business practice to promote customer outcomes that are consistent with reasonable expectations are in place. The Company also monitors customer experience and manages the risk of unfair treatment or poor outcome for customers.

Marketing, advertising, and sales-related materials and services are truthful and accurate, and misrepresenting or attempting to mislead or deceive customers by use of unsupported or fictitious claims about the products of AIA Philippines or those of its competitors are not acceptable.

AIA Philippines adopts a structured framework in handling complaints related to market misconduct. The Customer Complaints Handling Process defines the step-by-step approach to ensure that all customer grievances and complaints of misconducts are immediately addressed. Misconduct includes but is not limited to misrepresentation of product features, mis-selling, policy replacement, misappropriation of client monies, and any other infringement of the Market Conduct Guidelines.

### ANTI-FRAUD POLICY

AIA Philippines adopts a zero-tolerance approach to fraud and expects all employees and third parties to act with honesty and integrity. The policy is intended to reinforce management procedures designed to aid in the prevention, detection, and investigation of fraud, thereby safeguarding the Company’s assets and providing protection from the legal and reputational consequences of fraudulent activity. All suspected cases of fraud are investigated, and disciplinary procedures enforced, including prosecution and termination.

This policy was submitted to the Insurance Commission following the requirements of IC Circular 2016-50. The Insurance Commission wants to ensure that all companies are prepared and ready to combat insurance fraud for its own protection and for the welfare of its stakeholders and the insuring public.

## ANTI-CORRUPTION AND BRIBERY

AIA Philippines implements a robust Anti-Corruption Program supported by an Anti-Corruption Policy. The Policy provides guidance on giving and accepting gifts and entertainment, and is applied alongside the AIA Code of Conduct.

The Company adopts a Zero Tolerance approach to Bribery and Corruption. Employees and other persons representing AIA Philippines are prohibited from offering, paying, promising, or authorizing (directly or indirectly) any bribery, kickback, or anything of value (as defined in the Policy), with corrupt intent or in violation of anti-corruption laws.

The Company is not allowed to use improper means to influence another person's business judgement. All employees and officers are required to report and seek approval, when necessary, to the Compliance Office any gift/ entertainment provided to government organizations and/ or any of its officials.

## CONFLICT OF INTEREST

An employee's position in AIA Philippines must not be used for inappropriate personal gain or advantage. Any situation that creates, or even appears to create a conflict of interest between personal interests and the interests of the Company must be appropriately managed.

Conflicts of interest (whether potential or actual conflicts) are mandated to be reported. Managers are expected to take appropriate steps to prevent, identify, and appropriately manage conflicts of interests of employees they supervise.

All AIA and AIA Philippines employees are prohibited from taking for themselves, or directing to a third party, a business opportunity that is discovered through the use of the company's corporate property and information. AIA Philippines employees are prohibited from using corporate property, information, or position for personal gain.

Employees are asked to declare if they have any personal relationships within AIA Philippines. Immediate family members, members of the household, and individuals with whom an employee has a close personal relationship within AIA Philippines must never improperly influence business decisions.

## FAIR DEALING POLICY AND CREDITOR'S RIGHTS

AIA Philippines adheres to a Fair Dealing Policy, which ensures that businesses with the customers, service providers, suppliers, and competitors are conducted in a fair manner. Following AIA's model, AIA Philippines seeks competitive advantages only through legal and ethical business practices. Every employee must conduct business in a fair manner with customers, service providers, suppliers, and competitors.

Disparaging competitors or their products and services are discouraged. Improperly taking advantage of anyone through manipulation, concealment, abuse of privileged information, intentional misrepresentation of facts or any other unfair practice is not and will not be tolerated at AIA Philippines, much more in the AIA Group.

It is also the policy of AIA Philippines to uphold creditor's rights by honoring its contractual obligations with all its creditors and counter parties, in accordance with the provisions of their contracts and the law. In the conduct of its business dealings with third parties, AIA Philippines undertakes to honor all its commitments, stipulations, and conditions set forth in its binding agreements.

## INVESTMENT CODE OF ETHICS

AIA Philippines believes that individual investment activities by its officers and employees should not be prohibited or discouraged. Nonetheless, the nature of AIA Philippines' obligations necessarily requires some restrictions on the investment activities of certain employees, officers, directors, and their related interests, who may be deemed Investment Access Persons.

In managing assets for AIA entities, Investment Access Persons have a responsibility to treat stakeholders fairly. This duty requires a course of conduct, consistent with other statutory obligations, that seeks to be prudent in AIA's and its stakeholders' best interest.

The AIA Investment Code of Ethics is intended to address three fundamental principles that must guide the personal investment activities of Investment Access Persons in light of their duties:

1. Place the interests of AIA and its Stakeholders first. Investment Access Persons must avoid serving personal interests ahead of the interests of AIA or those of its stakeholders.
2. Avoid taking inappropriate advantage of one's position as an Investment Access Person.
3. Conduct personal investing activities in such a way as to avoid even the appearance of a conflict of interest with investment activities undertaken for the AIA Portfolios.

As a member of the AIA Group, AIA Philippines adopts the same policy and follows the same guidelines. Generally, all Investment Access Persons are required to obtain pre-clearance prior to purchasing or selling a security. In addition, Investment Access Persons must provide and certify on a regular basis their accounts and beneficial holdings as well as all transactions in securities in which they had beneficial ownership and/ or control. Certain outside business activities of Investment Access Persons also need prior approvals.

### RELATED PARTY TRANSACTION

AIA Philippines recognizes the importance of establishing and maintaining policies and procedures for transactions between related parties. The Company is mandated to ensure that such transactions are only undertaken on an arm's length basis for the financial, commercial and economic benefit of the Company and the entire group where it belongs.

The Related Party Transactions (RPT) Policy of the Company is adopted to ensure that there is an effective compliance with existing laws, rules, and regulations at all times; that all related party transactions are conducted at an arm's length; and that no stakeholder is unduly disadvantaged. Under the Policy, any transaction that could pose conflict of interest, or any material or special risks, credit or counterparty risks, or potential abuse to AIA Philippines, will be considered related party transactions. Related party will be interpreted broadly to include not only transactions that are entered into with related parties as defined in the RPT Policy but also outstanding transactions that were entered into with an unrelated party which subsequently becomes a related party. It will also include such other person/ juridical entity whose interests may pose potential conflict with the interest of the Company.

The Policy requires that all RPTs should be on normal commercial terms, fair and reasonable in the interest of AIA Philippines; in the regular course of business; and at arm's length or not undertaken on more favorable economic terms (e.g. price commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances. AIA Philippines has put in place an effective price discovery mechanism to ensure that the terms of the transactions that it engages with promote the best interest of the Company and its stakeholders.

If a particular transaction is considered to involve related parties, the same will be endorsed to the Regulatory and Compliance Committee for appropriate action. If RPT falls below the materiality threshold prescribed by the Policy, the Regulatory and Compliance Committee will have the authority to approve the same, subject to the Board Audit and RPT Committee's confirmation. Otherwise, the former will endorse the transaction to the latter for its consideration and approval.

All RPTs that are considered within and above the material threshold, including write-off of material exposures and renewal of material changes in the terms and conditions of the RPTs, based on the Company's Internal RPT Policy, will be endorsed by the Audit and RPT Committee to the Board of Directors for approval and to the stockholders of the Company for confirmation by majority vote during the annual stockholders' meeting.

The Board of Directors will be the final approving authority of all material RPTs. Any member of the relevant Committees or the Board who has an interest in a transaction must abstain from deliberation and approval of such transaction.

For 2022, the Company declares that all related party transactions are conducted at arm's length basis.

### WHISTLEBLOWER PROTECTION PROGRAM

AIA Philippines does business with integrity and follows the highest ethical principles. Any employee (or anyone else) may raise concerns of misconduct or wrongdoing within AIA and AIA Philippines that can allow investigation to fix any problems. The Whistleblower Protection Policy applies to all employees of the AIA Group, including AIA Philippines. This Policy guides all employees on how to raise ethical concerns, and guides managers on how they should respond when this happens.

'Whistleblower' refers to someone (an AIA Philippines employee, business partner, agent, consultant, vendor, customer, or other party) who informs AIA or AIA Philippines of suspected illegal or improper ways of doing business involving violation of laws, regulations, AIA or AIA Philippines policies, and other unethical actions that might negatively impact AIA's and AIA Philippines' reputation.

Employees who are aware of possible wrongdoing within AIA and AIA Philippines have a responsibility to disclose that information to management. Reports are taken seriously and investigated confidentially. Employees or other individuals will not suffer retaliation for reporting suspected wrongdoing in good faith.

Speak up culture is encouraged and widely promoted in the company. Regular reminders are distributed to promote reporting whenever employees see or suspect potential misconduct or fraud. A hotline and a link are made available and the employee may choose to report issues anonymously.

An AIA Ethics line (<https://www.aiaethicsline.com>) was developed to support the program. It is an independently managed website and hotline (telephone) service, receiving reports in local language, 24 hours a day, and seven days a week. AIA and AIA Philippines can communicate with anonymous whistleblowers via a secure platform using the AIA website. The report may also be made by calling the AIA Group Ethics and Compliance Hotline +632 8626 3049 or by sending an email to [compliance@aia.com](mailto:compliance@aia.com).

## GOOD CORPORATE CITIZENSHIP

### PREVENTION OF INSIDER TRADING AND MARKET MISCONDUCT

The AIA Group takes its obligations as a listed entity seriously and is committed to ensuring the highest standards of market conduct and fair dealing. The Hong Kong Securities and Futures Ordinance (SFO) prohibits market misconduct, including insider trading. Breaches of market misconduct laws are serious offenses that attract heavy civil and criminal penalties.

Since AIA Philippines is a member of the AIA Group, it adopts the same policy and follows the same guidelines. The Prevention of Insider Trading and Market Misconduct Policy aims to build a robust system to prevent market misconduct, including insider trading. It sets out standards and controls to ensure compliance with the regulatory requirements. Lastly, the policy prohibits employees and directors from engaging in speculative trading in AIA Group Securities and in any market misconduct such as false trading, price rigging, disclosure of false or misleading information inducing transactions and stock market manipulation

The policy applies to all employees and directors of AIA Group Limited and each of its subsidiaries, including AIA Philippines. This policy defines the duty of each employee to safeguard material information from improper use. Under the policy, it is illegal to trade securities while in possession of material non-public information and/ or pass the same to anyone who may trade securities based on it and/ or give recommendations to buy or sell securities.

Dealing in AIA securities by certain employees, officers, directors, and their related interests require pre-approval from the Group Company Secretary. The pre-approval of the Group Company Secretary is valid for three trading days from the date on which the pre-approval is granted. If the proposed transaction is not executed within this period, the pre-approval will lapse and a fresh pre-approval application needs to be submitted.

Information on other securities which AIA may have received or may expect to receive material, non-public information, or are otherwise subject to restrictions in trading, are placed on watch lists or restricted lists. Trading activities in securities included in these lists are restricted and/ or actively monitored.

### ANTI-MONEY LAUNDERING AND COUNTER TERRORIST FINANCING PROGRAM

Pursuant to Section 18 of Republic Act (RA) No. 9160, also known as the "Anti-Money Laundering Act of 2001", as amended by RA No. 9194, RA No. 10167, RA No. 10168, RA No. 10365, and RA No. 11521, all covered institutions which include insurance companies supervised or regulated

by the Insurance Commission are mandated to formulate their respective money laundering prevention program in accordance with the said law.

AIA Philippines' Anti-Money Laundering (AML) Program establishes the governing principles and business standards to protect the Company and its business operations from becoming an unwitting tool of money launderers. The Company's management, officers, and employees remain vigilant in the fight against money laundering and financing of terrorism and collectively oppose any effort to violate or flaunt the anti-money laundering laws.

AIA Philippines adopts the Nice Actimize System to support the implementation of its AML program. The system has three modules that are used as monitoring mechanisms. These include Watch List Filtering or Screening against politically exposed persons (PEPs) and sanctioned persons; Customer Due Diligence that provides risk scoring for all customers and help determine high risk customers; and Suspicious Activity Monitoring that provides red flag/ alerts on behavior of transactions. The law's reporting requirements on covered and suspicious transactions are religiously observed.

AIA Philippines continues to improve its processes and systems to support the implementation of its AML Program. AML related training is part of AIA's onboarding program for its new employees. All employees are also required to take periodic refresher course on AML.

### DATA PRIVACY

AIA Philippines recognizes its responsibilities in protecting the personal data and sensitive information of all its stakeholders including employees, customers, intermediaries, business partners, and third-party service providers. The Board of Directors, management, and employees of AIA Philippines commit themselves to adopt and adhere to the Policy provisions to ensure protection of personal information and sensitive data collected by and shared with the Company.

The Data Privacy Program of AIA Philippines is aligned with RA 10173, the local Data Privacy law. Under the program, the AIA Philippines CEO is responsible for the implementation of these guidelines across all its business units, and in ensuring that all officers and employees are aware of their obligations stated in the guidelines.

Each employee is expected to comply with the standards when managing personal data being collected and handled for processing. Compliance will be responsible for keeping and maintaining effective guidelines by providing second line oversight and monitoring of implementation.

To strengthen corporate governance, the AIA Philippines Board of Directors appointed a Data Protection Officer for the Company who is tasked to oversee the implementation of its Data Privacy Program based on the issued Implementing Rules and Regulations of the local law, and ensure that appropriate operational controls are implemented across all units or departments.

The AIA Philippines' Data Privacy Policy provides guidance to all employees, intermediaries, and third parties on how personal data should be collected, used, stored, transferred, and disposed. It further clarifies the roles and responsibilities of the employees and intermediaries about the relevant standards and procedural controls that must be observed to secure and protect personal data. All employees are also required to take the periodic refresher courses on data privacy to remind them of their responsibilities with regard to data privacy.

#### **CREDIT INFORMATION SYSTEM ACT (CISA)**

RA 9510, otherwise known as the Credit Information System Act (CISA), was passed in 2008 and created the Credit Information Commission (CIC) whose primary function is to act as the central registry of all credit information. As provided in the law, the Securities and Exchange Commission (SEC) will be the lead government agency to implement the CISA, in coordination with other relevant government agencies and private associations of financial institutions. It also prescribed additional requirements for the establishment of the CIC. Further, the SEC Chairman also sits as the Chairman of the Board of the CIC.

CISA addresses the need for a comprehensive, centralized, and reliable credit information system intended to:

1. Improve the overall availability of credit to Micro Small and Medium Enterprises (MSMEs);
2. Provide credit information at the least cost to eligible participants;
3. Ensure the protection of consumer rights and fair competition in the industry at all times;
4. Reduce the overall credit risk thereby contributing to a healthier and more stable financial system.

The CIC has three important functions:

1. To receive and consolidate basic credit data;
2. To act as a central registry or repository of credit information; and
3. To provide access to reliable, standardized information on credit history and financial condition of borrowers.

AIA Philippines, as one of the covered companies under financial institutions, supports the Commission's program and adheres to the requirements of the law by establishing its own set of systems and processes to ensure compliance with the requirements.

#### **COMMUNICATION WITH REGULATORS AND OTHER GOVERNMENT OFFICIALS**

Inquiries from regulators outside the normal course of AIA Philippines' regulatory relationships must be reported immediately to the Compliance Officer or a designated Legal Counsel before a response is made.

Financial reporting-related inquiries may be responded to by authorized comptrollers. Responses to regulators must contain complete, factual, and accurate information. During a regulatory inspection or examination, documents must never be concealed, destroyed, or altered, nor must lies or misleading statements be made to regulators. Requests from auditors are subject to the same standards.

#### **RELATIONSHIP WITH VENDORS AND SUPPLIERS**

##### **SOURCING POLICY/VENDOR MANAGEMENT**

Business partners serve as extensions of AIA Philippines to the extent that they operate within contractual relationships. Business partners are expected to adhere to the spirit of the AIA Code of Conduct and to any applicable contractual provisions.

Business partners must not act in a way that is prohibited or considered improper for an AIA Philippines employee. Employees must ensure that customers, agents, and suppliers do not exploit their relationship with AIA Philippines or use AIA Philippines' name in connection with any fraudulent, unethical, or dishonest transaction.

Suppliers and vendors are selected on the basis of performance and merit in accordance with a fair and transparent process. Requirements for suppliers and vendors to follow the standards in the Code are part of the vendor management program.

The total expenditure on goods and services from third party suppliers form a significant part of AIA Philippines' operating cost. Any activity by a line of business to acquire goods/ services must be undertaken in a professional manner to ensure AIA Philippines is able to maximize its value, and manage risks associated with use of external suppliers.

The local Sourcing Policy sets out the framework within which AIA Philippines must engage external suppliers for goods/ services and is supplemented by AIA Philippines' Sourcing Practice Guide. This provides AIA Philippines the standard processes and document templates in engaging suppliers that should be read in conjunction with the policy document.

The AIA Philippines Sourcing Policy, with the AIA Group Sourcing Policy as a model, was defined with the primary objective to establish standardized sourcing procedures.

As set out in the AIA Group Sourcing Policy, a Local Sourcing Lead (LSL) or a designate is appointed and will be responsible for ensuring implementation, execution, update, and compliance to the local policy. This person should closely work with the AIA Group Sourcing (GS) team.

### SUPPLIER SELECTION

AIA Philippines selects suppliers and vendors on the basis of capability and performance in accordance with a fair and transparent process. Appropriate due diligence is performed regarding potential agents, consultants, and independent contractors prior to engaging their services.

AIA Philippines seeks supplier partnerships with diverse businesses, and values suppliers that share the Company's dedication and commitment to diversity and social responsibility.

### CONTRACT MANAGEMENT

AIA Philippines adopted the AIA Guidelines on Contract Management which aims to support the AIA Group in developing a sound, consistent, and effective approach to manage its diverse range of contracts. It deliberately focuses on the activities associated with the operational phase of the contract, from negotiations until after the contract has been awarded and is executed. To facilitate proper implementation, the company-appointed records coordinators are tasked to oversee the strict implementation of these guidelines.

Record Coordinators are required on a yearly basis to submit a Certification that the following have been completed/ performed:

1. Contract Register has been reviewed and is certified to be complete upon submission to the Records Manager.
2. Contract in the submitted contract register have been reviewed by the Legal Department.
3. Contracts are in place for all transactions/ engagements/ undertakings/ agreements.
4. Contracts are executed in the best interest of the Company.
5. Contracts are signed by authorized signatories.
6. Terms and Conditions specified in the contracts are complied with.
7. All contracts follow proper safekeeping as specified in AIA Philippines' Contract Management Guidelines (both physical and electronic copies).

### EMPLOYEE WELFARE

#### SAFE, HEALTHY AND SECURE WORKPLACE

AIA Philippines is a Safe, Healthy, and Secure Workplace. It observes Occupational Safety, Security, and Health Standards being promoted by the Department of Labor and Employment. AIA Philippines conducts its business in a manner that

protects the health, safety, and security of its employees and customers.

Promptly reporting to management or to the appropriate Corporate Security Personnel the situations that may pose health, safety, security, and environmental hazards is mandated. Employees are encouraged to notify management or Corporate Security of any issue that may impact the Company's security, fire and life safety, or emergency readiness.

Using, selling, possessing, or working under the influence of illegal drugs at AIA Philippines is strictly prohibited. At the same time, use of alcohol while conducting business for AIA Philippines is also prohibited.

AIA Philippines abides by local labor and employment laws including those addressing discrimination and harassment. The Code of Conduct also mandates that employees treat each other with respect, including valuing each other's differences and respecting each other's opinions.

Physical security systems reduce the risk of exposure. Entry controls are implemented to ensure the Company's safety, security, and protection. Wearing of ID is strictly observed.

AIA Philippines respects the personal information and property of employees. Employees expect the Company to carefully maintain the personal information they provide. Employee trust must not be compromised by disclosing this information other than to those with a legitimate need to know.

Access to personal information or employee property is only authorized for appropriate personnel with a legitimate reason to access such information or property. From time to time, AIA Philippines may access and monitor employee internet use and communications to assess compliance with laws and regulations, policies, and behavioral standards. Subject to local laws, employees will have no expectation of privacy with regard to workplace communication or use of AIA and AIA Philippines' information technology resources.

#### DISCIPLINARY GUIDELINES

The Company takes appropriate action against erring employees who violate company policies and procedures or have exhibited any aberrant behavior. Violating applicable laws, regulations, or the Company's Code of Conduct, or encouraging others to do so may result in disciplinary action. Failing to promptly report known violations by others may also be a violation of the Code of Conduct.

**MARKET CONDUCT GUIDELINES**

AIA Philippines envisions itself as having one of the highest sales standards in the life insurance industry in the Philippines. All sales personnel are expected to conduct their business with the highest level of professionalism, ethical conduct, and personal integrity to protect the policyholders and the insuring public. AIA Philippines will not tolerate any less.

The Market Conduct Guidelines is used as a guide by all sales personnel in the conduct of their business and aid in the determination of what would be deemed proper conduct and behavior. It will apply equally and consistently to the conduct of life insurance business practices and the sale of all financial products. Any breach of the Market Conduct Guidelines may result in the imposition of a penalty on offender or violator. Compliance with these guidelines does not ensure a continued contractual relationship with AIA Philippines. The Company reserves the right at all times to terminate the employment contract of any sales personnel in accordance with the terms of the contract entered into between AIA Philippines and the sales personnel.

The Market Conduct Committee evaluates all complaints and determines whether a sales personnel has committed any wrongdoing. Any sales personnel found guilty of any market conduct-related offense is subjected to appropriate sanctions. This Committee administers the rules of the Market Conduct Guidelines, company policies and other guidelines, and provides assistance to the Board of Directors and Company's management to enable AIA Philippines to continue operating according to the highest ethical business standards and the applicable laws and regulations.

**THE SALES CODE OF DISCIPLINE**

In pursuit of building and promoting professionalism and having one of the highest sales ethical standards in the life insurance industry, it is the policy of the Company to set up measures of conduct and standards of behavior to instill discipline among its sales force.

In promoting professionalism among sales personnel and moving towards self-regulation, the Insurance Commission and the Philippine Life Insurance Association support the use of penalties, sanctions or a combination of both as the Company deems fit.

The AIA Philippines Sales Code of Discipline contains penalties associated with the breach of company policy, the market conduct guidelines, employment contract, laws, and regulations.

The objective is to establish uniform disciplinary sanctions among all sales personnel and adopt a systematic and equitable procedure in administering corrective measures.

The sanctions, which may range from Written Reprimand to Termination of Contract, are applied accordingly depending on the gravity of the offense and as deemed appropriate by the Company.

**REPRESENTING THE COMPANY'S BRAND****SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES**

AIA Philippines contributes positively to the social and economic development of the communities in which it operates, with support extended to people and communities in need. AIA Philippines and its employees volunteer time and funds to programs that promote health, financial literacy, education, and other community needs. AIA Philippines is committed to reducing the impact of its operations on the environment and raising awareness about sustainability by taking part in activities that highlight these issues.

AIA Philippines recognizes the value of social media to engage with stakeholders in innovative and interactive ways. When using social media, every employee must conduct themselves professionally.

The Social Media Policy and Guidelines are intended to provide guidance to all AIA and AIA Philippines employees and agents on how to use social media to market the AIA brand. It also provides guidelines on the basic principles employees should follow when using social media in a professional capacity or in a personal capacity where it may affect an employee's performance or AIA's business interests. The guidelines also apply to any comments employees may make or leave on other social media pages, edits to wikis, responses to tweets, postings on message boards/ fora, opinions on online polls or any product/ services AIA might create. Any breaches of the policy could lead to disciplinary action including dismissal.

**RISK****ENTERPRISE RISK MANAGEMENT****ENHANCING VALUE BY ENSURING STABILITY**

AIA Philippines believes that sound risk management relies on 1) a strong corporate culture driven from the leadership where accountability over risks and effective controls are taken with seriousness across all levels of the corporate hierarchy and operating areas of the organization, and 2) a clear and effective Risk Management Framework that prescribes how risks are defined, measured, managed and mitigated.

The Company operates using the three lines of defense model in running its Risk Management Framework (RMF). A very important characteristic of the model is to define primary risk ownership by the business areas to drive a strong culture of ethics and accountability in the way business is conducted day to day. In this way, risks are identified and mitigated early and comprehensively as they emerge.

The RMF is governed by the Company's Risk Management Committee (RMC), which oversees and reviews both financial and operational risks, and ensures that appropriate risk policies and mitigation measures are in place. The RMC reports to the AIA Philippines Board Risk Committee (BRC) which is responsible for oversight of the Company's risk management activities. The BRC determines the Risk Appetite, the Risk Management Statement, and the Risk Management Framework of AIA Philippines, and advises and assists the Board of Directors in the review and approval of these matters.

The RMF is brought down to operating level with the institutionalized Functional Unit Risk Management Meetings (FuRMM) which run regularly in each unit to regularly prompt focused consideration of risks and regulatory compliance impacting the area in scope. This committee is chaired by the risk owner of each of the functional units.

The Company has identified Risk Management Champions/ Risk and Compliance Champions (RICOs) in each functional unit to drive awareness for risk exposures and provide guidance on the Risk Management Framework (RMF) so they may be managed effectively. The RICOs also run FuRMMs in order to properly document risk incidents, outstanding risks and measures taken, and identify new or emerging factors for risks such as new regulations, changes in market environment, etc.

Risk awareness and advocating early identification, reporting, and management of risks are embedded in the employees' performance management process with specific and measurable key risk indicators (KRIs).

The Company operates under a "Three Lines of Defense" governance model.

The First Line is made up of Risk Owners who underwrite risks through product development, investment of asset portfolios, structural allocations and other key business operations. The First Line is responsible for operating within the RMF, with oversight performed by the Second Line, and approved by the BRC and Board, ensuring risk and returns are well understood and optimized throughout the decision-making process. The First Line has the responsibility to operate a robust control environment for their functional areas as evidence of ownership and accountability over operational and compliance risks.

The Risk and Compliance Function acts as the Second Line of Defense as it implements the RMF, a method to identify, quantify, and mitigate risks within the Company; and ensuring it remains effective. While the First Line is empowered with decision-making authority on exception procedures and approvals, the Second Line endorses these decisions and provides independent oversight, challenge and advice.

An independent Audit Function acts as the Third Line of Defense to provide the Board of Directors insights on risk control effectiveness. Group Internal Audit (GIA) is responsible for providing independent assurance over the effectiveness of the RMF, including key Internal Controls, and makes recommendations based on audit findings.

The above are key parts of driving a strong risk culture with methods and values embedded across the different parts of the organization and corporate hierarchy.

### MANAGING FINANCIAL RISKS

AIA Philippines manages its exposure to financial risk within tolerances agreed by the Board and the RMC. As an internal control procedure, risk metrics, risk tolerances, and limits were set to monitor risk exposure and to ensure that the Company is operating within the Risk Appetite. Financial risk is also managed by periodically running specific scenario-modelling exercises.

Financial risk is subdivided into solvency risk, credit risk, market risk, and liquidity risk. Solvency is subjected to stress tests against macroeconomic, portfolio performance and operational process shocks to ensure capital adequacy.

The primary source of credit risk is the investment portfolio, but such risk could also arise through reinsurance, procurement, and treasury activities. Credit risk management to financial creditors are subjected to robust internal ratings of all counterparties. The BRC approves a matrix of risk tolerances that ensures that credit risk in the investment portfolio is contained within the Risk Appetite. These limits cover individual counterparty, segmental concentration, and cross-border exposures. The Investments Team has discretion to shape the portfolio within these credit limits, seeking further approvals through the risk governance framework. If certain investments are technically within credit limits but with specific concerns, these are brought to the attention of the RMC or the Investments Committee, as appropriate.

Market risk is the risk of financial loss from adverse movements in the value of assets owing to market factors, including changes in interest and foreign exchange rates, as well as movements in the spread of credit instruments to corresponding bonds, "Credit Spread Risk", in equity and

## AUDIT

property prices. The BRC approves policies and metrics used in evaluating market risk exposures. The various Market Risks are managed differently, as follows:

**Interest Rate Risk:** by ensuring appropriate insurance design and underlying assumptions as part of the product approval process and by matching, to the extent possible and appropriate, the duration of investment assets with the duration of insurance liabilities. Interest Rate Risk arises from any difference between the duration of the Company's liabilities and assets, in particular in relation to the reinvestment of maturing assets to meet commitments, predominantly in insurance liabilities. This exposure can be heightened in products with inherent options or guarantees.

**Credit Spread Risk:** by focusing on the overall quality and diversification of the Company's investment portfolios and avoiding excessive volatility in their mark-to-market value. Credit Spread Risk arises from changes in the market value of non-government securities as a result of a change in perception as to their likelihood of repayment.

**Equity Price Risk:** by managing concentrations and volatility in the Company's equity exposures, which are included in the aggregate exposure reports on individual counterparties to ensure concentrations are avoided. Equity Price Risk arises from changes in the market value of equity securities and equity funds. Investment in equity set on a long-term basis is expected to provide diversification benefits and improve returns.

**Foreign Exchange Rate Risk:** by matching assets and liabilities by currency. Foreign Exchange Risks arise from the translation of dollar-denominated assets and liabilities to local currency for financial reporting purposes.

**Liquidity Risk** occurs in two ways: Financial Liquidity Risk and Investment Liquidity Risk. Financial Liquidity Risk is managed by determining limits for the Company's activities to ensure that sufficient cash is available to meet payment obligations when they fall due. Investment Liquidity Risk is managed through continuous assessment of the relative liquidity of the Company's assets and managing the size of individual holdings through limits.

### MANAGING OPERATIONAL RISKS

Operational Risk is managed using the Operational Risk and Control Framework (ORCF) which provides the risk taxonomy defining the common sources of control failures known as Key Operational Risk (KOR). Business Units regularly assess the KORs applicable to their operations to identify vulnerabilities so that any incremental control requirements may be addressed. An executive is assigned to own each KOR to monitor and ensure appropriate controls are implemented.

KORs are divided into nine domains: Conduct; Execution, Delivery and Process Management; External Event; Financial Crime; Fraud; People; Information Security; Technology; and Legal and Compliance. These KORs are defined to greater granularity in each impacted business unit together with the effectiveness of applicable controls.

Key Risk Indicators were developed to support ongoing monitoring in order to flag emerging concerns.

The use of the ORCF helps the Company identify focus areas of vulnerability to ensure timely and appropriate remediation that may be deployed as issues emerge.

### MANAGING PRODUCT RISK

The development, pricing and underwriting of products must have regard to the following over-arching principles:

**Purpose.** Products must serve a defined business purpose.

**Compliance.** Products must comply with all applicable laws, regulations and internal policies.

**Customer-Centricity.** Products should provide attractive value to customers and reasonable compensation to distributors. Products should fulfill the principles stated in the Customer Commitment Policy.

**Profitability.** Products should generate reasonable profit for the Company at a reasonable pace.

**Capital Efficiency.** Products should deliver a minimum return on the capital consumed; not consume excessive capital of the Company; and not tie up the Company's capital for an unreasonable period.

**Sustainability and Risk Management.** Products should remain profitable within a reasonable range of adverse deviations from pricing assumptions. A product must be priced using prudent pricing assumptions based on timely experience studies. Appropriate cost of options and guarantees needs to be reflected in pricing of products with embedded options and guarantees. Pricing assumptions should reflect appropriate asset-liability management.

### AUDIT AND RELATED PARTY TRANSACTIONS (RPT) COMMITTEE

The Audit and Related Party Transactions (RPT) Committee of AIA Philippines is an independent committee formed by the Board of Directors to assist the Board in the performance of its duties and responsibilities, specifically in ensuring that governance, internal controls, and risk management systems of the Company are in place.

In 2022, the Audit and RPT Committee members were composed of independent directors: Antonino Aquino as the Chairman, and Joaquin Quintos IV and Francis Estrada as members. Each Audit and RPT Committee member met the necessary requirements of the Securities and Exchange Commission, the Revised Code of Corporate Governance and other applicable laws and regulations in the Philippines. See pages 48 to 50 for the profile of the Audit and RPT Committee members.

The Audit and RPT Committee Charter details the committee's responsibility for oversight of the Company's corporate governance process. The Committee, while exercising its oversight role, relies on the expertise of the Company's management and works with Group Internal Audit — Philippines (GIAPH) and External Auditors, Isla Lipana & Co./ PricewaterhouseCoopers, to ensure the integrity of the financial statements and the continuous review of the Company's governance process, risk management and internal controls including compliance with the law and relevant standards.

The Audit and RPT Committee, in accordance with its responsibilities outlined in the charter of the Audit and RPT Committee, developed an annual calendar and meeting agenda for 2022. From 1 January to 31 December 2022, the Audit and RPT Committee met four times. In these meetings, the Audit and RPT Committee met with Senior Management, GIAPH, the Compliance Office and the Company's External Auditors. Among the agenda items discussed were the approval of the Annual Audit plan, Group Internal Audit updates, results of Compliance reviews, approval of significant related party transactions and updates from the External Auditors. Group Internal Audit updates include the results of completed audit projects, the status of the audit plan, and tracking of open issues. In 2022, the Audit and RPT Committee also met separately with GIAPH and the External Auditors without the presence of Management.

### GROUP INTERNAL AUDIT

The Audit and RPT Committee Charter authorizes the Committee to organize an internal audit function, and to approve the appointment, resignation and dismissal of an independent internal auditor as well as the terms and conditions of appointment and dismissal, in consultation with the AIA Group Head of Internal Audit. The internal audit function of AIA Philippines is carried out by the GIAPH.

GIAPH's mission is to provide independent and objective assessment and reporting of the overall effectiveness of risk management, internal controls, and governance processes, and appropriately challenge executive management to improve the effectiveness of these processes. GIAPH is directly overseen and supported by the AIA Group Internal

Audit, reports functionally to the Audit and RPT Committee, and administratively to the AIA Philippines Chief Executive Officer.

GIAPH adopts a risk-based audit plan which considers the significant risks affecting the strategies and key objectives of the Company. These risks include financial, operational, compliance, and industry's emerging risks, among others. In finalizing the audit plan of GIAPH, input and expectations from key stakeholders are considered prior to the final approval by the Audit and RPT Committee. The Audit and RPT Committee ensures that GIAPH is authorized to have complete and unrestricted access to all of AIA Philippines' records, properties and employees in discharging their responsibilities.

The Head of GIAPH, on behalf of GIAPH, is responsible for reporting the result and status of internal audit work to the Audit and RPT Committee on a regular basis. In overseeing the internal audit function, the Audit and RPT Committee is actively involved in approving the audit plan including any subsequent changes, assessing the result of audit engagements, and monitoring the resolution of key issues identified. The Audit and RPT Committee is aware of the process by which assessment of the effectiveness of internal controls, risk management, financial reporting, and information technology security are conducted.

### ENGAGEMENT OF EXTERNAL AUDITORS

The Audit and RPT Committee, on behalf of the Board of Directors, is responsible for the appointment, re-appointment, or removal of the External Auditors. In 2022, the Audit and RPT Committee approved the re-appointment of Isla Lipana & Co./PricewaterhouseCoopers as the External Auditor. The Audit and RPT Committee has reviewed and approved accordingly the scope and coverage of the Statutory Audit for 2022. Although Management has the primary responsibility for the financial statements and the reporting process, the Audit and RPT Committee, having the oversight role, has noted and reviewed the audited financial statements for the calendar year 2022. The Audit and RPT Committee concurred and accepted the conclusion of the External Auditors on the financial statements and was satisfied that the financial statements were in compliance with Philippine Financial Reporting Standards as assessed by the External Auditors.

For 2022, the audit fees of Isla Lipana & Co./ PricewaterhouseCoopers amounted to eight million thirty-five thousand and six hundred fifty-four Philippine Pesos (PHP8,035,654), exclusive of out-of-pocket expenses and value added tax (VAT). There were no non-audit fees paid to Isla Lipana & Co./PricewaterhouseCoopers for 2022.



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# AUDITED FINANCIAL STATEMENTS







**HEALTHIER. LONGER.  
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**AIA Philippines Life and General  
Insurance Company, Inc.**

AIA Philippines Head Office  
23<sup>rd</sup> Floor 8767 AIA Tower  
(formerly Philam Life Tower)  
Paseo De Roxas, Makati City  
Metro Manila, Philippines 1226

(632) 8528 2000

aia.com.ph

### STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

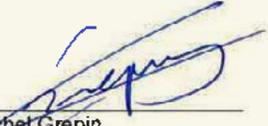
The Management of AIA Philippines Life and General Insurance Company, Inc. (the "Company") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

Isla Lipana & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature   
Mr. Leo Michel Grepin  
Chairman of the Board

Signature   
Mr. Chee Keong (Kelvin) Ang  
President and Chief Executive Officer

Signature   
Mr. Gary James Ogilvie  
Chief Financial Officer

Signed this \_\_\_\_\_ day of \_\_\_\_\_

AIA Philippines Life and General Insurance Company, Inc., with trade name AIA Philippines, is a Corporation registered and operating under the laws of the Philippines.



## Independent Auditor's Report

To the Board of Directors and Shareholders of  
**AIA Philippines Life and General Insurance Company Inc.**  
(Doing business under the name and style of AIA Philippines)  
[Formerly "The Philippine American Life and General Insurance (Philam Life) Company  
doing business under the name and style of AIA Philam Life"]  
23rd Floor, Philam Life Tower,  
8767 Paseo de Roxas, Makati City

## Report on the Audits of the Financial Statements

### *Our Opinion*

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of AIA Philippines Life and General Insurance Company Inc. (the "Company") as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

### *What we have audited*

The financial statements of the Company comprise:

- the statements of financial position as at December 31, 2022 and 2021;
- the statements of comprehensive income for the years ended December 31, 2022 and 2021;
- the statements of changes in equity for the years ended December 31, 2022 and 2021;
- the statements of cash flows for the years ended December 31, 2022 and 2021; and
- the notes to the financial statements, which include a summary of significant accounting policies.

### *Basis for Opinion*

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the 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 financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Isla Lipana & Co., 29th Floor, Philamlife Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines  
T: +63 (2) 8845 2728, F: +63 (2) 8845 2806, www.pwc.com/ph

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.



Isla Lipana &amp; Co.

Independent Auditor's Report  
 To the Board of Directors and Shareholders of  
 AIA Philippines Life and General Insurance Company Inc.  
 (Doing business under the name and style of AIA Philippines)  
 [Formerly "The Philippine American Life and General Insurance (Philam Life) Company  
 doing business under the name and style of AIA Philam Life"]  
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***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

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

In preparing the financial statements, management is responsible for assessing the 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 Company or to cease operations, or has no realistic alternative but to do so.

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

***Auditor's Responsibilities for the Audits of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the 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 PSA 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Shareholders of

AIA Philippines Life and General Insurance Company Inc.

(Doing business under the name and style of AIA Philippines)

[Formerly "The Philippine American Life and General Insurance (Philam Life) Company  
doing business under the name and style of AIA Philam Life"]

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- 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.



Isla Lipana &amp; Co.

Independent Auditor's Report  
 To the Board of Directors and Shareholders of  
 AIA Philippines Life and General Insurance Company Inc.  
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### Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 35 to the financial statements is presented for the purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### Isla Lipana & Co.

Zaldy D. Aguirre  
 Partner

CPA Cert No. 0105660

P.T.R. No. 0024447, issued on January 9, 2023 at Makati City

SEC A.N. (individual) as general auditors 105660-SEC, Category A; valid to audit 2020 to 2024  
 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A; valid to audit 2020 to 2024  
 financial statements

TIN 221-755-698

BIR A.N. 08-000745-077-2020, issued on December 14, 2020; effective until December 13, 2023

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City  
 April 20, 2023

**AIA Philippines Life and General Insurance Company Inc.**  
(Doing business under the name and style of AIA Philippines)  
[Formerly “The Philippine American Life and General Insurance (Philam Life) Company  
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Statements of Financial Position  
As at December 31, 2022 and 2021  
(All amounts in thousands of Philippine Peso)

	Notes	2022	2021
<b><u>ASSETS</u></b>			
Cash and cash equivalents	2	22,257,772	4,668,833
Insurance receivables, net	3	24,064,646	21,526,512
Financial assets at fair value through profit or loss	4	59,706,373	67,920,812
Available-for-sale financial assets	4	122,638,661	146,978,589
Loans and receivables, net	5	9,295,317	14,543,365
Accrued income	7	2,870,954	2,735,658
Investments in subsidiaries and associates	8	2,501,885	3,185,985
Investment properties	9	6,220,088	6,530,170
Property and equipment, net	10	3,542,657	3,027,066
Other assets, net	12	6,278,957	5,610,065
<b>Total assets</b>		<b>259,377,310</b>	<b>276,727,055</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
Insurance contract liabilities, net	13	144,772,908	165,170,239
Policyholders' dividends	13	7,336,312	7,331,710
Liabilities for supplementary contracts	13	618,591	616,517
Premium deposit fund	13	678,722	756,563
Insurance payables	14	23,371,330	21,136,995
Accounts payable and accrued expenses	15	6,505,242	6,065,125
Deferred income tax liabilities, net	27	948,048	901,950
Other liabilities	15	2,694,471	2,536,049
<b>Total liabilities</b>		<b>186,925,624</b>	<b>204,515,148</b>
Share capital	16	2,669,100	2,000,000
Share premium	1	421,261	-
Contributed surplus		25,000	25,000
Treasury shares	1,16	(1,200,193)	(109,832)
Reserves	16	2,687,342	9,003,502
Retained earnings	16	67,849,176	61,293,237
<b>Total equity</b>		<b>72,451,686</b>	<b>72,211,907</b>
<b>Total liabilities and equity</b>		<b>259,377,310</b>	<b>276,727,055</b>

(The notes on pages 1 to 64 are integral part of these financial statements)

**AIA Philippines Life and General Insurance Company Inc.**  
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Statements of Comprehensive Income  
For the years ended December 31, 2022 and 2021  
(All amounts in thousands of Philippine Peso)

	Notes	2022	2021
<b>PREMIUMS AND OTHER INCOME</b>			
Gross premiums on insurance contracts		18,094,011	17,334,104
Reinsurers' share of gross premiums on insurance contracts		(1,717,714)	(1,306,306)
Net insurance premiums	17	16,376,297	16,027,798
Investment income	18	11,283,198	11,628,659
Fee income from unit-linked funds	6	1,051,754	1,329,638
Fair value losses, net	20	(6,009,229)	(558,127)
Realized gains on sale of available-for-sale financial assets, net	19	232,924	4,540,896
Foreign exchange losses, net	30.4	4,085,180	2,275,070
Other losses, net		(505,524)	(270,353)
<b>Total premiums and other income</b>		<b>26,514,600</b>	<b>34,973,581</b>
<b>EXPENSES</b>			
Benefits and claims paid on insurance contracts, net	21	12,577,110	13,320,596
Change in insurance contract liabilities, net	13	(684,686)	1,732,715
Commissions and other acquisition expenses	22	1,337,644	1,123,360
General and administrative expenses	23	4,052,217	4,011,497
Investment expenses	18	1,103,704	758,418
Insurance taxes, licenses and fees		245,880	209,666
<b>Total expenses</b>		<b>18,631,869</b>	<b>21,156,252</b>
<b>INCOME BEFORE INCOME TAX</b>		<b>7,882,731</b>	<b>13,817,329</b>
INCOME TAX EXPENSE	27	1,326,792	1,138,820
<b>NET INCOME</b>		<b>6,555,939</b>	<b>12,678,509</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
Item that will be subsequently reclassified to profit or loss			
Net fair value changes on available-for-sale financial assets	4,16	(22,825,587)	(17,374,698)
Items that will not be subsequently reclassified to profit or loss			
Remeasurement of insurance contract liabilities	13,16	15,499,209	10,263,713
Remeasurement of retirement and other post-employment benefit schemes	16,25	652,266	299,431
Fair value gains on property and equipment, net of tax	10,16	16,161	585
<b>Total other comprehensive loss</b>		<b>(6,657,951)</b>	<b>(6,810,969)</b>
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR</b>		<b>(102,012)</b>	<b>5,867,540</b>

(The notes on pages 1 to 64 are integral part of these financial statements)

**AIA Philippines Life and General Insurance Company Inc.**  
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Statements of Changes in Equity  
For the years ended December 31, 2022 and 2021  
(All amounts in thousands of Philippine Peso)

	Share capital (Note 16)	Share premium	Contributed surplus	Treasury shares (Note 16)	Reserves (Note 16)	Retained earnings (Note 16)	Total equity
<b>BALANCES AS AT JANUARY 1, 2021</b>	<b>2,000,000</b>	-	<b>25,000</b>	<b>(109,832)</b>	<b>15,817,729</b>	<b>62,466,233</b>	<b>80,199,130</b>
<b>COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>							
Net income for the year	-	-	-	-	-	12,678,509	12,678,509
Other comprehensive loss	-	-	-	-	(6,810,969)	-	(6,810,969)
	-	-	-	-	(6,810,969)	12,678,509	5,867,540
<b>TRANSACTIONS WITH OWNERS</b>							
Dividend payment (Note 16)	-	-	-	-	-	(13,851,505)	(13,851,505)
Cost of share-based payments	-	-	-	-	(3,258)	-	(3,258)
	-	-	-	-	(3,258)	(13,851,505)	(13,854,763)
<b>BALANCES AS AT DECEMBER 31, 2021</b>	<b>2,000,000</b>	-	<b>25,000</b>	<b>(109,832)</b>	<b>9,003,502</b>	<b>61,293,237</b>	<b>72,211,907</b>
<b>COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>							
Net income for the year	-	-	-	-	-	6,555,939	6,555,939
Other comprehensive loss	-	-	-	-	(6,657,951)	-	(6,657,951)
	-	-	-	-	(6,657,951)	6,555,939	(102,012)
<b>TRANSACTIONS WITH OWNERS</b>							
Issuance of share capital (Note 1)	669,100	421,261	-	-	-	-	1,090,361
Treasury shares (Note 1)	-	-	-	(1,090,361)	-	-	(1,090,361)
Merger reserve (Note 1)	-	-	-	-	349,684	-	349,684
Cost of share-based payments	-	-	-	-	(7,893)	-	(7,893)
	669,100	421,261	-	(1,090,361)	341,791	-	341,791
<b>BALANCES AS AT DECEMBER 31, 2022</b>	<b>2,669,100</b>	<b>421,261</b>	<b>25,000</b>	<b>(1,200,193)</b>	<b>2,687,342</b>	<b>67,849,176</b>	<b>72,451,686</b>

(The notes on pages 1 to 64 are integral part of these financial statements)

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Statements of Cash Flows  
For the years ended December 31, 2022 and 2021  
(All amounts in thousands of Philippine Peso)

	Notes	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax		7,882,731	13,817,329
Adjustments for:			
Fair value losses, net	20	6,009,229	558,127
Interest income	18	(9,356,157)	(9,528,469)
Change in insurance contract liabilities	13	(684,686)	1,732,715
Gain on available-for-sale financial assets, net	19	(232,924)	(4,540,896)
Unrealized foreign exchange gains, net	30.4	(4,146,294)	(2,260,393)
Dividend income	18	(1,452,559)	(1,614,754)
Depreciation and amortization	18,23	690,268	697,584
Rental income	18	(474,482)	(485,435)
Interest expense		292,987	334,289
Amortization of premium	4	208,733	129,131
Provision for impairment losses	3,5	38,222	42,294
Retirement and other post-employment benefits (income) expense, net	25	4,700	36,345
Loss on sale of property and equipment	10	8,623	15,184
<b>Operating loss before changes in operating assets and liabilities</b>		<b>(1,211,609)</b>	<b>(1,066,949)</b>
Changes in operating assets and liabilities (Increase) decrease in:			
Insurance receivables		(2,184,192)	(4,057,565)
Financial assets at fair value through profit or loss		2,664,880	(4,395,095)
Loans and receivables		5,264,563	5,501,925
Other assets		(710,380)	(408,005)
Increase (decrease) in:			
Insurance contract liabilities		(4,786,983)	(2,500,200)
Policyholders' dividends		(3,335)	185,358
Liabilities for supplementary contracts		2,074	(43,337)
Premium deposit fund		(79,074)	(178,474)
Insurance payables		2,232,343	3,781,894
Accounts payable and accrued expenses		644,214	661,211
Other liabilities		304,005	(199,594)
<b>Net cash generated from (used in) operations</b>		<b>2,136,506</b>	<b>(2,718,831)</b>
Income taxes paid		(1,220,982)	(1,299,942)
Interest received		1,498,759	1,666,400
Dividend income received		428,536	151,043
Interest paid		(248,380)	(280,736)
Contributions to the retirement fund	25	(15,601)	(41,849)
Other post-employment benefits paid	25	-	(886)
<b>Net cash provided by (used in) operating activities</b>		<b>2,578,838</b>	<b>(2,524,801)</b>
<i>(forward)</i>			

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Statements of Cash Flows  
For the years ended December 31, 2022 and 2021  
(All amounts in thousands of Philippine Peso)

	Notes	2022	2021
<b>Net cash provided by (used in) operating activities</b> <i>(balance forwarded)</i>		<b>2,578,838</b>	<b>(2,524,801)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisitions of:			
Available-for-sale financial assets	4	(15,067,876)	(17,968,069)
Investment properties	9	(15,068)	(43,852)
Property and equipment	10,11	(858,220)	(886,322)
Proceeds from disposals/maturities of:			
Available-for-sale financial assets		21,797,678	25,119,985
Investment properties	9	10,044	43,982
Property and equipment	10	8,921	17,263
Interest income received from investments		7,749,551	8,190,378
Dividend income received		1,001,809	1,458,918
Rental income received		483,875	512,517
Impact of merger	1	95,559	-
Process from sale of investment in an associate	8	15,000	-
Decrease (increase) in financial assets at fair value through profit or loss		3,223	(3,484)
Capital infusion in a subsidiary	8	-	(50,000)
<b>Net cash from investing activities</b>		<b>15,224,496</b>	<b>16,391,316</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liabilities	11		
Principal		(165,703)	(173,083)
Interest		(44,607)	(53,210)
Dividends paid to shareholders	16	-	(13,851,505)
<b>Net cash used in financing activities</b>		<b>(210,310)</b>	<b>(14,077,798)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>17,593,024</b>	<b>(211,283)</b>
<b>CASH AND CASH EQUIVALENTS</b>			
At January 1		4,668,833	4,882,391
Effect of foreign exchange rate on cash and cash equivalents	2	(4,085)	(2,275)
<b>At December 31</b>	<b>2</b>	<b>22,257,772</b>	<b>4,668,833</b>

(The notes on pages 1 to 64 are integral part of these financial statements)

## 28 Related party transactions

In addition to the Ultimate Parent Company, Parent Company, the Company's subsidiaries and associates (Note 8) and AIA IM PH and AIA IM SG-managed funds (2021 - BIML-managed funds owned by AIA IM PH) (Note 6), the Company transacts with the following related parties in the normal course of conducting its business regardless of whether a price is charged:

Related party	Relationship
AIA Reinsurance Limited	Related entity under common control of the Ultimate Parent Company
AIA Shared Services (Hong Kong) Limited ("AIA HK")	Related entity under common control of the Ultimate Parent Company
AIA Information Technology (Guangzhou) Co. Ltd.	Related entity under common control of the Ultimate Parent Company
AIA Information Technology (Beijing) Co. Ltd.	Related entity under common control of the Ultimate Parent Company
AIA Shared Services Sdn. Bhd.	Related entity under common control of the Ultimate Parent Company
AIA Investment Management Private Limited	Related entity under common control of the Ultimate Parent Company
Tower Club, Inc. ("TCI")	Related entity under common control through PPC
AIA-Philam Lite Elite Conservative Fund	AIA IM SG managed funds
AIA-Philam Lite Elite Balanced Fund	AIA IM SG managed funds
AIA-Philam Lite Elite Adventurous Fund	AIA IM SG managed funds

### 28.1 Summary of transactions with related parties

The significant related party balances and transactions as at and for the years ended December 31 are summarized as follows:

#### 28.1.1 Insurance activities with related parties

As part of the Company's insurance business, the Company entered into various reinsurance agreements with its related parties.

	2022		2021	
	Transactions during the year recognized in profit or loss	Outstanding net balances at December 31	Transactions during the year recognized in profit or loss	Outstanding net balances at December 31
Parent Company				
Premiums ceded	43,876	2,184	11,128	(9,886)
Benefits ceded	(12,821)		383	
Commissions ceded	(1,612)		(1,792)	
Related entities under common control of the Ultimate Parent Company				
Premiums ceded	1,257,958	1,649,357	3,931,110	712,541
Benefits ceded	(701,120)		(2,634,224)	
Commissions ceded	(575,469)		(545,034)	
Subsidiaries				
Premiums ceded	(18,386)	(33,869)		(1,195,963)
Premiums assumed	(189,601)		(212,007)	
Benefits ceded	(98,919)			
Benefits assumed	73,967		(85,569)	
Commissions ceded	12,633			
Commissions assumed	151,681		165,226	

The Company entered into a coinsurance agreement with AIA Re (as reinsurer) which required the Company to hold certain amounts (funds withheld) on behalf of AIA Re. As at December 31, 2022, funds withheld for AIA Re amounts to P23,445.2 (2021 - P20,764.2) (Note 3).

### 28.1.2 Investment and financing activities with related parties

	Notes	2022		2021	
		Transactions during the year recognized in profit or loss	Outstanding net balances at December 31	Transactions during the year recognized in profit or loss	Outstanding net balances at December 31
Ultimate Parent Company					
Notes receivable					
Principal*	(a)	-	30,937,198	-	32,238,382
Interest*		(1,147,658)	309,953	(950,644)	258,189
Related entities under common control of the Ultimate Parent Company					
Investment management fees		35,673	(1,756)	37,484	(4,056)
Subsidiaries					
Mortgage and other loans					
Principal	(b)	(30,000)	360,854	(61,824)	390,854
Interest		(27,628)	156,529	(31,576)	149,714
Dividend income from subsidiaries and associates	8	(853,844)	225,742	1,301,641	208,816
Investment management fees	(c)	161,208	(60,232)	-	-
Managed funds					
Acquisitions	4	2,951,084	609,050	5,574,583	52,683,138
Disposals		(48,903,629)	-	(399,551)	-

\*Includes impact of foreign currency revaluation

- (a) The Company invested in medium-term notes issued by AIAGL. These are classified as part of AFS financial assets (Note 4). The notes will mature on various dates ranging from 2023 to 2027 and bear interest based on LIBOR.
- (b) The Company entered into various loans payable on demand with PRC for operations and investments purposes which bears interest of 6% paid semi-annually and matures in 2027. The Company also has a secured loans receivable from KRC which bears annual interest of 15.5% and matures in 2025 (with a two-year grace period on the principal). The parcel of land owned by KRC (2020 - P43.5 million fair market value), which is used as a collateral for the loan, was sold in 2021. In 2022, there was no collection of the loan.

The movement in the loan balance for the years ended December 31 follow:

	PRC	KRC	Total
As at January 1, 2021	440,260	12,418	452,678
Principal repayment	(60,000)	(1,824)	(61,824)
As at December 31, 2021	380,260	10,594	390,854
Principal repayment	(30,000)	-	(30,000)
As at December 31, 2022	350,260	10,594	360,854

- (c) In 2021, the Company pays BIMl management fees for the latter's services as an investment manager of the Company's investments. In 2022, investment management was transferred to AIA IM.

### 28.1.3 Shared service activities and other transactions with related parties

Transactions under this category include non-interest-bearing cash advances to and from subsidiaries and entity under common control for payment of other expenses, rental, management and other service fees, and donations.

	2022		2021	
	Transactions during the year recognized in profit or loss	Outstanding net balances at December 31	Transactions during the year recognized in profit or loss	Outstanding net balances at December 31
Ultimate Parent Company				
Shared services and other charges	16,887	(18,867)	50,216	(19,600)
Parent Company	518,147	(35,677)	409,291	(137,524)
Related entities under common control of the Ultimate Parent Company	1,894,544	(93,256)	993,275	(241,129)
Subsidiaries	(1,288,205)	(657)	(1,273,999)	73,995
Common control through PPC	-	-	(39)	19
Other related entity	-	-	8,706	181

**28.2 Reconciliation of outstanding related party balances**

The outstanding balances arising from transactions with related parties are unguaranteed and unsecured (except for collateralized loans receivable), non-interest-bearing (other than loans and notes receivable which are interest-bearing) and are payable on demand (except those with fixed maturity/repayment dates). The amounts will be settled in cash at gross amounts. There are no guarantees provided arising from transactions with related parties. No provision for impairment has been made for amounts owed by related parties since collection is deemed to be reasonably certain.

The significant related party balances and transactions as at and for the years ended December 31 are summarized as follows:

*(a) Receivable balances arising from:*

	Insurance activities	Investment and financing activities	Shared service activities and other transactions	Total
<b>2022</b>				
Ultimate Parent Company	-	31,247,151	-	31,247,151
Parent Company	-	-	-	-
Related entities under common control of the Ultimate Parent Company	23,495,949	-	-	23,495,949
Subsidiaries	39,358	743,125	177,814	960,297
Managed funds	-	609,050	-	609,050
	<b>23,535,307</b>	<b>32,599,326</b>	<b>177,814</b>	<b>56,312,447</b>
<b>2021</b>				
Ultimate Parent Company	-	32,496,571	-	32,496,571
Parent Company	504	-	-	504
Related entities under common control of the Ultimate Parent Company	21,268,280	-	-	21,268,280
Subsidiaries	217,187	749,385	153,589	1,120,161
Managed funds	-	52,683,138	-	52,683,138
Common control through PPC	-	-	19	19
Other related entity	-	-	181	181
	<b>21,485,971</b>	<b>85,929,094</b>	<b>153,789</b>	<b>107,568,854</b>

Receivable balances are included under the following accounts in the statement of financial position as at December 31:

	Notes	2022	2021
Financial assets at FVTPL	4	609,050	52,683,138
AFS financial assets	4	30,937,198	32,238,382
Insurance receivables, net	3	23,535,307	21,485,971
Loans and receivables, net	5	517,740	753,460
Accrued income	7	692,224	407,903
Other assets, net		20,928	-
		<b>56,312,447</b>	<b>107,568,854</b>

*(b) Payable balances arising from:*

	Insurance activities	Investment and financing activities	Shared service activities and other transactions	Total
<b>December 31, 2022</b>				
Ultimate Parent Company	-	-	18,867	18,867
Parent Company	(2,184)	-	35,677	33,493
Related entities under common control of the Ultimate Parent Company	21,846,591	1,756	93,256	21,941,603
Subsidiaries	73,228	60,232	178,470	311,930
	<b>21,917,635</b>	<b>61,988</b>	<b>326,270</b>	<b>22,305,893</b>
<b>December 31, 2021</b>				
Parent Company	10,390	-	137,524	147,914
Related entities under common control of the Ultimate Parent Company	20,555,739	4,056	241,129	20,800,924
Subsidiaries	1,413,150	-	79,594	1,492,744
	<b>21,979,279</b>	<b>4,056</b>	<b>477,847</b>	<b>22,461,182</b>

Payable balances are included under the following accounts in the statement of financial position as at December 31:

	Notes	2022	2021
Insurance payables	14	22,860,715	22,522,224
Accounts payable and accrued expenses	15	388,258	481,903
Insurance contract liabilities	13	(943,080)	(542,945)
		22,305,893	22,461,182

### 28.3 Transactions with key management personnel and employee retirement funds

Key management personnel of the Company include all officers with the rank of Vice-President and up.

The salaries, wages and other employment benefits paid to the Company's key management personnel for the years ended December 31 follow:

	2022	2021
Salaries, wages and other benefits, including share-based compensation	455,522	485,139
Retirement benefits	45,649	55,577
	501,171	540,716

As at December 31, 2022 and 2021 no outstanding receivables from key management personnel. There are no payable balances due to key management as at December 31, 2022 and 2021.

For the year ended December 31, 2022, the total remuneration of the Company's directors is P23.50 million (2021 - P6.96 million).

The Company's transaction with the employee retirement funds for the years ended December 31, 2022 and 2021 are limited to contributions and benefit payments to retiring employees (Note 25).



## ABOUT AIA PHILIPPINES

AIA Philippines (AIA Philippines Life and General Insurance Company, Inc.), formerly AIA Philam Life (The Philippine American Life and General Insurance Company), is the country's premier life insurance company. Originally established on 21 June 1947 as Philam Life, AIA Philippines has earned the trust of customers for its financial strength, strong brand name, and ability to deliver on its promises.

AIA Philippines has PHP259.38 billion in total assets and PHP72.45 billion in net worth<sup>1</sup> as of 31 December 2022 while serving nearly 1,000,000 individual policyholders and almost 1,000,000 insured group members.

Based on the Audited Financial Statement of AIA Philippines and BPI AIA as of 31 December 2022, the combined total premium income was at PHP32.03 billion.

AIA Philippines understands the needs of its customers and provides holistic solutions that include life protection, health insurance, savings, education, retirement, investment, group, and credit life insurance. Its subsidiaries include BPI AIA Life Assurance Corporation (formerly BPI-Philam Life Assurance Corporation), its bancassurance arm; AIA Investment Management and Trust Corporation Philippines, its trust company managing its local funds; and MediCard Philippines, its wholly-owned health maintenance organization (HMO) company.

AIA Philippines is a member of AIA Group Limited, the largest independent publicly listed pan-Asian life insurance group.

## ABOUT AIA

AIA Group Limited and its subsidiaries (collectively "AIA" or the "Group") comprise the largest independent publicly listed pan-Asian life insurance group. It has a presence in 18 markets – wholly-owned branches and subsidiaries in Mainland China, Hong Kong SAR<sup>2</sup>, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei and Macau SAR<sup>3</sup>, and a 49 percent joint venture in India.

The business that is now AIA was first established in Shanghai more than a century ago in 1919. It is a market leader in Asia (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$303 billion as of 31 December 2022.

AIA meets the long-term savings and protection needs of individuals by offering a range of products and services including life insurance, accident and health insurance and savings plans. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents, partners and employees across Asia, AIA serves the holders of more than 41 million individual policies and over 17 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code "1299" with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: "AAGIY").

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### Notes:

<sup>1</sup> Based on the 2022 annual accounts Securities and Exchange Commission (SEC) filing.

<sup>2</sup> Hong Kong SAR refers to the Hong Kong Special Administrative Region.

<sup>3</sup> Macau SAR refers to the Macau Special Administrative Region.



**HEALTHIER, LONGER,  
BETTER LIVES**

**AIA Philippines Life and General Insurance Company Inc.**

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    AIA Philippines