



BPI



2023 **ANNUAL REPORT**



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BPI AIA AT A GLANCE



1,463
Number of BSEs

#5
IC ranking
as of end 2022



807,623
Number of lives insured

124,296
Number of policies sold

BPI AT A GLANCE



172
Years in
operation

**10.17
MILLION**
Number of clients

1,544
ATMs and CDMs

710
Number of
branches

2
Foreign
branches

839
Domestic
branch
licenses

2
International
branch
licenses

752
Physical
locations

AIA PHILIPPINES AT A GLANCE



**ALMOST
800,000**
Individual
policies

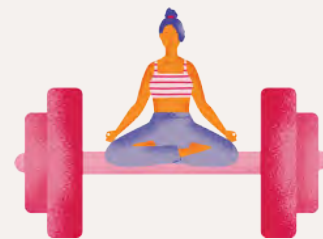
**ALMOST
800,000**
Insured
group members

**OVER
6,000**
Group policies
issued

AIA Philippines Life and General Insurance Company, Inc. (AIA Philippines) is the country's premiere and most trusted life insurer for over seven decades now. We focus our knowledge and experience on the Philippines and, as part of the AIA Group, are strengthened by their presence in the Asia-Pacific region.

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.

**PHP 500
MILLION**
in capital for its
non-life insurance
license



**PHP 1.39
BILLION**
in capital for its
life insurance
license

**ALMOST
8,000**
Agents
nationwide

**EXCESS
CAPITAL
3.6X**
the amount set
by the Insurance
Commission

AIA AT A GLANCE



HEALTHIER, LONGER,
BETTER LIVES

LARGEST LISTED COMPANY ON THE HONG KONG STOCK EXCHANGE

which
is incorporated and
headquartered in
Hong Kong⁽¹⁾

A LEADING LIFE INSURER IN THE WORLD

by market capitalisation

PRESENT IN 18 MARKETS

and 100%
FOCUSED ON ASIA

“DIGITAL INSURER OF THE YEAR”

by InsuranceAsia News for three consecutive years

No. 1 WORLDWIDE FOR MDRT REGISTERED MEMBERS

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

Serving the holders of

MORE THAN 42 MILLION

individual policies and

18 MILLION

participating members
of group insurance
schemes

Provides protection with
total sum assured of

US\$2 TRILLION

to people across Asia

Benefits and claims
EXCEEDED

US\$21

BILLION in 2023,
which is an increase of
US\$2 billion
on a comparable basis⁽²⁾

Received the

GALLUP EXCEPTIONAL WORKPLACE AWARD

for two consecutive years

Named as one of the

2023 MOST VALUABLE GLOBAL BRANDS

by Kantar BrandZ

⁽¹⁾ as at 31 December 2023

⁽²⁾ The benefits and claims for 2023 included unit-linked contracts under IFRS 17. The benefits and claims for 2022 were US\$19 billion on a comparable basis.

OUR VISION

We are a trusted and reliable
life insurance partner of every
Filipino family

OUR PURPOSE

We build a better everyday life
and future for all Filipinos.



Message from the CEO

The year 2023 was a breakthrough year for BPI AIA, with us pushing our limits, learning new lessons, and working together as one team, we were creative and innovative in our approach to our work.

A new Vision and Purpose Statement was introduced by BPI AIA at the beginning of the year, setting the path that the organization will follow.

Our Vision

We are a trusted and reliable life insurance partner of every Filipino family.

Our Purpose

We build a better everyday life and future for all Filipinos.

Everything we have done, and everything we will do in the future, will be aligned with these statements. We believe that our customers deserve better in life, and that together, the work that we do can create it for them.

This year saw the launch of several major campaigns, the introduction of our new brand ambassador and the launch of yet another groundbreaking product.

A major campaign was launched under the AIA Philippines Group focused on the group's strength – comprised of AIA Philippines, BPI AIA, and AIA Investment Management. While the "Love is Better said with BPI AIA" campaign continued throughout the year



with BPI AIA Brand Ambassador Chito Miranda returning, this time with his wife, celebrity-entrepreneur, Neri Naig-Miranda. Together, the couple continue to show that expressing your love is best said with a BPI AIA policy. We also launched a recruitment campaign to support our growing distribution force present in BPI's 700-strong branch network. We are always looking for next best talents to join the hard-working BPI AIA team.

Among the many milestones we achieved in the year of 2023, we were able to launch our much-awaited endowment product, BPI AIA Aspire, which attracted significant interest from our customers throughout the country and as such paved the way for us to have one of our best years yet.

We ended 2023 having nearly 800,000 lives saved combined across our different sales channels – from In-branch, Corporate Solutions, Direct Marketing & Telemarketing, and Non-Traditional Partnerships. We look forward to growing this number year on year.

With yet another high note to finish the year off on, we are proud that World Finance has awarded us the honor of being recognized as the best life insurance company in the Philippines for the seventh year in a row.

In pursuing our vision and purpose, we will continue to teamwork and collaborate with our sister company BPI and the AIA Philippines Group on a daily basis, in order to achieve our goals.

KATHERINE P. CUSTODIA

**Executive Director and
Chief Executive Officer**



FINANCIAL HIGHLIGHTS



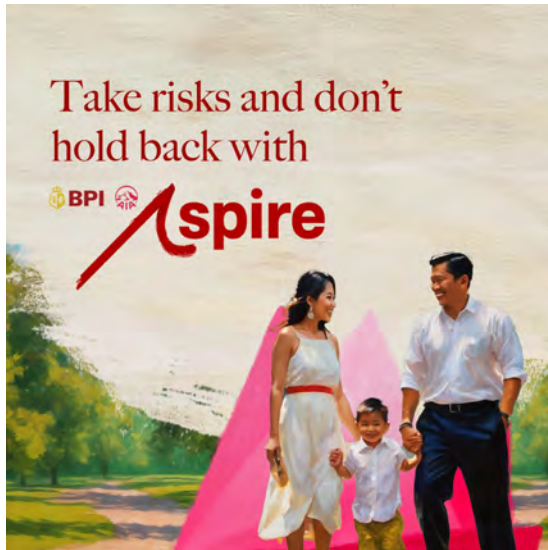


in '000	2023	2022	% change
Revenue			
First Year Premium	3,567,706	2,217,687	61%
Renewal Premium	9,527,302	10,139,094	-6%
Single Pay Premium	2,432,008	3,939,414	-38%
Gross Investment Income	1,633,135	1,303,966	25%
Fee Income	2,159,995	2,055,204	5%
Net Income	2,502,469	1,484,530	69%
Total Assets	112,967,809	109,808,413	3%
Shareholders Equity	9,823,220	7,741,385	27%

BUSINESS HIGHLIGHTS



PRODUCTS



In 2023, customers were more eager to look for ways to gain protection from unexpected situations that may threaten their family's financial security. This led to a bigger appetite for medical protection and guaranteed returns as they yearn for more assurance and tangible benefits.

Given these insights, BPI AIA developed a product proposition that allowed Filipinos to grow, protect, and transfer their wealth. With MediCard becoming our official medical provider earlier this year, we were also able to develop a stronger medical proposition. This gave birth to BPI AIA Aspire and MedLife Protect Plus (MLPP) powered by MediCard.

BPI AIA Aspire provides guaranteed death and maturity benefit at 200% of the policy's face amount, and guaranteed cash payouts every other year until age 100. With this, customers are assured that they are financially protected so they can confidently aspire for more in life. The campaign for Aspire maximized all channels targeting the mass affluent segment including media touchpoints, publications, and held numerous client forums ranging from big scale events down to regional sessions in different branches nationwide. The client forums invited experts giving customers tips on

how to prepare and explore different ways to achieve their goals, including BPI AIA Aspire.

Because of this insight-led initiative, BPI AIA Aspire easily became the top selling product of BPI AIA as of writing. It also opened new markets of Parents purchasing the product for their young children. The product not only addressed the initial need of guaranteed protection and financial benefits, but also allowed parents to help their children aspire for the better future that they want.

Furthermore, AIA leveraging on MediCard's strength and capabilities in the healthcare industry, with their wide network of partners, clinics, and doctors nationwide, allowed us to better support our new customers' medical needs. The successful integration of MediCard to AIA's systems, processes, and products such as MedLife Protect Plus (MLPP) fortified our goal of delivering an end-to-end ecosystem of health and wellness services that help customers live healthier, longer, and better lives.



BPI AIA aims to soar higher next year as we continue to listen to our customers' needs and develop compelling propositions to become the top-of-mind financial protection provider for Filipinos.



SEGMENTS

Private Wealth

Continuous upskilling and engagement activities were provided to Private Wealth Relationship Managers to enable them to market and service protection solutions effectively.

One of the key activities done this year is the B.E.S.T. Workshop. BEST stands for Begin with the end in mind, Excellence in execution, Support, and Teamwork. The workshop covered topics from goals for the year, sharing of best practices and standards for selling and servicing, product refreshers and highlighting the need for collaboration and coordination among the RMs and Private Banking Sales Consultants, and the ways to overcome challenges and resolve issues.

Another activity is the Risk Management Workshop which explains the concept and role of insurance as a risk transfer mechanism, and how protection solutions can reduce the exposure and vulnerability of the Private Wealth Clients to various risks.

Affluent Segment

Remarkable growth in business volume has been recorded for the Affluent Segment; driven mainly by the launch of BPI AIA Aspire - a participating ordinary life insurance plan that provides guaranteed cash payouts. A series of customer forums showcasing BPI AIA Aspire to engage existing and potential clients were done as medium for meaningful conversations about financial needs and goals. These forums were designed to be interactive and informative, with presentations from our product experts and influential guest speakers.

The customer forums have been well-received by the attendees and they also provided positive feedback on the features and benefits of BPI AIA Aspire especially on the guaranteed income stream, and the comprehensive coverage for various life stages and scenarios.

Middle Market Segment

Monthly thematic campaigns were launched to increase customer awareness and interest on BPI AIA products and services, as well as in creating opportunities for meaningful conversations between BSEs and customers.

The campaigns also leveraged on various channels such as email, SMS, social media, branch collaterals and even BPI Mobile App to reach out to customers and generate leads for the BSEs.

As part of digitalization efforts and integration with BPI's digital platforms; direct to customer campaign was done via the BPI Mobile In-App Campaign. Clients were notified thru the app of an ongoing campaign and in just a few clicks powered by MyData consent capability, they were connected to a BSE for a FREE Financial Wellness and Needs Assessment.

Another key milestone towards latter part of the year was the re-launch of MedLife Protect Plus with MediCard as the network provider for its Medical Benefit Rider. The re-launch strengthened the company's focus on Total Health & Wealth Proposition addressing the three major needs of customers – Life & Wealth Protection, Medical Needs, Critical Illness Needs.

Through these campaigns, the company was able to inspire customers to achieve their financial goals and aspirations with the help of BPI AIA.





Institutional, Business Banking and Agency Banking Clients

BPI AIA also strengthened its presence in the corporate and business banking segment by offering tailored solutions and value-added services to its clients. The company conducted BizTalks and Coffee Conversations among a few other client engagement activities. These events aimed to impart the importance of insurance as a risk mitigation strategy for any business disruptions. In collaboration with corporate clients to promote employee welfare, onsite PamilyaProtect caravans were also done to cater employees who want extra protection at an affordable premium rate. Moreover, the company also developed propositions that highlighted the comprehensive benefits of BPI AIA Aspire and MedLife Protect Plus, two products that address the needs of business owners and key personnel.

BPI AIA Agency Banking Sales – counterpart of BPI’s Agency Banking Team, was formed this year with the purpose of building partnerships from partner referrals from BPI Agency Banking Group. These partnerships envision an environment whereby prospective clients are able to avail insurance coverage while carrying out usual chores offline and online. In coordination with BPI’s Agency Banking Group, events outside bank branches to cater to new-to-bank clients were also done to promote simple and affordable protection solution, i.e. PamilyaProtect.

Overseas Filipino

BPI AIA also seized the opportunity to reach out to Overseas Filipinos through on-ground initiatives. The company conducted financial literacy talks in partnership with BPI and maritime agencies to educate Overseas Filipinos and their dependents alike on how to properly manage their finances. The company also highlighted the value of insurance especially in times of uncertainty and crisis. By providing relevant and timely information, BPI AIA empowered Overseas Filipinos to make informed decisions and take charge of their financial wellness.



NON-TRADITIONAL PARTNERSHIPS



Non-Traditional Partnerships channel partners with entities with vast distribution networks, reach and infrastructure to help provide simple and affordable insurance products especially among the unbanked/under-banked Filipino families, including those in far-flung areas, in need of financial protection.

This year, through partnership with our first- ever large-scale digital distribution partner, GrabInsure PH, the General Insurance Agency of Grab, we have started to insure 2,628 lives of Grab Drivers and their dependents, through a simple end-to-end digital customer journey via their Grab Driver's app.

MARKETING



BPI AIA witnessed a steady increase in its brand health throughout 2023 backed by several major campaigns. A major campaign was launched under the AIA Philippines Group focused on the group's strength – backed by AIA Philippines, BPI AIA, MediCard, and AIA Investment Management.

The “Love is Better said with BPI AIA” campaign continued throughout the year with BPI AIA Brand Ambassador Chito Miranda returning, this time with his wife, celebrity-entrepreneur, Neri Naig-Miranda. Together, the couple continue to show that expressing your love is best said with a BPI AIA policy.



**FIND YOUR BETTER
AT BPI AIA.**

Be a Bancassurance Sales Executive and help Filipinos live healthier, longer, and better.

When:
February 16, 2024 | 9:00AM to 3:00PM

Where:

- 📍 BPI BF Paranaque Branch
Aguirre Avenue cor. Elsie Gaches St.
BF Homes Subdivision, Paranaque City
- 📍 Mezzanine BPI AIA, Philam Life Bldg.,
1111 Aurora Blvd., Cubao, Quezon City

Be a Bancassurance Sales Executive!
#BetterForYouBetterForAll

Another major campaign on BSE recruitment was also launched towards the end of the year. With a growing distribution force present in BPI's 700-strong branch network,

BPI AIA is constantly on the lookout for new talent to join its roster of sellers. The campaign likewise works to improve the image of the BPI AIA distribution force, complementing the company's drive to improve training efforts and product offerings.



BPI AIA also launched BPI AIA Aspire in 2023, gathering major interest in the target market and generating many leads and closed cases, and further strengthening the product portfolio of the company.

In line with the company's advocacy for Health & Wellness, BPI AIA was the title sponsor for the Asia 7s Football Championship Tournament in 2023.

The tournament featured four competing teams from the Philippines, Brunei, India, and Japan.

Capping off the year was BPI AIA's seventh year in a row being awarded the Best Life Insurance Company in the Philippines by World Finance, testament to the company's position as leading bancassurance company in the country.

AGILE TRIBE

The Agile Tribe of BPI AIA continues to spearhead the introduction of digital tools and platforms that helps connect the sales force and the clients in more convenient ways than ever before. 2023 was a year of stabilization, expansion, and increased utilization of the company's digital assets.

In 2023, BPI AIA expanded the use of the MyData solution. MyData made the insurance application journey for clients safer, easier, and faster through a secured integration with BPI's systems. This enabled the auto-population of the insurance application form with relevant client data coming from the bank and further lessened underwriting questions. Today, more and more clients are opting to use this seamless process and about half of the insurance applications for the year was done through this game changing solution. This continuous increase was driven by the placement of functions in the new BPI Mobile App that gives clients the ability to initiate a conversation with BPI AIA's BSEs anytime, anywhere with their mobile phones.

The year 2023 also saw the steady growth of clients availing of PamilyaProtect, a digital product offered to those who seek life & accident coverage through a platform they are already familiar with - Messenger. Through this initiative, BPI AIA was able to cover more than 50K clients who previously would not have been covered. To increase engagement - the platform went through continuous enhancements to have more user-friendly navigational features. Several QR codes were distributed across physical and online stores such as pharmacies, convenience stores, shopping malls, deliveries, that can conveniently lead clients to the platform. Further, BPI AIA introduced "JULIA" an AI-Talkbot which can converse with clients interactively using Filipino and "Tag-lish". This move aimed to engage customers effectively, especially those who have not completed their journey or those who need further assistance. This development is a testament to BPI AIA's commitment to roll out solutions that respond to the expectations and anticipate the needs of clients.



STRENGTHENED SALESFORCE



BPI AIA remains dedicated in its thrust to provide insurance for every Filipino. This commitment is reflected through various initiatives set forth by the Company in 2023.

At the core of each of these initiatives are our people on the ground. Our salesforce are the ones who make sure that the new products, technology, and innovations that were developed to enrich our customers' lives reach them. By the end of 2023, BPI AIA is strongly backed by 1,464 BSEs whose passion and dedication enabled us to transform our customers' lives.

In BPI AIA, we measure our success by the success of our people. In 2023, we saw over 150 of our sales people get rewarded and recognized through its Annual Awards. There were also 272 BSEs who qualified to be a part of the prestigious Million Dollar Round Table (MDRT).

This is a testament to how their purpose and perseverance to provide quality services to our customers translate to better opportunities for themselves as well.

CORPORATE SOLUTIONS



Corporate Solutions pushed forward as business environment went on steady recovery in 2023.

Through strategic initiatives and unwavering dedication, it registered sustainable business in the areas of Credit Life protection and Employee Benefits by covering a total of more than 350,000 lives combined.

In the same year, the initiative to enhance the MRI onboarding process gained significant momentum, aiming to bolster its position as the foremost contributor to the credit life business. As the year drew to a close, credit life performance surpassed expectations achieving a remarkable 104% of the set target and emphasizing the impact of collaborative efforts to its potential sustainable growth in the future.

Towards the end of the year, the Employee Benefits business surged forward with the successful acquisition of the majority of the Ayala Group's Employee medical plan. This strategic move showcased the robustness of Medicaard, now integrated as the healthcare arm of AIA Philippines, reinforcing a compelling healthcare proposition for companies and their employees, and amplifying BPI AIA's commitment to comprehensive employee well-being.

CUSTOMER EXPERIENCE AND EASE OF DOING BUSINESS

This year, Customer Operations maintained its focus on delivering the first of a series of initiatives to complete AIA Philippines and BPI AIA's digital transformation journey for a seamless customer experience. The combination of AIA technology, digital, and analytics capabilities was utilized to provide better solutions that meet the needs of its customers.

Total experience management for a better customer experience was the priority, with the objective of reducing friction across different customer journeys and enabling employee customer champions. Systems were enhanced, with analytics expanded, bots developed, and collaboration with various teams tightened to better serve and understand them, while providing them with a safer experience. Teams were equipped with the right tools to help them stay protected and guide them to live healthier, longer, better lives.

The launch of the Customer Relationship Management ("CRM") system commenced, with the objective of having a 360 view of customers. Document requests were made easier, with requests for certificate of full payment, visa certificates for visa application purposes, and policy assignment certificates facilitated through the auto-bot correspondence assistant – CORREY which does quick auto-generation of these requests, eliminating what used to take days in response time.

To make the claims process more seamless, Customer Operations established an easy end-to-end integrated claims management from



the point of claim notification up to the delivery of the benefit. The groundwork was laid, through the enhancement of systems that improves accuracy of assessments done, fast tracking the response time. The corporate websites were also updated to make navigation easier and work with any device.

Payment options were expanded, available through My AIA and AIA Philippines' bank partners, while auto-charge enrollment was promoted. With these initiatives, it became easier for customers to stay protected.

The drive to increase paperless transactions continue, in keeping with AIA's Green Operation ESG pillar. The various digital channels, i.e., iPOS for New Business processing, MyAIA and the BPI AIA website for self-service processes, iServe and iCare for after sales, and Claims 24/7 for claims, allow electronic submissions, ensuring that service delivery continue no matter what. With the deployment of the CRM, the capability to further improve service is expected.

Throughout the year, various campaigns were conducted to remind customers to stay protected, with timely and relevant communications sent out regarding their application status, receipt of billing notices, and acknowledgement and update on status of service and claims requests.

New initiatives were also put in place to better understand customers. The Real Time Customer Survey (RCS) platform was utilized, enabling the Company to immediately connect with customers. The engagement starts when their protection from BPI AIA begins, understanding in near real time what can be done better and differently, allowing immediate remediation to be done when needed. AIA Xchange, AIA Philippines' and BPI

AIA's customer insights community, was also launched, to co-create new products, test prototypes and usability with customers and agents. This gives AIA and the community members to test and learn before fully introducing products to the market.

Partners, networks, and ecosystems will continue to be optimized in the coming years to strengthen AIA Philippines and BPI AIA's total value proposition and keep it one step ahead in understanding customers' need. These are expected to come together and drive the Company to be the insurance provider of choice, helping BPI AIA fulfill its Purpose of helping more Filipinos live Healthier, Longer, Better Lives.



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.

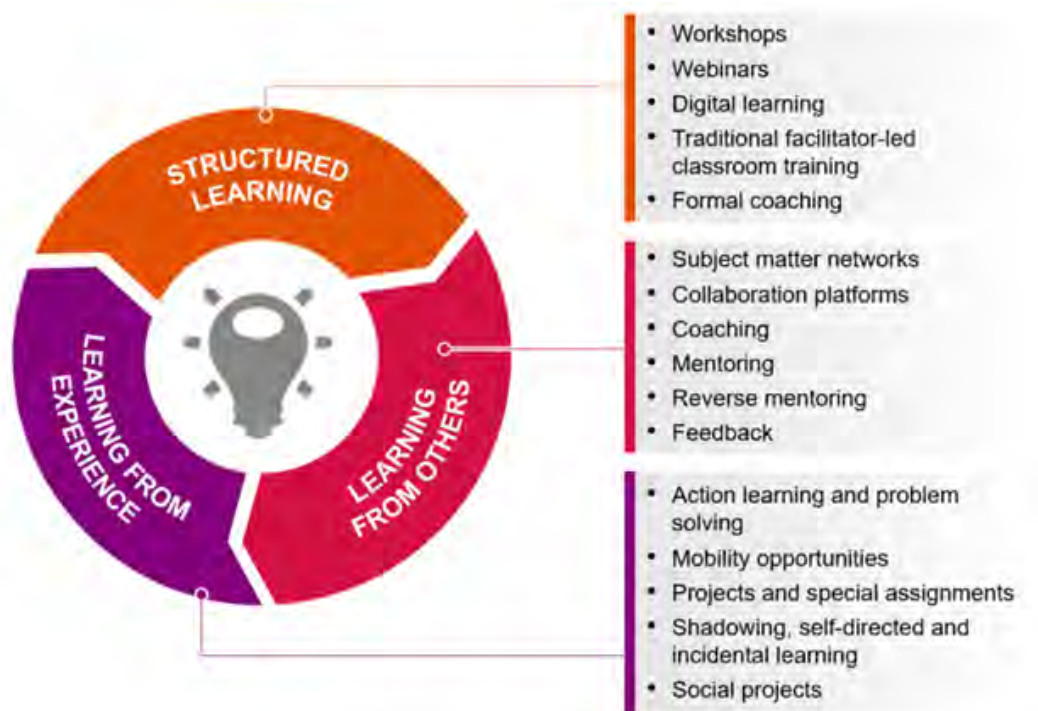
AIA Philippines' culture is shaped by leaders who embrace the three Leadership Essentials – Clarity, Courage, and Humanity. Leaders should (a) live the Company's purpose and operating philosophy with a clear direction (b) deliver the best solutions together and ensure that ideas are turned into action 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.

First is through **Structured Learning** that can come in the form of workshops, webinars, digital learning, certifications, and facilitator-led trainings 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.



Second is through **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.

And lastly, employees must be able to apply what they learned by **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.

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 2023 centered on employee engagement and capability uplift.

Capability Uplift Through Catalyst For Growth

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.



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



New Employee Orientation Online Course

New joiners are required to take the online course especially designed to help them navigate 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.

Lift Onboarding Program

The onboarding journey was revamped to improve new joiner engagement and retention. In May 2023, the AIA Lift program was launched to help new joiners "Learn, Integrate, Focus and Thrive" at AIA. With LIFT, the digital onboarding learning journey was enhanced with AIA Fundamentals to help new joiners understand the industry, business models, customers, and culture. The hiring manager guides were also refreshed to better equip them in helping new joiners understand their roles, navigate the organization, understand the AIA business and culture, and continue to grow professionally and personally.

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 creativity, business, technology, and management are made available to address the different learning needs of employees.

The **LinkedIn Learning Bingo Rush** was also recently launched as a fun way to encourage self-directed learning.

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.

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 **26.5 learning hours per employee** in 2023.



Cultivating Employee Connection Beyond Boundaries

AIA Philippines is dedicated to strengthening employee relationships, creating a safe and feedback-focused work environment, and building a more integrated organizational framework through a variety of programs. One of the activities held in support of this was the ground-breaking Roar As One Concert, which demonstrated an innovative way to foster camaraderie while showing appreciation to employees for their hard work and contribution to positive business performance.

Amplifying Employee Voices: The Value Of Feedback At AIA

Feedback is important at AIA Philippines, as demonstrated by the annual Gallup Employee Engagement Survey. This survey explores employees' alignment with the Company Vision and Purpose, their contributions to Company goals, and their potential impact. Beyond this, initiatives like the **New Hire Roundtable** and **Speak Up** sessions create avenues for continuous feedback, empowering leaders with valuable insights for informed decision-making and enhancing the employee experience.

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.



Celebrating Milestones, Strengthening Bonds

Throughout the year, AIA Philippines organizes company-wide activities to rebuild and strengthen social connections. Quarterly townhalls serve as platforms for communicating organizational goals, sharing milestones, and collectively celebrating successes, while fostering a sense of unity and shared achievement among employees.

E-Champs: Authentic Advocates In Employee Engagement

At AIA Philippines, engagement champions, or E-Champs, are vital as genuine brand ambassadors. Their commitment involves passionately promoting and supporting employee engagement initiatives, encouraging active participation, and amplifying the impact of organizational activities. The recent Roar As One Concert is a testament to this commitment, setting a new industry standard and showcasing the impactful nature of AIA Philippines' engagement initiatives.

PROMOTING WORKPLACE DIVERSITY AND ADVANCING ITS CULTURE OF INNOVATION AND INCLUSION

Healthy Living Starts With You

With AIA Philippines' mission of racing against risk to protect every Filipino family and empowering them to live Healthier, Longer, Better Lives, each employee must walk the talk and be a role models to others.

AIA Philippines strives to create a work environment that is open and inclusive, where each employee's growth is encouraged, health is promoted, and everyone feels safe and supported. By having healthy employees, they will be more productive, collaborative, and connected.

In 2023, AIA Philippines focused on supporting its employees' physical, mental, social, and financial well-being through engaging activities for their overall health. Through the WorkWell with AIA program, physical wellness was promoted among employees by providing access to onsite medical assessment, 24/7 teleconsult hotline, Annual Physical Exam (APE) services, and Flu vaccination program. Various sports clinics (Badminton, Basketball, Volleyball and Football) was also launched for employees and a company-wide sportsfest was organized to support AIA Vitality's Roar to Gold Employee Challenge to make healthy living exciting and rewarding.



AIA Philippines also continued its partnership with MindYou to provide employees access to mental health services, improve knowledge, raise awareness, and break the chains of stigma surrounding mental health through talks and webinars. Onsite consultation with psychologists, onsite massage, and face to face and online talks were implemented in support of the World Mental Health Day. Moreover, other initiatives to support financial wellness and improve social wellness were offered to employees such as Basic Money Concepts and Personal Finance talk, Sports Community kick-off, Love Week and International Women's month celebration and Blood Donation.

Rising Allies In An Inclusive Workplace

The first step was taken to create a holistic impact in AIA Philippines' focus on diversity and inclusion. Its first Inclusive Network: Allies in AIA, the LGBTQIA+ employee resource group, was launched. Its objective is to help strengthen the Company's agenda to become an equal opportunity employer, and a champion for diversity, equity, inclusion, and belonging. It brings together LGBTQIA+ members and even allies to provide awareness, learning and growth to become more diverse and inclusive. The launch also welcomed guest speakers from PFIP (Philippine Financial and Inter-Industry Pride) and Project Red Ribbon to share meaningful insights around Diversity, Equity, Inclusion and Belonging. This event marks an important milestone for AIA Philippines.

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.





PROMOTING HEALTH AND WELLBEING

In 2023, AIA Philippines continued to empower customers to live healthier, longer, better lives through its Total Health Solution proposition—offering solutions to help them understand and manage every aspect of their health, wellness and protection needs.

Key to engaging customers to live better is AIA Vitality, AIA Philippines' science-backed program that drives long-term behavior change by rewarding customers for making healthy choices. Year-long initiatives were implemented to ensure the attractiveness and relevance of the program, leading to better engagement with the program:

- AIA Vitality membership breached the 100,000 mark at the close of the year, coming from retail, employee and corporate members.
- Year-end member engagement was close to 20 percent, fueled by core program benefit enhancements and targeted campaigns.
- AIA Vitality members enjoyed improved rewards through tactical offerings, such as Double Travel Benefits of up to 70 percent discount on Philippines Airlines and Seda Hotels bookings; up to PHP1,900 bonus for reaching a higher AIA Vitality Status; up to PHP800 monthly for hitting their weekly fitness and team goals; free health check; access to discounted mental health services; and raffle prizes of up to PHP50,000 Grab credits, Apple products, and more—simply for living healthy.
- AIA Vitality members continue to enjoy discounts of up to 20 percent off insurance premiums, 50 percent additional coverage, 100 percent loyalty boost or 50 percent double booster.



- AIA Vitality sponsored various events throughout the year, spanning a broad cross-section of sporting events (Cebu marathon, Asics Rock 'N Roll running series, Audax cycling, Ayala Car-Free Sundays, etc.) to solidify its commitment to promote active living.

- In the corporate front, AIA Vitality was chosen by Bank of the Philippines (BPI) to power its employee wellness program, BPI Well. Employee engagement to the program as of Dec 2023 was nearly 30 percent.
- AIA Vitality's combined app rating (iOS and AOS) stood at 4.5, reflecting favorable customer feedback from continued enhancements to ensure a delightful digital experience.



With the acquisition of MediCard Philippines, Inc., one of the country's leading health maintenance organizations (HMO), AIA Philippines further strengthened its foothold in the health and wellness space—delivering more curated, holistic and fully-integrated health insurance services. In 2023, MediCard catered to AIA Vitality members through a free Vitality Health Check at its 18 free-standing clinics nationwide and select AIA Philippines customer services centres. For 2024, the full suite of MediCard services will be offered to AIA Philippines customers at preferential rates as part of its commitment to make healthy living accessible and affordable.

As AIA Philippines gears up for 2024, customers can expect a more fully-integrated, digitally-enabled Total Health Solution to serve its customers' prevention, protection, diagnosis, treatment, and recovery needs, wherever they are in their health journey.





CORPORATE GOVERNANCE

CAPITAL STRUCTURE

Authorized Capital Stock	P1Billion
Subscribed & Paid-Up Capital Stock	P 749,993,979.00
Par Value	P1.00 per share
Treasury Share	P6,000.00

LIST OF STOCKHOLDERS

Name	Shares Held	Class	Amount Paid (Php)	Pecent of Ownership	Nationality	Beneficiary Ownership	Date of First Appointment
AIA Philippines Life and General Insurance Company, Inc.	382,496,926	Common	382,496,926.00	51.00%	Hong Kong SAR		
Leo Michel Grepin Non-Executive Director	1	Common	1.00		American	AIA Philippines	17 May 2022
Kelvin Ang Non-Executive Director <small>*Replaced by Melita Teo</small>	1	Common	1.00		Malaysian	AIA Philippines	21 Jan 2019
Katherine P. Custodia Executive Director Chief Executive Officer	1	Common	1.00		Filipino	AIA Philippines	23 Jan 2023
Stephanie L. Sy Independent Director	1	Common	1.00		Filipino	AIA Philippines	17 July 2019
Bank of the Philippine Islands (BPI)	359,689,361	Common	359,689,361.00	47.95%	Filipino		
Jose Teodoro L. Limcaoco Non-Executive Director, Chairman	100	Common	100.00		Filipino	BPI	28 Apr 2021
Maria Theresa D. Marcial Non-Executive Director	100	Common	100.00		Filipino	BPI	28 Apr 2019
Jesse O. Ang Independent Director	100	Common	100.00		Filipino	BPI	10 Apr 2019
Others	7,807,388.00	Common	100.00	1.05%	Filipino	N/A	N/A
TOTAL	749,993,979.00		749,993,979.00	100%			

BOARD OF DIRECTORS



JOSE TEODORO K. LIMCAOCO (61)

Chairman of the Board (since 28 April 2021)

Jose Teodoro “TG” Limcaoco is the President and CEO of Bank of the Philippine Islands (BPI) – the oldest bank in both the Philippines and Southeast Asia, and one of the most established financial institutions in the country. TG was appointed as BPI President and CEO on April 22, 2021. He has served as a Director of the Board and a Member of the Bank’s Executive Committee since February 2019.

He is Chairman of BPI Wealth – A Trust Corporation, Bank of the Philippine Islands (Europe) Plc., BPI Capital Corporation, BPI/MS Insurance Corporation, and BPI AIA Life Assurance Corporation. He is Vice Chairman of BPI Century Tokyo Lease & Finance Corporation and BPI Century Tokyo Rental Corporation. He is President and Vice Chairman of BPI Foundation, Inc.

Outside of BPI, he is President of the Bankers Association of the Philippines, Chairman of Philippine Payments Management Inc., a Trustee of the Asian Institute of Management, and a Director of AC Mobility Holdings, Inc. He is also a current member of the Management Association of the Philippines, the Financial Executives Institute of the Philippines (FINEX), and the Rotary Club of Makati West (where he is a Past President). Lastly, TG is a Director of Just for Kids, Inc., a homegrown business of his family.

In recognition of his outstanding leadership and exemplary communication skills, TG was bestowed the prestigious 2023 Communicator of the Year award under the Executive Leader Category by the International Association of Business Communicators (IABC) Asia Pacific. This award underscores his ability to effectively convey complex ideas and foster meaningful connections within the business community. He also earned the Gold Award in the Best CEO category for the Philippines in Asia’s Best Managed Companies 2023 poll of FinanceAsia. This accolade serves as a testament to his exceptional stewardship and strategic vision, further solidifying his reputation as an exceptional leader in the financial industry. Before coming to BPI, he was the Chief Finance Officer, Chief Risk Officer, and Chief Sustainability Officer of Ayala Corporation, a Philippine Stock Exchange-listed company. He was also the Chairman of AC Energy International, Inc. (formerly Presage Corporation) and the President and CEO of AC Ventures Holding Corp. He was also a Director of the Board of several Ayala companies, including publicly-listed Globe Telecom and Integrated Micro-electronics Inc, and the energy, infrastructure, industrials and healthcare companies of the Ayala group. He was also a director of the companies that operated G-Cash and Zalora Philippines. Previously, he served as President of BPI Family Savings Bank from 2010-2015 and President of BPI Capital Corporation from 2007- 2010. He also served as Officer-in-Charge for Ayala Life Assurance, Inc. and as Director and Chairman of Ayala Plans, Inc.

Mr. Limcaoco joined Ayala Corporation as a Managing Director in 1998. Prior to his appointment as Chief Finance Officer in April 2015, he held various responsibilities including Trustee and Treasurer of Ayala Foundation, Inc., President of myAyala.com, and CFO of Azalea Technology Investments, Inc. He served as the President of the Chamber of Thrift Banks from 2013-2015. He was named as the ING-Finex CFO of the Year in 2018.

He has held prior positions with JP Morgan & Co. in Singapore and New York and with BZW Asia.

He graduated from Stanford University with a BS Mathematical Sciences degree (Honors Program) in 1984 and from the Wharton School of the University of Pennsylvania with an MBA (Finance and Investment Management) in 1988.



LEO GREPIN (48)

Regional Chief Executive and Group Chief Strategy Officer
Non-Executive Director (since 17 May 2022)

Aged 48, Mr. Leo Grepin is the Regional Chief Executive and Group Chief Strategy Officer responsible for the Group's business operating in Australia, New Zealand, Indonesia and the Philippines as well as leading the Group's Strategy and Corporate Development functions. Mr. Grepin is a member of the Group Executive Committee. He joined the Group in January 2022. Leo is also President Commissioner at PT AIA Financia, Board Supervisor of Dana Pensiun Lembaga Keuangan AIA Financial and a Director of AIA New Zealand Limited, AIA Australia Limited, Amplify Health Asia Pte. Limited, AIA Company Limited and AIA Holdings Pte. Limited. He is also a Chairman of the Board of AIA Philippines Life and General Insurance Company Inc. and MediCard Philippines, Inc.

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.



KATHERINE P. CUSTODIA (49)

Chief Executive Officer
Executive Director (since 23 January 2023)

Karen Custodia is the Chief Executive Officer of BPI AIA Life Assurance Corporation. Prior to her appointment, she was the Head of Partnership Distribution Sales Channels of BPI AIA for 4 years. She led a team of over 1,500 employees from In-Branch Sales, Corporate Sales, Direct Sales, Private Banking, and Telesales teams.

She joined BPI AIA in 2013 and has since held various leadership posts – she was Head of Marketing, Head of Preferred Segment, Territory Sales Head and Head of In-Branch Sales. For 9 years, her experience in marketing, sales and partnership management allowed her to drive profitability and growth within BPI AIA.

Ms. Custodia previously held the position of head of insurance sales for retail clients in HSBC Insurance Brokers, Inc. and has also held various roles in other top-tier insurance companies in the country in her 25 years in the industry. She has an AB Psychology degree from De La Salle University in Manila, Philippines.



MELITA TEO (49)

Executive Director (since 25 January 2024)

Ms. Melita Teo is the Chief Executive Officer of AIA Philippines.

Prior to her appointment, Ms. Teo was Chief Customer and Digital Officer at AIA Singapore, where she was responsible for advancing the customer, brand, integrated health strategy and wealth propositions, accelerating the delivery of an integrated digital and analytics value creation for customers and distribution. She previously served as Chief Operations Officer, Chief Corporate Solutions Officer, Chief Business Development Officer for Vitality and Head of Planning and Strategy. She was the driving and collaborative force behind the transformation of operations, digital and healthcare, introducing many policy controls and new growth initiatives and thought leadership, clearly differentiating AIA Singapore from the market. Under her leadership, AIA Singapore received many industry accolades in Digital, Healthcare and Customer Service Excellence.

Ms. Teo holds a degree in Bachelor of Commerce majoring in Economics and Finance from Curtin University of Technology – Western Australia.



JESSE O. ANG (64)

Independent Director (since 10 April 2019)

Lead Independent Director

Mr. Jesse Ang is an Independent Director of Bank of the Philippine Islands (BPI) Capital Corporation, BPI Asset Management and Trust Corporation, BPI MS, IFL Hong Kong, ACEN and ACEN International.

After more than 18 years, Mr. Jesse Ang retired from the International Finance Corporation (IFC) in June 2018. Previously, he was the Resident Representative for the Philippines office of the International Finance Corporation. He has extensive financial sector expertise and a solid track record in putting together investment deals in infrastructure, including power, mining, water and telecommunications. He was the first Filipino to become the head of the IFC Philippine office.

Mr. Jesse Ang is an Independent Director of Bank of the Philippine Islands (BPI) Capital Corporation, BPI Asset Management and Trust Corporation, BPI MS, IFL Hong Kong, ACEN and ACEN International.

After more than 18 years, Mr. Jesse Ang retired from the International Finance Corporation (IFC) in June 2018. Previously, he was the Resident Representative for the Philippines office of the International Finance Corporation. He has extensive financial sector expertise and a solid track record in putting together investment deals in infrastructure, including power, mining, water and telecommunications. He was the first Filipino to become the head of the IFC Philippine office.



STEPHANIE L. SY (34)

Independent Director (since 17 July 2019)

Stephanie Sy is the CEO of Thinking Machines, a leading data technology consulting firm with offices in Manila, Bangkok, and Singapore. Thinking Machines has built data platforms and artificial intelligence tools for leading corporations throughout Southeast Asia. Thinking Machines is part of the UNICEF Innovation Fund, building data tools and a technology ecosystem to improve the lives of children and their families.

Stephanie graduated from Stanford University in 2011, and got her start as an early employee at Wildfire Interactive, a Silicon Valley startup which was acquired by Google in 2013. In her roles at Wildfire and at Google, she built analytics platforms on some of the largest datasets in the world. Sy continues to advocate for STEM and data science in the country through her board memberships on Save the Children Philippines and the Philippine Department of Science and Technology's PCIEERD advisory group.



MARIA THERESA D. MARCIAL (53)

Non-Executive Director (since 28 April 2019)

Ms. Marcial, 53, is the President & CEO of BPI Wealth. She leads the asset and wealth management business of the bank, providing a wide range of investment, trust and wealth management solutions to corporate, institutional, high net worth, mass affluent and retail client segments.

Ms. Marcial is a seasoned banker. Through 28 years of experience, she has developed expertise in a broad range of disciplines including investment management and trust, corporate banking, debt and equity capital markets, finance, corporate strategy and sustainability. She has held senior leadership positions in BPI, including 5 years as Chief Finance Officer, responsible for driving the bank's strategic planning and budget process, performance management, capital structure, and sustainability agenda. She had oversight of financial and regulatory reporting for BPI group of companies, shaped the bank's strategic imperatives while engaging with business partners, investors and capital markets. As CFO, she led the most important and innovative capital raising transactions of the bank to support its growth and digital transformation.

She is presently a board director of BPI Europe Plc, and a fellow of Foundation for Economic Freedom. In the past, she held key management and governance roles including - chairman of BPI Finance Committee and BPI Sustainability Council, member of BPI Asset and Liability Committee and BPI Credit Committee, treasurer of BPI Foundation, board director and treasurer of BPI MS Insurance Corporation, board director of AF Payments, BPI Global Payments Asia Pacific Philippines, BPI Investment Management, and ALFM Mutual Funds.

She was the head of BPI Asset Management and Trust Group from 2009 to 2014. She previously served as president of the Fund Managers Association of the Philippines, president of the Trust Officers Association of the Philippines, vice-chairman of Capital Markets Development Committee of FINEX, and alternate governor of the Market Governance Board of Philippine Dealing and Exchange Corporation. Prior to her banking career, she worked for the Philippine government - the Agricultural Policy Credit Council and the National Economic and Development Authority.

In 2014, she was recognized as one of Top 25 Most Influential Women in Asset Management in Asia by Asian Investor, Most Outstanding Alumnus of the University of the Philippines Los Baños in 2006 and received the CEM Centennial Outstanding Alumni Award from the University of the Philippines Los Baños in 2019. Ms. Marcial is an advocate of marine conservation and renewable energy. She is a trustee and treasurer of WWF Philippines, member of WWF Asia Pacific Council, and board director of Philippines Inter-Island Sailing Federation.

She previously served as member of the National Advisory Council of WWF Philippines. She is an outdoor enthusiast, with interests in offshore sailing and yacht racing, open water scuba diving, wreck diving and underwater photography. She obtained the Royal Yachting Association Skipper Certification in Sydney, Australia in 2015. In 2018, she participated in the Rolex Middle Sea Race, a 606-nautical mile Category 2 offshore yacht race around Sicily organized by the Royal Malta Yacht Club. She has logged over 5,000 nautical miles sailing in offshore and coastal waters of the Philippines, New South Wales Australia, South China Sea, and Mediterranean Sea.

She has a master's degree in Economics from the University of the Philippines Diliman and bachelor's degree in Economics, cum laude, from the University of the Philippines Los Baños. She completed the Advanced Management Program at Harvard Business School in 2010 and the CFA Institute Investment Management Workshop also at Harvard Business School in 2006.

BOARD SUPPORT



CARLA J. DOMINGO
Corporate Secretary

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

Atty Domingo is a fellow of the Institute of Corporate Directors. She is supported by Atty JoAnne Lucille Germaine Y. Claudio-Guevara, Legal Principal and Assistant Corporate Secretary of AIA Philippines. Atty. Domingo attended the IC-mandated annual continuing board training held since 2020 and every year thereafter, with the most recent training held on 26 October 2023.

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



MARIA CRISTINA HELENA G. SAMANIEGO
Chief Risk Officer and Chief 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. 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 is not a member of the board of the company.

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 26 October 2023.



Corporate Governance

BPI AIA is committed to the highest standards of corporate governance as 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 fulfil 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.

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

Corporate Governance Framework



ROLES AND RESPONSIBILITIES OF THE BOARD

The Board of Directors exercises all the powers of the corporation ("Company") and review the vision and mission/strategy of the Company; all business conducted, and all properties of the corporation are controlled and held by them. The Board is completely independent from management and major stockholders. The Board exercises discretionary powers and oversees the management of the company.

The Board is accountable to the shareholders and as such it shall ensure the highest standard of governance in running the Company's business and setting the strategic directions. The detailed role and responsibilities are set forth in the By Laws and the Manual of Corporate Governance.

The Board of Directors, through its Board Risk and Audit & RPT Committees, has 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 & 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

Each of the independent directors meets the guidelines set in the Manual of Corporate Governance. None of the independent directors has any business or significant financial interest in the Company or any of its subsidiaries. They, therefore, continue to be considered independent.

BPI AIA adopts AIA Policy on Diversity, and believes in the power of diverse, talented people to create value and deliver on their customer and shareholder expectations. Fundamental to all the Company's inclusion efforts is zero tolerance for discrimination or harassment in any form, across all aspects of diversity, including gender, race, nationality, and sexual orientation.

BOARD PROCESS

The Board meetings are held on a quarterly basis unless a special meeting is necessary to consider 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 (5) 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 issues and strategies. The company conducted a Board Strategy Day on 05 December 2023, wherein the Board and the executive leadership team come together to discuss the organization's strategies and priorities.

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

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 BPI AIA Board of Directors or Senior Management are made on merits and subject to objective criteria as set forth in the Manual. Careful deliberation and consideration are done to ensure that nominees are qualified to sit in the Board or in Senior Management. The Company, through its major shareholder, considers the knowledge, competencies, skills, and experience that the nominee-director or executives, seriously considering the Company's business objectives and strategies. The Company ensures that its Board membership and Senior Management consist of persons with sufficiently diverse and independent backgrounds and possesses a record of integrity and good repute. Part of the selection process of the Company is the use of independent/third party professional search firms to identify and source qualified directors and senior executives.

On 26 October 2023, the BPI AIA Board Succession Plan was adopted. This succession plan is designed to proactively ensure that interruption at the board level is minimized during the transition from the departing member to the appointment of a new one. This succession plan is an on-going process requiring regular evaluation of board composition and competencies to identify opportunities for improvement to better position the board to meet its current and future needs.

Fee Structure and Remuneration of Directors

The Independent Directors definitely play very significant roles in order to achieve 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 efforts they provide to the Company; and for potential risks and liability they may be exposed of as its members. The fee structure of the independent directors are 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 fee. For 2023, the total annual gross directors' fees of the independent directors of the Company amounted to Philippine Pesos: 2,596,000.00, broken down as follows: 1) Jesse O. Ang – PHP1,330,000.00; and, 2) Stephanie L. Sy – PHP1,266,000.00. The executive and non-executive directors do not receive any remuneration for their directorship in BPI AIA.



Remuneration Policy for Executive Director and CEO

BPI AIA provides a total rewards package to the Executive Director and Chief Executive Officer that consists of guaranteed and variable components that reward performance and value created for the Company. Our CEO's reward components support our rewards framework:

- Guaranteed compensation which includes base salary, allowances and contractual bonus that is reviewed annually to reflect market, individual performance and value created for the company;
- Short Term Incentive to reward achievement of business and individual performance metrics enabling the individual to share in the immediate success of the company;
- Discretionary Long-Term Incentive to motivate and reward the individual for individual who have contributed significantly to AIA's success and is likely to continue to do so; and
- Benefits that are carefully structured supplementing our cash compensation.

Election of Directors

The Company uses a transparent procedure for the election of directors. The Corporate Governance Committee sitting as the Nomination and Remuneration Committee pursuant to IC Circular 2021-70 looks into the qualifications of directors and thereafter endorsed to the Board their recommended nominee for approval. At the stockholders' meeting, the shareholders are duly informed by the Corporate Secretary of the qualified nominees and of the voting method and vote counting system. Each stockholder with voting privilege shall be entitled to cumulate his/ her vote in the manner provided by law. After the election process, the Corporate Secretary shall count the votes and thereafter declare the duly elected members of the Board.

Seminars attended by the Board of Directors

Director

Training/Seminar

Jose Teodoro K. Limcaoco

- IC-Mandated Annual Training Continuing Board Training on Corporate Governance, 05 December 2022
- BPI EXECUTIVE SESSION ON AML AND FINCRIME COMPLIANCE 2023, 26 September 2023
- 2023 AYALA INTEGRATED CORPORATE GOVERNANCE, RISK MANAGEMENT AND SUSTAINABILITY SUMMIT, 03 October 2023
- ICD MASTERCLASS: THE THIRD SERIES - SESSION 6 "THE BRAND ARCHITECTURE: A VALUABLE FRAMEWORK FOR SETTING STRATEGY", 15 December 2023
- IC-Mandated Annual Continuing Board Training on Corporate Governance, 18 September 2023, and 26 October 2023

Kelvin Ang

- Corporate Governance Orientation Program by ICD, 28 August 2019
- IC Mandated Training, 09 December 2020
- IC-Mandated Annual Continuing Board Training on Corporate Governance, 04 November 2021
- IC-Mandated Annual Training Continuing Board Training on Corporate Governance, 05 December 2022
- IC-Mandated Annual Continuing Board Training on Corporate Governance, 18 September 2023 and 26 October 2023

*Replaced by Melita Teo

Leo Michel Grepin

- IC-Mandated Annual Continuing Board Training on Corporate Governance, 18 September 2023
- IC-Mandated Annual Training Continuing Board Training on Corporate Governance, 05 December 2022
- IC-Mandated Annual Continuing Board Training on Corporate Governance, 18 September 2023 and 26 October 2023

Katherine P. Custodia

- IC-Mandated Annual Training Continuing Board Training on Corporate Governance, 05 December 2022
- IC-Mandated Annual Continuing Board Training on Corporate Governance, 18 September 2023 and 26 October 2023

Jesse O. Ang

- 2021 Integrated Corporate Governance, Risk Management and Sustainability Summit of Ayala Corporation held on October 21, 2021 via Zoom
- IC-Mandated Annual Training Continuing Board Training on Corporate Governance, 05 December 2022
- Ayala Integrated CGRMS Summit on 03 October 2023
- IC-Mandated Annual Continuing Board Training on Corporate Governance, 18 September 2023 and 26 October 2023

Stephanie L. Sy

- IC-Mandated Annual Training Continuing Board Training on Corporate Governance, 05 December 2022
- IC-Mandated Annual Continuing Board Training on Corporate Governance, 18 September 2023 and 26 October 2023

Maria Theresa D. Marcial

- IC-Mandated Annual Training Continuing Board Training on Corporate Governance, 05 December 2022
- IC-Mandated Annual Continuing Board Training on Corporate Governance, 18 September 2023 and 26 October 2023

Non-Executive Directors

- Separate meetings with the External Auditor and Head of Group Internal Audit Philippines without the presence of management 27 January; 28 April; 28 July and 24 October

Orientation Program and Training

For newly elected directors, the Corporate Secretary schedules and provides 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, BPI AIA ensures that all its directors have attended a training and orientation course on Corporate Governance conducted by duly accredited training providers of the commissions.

The Board members are also encouraged to attend further training and inform the Corporation on such trainings attended. BPI AIA provides necessary resources in developing and updating its director's knowledge and capabilities. For two years in a row since 2020,

the Company sponsored its own 4-hour annual continuing board training on corporate governance where topics were covered and discussed by competent speakers expert in their field. The Company encourages the directors to attend continuous professional education programs such as Professional Directors' Program of the Institute of Corporate Directors.

Performance Evaluation

The Board has established its own performance evaluation, the criteria of which are based on the Insurance Commission's Circular on Corporate Governance. Every year, the Board, as well as the Committees, conducts annual self-assessment of its performance, the results of which are submitted to the Corporate Governance 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, the Board Committees based on the standards and criteria provided. Among the criteria set 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.

In line with its commitment to good corporate governance, third party evaluation is conducted every 3 years.

Retirement Benefit

BPI AIA sought the services of Mercer to provide a formal retirement plan for the employees. We adapted the Defined Contribution (DC) Retirement Plan wherein the employer, employee or both make contributions on a regular basis.

Monthly contributions are pooled and invested by an assigned fund manager which means that future benefits fluctuate on the basis of investment earnings. During the launch in 2014,

In 2023, the board of BPI AIA Philippines conducted a self-assessment with the objective of identifying areas in which the board could perform better, as well as assess if the board's skills and expertise match the strategic direction that the companies are taking with the findings summarized as follows:

- The Board agrees to the adequacy and appropriateness of its size and composition. It has a good balance of skills, capabilities and experience which are necessary for the Board to perform its duties.
- The Board also has good knowledge and understanding of the Company's vision, mission, objectives, and strategies; and it continuously considers shareholder value and long-term shareholder interests in its decisions-making process.
- In terms of Board dynamics, the Board continues to show excellent working relationship and positive atmosphere due to high level of trust among the members.
- Board meetings are continuously held on a regular and efficient manner. They continue to implement effective time management. In terms of Board support, the Board has acknowledged the timeliness and quality of the materials and reports provided by management.

employees were given an option to elect the new DC Retirement Plan or remain under statutory minimum normal retirement benefits. The board of directors elected BPI Asset Management and Trust Corporation (BPI AMTC) as fund manager while Zalamea administrates the individual ledgers of each employee. All employees are provided an online account which allows them to view their monthly statements and keep track of contributions and investment earnings.

Each employee is credited an employer contribution monthly based on 8% of his/her current monthly basic salary which started in July 2014. Benefits are computed based on the vesting factor and number of years of service. Minimum years of service entitled for Retirement Pay under DC plan is 5 years. The voluntary contribution has just started this April 2018. Employee participation will be incentivized by the company with 50% of voluntary contributions subject to a maximum of 3% of employee's monthly basic salary.

Dividend Policy

BPI AIA shall declare and pay cash dividends, the amount of which shall be determined through consideration of the following factors:

- local statutory requirements relating to solvency and liquidity;
- ongoing sustainability of corresponding insurance fund taking into consideration likely future changes in regulatory requirements; and
- likely future strategic initiatives.

For the year 2023 the Company declared cash dividend of Php 1,372,488,981.57 Philippine Currency payable to all shareholders of the Company in proportion to their holdings as of 25 July 2023, payable immediately upon receipt of all required approvals.

Rewarding Performance

BPI AIA 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.

BPI AIA's Reward Philosophy is built on the principles 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 the Company's operating philosophy of doing the right thing, in the right way, with the right people. 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 Company also has long-term incentive programs that provides executives certain rewards depending on the performance of the company. The Long Term Incentive (LTI) Plan is a discretionary scheme provided by AIA to motivate and reward executives who have not only made a significant contribution to AIA's and AIA Philippines' performance and success, but also have the potential to contribute more in the future. It operates through the grant of Restricted Share Units (RSU). This means that their contributions to AIA's sustained and profitable performance mean that there is also the potential for the awards to be financially rewarding for them.

Board Meetings in 2023

The Board had a total of six (6) meetings in 2023. The directors received the meeting pack five days in advance. The meeting pack includes among others, the Board and Committee Meeting Minutes for approval of the Board, the business and financial highlights of the Company and other items that need Board action and approval.

The presence of at least four (4) out of seven (7) directors is necessary to have a quorum and the affirmative votes of the majority of the directors present are required to decide a matter except where the law or the by-laws require a higher number.

Before the start of the financial year, the Corporate Secretary advises the members of the Board of the schedule 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 (5) days prior to the scheduled meetings, the Corporate Secretary sends to the members of the Board their respective meetings 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. The number of meetings held in 2023 and the overall attendance rate are shown below.

BOARD OF DIRECTORS	
MEMBER	DATE OF MEETING
	6 Meetings (95.24%)
Jose Teodoro K. Limcaoco	20 January 2023 (Regular) 25 April 2023 (Outgoing) 25 April 2023 (Organizational) 25 July 2023 (Regular) 11 October 2023 (Special) 26 October 2023 (Regular) 6 Meetings (100%)
Leo Michel Grepin	6 Meetings (100%)
Chee Keong (Kelvin) Ang <small>*Replaced by Melita Teo</small>	6 Meetings (100%)
Katherine P. Custodia	6 Meetings (100%)
Maria Theresa D. Marcial	5 Meetings (83.33%)
Jesse O. Ang	6 Meetings (100%)
Stephanie L. Sy	5 Meetings (83.33%)

In 2023, the NEDs had separate meetings with the External Auditor and Head of Group Internal Audit Philippines without the presence of management on 20 January 2023, 17 April 2023, 21 July 2023, and 20 October 2023.

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:

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.

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.

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.

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.

Retirement Age Policy – 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; for retirement age of directors other than independent, key officers and employees; and for the procedures for their retirement.

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.

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.

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.

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.

BOARD OF DIRECTORS	
Jose Teodoro K. Limcaoco	Chairman of the Board
Katherine P. Custodia, CEO	Executive Director
Maria Theresa D. Marcial Leo Michel Grepin Kelvin Ang* <small>*Replaced by Melita Teo</small>	Non-Executive Director
Jesse O. Ang Stephanie L. Sy	Independent Directors
Carla J. Domingo	Corporate Secretary

Note: No changes in the Capital Structure and List of Stockholders as of 31 Dec 2023.

AUDIT & RPT COMMITTEE	DATE OF MEETING
	20 January 2023 (Regular)
	17 April 2023 (Regular)
	21 July 2023 (Regular)
	20 October 2023 (Regular)
MEMBER	4 Meetings (100%)
Jesse O. Ang	4 Meetings (100%)
Stephanie L. Sy	4 Meetings (100%)
Kelvin Ang <small>*Replaced by Melita Teo</small>	4 Meetings (100%)

CORPORATE GOVERNANCE COMMITTEE	DATE OF MEETING
	8 March 2023
	07 June 2023
	18 September 2023
	06 December 2023
MEMBER	4 Meetings (91.66%)
Stephanie L. Sy	3 Meetings (75%)
Jesse O. Ang	4 Meetings (100%)
Kelvin Ang <small>*Replaced by Melita Teo</small>	4 Meetings (100%)

AUDIT & RPT COMMITTEE
Jesse O. Ang, Chairman Independent Director
Stephanie L. Sy Independent Director
Chee Keong (Kelvin) Ang Non-Executive Director <small>*Replaced by Melita Teo</small>

EXECUTIVE COMMITTEE
Chee Keong (Kelvin) Ang, Chairman Non-Executive Director <small>*Replaced by Melita Teo</small>
Jose Teodoro K. Limcaoco, Vice-Chairman Executive Director
Katherine P. Custodia Executive Director
Maria Theresa D. Marcial (as alternate for Mr. Limcaoco)

BOARD RISK COMMITTEE
Maria Theresa D. Marcial – Chairperson Non-Executive Director
Stephanie L. Sy Independent Director
Jesse O. Ang Independent Director

CORPORATE GOVERNANCE COMMITTEE
Stephanie L. Sy, Chairperson Independent Director
Jesse O. Ang Independent Director
Chee Keong (Kelvin) Ang Non-Executive Director <small>*Replaced by Melita Teo</small>

Stakeholder Engagement Framework

Defined in the company's 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		
Customer	Website: www.bpi-aia.com.ph	Telephone No.: (02) 8528-5501 1-800-8-944-5433 (TOLL FREE)	Email Address: BPIAIA.customerservice@aia.com Vibe Customer Service Center: GF, BPI-Philam Makati, 6811 Ayala Ave., 1226 Makati City
Shareholder			
Regulators			
Employees			
Sales Force			
Vendors			
Business partners			
Industry associations			
Communities			

B. Regulatory and conduct-related engagements

PRIORITY STAKEHOLDERS	COMMON TOUCHPOINTS	
Customer	Data Privacy: Bpiaia.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
Shareholder		
Regulators		
Employees		
Sales Force		
Vendors		
Business partners		
Industry associations		
Communities		

C. Purchase or service engagements, other concerns

	MODE	TOUCHPOINTS	FUNCTIONAL UNITS	ROLES AND RESPONSIBILITIES
Customer	Digital	<ul style="list-style-type: none"> MyAIA: https://www.aia.com.ph/en/myaia/home.html Chatbot Bessie: <ul style="list-style-type: none"> - Facebook Messenger - Viber 	Operations	Lead in customer centric initiatives of the company;
			Marketing	Lead in the implementation of the company's Customer Commitment Standards and other relevant standards of the company such as, Claims Operations Standard, New Business Operations Standard, etc.
		AIA Vitality Marketing	Marketing	Lead in all Vitality initiatives focusing on efforts that enhance customer engagement
		Mailbox: <ul style="list-style-type: none"> BPIAIA.customerservice@aia.com BPI AIA Customer Service: <ul style="list-style-type: none"> BPIAIA.customercare@aia.com BPI AIA Customer Care: <ul style="list-style-type: none"> BPIAIA.CS@aia.com CITI CS Mailbox: <ul style="list-style-type: none"> BPI AIA Customer Service 	Operations	Customers can send their inquiries/request
	Email	BPIAIA.customerservice@aia.com Hotline: (02) 8-528-5501	Operations	Ensures prompt delivery of services in accordance with the Customer Commitment Standard, Claims Operations Standard, New Business Operations Standard, etc.
	Face-to-face	Customer Service Centers	Operations	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.
		BSE at any BPI or BFB Branches	PDSC Finance	
Share-holders/ Investors	Email	AIAPHCorporateSecretary@aia.com	Corporate Secretary	Implements the company's Corporate Governance Policy and Manual
Regulators	Email	Direct contact with relevant units via: <ul style="list-style-type: none"> Email Mobile phone Others – Viber/FB messenger 	All	In accordance with the company's Regulatory Framework, 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 <ul style="list-style-type: none"> IC pigeonhole Conference 	All	
	Mail	Direct contact with relevant units	All	
Employees	Digital	Workday	Human Resources	Ensures that employee-related concerns are promptly addressed
Sales force	Digital	Agency Portal iCare	PDSC Operations Finance	Ensures prompt delivery of services in accordance with the Customer Commitment Standard, Claims Operations Standard, New Business Operations Standard, etc.
	Face-to-face	BSE at any BPI or BFB Branches		
	Email	Official email of BSE		
Vendors	Digital	Ariba	Sourcing	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 MY.GFS.ServiceDesk@aia.com		



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 for its approval and adoption 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. 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:

IC-MANDATED TOPICS	TIME ALLOCATION	SPEAKER
1. Code of Corporate Governance for IC-Regulated Companies	2 hours	Quisumbing Torres
2. ACGS and IC Annual Corporate Governance Report		
3. Board Responsibilities		
4. Illegal Activities of Corporations/Directors/Officers		
5. Protection of Minority Shareholders		
6. Liabilities of Directors		
7. Confidentialities		
8. Conflict of Interest/ Related Party Transactions		
9. Enterprise Risk Management (Concept of Volatility, Uncertainty, Complexity, Ambiguity [VUCA])	2 hours	EY
10. AML Updates		
11. Insurance industry outlook and update on regulations		

	NAME	QUALIFICATIONS
Quisumbing Torres	ALAIN CHARLES VELOSO Partner	Alain Charles Veloso is a partner in the firm's Corporate & Commercial/ M&A Practice Group. He heads the firm's Capital Markets Practice Group, and the Financial Institutions Industry Group. He is also a member of the Competition Focus Group and the Technology, Media & Telecommunications Industry Group. He participates in the initiatives of Baker McKenzie International of which Quisumbing Torres is a member firm. He is a member of Baker McKenzie's Asia Pacific Competition Steering Committee.
	ELEONOR DYAN GARCIA Associate	Eleonor Dyan Garcia is an associate in Quisumbing Torres' Corporate & Commercial/ M&A Practice Group and a member of the Energy, Mining & Infrastructure Industry Group. Her practice focuses on general corporate and commercial law, including mergers and acquisitions, foreign investments, regulatory compliance, doing business concerns, corporate counselling and governance, and corporate maintenance. Before joining Quisumbing Torres, she was a junior associate in a local law firm, where she was exposed to matters relating to criminal litigation, arbitration, civil and commercial litigation, and intellectual property law.
EY	JOSEPH IAN M. CANLAS CPA, CIA, CFE, CSRS, CSRA, CRMA SGV Partner, Risk Advisory Services	Joseph Ian Canlas is an Advisory Partner in SGV's Advisory practice, specializing in internal audit, enterprise risk management, corporate governance, Sarbanes Oxley (SOX), internal controls review and risk remediation. His clients include companies in the financial sector, telecommunications, business process outsourcing, consumer products, media and entertainment, mining, real estate, airline, mall operations, food and beverage manufacturing, semiconductor manufacturing, retail, power generation, educational institutions, cooperatives/ foundations.
	CHRISTIAN G. LAURON Philippine Financial Market Expert, Partner, FSO Advisory, SGV & Co. (EY Philippines)	Christian Lauron is a Partner in SGV's Financial Services Consulting Practice which covers Banking and Capital Markets, Insurance and Asset Management. He leads SGV's Financial Services Group and serves as EY ASEAN Lead for Public Finance Management. He previously served as leader of the Firm's Government and Public Sector and Financial Services Risk Management group.
	Veronica Mae Arce Balisi, CPA, CAMS Engagement Partner, Financial Services Group, Financial Crime Compliance	Veronica Mae Arce Balisi is a partner within the Financial Services Office (FSO) of SGV & Co., with 17 years of experience at EY, including more than a year of experience in the London office. She leads the Financial Crime Compliance practice and also the Deputy Head of Banking and Capital Markets Industry of SGV & Co. She is one of the seven (as of May 2021) accredited training providers (TP) of the Anti-Money Laundering Council (AMLC). She is one of the founders of the ACAMS Philippine Chapter and was the co-chair of the Chapter from 2018 to 2020. She is one of the members of the 'Purpose Council' of SGV & Co.



OPERATING PHILOSOPHY



AIA CODE OF CONDUCT

Honesty and integrity are the cornerstones of the AIA business. AIA 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 are 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 BPI AIA.

The AIA Code of Conduct sets out the ethical guidelines for conducting business which is the same code that BPI AIA 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 BPI AIA. The corporation, its directors, senior management and employees are mandated to comply with the policies. The Compliance Department is tasked to implement these policies and monitor compliance therewith.

BPI AIA has always believed in the power of diverse, talented people to create value and deliver on customer and shareholder expectations. Thus, it competes vigorously to create new opportunities for its customers and for itself. 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 BPI AIA's good corporate citizenship.

Code of Conduct Annual Certification

To ensure that all BPI AIA employees are aware of the provisions of the AIA Code of Conduct, an annual certification program is conducted whereby all employees confirm their knowledge, understanding, and practice of the rules and guidelines written in the Code.

New Employees Orientation Program

Company policy mandates for all new joiners to complete the New Hires Mandatory Course whereby 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 ninety (90) days from joining date.

Treating Customers Fairly

BPI AIA's 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 BPI AIA products or those of its competitors are not acceptable.

BPI AIA 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

BPI AIA 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 or insuring public.



Anti-Corruption & Bribery and Gifts & Entertainment

BPI AIA 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 on Bribery and Corruption. Employees and other persons representing BPI AIA 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 BPI AIA 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 BPI AIA employees are prohibited from taking for themselves, or directing to a third party, a business opportunity that is discovered through

the use of company's corporate property and information. BPI AIA 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 BPI AIA. Immediate family members, members of the household, and individuals with whom an employee has a close personal relationship within BPI AIA must never improperly influence business decisions.

Fair Dealing Policy and Creditor's Rights

BPI AIA 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, BPI AIA 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 BPI AIA, much more in the AIA Group.

It is also the policy of BPI AIA 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, BPI AIA undertakes to honor all its commitments, stipulations, and conditions set forth in their binding agreements.



Investment Standard: Personal Dealing

BPI AIA believes that individual investment activities by its officers and employees should not be prohibited or discouraged. Nonetheless, the nature of BPI AIA's 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 (3) 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, BPI AIA 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

BPI AIA (“Company”) 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 on 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 BPI AIA, shall be considered related party transactions. Related party shall 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 shall 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 BPI AIA; 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 the similar circumstances. BPI AIA has put in place an effective price discovery mechanism to ensure that transactions are engaged into at terms that promote the best interest of the Company and its stakeholders.

If a particular transaction is considered to involve related parties, the same shall 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 shall have the authority to approve the same, subject to the Board Audit and RPT Committee's confirmation. Otherwise, the former shall 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, shall 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 shall 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 in arm's length basis.

Whistleblower Protection Program

BPI AIA 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 BPI AIA that can allow investigation to fix any problems. The Whistleblower Protection Policy applies to all employees of the AIA Group including BPI AIA. 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 (a BPI AIA employee, business partner, agent, consultant, vendor, customer, or other party) who informs AIA or BPI AIA of suspected illegal or improper ways of doing business involving violation of laws, regulations, AIA or BPI AIA policies, and other unethical actions that might negatively impact AIA's and BPI AIA's reputation.

Employees who are aware of possible wrongdoing within AIA and BPI AIA 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 being encouraged and widely promoted in the company. Posters are displayed, brochures are distributed to promote reporting whenever employees see or suspect potential misconduct or fraud. A hotline and a link is made available and the employee may choose to be anonymous.

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 BPI AIA can communicate with anonymous whistleblowers via a secure platform using the AIA website. The report may also be made by using the AIA Group Ethics and Compliance Hotline +632 8626 3049, or via email to 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 offences that attract heavy civil and criminal penalties.

Since BPI AIA 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, this 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 ("AIA Group"), including BPI AIA. 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.



Dealings 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 3 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 shall lapse and a fresh pre-approval application will need to be submitted.

Other securities about 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

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.

BPI AIA’s Anti-Money Laundering (AML) Program establishes the governing principles and business standards to protect BPI AIA and its business operations from becoming an unwitting tool of money launderers. The Company’s management, officers, and staff 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.

BPI AIA adopts the Nice Actimize System to support the company’s implementation of its AML program. The system has three (3) modules that are used as monitoring mechanisms. These include Watch List Filtering or Screening against 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.

BPI AIA continues to improve its processes and systems to support the implementation of its AML Program.

Data Privacy

BPI AIA recognizes its responsibilities in protecting 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 Staff of BPI AIA 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 BPI AIA is aligned with RA 10173, the local Data Privacy law. the local Data Privacy Law. Under the program, the BPI AIA CEO shall be responsible for the implementation of these guidelines across all its business units and in ensuring that all employees, officers and staff 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 shall be responsible for keeping and maintaining effective guidelines by providing second line oversight and monitoring of implementation.

To strengthen corporate governance, the BPI AIA 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.

BPI AIA's 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 expected to be observed to secure and protect personal data.

Credit Information System Act (CISA)

RA 9510, otherwise known as the Credit Information System Act, 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) shall 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 Credit Information Corporation (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 the existence of 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 (3) 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.

BPI AIA, 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 BPI AIA's 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 BPI AIA 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 a BPI AIA employee. Employees must ensure that customers, agents, and suppliers do not exploit their relationship with BPI AIA or use BPI AIA's 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 BPI AIA's operating cost. Any activity by a line of business to acquire goods/ services must be undertaken in a professional manner to ensure BPI AIA is able to maximize the value and manage risks associated with use of external suppliers.

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

The BPI AIA 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 of the local policy. This person should closely work with the AIA Group Sourcing (GS) team.

Supplier Selection

BPI AIA 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.

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

Contract Management

BPI AIA adopted 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 period up to after the contract has been awarded and is up and running. To facilitate proper implementation, the company appointed records coordinators who are tasked to oversee strict implementation of 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. Contracts 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 BPI AIA's Contract Management Guidelines (both physical and electronic copies).



EMPLOYEE WELFARE

Safe, Healthy, and Secure Workplace

BPI AIA is a Safe, Healthy, and Secure Workplace. It observes Occupational Safety, Security, and Health Standards being promoted by the Department of Labor and Employment. BPI AIA 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 BPI AIA is strictly prohibited. At the same time, use of alcohol while conducting business for BPI AIA is also prohibited.

BPI AIA 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.

BPI AIA 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, BPI AIA 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 BPI AIA's 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

BPI AIA 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. BPI AIA 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 shall 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 BPI AIA. 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 BPI AIA and that of the sales personnel.

The Market Conduct Disciplinary 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 BPI AIA 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 a strong sense of discipline among its sales force.

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

The BPI AIA 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 amongst 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

BPI AIA contributes positively to the social and economic development of the communities in which it operates, with support extended to people and communities in need. BPI AIA and its employees volunteer time and funds to programs that promote health, financial literacy, education, and other community needs. BPI AIA 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.

BPI AIA 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 BPI AIA employees on how to use social media to market the AIA brand and on the basic principles all 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/forums, opinions on online polls or any product/services AIA might create. Any breaches of the policy could lead to disciplinary action including dismissal.

ENTERPRISE RISK MANAGEMENT

Enhancing Value by Ensuring Stability

The Company 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, 2) a clear and effective Risk Management Framework that prescribes how risks are defined, measured, managed and mitigated.

BPI AIA 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 BPI AIA 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 BPI AIA 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 BPI AIA, 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 Meeting (FuRMM) which runs 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 that 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 for early identification, reporting and management of risks are embedded in the employees' performance management process with specific and measurable 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 also 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 to 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 Risk

We manage our exposure to financial risk within tolerances agreed by the Board and RMC. As an internal control procedure, risk metrics, risk tolerances, and limits were set to monitor risk exposure and to ensure that we are operating within our Risk Appetite. We also manage financial risk 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 our 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 there is a specific concern, 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 property prices. The BRC approves policies and metrics used in evaluating market risk exposures. We manage the different Market Risks, 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 our 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 our 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. We manage Financial Liquidity Risk by determining limits for our 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 Risk

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, namely: (1) Conduct; (2) Execution, Delivery & Process Management; (3) External Event; (4) Financial Crime; (5) Fraud; (6) People; (7) Information Security; (8) Technology and (9) Legal & Compliance. These KORs are defined to greater granularity in each impacted business unit together with the effectiveness of applicable controls.

Key Risk Indicators (KRI's) have been developed to support ongoing monitoring in order to flag emerging concerns.

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

Managing Product Risk

The development, pricing and underwriting of products must have regard to the following overarching 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 RPT Committee

The Audit and RPT Committee 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 organization are in place.

In 2023, the Audit and RPT Committee members were Jesse Ang as the Chairman and Chee Keong (Kelvin) Ang and Stephanie Sy as members. The Chairman and Stephanie Sy are independent directors. 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.

The Audit and RPT Committee Charter details the committee’s responsibility for oversight of the organization’s corporate governance process. The Committee, while exercising its oversight role, relies on the expertise of Management and works with Group Internal Audit – Philippines (GIAPH) and External Auditors, Isla Lipana & Co./Pricewaterhouse Coopers, to ensure the integrity of the financial statements and the continuous review of the organization’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 2023. From 1 January to 31 December 2023, 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 organization’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 the 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 2023, the Audit and RPT Committee also met separately with GIAPH and the External Auditors without management being present.

MEMBER	DATE OF MEETING
	4 Meetings (100%)
Jesse O. Ang	4 Meetings (100%)
Stephanie L. Sy	4 Meetings (100%)
Kelvin Ang	4 Meetings (100%)
*Replaced by Melita Teo	

Group Internal Audit

The Audit and RPT Committee Charter provides the Committee the authority 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 the AIA Philippines Group is carried out by 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 across the Group, 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 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 any of the AIA Philippines Group's records, properties and personnel in the discharging of 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. For 2023, the Audit and RPT Committee has 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 2023. 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 2023. 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 2023, the audit fees of Isla Lipana & Co./PricewaterhouseCoopers amounted to three million two hundred ninety-five thousand and six hundred forty-nine Philippine Pesos (PHP 3,295,649), exclusive of out-of-pocket expenses and value added tax (VAT). There were no non-audit fees paid to Isla Lipana & Co./PricewaterhouseCoopers for 2023.

FINANCIAL STATEMENTS



STATEMENTS OF FINANCIAL POSITION

BPI AIA Life Assurance Corporation (BPI AIA)
 Statements of Financial Position
 As at December 31, 2023 and 2022
 (All amounts in thousand of Philippine Peso)

ASSETS	2023	2022
Cash and cash equivalents	4,187,192	2,838,928
Insurance receivables	148,547	156,911
Financial assets at fair value through profit or loss	88,322,517	88,003,691
Available-for-sale financial assets	17,194,178	15,658,356
Loans and receivables, net	726,518	888,921
Accrued income	396,116	382,924
Investment properties	865,371	881,885
Property and equipment, net	938,749	828,834
Other assets, net	188,621	167,963
Total assets	112,967,809	109,808,413

LIABILITIES AND EQUITY	2023	2022
Insurance contract liabilities, net	96,910,368	97,313,134
Policyholders' dividends	641,160	627,024
Reserve for experience refund	81,670	80,319
Premium deposit fund	742,485	923,646
Insurance payables	615,378	371,971
Accounts payable and accrued expenses	4,001,977	2,599,499
Deferred income tax liabilities, net	141,201	138,297
Other liabilities	10,350	13,138
Total liabilities	103,144,589	102,067,028
Share capital	750,000	750,000
Treasury shares	-6	-6
Reserves	687,625	-264,232
Retained earnings	8,385,601	7,255,623
Total equity	9,823,220	7,741,385
Total liabilities and equity	112,967,809	109,808,413

STATEMENTS OF TOTAL COMPREHENSIVE INCOME

BPI AIA Life Assurance Corporation (BPI AIA)
Statements of Total Comprehensive Income
For the years ended December 31, 2023 and 2022
(All amounts in thousand of Philippine Peso)

PREMIUMS AND OTHER INCOME	2023	2022
Gross premiums on insurance contracts	15,527,016	16,296,195
Reinsurers' share of gross premiums on insurance contracts	-500,024	-637,806
Net insurance premiums	15,026,992	15,658,389
Investment income	1,633,135	1,303,966
Fee income from unit-linked funds	2,159,995	2,055,204
Fair value (losses) gains, net	2,631,517	-7,978,702
Realized losses on available-for-sale financial assets, net	3,480	-34,725
Foreign exchange gains, net	-9,742	207,592
Others	152,230	93,918
Total premiums and other income	21,597,607	11,305,642

EXPENSES	2023	2022
Benefits and claims on insurance contracts, net	1,891,263	2,413,435
Change in insurance contract liabilities, net	9,908,790	2,296,770
Commissions and other acquisition expenses, net	3,006,615	1,953,994
General and administrative expenses	2,758,124	2,334,960
Investment expenses	384,015	313,375
Insurance taxes, licenses and fees	183,634	149,844
Total expenses	18,132,441	9,462,378
INCOME BEFORE INCOME TAX	3,465,166	1,843,264
INCOME TAX EXPENSE	962,697	358,734
NET INCOME FOR THE YEAR	2,502,469	1,484,530
OTHER COMPREHENSIVE GAIN (LOSS)		
Item that will be subsequently reclassified to profit or loss		
Net fair value changes on available-for-sale financial assets	847,776	-2,133,352
Items that will not be subsequently reclassified to profit or loss		
Remeasurement of insurance contract liabilities	93,541	1,412,014
Remeasurement of retirement benefit obligation	4,772	7,428
Fair value gains on property and equipment, net of tax	5,768	14,335
Total other comprehensive loss	951,857	-699,575
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3,454,326	784,955

STATEMENTS OF CHANGES IN EQUITY

BPI AIA Life Assurance Corporation (BPI AIA)
 Statements of Changes in Equity
 As at December 31, 2023 and 2022
 (All amounts in thousand of Philippine Peso)

	Share capital	Treasury shares	Reserves	Retained earnings	Total equity
BALANCES AS AT JANUARY 1, 2022	750,000	-6	435,343	7,218,581	8,403,918
COMPREHENSIVE INCOME FOR THE YEAR					
Net income for the year	-	-	-	1,484,530	1,484,530
Other comprehensive loss	-	-	-699,575	-	-699,575
Total comprehensive income (loss) for the year	-	-	-699,575	1,484,530	784,955
TRANSACTION WITH OWNERS					
Cash dividends	-	-	-	-1,447,488	-1,447,488
BALANCES AS AT DECEMBER 31, 2022	750,000	-6	-264,232	7,255,623	7,741,385
COMPREHENSIVE INCOME FOR THE YEAR					
Net income for the year	-	-	-	2,502,469	2,502,469
Other comprehensive income	-	-	951,857	-	951,857
Total comprehensive income for the year	-	-	951,857	2,502,469	3,454,326
TRANSACTION WITH OWNERS					
Cash dividends	-	-	-	-1,372,491	-1,372,491
BALANCES AS AT DECEMBER 31, 2023	750,000	-6	687,625	8,385,601	9,823,220

RELATED PARTY TRANSACTIONS

In the normal course of conducting its business, the Company transacts with the following related parties:

RELATED PARTY	RELATIONSHIP
AIAGL	Ultimate Parent Company
AIA	Intermediate Parent Company
AIA Philippines	Parent Company
AIA International Limited (Hong Kong Branch) ("AIA HK")	Related entities under common control of Ultimate Parent
AIA Reinsurance Limited ("AIA Re")	Related entities under common control of Ultimate Parent
AIA Shared Services (Hong Kong) Limited ("AIA SS HK")	Related entities under common control of Ultimate Parent
AIA Shared Services Sdn. Bhd.	Related entities under common control of Ultimate Parent
AIA Thailand	Related entities under common control of Ultimate Parent
AIA IM PH	Fellow subsidiaries under common control of Parent Company
AIA Investment Management and Trust Corporation ("AIA IM")	Fellow subsidiaries under common control of Parent Company
Philam Properties Corporation ("PPC")	Fellow subsidiaries under common control of Parent Company
Philam Call Center Services, Inc. ("PCCSI")	Fellow subsidiaries under common control of Parent Company
Tower Club, Inc. ("TCI")	Fellow subsidiaries under common control of Parent Company
BPI	Significant Shareholder
BPI-AMTC	Subsidiary of BPI
BPI M/S Insurance Corporation ("BPI M/S")	Subsidiary of BPI
BIMI	Subsidiary of BPI
BPI-Philam Peso Bond Fund	BPI-AMTC managed funds
BPI-Philam Equity Index Fund	BPI-AMTC managed funds

RELATED PARTY TRANSACTIONS

BPI-Philam Growth Fund	BPI-AMTC managed funds
BPI-Philam Odyssey Bond Fund	BPI-AMTC managed funds
BPI-Philam Odyssey Balanced Fund	BPI-AMTC managed funds
BPI-Philam Odyssey High Conviction Equity Fund	BPI-AMTC managed funds
BPI-Philam Balanced Fund	BPI-AMTC managed funds
BPI-Philam Equity Index Fund 2	BPI-AMTC managed funds
BPI-Philam Philippine High Dividend Equity Fund	BPI-AMTC managed funds
BPI-Philam Growth Fund 2	BPI-AMTC managed funds
BPI-Philam Equity Value Fund	BPI-AMTC managed funds
BPI-Philam Active Allocation Fund	BPI-AMTC managed funds
BPI-Philam Odyssey Asia Pacific High Dividend Equity Fund	BPI-AMTC managed funds
BPI-Philam Odyssey Philippine Dollar Bond Fund	BPI-AMTC managed funds
BPI-Philam Global Equity Fund	BPI-AMTC managed funds
Premier Philam Bond Fund	AIA IM PH managed funds
Premier Philam Strategic Growth Fund	AIA IM PH managed funds
Premier Philam Equity Index Fund	AIA IM PH managed funds
Premier Philam Dollar Bond Fund	BIMI managed funds
Premier Philam Asia Balanced Fund	BIMI managed funds
BPI-Philam US Dollar Bond Fund	BIMI managed funds
BPI-Philam US Dollar Bond Fund 2	BIMI managed funds

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:

Insurance activities with related parties

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

	2023		2022	
	Transactions during the year recognized in profit or loss	Outstanding net balances as at December 31	Transactions during the year recognized in profit or loss	Outstanding net balances as at December 31
Parent Company				
Premiums ceded	-	-	207,216	-
Benefits ceded	-7,750	-	-7,883	-
Commissions ceded	-	-	-164,175	33,869
Related entities under common control of the Ultimate Parent Company				
Premiums ceded	39,788	-	41,433	-
Commissions ceded	-387	-3,351	-815	-3,453
Significant Shareholder				
Service fees (part of direct commissions)	1,381,140	-189,102	999,245	-7,578
Subsidiaries of significant shareholder				
Marketing fee income	-503,231	-	-553,281	-

The service fees balance in the above table are presented in net amounts. However, the receivable and payable balance as at December 31, 2023 and 2022 are presented at gross amounts in the statement of financial position and are presented in the reconciliation of outstanding related party balances as at December 31, 2023 and 2022 below.

Investment and financing activities with related parties

	2023		2022	
	Transactions during the year	Outstanding net balances as at December 31	Transactions during the year	Outstanding net balances as at December 31
Dividends				
Parent Company	699,969	-	738,219	-
Significant shareholder	658,232	-	694,200	-
	1,358,201	-	1,432,419	-
Managed Funds				
Subsidiaries of significant shareholder				
Trust Fees (a)	-34,519	-34,519	-36,831	-36,831
Investment placements (b)				
Acquisitions	1,745,828	-	5,856,235	85,263,339
Disposals	-1,863,733	85,526,903	-8,529,979	-

- (a) Trust fees pertain to amounts paid to BPI-AMTC, AIA IM PH and BIMl for managing the funds of the Company. This is presented as investment expenses in the statement of total comprehensive income.
- (b) The investment in mutual funds are classified as FVTPL financial assets with mark-to-market movements taken up in the statement of comprehensive income.

Shared service activities and other transactions with related parties

The Company has entered into various service agreements mainly with the Parent Company, BPI, PCCSI and AIA IM PH, and Significant shareholder pertaining to support services, effective January 1, 2010. For the outsourcing services rendered, the above related parties allocate expenses based on percentage of time spent in the following areas: finance, operations, marketing, corporate services, corporate compliance, information technology, actuarial, underwriting, legal, internal audit, risk management, process management, property management, distribution services, corporate secretary, and other related functions.

For the years ended December 31, 2023 and 2022, these charges are presented as part of general and administrative expenses under outsourcing services, marketing and other expense accounts.

	2023		2022	
	Transactions during the year recognized in profit or loss	Outstanding net receivable balances as at December 31	Transactions during the year recognized in profit or loss	Outstanding net receivable (payable) balances as at December 31
Shared Services				
Parent Company	1,123,335	-167,772	1,311,707	-13,043
Related entities under common control of the Ultimate Parent Company	180,933	75,884	120,653	-112,195
Fellow subsidiaries under common control of the Parent Company	-	-14,065	-	-
Leases and cost reimbursements				
Significant investor (a)	36,735	-7,841	35,811	-7,499
Subsidiaries of significant investor (a)	-26,752	-13,982	-26,213	-13,982

- (a) The Company, as lessor, has entered into agreements with BPI and BPI M/S significant investor and its subsidiaries for lease of certain office spaces. Rental income from these agreements is included as part of rental income from investment properties under investment income in the statement of comprehensive income. In addition, the Company has costs reimbursements pertaining to consultation fees which are presented as part of general and administrative expenses in the statement of total comprehensive income.

The balances in the above table are presented in net amounts. However, the receivable and payable balances as at December 31, 2023 and 2022 are presented at gross amounts in the statement of financial position and are presented in the reconciliation of outstanding related party balances as at December 31, 2023 and 2022 below. The transactions, aside from rental income which is presented in investment income and expenses, are presented as part of general and administrative expenses in the statement of comprehensive income.

Reconciliation of outstanding related party balances as at December 31, 2023 and 2022

The outstanding balances arising from transactions with related parties are unguaranteed and unsecured, non-interest-bearing and are collectible on demand but not later than 12 months from the reporting date. The amounts will be settled in cash at gross amounts. No provision for impairment has been made for amounts owed by related parties since collection is deemed to be reasonably certain for the years ended December 31, 2023 and 2022.

The significant balances resulting from related party transactions as at December 31 are summarized as follows:

(a) Receivable balances arising from:

	Insurance activities	Investment and financing activities	Shared service activities and other transactions	Total
December 2023				
Parent Company	-	-	28,557	28,557
Managed funds	-	85,526,903	-	85,526,903
	-	85,526,903	28,557	85,555,460
December 2022				
Parent Company	31,487	-	82,426	113,913
Managed funds	-	85,263,339	-	85,263,339
	31,487	85,263,339	82,426	85,377,252

Receivable balances are presented as part of the following accounts in the statement of financial position as at December 31 as follows:

	2023	2022
Financial assets at FVTPL	85,526,903	85,263,339
Loans and receivables, net	1,686	55,554
Other assets, net	26,871	26,872
Insurance receivables (part of due from ceding companies)	-	31,487
	85,555,460	85,377,252

(b) Payable balances arising from:

	Insurance activities	Investment and financing activities	Shared service activities and other transactions	Total
December 2023				
Parent Company	-	-	192,335	142,844
Related entities under common control of the Ultimate Parent Company	3,551	34,519	75,884	113,954
Fellow subsidiaries under common control of the Parent Company	-	-	4,078	4,078
Significant shareholder	189,102	-	7,841	196,944
Subsidiaries of Significant shareholder	-	-	13,982	13,982
	143,162	34,519	294,120	471,802
December 2022				
Parent Company	-2,382	-	95,469	93,087
Fellow subsidiaries under common control of the Parent Company	3,453	-	112,195	115,648
Significant shareholder	7,578	-	7,499	15,077
Subsidiaries of Significant shareholder	-	36,831	13,982	50,813
	8,649	36,831	229,145	274,625

Payable balances are presented as part of the following accounts in the statement of financial position as at December 31 as follows:

	2023	2022
Insurance payables (part of premiums due to reinsurers)	3,551	42,812
Insurance contract liabilities	-	41,741
Accounts payable and accrued expenses (part of due to related parties)		
Shared service activities and other transactions	294,120	229,145
Investment and financing activities	34,519	36,831
Insurance activities	189,102	7,578
	471,801	274,625

Transactions with key management personnel and employee retirement funds

Key management includes officers with a rank of Assistant Vice-President and up.

For the year ended December 31, 2023 and 2022, salaries, wages and other employment benefits paid to the Company's key management personnel amounted to P76,812 (2022 - P112,404).

For the year ended December 31, 2023, the total remuneration of the Company's key management personnel is P2,578 (2022 - P2,750).

There are no outstanding receivable nor payable balances due to key management personnel for the years ended December 31, 2023 and 2022.

The Company's transaction with the employee retirement funds for the years ended December 31, 2023 and 2022 are limited to contributions and benefit payments to retiring employees.



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