



HEALTHIER, LONGER,
BETTER LIVES

AIA PHILIPPINES
ANNUAL REPORT 2023

BIGGER AND BETTER





**HEALTHIER, LONGER,
BETTER LIVES**

2023 saw AIA Philippines further evolve, with our innovative protection and long-term savings solutions and health and wellness propositions expanding to include healthcare. We are now a conglomerate of several companies better equipped to address our customers' varied and growing needs.

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

AIA PHILIPPINES: BIGGER AND BETTER

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

Originally established as The United States Life Insurance Company in the Philippines in 1947 by AIG founder Cornelius Vander Starr and his partner, Earl Carroll, its name was amended to The Philippine American Life Insurance Company a year later. It eventually became more popularly known as Philam Life, serving as a "house of savings" for Filipinos. Within two years since it was founded, the Company was able to achieve its goal of helping Filipinos protect themselves against risk, contributing to the postwar recovery of the Philippine economy.

Then Philam Life officially became a part of the AIA Group in 2009. The AIA Group is a leading

pan-Asian life insurance organization based in Hong Kong and founded over a century ago, with presence in 18 markets across the Asia-Pacific region.

In 2023, AIA Philippines became bigger and better, further strengthened with the acquisition of health maintenance organization (HMO) giant, MediCard Philippines, together with its bancassurance subsidiary, BPI AIA, and its trust company AIA Investment Management and Trust Corporation Philippines (AIAIM Philippines). The Company continues to reinforce its strength, making sure that years from now, it will still be saving lives, protecting dreams and securing futures as it fulfills its mission of racing against risk to protect every Filipino family and empowering them to live Healthier, Longer, Better Lives.

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ABOUT AIA PHILIPPINES

Our vision is to be the Philippines' undisputed **PARTNER OF CHOICE** for Savings, Protection and Health Solutions, driven by our mission of **RACING AGAINST RISK** to protect every Filipino family and empower them to achieve **Healthier, Longer, and Better Lives.**

OVER 7,000 AGENTS
nationwide

NEARLY 1.2 MILLION
individual policies

ALMOST 1,000,000
insured group members

OVER 3,000
group policies issued

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

Excess capital
2.9X THE AMOUNT
set by the Insurance Commission

PHP800 MILLION IN CAPITAL
for its non-life insurance license



OUR STRENGTH

AIA Philippines has remained steadfast to its commitment to its customers and stakeholders for 76 years now, recognized many times, through awards and accolades from the Philippine government, from the business community here and overseas, from peers in the industry, and through the continued trust of its policyholders. As part of the AIA Group, AIA Philippines is part of the network of trust that has been painstakingly built across several countries for over a century. AIA Philippines remains a pillar of strength so it can fulfill its Purpose of helping people live Healthier, Longer, Better Lives.

For the third consecutive year, AIA Philippines was awarded at the prestigious Golden Arrow Awards in recognition of its top score in the 2022 ASEAN Corporate Governance Scorecard Assessment mandated by the Insurance Commission. The Golden Arrow is awarded to Insurance Commission Regulated Companies (ICRCs) which achieve a score of at least 80 points. A three-arrow recognition, which represents a Corporate Governance Score of 100 to 109 points, was given to AIA Philippines, which was also named as one of the top performing companies in the life insurance sector.



AIA Philippines received two Silvers and one Gold award at the 2023 Marketing Excellence Awards for the 2022 Recruitment Campaign Step Up. The two Silver awards were for Excellence in Relationship Marketing and Excellence in Mobile Marketing, while the Gold was for Excellence in Social Media Marketing.



For the 19th year, AIA Philippines was again recognized by Reader's Digest Asia's Trusted Brand Awards with 11 Platinum and eight Gold awards. The recognition was based on consumer surveys measuring trustworthiness, credibility, quality, value, understanding customer needs, innovation and social responsibility.





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



ABOUT AIA

AIA Group Limited and its subsidiaries (collectively “AIA” or the “Group”) comprise the largest independent publicly listed pan-Asian life insurance group. It has a presence in 18 markets – wholly-owned branches and subsidiaries in Mainland China, Hong Kong SAR⁽¹⁾, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei and Macau SAR⁽²⁾, and a 49 per cent joint venture in India. In addition, AIA has a 24.99 per cent shareholding in China Post Life Insurance Co., Ltd.

The business that is now AIA was first established in Shanghai more than a century ago in 1919. It is a market leader in Asia (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$286 billion as of 31 December 2023.

AIA meets the long-term savings and protection needs of individuals by offering a range of products and services including life insurance, accident and health insurance and savings plans. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents, partners and employees across Asia, AIA serves the holders of more than 42 million individual policies and over 18 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock codes “1299” for HKD counter and “81299” for RMB counter with American Depositary Receipts (Level 1) traded on the over-the-counter market under the ticker symbol “AAGIY”.

Notes:

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

AIA AT-A-GLANCE

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

which is incorporated and
headquartered in Hong Kong⁽¹⁾

**A LEADING
LIFE INSURER IN
THE WORLD**

by market capitalisation⁽¹⁾

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

Notes:

(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.

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 over
18 MILLION
participating members of group
insurance schemes

Provides protection with total
sum assured of over
US\$2 TRILLION
to people across Asia

Benefits and claims of
US\$21 BILLION
in 2023, which is an
increase of US\$2 billion
on a comparable basis⁽²⁾

**“DIGITAL INSURER
OF THE YEAR”**
by InsuranceAsia News for three
consecutive years

Received the
**GALLUP
EXCEPTIONAL
WORKPLACE
AWARD**
for two consecutive years

Named as one of the
**2023 MOST
VALUABLE
GLOBAL BRANDS**
by Kantar BrandZ



Message from the CEO

In 2023, AIA Philippines delivered in our financial performance, innovated in our offerings to our customers, leveraged technology to improve efficiency, and strengthened our agency foundation, all contributing to building AIA Philippines into a better organization.

We achieved double digit ANP growth through our diversified distribution channels, a testament to our dedication to protecting more Filipino lives. Additionally, our VONB growth demonstrates our ability to generate demand and deliver value for our shareholders.

In line with our commitment to addressing the evolving needs of our customers, we introduced innovative offerings that cater to their protection, long-term savings, and health and wellness requirements. Among the notable launches was AIA A+ Signature, our latest endowment product that also became the top-selling product for the year, contributing nearly 30 percent to total agency sales.

We introduced AIA Breast Cancer Protect Lite, our first e-Commerce product, designed to make breast cancer protection affordable and accessible. Through our collaboration with MediCard, we successfully launched AIA Med-Assist, shifting the in-patient hospitalization experience to MediCard. This integration is just the beginning, as we will continue to leverage MediCard's expertise in the healthcare space to deliver diverse solutions that address the needs of our customers.

To meet our customers' long-term savings objectives, we launched AIA Local Stewardship Funds and AIA Global Dynamic Income-Paying Fund. These new funds provide them with greater flexibility, ensuring they have the means to secure their financial future.

Our Agency Distribution sector launched a flagship program aimed at strengthening our agency foundation and fostering a high-performing culture. This comprehensive program includes initiatives to upskill our agents and agency team, enhance income propositions, and execute a recruitment strategy through integrated marketing campaigns. Supported by the Digital Intelligence Tool, this program equips our agents and leaders with the necessary tools to maximize their business with AIA.

Technology, digitalization, and analytics remain instrumental in supporting our various functions throughout the year. In Customer Operations, these tools have enabled us to make improvements to our service and enhanced our overall customer experience.

In IT, our focus has been on robust data governance and effective management practices. Notably, our Data Science team has developed the Fraud, Wastage, or Abuse (FWA) Detective and Preventive system, utilizing key risk indicators (KRIs) to identify and categorize potential fraudulent claims in real time. These technological advancements ensure the integrity of our operations and the protection of our customers' interests.

AIA Philippines remains committed to sustainability and ensuring that our efforts are efficiently tracked and measured. We have focused on two core pillars: Health and Wellness and Sustainable Operations. We successfully rolled out the Hope for the Breast program, integrating various components to empower individuals in the fight against breast cancer. Additionally, we have made significant strides in energy conservation and waste management, implementing changes that will have a lasting positive impact in the years to come.

Further details on our sustainability initiatives can be found in our dedicated ESG Report.

As we reflect on the accomplishments of 2023, I want to express my heartfelt gratitude to everyone who contributed to the success of AIA Philippines. Our employees and agency partners have remained steadfast in our Purpose, especially in the face of challenges. It is this steady commitment and shared passion that has always been key to our continued growth.

I would also like to extend my appreciation to our customers, partners, and stakeholders. Your trust and loyalty have been the driving force behind our continuous improvement and pursuit of excellence.

As we embark on a new year, we recognize that new landscapes and opportunities await us. I eagerly look forward to collaborating with all of you to take AIA Philippines to new heights. Together, we will strive to help more people live Healthier, Longer, Better Lives.



MELITA TEO
Chief Executive Officer





The AIA Philippines Management Team





HEALTHIER, LONGER,
BETTER LIVES

CORPORATE OBJECTIVES

The key focus in 2023 was to drive continuous growth for AIA Philippines by scaling up distribution teams and expanding the target market by offering health and endowment products, and products with a simpler onboarding process. There was also stronger emphasis on marketing to existing customers and providing them with better experience.

Business drivers in 2023 were the strong bancassurance channel growth, the launch of new endowment products midyear that contributed to majority of the month-on-month sales, and the uptick in repurchase from existing customers.

Product propositions were continuously enhanced to remain relevant to customers and their families. With AIA Philippines and MediCard Philippines coming together, customers now

have access to holistic propositions that allow the Company to deliver on its Purpose.

Digital transformation continued, supporting the improved service delivery of customer journeys by maximizing AIA's technology, digital and analytics capabilities. Various digital channels are made available to customers and distribution partners to support the ease of doing business objective. Campaigns were also launched, supported by predictive models that improved customer retention.

In 2024, AIA Philippines is expected to stay the course on its strategies as it works towards the fulfillment of its Purpose of helping Filipinos live Healthier, Longer, Better Lives.

FINANCIAL HIGHLIGHTS

Revenue

The release of the new endowment product boosted the performance of ordinary life new business in 2023 registering 41 percent growth vs previous year. Net premiums in 2023 is at PHP12.91 billion, lower by PHP3.47 billion compared to last year driven by lower single pay products sold coupled with paid-up variable unit linked (VUL) blocks.

Policy benefits

Benefits paid to policyholders was at PHP9.35 billion during the year, lower compared to last year by PHP3.23 billion, significantly driven by drop in maturities payment and death claims that waned post COVID outbreak.

Net income

Net income is at PHP3.25 billion during the year, lower when compared to previous year largely from unfavorable foreign exchange (FX) movement compared with the foreign exchange gains in 2022 where USD/ PH exchange rates was on an upward trend. Excluding FX impact on both years, net income in 2023 grew by PHP1.0 billion or 44 percent from 2022 driven by better insurance revenue.

Investments

Total invested asset increased by six percent during the year at PHP224.57 billion primarily coming from the rise of fair value through profit or loss (FVTPL) securities supporting unit linked fund and upward movement in the market value of available for sale financial assets.

Shareholders' equity

Slight growth in shareholders' equity in 2023 vs 2022 driven largely by unrealized gains from market value movement of available for sale (AFS) financial instruments and net income, partially pulled down by dividends payment.





Agency Distribution

Faithful to AIA Philippines' mission of racing against risk to save lives, protect dreams and secure the future of Filipinos, one of the highlights for Agency Distribution in 2023 was the successful launch of AIA A+ Signature, a protection and savings product providing guaranteed benefits up to age 100. AIA A+ Signature was the top-selling product of agents for the rest of the year, with a double digit contribution to total agency sales.

In July, Agency Distribution launched its flagship program for the agency force, expected to strengthen the agency foundation in doing business while building a high-performing culture for both the distribution channel and the agency team.

The program has several components, including a restart and refresh initiative to upskill agents and the agency team to strengthen capability and increase capacity for recruitment, activation, and productivity. This is followed by the income proposition enhancement initiative to ensure competitiveness of the potential income of an agent and leader against the industry and other job opportunities. Another component of the program is an integrated marketing campaign enhancing the advisor career and image to attract more recruits and mould them to be the advisor and leader of choice. Underlying these initiatives are the technology tools that will enable both the agent and leader's end-to-end journey in onboarding and maximizing their business with AIA.

The recruitment marketing campaign was officially launched in October with a powerful hero video featuring stories of nine successful agents and leaders from various walks of life and tenure with AIA. This was supported with out-of-home advertising in key areas in Metro Manila (EDSA, Makati, and BGC) alongside inspiring content on social media and on iRecruit, the premier application for recruitment used by agency leaders.



01



02



03



01
Chief Agency Officer
Tim Crisologo at
the Agency Leaders
Summit

02
Mindanao Agency
Leaders

03
Out-of-Home
Advertising for
Recruitment

04
#HaveThePo-
werToChange-
YourStory Hero Video
for Advisor Career
Image Enhancement

05
Recruitment Social
Media Campaign

By the last quarter of the year, the module for refresh and restart program was completed and rolled out, with a special focus on developing New Agents and Newly Promoted Leaders to drive agency expansion. The program aims to improve advisor productivity and leader capacity for recruitment and activation, with revamped training programs for both Advisors and Leaders.

Moreover, the channel's leader development program was further enhanced to develop high-performing new leaders. Because of the program, the validation rate of new leaders showed an uptick from a low double-digit average to high double-digit, leading to a higher success rate of newly appointed leaders of nearly 100 percent.

These initiatives were supported with deeper engagement with Agency Managers through the monthly Kapihan Session (Coffee Sessions) with the Chief Agency Officer (CAO). These sessions served as an avenue to strengthen the Company's partnership with its agency partners and establish focus in growing the agency force to ensure sustainability in the long run.

These programs will pave the way for AIA Philippines' journey to a position of strength, an agency force fortifying its foundation, as it fulfills the Company's Purpose of helping Filipinos live Healthier, Longer, Better Lives.

#HaveThePowerToChangeYourStory
and WIN a limited-edition AIA merchandise

- SPOT the Out-of-Home Recruitment Advertisements across Metro Manila
- SNAP your BEST Selfie / Groupie
- SHARE it on Facebook* with hashtag – #HaveThePowerToChangeYourStory
*Set the Privacy Setting of Shared Post to "Public"

AIA HEALTHIER, LONGER, BETTER LIVES

MAKATI





Corporate Solutions

As pandemic restrictions were lifted, Corporate Solutions was able to establish a firm presence in group and credit insurance for the year, and reached all segments of the corporate sector.

With MediCard Philippines becoming a subsidiary of AIA Philippines, Corporate Solutions strengthened its core proposition of protection and healthcare to multinational companies and small and medium enterprises while continuously investing in innovations to ease business transactions and guarantee a seamless customer experience.

These initiatives elevated Corporate Solutions' overall financial performance.

Among the key initiatives of Corporate Solutions was to cross-sell to customers of other AIA Philippines subsidiaries, with special programs to open the door to upsell other products. A financial literacy game play and other wellness activities were also conducted to penetrate individual leads. The AIA Philippines bancassurance subsidiary, BPI AIA, almost doubled the Annualized New Premiums (ANP) for its voluntary solutions product, Pamilya Protect. The excellent performance is attributed to the robust partnership with the bank and the sales executives' strong relationship with its customers.



01
Activations for 2023 was kicked off by the finals leg of AIA LifeHackers Year Four.

02
The newest brand ambassadors of AIA Philippines, Kathryn and Min Bernardo, were introduced as part of the Love is Better said with AIA brand campaign.

03
PR initiatives for AIA A+ Signature included an intimate roundtable discussion conducted by Tatler Philippines.

04
AIA Philippines sustained its rebrand initiatives with a leadership stance campaign communicating how the Company is bigger and better through its synergy with subsidiaries BPI AIA, AIA Investment Management and Trust Corporation Philippines (AIAIM Philippines), and MediCard Philippines.

Marketing

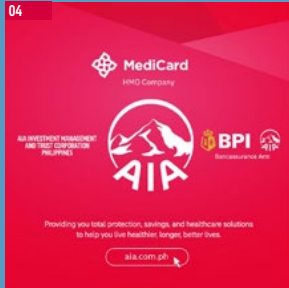
Integrated Marketing Communications

BRAND CAMPAIGNS

The brand campaign "Love is Better said with AIA" was launched in the third quarter of 2022 to own the space of Love and Responsibility. Featuring AIA Philippines' brand ambassador Gary Valenciano, the campaign continued until early 2023, with the launch of the AIA song, "It's Real Love". It was sung by Gary Valenciano and BPI AIA brand ambassador Chito Miranda, and written in collaboration with noted composer Jonathan Manalo.

By the third quarter of 2023, the brand campaign was sustained with the introduction of its mother and daughter brand ambassadors, Luzviminda (more popularly known as Min) and Kathryn Bernardo. The campaign featured the story of Min and Kathryn, showing a glimpse of their loving mother and daughter relationship, and how a life-changing event inspired Min to become an AIA Financial Advisor from 1999 to 2003.

Simultaneous with the Min and Kathryn materials was another campaign about AIA Philippines' leadership in the industry. This second campaign on AIA Philippines' leadership was a continuation of the 2021 rebrand campaign, communicating how the Company is bigger and better through its synergy with subsidiaries BPI AIA, AIA Investment Management and Trust Corporation Philippines (AIAIM Philippines), and MediCard Philippines. Each subsidiary is an important building block that supports AIA Philippines: BPI AIA as the bancassurance channel, AIAIM Philippines as the fund management business, and MediCard Philippines providing health care to customers. Together, these four companies are able to offer Filipinos a complete suite of products for their protection, long-term savings and healthcare needs.



ACTIVATIONS

January saw the official start of AIA Philippines' fourth installment of AIA LifeHackers, its hackathon event that encourages the youth to develop innovative ideas that address an identified problem for the contest. Sixteen college students and young professionals bested nearly 500 participants and won a total cash prize of PHP600,000, making it a well-participated event that allowed the youth to get to know the AIA Philippines brand from a different perspective.

By February, football season kicked off with the launch of the AIA 7s Football League, which ran until December. Simultaneous with the league were the AIA Vitality Women's Kampeon, taking place late into the first and second quarters of the year, and the AIA Vitality Men's Kampeon, which was held towards the end of the third quarter.

Concurrent with the AIA Vitality Women's Kampeon was the AIA Here to Play event held at the McKinley Hill Stadium in Taguig City, where the participants were treated to various adrenaline-pumping activities, healthy food alternatives, and a free concert.

Through these events, AIA Philippines was able to further its ownership of football in the Philippines, making football more accessible to Filipinos in support of its brand purpose of helping people live Healthier, Longer, Better Lives.

CORPORATE COMMUNICATIONS AND MEDIA RELATIONS

The first event with the business media was held in mid-May, with AIA Philippines spokespersons Kelvin Ang, AIA Philippines Chief Executive Officer, and Gary Ogilvie, AIA Philippines Chief Financial Officer, sharing updates on various aspects of the business and introducing the newly appointed Chief Executive Officer of MediCard Philippines, Julian Mengual.

By late July, back-to-back events with lifestyle and business media took place, as part of the initiatives supporting AIA A+ Signature, its newly launched endowment product.

To jumpstart the launch of AIA Global Dynamic Income-Paying Fund, the business media were invited to an intimate breakfast gathering in September, where they had a chance to hear the macroeconomic outlook from AIA Group's Chief Investment Officer, Dr. Mark Konyn.

Towards the end of September, AIA Philippines introduced Hope for the Breast to the lifestyle media. This holistic program aims to protect women and their loved ones from breast cancer through awareness, education, and protection from the disease. The program is the first and only one of its kind, offering support to women through protection via its recently launched product AIA Breast Cancer Protect Lite, and diagnosis and treatment through its Hope Mobi Clinic, which is in partnership with The Medical City.

05 Lifestyle and Health media and bloggers get to experience the mammogram screening at the Hope Mobi Clinic in the media launch of Hope for the Breast, AIA Philippines' holistic program that aims to protect women and their loved ones from breast cancer.

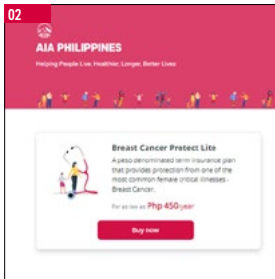
06 The AIA Here to Play event treated participants to various adrenaline-pumping activities, healthy food alternatives, and a free concert, strengthening AIA Philippines' ownership of football in the Philippines.



But among the products launched this year, the crown jewel of the wealth solutions was **AIA A+ Signature**, an endowment product that helps Filipinos create the future that they want. AIA A+ Signature enables them to get closer to their dream future through the guaranteed benefits and cash pay-outs it offers. Perfect for providing financial security in times of uncertainty, it was a highly coveted product that established AIA as the financial protection partner of mass affluent Filipinos.

The second half of 2023 focused on health solutions enablers to support both customers and the distribution force. Among these was the successful launch of **AIA Breast Cancer Protect – Lite**, its first e-Commerce product that was part of the Company's Hope for the Breast program. This product is an affordable solution for middle-class Filipinas who want to ensure that they will get the breast cancer protection they need at a price they can afford. Alongside its primary function of providing protection, the product was able to expand to a new channel: helping AIA Philippines penetrate the digital insurance market.

With the acquisition of HMO giant MediCard Philippines, it was a natural next step for AIA Philippines to integrate it into its business. As one of the proof points of the **MediCard integration** project, the new customers of AIA Med-Assist will now avail of their in-patient hospitalization coverage from MediCard. Filipinos can expect similar initiatives in the future, as AIA Philippines leverages MediCard's strength in the healthcare space to provide varied solutions that will address their needs. In the last quarter of the year, **AIA Global Dynamic Income-Paying Fund**, AIA Philippines' most innovative investment channel to date, was released. Expertly managed by AIA Investment Management Singapore, this is an income-generating fund originally available in other AIA markets and now finally made accessible to Filipinos. With the fortified Total Health and Wealth Solutions portfolio, AIA Philippines is even better positioned to help more Filipinos live Healthier, Longer, Better Lives.



Products

Coming out of the pandemic, the clamor for products for financial preparedness and health protection led to demand for **Total Health and Wealth Solutions**, driving AIA Philippines to develop products and initiatives that brought to life AIA Philippines' commitment of creating solutions that address Filipinos protection, long-term savings and healthcare needs.

The year started with the launch of **Single Pay Dollar Fund**. Available through Money Tree, the product features a balance of traditional and investment-linked efforts designed to help customers achieve their financial goals.

A new investment option through the **AIA Local Stewardship Funds** was also introduced to customers. These fund options grow customers' savings under the expert management of AIA Philippines' recently established local investment subsidiary, AIA Investment Management and Trust Corporation Philippines.

01 AIA A+ Signature, an endowment product that helps Filipinos create the future that they want, was AIA Philippines' top selling product for 2023.

02 AIA Philippines' first e-Commerce product, AIA Breast Cancer Protect – Lite, was launched. This product meant to protect women against breast cancer is an affordable solution for middle-class Filipinas.



03

Health and Wellness

In 2023, AIA Philippines continued to empower customers to live Healthier, Longer, Better Lives through its Total Health Solution proposition—offering solutions that help them understand and manage every aspect of their health, wellness and protection needs.

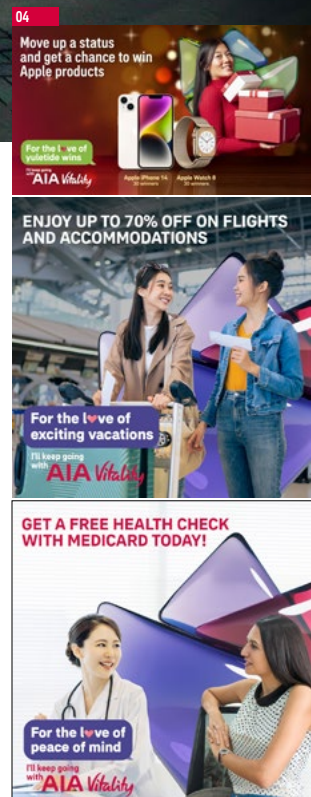
Key to engaging customers to live better is AIA Vitality, AIA Philippines' science-backed program that drives long-term behavior change by rewarding customers for making healthy choices. Year-long initiatives were implemented to ensure the attractiveness and relevance of the program, leading to better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

- AIA Vitality membership closed at over a hundred thousand by the end of the year.
- Year-end member engagement was double digit, 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 to power its employee wellness program, BPI Well.

With the acquisition of MediCard Philippines, Inc., 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 served 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.

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



03

The Asics Rock 'N Roll running series was one of the many sporting events sponsored by AIA Vitality in 2023.

04

A few of several exciting promos in 2023 that drove member engagement for AIA Vitality.



Real Estate

The real estate sector continued to normalize in 2023, following the COVID-19 pandemic. While the gains were not substantial to get the real estate market to pre-pandemic conditions, industry experts are confident that the worst is over and that the market is on its way to recovery, albeit gradually. Although there is a generally positive movement and activity in the properties sector, it is still a tenant's market due mainly to the oversupply of available spaces from recently completed office development projects adding to the inventory of spaces vacated during the pandemic.

Property Upgrades

In December, the final phase of the AIA Tower elevator modernization project was completed. This involved upgrading all the equipment and mechanism of the elevators in the building, including the replacement of the LCD screens. Other minor improvements done to the building were the renovation of the AIA Tower cafeteria, the rehabilitation of its ventilation and air-conditioning systems, as well as providing additional dining tables and chairs, some with parasols, at the ninth floor veranda dining area.

Structural retrofitting of other AIA Philippines-owned properties continue, in compliance with

the latest national building codes. Among these, the structural retrofits and earthquake damage repair of the buildings in AIA Baguio and AIA Laoag were completed. Substantial upgrades were also done to the AIA Davao building, including the waterproofing and repainting of the building exterior, and renovation of the lobby.

Green Operations

In February 2023, the other AIA Philippines flagship property, AIA Center Cebu, successfully shifted its energy source to 100 percent renewable energy supply. This is the first among all the owned properties to be powered by green energy, with the others undergoing evaluation for the same upgrade.

The shift to 100 percent LED lighting in the common areas of owned buildings and occupied premises has also been completed.

Office Relocations

Following the initial relocation of the AIA Philippines head office to the 23rd floor of AIA Tower in December 2022, the consolidation of all the head office units to Makati City was completed, occupying the satellite offices at the 12th Floor of AIA Tower, 5th Floor of AIA Salcedo and 9th Floor of BDO Paseo Tower.

Information Technology

In the dynamic landscape of Information Technology (IT), AIA Philippines has emerged as a beacon of innovation, and achieved milestones in 2023. The year was marked by a series of strategic advancements across various domains all borne in the cloud platform, underscoring the Company's commitment to harness and maximize its technological capability to deliver operational excellence.

A transformative wave also swept across Operations, Agency, and Partnership Distribution, with over 31 enhancements augmenting the Company's technological infrastructure, contributing to continuous refinement and improvement. AIA Philippines' Information

Technology team has also successfully released applications and platforms that represent pioneering steps in its transformation journey.

These achievements represent a year of significant progress for IT, reflecting AIA Philippines' commitment to pushing the boundaries of excellence in technology, digital and analytics, and maximizing its capabilities to deliver a higher level of service to internal and external stakeholders.

Customer Operations

This year, Customer Operations maintained its focus on delivering the first of a series of initiatives to complete AIA Philippines' 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-degree 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 improve accuracy of assessments done, fast tracking the response time. The corporate websites were also updated to make navigation easier and operable 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 continued, in keeping with AIA's Green Operation ESG pillar. The various digital channels, i.e. iPOS for New Business processing, MyAIA and the AIA website for self-service processes, iServe and iCare for after sales, and Claims 24/7 for claims, allowed 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 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' customer insights community, was also launched to co-create new products, and test prototypes and usability with customers and agents. This gave AIA and the community members the chance 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' total value proposition and keep it one step ahead in understanding customers' needs. These are expected to come together and drive the Company to be the insurance provider of choice, helping AIA Philippines 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 where people can thrive 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 everyday, AIA

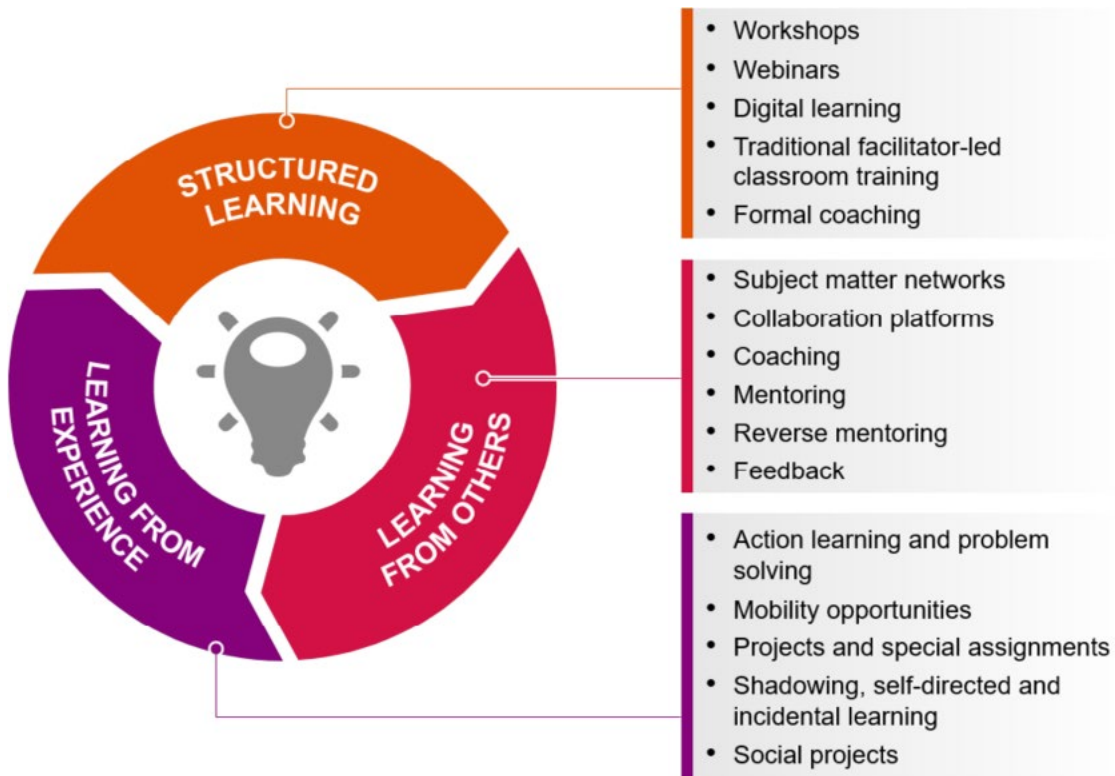
Philippines employees do the Right Thing in the Right Way, with the Right People, thus creating long-term value for all its stakeholders, delivering on its Purpose of helping people live Healthier, Longer, Better Lives.

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.

Holistic Learning Development

AIA Philippines believes in providing employees with growth opportunities so they can make a difference in their own unique way. They are given learning opportunities through different learning methodologies.





First is through Structured Learning. This can come in the form of workshops, webinars, digital learning, certifications, and facilitator-led trainings and 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 specially 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 and gather inputs on a regular basis, giving them valuable insights that may influence people-related decisions, continuously improve employee experience, and increase employee engagement.

BUSINESS REVIEW

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 model 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 Drive.

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 both 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 is 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.

BUSINESS REVIEW

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. It 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. The wearing of IDs 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.

BPI AIA

BPI AIA further established its stance as a leading bancassurance company in the Philippines in 2023. Through its milestone products, BPI AIA Aspire and PamilyaProtect, the company was able to save almost 800,000 lives throughout the year.

MyData continues to match customers with the best suited life insurance product for them. The BPI AIA sales force and BPI bank partners continue to use this technology to shorten the customer's application process, ensuring that they and their loved ones are protected as fast as possible.

In 2023, BPI AIA brand ambassador Chito Miranda was joined by his wife, celebrity-entrepreneur, Neri Naig-Miranda with the continuation of the "Love is Better Said with BPI AIA" campaign. Later in the year, a major recruitment campaign was launched

to strengthen the Bancassurance Sales Executives' presence in the 700-strong branches of its bank partner, Bank of the Philippine Islands.

As a testament to its continued success, BPI AIA was awarded "Best Life Insurance Company" in the Philippines by World Finance Magazine. This is the seventh consecutive year that the company has been recognized.

AIA Investment Management and Trust Corporation Philippines (AIAIM Philippines), formerly Philam Asset Management, Inc. (PAMI)

AIAIM Philippines is a wholly owned company of AIA Philippines providing on-the-ground application of AIA Investment Management investment expertise to Philippine assets. In 2022, the Bangko Sentral ng Pilipinas (BSP) approved the application of AIAIM Philippines to operate as a Trust Corporation. In May 2022, AIAIM PH started to manage the peso investment portfolio of AIA Philippines, and focused on investment requirements that support its core insurance business.

As of 31 December 2023, AIAIM PH manages PHP164.1 billion across asset classes and has a team of 26 employees. AIAIM PH solely caters to the needs of AIA Philippines and dedicates investment resources to manage its peso assets.

MediCard Philippines

MediCard is a leading Health Maintenance Organization (HMO) offering total healthcare services to corporations, SMEs, individuals and families.

MediCard has sustained its leadership position as it remains among the Top 3 HMOs in the Philippines and Top 500 corporations in the Philippines, attributed to its strong market presence and continuous effort to establish connections between its HMO card, MediCard clinics located at key cities, partners and doctors nationwide to provide the healthcare that Filipinos deserve.

MediCard now boasts over one million members and over 63,000 accredited doctors in over 2,000 hospitals and clinics nationwide.

Our Management Team



MELITA TEO
Chief Executive Officer



KAREN CUSTODIA
Chief Executive Officer, BPI AIA



ELLEN IMASA
Chief Human Resource Officer



MELISSA ANGELA HENSON
Chief Marketing Officer



JULIAN MENGUAL
Chief Executive Officer,
MediCard Philippines



ANGEL MARIE PACIS
Chief Executive Officer, AIA
Investment Management and Trust
Corporation Philippines



GARY OGILVIE
Chief Financial Officer



MARIA CRISTINA HELENA SAMANIEGO
Chief Risk and Compliance Officer



CARLA DOMINGO
Chief Legal Officer
and Corporate Secretary



TEODULO MARTIN CRISOLOGO
Chief Agency Officer



CORPORATE GOVERNANCE

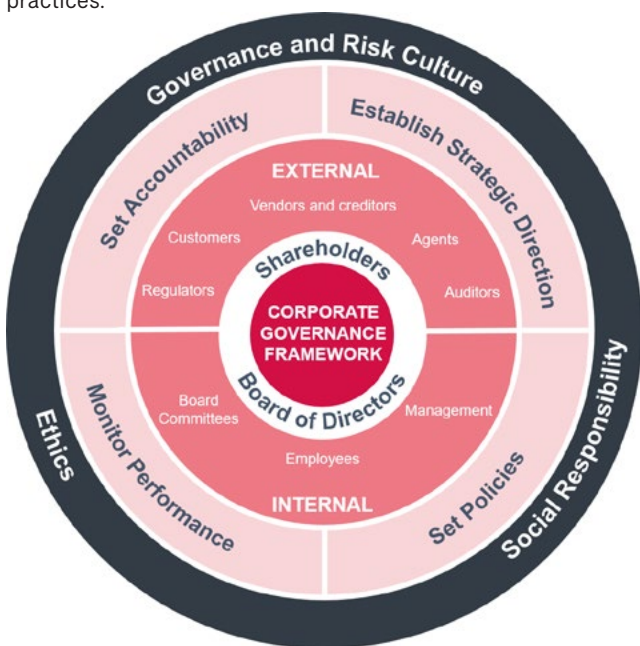
AIA Philippines is committed to the highest standards of the Code of Corporate Governance, which is rooted in the belief that a culture of integrity and transparency is essential to the consistent achievement of its goals. Creating a sustainable culture, where trust and accountability are as vital as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

Corporate Governance Policy

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

Corporate Governance Framework

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



Role and Responsibilities of the Board

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

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

Board Independence and Diversity

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

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

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

Board Process

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

BOARD OF DIRECTORS	
Chairman of the Board	Leo Michel Grepin
Executive Director	Melita Teo, CEO*
Non-Executive Director	Mitchell David New Jayne Plunkett
Independent Directors	Doris Magsaysay Ho Joaquin E. Quintos, IV Gregorio T. Yu Aurelio R. Montinola, III
Corporate Secretary	Carla J. Domingo

*Replaced Kelvin Ang effective 01 January 2024

In addition to the regular meetings, the directors also engage in informal meetings on a quarterly basis to further discuss issues and strategies. Non-executive directors also find time to meet separately to discuss the business affairs of the Company. Independent Directors likewise regularly meet with management, the compliance officer, the internal auditors, and the external auditors, separately, to ensure proper check and balance is achieved by the Company.

The Company also 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.

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 formal, rigorous and transparent procedures for the selection and appointment of directors of the Board and senior management. Appointments to the AIA Philippines Board of Directors or senior management are made on merits and subject to objective criteria as set forth in the Corporate Governance Manual. Careful deliberation and consideration are done to ensure that nominees are fit-and-proper to sit in the Board or in senior management. From time to time, the Company commences the selection and nomination process for the succession of directors to provide continuity, retirement and replacement of directors to be done on a staggered basis.

The Company, through its major shareholder and the Corporate Governance Committee (acting as the Nomination and Remuneration Committee, pursuant to IC Circular 2020-

71), considers the knowledge, competencies, skills, and experience of the nominee-director or senior executives, taking into account the Company's business objectives and strategies. The Company ensures that its Board membership and senior management consist of highly qualified individuals with sufficiently diverse talents, skills, experience and background, and possess a record of integrity and good reputation. Another primary consideration in the hiring process is, based on the wealth of experiences of the nominees, their possible contribution to the development and achievement of strategies and ultimate achievement of the Company's goals and objectives. This is important to ensure that the quality of directors is aligned with the Company's strategic directions.

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

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

Procedure for Election of Directors

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

New Director Orientation Program and Continuous Annual Board Training

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

SEMINARS ATTENDED BY THE BOARD OF DIRECTORS, 2023

DIRECTOR	TRAINING/SEMINAR
Kelvin Ang	<ul style="list-style-type: none"> • Corporate Governance Orientation Program by the ICD, 28-Aug-19 • IC-Mandated Annual Continuing Board Training on Corporate Governance, 09 December 2020 • IC-Mandated Annual Continuing Board Training on Corporate Governance, 04 November 2021 • IC-Mandated Annual 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
Antonino Aquino	<ul style="list-style-type: none"> • Orientation Course for Corporate Governance by the ICD, 18-Feb-15 • IC-Mandated Annual Continuing Board Training on Corporate Governance, 09 December 2020 • IC-Mandated Annual Continuing Board Training on Corporate Governance, 04 November 2021 • IC-Mandated Annual 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
Leo Michel Grepin	<ul style="list-style-type: none"> • IC-Mandated Annual 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
Francis Estrada	<ul style="list-style-type: none"> • Professional Directors Program on Corporate Governance by ICD, 24 to 28 May 2004 • Chairman of the Board of ICD, and with attendance in various roundtable discussions, trainings and seminars undertaken by said institution • IC-Mandated Annual Continuing Board Training on Corporate Governance, 09 December 2020 • IC-Mandated Annual Continuing Board Training on Corporate Governance, 04 November 2021 • IC-Mandated Annual 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
Doris Magsaysay Ho	<ul style="list-style-type: none"> • Orientation Course on Corporate Governance by ICD, 27 November 2014 • Corporate Governance by SGV on 08 December 2017 • Corporate Governance Seminar by Center for Global Best Practices, 14 December 2018 • IC-Mandated Annual Continuing Board Training on Corporate Governance, 09 December 2020 • IC-Mandated Annual Continuing Board Training on Corporate Governance, 04 November 2021 • IC-Mandated Annual 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
Mitchell David New	<ul style="list-style-type: none"> • Corporate Governance, 02 November 2020 • AIA Singapore <ul style="list-style-type: none"> - Reimagining Your Cyber Security Strategy (via online webcast 09 February 2021) - Valuation—Addressing Challenges in Uncertain Economic (via online webcast 18 February 2021) - Cyber Awareness Training by RSM— Board members and ExCo members (held on 28 October 2021) • PT Indonesia <ul style="list-style-type: none"> - Anti-Money Laundering and Anti-Terrorist Financing Training 2020 (completed by 06 January 2021) • AIA Group (with Board of Directors) <ul style="list-style-type: none"> - Group Wide Supervision (GWS) training on Group Internal Economic Capital Assessment (GIECA) and other areas under the GWS framework (held on 07 September 2021) • ACP 4 – Maximizing the Value of Internal Audit conducted by the Singapore Institute of Directors (held on 06 June 2022) • NCP 1 – Leveraging Board Diversity for Performance conducted by the Singapore Institute of Directors (held on 05 April 2022) • Board of Directors Programme (held from August 28 to 30, 2023) • Cyber Awareness Training for AIAIM Board of Directors (held on 06 November 2023) • Anti-Money Laundering & Anti-Terrorist Financing Training 2023 • Qualified Risk Governance Professional (QRGP) Recertification • IC-Mandated Annual Continuing Board Training on Corporate Governance, 18 September 2023 and 26 October 2023

SEMINARS ATTENDED BY THE BOARD OF DIRECTORS, 2023

DIRECTOR	TRAINING/SEMINAR
Jayne Plunkett	<ul style="list-style-type: none"> • BDF-Board and Director Fundamentals (held online), 28 September 2020 • IC Mandated Annual Continuing Board Training on Corporate Governance, 09 December 2020 • IC-Mandated Annual Continuing Board Training on Corporate Governance, 04 November 2021 • Annual Director Training, AIA Singapore Pte Ltd, 6 October 2022 • Knowing Me Knowing You Workshop 2022, Life Skill Institute, Singapore, 11 October 2022 • Director Orientation Program, TATA AIA Life Insurance Co Ltd, 9 November 2022 • IC-Mandated Annual 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
Joaquin Quintos, IV	<ul style="list-style-type: none"> • Orientation Course on Corporate Governance by ICD, 03 December 2012 • Advance Corporate Governance Training, 23 October 2020 • IC-Mandated Annual Continuing Board Training on Corporate Governance, 09 December 2020 • IC-Mandated Annual Continuing Board Training on Corporate Governance, 04 November 2021 • IC-Mandated Annual 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
Aurelio Montinola, III	<ul style="list-style-type: none"> • Anti-Money Laundering and Counterterrorist and Proliferation Financing Seminar, 18 September 2023 • IC-Mandated Annual Continuing Board Training on Corporate Governance, 18 September 2023 and 26 October 2023
Gregorio Yu	<ul style="list-style-type: none"> • IC-Mandated Annual Continuing Board Training on Corporate Governance, 18 September 2023 and 26 October 2023

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

Performance Evaluation

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

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

the Chairman, and the senior management; the overall performance of the Chairman, the CEO, the independent directors, the Board and the various Board Committees.

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

For 2023, the Board of AIA Philippines conducted a self-assessment with the objective of identifying opportunity areas for improvement, as well as assess if their skills and expertise match the strategic direction that the Company is taking. Findings are summarized as follows:

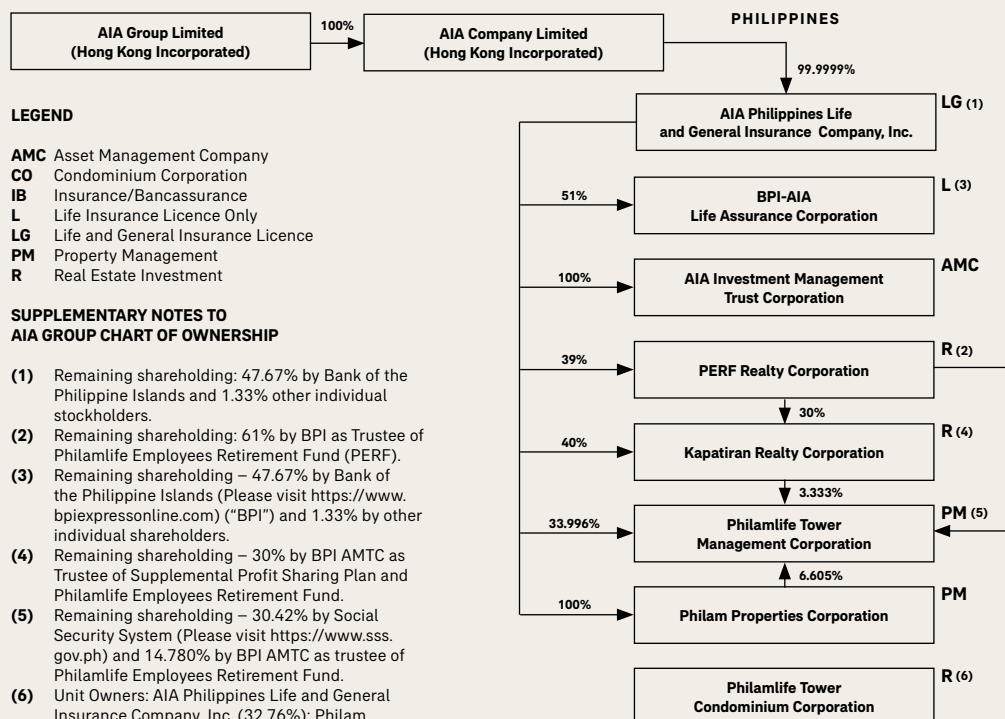
- The Board has a good balance of skills, capabilities and experience which are necessary for the Board to perform its duties. Its size and composition are adequate and appropriate.
- The Board also has good knowledge and understanding of the Company's vision, mission, objectives, and strategies; it continuously considers shareholder value and long-term shareholder interests in its decisions-making process.

LIST OF STOCKHOLDERS

	Shares Held	Class	Amount Paid	Percentage of Ownership	Nationality	Beneficiary Ownership
AIA Company Limited	199,560,514	Common	1,995,605,140.00	100.00%	Hong Kong SAR	
Leo Michel Grepin (Non-Executive Director/Chairman)	1	Common	10		American	AIA Company Ltd
Kelvin Ang* (Executive Director/CEO)	1	Common	10		Malaysian	AIA Company Ltd
Mitchell David New (Non-Executive Director)	1	Common	10		Canadian	AIA Company Ltd
Gregorio T. Yu (Independent Director)	1	Common	10		Filipino	AIA Company Ltd
Aurelio R. Montinola, III (Independent Director)	1	Common	10		Filipino	AIA Company Ltd
Joaquin E. Quintos, IV (Independent Director)	1	Common	10		Filipino	AIA Company Ltd
Doris Magsaysay Ho (Independent Director)	1	Common	10		Filipino	AIA Company Ltd
Jayne Plunkett (Non-Executive Director)	1	Common	10		American	AIA Company Ltd
Estate of Luis Yulo	149	Common	1,490.00	0.00%	Filipino	
TOTAL	199,560,671		1,995,606,710.00	100.00%		

*Until 31 December 2023. Replaced by Melita Teo effective 01 January 2024

AIA PHILIPPINES GROUP CHART OF OWNERSHIP



CAPITAL STRUCTURE

Authorised Capital Stock:
 PHP2,700,000,000.00

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

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

Treasury Share:
 67,349,329 as of April 2023

Par Value:
 PHP10.00/share

AUDIT AND RPT COMMITTEE

Gregorio T. Yu, Chairman
(Independent Director)

Joaquin E. Quintos IV
(Independent Director)

Doris Magsaysay Ho
(Independent Director)

EXECUTIVE COMMITTEE

Leo Michel Grepin, Chairman
(Non-Executive Director)

Melita Teo, Vice-Chairman*
(Executive Director)

Mitchell David New
(Non-Executive Director)

*Replaced Kelvin Ang effective 01 January 2024

BOARD RISK COMMITTEE

Francis Estrada, Chairman
(Lead Independent Director)

Doris Magsaysay Ho
(Independent Director)

Antonino T. Aquino
(Independent Director)

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

Doris Magsaysay Ho, Chairperson
(Independent Director)

Mitchell David New
(Non-Executive Director)

Joaquin E. Quintos IV
(Independent Director)

- In terms of Board dynamics, the Board shows excellent working relationship and positive atmosphere due to high level of trust among the members. The Board has continuously shown the ability to cope with conflict and differing views.
- Board meetings are consistently held on a regular and efficient manner.
- In terms of Board support, the timeliness and quality of the materials and reports provided by management was also recognized.

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

Board Meetings in 2023

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

Before the start of the financial year, the Corporate Secretary advises the members of the Board of the schedules of their meetings, which may change subject to their availability

and other reasonable circumstances. Board meetings are regularly set on a quarterly basis, while special meetings are called by the Chief Executive Officer, or as provided in the Company-By-Laws.

Five days prior to the scheduled meetings, the Corporate Secretary sends to the members of the Board their respective meeting packs, which would contain, among others, the Board and Committee meeting minutes, the management report and financial highlights, and other items that need action and approval of the Board.

For 2023, the Board of Directors had a total of eight meetings, where the Board posted an overall attendance rate of 92.19 percent.

Non-Executive Directors Meeting

The Non-Executive Directors (NEDS) have separate meetings with each of the External Auditor and Head of Internal Audit both without the presence of management last 18 January 2023, 20 April 2023, 24 July 2023, and 25 October 2023.

On the other hand, the NEDS meetings with the Chief Risk and Compliance Officer were held on 18 January 2023, 20 April 2023, 24 July 2023, and 25 October 2023.

BOARD OF DIRECTORS

MEMBER	DATE OF MEETING
	18 January 2023 (Regular) 20 April 2023 (Outgoing) 20 April 2023 (Organizational) 24 July 2023 (Regular) 30 September 2023 (Special) 25 October 2023 (Regular) 14 November 2023 (Special) 21 December 2023 (Special) 8 Meetings (92.19%)
Kelvin Ang*	8 Meetings (100%)
Antonino Aquino (until 20 April 2023) Gregorio T. Yu (effective 20 April 2023)	8 Meetings (100%)
Leo Michel Grepin (effective 12 May 2022)	8 Meetings (100%)
Francis Estrada (until 20 April 2023) Aurelio R. Montinola, III (effective 01 July 2023)	8 Meetings (100%)
Doris Magsaysay Ho	8 Meetings (100%)
Joaquin E. Quintos, IV	8 Meetings (100%)
Mitchell David New	4 Meetings (50%)
Jayne Plunkett	7 Meetings (87.50%)

*Until 31 December 2023. Replaced by Melita Teo effective 01 January 2024

BOARD RISK COMMITTEE

MEMBER	DATE OF MEETING
	21 March 2023 (Regular) 20 June 2023 (Regular) 25 October 2023 (Regular) 3 Meetings (93.33)
Antonino Aquino (until 20 Apr 2023) Gregorio T. Yu (effective 20 Apr 2023)	3 Meetings (100%)
Francis Estrada (until 20 Apr 2023) Aurelio R. Montinola, III (effective 01 July 2023)	2 Meetings (66.67%)
Kelvin Ang	3 Meetings (100%)
Doris Magsaysay Ho	3 Meetings (100%)
Jayne Plunkett	3 Meetings (100%)

AUDIT AND RPT COMMITTEE

MEMBER	DATE OF MEETING
	18 January 2023 (Regular) 20 April 2023 (Regular) 24 July 2023 (Regular) 25 October 2023 (Regular) 4 Meetings (91.66%)
Antonino Aquino (until 20 Apr 2023) Gregorio T. Yu (effective 20 Apr 2023)	4 Meetings (100%)
Francis Estrada (until 20 Apr 2023) Doris Magsaysay Ho (effective 20 Apr 2023)	3 Meetings (75%)
Joaquin E. Quintos, IV	4 Meetings (100%)

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

MEMBER	DATE OF MEETING
	23 March 2023 21 June 2023 12 September 2023 14 November 2023 5 December 2023 5 Meetings (86.66%)
Doris Magsaysay-Ho	5 Meetings (100%)
Joaquin E. Quintos, IV	4 Meetings (80%)
Mitchell David New	4 Meetings (80%)

Fee Structure and Remuneration of Directors

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

Considering the above, and in view of the stricter corporate and regulatory environment in the country, the Company believes that the independent directors should be adequately compensated for the knowledge, skills, and expertise they share and impart to the Board; for the time and effort they provide to the Company; and for potential risks and liability they may be exposed to as its members. The fee structure of



the independent directors is based on various factors such as, but not limited to, director’s qualification and experience, skills, and expertise; financial services sector benchmark; market condition; and regulatory environment.

The CEO is given a total rewards package that consist of guaranteed and variable components that reward performance and value created for the Company. The CEO’s reward components is aligned with the Company’s rewards framework: 1) Guaranteed compensation which includes base salary, allowances, and contractual bonus that is reviewed annually to reflect market and individual performance, as well as value created for the Company; 2) Short-term Incentive to reward achievement of business and individual performance metrics enabling the individual to share in the immediate success of the Company; 3) Discretionary Long-term Incentive to motivate and reward the individual who has contributed.

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 fees. For 2023, the total annual gross fees of the independent directors of the Company amounted to Philippine Pesos: 6,700,000.00, broken down as follows: 1) Antonino Aquino – PHP1,400,000.00; 2) Francis Estrada – PHP1,460,000.00; 3) Joaquin Quintos, IV – PHP1,700,000.00; 4) Doris Magsaysay Ho – PHP1,720,000.00; 5) Gregorio T. Yu – PHP 240,000.00; and 6) Aurelio R. Montinola, III – PHP 180,000.00.

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

Dividend Policy

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

For the year 2023, the Company declared PHP8,064,705,882.33 cash dividends.

New Board Charter, Revised Corporate Governance Manual and Policies

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

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

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

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

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

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

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

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

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

h. Internal Audit Charter – sets out, among others, the role, mission, scope and responsibilities of the Company’s internal audit functions, called Group Internal Audit Philippines (GIAPH), including arrangements for ensuring GIAPH’s independence and objectivity. It articulates GIAPH’s purpose, which is to support the Board, the Audit Committee, and the senior management to protect the assets, reputation and sustainability of the Company.

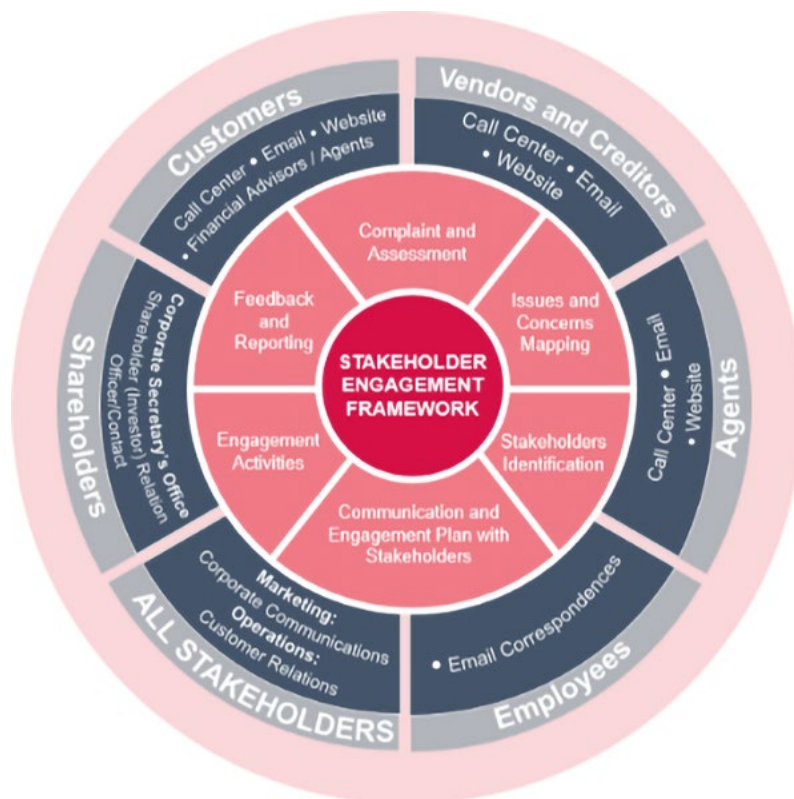
It further provides that GIAPH’s mission is to provide independent and objective assessment and reporting of the overall effectiveness of risk management, internal controls and governance processes and appropriately challenge executive management to improve the effectiveness of these processes.

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

Stakeholder Engagement Framework

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

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



A. VARIOUS ENGAGEMENTS

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

B. REGULATORY AND CONDUCT-RELATED ENGAGEMENTS

Priority Stakeholders	Common Touchpoints		
Customer	Data Privacy: dpo@aia.com	Whistleblower/conduct complaints: compliance@aia.com www.aiaethicsline.com 1010-5511-00 (PLDT) then dial 800-245-4179 105-11 (Other providers) then dial 800-245-4179	
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
Customers	Digital	My AIA https://www.aia.com.ph/en/myaia/home.html/home	Operations	Primary digital platform that gives customers direct access to information about their policy, as well as apply minor changes to their policy details.
	Digital	Website https://www.aia.com.ph/	Operations	Digital platform where customers can submit claim request, update their contact info, enroll their benefit pay out (CTA/PUA), and pay electronically.
	Digital	iServe	Operations	The platform used by CSC/ financial advisors to assist customers in submitting aftersales requests via digitalized forms.
	Digital	Mailbox <ul style="list-style-type: none"> • customerservice.ph@aia.com – AIA Philippines customer touch-point mailbox • customercare.ph@aia.com – AIA Philippines Customer Care Office Mailbox • claims@aia.com – AIA Philippines Claims Mailbox • policyrequests@aia.com – Policy Owners Servicing AIA Philippines Policy Requests Mailbox 	Operations	Email addresses where customers can send their inquiries/request.

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



Annual Organization People Review (OPR) and Performance Development Dialogue (PDD)

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

The Corporate Governance Committee and the Board also approve the Company's PDD ensuring that remuneration and incentives granted the management, including the

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

2023 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 following topics:

IC-MANDATED ANNUAL CONTINUING BOARD TRAINING ON CORPORATE GOVERNANCE

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		

COMPANY	NAME	QUALIFICATION
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.
Quisumbing Torres	Eleanor Dyan Garcia Associate	Eleanor 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.
EY	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.
EY	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.

Board of Directors' Profiles



LEO MICHEL GREPIN (48)

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

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

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

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

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



MELITA TEO (49)

Executive Director,
Chief Executive Officer
(since 01 January 2024)

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 likewise 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.



MITCHELL DAVID NEW (60)

Non-Executive Director
(since 01 May 2020)

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

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



JAYNE PLUNKETT (54)
Non-Executive Director
(since 01 May 2020)

Jayne Plunkett is the Group Chief Risk Officer responsible for AIA Group’s risk and compliance functions. She is a director of various Group companies, including AIA Singapore Private Limited and AIA Philippines. Ms. Plunkett joined AIA in November 2019 from Swiss Re, where she was most recently Chief Executive Officer Reinsurance Asia, Regional President Asia, and member of the Group Executive Committee. She is appointed as a director of AIA Co Ltd effective 30 April 2024.

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



GREGORIO T. YU (65)
Independent Director
(effective 20 Apr 2023)

Gregorio T. Yu is a Philippine businessperson who has been the head of various companies. Currently, Mr. Yu is Chairman of Nexus Technologies Inc. and is a director of the Philippine Bank of Communications Inc. He is also on the board of a number of other public and private companies.

In his past career, he occupied the position of President and Chief Executive Officer of Belle Corporation, the developer of the Tagaytay Highlands complex. He was also the President of Tagaytay Highlands International Golf Club; The Country Club at Tagaytay Highlands, and The Tagaytay Midlands Golf Club. Mr. Yu was also a Trustee of the Government Service Insurance System, and Director and Chairman of the

Restructuring Committee of Philippine Airlines Inc. He was President and CEO of Pacific Online Systems Inc., Treasurer and Executive Director at National Reinsurance Corporation of the Philippines; Chairman and President of Philequity Fund, Philequity PSE Index Fund, Philequity Peso Bond Fund, Director of Corporate Finance at Chase Manhattan Asia Limited (Hong Kong), Vice President-Area Credit at The Chase Manhattan Bank N.A. (Hong Kong), Chairman of Xavier School Educational & Trust Fund Inc and Trustee of Xavier School.

Gregorio T. Yu received an undergraduate degree from De La Salle University and an MBA from The Wharton School of the University of Pennsylvania.



AURELIO R. MONTINOLA, III (72)
Independent Director
(effective 01 July 2023)

Aurelio Montinola, III has been the Chairman of the Board of Trustees of Far Eastern University, Inc. since August 2013, after serving as its Vice Chairman from June 1989 to August 2013.

Mr Montinola’s other Corporate Affiliations include Amon Trading Inc., East Asia Computer Center, Inc., Roosevelt College, Inc., and National Golf Association of the Philippines as the Chairman; the Philippine Business for Education Foundation (PBED) as the Vice Chairman; and AIA Philippines Life and General Insurance Company, Inc. as an Independent Director. He was President of BPI from 2005-2013 and was a former President of the Bankers

Association of the Philippines and the Management Association of the Philippines (MAP).

He is currently a Director of the Bank of the Philippine Islands, and Independent Director of Roxas and Company Incorporated, which are both listed corporations.

He graduated with a BS Management Engineering degree at the Ateneo de Manila University in 1973, and received his MBA from Harvard Business School in 1977. He was awarded the 2005 and 2010 Asian Banker Leadership Award for the Philippines and the MAP Management Man of the Year Award in 2012.



DORIS MAGSAYSAY HO (72)
Independent Director
(since 22 April 2015)

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

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

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

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

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

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

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



JOAQUIN E. QUINTOS IV (64)
Independent Director
(since 22 April 2015)

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

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

Mr. Quintos was also the former President of IBM Philippines, where he held various

management positions for 27 years. His successful career included assignments at IBM's headquarters in Singapore and New York.

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

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

Board Support



CARLA J. DOMINGO
Corporate Secretary

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

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

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

Atty Domingo is a fellow of the Institute of Corporate Directors. She is supported by Atty 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.



MARIA CRISTINA HELENA G. SAMANIEGO
Chief Risk and Compliance Officer

Maria Cristina Helena Samaniego, the Chief Risk and Compliance Officer of AIA Philippines, is a Senior Vice President and a member of the Company's Executive Committee. Ms. Samaniego is not a member of the board of the Company. She has been attending the IC-mandated annual board continuing training on corporate governance since 2020, including the one held on 26 October 2023.

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.

OPERATING PHILOSOPHY

AIA Code of Conduct

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

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

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

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

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

Code of Conduct Annual Certification

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

New Employees’ Orientation Program (NEOP)

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

Treating Customers Fairly

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

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

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

Anti-Fraud Policy

AIA Philippines adopts a zero-tolerance approach to fraud and expects all employees and third parties to act with honesty and integrity. The policy is intended to reinforce

management procedures designed to aid in the prevention, detection, and investigation of fraud, thereby safeguarding the Company's assets and providing protection from the legal and reputational consequences of fraudulent activity. All suspected cases of fraud are investigated, and disciplinary procedures enforced, including prosecution and termination.

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

Anti-Corruption and Bribery

AIA Philippines implements a robust Anti-Corruption Program supported by an Anti-Corruption Policy. The Policy sets out the organization approach, roles and responsibilities, and minimum standard to ensure that AIA businesses implement a robust Anti-Corruption Program. The Policy is applied alongside the AIA Code of Conduct.

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

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

Conflict of Interest

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

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

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

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

Fair Dealing Policy and Creditor's Rights

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

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

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

Investment Standard – Personal Dealing

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

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

The AIA Investment Standard – Personal Dealing is intended to address three fundamental principles that must guide the personal investment activities of Investment Access Persons including their associated persons (i.e. spouse and/or minor children, individuals who receive financial support from an Access Person), in light of their duties:

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

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

Related Party Transaction

AIA Philippines recognizes the importance of establishing and maintaining policies and procedures for transactions between related parties. The Company is mandated to ensure that such transactions are only undertaken on an arm's length basis for the financial, commercial and economic benefit of the Company and the entire group where it belongs. The Company, including its subsidiaries and affiliates, is expected to exercise appropriate oversight and implement effective control systems for managing said exposures as these may potentially lead to abuses that are disadvantageous to the Company and its policyholders, members, claimants, creditors, fiduciary clients and other stakeholders.

The Related Party Transactions (RPT) Policy of the Company is adopted to ensure that there is an effective compliance

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

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

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

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

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

For 2023, the Company declares that all related party transactions are conducted at arm's length basis.

Whistleblower Protection Program

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

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

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

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

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

Good Corporate Citizenship

Prevention of Insider Trading and Market Misconduct

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

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

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

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

Information on other securities which AIA may have received or may expect to receive material, non-public information, or are otherwise subject to restrictions in trading, are

placed on watch lists or restricted lists. Trading activities in securities included in these lists are restricted and/ or actively monitored.

Anti-Money Laundering and Counter Terrorist Financing Program

AIA is committed to ensuring compliance with all applicable Anti-Money Laundering and Counter-Terrorist Financing (“AML/ CTF”) laws and regulations.

The AIA Group AML/ CTF Policy and addendum sets out the requirements for the AML/ CTF Program in accordance with the applicable laws and regulations of Hong Kong and higher compliance standards of the local regulator.

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

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

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

Data Privacy

AIA Philippines recognizes its responsibilities in protecting the personal data and sensitive information of all its stakeholders including employees, customers, intermediaries, business partners, and third-party service providers. The Board of Directors, management, and employees of AIA Philippines commit themselves to adopt and adhere to the Data Privacy

Standard (the Standard) to ensure protection of personal information and sensitive data collected by and shared with the Company.

The Standard of AIA Philippines outlines its Statement of Values and provides guidance on how personal data should be processed, i.e., collected, used, stored, transferred and disposed. It clarifies the roles and responsibilities of employees and provides the framework for the relevant standards and procedural controls to ensure the security of the personal data in AIA Philippines’ possession.

Under the Standard, the AIA Philippines CEO is responsible for its implementation, including ensuring that all employees are aware of their obligations when managing personal data collected by AIA Philippines.

Compliance is responsible for maintaining the Standard by providing second line oversight and monitoring of its effective implementation.

The Standard is based on the requirements of Republic Act 10173, known as the Data Privacy Act (DPA) of 2012, its Implementing Rules and Regulation (IRR), as aligned with the requirements of the AIA Group’s Data Privacy Standard.

To strengthen corporate governance, the AIA Philippines Board of Directors appointed a Data Protection Officer (DPO) for the Company who is tasked to oversee the implementation of local policies consistent with the requirements of the AIA Group Data Privacy Standard, the DPA, through its IRR, and other relevant laws and ensure that the applicable Operational Controls are executed. The DPO advocates personal data protection and compliance with privacy obligations within the company.

Credit Information System Act (CISA)

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

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

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

The CIC has three important functions:

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

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

Communication with Regulators and Other Government Officials

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

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

Relationship with Vendors and Suppliers

Sourcing Policy/ Vendor Management

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

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

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

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

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

The AIA Philippines Sourcing Policy, with the AIA Group Sourcing Policy as a model, was defined with the primary objective to establish standardized sourcing procedures. As set out in the AIA Group Sourcing Policy, a Local Sourcing Lead (LSL) or a designate is appointed and will be responsible for ensuring implementation, execution, update, and compliance to the local policy. This person will work closely with the AIA Group Sourcing (GS) team.

Supplier Selection

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

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

Contract Management

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

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

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

Employee Welfare

Safe, Healthy and Secure Workplace

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

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

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

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

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

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

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

Disciplinary Guidelines

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

Market Conduct Guidelines

AIA Philippines envisions itself as having one of the highest sales standards in the life insurance industry in the Philippines.

All sales personnel, defined as any individual selling the products of AIA Philippines, regardless if they are partners or employees, are expected to conduct their business with the highest level of professionalism, ethical conduct, and personal integrity to protect customers and the insuring public. AIA Philippines will not tolerate any less.

The Market Conduct Guidelines is used as a guide by all sales personnel in the conduct of their business and aid in the determination of what would be deemed proper conduct and behavior. It will apply equally and consistently to the conduct of life insurance business practices and the sale of all financial products. Any breach of the Market Conduct Guidelines may result in the imposition of a penalty on offender or violator.

Compliance with these guidelines does not ensure a continued contractual relationship with AIA Philippines. The Company reserves the right at all times to terminate the employment contract of any sales personnel in accordance with the terms of the contract entered into between AIA Philippines and the sales personnel.

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

The Sales Code of Discipline

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

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

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

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

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

Representing the Company's Brand

Social and Environmental Responsibilities

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

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

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

RISK

Enterprise Risk Management

Enhancing Value by Ensuring Stability

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

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

The RMF is governed by the Company's Group Risk Management Committee (GRMC), which oversees and reviews both financial and operational risks, and ensures that appropriate risk policies and mitigation measures are in place. The GRMC reports to the AIA Philippines Board Risk Committee (BRC) which is responsible for oversight of the Company's risk management activities. The BRC determines

the Risk Appetite, the Risk Management Statement, and the Risk Management Framework of AIA Philippines, and advises and assists the Board of Directors in the review and approval of these matters.

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

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

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

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

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

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

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

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

Managing Financial Risks

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

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

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

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

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

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

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

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

Managing Operational Risks

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

KORs are divided into ten domains: Data, Technology, Business Operations, Conduct, Financial Crime, Legal & Regulatory, Reputational, Horizon, Policy, Climate. These KORs are defined to greater granularity in each impacted business unit together with the effectiveness of applicable controls.

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

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

Managing Product Risk

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

Purpose. Products must serve a defined business purpose.

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

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

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

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

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

Audit and Related Party Transactions (RPT) Committee

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

In 2023, the Audit and RPT Committee members were composed of independent directors: Antonino Aquino (Chairman until April), Gregorio Yu (replaced Mr. Aquino as Chairman), Joaquin Quintos IV (member), Francis Estrada (member until April) and Doris Ho (replaced Mr. Estrada as member).

Each Audit and RPT Committee member met the necessary requirements of the Securities and Exchange Commission, the Revised Code of Corporate Governance and other applicable laws and regulations in the Philippines. See pages 49 to 50 for the profile of the Audit and RPT Committee members.

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

The Audit and RPT Committee, in accordance with its responsibilities outlined in the charter of the Audit and RPT Committee, developed an annual calendar and meeting agenda for 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 Company's External Auditors. Among the agenda items discussed were the approval of the Annual Audit plan, Group Internal Audit updates, results of Compliance reviews, approval of significant



related party transactions and updates from the External Auditors. Group Internal Audit updates include the results of completed audit projects, the status of the audit plan, and tracking of open issues. In 2023, the Audit and RPT Committee also met separately with GIAPH and the External Auditors without the presence of Management.

Group Internal Audit

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

GIAPH's mission is to provide independent and objective assessment and reporting of the overall effectiveness of risk management, internal controls, and governance processes, and appropriately challenge executive management to improve the effectiveness of these processes. GIAPH is directly overseen and supported by the AIA Group Internal Audit, reports functionally to the Audit and RPT Committee, and administratively to the AIA Philippines Chief Executive Officer.

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

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

Engagement of External Auditors

The Audit and RPT Committee, on behalf of the Board of Directors, is responsible for the appointment, re-appointment, or removal of the External Auditors. In 2023, the Audit and RPT Committee approved the re-appointment of Isla Lipana & Co./PricewaterhouseCoopers as the External Auditor.

The Audit and RPT Committee has reviewed and approved accordingly the scope and coverage of the Statutory Audit for 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 PHP20,476,075 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.

AUDITED FINANCIAL STATEMENTS







AIA Philippines Life and General Insurance Company, Inc.

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

(632) 8528 2000

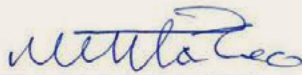
aia.com.ph


**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN**

The Management of AIA Philippines Life and General Insurance Company, Inc. (the "Company") is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2023. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax returns, withholding tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2023 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company, complete and correct in all material respects. The Management likewise affirms that:

- a. the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- b. any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances; and
- c. **AIA Philippines Life and General Insurance Company, Inc.** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signature 
Ms. Melita Teo
Chief Executive Officer

Signature 
Mr. Gary James Ogilvie
Chief Financial Officer

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



Independent Auditor's Report

To the Board of Directors and Shareholders of
AIA Philippines Life and General Insurance Company Inc.
(Doing business under the name and style of AIA Philippines)
23rd Floor, AIA Tower,
8767 Paseo de Roxas, Makati City

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of AIA Philippines Life and General Insurance Company Inc. (the "Company") as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The financial statements of the Company comprise:

- the statements of financial position as at December 31, 2023 and 2022;
- the statements of comprehensive income for the years ended December 31, 2023 and 2022;
- the statements of changes in equity for the years ended December 31, 2023 and 2022;
- the statements of cash flows for the years ended December 31, 2023 and 2022; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

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

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

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics.

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

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



Independent Auditor's Report
To the Board of Directors and Shareholders of
AIA Philippines Life and General Insurance Company Inc.
(Doing business under the name and style of AIA Philippines)
Page 2

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

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

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

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

Auditor's Responsibilities for the Audits of the Financial Statements

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



Independent Auditor's Report

To the Board of Directors and Shareholders of
AIA Philippines Life and General Insurance Company Inc.
(Doing business under the name and style of AIA Philippines)
Page 3

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

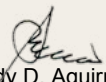


Independent Auditor's Report
To the Board of Directors and Shareholders of
AIA Philippines Life and General Insurance Company Inc.
(Doing business under the name and style of AIA Philippines)
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Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 34 to the financial statements is presented for the purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.


Zaldy D. Aguirre
Partner
CPA Cert No. 0105660
P.T.R. No. 0024447, issued on January 12, 2024 at Makati City
TIN 221-755-698
BIR A.N. 08-000745-077-2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 15, 2024

AIA Philippines Life and General Insurance Company Inc.
(Doing business under the name and style of AIA Philippines)

Statements of Financial Position
As at December 31, 2023 and 2022
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022
Assets			
Cash and cash equivalents	2	3,896,473	22,257,772
Insurance receivables, net	3	27,732,438	24,064,646
Financial assets at fair value through profit or loss	4	66,602,804	59,706,373
Available-for-sale financial assets	4	119,994,291	122,638,661
Loans and receivables, net	5	12,328,508	9,295,317
Accrued income	7	2,487,713	2,870,954
Investments in subsidiaries and associates	8	16,736,165	2,501,885
Investment properties	9	6,190,627	6,220,088
Property and equipment, net	10	4,355,191	3,542,657
Other assets, net	12	6,421,900	6,278,957
Total assets		266,746,110	259,377,310
Liabilities and Equity			
Insurance contract liabilities, net	13	145,370,951	144,772,908
Policyholders' dividends	13	7,398,680	7,336,312
Liabilities for supplementary contracts	13	576,023	618,591
Premium deposit fund	13	645,403	678,722
Insurance payables	14	27,360,735	23,371,330
Accounts payable and accrued expenses	15	7,388,387	6,505,242
Loans payable	15	2,000,000	-
Deferred income tax liabilities, net	27	945,012	948,048
Other liabilities	15	2,525,726	2,694,471
Total liabilities		194,210,917	186,925,624
Share capital	16	2,669,100	2,669,100
Share premium		421,261	421,261
Contributed surplus		25,000	25,000
Treasury shares	1,16	(1,200,193)	(1,200,193)
Reserves	16	7,510,511	2,687,342
Retained earnings	16	63,109,514	67,849,176
Total equity		72,535,193	72,451,686
Total liabilities and equity		266,746,110	259,377,310

(The notes on pages 1 to 79 are integral part of these financial statements)

AIA Philippines Life and General Insurance Company Inc.
(Doing business under the name and style of AIA Philippines)

Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022
Premiums and other income			
Gross premiums on insurance contracts		15,230,179	18,094,011
Reinsurers' share of gross premiums on insurance contracts		(2,322,513)	(1,717,714)
Net insurance premiums	17	12,907,666	16,376,297
Investment income	18	12,140,056	11,283,198
Fee income from unit-linked funds	6	615,141	1,051,754
Fair value gains (losses), net	20	983,954	(6,009,229)
Realized gains on sale of available-for-sale financial assets, net	19	157,752	232,924
Foreign exchange (losses) gains, net	30.4	(221,185)	4,085,180
Other loss, net		(393,100)	(505,524)
Total premiums and other income		26,190,284	26,514,600
Expenses			
Benefits and claims paid on insurance contracts, net	21	9,346,548	12,577,110
Change in insurance contract liabilities, net	13	4,758,334	(684,686)
Commissions and other acquisition expenses	22	1,386,969	1,337,644
General and administrative expenses	23	4,639,196	4,052,217
Investment expenses	18	1,194,799	1,103,704
Insurance taxes, licenses and fees		216,071	245,880
Total expenses		21,541,917	18,631,869
Income before income tax		4,648,367	7,882,731
Income tax expense	27	1,323,323	1,326,792
Net income		3,325,044	6,555,939
Other comprehensive income (loss)			
Item that will be subsequently reclassified to profit or loss			
Net fair value changes on available-for-sale financial assets	4,16	6,266,093	(22,825,587)
Items that will not be subsequently reclassified to profit or loss			
Remeasurement of insurance contract liabilities	13,16	(1,258,836)	15,499,209
Remeasurement of retirement and other post-employment benefit schemes	16,25	(191,519)	652,266
Fair value gains on property and equipment, net of tax	10,16	11,965	16,161
Total other comprehensive income (loss)		4,827,703	(6,657,951)
Total comprehensive income (loss)		8,152,747	(102,012)

(The notes on pages 1 to 79 are integral part of these financial statements)

AIA Philippines Life and General Insurance Company Inc.
(Doing business under the name and style of AIA Philippines)

Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(All amounts in thousands of Philippine Peso)

	Share capital (Note 16)	Share premium	Contributed surplus	Treasury shares (Note 16)	Reserves (Note 16)	Retained earnings (Note 16)	Total equity
BALANCES AS AT JANUARY 1, 2022	2,000,000	-	25,000	(109,832)	9,003,502	61,293,237	72,211,907
COMPREHENSIVE INCOME (LOSS) FOR THE YEAR							
Net income for the year	-	-	-	-	-	6,555,939	6,555,939
Other comprehensive loss	-	-	-	-	(6,657,951)	-	(6,657,951)
TRANSACTIONS WITH OWNERS							
Issuance of share capital (Note 1)	669,100	421,261	-	-	-	-	1,090,361
Treasury shares (Note 1)	-	-	-	(1,090,361)	-	-	(1,090,361)
Merger reserve (Note 1)	-	-	-	-	349,684	-	349,684
Cost of share-based payments	-	-	-	-	(7,893)	-	(7,893)
	669,100	421,261	-	(1,090,361)	341,791	-	341,791
BALANCES AS AT DECEMBER 31, 2022	2,669,100	421,261	25,000	(1,200,193)	2,687,342	67,849,176	72,451,686
COMPREHENSIVE INCOME FOR THE YEAR							
Net income for the year	-	-	-	-	-	3,325,044	3,325,044
Other comprehensive income	-	-	-	-	4,827,703	-	4,827,703
	-	-	-	-	4,827,703	3,325,044	8,152,747
TRANSACTIONS WITH OWNERS							
Dividend declared and paid (Note 16)	-	-	-	-	-	(8,064,706)	(8,064,706)
Cost of share-based payments	-	-	-	-	(4,534)	-	(4,534)
	-	-	-	-	(4,534)	(8,064,706)	(8,069,240)
BALANCES AS AT DECEMBER 31, 2023	2,669,100	421,261	25,000	(1,200,193)	7,510,511	63,109,514	72,535,193

(The notes on pages 1 to 79 are integral part of these financial statements)

AIA Philippines Life and General Insurance Company Inc.
(Doing business under the name and style of AIA Philippines)

Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		4,648,367	7,882,731
Adjustments for:			
Fair value (gains) losses, net	20	(983,954)	6,009,229
Interest income	18	(9,322,682)	(9,356,157)
Change in insurance contract liabilities	13	4,758,334	(684,686)
Gain on available-for-sale financial assets, net	19	(157,752)	(232,924)
Unrealized foreign exchange losses (gains), net	30.4	1,526,472	(4,146,294)
Dividend income	18	(2,252,004)	(1,452,559)
Depreciation and amortization	18,23	722,149	690,268
Rental income	18	(565,370)	(474,482)
Interest expense		324,712	292,987
Amortization of premium	4	153,988	208,733
Provision for impairment loss	3,5	46,052	38,222
Retirement and other post-employment benefits (income) expense, net	25	(108,471)	4,700
(Gain) loss on sale of property and equipment	10	(168,842)	8,623
Operating loss before changes in operating assets and liabilities		(1,379,001)	(1,211,609)
Changes in operating assets and liabilities			
(Increase) decrease in:			
Insurance receivables		(3,707,178)	(2,184,192)
Financial assets at fair value through profit or loss		(5,919,541)	2,664,880
Loans and receivables		(1,271,012)	5,264,563
Other assets		136,659	(710,380)
(Decrease) increase in:			
Insurance contract liabilities		(6,642,535)	(4,786,983)
Policyholders' dividends		62,368	(3,335)
Liabilities for supplementary contracts		(42,568)	2,074
Premium deposit fund		(33,319)	(79,074)
Insurance payables		3,989,405	2,232,343
Accounts payable and accrued expenses		516,019	644,214
Other liabilities		(248,222)	304,005
Net cash (used in) generated from operations		(14,538,925)	2,136,506
Income taxes paid		(1,176,952)	(1,220,982)
Interest received		1,196,923	1,498,759
Dividend income received		1,232,423	428,536
Interest paid		(283,776)	(248,380)
Contributions to the retirement fund	25	(37,615)	(15,601)
Other post-employment benefits paid	25	(5,852)	-
Net cash (used in) from operating activities		(13,613,774)	2,578,838

(forward)

AIA Philippines Life and General Insurance Company Inc.
(Doing business under the name and style of AIA Philippines)

Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022
<i>(balance forwarded)</i>			
Net cash (used in) from operating activities		(13,613,774)	2,578,838
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Available-for-sale financial assets	4	(6,916,317)	(15,067,876)
Investment properties	9	(6,525)	(15,068)
Property and equipment	10,11	(1,326,577)	(858,220)
Proceeds from disposals/maturities of:			
Available-for-sale financial assets		15,552,682	21,797,678
Investment properties	9	20,564	10,044
Property and equipment	10	189,452	8,921
Interest income received		8,305,750	7,749,551
Dividend income received		1,206,768	1,001,809
Rental income received		581,433	483,875
Decrease (increase) in financial assets at fair value through profit or loss		(214,389)	3,223
Acquisition of a subsidiary	8	(13,500,000)	-
Capital infusion in subsidiaries	8	(2,503,125)	-
Proceeds from sale of an investment in an associate	8	-	15,000
Impact of merger	1	-	95,559
Net cash from investing activities		1,389,716	15,224,496
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans		2,000,000	-
Dividends paid	16	(8,064,706)	-
Payment of lease liabilities	11		
Principal		(30,073)	(165,703)
Interest		(40,936)	(44,607)
Net cash used in financing activities		(6,135,715)	(210,310)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(18,359,773)	17,593,024
CASH AND CASH EQUIVALENTS			
At January 1		22,257,772	4,668,833
Effect of foreign exchange rate on cash and cash equivalents	2	(1,526)	(4,085)
At December 31	2	3,896,473	22,257,772

(The notes on pages 1 to 79 are integral part of these financial statements)

28 Related party transactions

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

Related party	Relationship
AIA Re	Related entity under common control of the Ultimate Parent Company
AIA Shared Services (Hong Kong) Limited	Related entity under common control of the Ultimate Parent Company
AIA IT	Related entity under common control of the Ultimate Parent Company
AIA IT Chengdu	Related entity under common control of the Ultimate Parent Company
AIA IT Guangzhou Co. Ltd.	Related entity under common control of the Ultimate Parent Company
AIA IT (Beijing) Co. Ltd.	Related entity under common control of the Ultimate Parent Company
AIA Shared Services Sdn. Bhd.	Related entity under common control of the Ultimate Parent Company
AIA Investment Management Private Limited	Related entity under common control of the Ultimate Parent Company
AIA Singapore Private Limited	Related entity under common control of the Ultimate Parent Company
Medicard	Related entity under common control of the Ultimate Parent Company
Amplify Health Asia - HK	Related entity under common control of the Ultimate Parent Company
Amplify Health Technology Holdings Pte. Limited	Related entity under common control of the Ultimate Parent Company
AIA Investment Management Private Limited	Related entity under common control of the Ultimate Parent Company
Philamlife Tower Condominium Corporation	Other related entity
Philam Foundation Inc. (“PFI”)	Other related entity

28.1 Summary of transactions with related parties

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

28.1.1 Insurance activities with related parties

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

	2023		2022	
	Transactions during the year recognized in profit or loss	Outstanding net balances at December 31	Transactions during the year recognized in profit or loss	Outstanding net balances at December 31
Parent Company				
Premiums ceded	352,536	50,659	43,876	2,184
Benefits ceded	(244,456)		(12,821)	
Commissions ceded	(25,407)		(1,612)	
Related entities under common control of the Ultimate Parent Company				
Premiums ceded	1,182,104	1,048,362	1,257,958	1,649,357
Benefits ceded	(774,891)		(701,120)	
Commissions ceded	(550,100)		(575,469)	
Subsidiaries				
Premiums ceded	-	-	(18,386)	(33,869)
Premiums assumed	-		(189,601)	
Benefits ceded	(7,750)		(98,919)	
Benefits assumed	-		73,967	
Commissions ceded	-		12,633	
Commissions assumed	-		151,681	

The Company entered into a coinsurance agreement with AIA Re (as reinsurer) which required the Company to hold certain amounts (funds withheld) on behalf of AIA Re. As at December 31, 2023, funds withheld for AIA Re amounts to P25,820.7 (2022 - P23,445.2) (Note 3).

28.1.2 Investment and financing activities with related parties

	Notes	2023		2022	
		Transactions during the year recognized in profit or loss	Outstanding net balances at December 31	Transactions during the year recognized in profit or loss	Outstanding net balances at December 31
Ultimate Parent Company					
Notes receivable					
Principal*	(a)	-	26,224,102	-	30,937,198
Interest*		(1,294,885)	270,842	(1,147,658)	309,953
Parent Company					
Dividends paid to Parent Company		8,064,700	-	-	-
Related entities under common control of the Ultimate Parent Company					
Investment management fees		20,290	(2,080)	35,673	(1,756)
Subsidiaries					
Mortgage and other loans					
Principal	(b)	-	266,315	(30,000)	360,854
Interest		(23,656)	163,345	(27,628)	156,529
Dividend income from subsidiaries and associates	8	(883,024)	1,929	(853,844)	225,742
Investment management fees	(c)	386,391	(83,057)	161,208	(60,232)
Managed funds					
Acquisitions	4	6,550,044	1,347,315	2,951,084	609,050
Disposals		(154,814)	-	(48,903,629)	-

*Includes impact of foreign currency revaluation

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

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

	PRC	KRC	Total
As at January 1, 2022	380,260	10,594	390,854
Principal repayment	(30,000)	-	(30,000)
As at December 31, 2022	350,260	10,594	360,854
Principal repayment	(90,000)	(4,539)	(94,539)
As at December 31, 2023	260,260	6,055	266,315

- (c) The Company pays AIA IM PH management fees for the latter's services as an investment manager of the Company's peso-denominated investments.

28.1.3 Shared service activities and other transactions with related parties

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

	2023		2022	
	Transactions during the year recognized in profit or loss	Outstanding net balances at December 31	Transactions during the year recognized in profit or loss	Outstanding net balances at December 31
Ultimate Parent Company				
Shared services and other charges	16,931	(19,201)	16,887	(18,867)
Parent Company	474,630	(270,988)	518,147	(35,677)
Related entities under common control of the Ultimate Parent Company	2,724,293	(397,274)	1,894,544	(93,256)
Subsidiaries	(997,093)	141,701	(1,288,205)	(657)

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

	Notes	2023	2022
Financial assets at FVTPL	4	1,347,315	609,050
AFS financial assets	4	26,224,102	30,937,198
Insurance receivables, net	3	26,978,135	23,535,307
Loans and receivables, net	5	593,499	517,740
Accrued income	7	436,116	692,224
Other assets, net		20,928	20,928
		55,600,095	56,312,447

(b) Payable balances arising from:

	Insurance activities	Investment and financing activities	Shared service activities and other transactions	Total
December 31, 2023				
Ultimate Parent Company	-	-	19,201	19,201
Parent Company	(48,542)	-	270,988	222,446
Related entities under common control of the Ultimate Parent Company	25,927,656	2,080	517,101	26,446,837
Subsidiaries	-	83,057	86,583	169,640
	25,879,114	85,137	893,873	26,858,124
December 31, 2022				
Ultimate Parent Company	-	-	18,867	18,867
Parent Company	(2,184)	-	35,677	33,493
Related entities under common control of the Ultimate Parent Company	21,846,591	1,756	93,256	21,941,603
Subsidiaries	73,228	60,232	178,470	311,930
	21,917,635	61,988	326,270	22,305,893

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

	Notes	2023	2022
Insurance payables	14	26,623,382	22,860,715
Accounts payable and accrued expenses	15	979,010	388,258
Insurance contract liabilities	13	(744,268)	(943,080)
		26,858,124	22,305,893

28.3 Transactions with key management personnel and employee retirement funds

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

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

	2023	2022
Salaries, wages and other benefits, including share-based compensation	541,110	455,522
Retirement benefits	3,005	45,649
	544,115	501,171

As at December 31, 2023 and 2022 no outstanding receivables from key management personnel. There are no payable balances due to key management as at December 31, 2023 and 2022.

For the year ended December 31, 2023, the total remuneration of the Company's directors is P4.5 million (2022 - P23.50 million).

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 (Note 25).

29 Critical accounting estimates, assumptions and judgments in applying the Company's accounting policies

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

29.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below.

(a) Determination of fair value of financial assets not quoted in an active market (Note 4)

(b) Determination of fair value of investment properties and own-use properties (Notes 9 and 10)

The Company engaged external, independent and qualified valuers to determine the fair value of the Company's investment properties and own-use properties at the end of every financial year. Valuations are performed on an annual basis enough to ensure that the fair value of a revalued asset does not differ significantly from its carrying amount.

In estimating the fair value of the investment properties and own-use properties, the Company generally applies any one or a combination of the three (3) approaches, namely:

- The Market Approach is an approach of comparing prices paid for comparable properties sold in the market against the subject property. The weight given to this approach is dependent on the availability of recent confirmed sales of properties considered comparable to the property under appraisal. These sold properties are compared to the subject in key units of comparison. Appropriate adjustments are made for differences between the subject and the comparable, resulting in adjusted sales values for each of the comparable. These adjustments are then reconciled for a value conclusion by the Comparative Market Analysis.
- The Income Approach (or Discounted Cash Flow Analysis) is based on the premise that the value of a property is directly related to the income it generates. This approach converts anticipated future gains to present worth by projecting reasonable income and expenses for the subject property. This is considered appropriate for valuing investment properties, as it mirrors the analysis to typical investors.
- The Cost Approach (or Depreciated Replacement Cost Method) is based on the principle of substitution, which holds that an informed buyer would not pay more for a given property than the cost of buying an equally desirable alternative. The methodology of the Cost Approach is a set of procedures that estimate the current reproduction cost of the improvements, then deducting accrued depreciation from all sources, and adding the value of the land.

A combination of Market Approach and Income Approach is used for the condominium units owned by the Company. Office units and parking slots occupied by tenants are classified as investment properties while the remaining portion are classified as own-use properties. For all building improvements thereof, the Cost Approach is used.

In valuing the investment properties and properties in use, the current use of the properties are considered to be its highest and best use; records of recent sales and offerings of similar property are analyzed, and comparison made for such factors as size, location, quality and prospective use.

About AIA Philippines

AIA Philippines (AIA Philippines Life and General Insurance Company, Inc.) is one of the country's largest life insurance companies. Originally established on 21 June 1947 as Philam Life (The Philippine American Life and General Insurance Company), AIA Philippines has earned the trust of customers for its financial strength, strong brand name, and ability to deliver on its promises. Today, AIA Philippines is a member of AIA Group Limited, the largest independent publicly listed pan-Asian life insurance group, which operates in 18 markets across the Asia-Pacific region.

AIA Philippines has PHP266.75 billion in total assets¹ and PHP72.54 billion in net worth¹ as of 31 December 2023 while serving nearly 1,200,000 individual policyholders and almost 1,000,000 insured group members.

Based on the Insurance Commission results as of 31 December 2023, the combined total premium income of AIA Philippines and BPI AIA was at PHP27.93 billion.

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

¹ Based on the 2023 annual accounts Securities and Exchange Commission (SEC) filing.



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AIA Philippines Life and General Insurance Company Inc.

23/F AIA Tower (formerly Philam Life Tower), 8767 Paseo de Roxas, Makati City

Tel: (632) 8521 6300 / (632) 8526 9200 Email: customerservice.ph@aia.com Web: aia.com.ph

Customer Hotline: (632) 8528 2000

    AIA Philippines