



HEALTHIER, LONGER,  
BETTER LIVES



# With you, wherever life goes

AIA PHILIPPINES  
ANNUAL REPORT  
2024



# With you wherever life goes

2024 saw AIA Philippines continue to innovate best-in-class protection, health and wellness, and long-term savings solutions to serve its customers. By putting customers first, we remain strongly positioned to address our customers' evolving needs and priorities.

AIA is a trusted partner of our customers in creating a secure and healthy future for them and their loved ones, while providing them with products and services that will also enrich their health and well-being. Guided by its values and the strength, integrity and stability of our business, AIA makes it possible to fulfill our commitments to its customers, while leveraging the global insight and expertise of its parent company headquartered in Hong Kong, AIA Group, enabling AIA Philippines to leverage its vast resources to fuel business growth and customer satisfaction.

AIA Philippines, formerly Philam Life, officially rebranded and aligned with its Hong Kong-based parent company, AIA Group, on 9 August 2021. The AIA Group is a leading pan-Asian life insurance organization headquartered in Hong Kong and founded over a century ago, with presence in 18 markets across Asia Pacific.

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. By providing financial security, it helped Filipinos rebuild their lives and contribute to the nation's economic resurgence.

AIA's journey in the Philippines has since been a story of sustained growth and commitment, deeply intertwined with the nation's economic development. Over the decades, AIA has solidified its position as a leading life insurance provider in the Philippines. It has adapted to the changing needs of Filipinos, expanding its range of products and services. AIA has shown a commitment to innovation, by introducing things such as wellness programs, and adapting to digital transformation.

In 2024, AIA Philippines continues to reinforce its strength and legacy, armed with a promise to be with its customers wherever life goes –through every unique journey and stage in life. The acquisition of MediCard Philippines demonstrates AIA's commitment to providing comprehensive health and wellness solutions. The continued strength of its bancassurance arm BPI AIA, and the expertise of AIA Investment Management and Trust Corporation Philippines (AIAIM Philippines) show the formidability of its products and services to meet every customer's need. AIA Philippines has also invested heavily in digital solutions, to make their services more accessible to the Filipino people. Looking ahead, the company continuously empowers more Filipino families and secure their future as it fulfills its mission of racing against risk to protect every Filipino family and help them live Healthier, Longer, Better Lives.







# CONTENTS

## OVERVIEW

- 03 About AIA
- 06 About AIA Philippines Group
- 10 Message from the Chief Executive Officer
- 14 Our Management Team
- 16 Board of Directors
- 20 Financial Highlights

## BUSINESS REVIEW

- 24 Agency Distribution
- 25 Corporate Solutions
- 26 Marketing
- 32 BPI AIA
- 26 Medicaid
- 34 Real Estate
- 35 Information Technology
- 35 Customer Operations
- 36 Our People

## CORPORATE GOVERNANCE

- 44 Corporate Governance Policy
- 56 Operating Philosophy
- 64 Enterprise Risk Management
- 66 Audit and Related Party Transactions Committee

## FINANCIAL STATEMENTS

- 70 Financial Statements





HEALTHIER, LONGER,  
BETTER LIVES

HEALTHIER  
LONGER  
BETTER  
LIVES





A person with dark hair, wearing a white long-sleeved shirt and light blue shorts, is running on a sandy beach. The ocean is visible in the background under a clear sky.

# ABOUT AIA

AIA Group Limited and its subsidiaries (collectively “AIA” or the “Group”) comprise the largest independent publicly listed pan-Asian life insurance group. It has a presence in 18 markets — wholly-owned branches and subsidiaries in Mainland China, Hong Kong SAR<sup>1</sup>, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei and Macau SAR<sup>2</sup>, and a 49 per cent joint venture in India. 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\$305 billion as of 31 December 2024.

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 43 million individual policies and 16 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”.

<sup>1</sup> Hong Kong SAR refers to the Hong Kong Special Administrative Region.

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



# AIA AT-A-GLANCE



**THE LARGEST  
INDEPENDENT  
PUBLICLY LISTED  
PAN-ASIAN LIFE  
INSURANCE  
GROUP<sup>(1)</sup>**

**A LEADING  
LIFE INSURER IN  
THE WORLD**  
by market capitalisation<sup>(1)</sup>

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

Note:

(1) As at 31 December 2024.



Serving the holders of more than  
**43 MILLION**  
individual policies and  
**16 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 2024

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

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

## **“ESG INDUSTRY TOP RATED”**

and  
**“ESG REGIONAL  
TOP RATED”**

by Sustainalytics for four consecutive years

## **Named “DIGITAL INSURER OF THE YEAR”**

by InsuranceAsia News for four consecutive years

## **Ranked second in the FORTUNE FINTECH INNOVATORS ASIA 2024 LIST**

## **Received the GALLUP EXCEPTIONAL WORKPLACE AWARD**

for four consecutive years





## About AIA Philippines

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

AIA Philippines has PHP 257.76 billion in total assets and PHP 57.35 billion in net worth as of 31 December 2024 while serving nearly 1.2 million individual policyholders and nearly 800,000 insured group members. 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. It also offers bancassurance through its subsidiary, BPI AIA Life Assurance Corporation (formerly BPI-Philam Life Assurance Corporation).

Based on the unaudited reports submitted to the Insurance Commission as of 31 December 2024, the combined total premium income of AIA Philippines and BPI AIA was at PHP 29.77 billion. AIA Philippines is a member of AIA Group Limited, the largest independent publicly listed pan-Asian life insurance group.

## About BPI AIA

BPI AIA Life Assurance Corporation is a strategic alliance between two leading companies in the country — Bank of the Philippine Islands (BPI) and AIA Philippines Life and General Insurance Company Inc. (AIA Philippines). BPI is a leading universal bank with over 170 years of experience in the local banking industry and an extensive branch network of more than 850 branches and 2,500 ATMs and CAMs. AIA Philippines is the premier life insurance company in the country and the market leader for over 70 years.

BPI AIA's professional and expertly trained Sales Executives are assigned in BPI branches nationwide or work remotely using digital tools to render financial advisory services that address customers' financial and protection needs.

With the combined expertise and resources of the two trusted companies, BPI AIA policyholders are assured that their insurance is backed by financial strength and stability.





## About AIA Investment Management and Trust Corporation 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 2024, AIAIM PH manages PHP156.4 billion across asset classes and has a team of 27 employees. AIAIM PH solely caters to the needs of AIA Philippines and dedicates investment resources to manage its peso assets.

## About 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.



# AIA PHILIPPINES AT-A-GLANCE

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 6,000  
AGENTS**  
nationwide

---

**NEARLY 1.2  
MILLION**  
individual policies

---

**NEARLY  
800,000**  
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

For more than 75 years, AIA Philippines remains strongly committed to its customers, communities and stakeholders. The leading insurer has been recognized through awards and accolades from the Philippine government, business community here and overseas, peers and in the industry, all because of 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.

AIA Philippines Life and General Insurance Company, Inc. (AIA Philippines), one of the country's largest life insurance companies, and BPI AIA Life Assurance Corporation (BPI AIA), won the ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards, a prestigious accolade recognizing exemplary corporate governance practices.

For AIA Philippines, this is the seventh consecutive year of being honored with a Golden Arrow Award, and for BPI AIA, the fifth straight year. Both companies received three-arrow recognitions.

The ACGS measures the performance of companies by the Philippine Code of Corporate Governance and internationally recommended corporate governance practices as espoused by the ACGS. The award covers areas such as the rights of shareholders, equitable treatment of shareholders, the role of shareholders in corporate governance, disclosure and transparency, and the responsibilities of the board. Companies that score at least 80 points in the ACGS Assessment are given the award.

In 2024, AIA Philippines has secured two prestigious certifications awarded by Great Place to Work®, the global authority on company culture, and Best Places to Work, a premier employer-of-choice certification provider. Achieving an impressive survey score for company culture, values, and workplace environment, AIA Philippines employees reported high remarks for topics such as trust among teams and management, pride in the work done, and camaraderie. For its Best Places to Work certification, the company was assessed through a comprehensive human resources (HR) questionnaire and an employee experience evaluation, which appraised leadership style, HR practices, career advancement opportunities, compensation and benefits, diversity, equity and inclusion, and more. After the deliberation, AIA Philippines emerged as one of the top five companies certified as Best Places to Work, gaining international recognition for its extensive employee well-being programs.

AIA Philippines was also recognized by Reader's Digest Asia's Trusted Brand Awards for the 20th year, now with a total of 11 Platinum and nine Gold awards. The award is given to companies that achieved high survey ratings on trustworthiness, credibility, quality, value, understanding customer needs, innovation and social responsibility.



# Message from the CEO

Reflecting on the past year, I am filled with pride and gratitude as 2024 has been a year of significant milestones and unwavering dedication across our organization, solidifying our position as a trusted partner in securing the future of Filipinos and their families.

Despite a dynamic and evolving economic landscape, AIA Philippines has achieved key accomplishments, including a strong double-digit growth in our Value of New Business (VONB) and surpassing targets in Operating Profit After Tax (OPAT). With PHP 257.76 billion in total assets and PHP 57.35 billion in net worth by end of 2024, while currently serving nearly 1.2 million individual policyholders and nearly 800,000 insured group members, we are strongly positioned to protect more Filipinos and their loved ones.

This success is a testament to the hard work, resilience, and innovative spirit of our entire team. We have demonstrated our ability to adapt, evolve, and deliver exceptional value in an increasingly complex world.

Specifically, I am pleased to highlight:

- **Stronger Market Presence:** Formerly Philam Life, we reintroduced ourselves as AIA in 2024 to reinforce our commitment to empower more Filipinos to live Healthier, Longer and Better Lives. With a tagline, “With You, Wherever Life Goes,” we amplify our purpose of empowering more Filipinos to live Healthier, Longer and Better Lives by deepening our understanding of their evolving behavior—whether they are starting out, building a family or wanting to leave a legacy for future generations.

With the addition of MediCard, we have become the only insurer in the country to have a Health Maintenance Organization (HMO) in the country, strengthening our integrated health strategy to provide accessible, high-quality healthcare solutions to more Filipinos. MediCard has further aligned with AIA Philippines by leveraging AIA's agency network to expand the distribution of its health products.

- **Enhanced Customer Experience:** We invested significantly in our digital platforms, which resulted in positive outcomes, including improved customer satisfaction scores. We understand that in moments of

need, our customers require prompt, human-centric, and efficient service. We are committed to accelerating our digitalization initiatives and leveraging technology to ensure more seamless customer interactions.

- **Product Innovation:** We introduced AIA Max Protect, AIA A-Life Prime and AIA Ascend, our innovative solutions that reflect our commitment to anticipate and address the evolving needs of our customers, providing them with the tools and protection they need to navigate uncertainties with peace of mind and elevate to the life they want.
- **Expanding Distribution Force:** We made significant strides in bolstering our agency force, recognizing its pivotal role in delivering personalized insurance solutions to our customers. Our focused efforts centered on strategic recruitment, through our Premier Agency Recruitment Program, and comprehensive mentorship and training initiatives. We also leveraged digital platforms to showcase the rewarding career opportunities available within our agency, reaching a wider audience of potential candidates.

Our partnership distribution under BPI AIA, which by end of 2024 is the number one bancassurance company in the country, likewise had focused efforts on customer segment-focused proposition, digital integration with BPI, and quality recruitment and sales. We are deliberate on the sales team's growth and development, and we nurture them with comprehensive training modules that covered a wide variety of topics, such as needs-based and proposition selling, interpersonal and leadership skills, amongst others.

- **Strong workplace culture:** We are deeply committed to cultivating a vibrant and supportive workplace culture, one that not only empowers our employees but also drives our collective success. This dedication was reflected when we were recognized as a “Great Place to Work®” and “Best Place to Work,” for our commitment on employee empowerment and growth; diversity, equity, inclusion and belonging; holistic well-being in the workplace; fostering recognition and appreciation of employees’ achievements and recognitions; leadership and mentorship programs; and seeking constructive feedback to enhance their career journeys and create a workplace where everyone can thrive.





- **Community Engagement:** We continued our commitment to our Environmental, Social and Governance (ESG) commitments, through our AIA Net Zero initiatives, and AIA Healthiest Schools, a pioneering educational program for health and wellness that we launched in August 2024 and has since reached over 7,200 students and more than 139 school personnel across eight schools in five regions — Western Visayas, CALABARZON (Cavite, Laguna, Batangas, Rizal and Quezon), National Capital Region, Bicol, and Cordillera Administrative Region (CAR). These programs ensure that we contribute to the well-being of the communities we serve, while taking care of our planet.

Looking ahead, we aim to achieve bigger and bolder goals in 2025. These include continuing our efforts to enhance our customer experience by leveraging technology and data analytics to provide personalized solutions and seamless interactions; driving innovation to meet the evolving needs of our customers, expanding our distribution teams, fostering our strong work culture, pursuit of excellence in everything we do, and embracing sustainable and responsible business practices.

I want to express my heartfelt thanks to everyone who contributed to AIA Philippines' success within the organization, as well as our partners and communities. I would also like to extend my appreciation to our customers and stakeholders whose loyalty and trust remain the fuel that keeps AIA Philippines going.

We are confident that by staying true to our values and executing our strategic priorities, we will continue to deliver sustainable growth and create long-term value for all our stakeholders.

Thank you for your continued trust and support. We are honored to be your partner of choice in securing your future and those you love most.

A stylized, handwritten signature of Melita Teo in black ink.

**MELITA TEO**

**President and CEO  
AIA Philippines**

# Our Management Team









## Our Management Team



**MELITA TEO**  
Chief Executive Officer



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



**JULIAN MENGUAL**  
Chief Executive Officer,  
MediCard Philippines



**MELISSA ANGELA HENSON**  
Chief Marketing Officer



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



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





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



**GARY OGILVIE**  
Chief Financial Officer



**ELLEN IMASA**  
Chief Human Resource Officer



**VINCENT CHONG**  
Chief Agency Officer



**JUDY SAN JOSE**  
Chief Technology  
and Operations Officer



**DEXTER AGCAOILI**  
Chief Investments Officer

## Board of Directors' Profiles



**JACKY CHAN (61)**

Regional Chief Executive,  
Non-Executive Director,  
Chairman of the Board  
(since 10 February 2025)

**Mr. Jacky Chan** is the Regional Chief Executive and Group Chief Distribution Officer responsible for the Group's businesses operating in Hong Kong SAR, Macau SAR, Philippines and Taiwan (China) as well as the Group's agency distribution, partnership distribution, corporate solutions and digital platform partnerships. He is a director of various companies within the Group, including AIA Company Limited and AIA International Limited. Mr. Chan has extensive life insurance industry experience having worked at AIA for the past 36 years. Prior to becoming a Regional Chief Executive, Mr. Chan was Chief Executive Officer of AIA Hong Kong and Macau since

2009. Previously, he held several senior positions including the Country Head of AIA China, responsible for overall business performance and results in China; Executive Vice President - Distribution & Marketing of Nan Shan Life Insurance - Taiwan; Senior Vice President & Head of Life Profit Centre of AIA - Asia (ex-Japan & Korea).

Mr. Chan holds a Bachelor of Science Degree from the University of Hong Kong. He is a Fellow of Society of Actuaries (FSA), a member of American Academy of Actuaries (MAAA) and a Fellow of Canadian Institute of Actuaries (CIA).



**MELITA TEO (50)**

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.

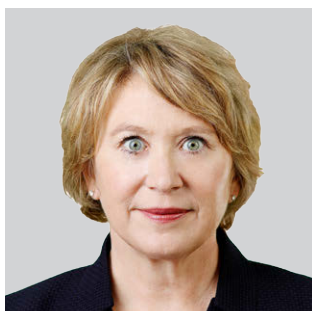




**MITCHELL DAVID NEW (60)**  
Non-Executive Director  
(since 01 May 2020)

**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)

**Ms. Jayne Plunkett** is the Group Chief Risk Officer responsible for the Group's risk and compliance functions. She is also a director of various companies within the Group, including AIA Company Limited, AIA Singapore Private Limited, AIA Philippines Life and General Insurance Company Inc. (formerly known as The Philippine American Life and General Insurance (PHILAM LIFE) Company) and AIA New Zealand Limited.

Chief Executive Officer Reinsurance Asia, Regional President Asia and member of the Group Executive Committee. During her time with Swiss Re, she held several senior positions, including Division Head Casualty Reinsurance and Head of Casualty Underwriting for Asia. 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 (FCAS) and a member of the American Academy of Actuaries (MAAA).

Ms. Plunkett joined AIA in November 2019 from Swiss Re, where she was most recently



**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., and Roosevelt College, Inc. 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 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.



**CARLO L. KATIGBAK (54)**  
Independent Director  
(since 15 April 2024)

**Carlo L. Katigbak** is currently the President and Chief Executive Officer of ABS-CBN Corporation. Mr. Katigbak is a member of the Board of Directors of ABS-CBN Corporation, SkyCable Corporation, and is an Adviser to the ABS-CBN Lingkod Kapamilya Foundation. He is also an Independent Director of Stores Specialists, Inc.

In his previous positions, he served as Chief Operating Officer and SVP Access of ABS-CBN Corporation. He was the Managing Director of Bayantel Holdings Corp., the President/CEO of SkyCable Corp., and the Managing Director of ABS-CBN Interactive.

Mr. Katigbak graduated with a B.S. Management Engineering degree from the Ateneo de Manila University in 1991.

He also completed the Advanced Management Program of the Harvard Business School in 2009. He is a member of Young Presidents Organization (YPO) and the Management Association of the Philippines.



# 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 30 September 2024.



**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 30 September 2024.

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 30 September 2024.



HEALTHIER, LONGER,  
BETTER LIVES

## CORPORATE OBJECTIVES

AIA Philippines remains focused on making a real difference in protecting the lives of Filipino families. In 2024, AIA Philippines intensified its focus on health and protection by launching a new health proposition synergizing AIA's ability to innovate health products, complemented by HMO services through MediCard, providing an unparalleled proposition to AIA Philippines' customers.

Strengthening the foundation of the agency channel through various initiatives was also the key focus in 2024. The overall objective is to enhance the quality of agency channel through raising the standards of new recruits, enhancing capabilities through training programs and relentless focus on increasing productivity.

Our bancassurance channel leveraged the aligning of products and propositions to the right customer segment and right

segment for Bancassurance Sales Executives to improve sales productivity. This was complemented with enhanced system integration between BPI AIA and BPI. We were pleased that these efforts by BPI AIA, coupled with the strong support from AIA and BPI, propelled BPI AIA to reach the #1 position as the top bancassurance company in the Philippines in 2024.

Operations and Technology have been continuously enhanced to increase the experience of customers and distribution channels. These include improving the claims submission and increasing the digital adoption of AIA's distribution channels.

For 2025, AIA Philippines will continue to focus on delivering its purpose of helping Filipinos live Healthier, Longer, Better Lives by increasing the quality of its distribution teams, deepening customer engagement to enhance customer experience and continuing to capitalize its unique assets in the health space.

## FINANCIAL HIGHLIGHTS

### Revenue

The sustained release of endowment products launched in the second half last year delivered a 21% growth in NB-OL vs last year. Net premiums in 2024 is at PHP12.1 billion, slightly lower by PHP0.8 billion compared to last year driven by paid-up variable unit linked (VUL) blocks and lower single pay products sold.

### Policy benefits

Benefits paid to policyholders was at PHP10.1 billion during the year, higher compared to last year by PHP0.7 billion, significantly driven by higher claims expenses paid partially offset by drop in maturities payment and surrenders.

### Net income

Net income is at PHP4.24 billion during the year, higher when compared to previous year largely from favourable foreign exchange (FX) movement where 2024 USD/ PH exchange rates were on an upward trend. Also contributed to the increase in net income was the gains on sale/disposal of investment securities for the year.

### Investments

Total invested assets slightly decreased by 0.60 percent during the year at PHP 223.22 billion primarily coming from decline in market value of available for sale (AFS) financial assets.

### Shareholders' equity

There is a decrease in shareholders' equity in 2024 vs 2023 driven largely by unrealized losses from market value movement of AFS financial assets. Net income earned in 2024 amounting to PHP4.2 billion was offset by dividends paid.





# BUSINESS REVIEW









## Agency Distribution

In continuing AIA Philippines' long-standing commitment to providing healthier, longer, and better lives for Filipinos, AIA's agency distribution in 2024 accelerated in building a value-driven agency force through the Premier Agency Recruitment Program, launched in the second half of 2024. This aims to transform the agency into a team that comprises more professional, quality and full-time advisors who will continue to rebuild the foundation and elevate the agency's high-performance culture. It will also help pool the next generation of young and committed top-performing agency leaders. The Premier Agency Recruitment Program also aims to drive the total recruitment proposition and develop full-time behavior of advisors, while offering a rewarding career path for others to become high-performing agency managers.

In 2024, the agency team began fulfilling its promise of increasing brand recall and awareness among its customers, with strong recruitment marketing initiatives, and product innovation efforts. The launch of new products such as the AIA Max

Protect, AIA A-Life Prime and AIA Ascend helped expand our offerings to address customers' evolving needs. The High-Net-Worth medical product is also underway, while the revitalized VUL is expected to be completed and launched by Q2 of 2025. All these propositions are expected to revive engagement and improve productivity in 2025 and beyond.

The launch of activation initiatives and AIA A-Life Prime, a two-pay endowment participating product, was a pivotal moment for the agency as it drove the business to a 19% growth in ANP in the second half of the year. A-Life Prime has re-engaged middle and top-tier advisors of Metro Manila, resulting to an increment of 11 MDRTs or an 8% growth vs. last year. It also helped increase business share from 35% in 2023 to 47% in the second half of 2024.

Activation initiatives, such as the Squad Campaign and additional license drives, have resulted to a 16% growth in the second half of 2024 compared to the same period in 2023. Another noteworthy initiative was the segmented man-marking approach in Q4 that had encouraging results in case productivity, especially in Luzon, where it grew by 13% vs. Q3 (1.59 vs 1.41). The total case productivity in Q4 grew by 9% vs. Q3 (1.53 vs 1.40) and was recorded highest among all four quarters.



# Corporate Solutions

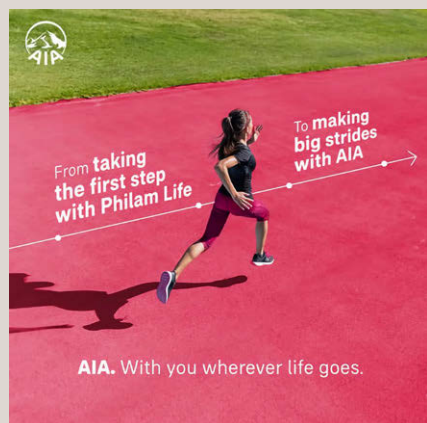
Driven by its resilience and determination, Corporate Solutions (CS) concluded 2024 with an impressive PHP 3 billion in Total Weighted Premium Income (TWPI). This achievement underscores the trust on AIA Group and its reliable services from its increasing number of corporate clients – comprising small and medium enterprises, as well as multinational companies.

Additionally, CS is solidifying its Net Worth authority across the insurance industry, having paid over PHP 2 billion in Group Life, Group Medical, and Credit Life Claims in 2024. As part of the One AIA distribution center, Corporate Solutions is expanding its employee benefits package by introducing HMO plans through a strategic partnership with its wholly owned HMO company MediCard. By integrating its offerings with a simple Group Life plan and riders component, this synergy is poised to break barriers in the industry.

With the continuous growth in cross-sell across AIA, BPI AIA, and MediCard, Corporate Solutions is further enhancing its integrated healthcare strategy. It also actively expands its portfolio to strengthen its core Group Insurance offerings for Filipino corporate clients, while continuously investing in innovations that streamline business transactions and ensure seamless customer experience.

Ultimately, CS remains committed to fostering health-conscious corporate culture through WorkWell with AIA. With initiatives being rolled out throughout the year, CS empowers employees to live Healthier, Longer, Better Lives.





## Marketing

AIA Philippines is more committed than ever to offer better solutions tailored to an individual's needs and priorities. In 2024, AIA launched various campaigns to further empower Filipinos to navigate their lives with more confidence, realize their goals, take charge of their health and well-being, and secure their future.

### With You Wherever Life Goes

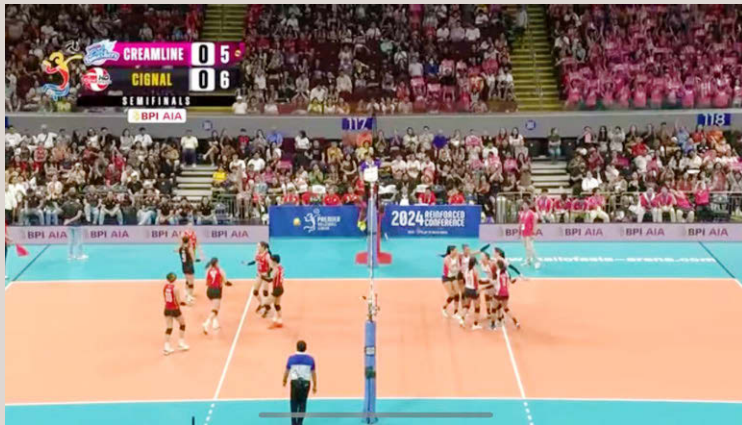
Whether customers are starting out, building a family or wanting to leave a legacy for future generations, AIA is dedicated to guide them in navigating life's uncertainties with confidence and purpose.

With AIA's full suite of life protection, health and long-term savings plans that help build Filipino's financial resilience, the company also provides relevant solutions that help our customers manage their well-being and protect them against the

impact of critical illness. Amplifying its purpose of empowering more Filipinos to live Healthier, Longer and Better Lives, AIA's campaign message, "With you wherever life goes" set out a promise of helping every Filipino achieve their goals, no matter what life stage they are in, and amid their evolving needs, behaviors and priorities.

Anchoring on this message, AIA celebrated the historic victory of two-time Olympic gold medalist Carlos Yulo in Tokyo Olympics through a congratulatory post that emphasized the value of conquering the highs and lows of every journey, much like winning in the grandest stage in sports. The post went viral and was touted as one of the most creative posts by peers in and out the industry. It further highlighted AIA's unique position to serve its clients through every twist and turn, by giving them renewed confidence and determination to achieve their biggest dreams.





## Empowering more Filipinos through sports

AIA's support for Filipino sports stems from the company's Purpose: to help people live healthier, longer, and better lives. For AIA, investing in the health and well-being of young Filipinos is an investment in the future of the nation.

### Football

In March 2024, AIA kicked off the inaugural 7s Super League at the McKinley Stadium in Taguig City. Embracing innovation and thrilling gameplay, the 7s Super League introduced a fast-paced and dynamic style of football. With a compact field and smaller teams, matches were expected to be high-scoring and action-packed, delivering an exhilarating experience for fans. Elite teams comprised top-tier football talent from various cities across Metro Manila. AIA's partnership with the 7s Super League underscored its dedication to support football programs nationwide and internationally.

AIA is a global principal partner of Tottenham Hotspur Football Club, one of the top-ranking teams in the English Premier League. In 2024, Tottenham Hotspur and AIA also showed their support for ICanServe Foundation, a Filipino advocacy group of breast cancer survivors and volunteers, at the Club's Premier League fixture against Luton Town. Match-worn shirts were signed by the players after the game and auctioned to raise funds for the foundation.

### Basketball, cheerdance and volleyball

AIA Philippines was also the broadcast partner of One Sports for UAAP Season 87 Men's Basketball the UAAP Cheerdance Competition, and UAAP Season 87 Women's Volleyball, amplifying the brand's reach and impact through three of the biggest and most popular sporting events in the country. BPI AIA echoed this commitment as a marketing partner for the Premier Volleyball League (PVL) broadcast, extending support to the athletes and passionate fans of professional volleyball.



## Running

AIA Philippines continues to power up health and wellness as a presenting sponsor of Rock 'n' Roll Running Series Manila. Held on November 23-24, 2024, the event brought together over 9,000 runners from 58 countries, transforming Manila's streets into a dynamic celebration of fitness, music, and community spirit.

Manila, the only Asian stop on the global Rock 'n' Roll tour, offered runners a choice of 5K, 10K, 21K, and 42K distances on a unique AIMS and World Athletics-certified course that highlighted the city's historical beauty. Runners, from first-timers to seasoned marathoners, enjoyed live music along the route, passing iconic landmarks like Rizal Park, the National Museum, Fort Santiago, and Binondo Chinatown, before culminating in a spectacular finish-line festival.

In partnership with The Ironman Group, AIA's involvement went beyond the race. The AIA Health and Wellness Expo, which kicked off in the week leading up to the race, became a central hub where

participants could access exclusive promotions, expert advice, and exciting brand activations. In 2025, Rock 'n' Roll Running Series Manila will be known as the AIA Rock 'n' Roll Run, with AIA Philippines as title sponsor.

## Indoor cycling and boxing

In December 2024, AIA also conducted Pedal & Punch, a fun workout experience delivered through indoor cycling and boxing classes. Presented in partnership with Electric Studio, the Philippines' first indoor cycling boutique, and Flyweight Boxing, Manila's top boxing studio, this two-in-one sweat fest was all about inspiring Filipinos to embrace healthier, longer, and better lives in the most electrifying way. Participants include AIA Vitality members, AIA employees, media partners, and AIA brand ambassadors Nico Bolzico and Wil Dasovich.

## AIA extends Hope for the Breast

AIA's free breast cancer screening program Hope for the Breast expands its program through the Hope Mobi Clinic, a partnership between





AIA Philippines and The Medical City, which offers free breast cancer screenings and comprehensive treatment support to Filipino women. Equipped with advanced mammography technology, this clinic-on-wheels travels to communities, eliminating barriers of cost and distance that often prevent women from accessing this vital healthcare service. Since its launch in 2024, Hope Mobi Clinic has served over 1000 women in San Juan, Pasig, and Quezon City through free screenings.

## Go with AIA

Whether one is seeking financial independence, a career change, or a chance to help people protect their future, AIA Philippines provides a launch pad for aspiring Filipinos who want to enjoy fulfilling and meaningful careers that they have the power to design. With AIA's Go with AIA campaign, Filipinos can have a chance to carve a career as an AIA Life Planner, where they can thrive while making a difference in the lives of others.







## AIA Healthiest Schools reaches more than 7,200 Filipino youth

In August 2024, AIA brought AIA Healthiest Schools (AHS) to the Philippines. This pioneering initiative aims to boost health literacy among the youth. Through AHS, participating students and educators gain access to free curriculum-linked resources built on four pillars of well-being: healthy eating, physical activity, mental health, and sustainability. The program aims to equip students aged 5 to 16 with the knowledge, skills, and tools to make healthier choices and build a foundation for lifelong well-being.

The program includes a robust Training of Trainers (TOT) component among select teachers to effectively integrate AIA Healthiest Schools' modules and activities into their lesson plans. The curriculum-linked resources include engaging films, presentations, worksheets, and bite-sized activities, making learning about health fun and impactful.

In just three months following its launch, the program reached over 7,200 students and more than 139 school personnel across eight schools in five regions nationwide. These schools comprise: Happy Hollow Elementary School and Happy Hollow National High School in Baguio; San Diego Elementary School and Commonwealth High School in Quezon City; San Juan Central School in Laguna; Lictin Integrated School in Catanduanes; Comagaycay Elementary School in Camarines Sur; and Polopiña National High School in Iloilo -- serving grassroots communities to ensure that the program supports underserved populations effectively.

Learners can apply their newfound knowledge through the AIA Healthiest Schools Competition, where students are encouraged to develop and implement health projects based on the program's four pillars, showcasing their initiatives with real-life application. Winning students will represent their schools and advance to a regional competition hosted by AIA Group in July 2025.



## Products

### Strengthening Protection and Savings Solutions

In 2024, AIA Philippines focused on enhancing protection and savings solutions across different customer segments. Building on the success of AIA A+ Signature, the company responded to the growing demand for similar long-term savings products, while keeping protection at the core of its offerings.

The year began with the launch of **AIA Max Protect**, the company's most comprehensive life insurance plan. With a wide range of customizable riders—including medical, critical illness, accident, and disability coverage—customers could tailor their protection based on their specific needs. AIA Max Protect also featured a 200% guaranteed death benefit, reinforcing its strong value proposition.

AIA Philippines further expanded its portfolio with **AIA A-Life Prime**, a protection and savings product designed for customers who prefer a shorter premium payment period. Payable in just two years, it provided a 200% guaranteed death benefit, 200% maturity benefit, and guaranteed cash payouts every other year until age 100. With a higher issue age limit of 70, it also enabled access to a broader demographic.

Completing the company's protection and savings trinity was **AIA Ascend**, further strengthening its commitment to financial security and long-term wealth accumulation for customers.

Through these initiatives, AIA Philippines reaffirmed its dedication to providing innovative, flexible, and accessible insurance solutions to meet the evolving needs of Filipinos.

### Health and Wellness

With lifestyle-related diseases accounting for 70% of deaths globally<sup>1</sup> and growing at an alarming rate, the need for behavior change has never been more imperative. By rewarding people to embrace a healthier lifestyle through its science-backed wellness program AIA Vitality, AIA Philippines delivers on its commitment to create a more sustainable healthy future for Filipinos.

<sup>1</sup> WHO Framework - Noncommunicable diseases



In 2024, key initiatives were implemented to actively engage AIA Vitality members in taking charge of their health through enhanced program benefits and campaigns. Highlights include:

- Free health check from MediCard and Hi-Precision Diagnostics, plus a PHP 300 transportation voucher, to help members know their baseline health numbers.
- Launch of the AIA Vitality app face scan—a digital biomarker tool that aids in early detection of risk factors by measuring heart rate, blood pressure, stress levels, and body mass index through a 30-second selfie
- Promotions to motivate members to create healthy habits: monthly rewards for hitting weekly and team fitness goals, gifts for moving up to a higher Vitality status, a voucher for taking the 'How Healthy Are You?' assessment, chances to win exciting prizes by staying active or hitting fitness milestones in promos such as Hit Silver, Win a Tracker and Dash For Cash

promos; and preferential rates of up to 50% off on MediCard health services

- Distribution force and staff campaigns to continue cultivating AIA Vitality ambassadors and forge a culture of wellness within the organization: Roar To Gold (for agency); One Team To Vitality (for bancassurance); Fight To Gold and Wellness Wins (for staff)
- Sponsorship of 2024 Cebu Marathon to solidify AIA Vitality's commitment to promote an active lifestyle

These are on top of existing core benefits enjoyed by AIA Vitality members for living healthy — from a wide-range of partner discounts to insurance benefits of up to 20% off insurance premiums, 50% off additional coverage, 100% loyalty boost or 50% double booster.

Year-end metrics affirms AIA Philippines' commitment to promoting healthy living:

- 97.4K members enrolled in the AIA Vitality program as of December 2024, comprising employees, individual and corporate clients
- 9.8K members posted improved health outcomes in at least one metric (i.e., blood pressure, glucose, cholesterol, body mass index) compared to the previous year
- 4.55 AIA Vitality app rating as a result of continuous enhancements to ensure a delightful digital wellness experience for members

2025 promises to be an even bigger year for AIA Philippines in inspiring people to live healthy. With more curated, data-driven health and wellness propositions in the offing, we're better primed to propel 'AIA One Billion' — AIA Group's bold ambition to engage a billion people to live healthier, longer, better lives by 2030.

## BPI AIA

### **BPI AIA strengthens market leadership and brand presence**

BPI AIA strengthens its bancassurance leadership in the industry, solidifying its position as the number one bancassurance provider in the Philippines by end of 2024. BPI AIA also won the prestigious title of Best Life Insurance Company in the Philippines from World Finance for the seventh consecutive year.

In 2024, BPI AIA also launched its brand reintroduction campaign, reinforcing its purpose of helping Filipinos live Healthier, Longer, Better Lives. With its renewed brand message: "With you, so you can do more," BPI AIA strongly empowers its customers to achieve their aspirations and live life to the fullest.

Because BPI AIA continuously innovates alongside evolving customer needs, the company also launched Future Ready, Aspire Premier, Wealth Advantage, InstaProtect, making insurance solutions more accessible to a broader segment.

To amplify its brand awareness efforts and deepen connection with its customers, BPI AIA also served as the broadcast partner of the Premier Volleyball League (PVL), one of the most watched professional sporting events in the country. This partnership aimed to celebrate the spirit of sportsmanship, perseverance, and excellence — values that resonate deeply with how BPI AIA carries out its vision and purpose.

## MediCard

### **Strengthening Synergies with AIA Philippines for Sustainable Growth**

As an integral part of AIA Philippines, MediCard continues to play a pivotal role in expanding the Group's health and wellness ecosystem. Our deepening collaboration with AIA Philippines and the broader AIA Group reflects a shared commitment to providing accessible, high-quality healthcare solutions that empower Filipinos to live healthier, longer, and better lives.

### **Expanding Distribution and Strengthening Partnerships**

MediCard has further aligned with AIA Philippines by leveraging AIA's agency network to expand the distribution of its health products, bringing healthcare solutions to more Filipinos. At the same time, MediCard continues to provide essential health services to AIA customers, reinforcing its role as a trusted partner in AIA's comprehensive protection offerings. This synergy is expected to deepen in 2025, as both organizations explore new avenues for integration, including digital health innovations and preventive care solutions.







### **Sustained Growth and Operational Excellence**

MediCard delivered strong financial performance in 2024, with revenue growth driven by record-breaking sales and reinforced partnerships with corporate and individual customers. Enhanced care pathways, expanded clinic networks, and more efficient cost management contributed to a significant improvement in loss ratios. These efforts align with AIA's strategic focus on delivering long-term value through sustainable healthcare solutions.

### **Strategic Focus for 2025 and Beyond**

Looking ahead, MediCard remains focused on executing its strategic plan to accelerate growth and

enhance customer experience. Key priorities include:

- *Expanding AIA-MediCard Synergies* — Strengthening distribution channels, cross-selling opportunities, and integrated health solutions.
- *Enhancing Care Pathways* — Optimizing provider networks and preventive care programs to improve health outcomes.
- *Accelerating Digital Transformation* — Leveraging technology to enhance operational efficiencies, expand telehealth capabilities, and provide seamless customer experiences.

With a shared vision and an unwavering commitment to innovation, MediCard and AIA Philippines will continue to shape the future of healthcare in the country, ensuring that more Filipinos have access to quality health protection solutions.





## Real Estate

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

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

The last phase of the renovation of the common areas of AIA Tower was completed in November. This involved upgrading the two main lobbies on

the ground floor, as well as the elevator lobbies and common area toilets for all floors of the building.

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

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

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





## Information Technology

In 2024, AIA Philippines solidified its position as a leader in innovation within the ever-evolving field of information technology. The year was defined by significant technological advancements, all anchored on a cloud-first approach, reinforcing the company's commitment to leveraging technology for operational excellence. A wave of transformation swept across operations, agency, and partnership distribution — with the successful execution of over 19 strategic projects and 22 system enhancements that continuously refined and strengthened the company's IT infrastructure.

The technology team also introduced new applications and platforms, marking key milestones in AIA Philippines' ongoing digital transformation. These initiatives reflect the company's dedication to pushing the boundaries of technology, digitalization, and analytics, ensuring greater efficiency and innovation. By maximizing its IT capabilities, AIA Philippines continues to elevate the quality of service it delivers to both internal and external stakeholders, reinforcing its position as a forward-thinking, technology-driven organization.

## Customer Operations

AIA Philippines Life Operations continued with its digital transformation journey towards seamless and improved customer experience, optimizing the use of AIA's technology, digital, and analytics capabilities to deliver service that is convenient, suitable, and secured for its customers.

The customer journeys from Buy, Service, and Claims were revisited to take into consideration the evolving preferences and digital innovation available to the customer today. Solutions that address the friction points and service gaps were implemented coupled with the delivery of service with "malasakit" by its employees. Systems were enhanced to support process automation, with analytics expanded to strengthen operational controls, and tighter collaboration with IT, Risk,

and Compliance was undertaken to provide customers with a safer digital experience.

In efforts to protect more Filipino families at the point of new business, the eKnow-Your-Customer (eKYC) process was enhanced to include a more streamlined validation check by use of the Optical Character Recognition (OCR) tool, which validates select customer ID types and transfers the information to an online application form in seconds. This improvement enables the Company to comply with requirements on remote selling, minimizes errors in data entry, and allows for faster processing of new business applications. Alongside the OCR tool, the Liveliness Check functionality was enabled to keep our customers' data with us secure by ensuring that a real, live person is present during biometric authentication.

Aftersales operational enhancements were also introduced with the shift to digital in mind. Customers are now able to keep their policies active by conveniently settling their premiums through safe and secure online platforms such as the My AIA customer portal, recurring payment merchants, and various bank partners with online and mobile banking capabilities. In addition to the availability of an expanded suite of payment channels, customers and distributors are now regularly updated on policy transactions through relevant and guiding communications.

As our customers' partner for protection, it has remained important for us to be there for them when they need us the most. With this in mind, system and process improvements in the claims journey commenced, starting with the launch of an improved platform where customers can easily file their claim requests. Upgrades made include helpful tooltips and pop-up reminders that guide customers in accomplishing the form, as well as faster customer validation to cut claim fulfillment turnaround times. The successful implementation of these changes ease the burden of claim filing as customers go through a difficult time.

With the customers' needs at the heart of what we do, stronger ties, innovative projects, and exciting breakthroughs with partners and collaborators can be expected in the coming years. All these, anchored on service with "malasakit", will aim deliver an even better experience for our valued stakeholders, and lead them towards Healthier, Longer, and 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.

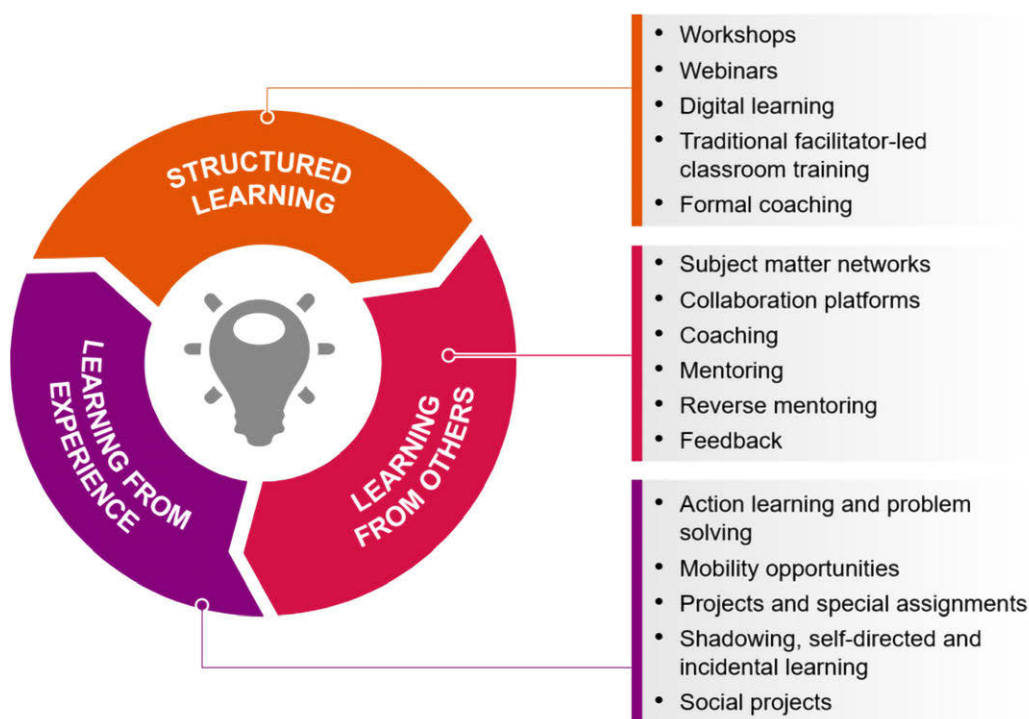
AIA Philippines’ culture is shaped by leaders who embrace the three Leadership Essentials—Clarity, Courage, and Humanity. Leaders should (a) live the Company’s purpose and operating philosophy with a clear direction (b) deliver the best solutions together and ensure that ideas are turned into action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

## Employee Engagement and Outstanding Workplace Recognitions

For employee engagement, AIA Philippines’ 2024 Gallup Score is 4.3, based on the globally recognized analytics survey that measures workplace performance worldwide. AIA Philippines also has secured two prestigious certifications awarded by Great Place to Work®, the global authority on company culture, and Best Places to Work, a premier employer-of-choice certification provider. These put the company in the league of exemplary businesses globally recognized for fostering a positive and supportive workplace culture, which prioritizes employee well-being and engagement..

AIA Philippines earned its Best Places to Work certification in late 2024, establishing a benchmark for workplace excellence. The company was assessed through a comprehensive human resources (HR) questionnaire and an employee experience evaluation, which appraised leadership style, HR, practices, career advancement opportunities, compensation and benefits, diversity, equity and inclusion, and more. After the deliberation, AIA Philippines emerged as one of the top five companies certified as Best Places to Work, gaining international recognition for its extensive employee well-being programs.







The company's standing as an outstanding employer was also affirmed when it earned its Great Place to Work® certification in December 2024. Achieving an impressive survey score for company culture, values, and workplace environment, AIA Philippines employees reported high remarks for topics such as trust among teams and management, pride in the work done, and camaraderie.

### **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 2024 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. 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, 99.7% of our employees took at least one training session for professional development, with 36.97 hours per employee dedicated to learning and upskilling in 2024.

## 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.

### 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.

### 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.



## 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 2024, AIA Philippines remains 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.

### GROWING ALLYSHIP 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.

**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.

# CORPORATE GOVERNANCE

A photograph of two women in business attire working together at a desk. The woman on the left, wearing a white blazer, is pointing at a document. The woman on the right, wearing a brown blazer, is looking at the document and smiling. They are sitting at a wooden desk with a laptop, a grey mug, and some papers. In the background, there is a whiteboard with colorful sticky notes and a large window with a view of greenery outside.





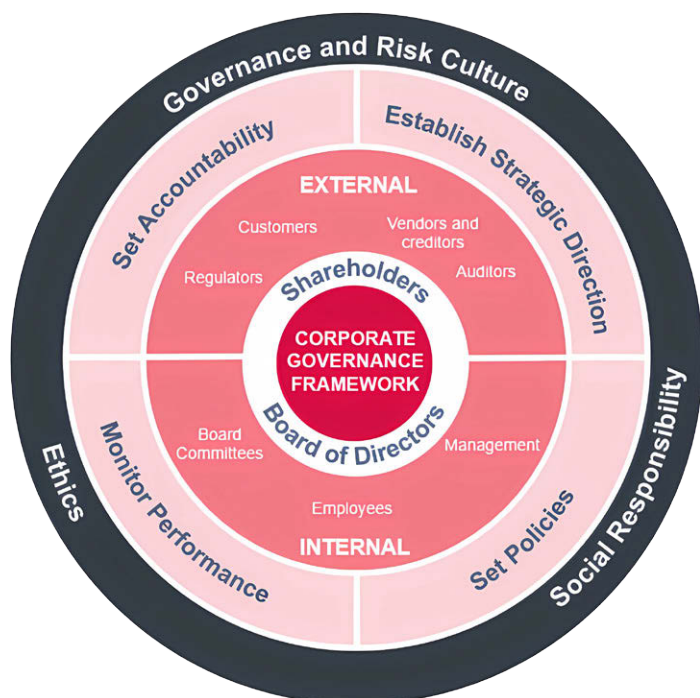
AIA Philippines is committed to the highest standards of the Code of Corporate Governance, which is rooted in the belief that a culture of integrity and transparency is essential to the consistent achievement of its goals. Creating a sustainable culture, where trust and accountability are as vital as 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.

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



BOARD OF DIRECTORS	
<b>Chairman of the Board</b>	Leo Grepin*
<b>Executive Director</b>	Melita Teo, CEO
<b>Non-Executive Director</b>	Mitchell David New Jayne Plunkett
<b>Independent Directors</b>	Gregorio T. Yu Aurelio R. Montinola, III Carlo L. Katigbak
<b>Corporate Secretary</b>	Carla J. Domingo

\*Replaced by Mr. Jacky Chan

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 16 September 2024, 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.

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

## SEMINARS ATTENDED BY THE BOARD OF DIRECTORS, 2024

## DIRECTOR

## TRAINING/SEMINAR

## Melita Teo

- IC Mandated Annual Continuing Board Training on Corporate Governance, 30 September 2024

## Jacky Chan

- Asian Financial Forum 2024 in Hong Kong, 24-25 January 2024
- Online Training Course for Directors and Senior Executives of AIA Life on China Regulatory Development, 30 January 2024
- Online Training Course for Directors and Senior Executives of AIA Life on New Regulations, 27 February 2024
- Online Training Course for Directors and Senior Executives of AIA Life on China Regulatory Development, 26 March 2024
- AIA Life BODs New Company Law Online Training, 23 April 2024
- RCE Offsite Meeting in Hanoi, 12-14 May 2024
- Online Training Course for Directors and Senior Executives of AIA Life on China Regulatory Development, 21 May 2024
- Actuarial Society Hong Kong – The Joint Regional Seminar (JRS) in Hong Kong, 28-29 May 2024
- Online Training Course for Directors and Senior Executives of AIA Life on Insurance update, 25 June 2024
- CEO Forum of APFinSA Day 2024 in Hong Kong, 3 July 2024
- AIA Life BODs New Company Law Online Training, 23 July 2024
- Online Training Course of Directors and Senior Executives of AIA Life on Insurance update, 20 August 2024
- Online Training Course of Directors and Senior Executives of AIA Life on Strengthening Supervision, Preventing Risks, and Promoting the High-quality Development of the Insurance Industry, 24 September 2024
- Online Training Course for AIA Life Directors and Senior Executives of insurance institutions to improve their ability to perform their duties, 21 October 2024
- Speaker for Asian Actuarial Conference 2024 in Hong Kong, 23 October 2024
- 30th Anniversary of AIA Fudan Actuarial Center in Shanghai, 26 October 2024
- AIA Leadership Conference in Hong Kong, 12 November 2024
- AIA Life Directors Online Training on New Regulations, 28-29 November 2024
- Panel Speaker for InsureTech Insights Conference in Hong Kong, 5 December 2024
- Asian Insurance Forum 2024 in Hong Kong, 10 December 2024
- AML Training for AIA Life Board of Directors, 17 December 2024

## Carlo Katigbak

- IC-Mandated Annual Continuing Board Training on Corporate Governance, 30 September 2024

## Gregorio Yu

- IC-Mandated Annual Continuing Board Training on Corporate Governance, 18 September 2023 and 26 October 2023
- IC-Mandated Annual Continuing Board Training on Corporate Governance, 30 September 2024

## Mitchell David New

- Corporate Governance, 02 November 2020

## AIA Singapore

- 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

- Anti-Money Laundering and Anti-Terrorist Financing Training 2020 (completed by 06 January 2021)

## AIA Group (with Board of Directors)

- 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 28-30 August 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



## SEMINARS ATTENDED BY THE BOARD OF DIRECTORS, 2024

### DIRECTOR

### TRAINING/SEMINAR

	<ul style="list-style-type: none"> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 18 September 2023</li> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 30 September 2024</li> </ul>
<b>Jayne Plunkett</b>	<ul style="list-style-type: none"> <li>• BDF-Board and Director Fundamentals (held online), 28 September 2020</li> <li>• IC Mandated Annual Continuing Board Training on Corporate Governance, 09 December 2020</li> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 04 November 2021</li> <li>• Annual Director Training, AIA Singapore Pte Ltd, 6 October 2022</li> <li>• Knowing Me Knowing You Workshop 2022, Life Skill Institute, Singapore, 11 October 2022</li> <li>• Director Orientation Program, TATA AIA Life Insurance Co Ltd, 9 November 2022</li> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 05 December 2022</li> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 18 September 2023</li> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 30 September 2024</li> </ul>
<b>Aurelio Montinola, III</b>	<ul style="list-style-type: none"> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 18 September 2023</li> <li>• IC-Mandated Annual Continuing Board Training on Corporate Governance, 30 September 2024</li> </ul>

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 in and contribution to 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.

In 2024, the board of AIA Philippines conducted a self-assessment with the objective of identifying areas in which the board could perform better, as well as assess if the board's skills and expertise match the strategic direction that the companies are taking. An overall rating of Consistently Good to Excellent was received with findings summarized as follows:

- The Board agrees to the adequacy and appropriateness of its size and composition. It has a good balance of skills, capabilities and experience, which are necessary for the Board to perform its duties.
- The Board also has good knowledge and understanding of the Company's vision, mission, objectives, and strategies; and it continuously considers shareholder value and long-

<b>AUDIT AND RPT COMMITTEE</b>  <b>Gregorio T. Yu</b> , Chairman (Independent Director)  <b>Aurelio R. Montinola III</b> (Independent Director)  <b>Carlo L Katigbak</b> (Independent Director)	<b>EXECUTIVE COMMITTEE</b>  <b>Leo Michel Grepin</b> , Chairman (Non-Executive Director)  <b>Melita Teo</b> , Vice-Chairman (Executive Director)  <b>Mitchell David New</b> (Non-Executive Director)
<b>BOARD RISK COMMITTEE</b>  <b>Aurelio R Montinola III</b> , Chairman (Independent Director)  <b>Jayne Plunkett</b> (Non-Executive Director)  <b>Gregorio T. Yu</b> (Independent Director)	<b>CORPORATE GOVERNANCE COMMITTEE</b> (FORMERLY: GOVERNANCE, NOMINATION AND COMPENSATION COMMITTEE)  <b>Carlo L Katigbak</b> , Chairperson (Independent Director)  <b>Mitchell David New</b> (Non-Executive Director)  <b>Gregorio T. Yu</b> (Independent Director)

- term shareholder interests in its decisions-making process.
- In terms of Board dynamics, the Board continues to show excellent working relationship and positive atmosphere due to the high level of trust among the members. The Board has continuously shown the ability to cope with conflict and differing views. One, however, noted that the board does not know the senior management team especially well.
  - Board meetings are continuously held on a regular and efficient manner.
  - In terms of Board support, the Board has acknowledged the timeliness and quality of the materials and reports provided by management.

In line with its commitment to good corporate governance, third party evaluation is conducted every 3 years. Such evaluation is scheduled to be conducted in June 2025.

### Board Meetings in 2024

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 2024, the Board of Directors had a total of five meetings, where the Board posted an overall attendance rate of 91.07 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 23 January 2024, 12 April 2024, 25 July 2024, and 25 October 2024. On the other hand, the NEDS meetings with the Chief Risk and Compliance Officer were held on 24 January 2024, 15 April 2024, 24 July 2024, and 24 October 2024.

### 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



## BOARD OF DIRECTORS

MEMBER	DATE OF MEETING 25 January 2024 (Regular) 15 April 2024 (Outgoing) 15 April 2024 (Organizational) 25 July 2024 (Regular) 25 October 2024 (Regular) <b>5 Meetings (91.07%)</b>
<b>Melita Teo</b>	5 Meetings (100%)
<b>Leo Michel Grepin*</b>	5 Meetings (100%)
<b>Joaquin E. Quintos, IV</b> (until 15 April 2024) <b>Carlo L. Katigbak</b> (effective 15 April 2024)	5 Meetings (100%)
<b>Aurelio R. Montinola III</b>	4 Meetings (87.5%)
<b>Doris Magsaysay Ho</b>	3 Meetings (62.5%)
<b>Mitchell David New</b>	4 Meetings (87.5%)
<b>Jayne Plunkett</b>	5 Meetings (100%)

\*Replaced by Mr. Jacky Chan

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

MEMBER	DATE OF MEETING 19 March 2024 27 June 2024 26 September 2024 12 December 2024 <b>4 Meetings (91.66%)</b>
<b>Doris Magsaysay Ho</b> (until 15 Apr 2024) <b>Carlo L. Katigbak</b> (effective 15 Apr 2024)	4 Meetings (100%)
<b>Gregorio T. Yu</b>	3 Meetings (75%)
<b>Mitchell David New</b>	4 Meetings (80%)

## AUDIT AND RPT COMMITTEE

MEMBER	DATE OF MEETING 23 January 2024 (Regular) 12 April 2024 (Regular) 25 July 2024 (Regular) 25 October 2024 (Regular) <b>4 Meetings (81.25%)</b>
<b>Joaquin E. Quintos, IV</b> (until 15 Apr 2024) <b>Carlo L. Katigbak</b> (effective 15 Apr 2024)	4 Meetings (100%)
<b>Doris Magsaysay Ho</b>	2 Meetings (50%)
<b>Gregorio T. Yu</b>	4 Meetings (100%)
<b>Aurelio R. Montinola III</b>	3 Meetings (75%)

## BOARD RISK COMMITTEE

MEMBER	DATE OF MEETING 24 January 2024 15 April 2024 24 July 2024 24 October 2024 <b>4 Meetings (75.00%)</b>
<b>Doris Magsaysay Ho</b> (until 15 Apr 2024)	1 Meeting (25%)
<b>Aurelio R Montinola III</b>	4 Meetings (100%)
<b>Jayne Plunkett</b>	4 Meetings (100%)
<b>Melita Teo More May</b> (membership until 15 April 2024)	2 Meetings (50%)
<b>Gregorio T. Yu</b>	4 Meetings (100%)

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 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 2024, the total annual gross fees of the independent directors of the Company amounted to Philippine Pesos: 6,155,000.00, broken down as follows: 1) Joaquin Quintos, IV – PHP1,480,000.00; 4) Doris Magsaysay Ho – PHP1,520,000.00; 5) Gregorio T. Yu – PHP 1,740,000.00; 6) Aurelio R. Montinola, III – PHP 1,235,000.00; and, 7) Carlo L. Katigbak – 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 2024, the Company declared PHP4,917,647,058.82 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.

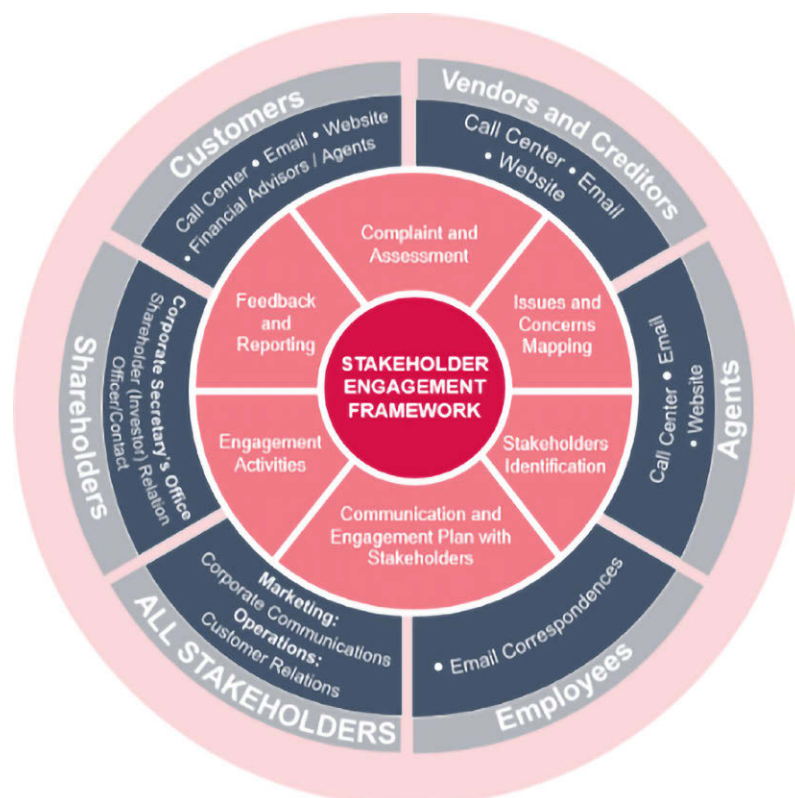
**h. Internal Audit Charter** – sets out, among others, the role, mission, scope and responsibilities of the Company's internal audit functions, called Group Internal Audit Philippines (GIAPH), including arrangements for ensuring

GIAPH's independence and 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: <a href="https://www.aia.com.ph/en/index.html">https://www.aia.com.ph/en/index.html</a>	Telephone No.: (02) 8 528 2000	Email Address: <a href="mailto:customerservice.ph@aia.com">customerservice.ph@aia.com</a>
Shareholder			
Regulators			
Employees			
Sales Force			
Vendors			
Business partners			
Industry associations			
Communities			

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

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

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

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



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



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

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

### **2024 IC-Mandated Annual Continuing Board Training on Corporate Governance**

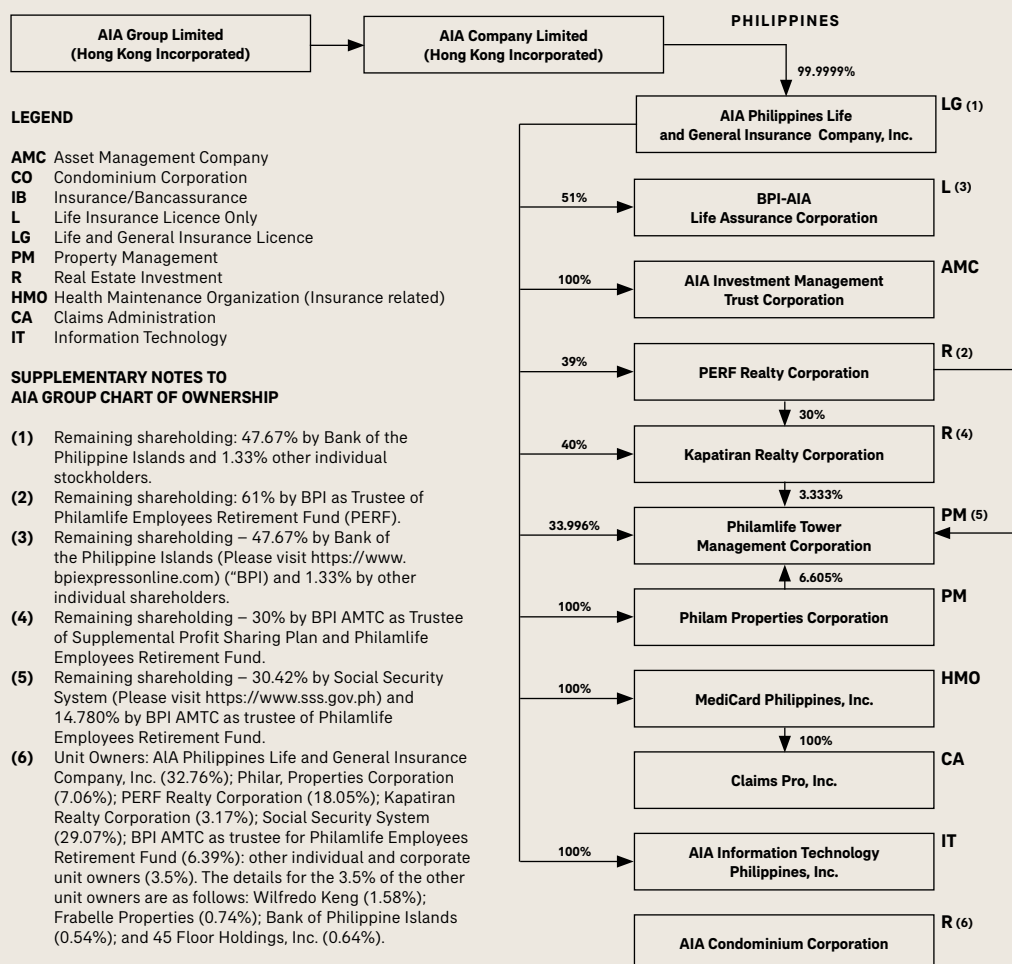
In compliance with IC CL 2020-71, the Company conducted annual continuing training for the board with the following topics: (1) Life Insurance Industry Updates, (2) Customer Fairness / FCPA / AML, (3) Role of Directors, and (4) Financial Reporting / Internal Controls.



## LIST OF STOCKHOLDERS

	Shares Held	Class	Amount Paid	Percentage of Ownership	Nationality	Beneficiary Ownership
<b>AIA Company Limited</b>	199,560,515	Common	1,995,605,150.00	99.99993%	Hong Kong SAR	
<b>Leo Michel Grepin</b> (Non-Executive Director/Chairman)	1	Common	10.00		American	AIA Company Ltd.
<b>Melita Teo More May</b> (Executive Director/CEO)	1	Common	10.00		Singaporean	AIA Company Ltd.
<b>Mitchell David New</b> (Non-Executive Director)	1	Common	10.00		Canadian	AIA Company Ltd.
<b>Gregorio T. Yu</b> (Independent Director)	1	Common	10.00		Filipino	AIA Company Ltd.
<b>Aurelio R. Montinola, III</b> (Independent Director)	1	Common	10.00		Filipino	AIA Company Ltd.
<b>Carlo L. Katigbak</b> (Independent Director)	1	Common	10.00		Filipino	AIA Company Ltd.
<b>Jayne Plunkett</b> (Non-Executive Director)	1	Common	10.00		American	AIA Company Ltd.
<b>Estate of Luis Yulo</b>	149	Common	1,490.00	0.00007%	Filipino	
<b>TOTAL</b>	<b>199,560,671</b>		<b>1,995,606,710.00</b>	<b>100.00000%</b>		

## 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 2024

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

## 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 2024, 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](mailto:compliance@aia.com).

## Good Corporate Citizenship

### Prevention of Insider Trading and Market Misconduct

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

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.

## CORPORATE GOVERNANCE

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 regulator and 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 2024, the Audit and RPT Committee members were composed of independent directors: Gregorio Yu (Chairman), Joaquin Quintos IV (member until April), Doris Ho (member until April), Aurelio Luis Montinola III (replaced Mr. Quintos as member) and Carlo Katigbak (replaced Ms. Ho 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 TBD 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 2024. From 1 January to 31 December 2024, 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 2024, 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 2024, 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 2024. 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 2024. 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 2024, the audit fees of Isla Lipana & Co./ PricewaterhouseCoopers amounted to PHP7,769,887 exclusive of out-of-pocket expenses and value added tax (VAT). There were no non-audit fees paid to Isla Lipana & Co./PricewaterhouseCoopers for 2024.

# AUDITED FINANCIAL STATEMENTS



# AL







## 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, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

#### *What we have audited*

The financial statements of the Company comprise:

- the statements of financial position as at December 31, 2024 and 2023;
- the statements of comprehensive income for the years ended December 31, 2024 and 2023;
- the statements of changes in equity for the years ended December 31, 2024 and 2023;
- the statements of cash flows for the years ended December 31, 2024 and 2023; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory 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](http://www.pwc.com/ph)

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



#### 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 Accounting Standards, 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)

Page 4

***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.**

A handwritten signature in black ink, appearing to read "Zaldy D. Aguirre".

Zaldy D. Aguirre  
Partner

CPA Cert No. 0105660

P.T.R. No. 0024447, issued on January 3, 2025, 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 10, 2025

**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, 2024 and 2023  
(All amounts in thousands of Philippine Peso)

	Notes	2024	2023
<b>Assets</b>			
Cash and cash equivalents	2	2,575,767	3,896,473
Insurance receivables, net	3	30,038,952	27,732,438
Financial assets at fair value through profit or loss	4	66,378,712	66,602,804
Available-for-sale financial assets	4	117,855,483	119,994,291
Loans and receivables, net	5	11,392,638	12,328,508
Accrued income	7	2,376,398	2,487,713
Investments in subsidiaries and associates	8	18,753,556	16,736,165
Investment properties	9	6,295,465	6,190,627
Property and equipment, net	10	4,261,404	4,355,191
Other assets, net	12	6,403,085	6,421,900
<b>Total assets</b>		<b>266,331,460</b>	<b>266,746,110</b>
<b>Liabilities and Equity</b>			
Insurance contract liabilities, net	13	144,638,539	145,370,951
Policyholders' dividends	13	7,542,003	7,398,680
Liabilities for supplementary contracts	13	562,211	576,023
Premium deposit fund	13	749,224	645,403
Insurance payables	14	29,627,236	27,360,735
Accounts payable and accrued expenses	15	6,408,985	7,388,387
Loans payable	15	4,800,000	2,000,000
Deferred income tax liabilities, net	27	982,790	945,012
Other liabilities	15	2,646,822	2,525,726
<b>Total liabilities</b>		<b>197,957,810</b>	<b>194,210,917</b>
Share capital	16	2,669,100	2,669,100
Share premium		421,261	421,261
Contributed surplus		25,000	25,000
Treasury shares	8,16	(1,200,193)	(1,200,193)
Reserves	16	4,022,761	7,510,511
Retained earnings	16	62,435,721	63,109,514
<b>Total equity</b>		<b>68,373,650</b>	<b>72,535,193</b>
<b>Total liabilities and equity</b>		<b>266,331,460</b>	<b>266,746,110</b>

(The notes on pages 1 to 81 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, 2024 and 2023  
(All amounts in thousands of Philippine Peso)

	Notes	2024	2023
<b>Premiums and other income</b>			
Gross premiums on insurance contracts		13,661,478	15,230,179
Reinsurers' share of gross premiums on insurance contracts		(1,591,589)	(2,322,513)
Net insurance premiums	17	12,069,889	12,907,666
Investment income	18	10,536,362	12,140,056
Fee income from unit-linked funds	6	631,497	615,141
Fair value gains, net	20	1,543,975	983,954
Realized gains on sale of available-for-sale financial assets, net	19	1,583,313	157,752
Foreign exchange gains (losses), net	30.4	1,726,688	(221,185)
Other loss, net		(342,683)	(393,100)
<b>Total premiums and other income</b>		<b>27,749,041</b>	<b>26,190,284</b>
<b>Expenses</b>			
Benefits and claims paid on insurance contracts, net	21	10,092,979	9,346,548
Change in insurance contract liabilities, net	13	4,831,315	4,758,334
Commissions and other acquisition expenses	22	1,101,174	1,386,969
General and administrative expenses	23	4,793,875	4,639,196
Investment expenses	18	1,355,608	1,194,799
Insurance taxes, licenses and fees		198,326	216,071
<b>Total expenses</b>		<b>22,373,277</b>	<b>21,541,917</b>
<b>Income before income tax</b>		<b>5,375,764</b>	<b>4,648,367</b>
Income tax expense	27	1,131,910	1,323,323
<b>Net income</b>		<b>4,243,854</b>	<b>3,325,044</b>
<b>Other comprehensive (loss) income</b>			
Item that will be subsequently reclassified to profit or loss			
Net fair value changes on available-for-sale financial assets	4,16	(2,397,270)	6,266,093
Items that will not be subsequently reclassified to profit or loss			
Remeasurement of insurance contract liabilities	13,16	(456,357)	(1,258,836)
Remeasurement of retirement and other post-employment benefit schemes	16,25	(633,952)	(191,519)
Fair value gains on property and equipment, net of tax	10,16	5,077	11,965
<b>Total other comprehensive (loss) income</b>		<b>(3,482,502)</b>	<b>4,827,703</b>
<b>Total comprehensive income</b>		<b>761,352</b>	<b>8,152,747</b>

(The notes on pages 1 to 81 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, 2024 and 2023  
(All amounts in thousands of Philippine Peso)

	Share capital (Note 16)	Share premium	Contributed surplus	Treasury shares (Note 16)	Reserves (Note 16)	Retained earnings (Note 16)	Total equity
<b>BALANCES AS AT JANUARY 1, 2023</b>	<b>2,669,100</b>	<b>421,261</b>	<b>25,000</b>	<b>(1,200,193)</b>	<b>2,687,342</b>	<b>67,849,176</b>	<b>72,451,686</b>
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>							
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
<b>TRANSACTIONS WITH OWNERS</b>							
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)
<b>BALANCES AS AT DECEMBER 31, 2023</b>	<b>2,669,100</b>	<b>421,261</b>	<b>25,000</b>	<b>(1,200,193)</b>	<b>7,510,511</b>	<b>63,109,514</b>	<b>72,535,193</b>
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>							
Net income for the year	-	-	-	-	-	4,243,854	4,243,854
Other comprehensive income	-	-	-	-	(3,482,502)	-	(3,482,502)
	-	-	-	-	(3,482,502)	4,243,854	761,352
<b>TRANSACTIONS WITH OWNERS</b>							
Dividend declared and paid (Note 16)	-	-	-	-	-	(4,917,647)	(4,917,647)
Cost of share-based payments	-	-	-	-	(5,248)	-	(5,248)
	-	-	-	-	(5,248)	(4,917,647)	(4,922,895)
<b>BALANCES AS AT DECEMBER 31, 2024</b>	<b>2,669,100</b>	<b>421,261</b>	<b>25,000</b>	<b>(1,200,193)</b>	<b>4,022,761</b>	<b>62,435,721</b>	<b>68,373,650</b>

(The notes on pages 1 to 81 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, 2024 and 2023  
(All amounts in thousands of Philippine Peso)

	Notes	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax		5,375,764	4,648,367
Adjustments for:			
Fair value gains, net	20	(1,543,975)	(983,954)
Interest income	18	(8,111,659)	(9,322,682)
Change in insurance contract liabilities	13	4,831,315	4,758,334
Gain on available-for-sale financial assets, net	19	(1,583,313)	(157,752)
Unrealized foreign exchange (gains) losses, net	30.4	(1,548,469)	1,526,472
Dividend income	18	(1,870,592)	(2,252,004)
Depreciation and amortization	18,23	925,360	722,149
Rental income	18	(554,111)	(565,370)
Interest expense		593,633	324,712
Amortization of (discount) premium	4	(321,986)	153,988
Provision for impairment loss	3,5	28,913	46,052
Retirement and other post-employment benefits income	25	(111,938)	(108,471)
Loss (gain) on sale of property and equipment	10	5,294	(168,842)
<b>Operating loss before changes in operating assets and liabilities</b>		<b>(3,885,764)</b>	<b>(1,379,001)</b>
Changes in operating assets and liabilities			
(Increase) decrease in:			
Insurance receivables		(2,322,832)	(3,707,178)
Financial assets at fair value through profit or loss		1,665,518	(5,919,541)
Loans and receivables		(1,065,116)	(1,271,012)
Other assets		(304,568)	136,659
(Decrease) increase in:			
Insurance contract liabilities		(6,586,584)	(6,642,535)
Policyholders' dividends		143,323	62,368
Liabilities for supplementary contracts		(13,812)	(42,568)
Premium deposit fund		103,821	(33,319)
Insurance payables		2,266,501	3,989,405
Accounts payable and accrued expenses		(1,546,510)	516,019
Other liabilities		221,615	(248,222)
<b>Net cash used in from operations</b>		<b>(11,324,408)</b>	<b>(14,538,925)</b>
Income taxes paid		(1,102,087)	(1,176,952)
Interest received		1,508,546	1,196,923
Dividend income received		1,555,379	1,232,423
Interest paid		(546,289)	(283,776)
Contributions to the retirement fund	25	(73,531)	(37,615)
Other post-employment benefits paid	25	(17,984)	(5,852)
<b>Net cash used in operating activities</b>		<b>(10,000,374)</b>	<b>(13,613,774)</b>
<i>(forward)</i>			

**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, 2024 and 2023  
(All amounts in thousands of Philippine Peso)

	Notes	2024	2023
<i>(balance forwarded)</i>			
<b>Net cash used in operating activities</b>		<b>(10,000,374)</b>	<b>(13,613,774)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisitions of:			
Available-for-sale financial assets	4	(15,260,869)	(6,916,317)
Investment properties	9	(35,217)	(6,525)
Property and equipment	10,11	(224,569)	(1,326,577)
Proceeds from disposals/maturities of:			
Available-for-sale financial assets		18,864,023	15,552,682
Investment properties	9	88	20,564
Property and equipment	10	8,478	189,452
Interest income received		6,663,932	8,305,750
Dividend income received		349,913	1,206,768
Rental income received		569,907	581,433
Capital infusion in a subsidiary	8	(29,000)	(2,503,125)
Increase in financial assets at fair value through profit or loss		(10,120)	(214,389)
Acquisition of a subsidiary	8	-	(13,500,000)
<b>Net cash from investing activities</b>		<b>10,896,566</b>	<b>1,389,716</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from loans		2,800,000	2,000,000
Dividends paid	16	(4,917,647)	(8,064,706)
Payment of lease liabilities	11		
Principal		(53,447)	(30,073)
Interest		(47,344)	(40,936)
<b>Net cash used in financing activities</b>		<b>(2,218,438)</b>	<b>(6,135,715)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(1,322,246)</b>	<b>(18,359,773)</b>
<b>CASH AND CASH EQUIVALENTS</b>			
At January 1		3,896,473	22,257,772
Effect of foreign exchange rate on cash and cash Equivalents	2	1,540	(1,526)
<b>At December 31</b>	<b>2</b>	<b>2,575,767</b>	<b>3,896,473</b>

(The notes on pages 1 to 81 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
Medicaid	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

### 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.

	2024		2023	
	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	210,282	57,362	352,536	50,659
Benefits ceded	(108,604)		(244,456)	
Commissions ceded	(19,143)		(25,407)	
Related entities under common control of the Ultimate Parent Company				
Premiums ceded	1,101,512	878,920	1,182,104	1,048,362
Benefits ceded	(849,898)		(774,891)	
Commissions ceded	(380,681)		(550,100)	
Subsidiaries				
Premiums ceded	-	-	-	-
Premiums assumed	-	-	-	-
Benefits ceded	-	-	(7,750)	-
Benefits assumed	-	-	-	-
Commissions ceded	-	-	-	-
Commissions assumed	-	-	-	-

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, 2024, funds withheld for AIA Re amounts to P27,912.436 (2023 - P25,820.7) (Note 3).

28.1.2 Investment and financing activities with related parties

	Notes	2024		2023	
		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)	-	27,763,257	-	26,224,102
Interest*		(1,004,039)	282,777	(1,294,885)	270,842
Parent Company					
Dividends paid to Parent Company		4,917,643	-	8,064,700	-
Related entities under common control of the Ultimate Parent Company					
Investment management fees		25,378	(5,219)	20,290	(2,080)
Subsidiaries					
Mortgage and other loans					
Principal	(b)	-	233,505	-	266,315
Interest		(19,686)	175,583	(23,656)	163,345
Dividend income from subsidiaries and associates	8	(212,720)	1,929	(883,024)	1,929
Investment management fees	(c)	446,990	(28,774)	386,391	(83,057)
Managed funds					
Acquisitions	4	3,001,487	2,318,115	6,550,044	1,347,315
Disposals		-	-	(154,814)	-

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

	PRC	KRC	Total
As at January 1, 2023	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
Principal repayment	(30,000)	(2,810)	(32,810)
As at December 31, 2024	230,260	3,245	233,505

(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.

	2024		2023	
	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	46,407	(18,513)	16,931	(1 9,201)
Parent Company	467,829	(51,996)	474,630	(270,988)
Related entities under common control of the Ultimate Parent Company	2,665,869	(164,813)	2,724,293	(397,274)
Subsidiaries	(984,505)	339,993	(997,093)	141,701

### 28.2 Reconciliation of outstanding related party balances

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

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

#### (a) Receivable balances arising from:

	Insurance activities	Investment and financing activities	Shared service activities and other transactions	Total
2024				
Ultimate Parent Company	-	28,046,034	-	28,046,034
Parent Company	57,995	-	-	57,995
Related entities under common control of the Ultimate Parent Company	29,287,050	-	209,665	29,496,715
Subsidiaries	-	411,017	594,375	1,005,392
Managed funds	-	2,318,115	-	2,318,115
	29,345,045	30,775,166	804,040	60,924,251
2023				
Ultimate Parent Company	-	26,494,944	-	26,494,944
Parent Company	2,117	-	-	2,117
Related entities under common control of the Ultimate Parent Company	26,976,018	-	119,828	27,095,846
Subsidiaries	-	431,589	228,284	659,873
Managed funds	-	1,347,315	-	1,347,315
	26,978,135	28,273,848	348,112	55,600,095



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

	Notes	2024	2023
Financial assets at FVTPL	4	2,318,115	1,347,315
AFS financial assets	4	27,763,256	26,224,102
Insurance receivables, net	3	29,345,045	26,978,135
Loans and receivables, net	5	1,016,618	593,499
Accrued income	7	460,288	436,116
Other assets, net		20,929	20,928
		60,924,251	55,600,095

(b) Payable balances arising from:

	Insurance activities	Investment and financing activities	Shared service activities and other transactions	Total
December 31, 2024				
Ultimate Parent Company	-	-	18,513	18,513
Parent Company	633	-	51,996	52,629
Related entities under common control of the Ultimate Parent Company	28,408,130	5,219	374,478	28,787,827
Subsidiaries	-	28,774	254,382	283,156
	28,408,763	33,993	699,369	29,142,125
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	893,874	26,858,124

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

	Notes	2024	2023
Insurance payables	14	28,857,287	26,623,382
Accounts payable and accrued expenses	15	733,363	979,010
Insurance contract liabilities	13	(448,525)	(744,268)
		29,142,125	26,858,124

### 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:

	2024	2023
Salaries, wages and other benefits, including share-based compensation	471,591	541,110
Retirement benefits	4,486	3,005
	476,077	544,115

As at December 31, 2024 and 2023, no outstanding receivables from key management personnel. There are no payable balances due to key management as at December 31, 2024 and 2023.

For the year ended December 31, 2024, the total remuneration of the Company's directors is P4.6 million (2023 - P4.5 million).

The Company's transaction with the employee retirement funds for the years ended December 31, 2024 and 2023 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. If the fair values of the investment properties and own-use properties were to differ by +/-5%, the carrying amount of investment properties and own-use properties would be an estimated P314.8 and P39.7 as at December 31, 2024 (2023 - P309.5 and P40.3) higher/lower, respectively.

- (c) Determination of estimated useful lives of property and equipment (Note 10)*
- (d) Determination of the incremental borrowing rate for leases (Note 11)*
- (e) Determination of claims liability arising from insurance contracts (Note 13)*



**HEALTHIER, LONGER,  
BETTER LIVES**

**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](mailto:customerservice.ph@aia.com) Web: [aia.com.ph](http://aia.com.ph)

Customer Hotline: (632) 8528 2000

    AIA Philippines