



**BDO** *life*<sup>®</sup>

2020 Annual Report

**Protection  
& Security**

# Table of Contents

<b>03</b>	Corporate Profile
	Corporate Mission
	Corporate Vision
<b>04</b>	Core Values
<b>05</b>	Shareholder Structure
<b>06</b>	President's Report
<b>08</b>	Corporate Governance
<b>09</b>	Board of Directors
<b>24</b>	Statements of Financial Position
<b>25</b>	Statements of Income
<b>26</b>	Statements of Comprehensive Income
<b>27</b>	Products and Services
<b>28</b>	Corporate Officers
<b>29</b>	Corporate Information

# Corporate Profile, Mission and Vision

## CORPORATE PROFILE

BDO Life Assurance Company, Inc. is a wholly-owned subsidiary of BDO Unibank, Inc., the country's largest bank to date. BDO Life offers a diverse pool of life insurance products suitable to the needs of its target clients. BDO Life provides protection, education, savings, retirement, and estate planning solutions aimed to create a secure future for its customers and their families. BDO Life extends comprehensive term life insurance protection for corporate clients.

## CORPORATE MISSION STATEMENT

Help every Filipino family achieve financial security and maintain financial dignity.

## CORPORATE VISION STATEMENT

To be the leading insurance company that empowers customers to achieve their goals and aspirations, combining our entrepreneurial spirit and intense customer focus to deliver personalized insurance solutions that are practical, straightforward, and convenient, while taking pride in building long-term relationships and finding better ways to deliver insurance protection products of the highest standards.

## **CORE VALUES**

### **Commitment to Customers**

We are committed to delivering products and services that surpass customer expectations in value and every aspect of customer service, while remaining prudent and trustworthy stewards of their wealth.

### **Commitment to a Dynamic and Efficient Organization**

We are committed to creating an organization that is flexible, responds to change, and encourages innovation and creativity. We are committed to the process of continuous improvement in everything we do.

### **Commitment to Employees**

We are committed to our employees' growth and development; and we will nurture them in an environment where excellence, integrity, teamwork, professionalism, and performance are valued above all else.

### **Commitment to Shareholders**

We are committed to providing our shareholders with superior returns over the long term.

# Shareholder Structure



## Nominal Shareholders

1. Teresita T. Sy
2. Nestor V. Tan
3. Renato A. Vergel De Dios
4. Jaime C. Yu
5. Lucy C. Dy
6. Herminia S. Jacinto
7. Atty. Luis Ma. G. Uranza

# President's Report



To say that 2020 was a challenging year is an understatement. Industry New Sales in terms of Annual Premium Equivalents (APE) contracted by 20%, a direct result of the COVID-19 health crisis. BDO Life was not spared, similarly experiencing a decline in annual sales for the first time in its history. As bank branches initially struggled to operate with a lean bench, while operating under shortened banking hours and with clients hurriedly exiting branch premises once their banking needs were served, in-branch bancassurance sales virtually froze.

BDO Life's New Business steadily recovered month after month from June 2020 as lockdown restrictions eased, helped later in the year by a steady inflow of single premium variable life sales brought on by significant liquidity in the market. The pandemic had likewise shifted market preferences towards products with minimal underwriting and simplified policy issuance requirements.

Equity markets remained volatile throughout the year. And with interest rates falling to record lows, one might completely regard the scenario as a "perfect storm" engulfing the life insurance industry.

BDO's financial strength combined with efforts of our Financial Advisors and branch partners helped assuage BDO Life's growing customer base that their policies remained secure and that their coverage can be relied upon to respond to its promises through these particularly trying times.

At the height of the pandemic, BDO Life provided free COVID-related coverage for customers with health plans and likewise extended premium payment grace periods, providing clients sufficient leeway to help ensure their ability to maintain their policies in-force. The pandemic accelerated our digitization efforts as we built our capacity to sell to and onboard customers from the comfort and safety of their own homes. Our sales force training courses were reprogrammed to be delivered online and by June, we were coaching our current sales force online on how to perform virtual sales effectively. By September 2020, we were back training new sales force recruits online.

Amidst all this, we launched our “What If” marketing campaign which reinforced the protection value of life insurance as an essential part of one’s financial plan. This further helped us strengthen our brand and affiliation with the BDO Group. In order to promote our brand and expand our reach toward BDO’s customer base, BDO is working to improve the quality of its referrals to BDO Life with data analytics.

On the business development side, we continued to strengthen corporate tie-ups through our Alternative Sales channel. This complements the Bank’s thrust towards financial inclusion, particularly for the SME market. By way of our group insurance solutions, employees from these small to medium start-up companies are given access to comprehensive yet affordable term life and accident benefits. We likewise continue to develop microinsurance products to cater to the Bank’s growing micro-lending clientele.

BDO Life believes that as the pandemic reminds people of the fragility of life, individuals who feel a strong sense of responsibility for the well-being of their loved ones will be more responsive to the value of protection that only life insurance can provide.



RENATO A. VERGEL DE DIOS  
President and Chief Executive Officer  
BDO Life

# Corporate Governance

Corporate Governance in BDO is about effective oversight, strict compliance with regulations, and sustainable value creation to promote the best interest of its various stakeholders.

BDO Life Assurance Company, Inc. affirms its deep commitment to a high standard of corporate governance practices firmly anchored on the principles of accountability, fairness, integrity, transparency, and performance consistently applied throughout the institution. BDO and BDO Life's good market reputation has been built on the solid foundation of an ethical corporate culture and responsible business conduct, underpinned by a well-structured and effective system of governance.

The Company has continued to comply, where appropriate, with the Insurance Commission's Corporate Governance Principles and Leading Practices. It has also continued to follow, where appropriate, the international best practices of corporate governance issued by globally recognized standards-setting bodies such as the Organization for Economic Cooperation and Development (OECD) which serve as essential points of reference.

This report describes the highlights of our corporate governance practices throughout the financial year ended December 31, 2020.



# Board of Directors

Responsibility for good governance lies with the Board. It is responsible for providing effective leadership and overall direction to foster the long-term success of the Company. It oversees the business affairs of the Company, reviews the strategic plans and performance targets, financial plans and budgets, key operational initiatives, capital expenditures, acquisitions and divestments, annual and interim financial statements, and corporate governance practices. It oversees management performance, the enterprise risk management, internal control systems, financial reporting and compliance, related party transactions, continuing director education, and succession plans for the Board and CEO. It considers sustainability issues related to the environment and social factors as part of its sustainable business practices.

The Board is composed of 7 members. The members of the Board are all professionals with expertise in insurance, banking, accounting and finance, law, merchandise marketing, strategy formulation, regulations, and risk management. It is led by a Non-Executive Chairperson with 2 Independent Directors, 3 Non-Executive Directors, and 1 Executive Director who is the President and CEO.

The Board, acting as a whole in its function as the Nominations Committee, is responsible for the screening of new directors. It leads the process of identifying and evaluating the nominees for directors. It evaluates the balance, skills, knowledge and experience of the existing Board and the requirements of the Company. The result of the evaluation determines the role and key attributes an incoming director should have. The Board receives recommendations for potential candidates and uses, to the extent possible, external search firms or external databases in selecting the pool of candidates for the new members of the Board. The Board recommends the most suitable candidate for appointment or election as director.

For reelection of incumbent directors, the Board also considers the results of the most recent self-assessments and peer evaluation, attendance record in meetings, participation in Board activities and overall contribution to the functioning of the Board.

In evaluating the suitability of an individual board member and promoting diversity in its composition, the Board takes into account the relevant qualifications of every candidate nominated for election such as, among others, physical/mental fitness, relevant educational and professional background, personal track record, experience/training, commitment to contribute, willingness to serve and interest to remain engaged and involved without regard to race, gender, ethnic origin, religion, age or sexual orientation.

The Board is also responsible for approving the selection and appointment of a competent executive management led by the President and CEO including the heads of units who exercise control functions i.e. Chief Compliance Officer, Chief Risk Officer, and Chief Internal Auditor. Fit and proper standards are applied in the selection of key officers, and utmost consideration is given to their integrity, technical expertise, and insurance industry experience.

Considering the changes done, complexity and scope of the Company's business, the Board believes that its current size and composition provide sufficient diversity among its directors that fosters critical discussion and promotes balanced decision-making by the Board. It views diversity at the Board level which includes differences in skills, experience, gender, sexual orientation or preference, age, education, race, business and other related experience as an essential element in maintaining an effective board for strong corporate governance.

During the year, the Board reviewed and approved the Company's budget and business targets, and the release of the 2020 audited financial statements within the prescribed period as required by the concerned government agencies. Its oversight functions include the review of operational and financial performance of senior management and work of the various committees in accordance with their mandates.

## **Continuing Education for Directors**

The continuing education program for directors is an ongoing process to ensure the enhancement of their skills and knowledge. Every year, all directors and key officers are given updates and briefings, and are required to attend a corporate governance seminar on appropriate topics to ensure that they are continuously informed of the developments in the business and regulatory environments, including emerging opportunities and risks in the insurance industry. All seven (7) Directors complied with the annual corporate governance training requirement of four (4) hours for 2020. They attended the in-house corporate governance seminar last March 6, 2020 in Makati City. It concentrated on powerful technology trends that are driving a new wave of digital disruption trends and challenges ahead of the ensuing technological innovations and essential money-laundering trends.

# Attendance

## Board of Directors Meetings 2020

Directors	No. of Meetings Attended	Total No. of Meetings	Percentage Rating
Teresita T. Sy	11	11	100%
Nestor V. Tan	11	11	100%
Renato A. Vergel De Dios	11	11	100%
Jaime C. Yu	9	11	81.8%
Lucy C. Dy	11	11	100%
Herminia S. Jacinto	11	11	100%
Atty. Luis Ma. G. Uianza	11	11	100%

## Audit Committee Meetings

Directors	No. of Meetings Attended	Total No. of Meetings	Percentage Rating
<b>Herminia S. Jacinto</b> Chairperson, Independent Director	4	4	100%
<b>Lucy C. Dy</b> Member, Non-Executive Director	4	4	100%
<b>Atty. Luis Ma. G. Uianza</b> Member, Independent Director	4	4	100%

## Related Transaction Committee Meetings

Directors	No. of Meetings Attended	Total No. of Meetings	Percentage Rating
<b>Atty. Luis Ma. G. Uianza</b> Chairperson, Independent Director	2	2	100%
<b>Lucy C. Dy</b> Member, Non-Executive Director	2	2	100%
<b>Herminia S. Jacinto</b> Member, Independent Director	2	2	100%

# Board Performance

A yearly self-assessment is conducted focusing on the performance of the Board, Directors, Committees, and Senior Management, using an approved set of questionnaires. The performance evaluation process begins with sending out customized Board Evaluation Questionnaires to each director and advisor. They are required to complete the questionnaire explaining the rationale of their response, the results of which are tabulated and consolidated. The Corporate Secretary prepares the overall report and presents this to the Board of Directors, for notation, including the recommended actions and focus areas to improve effectiveness.

For 2020, the overall assessment showed that the Board continues to operate at a very high standard of independence and effectiveness. Senior Management has the relevant professional experience, necessary skills and ability to manage the company, while the directors have rigorously maintained independence of view. The relationships between the Board members remain strong.

# Compliance with Code of Corporate Governance

The Company, as agreed to by the Board of Directors, is substantially compliant with the mandates of the Code of Corporate Governance. In fact, aside from the said Code issued by the Insurance Commission, the Company also abides by BDO Group's Business Code of Conduct and Business Ethics.

## Shareholders / Board Matters

### Dividend Policy

As stated in BDO Life's by-laws, dividends may be declared as the Board of the Directors may determine and shall be paid from the surplus profits arising from the business of the Company, after making proper provisions for the necessary reserves in accordance with the law. Stock dividends may be declared with the approval of the stockholders representing not less than 2/3 of all stock then outstanding and entitled to vote. To ensure the continued operations of the business of the Company and in compliance with the requirements of the law, no dividends that will impair the capital of the Company shall be declared.

### Equality of Voting Rights of Shareholders

BDO Life had issued two (2) kinds of shares – preferred and common. According to its Articles of Incorporation, the Company, through a resolution of the Board of Directors, may limit the voting rights of a specific kind of share should it deem proper. Seeing that equality of voting rights is absolutely essential, the Board of Directors had deemed it proper not to limit the voting rights of any kind of stock. Thus far, all stocks, regardless of kind, have equal voting rights. Each share has one vote on all matters submitted for resolution or approval.

### Remuneration of Board Members

Independent Directors receive per diems for every meeting held. Under the by-laws of the Company, reasonable compensation (other than per diems) may be granted to directors by the Chairman.

## **Company Matters**

### **Risk Management**

The Company has established a risk management function with clear terms of reference and with the responsibility for developing policies on market, liquidity, insurance, and operational risk. It also supports the effective implementation of policies at the overall company and individual business unit levels. The policies define the Company's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, alignment of underwriting and reinsurance strategies to the corporate goals and specific reporting requirements.

### **Whistle-Blowing Policy**

The policy covers the tipping off of any incident, situation, circumstance or problem involving fraud and/or violation of policies for further investigation which may result in or resulted in monetary loss and/or negative impact to the image of the Company.

### **Key Risks**

Refer to Section 26 (pages 61 to 72) of the Notes to Financial Statements (December 31, 2020 and 2019) under the Audited Financial Statements Report for details.

# Board of Directors



## **Teresita T. Sy**

Chairperson of the Board of Directors | Age 70

Date of first appointment: November 11, 1999

---

Teresita T. Sy has been a member of the Board of Directors of BDO Life Assurance Company, Inc. since 1999, and currently serves as Chairperson of the Board. Concurrently, she serves as the Chairperson and/or Director of various subsidiaries and affiliates of BDO Unibank, Inc.: BDO Private Bank, Inc., BDO Leasing and Finance, Inc., BDO Capital and Investment Corporation, and BDO Foundation, Inc. Ms. Sy also serves as Adviser to the Board of BDO Network Bank, Inc. (A Rural Bank of BDO).

Ms. Sy is the Vice Chairperson of SM Investments Corporation and Adviser to the Board of SM Prime Holdings, Inc. (PLC). She also sits as Chairperson of the Board of SM Retail, Inc. A graduate of Assumption College with a degree in Bachelor of Arts and Science in Commerce major in Management, she brings to the board her diverse expertise in banking and finance, retail merchandising, mall and real estate development.

## Board of Directors



### **Nestor V. Tan**

Vice Chairman of the Board of Directors | Age 63

Date of first appointment: July 14, 1999

---

Nestor V. Tan has been a member of the Board of Directors of BDO Life Assurance Company, Inc. since 1999. He is the President and CEO of BDO Unibank, Inc. Concurrently, he holds the following positions in the BDO Group: Chairmanship of BDO Strategic Holdings, Inc. and BDO Network Bank, Inc.; Vice chairmanships and/or directorships in BDO Leasing and Finance, Inc., BDO Capital & Investment Corporation, BDO Finance Corporation, BDO Life Assurance Company, Inc., BDO Private Bank, Inc., BDO Remit (USA), Inc., and SM Keppel Land, Inc.; and Trusteeship of BDO Foundation, Inc.

In addition, he is currently the Chairman of the De La Salle University Board of Trustees; Chairman of Bancnet, the operator of the electronic payment system, InstaPay, and the ATM switching utility for Philippine banks; and Chairman of Mastercard Asia Pacific Advisory Board. He is the past president and chairman, and current Director of the Bankers Association of the Philippines.

Most recently, Mr. Tan earned the recognition as the best CEO for Emerging Markets Philippines by New York based international finance magazine Institutional Investor, based on a poll of global investors and analysts. In 2019, he was named as the Management Man of the Year by the MAP (Management Institution of the Philippines).

Prior to joining BDO Unibank, Mr. Tan was Chief Operating Officer of the Financial Institutions Services Group of BZW, the investment-banking subsidiary of the Barclays Group. His banking career spans nearly four (4) decades and includes posts at global financial institutions, among them Mellon Bank in Pittsburgh, PA; Bankers Trust Company in New York, NY; and the Barclays Group in New York and London. He holds a bachelor's degree in Commerce from De La Salle University and an MBA from the Wharton School, University of Pennsylvania.



## Board of Directors



### **Renato A. Vergel De Dios**

Member of the Board of Directors | Age 67

Date of first appointment: October 14, 2009

---

Renato A. Vergel De Dios has over 40 years of experience in life insurance management. He directed both the sales and marketing division as well as the individual life operations as Executive Vice President of the Philippine American Life Insurance Company before moving on to Manulife Philippines as President and Chief Executive Officer for over 10 years. He earned a BS Mathematics degree from Ateneo de Manila University and his MS Management degree from Stanford University. Mr. Vergel De Dios also completed the exam requirements of an Associate (ASA) of the US Society of Actuaries and has been a Member of the Board of Trustees for the Insurance Institute for Asia and the Pacific (IIAP) for many years.

## Board of Directors



### **Jaime C. Yu**

Member of the Board of Directors | Age 63

Date of first appointment: November 24, 2016

---

Jaime C. Yu is Senior Executive Vice President of BDO Unibank, Inc. He holds a Bachelor of Arts degree in Economics from De La Salle University and is MBA graduate from the Ateneo de Manila University. He has extensive experience in commercial, corporate, and investment banking from the International Corporate Bank and Union Bank of the Philippines, where he held various positions up to his appointment as First Vice President and Region Head for the Manila-Pasay area. He joined BDO in December 1997 and is currently the Group Head of Branch Banking where he manages the entire branch network.

## Board of Directors



### **Lucy C. Dy**

Member of the Board of Directors | Age 66

Date of first appointment: November 24, 2016

---

Lucy C. Dy is Executive Vice President and Comptroller of BDO Unibank, Inc. She is also a Director of BDO Remit Limited, BDO Remit (Italia), S.p.A., BDORO EUROPE, Ltd. and BDO Life Assurance Company, Inc.; Director and Treasurer of BDO Strategic Holdings, Inc.; Trustee and Treasurer of BDO Foundation, Inc. She was formerly a Director of PCIB Securities, Inc., BDO Elite Savings Bank, Inc. (formerly GE Money Bank, Inc.), Banco de Oro Savings Bank, Inc. (formerly Citibank Savings, Inc.), Express Padala Frankfurt GmbH, Express Padala Hong Kong Limited, and BDO Life Assurance Holdings Corporation; and formerly Chairperson and President of the The Executive Banclounge, Inc. She holds a Bachelor's degree in Accounting from the University of Santo Tomas.

## Board of Directors



### **Herminia S. Jacinto**

Independent Director | Age 82

Date of first appointment: March 29, 2012

---

Herminia S. Jacinto is currently a Director of KRM Reinsurance Brokers, Inc., and member of the Board of Trustees of the Insurance Institute of Asia and the Pacific (IIAP).

She is a Certified Public Accountant and was Financial Controller of the FGU Insurance Corporation and the Universal Reinsurance Corporation, both companies of the Ayala Group. She became the President and CEO of the Universal Reinsurance Corporation until the company was merged with the Malayan Reinsurance Corporation in 2005. She retired from active corporate work in 2006 when the Universal Malayan Reinsurance Corporation merged with the National Reinsurance Corporation of the Philippines.

She has served the insurance industry in various capacities – Secretary General of the Association of Insurers and Reinsurers of Developing Countries (AIRDC), Chairman of the Philippine Insurance and Reinsurance Association (PIRA), President of the Insurance & Surety Association of the Philippines (ISAP), President of the Philippine Insurers' Club (PIC) and President of the IIAP.

She is currently an Independent Director of Fortune General Insurance Co. Inc., Bankers Assurance Corporation and IPeople, the Education Subsidiary of the Yuchengco Group of Companies and Ayala Corporation. She is a regular lecturer at the IIAP on topics like Financial Analysis, Reinsurance, and Mergers and Acquisitions.

## Board of Directors



### **Atty. Luis Ma. G. Uianza**

Independent Director | Age 62

Date of first appointment: March 22, 2018

---

Atty. Luis Ma. G. Uianza is a member of the Philippine Bar who has been engaged in the practice of law for the last thirty five (35) years. He earned both his academic degrees in business (B.S.B.A.) and in law (L.I.B.) from the University of the Philippines.

He is currently the Rehabilitation Receiver, appointed by the Securities and Exchange Commission, to oversee the financial recovery of Victorias Milling Co., Inc. which is one of the major sugar millers and refiners in the country whose shares are listed and traded in the Philippine Stock Exchange. Atty. Uianza has also been given similar appointments by the commercial courts of Makati City and the City of Cagayan de Oro to oversee the financial rehabilitation of several other companies.

In the course of his law practice, Atty. Uianza gained proficiency in oil and gas exploration laws and regulations as a result of his membership in the Board of Directors of PNOC-Exploration Corporation which is a government owned and controlled corporation created for the primary purpose of exploring and developing the fossil fuel and natural gas resources of the country. Moreover, the Philippine Government (through its various agencies) has also engaged the professional services of Atty. Uianza as: (a) Special Legal Counsel of the Presidential Commission on Good Government, (b) Legal Consultant to the Special Presidential Task Force created by Executive Order No. 156, and (c) Legal Consultant to the Office of the General Manager of the Manila International Airport Authority.

In the private sector, Atty. Uianza has served as the Corporate Secretary of various banks, financial institutions, and listed companies. His professional services have also been engaged as litigation counsel in civil, criminal and administrative cases.

## Trainings and Seminars Attended by the Board of Directors

Directors	Date of Training	Trainings and Seminars	Name of Training Institution
Teresita T. Sy	March 6, 2020	2020 Corporate Governance Seminar	BDO Unibank, Inc.
Nestor V. Tan	March 6, 2020	2020 Corporate Governance Seminar	BDO Unibank, Inc.
Renato A. Vergel De Dios	March 6, 2020	2020 Corporate Governance Seminar	BDO Unibank, Inc.
Jaime C. Yu	March 6, 2020	2020 Corporate Governance Seminar	BDO Unibank, Inc.
Lucy C. Dy	March 6, 2020	2020 Corporate Governance Seminar	BDO Unibank, Inc.
Herminia S. Jacinto	March 6, 2020	2020 Corporate Governance Seminar	BDO Unibank, Inc.
Atty. Luis Ma. G. Uianza	March 6, 2020	2020 Corporate Governance Seminar	BDO Unibank, Inc.

# **Statements of Financial Position**

**BDO LIFE ASSURANCE COMPANY, INC.**  
(A Subsidiary of BDO Unibank, Inc.)

**STATEMENTS OF FINANCIAL POSITION**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

(Amounts in Philippine Pesos)

	2020	2019
<b>ASSETS</b>		
CASH AND CASH EQUIVALENTS	P 380,605,076	P 704,805,648
INSURANCE RECEIVABLES	615,537,118	336,777,060
<b>FINANCIAL ASSETS</b>		
Financial assets at fair value through profit or loss	21,409,888,415	18,078,097,678
Financial assets at fair value through other comprehensive income	40,713,482,494	34,424,870,152
Investment securities at amortized cost - net	3,134,342,120	1,794,001,833
Loans and receivables - net	1,817,804,923	675,981,907
ACCRUED INCOME	504,480,869	427,166,018
REINSURANCE ASSETS	91,779,633	73,107,152
PROPERTY AND EQUIPMENT - Net	101,105,267	115,681,268
RIGHT-OF-USE ASSETS - Net	76,557,082	86,808,705
INTANGIBLE ASSETS - Net	6,384,839	14,579,707
DEFERRED TAX ASSETS	22,385,274	20,931,212
OTHER ASSETS	49,127,866	31,475,098
<b>TOTAL ASSETS</b>	<b>P 68,923,480,976</b>	<b>P 56,784,283,438</b>
<b>LIABILITIES AND EQUITY</b>		
INSURANCE CONTRACT LIABILITIES	P 58,409,700,518	P 42,472,537,332
PREMIUM DEPOSIT FUND	3,331,823,373	3,734,514,926
INSURANCE PAYABLES	214,248,144	85,422,075
NET PENSION LIABILITY	2,412,482	19,510,843
LEASE LIABILITIES	79,192,916	87,557,226
TRADE AND OTHER LIABILITIES	1,507,427,801	1,285,218,967
Total Liabilities	63,544,805,234	47,684,761,369
<b>EQUITY</b>		
Capital stock	1,593,132,400	1,593,132,400
Additional paid-in capital	158,060,108	158,060,108
Contributed surplus	50,000,000	50,000,000
Contingency surplus	279,038,232	279,038,232
Revaluation reserves	(5,921,443,126)	(2,285,859,346)
Retained earnings	9,219,888,128	9,305,150,675
Total Equity	5,378,675,742	9,099,522,069
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P 68,923,480,976</b>	<b>P 56,784,283,438</b>



**BDO LIFE ASSURANCE COMPANY, INC.**  
(A Subsidiary of BDO Unibank, Inc.)

**STATEMENTS OF INCOME**

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(Amounts in Philippine Pesos)

	2020	2019
<b>NET INSURANCE PREMIUMS</b>		
Gross premiums on insurance	P 15,255,091,973	P 14,977,277,109
Reinsurers' share of gross premiums	(117,554,819)	(101,880,760)
	<b>15,137,537,154</b>	<b>14,875,396,349</b>
<b>OTHER INCOME (LOSS)</b>		
Investment income - net	1,746,982,285	2,033,820,795
Gain (loss) on assets in variable unit-linked funds	(452,241,581)	509,571,345
Gain (loss) on liabilities in variable unit-linked funds	452,241,581	(509,571,345)
Other income	9,973,960	14,789,813
	<b>1,756,956,245</b>	<b>2,048,610,608</b>
<b>NET INSURANCE BENEFITS AND CLAIMS</b>		
Gross change in legal policy reserves	9,988,104,057	8,426,305,636
Reinsurers' share on gross change in legal policy reserves	(5,406,345)	(10,823,806)
Gross benefits and claims	3,207,958,175	2,399,068,231
Reinsurers' share on benefits and claims	(54,297,893)	(39,620,435)
	<b>13,136,357,994</b>	<b>10,774,929,626</b>
<b>OPERATING EXPENSES</b>		
General and administrative expenses	1,523,789,086	1,716,258,660
Commissions and service fees	497,694,422	523,389,652
Insurance taxes and licenses	244,539,425	228,916,608
Interest expense	86,294,036	87,713,355
Foreign exchange losses - net	57,119,630	33,975,842
Impairment losses on financial assets	54,257,744	5,277,194
	<b>2,463,694,343</b>	<b>2,595,531,311</b>
<b>INCOME BEFORE TAX</b>	<b>1,294,441,062</b>	<b>3,553,546,020</b>
<b>TAX EXPENSE</b>	<b>349,938,904</b>	<b>640,360,453</b>
<b>NET INCOME</b>	<b>P 944,502,158</b>	<b>P 2,913,185,567</b>

**BDO LIFE ASSURANCE COMPANY, INC.**  
(A Subsidiary of BDO Unibank, Inc.)

**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
(Amounts in Philippine Pesos)

	2020	2019
<b>NET INCOME</b>	<b>P 944,502,158</b>	<b>P 2,913,185,567</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Remeasurement of life insurance policy reserves	<b>(6,069,843,308)</b>	(5,046,665,168)
Fair value gains (losses) on equity securities at fair value through other comprehensive income (FVOCI)	<b>(374,161,268)</b>	21,532,612
Remeasurement of post-employment defined benefit plan	<b>(2,959,561)</b>	(20,824,225)
Tax income	<b>887,868</b>	6,247,268
	<b>(6,446,076,269)</b>	(5,039,709,513)
<b>Items that will be reclassified subsequently to profit or loss</b>		
Fair value gains on debt securities at FVOCI	<b>1,959,267,199</b>	3,413,372,268
Fair value gains on disposal of debt securities at FVOCI reclassified to profit or loss	<b>(181,580,499)</b>	(9,481,175)
Impairment losses on debt securities at FVOCI reclassified to profit or loss	<b>3,041,084</b>	4,370,409
	<b>1,780,727,784</b>	3,408,261,502
<b>Other Comprehensive Loss</b>	<b>(4,665,348,485)</b>	(1,631,448,011)
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>P (3,720,846,327)</b>	<b>P 1,281,737,556</b>

# Products and Services

## Protection

BDO Life's protections plans are designed to protect you and your family from life's risks and uncertainties. Should something happen to you, your policy creates an instant cash fund to help sustain your family as they adjust to their new situation.

## Long-Term Savings

Life insurance provides you both savings and death benefits. A portion of your premiums buys life insurance coverage to shield your family against life's unexpected turns, while ensuring your savings goal for your family is realized.

## Health

Life insurance can cover expenses related to critical illness. Upon diagnosis, you have instant access to a health fund to pay for the cost of medical treatments, hospitalization, lab tests and consults. Life insurance helps you focus on getting better and not have to worry about medical costs.

## Education

Life insurance helps you save for children's college education, ensuring they complete their studies. A life insurance-funded educational plan will finance the college education of your children even if you're no longer around to see them through.

## Retirement

Life insurance helps you prepare for the best of your future years. It enables you to set up a supplementary retirement fund so you can live comfortably without being a burden to others. Part of what you pay goes to life insurance protection and the rest goes into your retirement savings.

You can choose between a plan with guaranteed regular cash payouts, or an investment-linked plan that can potentially give you higher market-driven returns.

## Group Life Insurance

BDO Life's Group Insurance Solutions help you create customized plans to fit your business needs. This enables you to provide your employees peace of mind by ensuring their families are well taken care of no matter what happens.

## Mortgage Redemption Insurance (MRI)

BDO Life's MRI provides financial protection for home loan borrowers and their families. Should anything happen to you, your MRI steps in to cover the home loan amount left behind, ensuring your family will always have a place to come home to.

# Corporate Officers

**Teresita T. Sy**

Chairperson

**Nestor V. Tan**

Vice Chairman

**Renato A. Vergel De Dios**

President and Chief Executive Officer

**Ricardo V. Martin**

Treasurer

**Rebecca S. Torres**

Assistant Treasurer

**Atty. Elmer B. Serrano**

Corporate Secretary

**Atty. Katrina G. de Castro**

Assistant Corporate Secretary and Compliance Officer

# Corporate Information

## **BDO Life Assurance Company, Inc.**

A subsidiary of BDO Unibank, Inc.

### **Head Office**

BDO Corporate Center  
7899 Makati Avenue  
Makati City  
Metro Manila

Customer Care Hotline: +632 8885-4110  
Toll-free Hotline: 1800-1888-6603 (PLDT)  
Fax: +632 5325-0792  
Email: [we-care@bdolife.com.ph](mailto:we-care@bdolife.com.ph)  
Website: [www.bdo.com.ph/bdolife](http://www.bdo.com.ph/bdolife)

### **Cebu Office**

The Space  
AS Fortuna Street corner P. Remedio Brgy. Banilad  
Mandaue City  
Metro Cebu

### **Davao Office**

BDO – Davao C.M. Recto Branch  
Building No. 383 C.M. Recto Street  
Davao City  
Metro Davao

**BDO** *life*