

OUR FUTURE, TODAY.



Table of Contents

03	Corporate Mission and Vision
03	Corporate Profile
04	Shareholder Structure
05	President's Report
06	Corporate Governance
08	Board of Directors
12	Statements of Financial Position
13	Statements of Income
14	Statements of Comprehensive Income
15	Products and Services
16	Corporate Officers
17	Corporate Information

Corporate Mission and Vision

Corporate Mission Statement

Our mission is to help Filipino families preserve financial dignity and family unity.

Corporate Vision Statement

Our vision is to be the new benchmark for the life insurance industry.

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.

Core Values

Commitment to Customers

We are committed to delivering products and services that surpass customer expectations in value and every aspect of customer services, 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.

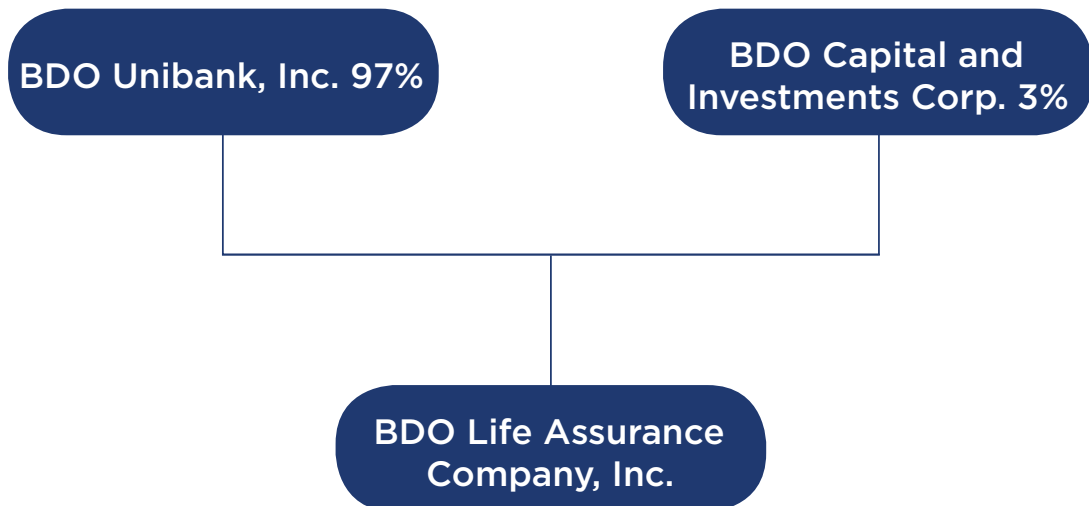
Commitment to Employees

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

- Teresita T. Sy
- Nestor V. Tan
- Renato A. Vergel de Dios
- Jaime C. Yu
- Lucy C. Dy
- Herminia S. Jacinto

President's Report

On our first full year as a wholly-owned subsidiary of BDO Unibank, Inc., BDO Life Assurance Company, Inc. leveraged on BDO's powerful brand equity to intensify insurance reach among the broad-based middle income segments.

BDO Life completed another stellar year in 2017 with Php 1.49 billion in net income, a growth of 37% versus 2016. Total Premiums grew by 23% with new sales shifting towards more regular premium Variable Life business, BDO Life's investment-linked insurance protection solutions. Total life premiums for the industry grew 10.78%, after experiencing a mild contraction in 2016.

New sales grew 19% versus last year on the back of 40% growth in regular premium Variable Life sales, wresting the majority of new sales over traditional product sales. Individual renewal premiums experienced healthy growth of 29%.

MRI business, a mainstay of BDO Life's corporate insurance portfolio, continues to grow as BDO's real estate mortgage business maintains its expansion.

Strategies to enhance customer engagement and customer experience were crucial in boosting the company's performance for the year.

This included the launch of simple, affordable, and easily accessible insurance products; intensified development of a professional, highly-productive sales force; increase in the number of customer touch points; process efficiency improvements to elevate service delivery levels; and, investment in technological upgrades and system automation to support BDO Life's growing business over the long-term.

For 2018, BDO Life will continue to focus on the sales of recurring premium protection business with market-specific product offerings. Enhancing synergies across different BDO business units will be crucial to maximizing cross selling results. Technology-supported service innovations will sustain improvements in operational efficiencies as BDO Life endeavors to deploy a BDO Life Financial Adviser in each of BDO's nearly 1,100 branches nationwide.



Renato A. Vergel De Dios
President & CEO

Corporate Governance

Board of Directors

The Board acts on behalf of the Company and as such, it is vested with the fiduciary duties of loyalty and care for which Board members should act on a fully informed basis, in good faith, with due diligence, and in the best interest of the Company and all shareholders. All directors shall make decisions objectively in the interest of the Company.

Attendance Board of Directors Meeting 2017

Directors	No. of Meetings Attended	Total No. of Meetings	Percentage Rating
Teresita T. Sy	12	12	100%
Nestor V. Tan	11	12	91.66%
Renato A. Vergel de Dios	12	12	100%
Jaime C. Yu	11	12	91.66%
Lucy C. Dy	12	12	100%
Herminia S. Jacinto	12	12	100%

Board Performance

A yearly self-assessment is conducted focusing on the performance of the Board, Directors, Committees, if any, and Senior Management, using the approved set of questionnaires. The performance evaluation process begins with sending out customized Board Evaluation Questionnaire to each director. Each of them is required to complete the questionnaire and return the same to the office of the Corporate Secretary within the specified submission date. A cover letter is attached to the questionnaire explaining the rationale and objectives of the performance evaluation. Based on the returns from each respondent, the ratings and responses are tabulated and consolidated. The Corporate Secretary prepares the overall report and presents this to the Board of Directors, functioning as the Corporate Governance Committee for notation, including the recommended actions and focus areas to improve effectiveness.

For 2017, the overall assessment showed that the Board continues to operate to 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 Corporation, 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 Corporation also abides by its own internal Code.

Shareholders / Board Matters

Dividend Policy

As stated in BDO Life's By-Laws, dividends shall be declared by the Board of the Directors and shall be paid from the surplus profits arising from the business of the Corporation. Stock dividends shall be declared in accordance with Law. To ensure the continued operations of the business of the Corporation and in compliance with the requirements of the law, no dividends that will impair the capital of the Corporation shall be declared.

Equality of Voting Rights of Shareholders

BDO Life had issued two (2) kinds of shares – preferred and common. According to its By-Laws, the Corporation, 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 Corporation, reasonable compensation (other than per diems) may be granted to directors by the vote of stockholders representing at least a majority of the outstanding capital stock of the Corporation.

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, credit, 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 Risk

Refer to Notes to Financial Statements Nos. 25.1 to 25.6.3

Board of Directors

TERESITA T. SY, 67 | *Chairperson of the Board of Directors*
Date of first appointment: November 11, 1999

Ms. Teresita T. Sy currently serves as Chairperson of the Board of BDO Unibank, Inc. Concurrently, she serves as Chairperson and/or Director of the following subsidiaries and affiliates of BDO: BDO Private Bank, Inc., BDO Leasing & Finance, Inc., BDO Capital & Investment Corporation, and BDO Foundation, Inc., Ms. Sy also serves as Adviser to the Board of Directors of One Network Bank, Inc. (A Rural Bank).

Ms. Sy is the Vice Chairperson of SM Investments Corporation (PLC) and Adviser to the Board of SM Prime Holdings, Inc. (PLC). She also sits as Chairperson and/or Director of the following companies: Multi Realty Development Corporation, Belleshare Holdings, Inc. (formerly SM Commercial Properties, Inc.), SM Mart, Inc., SM Retail, Inc., and First Asia Realty Development Corp. A graduate of Assumption College, Ms. Sy brings to the board her diverse expertise in banking and finance, retail merchandising, and mall and real estate development.

NESTOR V. TAN 60 | *Vice Chairman of the Board of Directors*
Date of first appointment: July 14, 1999

Mr. Nestor V. Tan is the President and CEO of BDO Unibank. Concurrently, he holds vice chairmanships and/or directorships in the following subsidiaries of BDO Unibank, Inc.: BDO Leasing and Finance, Inc. (PLC), BDO Capital & Investment Corporation, BDO Insurance Brokers, Inc., BDO Private Bank, Inc., BDO Remit (USA), Inc., and SM Keppel Land, Inc. He also concurrently holds the Chairmanship of BDO Strategic Holdings Inc., One Network Bank, Inc. (A Rural Bank), BancNet, Philippine Dealings System Holdings Corp. and RBB Micro Finance Foundation. He is a Trustee of BDO Foundation, Inc., the De La Salle University Board of Advisors, and the Asian Institute of Management. At present, he is the Director of the Asian School of Business & Technology, and serves as President and Director of the Bankers Association 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 decades and includes posts at global financial institutions, among them Mellon Bank (now BNY Mellon) in Pittsburgh, PA; Bankers Trust Company (now Deutsche Bank) in New York; 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.

RENATO A. VERGEL DE DIOS 64 | *Member of the Board of Directors*
Date of first appointment: October 14, 2009

Mr. Renato A. Vergel De Dios has over forty (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 an MS Management (Sloan Program) degree from Stanford University. Mr. Vergel De Dios also completed the Associateship (ASA) exam requirements 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.

JAIME C. YU 59 | *Member of the Board of Directors*
Date of first appointment: November 24, 2016

Mr. Jaime C. Yu 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.

LUCY C. DY 62 | *Member of the Board of Directors*
Date of first appointment: November 24, 2016

Ms. Lucy Co Dy is Director of BDO Life Assurance Company, Inc. She is also a Director of Express Padala Hong Kong Limited, BDO Remit (Italia), S.p.A.; Director and Treasurer of BDO Strategic Holdings, Inc.; Trustee and Treasurer of BDO Foundation, Inc.; Chairperson and President of The Executive Banclounge, Inc.; and Executive Vice President and Comptroller of BDO Unibank 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.) and Express Padala Frankfurt GmbH. She holds a Bachelor's degree in Accounting from the University of Santo Tomas.

HERMINIA S. JACINTO 78 | *Independent Director*
Date of first appointment: March 29, 2012

Ms. Herminia S. Jacinto is currently the Secretary General of the Association of Insurers and Reinsurers of Developing Countries (AIRDC), President and Director of KRM Reinsurance Brokers, Inc. and member of Board of Trustees of the Insurance Institute of Asia and the Pacific (IIAP).

Ms. Jacinto 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 – 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 Insurance Institute for Asia and the Pacific (IIAP).

She is currently an Independent Director of BDO Life Assurance Holdings Corp., Fortune General Insurance Co. Inc. and the KRM Reinsurance Brokers. She is a regular lecturer at the IIAP on such topics as Financial Analysis, Reinsurance and Mergers and Acquisitions.

Trainings and Seminars Attended By The Board of Directors

Directors	Date of Training	Trainings and Seminars	Name of Training Institution
Teresita T. Sy	February 24, 2017	Peer Comparison for the Year 2016	BDO Unibank, Inc.
	July 28, 2017	Industry Ranking and Peer Comparison for the First Quarter of 2017	BDO Unibank, Inc.
Nestor V. Tan	July 2017	Corporate Governance Seminar	SGV & Co. (Ernst & Young)
Renato A. Vergel de Dios	January 12, 2017	Sales STEP-UP	BDO Unibank, Inc.
	February 9, 2017	Head Office STEP-UP	BDO Unibank, Inc.
	July 19, 2017	BDO Advance Corporate Governance Seminar	BDO Unibank, Inc.
	August 30, 2017	Executive Learning Session: Differentiated Customer Service	BDO Unibank, Inc.
	September 15, 2017	1st National Reinsurance Annual CEO Forum	National Reinsurance Company
	October 18, 2017	BDO CEO Forum: Surviving in Times of Digital Disruption	BDO Unibank, Inc.
	November 19-22, 2017	Pacific Insurance Conference	Pacific Insurance Conference
	March 2017	Excellence in Retail Financial Services Convention	The Asian Banker
	July 2017	Advance Corporate Governance Seminar	SGV & Co. (Ernst & Young)
Lucy C. Dy	July 19, 2017	Corporate Governance	SGV & Co. (Ernst & Young)
Herminia S. Jacinto	November 8, 2017	Corporate Governance Training	Institute of Corporate Directors

Financial Statements

Statements of Financial Position

	DECEMBER 31		JANUARY 1
	2017	2016	2016
ASSETS			
Cash and Cash Equivalents	P 418,201,979	3,055,012,089	2,586,586,939
Insurance Receivables - net	196,396,629	212,604,970	425,418,233
Financial Assets			
Financial assets at fair value through profit or loss	5,657,738,040	2,916,493,555	948,204,93
Available-for-sale financial assets	29,108,659,181	21,502,448,038	17,881,335,426
Held-to-maturity investments	145,213,752	82,838,448	83,058,697
Loans and receivables - net	796,559,721	334,277,785	276,949,937
Accrued Income	220,806,169	190,119,251	185,377,431
Reinsurance Assets	49,991,539	17,151,016	227,789,178
Property and Equipment - net	41,318,453	46,670,151	67,604,661
Intangible Assets - net	3,531,438	17,777,071	34,232,148
Pension Asset - net	-	9,444,867	20,483,983
Deferred Tax Assets - net	12,011,680	4,383,514	5,896,263
Other Assets	29,878,928	10,323,316	25,965,985
Total Assests	36,680,307,509	28,399,544,071	22,768,903,814
	DECEMBER 31		JANUARY 1
	2017	2016	2016
LIABILITIES AND EQUITY			
Insurance Contract Liabilities	25,985,995,283	20,565,369,490	15,646,926,588
Premium Deposit Fund	3,077,795,850	2,532,674,532	2,224,320,230
Insurance payables	71,947,589	82,418,573	448,922,881
Net Pension Liability	10,398,039	-	-
Trade and other liabilities	1,187,147,378	662,403,270	521,997,476
TOTAL LIABILITIES	30,333,284,139	23,842,865,865	18,842,167,175
Equity	1,593,132,400	1,515,050,500	1,515,050,500
Capital Stock	158,060,108	-	-
Additional paid-in capital	50,000,000	50,000,000	50,000,000
Contributed surplus	279,038,232	279,038,232	279,038,232
Contingency surplus	(2,563,745,114)	(2,631,269,126)	(2,030,535,432)
Revaluation reserves	6,830,537,744	5,343,858,600	4,113,183,339
Retained earnings	6,347,023,370	4,556,678,206	3,926,736,639
TOTAL LIABILITIES AND EQUITY	36,680,307,509	28,399,544,071	22,768,903,814

Statements of Income

	YEARS ENDED DECEMBER 31	
	2017	2016
NET INSURANCE PREMIUMS		
Gross premiums on insurance contracts	P 9,949,480,894	8,413,819,437
Reinsurers' share of gross premiums on insurance contracts	(78,022,501)	(363,014,802)
	9,871,458,393	8,050,804,635
OTHER REVENUES		
Investment Income	1,693,565,425	1,186,167,148
Other income	6,899,763	53,802,332
Foreign exchange gain - net	-	24,212,453
	1,700,465,188	1,264,181,933
NET INSURANCE BENEFITS AND CLAIMS		
Gross change in legal policy reserves	5,829,540,512	4,396,529,873
Reinsurers' share on gross change in legal policy reserves	(15,318,197)	(88,917,045)
Gross benefits and claims	1,679,101,479	1,692,703,838
Reinsurers' share on benefits and claims	(30,796,520)	(257,946,247)
	7,462,527,274	5,742,370,419
OTHER OPERATING EXPENSES		
General and administrative expenses	1,344,394,371	1,193,837,103
Commissions and service fees	655,472,681	564,820,572
Insurance taxes and licenses	173,106,753	134,485,226
Provision for impairment losses on available-for-sale financial assets	136,327,401	188,962,546
Interest expense	64,789,287	72,116,831
Foreign exchange loss - net	15,073,919	-
	2,389,164,412	2,154,222,278
INCOME BEFORE TAX	1,720,231,895	1,418,393,871
TAX EXPENSE	233,552,751	187,718,610
NET INCOME	1,486,679,144	1,230,675,261

Statements of Comprehensive Income

	YEARS ENDED DECEMBER 31	
	2017	2016
NET INCOME	P 1,486,679,144	1,230,675,261
OTHER COMPREHENSIVE INCOME (LOSS)		
Items to be recycled to profit or loss		
Remeasurement of life insurance policy reserves	784,969,774	(324,033,170)
Remeasurement of post-employment defined benefit plan	(25,427,221)	(27,655,340)
Tax income	7,628,166	8,296,602
	767,170,719	(343,391,908)
Items that will be reclassified subsequently to profit or loss		
Fair value gains on disposal of available-for-sale financial assets reclassified to profit or loss	(597,230,337)	(377,057,531)
Fair value losses on available-for-sale financial assets	(238,743,771)	(69,246,801)
Impairment losses on available-for-sale reclassified to profit or loss	136,327,401	188,962,546
	(699,646,707)	(257,341,786)
Other Comprehensive Income (Loss) - net of tax	67,524,012	(600,733,694)
TOTAL COMPREHENSIVE INCOME	1,554,203,156	629,941,567

Products and Services

Business Lines

Protection

Protect your family and give them the secure future they deserve. BDO Life's individual life protection plans provide peace of mind for you and your family.

Education

BDO Life offers fund accumulation plans that are designed specifically to help you save for your child's future education.

Savings & Retirement

Enjoy the benefits of saving for your aspirations for the future. BDO Life's Endowment Plans help you prepare to enjoy some of life's most anticipated moments.

Group Life Insurance

BDO Life customizes products to give comprehensive term life insurance protection benefits for the employees and members of our corporate clients.

Mortgage Redemption Insurance (MRI)

Provides financial protection for home loan borrowers and their families.

Corporate Officers

Teresita T. Sy
Chairperson

Nestor V. Tan
Vice Chairman

Renato A. Vergel De Dios
President, Chief Executive Officer & General Manager

Rose Mary T. Reyes*
Treasurer

Atty. Elmer B. Serrano
Corporate Secretary

Atty. Katrina G. de Castro
Assistant Corporate Secretary

**Subject to the Confirmation of the Bangko Sentral ng Pilipinas*



BDO Life Assurance Company, Inc.

Head Office

BDO Corporate Center, 7899 Makati Avenue, Makati City
(T): +63 2 885 4100 / +63 2 885 4200 (F): +63 2 325 0792
info@bdolife.com.ph / www.bdo.com.ph/bdolife

Cebu Office

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

Davao Office

BDO - Davao C.M. Recto Branch, Building No. 383 C.M. Recto
Street, Davao City