



# Enriching lives

**2018 ANNUAL REPORT**

## Contents

<b>03</b>	<b>Corporate Profile</b> <ul style="list-style-type: none"><li>• Corporate Mission</li><li>• Corporate Vision</li><li>• Core Values</li></ul>
<b>04</b>	<b>Shareholder Structure</b>
<b>05</b>	<b>President's Report</b>
<b>06</b>	<b>Corporate Governance</b>
<b>09</b>	<b>Board of Directors</b>
<b>20</b>	<b>Statements of Financial Position</b>
<b>21</b>	<b>Statements of Income</b>
<b>22</b>	<b>Statements of Comprehensive Income</b>
<b>23</b>	<b>Products and Services</b>
<b>24</b>	<b>Corporate Officers</b>
<b>25</b>	<b>Corporate Information</b>

## Corporate Profile



### 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, health, 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

To be the preferred insurance company in every market we serve

### 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 standard

### 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.

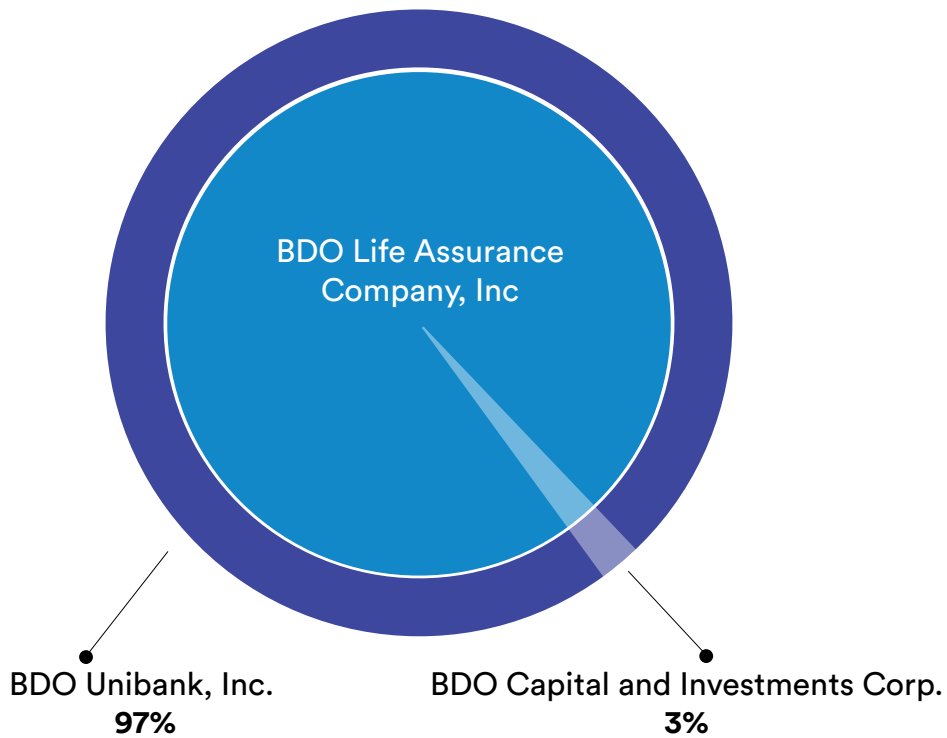
#### Commitment to Employees

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

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. Uianza

## President's Report

BDO Life posted a 20% growth in total premiums with 18% growth generated by Individual Life business.

New sales (APE) grew 9% versus last year with Regular Premium Variable Life leading New Business growth with 13%.

Group First Year sales had a stellar growth of 81% from 2017 as MRI business, the mainstay of BDO Life's corporate insurance portfolio, continues to grow alongside BDO's REM business expansion.

Our net income contribution to the bank dropped as a result of volatility in the equity market affecting the company's investment results and a change in the financial reporting guidelines. Meantime, as an indication of the healthy growth of our core business, income before Investment grew 61% from previous year.

BDO Life's protection business continues to represent the bank's "expansion" areas. Sales efforts remain developmental as we continue to meet a sizable number of clients who are purchasing life insurance for the very first time. We have thus streamlined our product names to more closely match their insurance benefits to ease product understanding and recall.

We launched "BDO Life's Income Secure", a new plan targeted for risk-averse clients. The plan has a clear savings objective which is reinforced with a protection safety net.

To complement the bank's SME market thrust, BDO Life introduced group insurance solutions which may be availed of through our branch-

based Financial Advisors. This insurance solution affords start-up companies and SMEs with the means to upsize their employee benefits package with comprehensive term life and accident insurance benefits.

We ended the year with almost 1,100 FAs, a 19% growth in FA numbers. Provided our FA retention and productivity rates hold, the additional manpower will significantly impact growth rates in 2019.

As a wholly owned subsidiary of BDO Unibank, BDO Life aims to position itself comfortably as the only local company in the Top 5 life insurers in the country, in terms of new sales and weighted premiums, as well as in terms of profitability and brand recall. Just as BDO has become a household name, BDO Life aspires to be the preferred Life Insurance provider in the Philippines.

For 2019, we started to take the necessary steps to realize this aspiration as we execute a carefully crafted digital roadmap. This will enable us to respond to customers swiftly and more efficiently. The new digital tools will favorably impact our ability to develop a professional and productive salesforce, raise their sales productivity, develop new products for previously underserved market segments, and increase backroom operational efficiency.



**RENATO A. VERGEL DE DIOS**  
President & CEO  
BDO Life

## Corporate Governance

### BOARD OF DIRECTORS

Responsibility for good governance lies with 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, enterprise risk management framework, 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 company 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 & CEO.

The Board, functioning as the Nominations Committee is responsible for the selection of nominees for 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 requirements of the Company. The result of the evaluation determines the role and key attributes of an incoming director should have. The Board receives recommendations of potential candidates and uses, to the extent possible, external search firms or external databases in selecting the pool of candidates for its new member.

For re-election of incumbent directors, the Board also considers the result of the most recent self-assessments and peer evaluation, attendance record in meetings, participation in Board activities and overall contributions to its functioning.

In evaluating the suitability of an individual board member and promoting diversity in the composition of the Board, the relevant qualifications of every candidate nominated for elections 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 are taken into account, 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/CEO including the heads of units who will 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 banking industry experience.

Each year the composition of the Board and board committees including the skills and competencies of its members is reviewed to ensure appropriate balance of skills and experience, and alignment with the new regulations.

Considering the changes done 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 include difference in skills, experience, gender, sexual orientation or preference, age, education, race, business and other related experience as an essential element in maintaining and effective board for strong governance.

During the year, the Board reviewed and approved the Company's quarterly financial and non-financial performance, and investment strategies. Its oversight function includes the review of operational and financial performance of senior management and work of the various committees in accordance with their mandates.

## 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

## 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.

## ATTENDANCE Board of Directors Meetings 2018

Directors	No. of Meetings Attended	Total No. of Meetings	Percentage Rating
Teresita T. Sy	15	15	100%
Nestor V. Tan	13	15	87%
Renato A. Vergel de Dios	15	15	100%
Jaime C. Yu	11	15	74%
Lucy C. Dy	13	15	87%
Herminia S. Jacinto	14	15	93%
Atty. Luis Ma. G. Uranza*	11	12	92%

\*elected as independent director on March 22, 2018

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 2018, 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.

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 annually as the Board of Directors may determine. Such dividends may be declared only from the surplus profits of the Company, after making proper provisions for the necessary reserves in accordance with law and applicable regulatory issuances.

### 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 Risks

Refer to notes to Financial Statements no. 25



## Board Of Directors

**TERESITA T. SY**

Director

Filipino, 68 years old

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 Chairperson of BDO Unibank, Inc. and the Chairperson and/or Director of various subsidiaries and affiliates of BDO Unibank, Inc.: BDO Private Bank, Inc., BDO Leasing and Finance, Inc. (PLC), BDO Capital and Investment Corporation, and BDO Foundation, Inc.

Ms. Sy also serves as Adviser to the Board of One Network Bank, Inc. (A Rural Bank of BDO).

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 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.



## NESTOR V. TAN

Director

Filipino, 61 years old

Nestor V. Tan is the President and CEO of BDO Unibank, Inc. He was elected to the Board of Directors on June 27, 1998. He concurrently holds the Chairmanship of the following BDO Unibank Subsidiaries: BDO Strategic Holdings, Inc. and One Network Bank, Inc. (A Rural Bank of BDO). He also concurrently holds vice chairmanships and/or directorships in the following subsidiaries of BDO Unibank, Inc.: BDO Leasing and Finance, Inc., BDO Capital & Investment Corporation, BDO Insurance Brokers, Inc., BDO Life Assurance Company, Inc., BDO Private Bank, Inc., BDO Remit (USA), Inc., and SM Keppel Land, Inc. He is also a Trustee of BDO Foundation, Inc., Chairman of the De La Salle University Board of Trustees, and a Director of the Asian School of Business and Technology. He is also the Chairman of Bancnet, the operator of the electronic payment system, InstaPay, and the ATM switching utility

for Philippine banks. He previously served as President and Director of the Bankers Association of the Philippines, in addition to being the Chairman and director of Philippine Dealing System Holding Corporation.

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, 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.



## RENATO A. VERGEL DE DIOS

Director

Filipino, 65 years old

Renato A. Vergel De Dios has over 35 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.



## JAIME C. YU

Director

Filipino, 60 years old

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.

**LUCY C. DY**

Director

Filipino, 63 years old

Lucy C. Dy is Executive Vice President and Comptroller of BDO Unibank, Inc. She is also a Director of BDO Remit Limited, Express Padala Hong Kong Limited, and BDO Remit (Italia), S.p.A. ; 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, 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.



## HERMINIA S. JACINTO

Director

Filipino, 79 years old

Ms. Herminia S. Jacinto is currently the Secretary General of the Association of Insurers and Reinsurers of Developing Countries (AIRDC), 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 IIAP.

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



## ATTY. LUIS MA. G. URANZA

Director

Filipino, 60 years old

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 three (33) 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. And his professional services have also been engaged as litigation counsel in civil, criminal and administrative cases.

## Board Committees

The Board has established two (2) committees to help in discharging its duties and responsibilities. These committees derive their authority from and report directly to the Board. Their mandates and scope of responsibility are set forth in their respective Terms of Reference, which are subjected to periodic review and may be updated or changed in order to meet the Board's needs or for regulatory compliance. The number and membership composition of committees may be increased or decreased by the Board as it deems appropriate, consistent with applicable laws or regulations specifically on the majority membership and chairmanship of independent directors in various committees.

### Audit Committee

#### Functions:

- The Audit Committee is empowered by the Board to oversee the financial reporting process, internal control and risk management systems, internal and external audit functions, and compliance with governance policies, applicable laws and regulations.
- On financial reporting, the committee reviews the integrity of the reporting process to ensure the accuracy and reliability of financial statements and compliance with financial reporting standards.
- On internal control and risk management, it monitors and evaluates the adequacy, soundness, and effectiveness of the Company's established internal control and risk management systems, policies, and procedures including implementation across all units of the Company to provide reasonable assurance against fraud or other irregularities and material misstatement or loss.
- On internal and external audit, it recommends the appointment, reappointment and removal of the external auditors, remuneration, approval of terms of audit engagement and payment of fees. It approves the annual audit plan and reviews audit results including the IC audit results focusing on significant findings with financial impact and its resolution. It reviews the implementation of

#### Chairperson:

Herminia S. Jacinto  
(Independent Director)

#### Members:

Lucy C. Dy  
(Director)  
Atty. Luis Ma. G. Uianza  
(Independent Director)

#### Meetings:

The Audit Committee met two (2) times in 2018.

Herminia S. Jacinto 2/2  
Lucy C. Dy 1/2  
Atty. Luis Ma. G. Uianza 2/2



corrective actions to ensure that these are done in a timely manner to address deficiencies, non-compliance with policies, laws and regulations.

- On compliance, it review and evaluates the effectiveness of the regulatory compliance framework of the Company to ensure that these are consistently applied and observed throughout the institution.

The Committee reports its evaluation of the effectiveness of the internal controls, financial reporting process, risk management systems and governance processes of the Company based on the report and unqualified opinion obtained from the External Auditor, the overall assurance provided by the Chief Internal Auditor and additional reports and information requested from Senior Management, and found that these are generally adequate across BDO Life.

## Related Party Transactions Committee

- Assists the Board in its oversight of the conduct of all Related Party Transactions (RPTs) to protect the interest of the Bank and its stakeholders.
- Ensures proper disclosures of all approved RPTs in accordance with applicable legal and regulatory requirements and confirmation by majority vote at the Annual Stockholders' meeting of the Bank's significant transactions with related parties.

On a monthly basis, the Related Party Transactions Committee carefully reviews and confirms the non-material related party transactions being proposed by Management. It reviews all material related party transactions prior to execution to ensure all regulatory requirements are met.

---

### Chairman:

Atty. Luis Ma. G. Uianza  
(Independent Director)

### Members:

Lucy C. Dy  
(Director)  
Herminia S. Jacinto  
(Independent Director)

## Trainings and Seminars Attended by the Board of Directors

Directors	Date of Training	Trainings and Seminars	Name of Training Institution
Teresita T. Sy	19 September 2018	Fintech Corporate Governance Seminar (McKinsey & Company)	BDO Unibank, Inc.
	October 8, 2018	Sustainability Summit	Global Reporting Initiative
Nestor V. Tan	19 September 2018	Fintech Corporate Governance Seminar (McKinsey & Company)	BDO Unibank, Inc.
Renato A. Vergel de Dios	May 10, 2018	BDO Executive Series Part 1	BDO Unibank, Inc.
	June 8, 2018	CEO Forum	National Reinsurance
	August 9, 2018	BDO Executive Series Part II	BDO Unibank, Inc.
	September 18, 2018	Economic Briefing	Philippine Economic & Infrastructure Team - BSP
	September 19, 2018	Fintech Corporate Governance Seminar (McKinsey & Company)	BDO Unibank, Inc.
	November 22, 2018	BDO Executive Series Part III	BDO Unibank, Inc.
Jaime C. Yu	19 September 2018	Fintech Corporate Governance Seminar (McKinsey & Company)	BDO Unibank, Inc.
Lucy C. Dy	19 September 2018	Fintech Corporate Governance Seminar (McKinsey & Company)	BDO Unibank, Inc.
Herminia S. Jacinto	21 February 2018	RBC 2 / Reserve Requirements	Philippine Insurers and Reinsurer Association, Inc.
	6-9 May 2018	East Asian Congress	East Asian Congress
	9 May 2018	Self-Regulating Organizations (SRO)	Hong Kong Federation of Insurers
	30 October – 2 November 2018	Reinsurance Overload	Singapore Reinsurers Association
Atty. Luis Ma. G. Uianza	19 September 2018	Fintech Corporate Governance Seminar (McKinsey & Company)	BDO Unibank, Inc.

# FINANCIAL STATEMENTS

## Statements of Financial Position

**BDO LIFE ASSURANCE COMPANY, INC.**  
(A Subsidiary of BDO Unibank, Inc.)  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2018 AND 2017**  
(Amounts in Philippine Pesos)

	Notes	2018	2017
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	4	P 1,177,196,700	P 418,201,979
INSURANCE RECEIVABLES	5	312,329,925	196,396,629
<b>FINANCIAL ASSETS</b>	6		
Financial assets at fair value through profit or loss		12,201,700,999	5,657,738,040
Financial assets at fair value through other comprehensive income		25,187,622,838	-
Investment securities at amortized cost		1,749,282,550	-
Loans and receivables - net		335,142,080	796,559,721
Available-for-sale financial assets		-	29,108,659,181
Held-to-maturity investments		-	145,213,752
<b>ACCRUED INCOME</b>	8	337,720,351	220,806,169
<b>REINSURANCE ASSETS</b>	9	61,383,449	49,991,539
<b>PROPERTY AND EQUIPMENT - Net</b>	10	73,930,560	41,318,453
<b>INTANGIBLE ASSETS - Net</b>	11	13,115,873	3,531,438
<b>DEFERRED TAX ASSETS</b>	24	14,459,389	12,011,680
<b>OTHER ASSETS</b>	12	30,834,550	29,878,928
<b>TOTAL ASSETS</b>		<b>P 41,494,719,264</b>	<b>P 36,680,307,509</b>
<b>LIABILITIES AND EQUITY</b>			
<b>INSURANCE CONTRACT LIABILITIES</b>	13	P 28,505,773,392	P 25,985,995,283
<b>PREMIUM DEPOSIT FUND</b>	14	3,605,295,480	3,077,795,850
<b>INSURANCE PAYABLES</b>	15	77,455,909	71,947,589
<b>NET PENSION LIABILITY</b>	23	41,645,398	10,398,039
<b>TRADE AND OTHER LIABILITIES</b>	16	1,446,764,572	1,187,147,378
Total Liabilities		33,676,934,751	30,333,284,139
<b>EQUITY</b>			
Capital stock	17	1,593,132,400	1,593,132,400
Additional paid-in capital	17	158,060,108	158,060,108
Contributed surplus		50,000,000	50,000,000
Contingency surplus		279,038,232	279,038,232
Revaluation reserves	17	(1,283,481,319)	(2,563,745,114)
Retained earnings	17	7,021,035,092	6,830,537,744
Total Equity		7,817,784,513	6,347,023,370
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>P 41,494,719,264</b>	<b>P 36,680,307,509</b>

See Notes to Financial Statements.

## Statements of Income

**BDO LIFE ASSURANCE COMPANY, INC.**  
*(A Subsidiary of BDO Unibank, Inc.)*  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**  
*(Amounts in Philippine Pesos)*

	Notes	2018	2017
<b>NET INSURANCE PREMIUMS</b>	18		
Gross premiums on insurance contracts		P 11,968,156,253	P 9,949,480,894
Reinsurers' share of gross premiums		(98,950,147)	(78,022,501)
		11,869,206,106	9,871,458,393
<b>OTHER INCOME (LOSS)</b>			
Investment income (loss)	19	(462,617,009)	1,693,565,425
Foreign exchange gains (losses) - net		17,552,849	(15,073,919)
Other income	19	12,554,781	6,899,763
		(432,509,379)	1,685,391,269
<b>NET INSURANCE BENEFITS AND CLAIMS</b>	20		
Gross change in legal policy reserves		5,220,875,336	5,829,540,512
Reinsurers' share on gross change in legal policy reserves		(16,282,671)	(15,318,197)
Gross benefits and claims		2,330,707,674	1,679,101,479
Reinsurers' share on benefits and claims		(41,342,311)	(30,796,520)
		7,493,958,028	7,462,527,274
<b>OPERATING EXPENSES</b>			
General and administrative expenses	21	1,486,227,219	1,344,394,371
Commissions and service fees	22	445,471,478	655,472,681
Insurance taxes and licenses		189,097,635	173,106,753
Impairment losses on financial assets	6	18,336,079	136,327,401
Interest expense	14	81,291,493	64,789,287
		2,220,423,904	2,374,090,493
<b>INCOME BEFORE TAX</b>		1,722,314,795	1,720,231,895
<b>TAX EXPENSE</b>	24	870,578,185	233,552,751
<b>NET INCOME</b>		P 851,736,610	P 1,486,679,144

See Notes to Financial Statements.

## Statements of Comprehensive Income

**BDO LIFE ASSURANCE COMPANY, INC.**  
*(A Subsidiary of BDO Unibank, Inc.)*  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**  
*(Amounts in Philippine Pesos)*

	Notes	2018	2017
<b>NET INCOME</b>		P 851,736,610	P 1,486,679,144
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
Items that will not be reclassified			
subsequently to profit or loss			
Remeasurement of life insurance policy reserves	13	3,655,995,438	784,969,774
Fair value losses on equity securities at fair value through			
other comprehensive income (FVOCI)	6, 17	(1,305,774,268)	-
Remeasurement of post-employment defined			
benefit plan	23	(8,159,030)	(25,427,221)
Tax income	24	2,447,709	7,628,166
		2,344,509,849	767,170,719
Items that will be reclassified subsequently			
to profit or loss	6, 17		
Fair value losses on debt securities at FVOCI		(1,756,460,839)	-
Fair value losses on disposal of debt securities at FVOCI			
reclassified to profit or loss		19,907,016	-
Impairment losses on debt securities at FVOCI		11,068,507	-
Fair value gains on disposal of available-for-sale (AFS)			
financial assets reclassified to profit or loss		-	(597,230,337)
Fair value losses on AFS financial assets		-	(238,743,771)
Impairment losses on AFS financial assets reclassified			
to profit or loss		-	136,327,401
		(1,725,485,316)	(699,646,707)
Other Comprehensive Income - net of tax		619,024,533	67,524,012
<b>TOTAL COMPREHENSIVE INCOME</b>		P 1,470,761,143	P 1,554,203,156

See Notes to Financial Statements.

## 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 & CEO

\***Ricardo V. Martin**

Treasurer

**Rebecca S. Torres**

Assistant Treasurer

**Atty. Elmer B. Serrano**

Corporate Secretary

**Atty. Katrina G. de Castro**

Assistant Corporate Secretary

\* Subject to the approval of the Bangko Sentral ng Pilipinas



## CORPORATE INFORMATION

### **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

[we-care@bdolife.com.ph](mailto:we-care@bdolife.com.ph) / [www.bdo.com.ph/bdolife](http://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