

COMPANY NAME : BPI-PHILAM LIFE ASSURANCE (BPLAC)
 COMPANY STRUCTURE : CLASS 3
 FINANCIAL YEAR END : 2017
 SECTOR : INSURANCE

D.1 Transparent ownership structure

D.1	Transparent ownership structure	Y/N	Reference/Source document
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	Y	<p>BPI-Philam is 51% owned by Philam Life and 47.67% owned by BPI. The Annual Report discloses the list of BPI-Philam's stockholders and their corresponding holdings. The SEC General Information Sheet also contains the list of shareholders of the Company and their corresponding holdings.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ 2017 Annual Report, page 32 - List of Stockholders ▪ 2017 General Information Sheet, pages 4-5
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?	Y	<p>BPI-Philam is 51% owned by Philam Life and 47.67% owned by BPI. The Annual Report discloses the list of BPI-Philam's stockholders and their corresponding holdings. The SEC General Information Sheet also contains the list of shareholders of the Company and their corresponding holdings. The Company has more than seventy minority stockholder, 1.33% ownership in the Company. One (1) nominal share is given to the members of the Board. The Annual Report discloses the list of Philam Life's stockholders and their corresponding holdings. The SEC General Information Sheet also contains the list of shareholders of the Company and their corresponding holdings.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ 2017 Annual Report, page 32 - List of Stockholders ▪ 2017 General Information Sheet, pages 4 to 5
D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?	Y	<p>The company disclose the direct and indirect shareholders of directors through its Annual Report and the General Information Sheet submitted to SEC contains the list of directors of the Company and their corresponding holdings.</p>

			<p>Source Documents:</p> <ul style="list-style-type: none"> ▪ 2017 Annual Report, page 32 - List of Stockholders ▪ 2017 General Information Sheet, pages 4 to 5
D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?	Y	<p>The company disclose the direct and indirect shareholders of directors through its Annual Report and the General Information Sheet submitted to SEC contains the list of directors of the Company and their corresponding holdings.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ 2017 Annual Report, page 32 - List of Stockholders ▪ 2017 General Information Sheet, pages 4 to 5
D.1.5	Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/ (SPVs)?	Y	<p>BPI-Philam has various affiliates and subsidiary such as Philam Life, a premier life insurance company in the Philippines and a market leader for over 60 years and BPI a leading commercial bank in the country with over 160 years of experience in the local banking industry and an extensive branch network of more than 800 branches and 1,500 ATMs.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ 2017 Annual Report, page 32 - List of Stockholders ▪ 2017 General Information Sheet, pages 4 to 5
D.2	Quality of Annual Report		
	<i>Does the company's annual report disclose the following items:</i>		
D.2.1	Key risks	Y	<p>The Annual Report discloses BPI-Philam's identified key risks. BPI-Philam's follows a Risk Management Framework (RMF) which identifies, quantifies, and mitigates risks within the Company. Sound risk management hinges on effective quantification of risk. On a regular basis, the Company's Risk and Control Assessment Process identifies and assess its financial and operational risks. Management considers possible or actual risk events, ascribes likelihood of occurrence and potential severity, and then agrees on mitigation strategies to reduce the risks. These strategies are then monitored and the exercise being repeated, with the results stored in an operational risk database.</p>

			<p>The Company manages its financial risk by periodically running specific scenario-modelling exercises. Financial risk is subdivided into credit risk, market risk, and liquidity risk. The Company's operational risk, on the other hand, is broken down into 13 defined risks areas or key operational risks (KORs): business interruption risk; distribution risk; finance and actuarial process risk; fraud and financial crimes risk; information security risk; information technology risk; investment process risk; legal and regulatory risk; operations process risk; people risk; products management risk; project risk; and third party risk. Each KOR is measured using key risk indicators (KRI), with a first line owner for respective KORs. The Risk Working Committee reviews these risks regularly including emerging risks.</p> <p>Source Document: 2017 Annual Report, pages 54 to 55 – ENTERPRISE RISK MANAGEMENT</p>
D.2.2	Corporate Objectives	Y	<p>It is BPI-Philam's vision to be the leading life insurance company in the country by making insurance accessible and personalized to every Filipino. BPI-Philam remain true to our mission of making insurance accessible and personalized for every Filipino. Our primary focus for the coming years is to bring real value and better protection to our customers as we encourage them to live longer, healthier, and better lives. We are a company that embraces change as we work on establishing better foundations along with our goals. BPI-Philam aims to further expand and grow its efforts, ensuring that we conduct our business in a deliberate pace with compliance to the industry's policies and regulations.</p> <p>Source Document: 2017 Annual Report, page 3, VISION AND MISSION</p>
D.2.3	Financial performance indicators	Y	<p>BPI-Philam's Gross Investment Income for the year was P1.4 Billion, posting a 30% increase versus last year. The Company's shareholder's equity balance increased by 6% versus last year, at P9 Billion higher than last year's P8.4 Billion. Total assets stood at P89 Billion, while Net Income amounted to P1.7 Billion. BPI-Philam's Annual Performance Report discloses the details of the Company's Statement of Financial Highlights; Total Comprehensive Income; and Statement of Changes in Equity as of 31 December 2017.</p>

			<p>Source Document: 2017 Annual Report, pages 8, and 58 to 61</p>
D.2.4	Non-financial performance indicators	Y	<p>The non-financial performance indicators and other achievements of the Company are sufficiently disclosed in the Annual Report of the Company.</p> <p>Source Document: 2017 Annual Report, pages 10 to 16 – BUSINESS HIGHLIGHTS</p>
D.2.5	Dividend policy	Y	<p>It is the policy of BPI-PHILAM to adopt and comply with the provision of the Insurance Code (RA 10607) that states that no domestic insurance corporation shall declare or distribute any dividend on its outstanding stocks unless it has met the minimum paid-up capital and net worth requirements under the Code and except from profits attested in a sworn statement to the Commissioner by the President or Treasurer of the Company to be remaining on hand after retaining unimpaired the entire paid-up capital stock, the solvency requirements, the legal reserve fund required by the Code, the sum sufficient to pay all net losses reported, or in the course of settlement, and all liabilities for expenses and taxes. Any dividend declared or distributed by the Company shall be reported to the Commissioner within thirty (30) days after such declaration or distribution.</p> <p>As provided in the Company’s By-Laws, Article VIII, Section 1, of the net profits resulting from the annual balance, there shall be first be segregated the sum set aside for dividends for participating policies; and, from the remainder, the amount that may be allotted by the Board of Directors for payment of dividends on common shares, carrying the balance to surplus.</p> <p>The Board of Directors may determine the distribution of the surplus or a part thereof as dividends either to the participating policyholders or as dividends to the stockholders.</p> <p>The Board of Directors may declare cash dividends to the stockholders at any time when in its judgment the condition of the Corporation allows it, or stocks and bonds dividends subject to the approval of the stockholders in accordance with law.</p>

			<p>During the 16 April 2018 annual stockholders meeting, Mr. Surendra informed the stockholders that the Board has approved a cash dividend declaration of P1.89/share, payable to all shareholders of the Company in proportion to their holdings as of 16 April 2018 and payable immediately upon receipt of all required approvals.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ 2017 Annual Report, page 44 – DIVIDEND POLICY ▪ Minutes of the Annual Stockholders Meeting dated 16 April 2018, page
D.2.6	Details of whistle-blowing policy	Y	<p>BPI-Philam’s Whistleblow Programme is sufficiently disclosed in the Annual Report. BPI-Philam does business with integrity and follows the highest ethical principles. Any employee (or anyone else) may and are highly encouraged to raise concerns of misconduct or wrongdoing within the Company that can allow investigation to fix any problems. The goal of the Whistleblow Policy is to support an effective governance process, help maintain and establish corporate values that support ethical and legal behaviour and provide the Whistleblower protection from retaliation for making a report in good faith. It guides all employees on how to raise ethical concerns and managers on how they should respond when this happens. Employees who are aware of possible wrongdoing within BPI-Philam have a responsibility to disclose that information to management. Reports are taken seriously and investigated confidentially. This Policy is designed to provide for protection in case there is a threat to the security of the Whistleblower. Employees or other individuals will not suffer retaliation for reporting suspected wrongdoing in good faith as this is prohibited by the Company. Reporting concerns or suspicions may be made by multiple means provided in the AIA Code of Conduct. The report may also be made by the employee by using the AIA Group Ethics and Compliance Hotline 1010-5511-00 + 800-245-4179, which is available 24 hours a day, 7 days a week. The employee is encouraged to provide as much detailed information as possible and may remain anonymous if he/she wishes. The policy is also discussed in further detail in the AIA Code of Conduct.</p> <p>Source Document: 2017 Annual Report, pages 53 to 54 – The Whistleblow Program</p>
D.2.7	Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other	Y	<p>The biographical details of BPI-Philam's directors are fully disclosed in the Annual Report of the Company. These details include, among others, the director's age, date</p>

	directorships of listed companies) of directors/commissioners		of first appointment, relevant experience, and directorships in other listed and non-listed companies. Source Document: 2017 Annual Report, pages 34 to 39 – Board of Directors Profile
D.2.8	Training and/or continuing education programme attended by each director/commissioner	Y	For newly elected directors, the Corporate Secretary schedules and provides comprehensive orientation to explain the organizational profile, charters, by laws, policies and procedures of the Company. In compliance with Circular issued by the Insurance Commission, BPI-Philam ensures that all its directors have attended a training and orientation course on Corporate Governance conducted by duly accredited training providers of the Commissions. The Board members are also encouraged to attend further training and inform the Corporation on such trainings attended. BPI-Philam provides necessary resources in developing and updating its director's knowledge and capabilities. The Company encourages the directors to attend continuous professional education programs such as Professional Directors' Program of the Institute of Corporate Directors. Source Document: 2017 Annual Report, page 43 – ORIENTATION PROGRAMME AND TRAINING
D.2.9	Number of board of directors/commissioners meetings held during the year	Y	In 2017, the Board of Directors of BPI-Philam met five (5) times, as properly disclosed in the Annual Report of the Company. The following are the dates of the Board of Directors' meetings: 19 January 2017 – Regular Board of Directors Meeting 21 April 2017 – Outgoing Board of Directors Meeting 21 April 2017 – Organizational Meeting of the Board of Directors 20 July 2017 – Regular Board of Directors Meeting 19 October 2017 – Regular Board of Directors Meeting Source Documents: 2017 Annual Report, page 46 – Meetings held and attended for the year 2017

D.2.10	Attendance details of each director/commissioner in respect of meetings held	Y	<p>The attendance details of the each director are disclosed in the 2017 Annual Report.</p> <p>The following directors attended all five (5) meetings of the Board, for an attendance rate of 100%:</p> <ol style="list-style-type: none"> 1. Aurelio Luis R. Montinola III 2. Ariel G. Cantos 3. Surendra Menon 4. Romeo L. Bernardo 5. Cezar P. Consing 6. Ryan Robert Quinn 7. Simon R. Paterno <p>Darren Thomson attended four (4) meetings (80%), Jesus P. Tambunting attended three (3) meetings (60%); Joseph Gotuaco who was only elected on 21 April 2017 attended one (1) meeting (20%); while Natividad N. Alejo and Andreas Rosenthal attended only two (2) of the five (5) meetings (40%) since they resigned on 21 April 2017 and 20 July 2017, respectively.</p> <p>Source Document: 2017 Annual Report, page 46 – Meetings held and attended for the year 2017</p>
D.2.11	Details of remuneration of each member of the board of directors/commissioners	N	The particular item was not disclosed in the Annual Performance Report of the Company.
<i>Corporate Governance Confirmation Statement</i>			
D.2.12	Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?	Y	<p>BPI-Philam confirms its full compliance with the Code of Corporate Governance. Its commitment to the highest standards of corporate governance is rooted in the belief that a culture of integrity and transparency is essential to the consistent achievement of its common goals. Creating a sustainable culture, where trust and accountability are vital as skill and wisdom, steers us towards achieving long-term value for shareholders and clients, and strengthens our confidence in the institution.</p> <p>The 2017 Annual Report contains a statement confirming BPI-Philam's full compliance with the Code of Corporate Governance in page 42.</p>

			<p>Source Document: 2017 Annual Report, page 42 – CORPORATE GOVERNANCE</p>
D.3.	Disclosure of related party transactions (RPT)		
D.3.1	Does the company disclose its policy covering the review and approval of material/significant RPTs?	Y	<p>BPI-Philam abides by its policy that ensures all transactions between related parties 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. It is the responsibility of the Board of Directors and Management to exercise appropriate oversight and implement effective control systems for managing RPT exposures. The Board shall have the overall responsibility in ensuring that related party transactions are handled in sound and prudent manner, with integrity, and in compliance with applicable laws, rules, regulations, and circulars to ultimately protect the interest of the employees, policyholders, creditors and all other stakeholders.</p> <p>Related party relationship exists and details of Related Party Transactions are provided in Note 25 of the 2017 Audited Financial Statement. The Company has no RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies. The Company ensures that RPTs are conducted in such a way that they are fair and at arms’ length, and discloses such facts in its Annual Performance Report and the Audited Financial Statements.</p> <p>Source Document: 2017 Annual Report, pages 62 to 64 – RELATED PARTY TRANSACTION</p>
D.3.2	Does the company disclose the name of the related party and relationship for each material/significant RPT?	Y	<p>Details of related party relationship and transactions are provided in Note 25 of the 2017 Audited Financial Statement. The Company has no RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies. The Company ensures that RPTs are conducted in such a way that they are fair and at arms’ length, and discloses such facts in its Annual Performance Report and the Audited Financial Statements.</p> <p>Source Document:</p> <ul style="list-style-type: none"> ▪ 2017 Annual Report, pages 62 to 64 – RELATED PARTY TRANSACTION ▪ RPT Report submitted to regulators

D.3.3	Does the company disclose the nature and value for each material/significant RPT?	Y	<p>Details of related party relationship and transactions are provided in Note __ of the 2017 Audited Financial Statement. The Company has no RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies. The Company ensures that RPTs are conducted in such a way that they are fair and at arms' length, and discloses such facts in its Annual Performance Report and the Audited Financial Statements.</p> <p>Source Document:</p> <ul style="list-style-type: none"> ▪ 2017 Annual Report, pages 62 to 64 – RELATED PARTY TRANSACTION ▪ RPT Report submitted to regulators
D.4	Directors and commissioners dealings in shares of the company		
D.4.1	Does the company disclose trading in the company's shares by insiders?	Y	<p>Since BPI-Philam does not trade its shares, no disclosure required.</p> <p>Source Document:</p> <p>2017 Annual Report, page 52 – Prevention of Insider Trading & Price Sensitive Information</p>
D.5	External auditor and Auditor Report		
D.5.1	Are audit fees disclosed?	Y	<p>Audit Fees paid to PWC are lumped and reported under General and Administrative expenses.</p> <p>Source Document:</p> <p>Certification</p>
	<i>Where the same audit firm is engaged for both audit and non-audit services</i>		
D.5.2	Are the non-audit fees disclosed?	Y	<p>Not applicable since Philam Life engages its External Auditors, Isla Lipana & Co./PricewaterhouseCoopers, for audit services only. Thus, there was no non-audit fees paid and disclosed in the Annual Report.</p> <p>Source Document:</p>

			Certification
D.5.3	Does the non-audit fee exceed the audit fees?	N/A	Since BPI-Philam engages its External Auditors, Isla Lipana & Co./PricewaterhouseCoopers, for audited services only, this question is Not Applicable. Note that there was no non-audit fees paid and disclosed in the Annual Report.
D.6	Medium of communications		
	<i>Does the company use the following modes of communication?</i>		
D.6.1	Quarterly reporting	Y	<p>To regularly update the general public and stakeholders on the developments and activities of the Company, BPI-Philam utilizes different channels such as but not limited to digital media (includes website and owned social media properties), press releases, TV interviews, media round table discussions, and annual report.</p> <p>Internally, the Company utilizes an internal communication module called 'PhilamWebmaster', where the employees are regularly apprised of any significant milestones, events, and developments in the Company. There is also a quarterly Townhall for employees to communicate major developments and directions within the organization.</p> <p>With the launch of BPI-Philam's Facebook page, they created another avenue to publish their content and effectively reach out to their existing customers and untapped market. Through these digital platforms they emphasized thought leadership by releasing financial and lifestyle-themed articles surrounding financial literacy.</p> <p>Finally, BPI-Philam also bolstered their advertising initiatives to better introduce their consumer base to their products by effectively utilizing Facebook and Google advertisements which suggest products to users based on their preferences.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ Company Website: www.bpi-philam.com ▪ 2017 Annual Report
D.6.2	Company website	Y	BPI-Philam regularly updates and uses its company website as a tool for BPI-Philam to communicate with its stakeholders. News and materials are shared through the Company website.

			Source Document: Company Website: www.bpi-philam.com
D.6.3	Analyst's briefing	N/A	Not applicable item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). BPI-Philam uses its own investment analyst who regularly reports to the Board, Management, Employee and Client Forums.
D.6.4	Media briefings /press conferences	Y	BPI-Philam had two media conference in 2017 for the launch of the product Life Ready Plus, and also for the launch of the Wellness Series product suite. This was picked up by a couple of media outlets. Source Documents: <ul style="list-style-type: none"> ▪ The Manila Times - http://www.manilatimes.net/bpi-philam-launches-affordable-insurance-product/339029/ ▪ Orange Magazine - http://orangemagazine.ph/2017/bpi-philam-celebrate-being-stronger-together/
D.7	Timely filing/release of annual/financial reports		
D.7.1	Are the audited annual financial report / statement released within 120 days from the financial year end?	Y	The Company's Audited Financial Report was released within 120 days from the financial year end in compliance with SEC requirements. The Audited Financial Statements of BP-Philam Life was approved by the Stockholders on 16 April 2018, and submitted/released to the Securities and Exchange Commission and the Bureau of Internal Revenue on 27 April 2018. Source Documents: Minutes of the Annual Stockholders Meeting dated 16 April 2018, page 4
D.7.2	Is the annual report released within 120 days from the financial year end?	Y	The 2017 Annual Report of BPI-Philam was released during the Board of Directors and Annual Stockholders' meetings on 16 April 2018. Source Document: Minutes of the Annual Stockholders Meeting dated 16 April 2018, pages 3 to 4

D.7.3	Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company?	Y	The true and fairness/fair representation of the annual financial statement was affirmed by the Audit Committee of the Company. The Audit Committee has reviewed and approved the scope and coverage of the Statutory Audit for the year 2017. Although Management has the primary responsibility for the financial statements and reporting process, the Audit Committee having the oversight role, has noted and reviewed the audited financial statements for the calendar year 2017, and concurred and accepted the conclusion of the External Auditors on the financial statements. The Audit Committee was satisfied that the financial statements were in compliance with Philippine Financial Reporting Standards as assessed by the External Auditors. Source Document: 2017 Annual Report, pages 55 to 56 – AUDIT COMMITTEE
D.8	Company website		
	<i>Does the company have a website disclosing up-to-date information on the following:</i>		
D.8.1	Business operations	Y	BPI-Philam's website discloses among others information relating to business operations of the Company. Source Document: Company Website: www.bpi-philam.com
D.8.2	Financial statements/reports (current and prior years)	Y	BPI-Philam's website discloses among others information relating to the financial statements of the Company for 2017 and prior years. Source Document: Company Website: www.bpi-philam.com - Published Synopsis
D.8.3	Materials provided in briefings to analysts and media	Y	BPI-Philam's website discloses among others information relating to briefings to analysts and media. Materials provided in briefings are made available in the Media Center section. Source Document: Company Website: www.bpi-philam.com

D.8.4	Shareholding structure	Y	<p>The Company's shareholding structure is indicated in the 2017 Annual Report, which is disclosed in the Company Website.</p> <p>Source Document: 2017 Annual Report, page 32 – List of Stockholders</p>
D.8.5	Group corporate structure	Y	<p>The Group's Corporate Structure is indicated in the 2017 Annual Report, which is disclosed in the Company Website.</p> <p>Source Document: 2017 Annual Report, page 03, BPI-PHILAM AT A GLANCE</p>
D.8.6	Downloadable annual report	Y	<p>BPI-Philam's website discloses the Annual Performance Report of the Company in the Corporate Governance Section. The Annual Reports since 2012 are made available for viewing and downloading on BPI-Philam Life's website.</p> <p>Source Document: Company website: www.bpi-philam.com – Corporate Governance Section, Annual Report</p>
D.8.7	Notice of AGM and/or EGM	Y	<p>BPI-Philam's website discloses the Notice of the Annual Stockholders' Meeting of the Company on 16 April 2018 in the Corporate Governance Section.</p> <p>Source Document: Company Website: www.bpi-philam.com – Corporate Governance Section, 2018 Notice of Annual Stockholders Meeting</p>
D.8.8	Minutes of AGM and/or EGM	Y	<p>BPI-Philam's website discloses the Minutes of the Annual Stockholders' Meeting of the Company last 16 April 2018 in the Corporate Governance Section.</p> <p>Source Document: Company Website: www.bpi-philam.com – Corporate Governance Section, Minutes of the Annual Stockholders Meeting dated 16 April 2018</p>

D.8.9	Company's constitution (company's by-laws, memorandum and articles of association)	Y	<p>BPI-Philam's website discloses the Articles of Incorporation and By-Laws of the Company in the Corporate Governance Section.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ Company Website: www.bpi-philam.com – Corporate Governance Section, Articles of Incorporation ▪ Company Website: www.bpi-philam.com – Corporate Governance Section, By-Laws
D.9	Investor relations		
D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer / office responsible for investor relations?	Y	<p>Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). Since BPI-Philam is not a publicly-listed company, it has no contact details required herein. However, BPI-Philam makes sure that all its stakeholders (i.e. customers, employees, investors of affiliate companies, and general public) have the avenue to voice their concerns and/or complaints. In its Contact Us section in the Company Website, BPI-Philam provides its stakeholders different channels through which stakeholders can get in touch with the Company. The contact details include an e-mail address, the head office telephone number, and each branch's address and telephone number. There is also a form, which the stakeholder can fill out.</p>