

PROTECTING MORE FAMILIES



2023 ANNUAL REPORT

Table of Contents

03	Our Purpose
	Corporate Profile
	Corporate Mission Statement
	Corporate Vision Statement
	Core Values
04	President's Report
06	Corporate Governance
26	Financial Statements
	Statement of Management's Responsibility for Financial Statements
	Statements of Financial Position
	Statements of Income
	Statements of Comprehensive Income
30	BDO Life in 2023
33	Products and Services
34	Management Directory
35	Corporate Information

Our Purpose

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 also 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 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.

President's Report



Renato A. Vergel De Dios
President and CEO

“With the market’s renewed appreciation for the value of protection, we are resolute in promoting life insurance as the only financial product that is capable of securing the lives and dreams of loved ones, following the loss of a family’s main breadwinner.”

Dear Clients and Shareholders,

BDO Life tallied a record high ₱3.58 billion in net income in 2023, a 10% growth from 2022. This was driven by consistent sales growth, well-controlled claims experience, and prudent management of expenses. Growth in net income was attained notwithstanding a decline in total premium income arising from lower Variable Life sales industry-wide.

Amidst these challenging market conditions, BDO Life recorded a 6% growth in New Business Annualized Premium Equivalents (NBAPE) to maintain its 4th spot in NBAPE. Total Premiums fell by 5% on lower Single Premium sales as BDO Life ranked 6th in Total Premiums thru Q3 2023.

True to our vision of becoming the preferred provider of insurance protection solutions in the country, BDO Life registered ₱13.6 billion in traditional premiums for 2023. This represents 19% growth allowing the company to retain #2 spot in pure traditional protection solutions.

The market's continued appreciation for life insurance, after coming off a three-year-long pandemic period, continues to be the driving force behind our key priorities for 2024.

Our mission is to direct our Financial Advisors and Bank Partners to expand their scope and to reiterate our Plan B messaging to more middle income clients—families where the principal earner needs to actively work to support his dependents. Holding more conversations with qualified clients will create for us more opportunities to ask: “May Plan B ka na ba para sa pamilya mo?” This is the pretext towards engaging with clients in a meaningful discussion of insurance protection.

By expanding our presence among the bank's middle income clients, we can truly aspire to become the standard of bancassurance excellence, measured in terms of leadership in key industry performance metrics of NBAPE and Renewal Premium growth. In the process, BDO Life can become a more substantial contributor to BDO Group's total net income.

We foresee ourselves achieving these objectives by:

- Enhancing the sales efficiency of our bancassurance sales force, our primary source of business, thru digitally supported onboarding tools, complete end-to-end sales capabilities, and providing targeted leads using digital analytics techniques;
- Identifying and capturing sustainable business opportunities beyond traditional bancassurance using a combined approach of conventional and digital business models to further accelerate BDO Life's growth;
- Expanding our product offering responsive to the evolving needs of the BDO Group clients and the digital market space; and,
- Driving cost and operational efficiencies through business transformation initiatives, continuing process re-engineering, and adoption of new digital tools.



Renato A. Vergel De Dios
President and
Chief Executive Officer

Corporate Governance

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

BDO Life affirms its deep commitment to the highest standards of corporate governance practice firmly anchored on the principles of accountability, fairness, integrity, transparency, and performance consistently applied throughout the institution. BDO Life's 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.

BDO Life fully complies with the Revised Code of Corporate Governance for Insurance Commission Regulated Companies. It follows relevant international best practices of corporate governance issued by globally recognized standards-setting bodies such as the Organization for Economic Cooperation and Development (OECD) and the ASEAN Corporate Governance Scorecard (ACGS) which serve as essential points of reference.

Corporate Governance Policy

The Company's Corporate Governance Policy placed on the Board the ultimate responsibility for the sustainable performance of the Company, including its consistent achievement of business plans and compliance with statutory and corporate obligations. To fulfil such responsibility, the Board adopted a policy of adherence to all legislations, regulations, and statutory standards as may be applicable and relevant to the Company, and mandates all directors, senior management, and employees to abide by the principles of good governance and the Company's Code of Conduct.

The Company's corporate governance framework underpins its commitment to corporate governance principles and leading practices.

Governance Structure

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 the Chief Executive Officer (CEO). It considers sustainability issues related to the environment and social factors as part of its sustainable practices.

Board Composition

The Board is composed of seven (7) seats. The members of the Board are all professionals with various expertise in fields relevant to BDO Life's business and strategic plans such as insurance, accounting and finance, merchandise marketing, strategy formulation, company regulations, information technology, sustainability, and risk management. It is led by a Non-Executive Chairperson with two Independent Directors, three Non-Executive Directors, and one Executive Director who is the President & CEO.

The present composition of the Board exceeds the minimum regulatory standards which require that independent and non-executive directors account for the majority. Independent and Non-Executive Directors of the Company comprise eighty-six percent (86%) (6 of 7) of the Board. With two of seven Board seats allocated for independent directors, the Company complies with the twenty percent (20%) minimum requirement of the Insurance Commission. Independent directors chair all of four board committees, namely Audit, Corporate Governance, Related Party Transactions, and Board Risk Oversight. This provides independent and objective judgment on significant corporate matters and ensures that key issues and strategies are objectively reviewed, constructively challenged, thoroughly discussed and rigorously examined.

Board Process

The Board meetings are conducted quarterly unless a special meeting is held for urgent matters. The Office of the Corporate Secretary keeps the minutes of the meetings of the Board and Board Committees. These are available for inspection by the Board and Stockholders. To give them time to review for the meetings, Board materials are sent to the members at least five (5) days before the meetings.

2023 BOARD MEETINGS

Directors	No. of Meetings Attended	Total No. of Meetings	Percentage Rating
Teresita T. Sy	12	13	92.3%
Nestor V. Tan	13	13	100%
Renato A. Vergel de Dios	13	13	100%
Jaime C. Yu	13	13	100%
Lucy C. Dy	13	13	100%
Herminia S. Jacinto	13	13	100%
Ariel G. Cantos	13	13	100%

Election of the Board

The Board is responsible for the screening of new directors when it acts as the Nominations Committee. The Board, acting as the Nominations Committee, 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 an incoming director should have. The Board, acting as the Nominations Committee, 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, acting as the Nominations Committee, recommends the most suitable candidate to the Board for appointment or election as director.

For reelection of incumbent directors, the Board, acting as the Nominations Committee also considers the results of the most recent annual evaluation of the performance of the Board, Board Committees, and peer evaluation made by the Board members and advisors or by an independent third-party evaluator, attendance record in meetings, participation in Board activities and overall contribution to the functioning Board.

Independence and Diversity of the Board

In evaluating the suitability of an individual board member and promoting diversity in the composition of the Board, it annually reviews the Board and Board Committee composition to ensure appropriate balance of skills, competencies, experience of its members, and diversity to ensure the alignment with the new regulations. The Board of Directors considers the slate of nominees for election to the Board of Directors during the Company's annual stockholders' meeting.

Considering the complexity and scope of the Company's business, the Board believes that its current size and composition provide sufficient diversity among its directors, foster critical discussion, and promote balanced decision-making. It views diversity of 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.

Board and Senior Management Selection Process

The Board, acting as the Nominations Committee, takes into account the relevant qualifications of every candidate nominated for election, with competence and integrity as the primary factors, including other criteria such as physical and mental fitness, relevant educational and professional background, personal track record, experience and 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., Head of Compliance. 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.

Review of the Company's Mission, Vision and Strategic Plans

The Board, being the highest governance body, is responsible for approving and updating the Company's mission, vision, objectives and strategies on a continuing basis and in overseeing management's implementation thereof which takes into account the Company's long-term financial interests, its level of risk tolerance, and ability to manage risks effectively. In the Company's Regular Board Meeting on January 25, 2023 which was attended by the majority of the Board of Directors, the Company's mission and vision statements were revisited. The Board actively engages in the affairs of the Company and keep up with material changes in the Company's business and regulatory environment and ensures that the Company has beneficial influence on the economy. The Board also approves and oversees the implementation of policies governing major areas of the Company's operations. The Board holds special meetings as may be necessary to discuss strategic matters and critical concerns.

During the year, the Board reviewed and approved the 2022 audited financial statements of the Company. Its oversight functions include the review of operational and financial performance of senior management and work of the various committees in accordance with their Terms of Reference.

Roles and Responsibilities of the Board

In general, the Board exercises all powers of the corporation. The roles and responsibilities of the Board are detailed in BDO Life's By-Laws and Manual of Corporate Governance.

Performance Evaluation

An annual self-assessment is conducted focusing on the performance of the Board, Directors, Committees and senior management, through the Corporate Governance Committee, 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 and explain the rationale of their response. The results of which are tabulated and consolidated.

TRAININGS AND SEMINARS ATTENDED BY THE BOARD OF DIRECTORS

Directors	Date of Training	Trainings and Seminars	Name of Training Institution
Teresita T. Sy	August 02, 2023	2023 Annual Corporate Governance Seminar	BDO Unibank, Inc. / Gartner, Inc. / Boston Consulting Group
Nestor V. Tan	August 02, 2023	2023 Annual Corporate Governance Seminar	BDO Unibank, Inc. / Gartner, Inc. / Boston Consulting Group
Renato A. Vergel de Dios	August 02, 2023	2023 Annual Corporate Governance Seminar	BDO Unibank, Inc. / Gartner, Inc. / Boston Consulting Group
	October 20, 2023	McKinsey Global Asia Insurance Forum @ Asia Boost	McKinsey
Jaime C. Yu	July 24, 2023	Information Security Awareness Training	BDO Unibank, Inc.
	August 02, 2023	2023 Annual Corporate Governance Seminar	BDO Unibank, Inc. / Gartner, Inc. / Boston Consulting Group
Lucy C. Dy	August 02, 2023	2023 Annual Corporate Governance Seminar	BDO Unibank, Inc. / Gartner, Inc. / Boston Consulting Group
Herminia S. Jacinto	April 26, 2023	Philippine Insurance Summit	Insurance Institute for Asia and the Pacific (IIAP) Insurance Philippines
	March to December 2023	Training on IFRS 17	Insurance Commission PWC Philippines Insurance and Rating Association (PIRA)
	August 02, 2023	2023 Annual Corporate Governance Seminar	BDO Unibank, Inc. / Gartner, Inc. / Boston Consulting Group
Ariel G. Cantos	October 18, 2023	Economic Briefing for Insurance Industry	IIAP with Dr. Cielito Habito
	March 02, 2023	Supply Chain Leaders Forum	Coca Cola Philippines
	March 15, 2023	Championing Diversity and Inclusion	Makati Business Club
	March 16, 2023	Creating Sustainable Healthcare Solutions	John Clements
	March 23, 2023	ESG, Nature in the Balance	McKinsey & Company
	April 19, 2023	The Better Leadership Project: Compassion, Wellbeing, & Belonging	Center for Creative Leadership
	May 30, 2023	Sustainable Living	Department of Trade & Industry
	May 31, 2023	Philippine Equity Strategy	BDO Securities
	June 05, 2023	Global Leadership Forecast: 5 Strategies for Future Success	DDI Asean
	June 20, 2023	Green and Beyond through Sustainable Investments	BPI Wealth
	August 02, 2023	2023 Annual Corporate Governance Seminar	BDO Unibank, Inc. / Gartner, Inc. / Boston Consulting Group
	September 09, 2023	Empowering Leaders for Success	Center for Creative Leadership

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 Companying industry. All Directors of the Company complied with the annual corporate governance training requirement for four hours in 2023. They attended the in-house corporate governance seminar facilitated by BDO Unibank, Inc. last August 2, 2023. The topics were Global Trends in Banking Technology and How BDO is Fairing against Trends and Generative Artificial Intelligence.

Succession Planning

Succession planning for the Board and senior management is an important part of the governance process. The Corporate Governance Committee reviews the succession framework and leadership development plans for senior management, which are subsequently approved by the Board. As part of the periodic review, the succession framework is updated and training programs are conducted accordingly. For succession planning in the Board, it has adopted the policy on the nine-year term limit of Independent Directors as a way to refresh the Board membership progressively and in an orderly manner.

Remuneration of Directors and Senior Management

Our remuneration policy is geared towards attracting, retaining and motivating employees and members of the Board.

The remuneration framework for senior management includes fixed pay and bonuses. All qualified employees may be entitled to an annual merit increase in salary, based on their performance for the immediately preceding year. This has a long-term and compounding effect to the fixed pay, which serves as basis for their retirement benefit. Non-Executive Directors receive per diem for attending board and committee meetings. In addition, the Company grants director fees, other than per diem, in accordance with law to ensure that the remuneration is commensurate with the effort, time spent, and responsibilities of NEDs. There is no distinction on the director's fee for a committee chairman or member.

Chairperson of the Board

The Chairperson is primarily responsible for leading the Board and ensuring its effectiveness. She provides leadership to the Board, fosters constructive relationships between directors, promotes an open environment for critical discussions and constructive debate on key issues and strategic matters, and ensures that the Board of Directors exercises strong oversight over the Company's business and performance of senior management. She takes a lead role in ensuring that the Board provides effective governance of the Company and continues to operate at a very high standard of independence with the full support of the directors.

Board of Directors



Teresita T. Sy

Chairperson of the
Board of Directors

Age: 73 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 the Chairperson and/or Director of various subsidiaries and affiliates of BDO Unibank, Inc.: BDO Private Bank, Inc., BDO Finance Corporation, BDO Capital & Investment Corporation, and BDO Foundation, Inc. Ms. Sy also serves as Advisor to the Board of BDO Network Bank, Inc.

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.



Nestor V. Tan

Vice Chairman of the
Board of Directors

Age: 66 years old

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 Capital & Investment Corporation, BDO Finance Corporation, BDO Private Bank, Inc. and SM Keppel Land, Inc.; and Trusteeship of BDO Foundation, Inc.

In addition, he is currently the 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 current Director of the Bankers Association of the Philippines. He is also the past chairman of the De La Salle University Board of Trustees.

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.



Renato A. Vergel De Dios

President and Chief
Executive Officer

Age: 70 years old

Renato A. Vergel de Dios is the President & CEO of BDO Life Assurance Company, Inc. and a Director of BDO Life Board since October 14, 2009. He also serves as a Director and Treasurer of the Philippine Life Insurance Association, and a member of the Board of Trustees of the Insurance Institute for Asia and the Pacific. Mr. Vergel de Dios has been in the life insurance business for nearly 50 years. Prior to joining BDO Life, he served as CEO for Manulife Philippines Inc. and was Executive Vice President, Sales and Operations, for the Philippine American Life Insurance Company, Inc. He holds a Bachelor's Degree in Mathematics from Ateneo de Manila University and an MS Management (Sloan) degree from Stanford Graduate School of Business. He completed the requirements for Associateship of the US Society of Actuaries and is a Fellow of the Life Office Management Association (USA).



Herminia S. Jacinto

Lead Independent Director

Age: 85 years old

Herminia S. Jacinto was elected to the Board of Directors of BDO Life Assurance Company, Inc. on March 29, 2012. She is currently a member of the Board of Advisers and former President 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 continued to be a consultant and advisor to some insurance companies.

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 and Chairman of the IIAP.

She is currently an Independent Director of Fortune General Insurance Co. Inc., and the University of Nueva Caceres in Naga City. She has recently been appointed as Board Advisor of the BDO Insurance Brokers, Inc. She is a regular lecturer at the IIAP on topics like Financial Analysis, Reinsurance, Taxation and Mergers and Acquisitions.



Ariel G. Cantos

Independent Director

Age: 64 years old

Ariel G. Cantos was elected to the Board of Directors of BDO Life Assurance Company, Inc. on June 29, 2022. He is the Chairman of the Corporate Governance Committee and the Related Party Transaction Committee.

He has over 35 years of experience in the life insurance industry particularly in the areas of distribution, both in agency and in bancassurance, and in management. He held the position of Chief Agency Officer of Philam Life responsible for over 10,000 financial advisors. He was appointed the President and CEO of BPI Philam Life Assurance Company, the strategic partnership between BPI and Philam Life which became the leading bancassurance company during his helm. He was then appointed as President and CEO of Philam Life, a position he held until his early retirement in 2019 and was senior advisor to the new CEO until 2020.

He was also the Chairman of the Philam Foundation which had nationwide programs that supported health, education, and financial literacy. He also served the industry as the President of the Philippine Life Insurance Association. He is a graduate of the Ateneo de Manila University with a Bachelor's degree in Economics under the Honors Program. He is a Fellow of the Life Management Institute with distinction.

Currently, he advocates retirement planning, gender diversity and inclusion, and leadership.



Lucy C. Dy

Non-Executive Director

Age: 69 years old

Lucy C. Dy was elected to the Board of Director of BDO Life Assurance Company, Inc. on November 24, 2016. She is also Executive Vice President and Comptroller of BDO Unibank, Inc., and concurrently holds the position of Director of BDO Remit Limited and BDORO Europe, Ltd.; Director and Treasurer of BDO Strategic Holdings, Inc. and Ivory Homes, Inc.; Trustee and Treasurer of BDO Foundation, Inc. She holds a Bachelor's degree in Accounting from the University of Santo Tomas.



Jaime C. Yu

Non-Executive Director

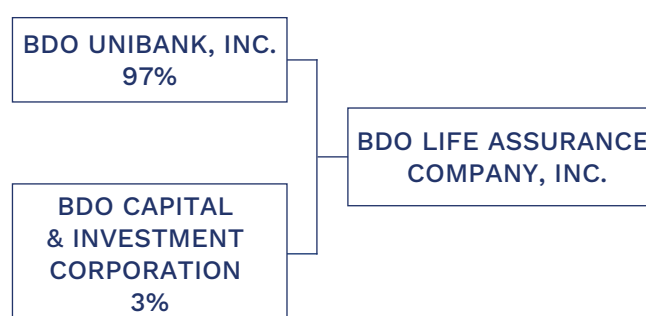
Age: 66 years old

Jaime C. Yu was elected to the Board of Directors of BDO Life Assurance Company, Inc. on November 24, 2016. Concurrently, he is also a Director of BDO Network Bank, Inc. and BDO Insurance Brokers, Inc. He retired from BDO Unibank, Inc. last March 31, 2023 as Senior Executive Vice President and Head of the Branch Banking Group, a position he held for 25 years. He holds a Bachelor of Arts degree in Economics from the De La Salle University and is an 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 managed the Bank's entire branch network until his retirement.

List of Stockholders

List of Stockholders	Class	Shares Held	Amount Paid	Percent of Ownership	Nationality
BDO Unibank, Inc.	Common	2,272,811	227,281,100	97%	FILIPINO
	Preferred	13,181,359	1,318,135,900		
BDO Capital & Investment Corporation	Common	252,501	25,250,100	3%	FILIPINO
	Preferred	224,646	22,464,600		
Teresita T. Sy	Common	1	100	0.00%	FILIPINO
Nestor V. Tan	Common	1	100	0.00%	FILIPINO
Renato A. Vergel de Dios	Common	1	100	0.00%	FILIPINO
Jaime C. Yu	Common	1	100	0.00%	FILIPINO
Lucy C. Dy	Common	1	100	0.00%	FILIPINO
Herminia S. Jacinto	Common	1	100	0.00%	FILIPINO
Ariel G. Cantos	Common	1	100	0.00%	FILIPINO
Total		15,931,324	1,593,132,400	100%	

BDO Life Group Chart of Ownership



Capital Structure	Class	Amount
Authorized Capital Stock	Common	1,000,000,000
	Preferred	1,400,000,000
Number of Shares Issued	Common	252,531,900
	Preferred	1,340,600,500
Number of Shares Outstanding	Common	252,531,900
	Preferred	1,340,600,500

Board Committees

The Board has established four committees to help in discharging its duties and responsibilities. These committees derive their authority from and report directly to the Board. Their mandates and scopes of responsibility are set forth in their respective Terms of Reference, which are subjected to annual 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. As of December 31, 2023 all of the board level committees are chaired by Independent Directors.

The standing committees of the Board are as follows:

Board Audit Committee

FUNCTIONS:

- Empowered by the Board to oversee the financial reporting process, internal control and risk management systems, internal and external audit functions, and compliance with applicable laws and regulations.

Their oversight function covers the following areas:

- 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 and disclosure requirements set for publicly listed companies.
- 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 internal and external auditors, remuneration, approval of terms of audit engagement and payment of fees. It reviews non-audit work of external auditors, if any, ensuring that it would not conflict with their duties or may pose a threat to their independence. It approves the annual audit plan and reviews audit results focusing on significant findings with financial impact and its resolution. It reviews the implementation of corrective actions to ensure that these are done in a timely manner to address deficiencies, non-compliance with policies, laws and regulations. Annually, it evaluates the performance of the Chief Internal Auditor and internal and external audit functions.

Chairperson:

Herminia S. Jacinto
(Lead Independent Director)

Members:

Lucy C. Dy
(Non-Executive Director)

Ariel G. Cantos
(Independent Director)

Board Audit Committee	No. of Meetings Attended	Total No. of Meetings	Percentage Rating
Herminia S. Jacinto	7	7	100%
Lucy C. Dy	7	7	100%
Ariel G. Cantos	7	7	100%

- On compliance, it recommends the approval of the Compliance Charter and reviews annually the performance of the Chief Compliance Officer and the compliance function. It also reviews the annual plans of the Compliance Team, and evaluates the effectiveness of the regulatory compliance framework of the Company to ensure that these are consistently applied and observed throughout the institution. It reviews the report of examination of the Insurance Commission, if any and other regulators including replies to such reports for endorsement to the Board for approval.

In this context, the following were done during the year:

On financial reporting, the Board Audit Committee (BAC) reviewed and recommended for approval to the Board the Company's quarterly unaudited and annual audited financial statements ensuring compliance with accounting standards and tax regulations. On March 23, 2023, it endorsed for approval of the Board the Company's audited financial statements as of December 31, 2022 including the Notes to the Financial Statements. This was approved by the Board on March 29, 2023. It believes that the financial statements are fairly presented in conformity with the relevant financial reporting standards in all material aspects. The related internal controls on financial reporting process, compliance with accounting standards were likewise reviewed.

In overseeing the internal audit function, it reviewed and approved the risk-based audit plan after a thorough review of its scope, audit methodology, risk assessment and rating processes, financial budget, manpower resources, as well as changes to the plan during the year. It reviewed audit reports focusing on high and moderate risk findings relating to operational, financial and compliance controls including risk assessment systems with impact to financial, reputation and information security. It regularly tracked the timely resolution of findings and asked for Management's action plans on items that needed to be addressed. It ensured the Internal Audit's independence and unfettered access to all records, properties and information to be able to fully carry out its function. It also assessed the performance of the Chief Internal Auditor and the internal audit function. The Committee is satisfied that the internal audit function has adequate resources to perform its function effectively.

On external audit, it ensured the independence, qualification, and objectivity of the appointed external auditor, which is accredited by the Insurance Commission and the Securities and Exchange Commission. On March 29, 2023, it approved and endorsed for approval of the Board the re-appointment of the Company's external auditor. It reviewed and discussed the content of the engagement letter, audit plan, scope of work, focus areas, composition of engagement team among others, prior to the commencement of audit work. It comprehensively discussed the external audit reports, focusing on internal controls, risk management, governance and matters with financial impact particularly on the changes in accounting and reporting standards. It reviewed Management's Letter as well as Management's response and action taken on the external auditor's findings and recommendations.

In overseeing the compliance function, it reviewed and approved the independent compliance testing roadmaps of the Compliance department. Likewise, the Committee approved and endorsed for approval of the Board of Directors the updated Money Laundering and Terrorist Financing Prevention Program of the Company.

The Committee monitored the progress and reviewed the results of the independent compliance and AML testing, timely submission of regulatory and prudential reports, compliance to mandatory ratios, as well as continuous improvement of the compliance and AML systems.

Reports on cases in operations, whistle blower accounts as well as non-loan related cases with impact to financials, internal controls, information systems and reputation were deliberated on focusing on risk assessment, legal handling, and fraud prevention.

Corporate Governance Committee

FUNCTIONS:

- Primarily tasked to assist the Board in formulating the governance policies and overseeing the implementation of the governance practices of the Company, as aligned with its Parent Bank.
- Annually, it also oversees the performance evaluation of the Board of Directors, its committees, executive management, peer evaluation of directors, and conducts a self-evaluation of its performance. It provides an assessment of the outcome and reports to the Board the final results of the evaluation including recommendations for improvement and areas to focus on to enhance effectiveness.
- Oversees the continuing education program for directors and key officers and proposes relevant training for them.

During the year, the Corporate Governance Committee achieved the following:

- Annual Continuing Education for Directors**
Facilitated the compliance of the directors of the Company with the regulatory requirement for an annual corporate governance seminar as part of their continuing education. The topics were Global Trends in Banking Technology and How BDO is Fairing against Trends and Generative Artificial Intelligence.
- Adherence to Corporate Governance Standards**
The Committee continuously monitored the Company's compliance with local and international corporate governance standards. It reviewed and endorsed for Board approval the Company's 2022 Annual Corporate Governance Report to the Insurance Commission, which documents Company's compliance with the Revised Code of Corporate Governance for Insurance Commission Regulated Companies.
As a testament to its continuing commitment to the practice of good corporate governance, the Company received a one (1)-Golden Arrow Recognition from the Institute of Corporate Directors (ICD) on September 28, 2023 for its performance in the 2022 ASEAN Corporate Governance Scorecard (ACGS) assessment.
- Policy on Interlocking Positions**
The Committee approved and endorsed to the Board for approval the Company's Policy on Interlocking Positions, which establishes the framework in handling of interlocking positions of the Company's directors and officers.
- Board Effectiveness Evaluation**
The Committee also spearheaded the annual Board evaluation self-assessment by Board members covering the performance in 2023 of the Board of Directors, Board Committees, senior management and each directors.

Chairperson:

Ariel G. Cantos
(Independent Director)

Members:

Jaime C. Yu
(Non-Executive Director)

Herminia S. Jacinto
(Lead Independent Director)

Corporate Governance Committee	No. of Meetings Attended	Total No. of Meetings	Percentage Rating
Ariel G. Cantos	2	2	100%
Jaime C. Yu	2	2	100%
Herminia S. Jacinto	2	2	100%

Board Risk Oversight Committee

FUNCTIONS:

- Is responsible for the oversight of the enterprise risk management program of the Company.
- Is responsible for approving risk appetite levels, risk management policies, and risk tolerance limits to ensure that current and emerging risk exposures are consistent with the Company's strategic direction and overall risk appetite. It approves the appropriate strategies for managing and controlling risk exposures, including preventing or minimizing the impact of losses if risk becomes real.
- Oversees the implementation and review of the risk management plan, including the system of limits of discretionary authority delegated by the Board of Directors to management under its purview and ensures that immediate corrective actions are taken whenever limits are breached.
- Is responsible for evaluating the continued relevance, comprehensiveness and effectiveness of the risk management framework.
- Is also responsible for the appointment and selection, remuneration, performance evaluation, and dismissal of the Chief Risk Officer, and shall ensure that the risk management function has adequate resources and effectively oversees the risk taking activities of the Company.
- Works with the Audit Committee in certifying in the Annual Report the adequacy of the Company's risk management systems and controls.

In 2023, the Board Risk Oversight Committee approved the Own Risk and Solvency Assessment (ORSA) Policy of the Company which is one of the requirements mandated under Insurance Commission Circular Letter No. 2022-41. Further, it approved the General Risk Management Manual of the Company. The manual documents the Enterprise Risk Management (ERM) Framework that BDO Life is already implementing in practice that is consistent with the ERM Framework of the BDO Group.

Chairperson:

Herminia S. Jacinto
(Lead Independent Director)

Members:

Lucy C. Dy
(Non-Executive Director)

Ariel G. Cantos
(Independent Director)

Board Audit Committee	No. of Meetings Attended	Total No. of Meetings	Percentage Rating
Herminia S. Jacinto	3	3	100%
Lucy C. Dy	3	3	100%
Ariel G. Cantos	3	3	100%

Related Party Transactions Committee

FUNCTIONS:

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

The RPTC carefully reviews the material related party transactions being proposed by Management and provides necessary action, including endorsement for approval of the Board. The Committee also reviews all non-material related party transactions for the year prior to its confirmation by the Board. During the year, the Committee approved and endorsed to the Board for approval the revised Related Party Transactions Policy of the Company. All related party transactions for the year were conducted in fair and at arm's length basis.

Chairperson:

Ariel G. Cantos
(Independent Director)

Members:

Lucy C. Dy
(Non-Executive Director)

Herminia S. Jacinto
(Lead Independent Director)

Related Party Transactions Committee	No. of Meetings Attended	Total No. of Meetings	Percentage Rating
Ariel G. Cantos	5	5	100%
Lucy C. Dy	5	5	100%
Herminia S. Jacinto	5	5	100%

Corporate Governance Manual and Policies

Corporate Governance Manual

The Corporate Governance Manual outlines board governance framework, roles and responsibilities of the Board, board committees, among others. A copy of the Corporate Governance Manual is available in the Company's website.

Tenure/Term Limit of Independent Directors

Tenure/Term Limits of Independent Directors. Elected members of the Board serve for a one-year term and until their successors are elected. An independent director of the Company may only serve as such for a maximum cumulative term of nine (9) years. The foregoing term limit shall be reckoned from 02 January 2015.

An independent director who served the maximum period shall be perpetually barred from any re-election in the Company, but may continue therein as a non-independent director.

However, if the Company desires to continue the services of an independent director who had already served his/her maximum term limit, said independent director, as an exception, may still continue to act as such provided that the Company's Board submits to the Insurance Commission a formal written justification and must, in addition thereto, acquire the majority of the shareholders' approval during its annual meeting.

Policy on Retirement of Directors

To ensure effective succession planning and promote diversity in the Company, the Company adopts the Policy on Retirement of Directors of BDO. It outlines the necessary qualifications required of the directors that best suit the needs and governance requirements of the Company such as skills, expertise, experience, probity, integrity, competencies relevant to the job, and the sufficiency of time to carry out responsibilities fully.

Director Orientation and Continuing Education Policy

To maintain a current and effective Board, the Company adopts the Policy on Retirement of Directors of BDO. It formalizes the orientation process of newly appointed directors to familiarize them with the role of the Company's Board of Directors, its committees and charters, the Company's business activities, the industry and regulatory environment. The policy also specifies the elements of the program that will be made available for the continued development of the Board.

Board Diversity Policy

To promote diversity of the members of the Board, the Company adopts the Board Diversity Policy of BDO. This policy is intended to set out the approach to promote diversity on the Board of Directors of the Company.

Related Party Transactions Policy

The Company has established policies and procedures on related party transactions (RPT) in accordance with IC regulations. These include definition of related parties, coverage of RPT policy, guidelines in ensuring arm's length terms, identification and prevention of potential or actual conflicts of interest, adoption of materiality thresholds, internal limits for individual and aggregate exposures, whistle-blowing mechanisms, and restitution of losses and other remedies for abusive RPTs. The RPT Committee reviews and endorses to the Board for final approval all material RPTs. The Related Party Transactions Policy applies to Company to ensure that every related party transaction is conducted in a manner that will protect the Company from any potential conflict of interest. The policy also covers the proper review, approval, ratification, and disclosure of transactions between the Company and any of its related parties in compliance with legal and regulatory requirements. The policy also requires that any member of the RPT Committee who has a potential interest in any related party transaction shall abstain from the discussion and endorsement of the related transaction. Likewise, any member of the Board who has interest in the transaction must abstain from the deliberation and approval of such related party transaction. The full version of the Related Party Transactions Policy is published in our corporate website at <https://www.bdo.com.ph/bdo-life/about-us/corporate-governance/corporate-governance-documents/corporate-policies>.

Anti-Fraud Plan

This policy is intended to ensure “zero tolerance” towards fraudulent acts. This framework has been put in place to identify, measure, manage, monitor and report occurrence of frauds in the Company. It established criteria for preventing, detecting and investigating suspicious or reported acts of fraud.

Personal Trading Policy

To promote compliance with applicable securities laws and regulations, the Company adopts the Personal Trading Policy of BDO.

Whistleblower Policy

To promote the highest standards of ethical values, integrity, honesty, accountability and transparency in the conduct of its business, the Company adopts the Whistleblower Policy of BDO.

Conflict of Interest Policy

To prevent any possible conflict of interest, the Company adopts the Conflict of Interest Policy of BDO. This is in keeping with the principle that all business decisions and actions must be aligned to the principles and values of the Company, and should not be driven by personal motivations or influenced by personal relationships which may interfere in the exercise of objective and independent judgment.

Policy and Data Relating to Health, Safety and Welfare of Employees

To promote the welfare of employees in the Company, the Company adopts the Policy and Data Relating to Health, Safety and Welfare of Employees.

A. Health and Safety

BDO Life is committed to maintain a positive, harmonious and professional work environment with due importance accorded to occupational health and safety of the employees and related external constituencies.

B. Employee Welfare

BDO Life is committed to promote the physical, social and mental well-being of its employees. It aims to provide a workplace free from discrimination and all forms of physical, sexual and psychological abuse including harassment, bullying and intimidation. In terms of compensation, the benefits program for the employees of the Company and subsidiaries is embodied in the Collective Bargaining Agreement.

Employee Training and Development

The Company provides various in-house programs such as orientation program for new hires, regular training, job specific training courses, management and leadership training programs to enhance the knowledge, working skills and managerial ability of its employees. The Company allocates every year a training budget for these developmental programs.

Dividend Policy

The Company adopts the Dividend Policy of BDO. It recognizes the importance of providing a stable and sustainable dividend stream consistent with its commitment to shareholders. The Board of Directors may, at its discretion and depending on the business results for the year and capital needs of the business, declare and approve the distribution of additional special dividends to all shareholders normally announced at the Annual Stockholders' Meeting.

Independent Control Functions

Compliance

BDO Life's Compliance Team, oversees the design of the Company's compliance system and the overall compliance framework executed through a Compliance Program, and promotes their effective implementation. The team reports to and is under the direct supervision of the Board Audit Committee. It is responsible for overseeing, coordinating, monitoring and ensuring compliance of the Company with existing laws, rules and regulations through the implementation of the overall compliance system and program in accordance with the requirements of the Insurance Commission and other regulatory agencies, including but not limited to the identification and control of compliance risks, prudential reporting obligations as well as compliance training. BDO Life's Compliance System forms the processes, people, policies and other components that, as an integral unit, ultimately drive the Company's initiatives to conform to industry laws, regulations and standards. In line with the Company's initiatives is its commitment to ensure that activities of the Company and its personnel are conducted in accordance with all applicable insurance laws and regulations and industry standards, and this commitment to compliance serves to protect the Company and its stakeholders. BDO Life's Compliance Team, as provided in its Charter, conducts independent compliance tests and reports to the Board Audit Committee any significant compliance issues or breaches.

The Compliance Team, together with the Anti-Money Laundering Committee (AMLCom), focuses on the enforcement of the Company's Anti-Money Laundering (AML) Counter-Terrorist Financing (CTF) Program, and Combating Proliferation Financing (CPF), in accordance with the Anti-Money Laundering Law as amended; Terrorism Financing Prevention and Suppression Act, and Anti-Terrorism Act (ATA) and their respective Implementing Rules and Regulations (IRRs). The Company also adheres with Insurance Commission and Anti-Money Laundering Council (AMLC) Rules, Regulations and Directives. The AML Program of the Company is articulated in the Company's Board approved Money Laundering and Terrorist Financing Prevention Program (MTPP) Manual, which covers AML/CTF/CPF policies and information such as: (i) customer on-boarding, (ii) customer risk assessment and due diligence, (iii) handling and monitoring of clients and their transactions, (iv) Covered and Suspicious reporting, (v) record-keeping, (vi) AML/CTF training (vii) AML System and technology platforms, and (vii) Institutional Risk Assessment. The Compliance team likewise oversees the investigation of suspicious transactions under the auspices of the AMLCom that is comprised of select key senior officers of the Company.

The Compliance team endeavors to protect the Company's franchise, manage compliance risks and simultaneously supports the business goals and growth of the institution by providing appropriate compliance insights and regulatory guidance to safeguard the Company and its stakeholders.

Internal Audit

The Internal Audit Function is exercised by the BDO Group's Internal Audit Group. It adheres to the principles required by the ISPPIA (International Standard for the Professional Practice of Internal Auditing), COSO Internal Control-Integrated Framework, COBITs (Control Objectives for Information and Related Technology), the Internal Audit Definition and Code of Ethics.

It provides assurance and a systematic, disciplined approach to evaluate and improve effectiveness of risk management, internal control, and governance processes. Upholding a commitment to integrity and accountability, Internal Audit provides value to senior management and governing bodies as objective source of independent advice.

Internal Audit reports to the Board of Directors through the Board Audit Committee (parent Company and respective subsidiaries). It seeks BAC approval for the annual audit plan, provides updates on accomplishments, reports results of audit conducted and tracks resolution of audit findings.

Risk Management

Risk management at BDO Life begins at the highest level of the organization. At the helm of the risk management infrastructure is the Board of Directors who is responsible for establishing and maintaining a sound risk management system. The Board of Directors assumes oversight over the entire risk management framework.

The Company has established a risk management function with clear terms of reference and with the responsibility of ensuring effective implementation of the risk management process – identification, measurement, quantification, control and reporting of the major risks faced by the Company. The function supports the development and execution of the risk management policies at the overall company and individual business unit levels, covering such risks as follows but not limited to: insurance, investment, market, credit, and operational risks.

Key Risks

Refer to Note 28 – Risk Management Objectives and Policies (pages 61 to 74) of the Audited Financial Statements Report (December 31, 2023 and 2022) for the details. The report can be viewed online at <https://www.bdo.com.ph/bdo-life/about-us/corporate-governance/corporate-governance-documents/annual-sustainability-and-audited-financial-statements>.

Other Programs On Good Corporate Governance

Data Privacy

The Company is committed to protecting its stakeholders' personal data and sensitive information. The confidentiality of their stakeholders' information remains a top priority for the Company. As such, it adheres to the provisions of RA 10173, the Data Privacy Act of the Philippines, and other relevant rules and regulations concerning the same.

The Company has likewise appointed a Data Protection Officer (DPO) who is registered with the National Privacy Commission to ensure that the data privacy program is being implemented across all business units. The Data Privacy Policy, Privacy Statement, and Breach Reporting Procedures were established, including the templates for Consent, Data Sharing Agreement (DSA), and Outsourcing Agreement Supplements. To ensure continuous education within the Company, an eLearning course on Data Privacy is mandatory to be taken every 2 years by all employees.

Credit Information System

The Company supports the Credit Information Commission's programs and adheres to the requirements through systems and processes implemented by the Compliance team.

Sustainability Report

The sustainability efforts of BDO Life are included in the annual sustainability report of its parent company, BDO Unibank, Inc. The report can be viewed and downloaded online at <https://www.bdo.com.ph/bdo-life/about-us/corporate-governance/corporate-governance-documents/annual-sustainability-and-audited-financial-statements>.

Compliance with the IC Code of Corporate Governance

We confirm that as of December 31, 2023, the Company has substantially complied with the recommendations of the Code except for the following: 1) Policy on retirement age of directors; 2) Disclosure of executive remuneration on an individual basis; 3) Requirement that the Chairperson of the Audit Committee and Board Risk Oversight Committee is not chair of other committees.

On the retirement age of directors, the Board recognizes the fact that chronological age is not the main factor in determining effectiveness of the director in discharging his duties and responsibilities. The wisdom of senior directors is a valuable asset. The Board derives much benefit from their counsel and will continue to utilize them for the benefit of all its stakeholders. Age discrimination is discouraged by law, as once a director has been elected, removal due solely to age is prohibited. In this regard, the Board decided to hold in abeyance the implementation of a retirement age policy for directors and instead review the individual director's potential contribution to the Company and its stakeholders, and decide on that basis.

On the disclosure of the remuneration on an individual basis for executive officers, the figures for key executives are presented in aggregate due to possible adverse security issues and poaching of talents by competitors in the industry.

Finally, on the requirement that the Chairperson of the Audit Committee and the Board Risk Oversight Committee, respectively, is not the chairperson of other committees, suffice it to state that BDO Life has 2 Independent Directors and it had deemed it more important to promote independence in these Committees rather than avoid duplication of chairpersonship in the same.

Financial Statements

Statement of Management's Responsibility for Financial Statements

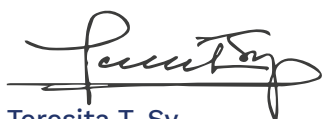
The management of **BDO Life Assurance Company, Inc.** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



Teresita T. Sy

Chairperson of the Board
of Directors



Renato A. Vergel De Dios

President & CEO



Rebecca S. Torres

Treasurer

Signed this 22 March 2024.

Statements of Financial Position

BDO LIFE ASSURANCE COMPANY, INC.

(A Subsidiary of BDO Unibank, Inc.)

DECEMBER 31, 2023 AND 2022

(Amounts in Philippine Pesos)

	Notes	2023	2022
ASSETS			
CASH AND CASH EQUIVALENTS - Net	4	P 638,083,730	P 546,075,867
INSURANCE RECEIVABLES	5	370,121,197	335,839,317
FINANCIAL ASSETS	6		
Financial assets at fair value through other comprehensive income		71,270,137,372	46,448,615,849
Financial assets at fair value through profit or loss		32,387,401,293	31,306,261,740
Loans and receivables - net		3,772,722,687	4,075,496,352
Investment securities at amortized cost - net		2,493,678,892	2,720,474,304
ACCRUED INCOME	8	943,359,872	635,996,634
REINSURANCE ASSETS	9	58,548,420	43,749,707
INVESTMENT PROPERTIES - Net	10	4,381,362,157	3,975,990,100
PROPERTY AND EQUIPMENT - Net	11	557,979,941	569,884,650
RIGHT-OF-USE ASSETS - Net	12	44,474,080	10,273,883
INTANGIBLE ASSETS - Net	13	22,844,595	32,425,469
NET PENSION ASSET	26	7,941,004	65,001,884
DEFERRED TAX ASSETS - Net	27	29,105,445	9,959,853
OTHER ASSETS	14	640,722,096	616,635,301
TOTAL ASSETS		P 117,618,482,781	P 91,392,680,910
LIABILITIES AND EQUITY			
INSURANCE CONTRACT LIABILITIES	15	P 77,209,766,804	P 64,363,310,230
PREMIUM DEPOSIT FUND	16	3,819,196,386	3,971,374,012
INSURANCE PAYABLES	17	90,552,913	76,955,280
LEASE LIABILITIES	12	44,921,543	11,564,694
NOTES PAYABLE	18	13,131,329,375	3,154,401,833
TRADE AND OTHER LIABILITIES	19	2,209,929,744	1,805,697,097
Total Liabilities		96,505,696,765	73,383,303,146
EQUITY			
Capital stock	20	1,593,132,400	1,593,132,400
Additional paid-in capital	2	158,060,108	158,060,108
Contributed surplus	2	50,000,000	50,000,000
Contingency surplus	2	279,038,232	279,038,232
Revaluation reserves	20	882,607,670	1,365,998,624
Retained earnings	2, 20	18,149,947,606	14,563,148,400
Total Equity		21,112,786,016	18,009,377,764
TOTAL LIABILITIES AND EQUITY		P 117,618,482,781	P 91,392,680,910

See Notes to Financial Statements.

Statements of Income

BDO LIFE ASSURANCE COMPANY, INC.

(A Subsidiary of BDO Unibank, Inc.)

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts in Philippine Pesos)

	Notes	2023	2022
NET INSURANCE PREMIUMS	21		
Gross premiums on insurance contracts		P 18,361,894,503	P 19,239,914,401
Reinsurers' share of gross premiums		(98,299,641)	(73,144,046)
		<u>18,263,594,862</u>	<u>19,166,770,355</u>
OTHER INCOME (LOSS)			
Investment income - net	22	4,387,505,752	2,441,588,227
Gain (Loss) on assets in variable unit-linked (VUL) funds	7	1,326,122,870	(1,338,191,998)
Gain (Loss) on liabilities in VUL funds	7	(1,326,122,870)	1,338,191,998
Foreign exchange gains - net	2	-	271,499,358
Other income	22	<u>307,049,814</u>	<u>253,361,501</u>
		<u>4,694,555,566</u>	<u>2,966,449,086</u>
NET INSURANCE BENEFITS AND CLAIMS	23		
Gross change in legal policy reserves		7,314,706,982	9,338,152,895
Reinsurers' share on gross change in legal policy reserves		499,982	11,108,664
Gross benefits and claims		6,454,672,725	5,176,986,084
Reinsurers' share on benefits and claims		(67,952,214)	(34,011,170)
		<u>13,701,927,475</u>	<u>14,492,236,473</u>
OPERATING EXPENSES			
General and administrative expenses	24	2,497,223,084	2,333,220,014
Interest expense	16, 18	865,930,787	116,947,351
Commissions and service fees	25	631,177,961	654,859,277
Insurance taxes and licenses		455,550,608	329,602,143
Impairment losses on financial assets	4, 6	16,972,977	3,899,110
Foreign exchange losses - net	2	<u>14,269,927</u>	<u>-</u>
		<u>4,481,125,344</u>	<u>3,438,527,895</u>
INCOME BEFORE TAX		<u>4,775,097,609</u>	<u>4,202,455,073</u>
TAX EXPENSE	27	<u>1,195,017,901</u>	<u>938,622,640</u>
NET INCOME		<u>P 3,580,079,708</u>	<u>P 3,263,832,433</u>

Statements of Comprehensive Income

BDO LIFE ASSURANCE COMPANY, INC.

(A Subsidiary of BDO Unibank, Inc.)

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts in Philippine Pesos)

	Notes	2023	2022
NET INCOME		P 3,580,079,708	P 3,263,832,433
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of life insurance policy reserves	15	(4,072,460,265)	9,619,818,284
Fair value gains (losses) on equity securities at fair value through other comprehensive income (FVOCI)	6	118,803,113	(175,165,527)
Remeasurement of post-employment defined benefit plan	26	(79,439,759)	63,997,497
Tax income (expense)	27	19,859,940	(15,999,374)
		(4,013,236,971)	9,492,650,880
Items that will be reclassified subsequently to profit or loss	6		
Fair value gains (losses) on debt securities at FVOCI		3,543,177,731	(5,436,933,964)
Fair value gains on disposal of debt securities at FVOCI reclassified to profit or loss		(15,444,859)	(7,357,675)
Impairment losses on debt securities at FVOCI reclassified to profit or loss		8,832,643	3,720,187
		3,536,565,515	(5,440,571,452)
Other Comprehensive Income (Loss) - Net of Tax		(476,671,456)	4,052,079,428
TOTAL COMPREHENSIVE INCOME		P 3,103,408,252	P 7,315,911,861

BDO Life in 2023

Marketing

Riding on the tailwinds of BDO Life's major brand launch in 2022 which doubled brand awareness levels from 14% to 31%, the company launched its second ad campaign – Plan B 2.0, in the 4th quarter of the same year and sustaining it all throughout 2023.

Plan B 2.0 aimed to further expand brand awareness and continue building brand equity for BDO Life insurance as the Plan B for life's "what ifs"—unexpected risks like critical illness, disability and untimely passing—that threaten every family's financial security. In addition, the campaign also aimed to educate the general public about the life-changing value of life insurance protection through the stories of real-life insurance beneficiaries.

Plan B 2.0 was supported by an extensive PR program that involved press conferences and partnerships with various publishers, content creators and celebrity influencers. These partnerships were published and broadcasted across multiple digital platforms such as Facebook, Google, and Youtube to name a few, enabling the brand to reach a broader audience.

The brand's PR efforts from 2022 to 2023 helped paved the way for BDO Life to land its first ever silver Anvil award—a symbol of excellence in public relations—given to outstanding public relations programs, tools and practitioners by a distinguished multi-sectoral jury.

BDO Life's brand campaign was complemented by internal initiatives that helped support other areas of the business:

1. Launch of corporate videos which equipped BDO Life frontliners in easily showcasing the company's brand and communicating its Plan B value proposition.
2. Revamp of the company's Career Day program for candidate Financial Advisors, the goal of which was to articulate in simple terms that success and significance can be achieved through a career with BDO Life.
3. Refreshed product communications to help increase awareness for and drive sales of the company's newly launched products—Study Secure and Lifestyle Secure – catering to education and retirement needs, respectively; in addition, VUL Tips & Tricks reference materials containing simplified market investment updates as well as tips to guide Financial Advisors on how to properly address and manage client concerns related to their VUL policies.

These internal and external initiatives from the Marketing Department form a small but impactful part of the company's unified efforts to achieve its overall business objectives.

Alternative Marketing and Sales

As one of the marketing and sales distribution arms of BDO Life, Alternative Marketing and Sales (AMS) Group aspires to accelerate BDO Life's growth by capturing sizeable and sustainable business opportunities beyond the traditional Bancassurance Operations of the company. AMS specializes in providing a tailor-fit insurance coverage to corporate accounts in partnership primarily with BDO and SM Group, as well as with companies outside the conglomerate.

AMS initiated several Financial Wellness seminars to external companies with its employees as participants. These seminars aimed to spread financial literacy, promote insurance appreciation and ultimately empower the participants to take control of their finances. Sustaining this initiative is key to building long-term relationships with these partner organizations.

Over the years, AMS has launched various projects within BDO and SM Group. 2023 marked the first full year of our partnerships with various units of BDO Group including BDO Network Bank and BDO Transaction Banking Group. These collaborative efforts resulted in additional revenues to BDO Life in the amount of ₱25.53 million, covering 70,877 unique lives.

Alternative Marketing and Sales Group aims to continuously unlock new opportunities and maximize partnerships with BDO and SM Group; all the while aspiring to implement process innovations to widen our reach to external clients and provide customers with a seamless, simple, and convenient customer onboarding experience.

Sales Training and Leader Development

Sales Training and Leader Development (STLD) plays a pivotal role in shaping the success of BDO Life's sales force by equipping them with the skills, knowledge, and tools needed to excel in today's dynamic market landscape.

In 2023, STLD instituted Centers of Excellence (COE) to enhance the competencies of the distribution channel, covering Financial Advisor Training, Senior/Premier FA Development, Leader Development, Instructional Design and Learning Management. The COEs developed training interventions for skill and knowledge such as Leader Engagement and Development (LEAD) Conferences and Powerchat Podcasts, as well as tools and support such as the Underwriting Compendium and Helpdesk.

In addition, STLD also collaborates with other departments such as Bancassurance Operations, New Business, Marketing, Actuarial and Customer Service to ensure alignment across the organization. This collaboration, along with technology integration thru its WeLearn Learning Management System, enables the department to tailor training initiatives that address specific areas of improvement and enhance over-all sales effectiveness of the channel. Furthermore, it provides on-going support to the sales force, offering coaching, mentoring, and resources to help them achieve sustainable success.

Engagement with Stakeholders

The Company employs a multi-pronged communications strategy handled by specific units to promote transparency and actively engage with its various stakeholders, as well as increase awareness and visibility about the Company. It utilizes media briefings or press conferences to communicate company updates to its stakeholders.

Life insurance: One of BDO Unibank's growth drivers

BDO Life held its first face-to-face press conference last 4 April 2024 at BDO Towers Valero, Makati City.

With the theme “Life Insurance: One of BDO's growth drivers”, the event showcased how BDO Life is among BDO's growth pillars, with its sales reflecting the Filipinos' expanding appreciation for the value life insurance offers.

In a video message, BDO Unibank President and CEO Nestor V. Tan highlighted that BDO Life is the only local bancassurance firm among the Top 7 insurance companies nationwide. He attributed this success to focus, clear value proposition, and execution. “We all save for a reason—we have single earner households, OFW families. What will happen if their savings are interrupted? Life insurance is a natural complement to that,” he stated.

BDO Unibank Senior Vice President and Chief Investment Officer Frederico Rafael “Fritz” D. Ocampo discussed the economic projections in the next few years, adding that the Philippines is one of the fastest growing economies in the Asia Pacific region. “One of the winners in the pandemic is the insurance industry,” he explained, citing a study that Filipino families identified Health and Insurance as the third in their spending priorities.

Being an industry veteran, BDO Life President and CEO Renato “Ato” A. Vergel De Dios affirmed this, stating that appreciation for life insurance benefits skyrocketed during the same period. “Plan A is your savings—when life goes according to plan. Plan B is where BDO Life comes in to ensure your loved ones' security amid life's inevitable risks,” he explained.

The event was concluded by a panel discussion with Vergel De Dios and Ocampo addressing questions from the media wherein they talked about life insurance being a protection product and not an investment.

Also in attendance were members of the BDO Life Management Committee and Bancassurance Regional Sales Heads.

Products and Services

PROTECTION

BDO Life's protection 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.

Management Directory

Renato A. Vergel De Dios

President and Chief Executive Officer

Rebecca S. Torres

Treasurer

Atty. Elmer B. Serrano

Corporate Secretary

Atty. Ace Devino A. Custodio

Assistant Corporate Secretary

Vice President and Head, Legal and Compliance

Mercy Santua-Maloles

Executive Vice President and Head,
Bancassurance Channel

Peter C. Darwin

Executive Vice President and Head, Actuarial
and Product Management

Maria Adoracion R. Go

Senior Vice President and Comptroller,
Comptrollership

Elizabeth E. Guevara

Senior Vice President and Head,
Comptrollership

Jose Maria F. Ignacio

Senior Vice President and Head, New Business
Underwriting and Claims

Jason Joseph E. Mariano

First Vice President and Head, Actuarial

Ma. Lourdes M. Samson

Vice President and Head, Alternative Marketing
and Sales

Joel L. De Jesus

Vice President and Head, Customer Support
Services – Individual Life

Shirley S. Lim

Vice President and Head, New Business
Services

Samuel B. Reyes IV

Vice President and Head, Operations
Transformation

Patrick Gerard Joseph B. Lim

Vice President and Head, Sales Training and
Leadership Development

Aimee Y. Dela Cruz

Vice President and Chief Risk Officer

Corporate Information

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The 2023 Annual Report and the Financial Supplements can be viewed and downloaded online at <https://www.bdo.com.ph/bdo-life/about-us/corporate-governance/corporate-governance-documents/annual-sustainability-and-audited-financial-statements>

BDO Life Assurance Company, Inc., is a life insurance company and wholly-owned subsidiary of BDO Unibank, Inc. It is supervised by the Insurance Commission. Its financial products are not deposit products. These products are not insured by the Philippine Deposit Insurance Corporate and are not guaranteed by BDO Unibank, Inc.

For account-related inquiries and concerns, please call our BDO Life Customer Care hotline at (02) 8885-4110 or 1800-1888-6603 (PLDT Toll-free)

