

**Behind
you**

**for
what's
ahead**





ABOUT THE COVER

BEHIND YOU FOR WHAT'S AHEAD

Since 1890, Allianz has stood side-by-side with people all around the world as together, we overcame the impossible. We work hard to secure people's lives and to give courage to our customers for what's ahead. Our goal is to inspire our people and our customers, create trust and desire for our brand, and grow our business.

Aligned with this commitment, Allianz PNB Life launched the Ride Safe Program in 2020 to support sustainable and healthy transport. As a global sustainability leader, Allianz PNB Life established Ride Safe to rekindle in Filipinos an interest in cycling, a practical form of healthy and green transport.

On the cover of our 2020 Annual Report are (L-R) Gino Riola, Chief Marketing Officer, and Alexander Grenz, President and Chief Executive Officer, on the San Juan bike lanes lined with Allianz PNB Life-donated bollards.

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ABOUT OUR REPORT

Allianz PNB Life is the fastest-growing life insurance company in terms of premium income in the Philippines.

As part of the Allianz Group, one of the world's largest financial services providers and a recognized sustainability leader (based on the Dow Jones Sustainability Index), we carefully manage our environmental, social, and governance (ESG) risks in underwriting, incorporate ESG factors into our proprietary investment processes, and offer responsible investment solutions to our asset management clients. The Allianz ESG Integration Framework describes our ESG approach and decision-making criteria, including details on the international standards, frameworks, and guidance documents on which Allianz bases its approach.

REPORTING STANDARDS

To sustain the trust of our policyholders, regulators, investors, employees, agents, and all of our stakeholders, we are reporting our ESG contributions, in addition to our financial performance. Our 2020 Annual Report was designed in accordance with the guidelines of the Philippines' Insurance Commission and its Annual Corporate Governance Report (ACGR).

SCOPE OF THE REPORT

This report's content and scope are based on our primary business areas and sustainability-related initiatives undertaken in our Corporate Headquarters in Makati City and in our sales distribution offices nationwide between January 1, 2020 and December 31, 2020.


FEEDBACK AND ACCESS

As part of our ongoing efforts to engage stakeholders and to improve our reporting performance, Allianz PNB Life welcomes your feedback.

For your inquiries on this report, you may contact us here:

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An electronic version of this report is available for download here:

www.allianzpnblife.ph/about-us/annual-report.html

OUR GLOBAL PRESENCE

The Allianz Group is one of the leading integrated financial services providers worldwide. Our ambition is to accompany you in life – giving you everything you need to have the courage to go forward. We offer a wide range of products, services, and solutions in insurance and asset management to 100 million customers in more than 70 countries.

In fiscal year 2020, our over 150,000 employees worldwide achieved total revenues of 140.5 billion euros and an operating profit of 10.8 billion euros. Allianz SE, the parent company, is headquartered in Munich, Germany.

Our retail and corporate customers enjoy an extensive product selection in all insurance business lines, designed to protect them against any risks. We are one of the world's leading insurers, both property and casualty; and life and health.

ASSET MANAGEMENT

As of December 31, 2020, we have approximately 2,389 billion euros assets under management, making us also one of the largest asset managers globally with active investment strategies.

We run the Asset Management business out of two distinct investment management businesses,

Allianz Global Investors (AllianzGI) and PIMCO. Both units operate under Allianz Asset Management (AllianzAM).

Particular strongholds include the United States, Germany, France, Italy, the United Kingdom, and the Asia-Pacific region. As of December 31, 2020, Allianz managed 1,712 billion euros of third-party assets.

OUR STRENGTHS

- Leading Property and Casualty insurer globally
- Among the top 5 Life and Health insurers globally
- Among the top 5 asset managers globally
- Global leader in credit insurance
- Worldwide leader in travel insurance and assistance services
- One of the leading corporate insurers globally
- #1 insurance brand for the second consecutive year, according to Interbrand's Best Global Brands Ranking
- Gold Class Award in the 2020 SAM Sustainability Yearbook, one of the most comprehensive annual publications on corporate sustainability
- Most Sustainable Insurance Company for three consecutive years (2017-2019) in the Dow Jones Sustainability Index



ABOUT ALLIANZ PNB LIFE

ALLIANZ PNB LIFE IS THE FASTEST-GROWING LIFE INSURANCE COMPANY IN TERMS OF PREMIUM INCOME IN THE PHILIPPINES. THE COMPANY DELIVERED PHP15.76 BILLION IN TOTAL PREMIUM INCOME WITH 67% YEAR-ON-YEAR GROWTH, THE STRONGEST GROWTH AMONG THE TOP INDUSTRY PLAYERS IN 2020.

Since we began our operations in 2001, we have been a leading provider of variable life and life protection products for individuals and institutions. These are designed to meet the lifetime financial planning, wealth accumulation, and well-being aspirations of every Filipino family.

Our main headquarters is in Makati City, the country's main business district. We also operate 11 business centers strategically located in key cities across the archipelago.

We have over 240 employees and more than 2,000 financial advisors and agents to serve our policyholders and deliver great customer experiences.

Our bancassurance partnership with Philippine National Bank (PNB), one of the country's largest and oldest universal banks, allows us to reach a broader base of Filipino families through the bank's network of over 600 branches nationwide. We also have an exclusive distribution partnership with PNB Savings Bank, as well as with HSBC Insurance Brokers Incorporated, giving bank customers opportunities for wealth accumulation.



AT A GLANCE

(PERCENTAGES SHOW 2020 VS. 2019 FIGURES)

↑ 40.9%

TOTAL ASSETS

Php566.2M

NET LIFE INSURANCE
CONTRACT BENEFITS
AND CLAIMS PAID

Php15.8B

GROSS WRITTEN
PREMIUM

Php188.9M

NET INCOME

↑ 66.9%

TOTAL PREMIUM
INCOME (TPI),
RANKING 7TH
IN THE INDUSTRY
FROM 10TH IN 2019

↑ 27.5%

NEW BUSINESS
- ANNUAL PREMIUM
EQUIVALENT (NBAPE),
RANKING 8TH HIGHEST
IN THE INDUSTRY
VS. 11TH IN 2019

245

NO. OF EMPLOYEES
IN 2020

308

PNB BANCASSURANCE

2,077

AGENCY

NO. OF LIFE CHANGERS
IN 2020

MESSAGE FROM THE CHAIRMAN



More than a year has passed since COVID-19 hit our shores. Today, the country and the rest of the world are still reeling from its socio-economic impact. While vaccine availability offers a glimpse of hope for mankind, it will take some time before we fully recover from this once-in-a-lifetime scourge.

As we deal with the disruptions brought about by the pandemic, valuable lessons learned in 2020 should guide us moving forward. For one, things cannot be “business as usual.” We must adapt to the new realities and the so-called “new normal” to survive. Fortunately, our dedicated and resilient colleagues have proven that no typhoon, volcanic eruption, or even a pandemic, can stop a determined workforce.

With the strength of our union — Philippine National Bank (PNB) as an established Filipino bank, and Allianz, one of the world’s leading insurers — we have the ability to respond to changing customers’ needs and seize unfolding opportunities. Digitalization is one such initiative. Even before the global pandemic, PNB and Allianz shared a passion for digital transformation supported by technology investments to make our operations more efficient, agile, and responsive to our customers’ needs. Building on these foundations of transformation has made us more open to new ideas and reinvention.

Technology, however, is just one of the many tools in our arsenal. During the long lockdown and quarantine period, the company recognized that its most valuable assets are people — our workers and partners. Despite the odds, our employees demonstrated the Filipino virtue of “malasakit” or genuine concern, and walked the extra mile to serve our customers from behind the counters or from their homes. In return, it was incumbent upon us to ensure their welfare and those of their families.

The current situation will not change the way we value our people, technology, and partners like Allianz. We will work harder to strengthen the bonds that make us an institution that endures.

As your Chairman, I’m honored to serve on the Board of Directors of Allianz PNB Life. I’m even prouder to work with our employees and to serve our loyal customers who continue to put their faith and trust in our journey towards a more secure, healthy, and sustainable future.

DR. LUCIO C. TAN
Chairman



PRESIDENT'S REPORT

The year 2020 brought unprecedented challenges to the world. The COVID-19 outbreak, which started as a health crisis, has caused much economic distress as strict restrictions on mobility forced many businesses to shutter and millions to lose their jobs.

Yet at a time when people needed to be physically distant from one another, we at Allianz PNB Life found more reason to join hands for a common purpose: to secure people's lives and give courage to our customers for what's ahead.

The pandemic has laid bare the truth that none of us is immune to disease, poor health, isolation, and loss. It has also shown how the most vulnerable sectors — especially those without health protection — are hit the hardest. In the Philippines, where insurance penetration is less than 2%, the health protection gap is estimated to reach nearly Php3 trillion in 2020. While COVID-19 claims disbursed by the insurance industry amounted to Php327 billion, according to the Insurance Commission, the reported claims are still low compared to the number of cases in the country, which continues to rise.

Thus, living our purpose during these trying times is most relevant.

I'm proud to report that our people at Allianz PNB Life stepped up to deliver on our promises to our customers and commitments to our shareholders last year. Despite the challenging business and work environments, foremost of which were restrictions on face-to-face selling, the company delivered Php15.76 billion in gross written premiums, which is 67% higher than the previous year — the strongest growth among the top industry players. In addition, our cost savings improved by 20% due to project rationalization and prioritization, the shift to virtual platforms, and better-than-expected claims payments. We were also able to meet our investment income target despite the prevalence of a low interest rate environment. All these factors contributed towards the reversal of a net loss of Php285.3 million in 2019 to the achievement of a positive bottom line of Php188.9 million in 2020.

RESPONDING TO THE PANDEMIC

We owe our stellar performance to the hard work and grit of each and every one in the company.

We ended 2019 with a strong financial position and were already showing our strongest-ever results in the early months of 2020 when Taal volcano erupted and the WHO declared COVID-19 as a global pandemic.

After the community quarantine was enforced by the government in March 2020, our immediate priorities became two-fold: our people and the safety of our work environments, and our customers and their insurance needs. We moved quickly to put robust safety measures in place for all employees working onsite, including temperature scans, increased disinfection, shift rotations, physical distancing, and the use of masks.

Our digital transformation program had already been gaining traction prior to the pandemic so we were not unprepared with the shift to a work-from-home (WFH) environment. Within a few weeks after the enforcement of lockdown restrictions, 75% of our workforce were already fully enabled. However, the lack of internet connectivity in some of our homes and the availability of remote work tools posed some productivity challenges. This prompted the company to provide our people with proper resources and support — from utility and internet subsidies to a 24/7 mental health hotline — so they can work confidently knowing that Allianz PNB Life stands with and behind them every day, and especially during times of crisis.

OVERCOMING THE ODDS

Despite the vast and varied challenges 2020 brought upon us, we see ample ground for optimism going forward. If anything, the pandemic has solidified the case for digital transformation. We all turned to contactless solutions: remote work, telehealth consultations, virtual meetings, and online shopping, to name a few.

Digital technology also enabled us to meet the biggest distribution related challenge during the pandemic, given that our agents and bancassurance partners rely on face-to-face meetings with our customers to close sales. We had to quickly scale up our digital solutions and shift to a virtual sales process, allowing us to recover quickly after the most stringent of lockdown conditions were lifted. In fact, sales records were broken in the latter half of the year.

We expect to sustain this growth momentum as we constantly enhance our client onboarding platform, Allianz Journey, which will simplify the customer experience significantly by maximizing straight-through-processing (STP). STP will eliminate unnecessary human intervention, leading to enhancements in cost effectiveness and operational efficiency, and above all, lead to happier customers who will receive their policies in as short as five minutes. Currently, one-third of our bancassurance applications are already digitized and we expect this figure to grow fast given our unrelenting focus on further enhancing the customer experience by moving towards higher adoption of e-payments and e-policy issuance.

LOOKING AHEAD WITH COURAGE

Uncertainty is still very much on the horizon given the persistent increase in COVID-19 cases globally and in the country. It is imperative that we continue to be mindful about our health and well-being, more flexible, and more open to change. Given that our homes will increasingly become our places of work, we will introduce policies and guidelines to keep healthy and enable more access to digital tools. Adapting our old work model to the future scenario will have to be our "new work model."

While there will be new realities that demand our agility and courage, our top priorities remain: protecting our people, serving our customers, and supporting society at large. These are critical as we continue to navigate the effects of the pandemic, and step up to support each other.

I'm confident that all of us at Allianz PNB Life will keep raising the bar, not only in the excellent execution of our strategy, but also in our willingness of spirit and keen sense of humanity for the months and years ahead.

ALEXANDER GRENZ

President and Chief Executive Officer

STAYING FOCUSED ON YOUR NEEDS

“As a trusted partner for individuals, families, and organizations for their insurance and financial services requirements, Allianz PNB Life has been given a unique perspective to understand how pivotal a person’s courage and determination are in overcoming seemingly insurmountable challenges. We released a video to channel the strength from the people we have been fortunate to serve and use this to uplift others that may be feeling lost during these unprecedented times.” — Gino Riola, Chief Marketing Officer - Allianz PNB Life

At Allianz PNB Life, safeguarding the health and financial well-being of our customers remains our top priority. This is most relevant in the Philippines where out-of-pocket health expenditures account for a staggering 52% of the overall total. To help Filipinos defray the expenses, we provide comprehensive insurance coverage that addresses critical and urgent health needs.

The COVID-19 pandemic in 2020 heightened awareness and appreciation for insurance products across various market segments, especially for health insurance coverage. To stay relevant to our customers’ needs, we launched Allianz eAZy Health, an affordable and renewable 5-year insurance solution that helps customers focus on their health and well-being.

We added COVID-19 to the list of diseases covered by our Allianz eAZy Health plan. We also extended the grace period up to 75 days and provided a simplified claims procedure with an express lane available to those affected by COVID-19. Claims for deaths due to the novel coronavirus are covered, as well as in-patient hospitalization.

Allianz Well! is another product that provides health and wellness benefits designed for high achievers. With an annual plan limit of Php100 million, it supplements existing HMO coverage and offers such benefits as access to medical advice and wellness services, the ability to choose one’s preferred doctor or medical facility, cashless payment, and medical evacuation and repatriation, among many others.

BEYOND COVID-19

The pandemic also exposed many Filipinos’ vulnerability to health and financial crises and the lack of a solid backup plan in times of emergency. This led us to launch Allianz Shield, a regular pay, unit-linked insurance plan that protects policyholders against unexpected situations, such as the diagnosis of a critical illness or accidental death and dismemberment. It covers at least 10 times the

annual premiums depending on the insured’s age upon application, for as low as Php15,000 annually.

Allianz Shield can help people build a well-rounded protection plan as it offers Php1 million in coverage upon death, Php1 million upon diagnosis of a critical illness, and another Php1 million for accidental death and dismemberment. The plan also comes with an additional rider coverage that waives succeeding premiums until age 65 of the insured upon diagnosis of a critical illness or upon contracting total and permanent disability. It gives our clients the option to withdraw their investment funds, which are free of charge for up to four times in one year.

Allianz Shield also comes with a Loyalty Bonus, giving funds a boost every five years, as long as the policy remains in force and your premiums are paid regularly. Additionally, it offers a complimentary Life Event Benefit Rider, which credits back to the policyholder a part of the insurance charges paid, in the event of marriage, birth of a child, demise of a family member, involuntary loss of employment, divorce, or separation.

INVESTING IN THE FUTURE

Beyond life and health protection, Allianz PNB Life also offers opportunities for Filipinos who desire to secure their future by investing in managed funds. The low interest rate environment that prevailed in 2020 prompted these investors to look for alternative financial instruments.

To address their investment needs, we launched the Peso-Hedged Diversified Income Dividend Paying Fund, an insurance and investment product that we offer exclusively to

customers of HSBC Philippines. The new fixed income offering has the potential to maximize total returns consistent with prudent investment management.

The fund is invested in Global Investors Series plc - Diversified Income Fund managed by California-based PIMCO, one of the world’s premier fixed-income managers and owned by Allianz SE, a leading global diversified financial services provider and our parent firm. The fund offers potentially attractive risk-adjusted returns by investing across a wide spectrum of global credit based on investment calls by PIMCO’s reputable fund managers.

Peso funds are invested in an underlying dollar-denominated fund investment. As an added protection, the fund has a hedging mechanism that locks in the dollar-to-peso exchange rate to the investment date, minimizing exchange rate fluctuations.

ENGAGING DIFFERENTLY

While the pandemic gave rise to many product innovations, particularly in health protection, it also changed the way we deliver our solutions to and engage with our customers.

At the height of the community quarantine during the second quarter of 2020, the Insurance Commission temporarily suspended agency examinations. As bank branches were closed or had limited operations, our bancassurance financial advisors and sales agents migrated to online platforms to market our products and solutions. In collaboration with various Allianz teams and with our bancassurance partners, we also enhanced the efficiency and effectiveness of our

online sales processes and tools so that customers can still buy an insurance policy in the safety and convenience of their homes.

The pandemic likewise served as a platform for Allianz PNB Life to launch a campaign called “Courage over COVID-19,” which aimed to help people adapt to and navigate the “New Normal” while bolstering confidence in Allianz’s reliability among customers, employees, and financial advisors.

To support the campaign, we produced a podcast — Caffeine Boost — which featured subject matter experts discussing various ways to achieve financial resiliency and wellness.

We also created a video to encourage people to muster the courage to overcome seemingly insurmountable challenges, realize their dreams, and find their life’s passion. The video featured people from all walks of life, channeling their strength to uplift others who feel lost or alone during the pandemic.

We mounted the Allianz Life Expert Series Webinar in September 2020 and made available a comprehensive guide on how to survive and thrive in spite of the pandemic. Episodes are uploaded on the Allianz PNB Life Facebook page www.facebook.com/AllianzPNBLifeOfficial.

To keep winning the hearts of our customers, we will continue to offer our webinar series on health and protection, forge partnerships with like-minded organizations, and promote programs such as Ride Safe that are aligned with our health, wellness, and sustainability advocacies.



DIGITAL READY FOR YOU



"All these are aimed at providing a seamless experience to our customers and making Allianz PNB Life the most advanced insurance company in terms of digitalization by the end of 2021." – Paul Chang, Chief Operating Officer

The year 2020 was marked with unprecedented challenges because of the COVID-19 global pandemic. On the other hand, it also presented opportunities, among which include a watershed moment for digital initiatives. While customers have been embracing digital channels and tools in recent years, the pandemic served as a catalyst for digital transformation.

At Allianz PNB Life, we have always believed that digitalization is the way to go if we are to future-proof our business and respond to our customers' needs better. While we have been embarking on a digital transformation program since 2017, the new challenges that came with the lockdown restrictions gave us greater reason to forge ahead with our digital strategy. This approach also enabled us to adapt to the difficult business environment and sustain our momentum in customer onboarding, customer service, and sales and distribution support.

PRIORITIZING PRODUCTIVITY

When the community quarantine was enforced in March 2020, we had to quickly adapt our operations, not only to comply with new safety

restrictions, but also to counter temporary disruptions in our operations and support business growth. What followed was a show of grit and innovation, proving the resilience of our entire organization.

We shifted to a work-from-home (WFH) environment to ensure everyone's safety. While we have been adopting WFH arrangements since 2017, the community quarantine accelerated the need for remote work. We provided our employees work tools and access to files without compromising data security. We also invested in additional bandwidth to meet the challenge of connectivity in homes, particularly for our sales production team. With this, we were able to minimize downtime and continue to maintain our work productivity even during the lockdown.

ADOPTING THE AGILE WAY

While we have adopted new ways of working, our operational model continues to be in line with the customer's journey with Allianz: customer acquisition and onboarding, and customer servicing.

Amidst the challenging work environment, we were able to roll out our e-submission service in just 17 days. This enables Allianz PNB Life customers to submit their medical claims online, saving them time and ridding them of the hassle of dealing with tedious paperwork.

We are proud to report that we have achieved a 33% speed-to-adoption rate, the fastest among Allianz Group operating units in the Asia-Pacific region.

In addition to e-submission, we have also accelerated our digital adoption through automated underwriting (more than 75%) and e-payment (recently completed). We will expedite the issuance of e-policies to 60% adoption by 2021 from the current 30% and achieve 100% straight-through-processing (STP). All these are aimed at providing a seamless experience to our customers and making Allianz PNB Life the most advanced insurance company in terms of digitalization by the end of 2021.

LOOKING TO THE FUTURE

While the pandemic continues to test our strengths and capabilities, several trends show promise for the life insurance industry in the next decade. The pandemic has only re-emphasized the need for life protection.

We believe that emerging technology will play an important part in our ability to develop flexible product solutions that suit the emerging regulatory environment, personalize every aspect of the customer experience, as well as reinvent the skills and capabilities of our workforce. We intend to seize the opportunities from e-data and artificial intelligence to make it easier for Allianz PNB Life to play an active role in closing the growing health protection gap in the country.

Now, more than ever, we need to adapt to the new digital landscape. Our target this year is to prepare and manage Big Data, as well as to invest in high-quality data security systems to protect our customers and our organization.

If we combine these intuitive automation tools with the human touch that our customers value, we will be able to stay ahead in the race to digitalization and continue to be behind our policyholders as they tackle rapidly evolving challenges that emerge in the future.

MAKING TECHNICAL EXCELLENCE MATTER

When it comes to technical excellence, not all insurers are created equal — even more so, in times of crises such as the global pandemic.

Technical excellence in the industry, after all, is all about effectiveness in handling insurance claims. And when life or businesses get disrupted, the implications are profound, not just to the insurer, but more so to their customers. Insurers are forced to optimize costs, automate, and modernize to sustain their business and increase shareholder and policyholder value.

At Allianz PNB Life, promoting technical excellence is not just a strategic response to the pandemic, but is one of the pillars of our ways of working. Amid the challenges brought about by the lockdown restrictions and WFH arrangements in 2020, we relentlessly pursued ongoing initiatives to enhance our competencies in pricing, underwriting, and service provision to every customer, agent, and partner.

In 2020, building our digital roadmap ecosystem remained our priority. We further strengthened Allianz Journey, our new business and customer onboarding platform; Allianz Assist, our distributor tool; and Allianz Touch, our customer tool.

As part of Allianz Journey, which was fully launched in the first quarter of 2020, we increased the digital adoption of our policy underwriting system. It now takes only 3-5 minutes for customers to obtain their policy — considered a game changer in the local industry.

We also launched our e-submission tool, on track to our system's full transformation to straight-through-processing (STP) by the end of 2021.

In 2019, we launched a fully digitalized sales process that prompts our agents to perform all relevant processes using a tablet, whether in capturing and encoding customer data or offering product recommendations. The pandemic has accelerated our digital adoption of this process. Our bancassurance partners are working on making the tablets more accessible to our intermediaries and agents.

We also provided technical assistance to our leaders and agency force so they can take full advantage of the growing business opportunities in social media. We offered training and accreditation programs to professionalize their Facebook pages and provided our intermediaries access to pre-developed templates or infographics they can share in their social media campaigns.

Allianz Expert, our online learning management system, continued to offer learning modules for both our employees and agents. Our goal is to integrate this with LinkedIn Learning to come up with a consolidated e-learning platform to support our efforts in upskilling and upgrading our people's technical abilities through tech-savvy learning and development.

Empowering our people, our agency partners, and our leaders with the right technical skills and digital tools ultimately leads to meaningful and seamless experiences for our customers.



COURAGE AND AGILITY TO ADAPT TO THE NEW NORMAL

“Motivated to meet our targets and make a significant contribution to Allianz PNB Life, we managed to quickly adapt to this new way of working.” – Chris Cabognason, Chief Distribution Officer

The COVID-19 global pandemic has forced many insurers to perform a tightrope act, balancing between the pursuit of growth and the safety of staff and agents. At Allianz PNB Life, our priority has always been clear: to be behind our customers and our partners so they can face the challenges head on.

In January 2020, we started embarking on massive marketing and activation campaigns, set higher sales targets, and rallied and engaged our sales force. Coming from strong headwinds and a challenging 2019, we realized the bar had been set high. When a global pandemic was declared in February 2020 and the enhanced community quarantine was enforced the following month, we immediately shifted gears. The lockdown meant the abrupt and significant reduction of operational branches of our bancassurance partners, as well as the absence of foot traffic. It also imposed restrictions on face-to-face meetings with clients, which affected the ability of our agency force to meet our targets.

SHIFTING GEARS

We adopted a tactical, defensive, and strategic planning exercise and a blueprint for recovery.

Our Digital, Legal, Compliance, Underwriting, and New Business teams forged a collaboration to find solutions that enabled us to continue serving our clients even from a WFH environment. The product of this agile collaboration was a working model of our Virtual Selling Process, which we managed to roll out ahead of most of our industry peers. Aiming for simplicity and an intuitive process, our agents were also excited to pick this up.

Motivated to meet our targets and make a significant contribution to Allianz PNB Life, we managed to quickly adapt to this new way of working. From a slow sales momentum in the second quarter of 2020, when we operated at around 30% capacity, we were able to post a strong rebound by the following quarter and even achieved pre-pandemic levels of productivity. By the last quarter of 2020, we were breaking our sales records in annualized new premiums, policy count, and new business margins.

DEMONSTRATING COURAGE AND RESILIENCE

Our bancassurance distribution partnership with Philippine National Bank (PNB) and HSBC continue to be our primary sales channel, accounting for 94% of our overall performance. For PNB, the growth was significant at more than 30% versus the previous year. Overall sales production, however, grew by 18% versus 2019 levels. Our agency force also demonstrated resilience in 2020 as it delivered the same level of production as the previous year, bucking the industry trend of negative growth.

These stellar results, however, did not happen overnight. To meet the challenges brought about by the pandemic, we had to address the systemic barriers that hindered cross-selling, particularly as we were on a WFH setup. In solidarity with our bank partners, our financial front-liners, our intermediaries and their leaders stood side by side, with courage, to offer Allianz products to our customers both in-branch and vis-à-vis other virtual means.

On the bancassurance front, we were empowered to use all the tools available such as engagement campaigns, and rewards and recognition, to support our intense sales efforts. This resulted in the highest number of referrers across all our bancassurance channels in 2020.

For our agency force, increasing leadership capability and technical know-how were our key strategy to drive sales growth. We shifted to virtual platforms for webinars, trainings, and workshops. We were able to launch the Eagle’s Academy, which focused on recruiting young, digitally-savvy, and entrepreneurial individuals to our agency force. By end-2020, half of our active agents were coming from the batch of new recruits in 2020 and were even exceeding the industry average in sales productivity per active agent.

In addition to e-learning, we also supported our agents, financial advisors, and leaders to cope with the pandemic. Apart from safeguarding their health and safety, we also ensured they had the financial capability to cover their basic necessities such as medicine and food. We provided medical allowances and loans with easy repayment schemes, as well as financial assistance for those who contracted COVID-19. We also opened up avenues for counseling to address anxiety and depression, even post-recovery.

A second phase of our financial support programs in the form of allowances for financial advisers and leaders was also given to subsidize the cost of internet connectivity so they could conduct more virtual sales.

We also relaxed our policy on contract validation to ensure our agents were able to focus on productivity rather than maintaining their status. To foster more engagement, we conducted quarterly and monthly assemblies and rallies for our agency force and our leaders, respectively. 2020 saw an increased participation in these events.

STAYING AHEAD OF THE CURVE

To stay competitive in the coming years, we have embarked on Partnership 2.0 and Agency 2.0 which cover all the critical

elements we need, not just to succeed, but thrive in the New Normal.

Under Partnership 2.0, we conducted an initial assessment of our performance benchmarked against five pillars: Distribution, Propositions, Data and Analytics, Digital, and Protection & Health. Our bancassurance teams are not only focused on addressing the gaps, but also on implementing ways to further strengthen our capabilities in these areas.

Agency 2.0 continues to focus on leader and agent recruitment with targeted acquisitions, continuous learning, development and coaching, and the creation of a solid servicing platform to keep contributing agents engaged. Adoption of digital assets is also key to faster expansion and increase in productivity.

While the government and local communities are working hand in glove to “flatten the curve,” distribution is focused on pursuing and executing “Objectives and Key Results” or the OKR framework to get ahead of the curve. Allianz PNB Life, through our growing channels, continues to sustain and pursue its fastest-growing status among insurance companies despite these challenging times and commits to delivering post-sales service quality that our partners and clients deserve.

TO MEET THE CHALLENGES BROUGHT ABOUT BY THE PANDEMIC, WE HAD TO ADDRESS THE SYSTEMIC BARRIERS THAT HINDERED CROSS-SELLING, PARTICULARLY AS WE WERE ON A WFH SETUP.



BEHIND OUR PEOPLE

“As well as a high-performing organization, we also want to be known as a company that promotes and ensures inclusion and diversity, which have always been at the core of our corporate culture.” – Kathy Oliva, HR Head

The COVID-19 global pandemic has disrupted organizations. It forced companies to rethink their policies to adapt to the new work environment they may never have imagined.

At Allianz PNB Life, the crisis has also opened up opportunities to bring the future of work closer.

When the government enforced lockdown restrictions in March 2020, we were quick to adopt solutions that enabled our employees to work remotely and seamlessly. To reduce human density, we allowed a skeleton force to work onsite while ensuring their safety and peace of mind.

Like all things new, shifting to a WFH environment entailed some birthing pains. Having our own infrastructure, however, enabled us to add capacity quickly to accommodate our new digital platforms like the Virtual Sales Process. WFH employees also grappled with poor internet connectivity in their homes. To maintain their productivity, Allianz PNB Life offered a Utility Subsidy to cover employees’ internet data and electricity bills, which became a part of their regular benefits.

NEW WAYS OF ENGAGING

Observing physical distancing protocols and working remotely, however, had its clear downside. Arguably the biggest challenge was reduced collaboration within the organization, at least in the traditional sense of having face-to-face meetings and group sessions.

As a solution, we turned to our arsenal of digital tools to enable virtual conferencing, email direct marketing, project management dashboards, and chat. We also utilized social media channels such as Facebook and Viber for regular company updates and check-ins for employees’ WFH concerns. We circulated Allianz PNB Life Alerts to our employees via email, which contained announcements and important guidelines they must follow during the course of the pandemic. Through initiatives such as “Ask Alex” and regular updates from our Mancom leaders, to name a few, we were able to constantly communicate with our employees to make them feel that Allianz is behind them as they grapple with the impact of the pandemic.

In addition, we held Quarterly Town Halls, Objectives and Key Results (OKR) Rallies, and a Purpose & Strategy Day. This way, our employees were informed about the business updates and encouraged to actively participate in achieving our goals and objectives.

While Allianz PNB Life has always promoted lifelong learning as part of our strategy to future-proof our organization, the pandemic has moved the needle on the wider acceptance of our e-learning platform. In 2020, we curated learning packs in addition to LinkedIn Learning and encouraged all our employees to log 40 hours of e-learning while people leaders were required to take up to three modules. To improve our learning journey, incentives were given out for completing the courses and workshops were conducted to enable us to identify and look for ways to hire talents, particularly those who have a digital background in insurance.

These employee training programs were aligned with Technical Excellence, Customer Centricity, Objectives and Key Results, Work-Well/Working Remotely and Leadership pillars. We also offered Life and Health Academy programs to keep our employees up to speed in vital areas such as underwriting, pricing, product development, and overall technical excellence.

BEYOND TECH

Meeting the challenges of this new work reality, however, went beyond technology. In an environment of high anxiety, people felt the impact of the pandemic more strongly, especially while under lockdown restrictions. Allianz PNB Life ensured that we took care of our employees’ mental and physical health through regular check-ins and recommendations on how to improve work-life balance.

Our Employee Assistance Program, in place since 2018, gave our employees and their dependents free access to an in-house guidance counselor to consult on mental health-related issues. This benefit came with a Mental Health Card that could be used to defray the cost of the consultations.

To encourage our employees to live a healthier and more active lifestyle, we transformed our award-winning Dare to be Fit campaign into a virtual Amazing Race activity in 2020. We also held Health Day activities which included an online session with Allianz Group colleagues.

To enjoin the community to work together and gain courage to fight the COVID-19 pandemic, we shared inspiring and hopeful content on all our social media channels. Employees and Life Changers were encouraged to use a profile picture badge we created, which also promoted our #CourageOverCOVID campaign that aimed to embolden Filipinos to continue to aspire and move forward to pursue their dreams and passions amidst the uncertainties.

While we will likely need to make adjustments to our new work model following the end of the pandemic, one thing is clear: these positive lessons from the COVID-19 crisis will help us create a blueprint for the future of work at Allianz PNB Life.

WHILE ALLIANZ PNB LIFE HAS ALWAYS PROMOTED LIFELONG LEARNING AS PART OF OUR STRATEGY TO FUTURE-PROOF OUR ORGANIZATION, THE PANDEMIC HAS MOVED THE NEEDLE ON THE WIDER ACCEPTANCE OF OUR E-LEARNING PLATFORM.



BUILDING RESILIENCE FOR A BETTER WORLD



For 131 years, Allianz has been enabling people and businesses to overcome challenges and uncertainties. Our corporate social responsibility (CSR) initiatives are based around making society and communities more resilient to change and adversity.

The COVID-19 global pandemic in 2020 led to lockdown restrictions which affected our ability to mobilize for staff volunteerism activities. Despite this, however, we were able to assist our local communities and demonstrate our sustainability commitment through these host of activities:

RIDE SAFE: SAFETY AND SUSTAINABILITY

The implementation of the community quarantine restricted mobility and gave rise to challenges in public transportation. Filipino commuters resorted to biking to work despite the lack of road safety infrastructure such as bike lanes.

To offer a solution, we launched the Ride Safe Movement in 2020. The campaign does not only promote cycling as an alternative mode of transport, but also espouses low-carbon emissions and safe, green transport. This is aligned with Allianz's global reputation as one of the world's leading sustainable insurers. In addition to putting up signage and safety bollards in biking lanes, we also unveiled the country's first solar-powered bike pit stop in San Juan, recognized as one of the "Most Bike-Friendly Cities" in Metro Manila by the

Mobility Awards. The city has designated bike lanes with corresponding safety infrastructure along its major thoroughfares. It has also deployed bike patrollers to ensure the safety of bikers and enforce the city's strict quarantine protocols. In October 2020, it made Allianz PNB Life its exclusive Life Insurance Partner for its bike safety campaign.

"We're very thankful that Allianz PNB Life has chosen the city of San Juan to be their partner for this very innovative, very progressive project," San Juan Mayor Francis Zamora said during the unveiling ceremonies for the solar-powered bike pit stop.

The design of the bike pit stop was patterned after the Allianz race car pit stops at Formula 1 races. It has bike parking, bikers' resting area, and a small footprint bike repair station complete with hanger arms, repair tools, and an air pump.

ALLIANZ KAAGAPAY: INCLUSIVITY IN INSURANCE

We recognize that we have a role to play in building resilience so people and businesses can come back from life's setbacks stronger than ever. This includes reaching out especially to the most vulnerable sectors and those in the fringes of society.

This firm commitment led us to launch Allianz Kaagapay, in partnership with award-winning social enterprise reach52 to promote the

importance of inclusivity in insurance in the country. Through this CSR initiative, we aim to provide local communities the protection they need during challenging times such as the ongoing pandemic.

Through Allianz Kaagapay, reach52 provided Php25,000 worth of life insurance that included COVID-19 coverage to its members for every purchase of an Allianz Well! insurance product from August 1 to December 20, 2020. Members from Pototan and Cuartero, Iloilo became the first beneficiaries of the insurance package.

"Our members are essential in our goal of extending primary care to the 52% of the world's population who still lack access to essential health services. They are our access managers, the ones who help us fill the gap in the healthcare system in remote rural communities. We thank Allianz PNB Life for providing this support to our members," said Edward Booty, founder and CEO of reach52.

BAYANIHAN FOR FRONTLINERS

The pandemic gave rise to the bayanihan (communal unity) spirit of many Filipinos from all walks of life: from frontliners who risk their lives every day to serve those in need, to people who participate in donation drives to help those who lost their livelihood.

In recognition of the bayanihan spirit, Allianz PNB Life joined in the effort by providing freshly cooked dinner meals to the frontliners

of the Lung Center of the Philippines, one of the National Capital Region's COVID-19 referral centers.

The initiative, which ran for three weeks in April 2020, was part of our #CourageOverCOVID online campaign and was made possible with our partnership with Boehringer Ingelheim Business Services Philippines Managing Director Andreas Meneghetti, and caterer Roje Charesse Ortega of DJLH Lechon House.

ALLIANZ WORLD RUN: FITNESS FOR A CAUSE

To help tackle the consequences of climate change and the damaging impact of COVID-19, Allianz has been working to build tailored response plans. Globally, it has been mounting the Allianz World Run every year to encourage health and well-being among Allianz employees worldwide. By promoting regular physical exercise and activity among employees, their friends, and their families, healthy habits can be established, and exercise milestones can be set which would then raise funds for worthy causes.

In 2020, the global fitness initiative served an even more significant purpose: as a vehicle to raise funds for vulnerable sectors affected by the ongoing global pandemic. "We wanted to provide avenues for our colleagues to attend to their physical and mental wellness while supporting others afflicted by the pandemic," said Gino Riola, Allianz PNB Life Senior Vice President and



Ride Safe: Safety and Sustainability



Allianz Kaagapay: Inclusivity in Insurance



Bayanihan for Frontliners



Allianz World Run: Fitness for a Cause

Chief Marketing Officer, and the Philippine Captain for the Allianz World Run.

Participants from each country competed against each other by logging in their workout minutes (Individual Workout Challenge) or distances (Individual Running Challenge) using the Adidas Runtastic app. Progress was recorded and tallied from July 8 to October 5, 2020. All minutes and distances that were logged in contributed to organizations and charities around the world.

The Philippine leg drew over a hundred participants who courageously took on the 90-day workout challenge that integrated various activities such as running, crossfit and cycling. In total, Php50,000 was raised for the Tanging Yaman Foundation, Allianz PNB Life's chosen beneficiary. The foundation focuses on children's basic needs, education and formation, environment and livelihood, relief and rehabilitation, and care for the elderly and sick.

"We thank Allianz for this donation. It will go a long way as we continue to assist in the nationwide efforts against the corona virus. Tanging Yaman Foundation has been donating to frontliners and children, as well as institutions for the elderly. We connect benefactors from anywhere in the world to beneficiaries here," said founder Fr. Manuel Francisco, SJ.

RISK MANAGEMENT

ADOPTING A STRONG
RISK CULTURE

Allianz PNB Life aims to be adequately capitalized at all times, taking the regulatory risk capital requirements as a binding constraint. Our risk capital, which reflects our risk profile, is a key aspect we consider in our business decisions.

Our capital position is closely monitored on a monthly basis, complemented by regular stress testing. This gives us a deep understanding of our risk exposure and allows us to take appropriate measures to ensure our capital and solvency strength even in adverse scenarios.

RISK GOVERNANCE

With our vision to be the most trusted and sought-after partner of Filipino families on their journey to prosperity and well-being, we consider risk management to be one of our core competencies as we leverage on international standards through our global presence.

We are part of the Allianz and Philippine National Bank (PNB) groups. As such, we adopt a strong risk culture, supported by a robust risk governance and control structure that adheres to international standards. Our risk appetite is defined by a limit framework that aligns risk strategy with business strategy. Consistent monitoring, analysis, and reporting allow us to trigger actions that prevent unexpected deviations from our risk tolerance.

As a general principle, we employ the three lines of defense. These are:

- **First:** Business owners who are responsible for both the risks and returns on their decisions.
- **Second:** Our independent oversight functions such as Risk, Actuarial, Compliance, and Legal.
- **Third:** Our Audit function independently reviews risk governance implementation, as well as compliance with risk principles, performs quality reviews of risk processes, and tests adherence to business standards, including the internal control framework.

We execute our governance framework through a committee dedicated to overseeing governance and control standards and procedures. This is composed of representatives from the three lines of defense. The Governance and Control

Committee is primarily tasked to support our senior management with respect to governance requirements and facilitate the collaboration between the key control functions on governance- and control-related topics.

RISK-BASED STEERING AND RISK MANAGEMENT

Allianz PNB Life is exposed to a variety of key risks through its core insurance activities. These include market, credit, underwriting, business, operational, strategic, liquidity, and reputational risks.

With the Risk-Based Capital (RBC) 2 Framework being the binding regulatory regime since 2017, risks are primarily measured and steered based on the risk profile underlying our regulatory capital requirement. In adherence with the Allianz Group's capital management philosophy, capitalization limits and alert levels are defined and adopted based on the results of stress testing exercises, ensuring us ample room to maneuver even during adverse scenarios.

- **MARKET RISK:** As market risk is an inherent part of our insurance operations, we collect premiums from our policyholders and invest them in a variety of assets. The resulting investment portfolios back the future claims and benefits to our customers. The fair values of our investment portfolios and liabilities depend on changes in the financial markets, exposing us to the risk of adverse financial market developments. We manage market risk within our asset/liability management process, whereby interest rate sensitivity is controlled via duration mismatch limits, and within our strategic asset allocation process, whereby investment limits are defined to monitor and control exposures to risky assets.
- **CREDIT RISK:** Credit risk is measured as the potential economic loss in the value of our portfolio that would result from either change in the credit quality of our counterparties or the inability of a counterparty to fulfill contractual obligations. We manage credit risk through our country and obligor group limit management framework and through careful selection of counterparties by a dedicated team.
- **UNDERWRITING RISK:** Underwriting risks in our insurance operations include mortality, disability, and morbidity, which are associated with the unexpected increase in the occurrence of death, disability, or medical claims, and with the

unexpected increase in the severity of medical claims. We measure risks within our actuarial models, distinguishing, where appropriate, between risks affecting the absolute level and trend development of actuarial assumptions. Underwriting risk is thus managed through regular experience studies that ascertain timely updates on the actuarial assumptions used in the pricing of our products and in the measurement of our insurance liabilities.

- **BUSINESS RISK:** Business risks include cost risks and policyholder behavior risks. Cost risks are associated with the risk that expenses incurred in administering policies are higher than expected or that business volume decreases to a level that does not allow us to absorb our fixed costs. Policyholder behavior risks are risks related to the unpredictable, adverse behavior of policyholders in exercising their contractual options, including, for example, the early termination of contracts, surrenders, and partial withdrawals. We manage cost risks through careful strategic planning that sets the baseline against which actual operational costs and business volume are benchmarked. We manage policyholder behavior risks through the application of accepted actuarial methods in setting our assumptions on policyholder behavior, basing on our own historical data where available, and basing on industry data and expert judgment otherwise. These assumptions are then used to determine the economic impact of policyholder behavior under various conceivable scenarios.
- **OPERATIONAL RISK:** Operational risks represent losses resulting from inadequate or failed internal processes. We manage operational risks through an Integrated Risk and Control System that defines, assigns, and assesses roles and responsibilities as well as management procedures. Our risk managers, in their capacity as the "second line of defense," identify, evaluate, and monitor relevant operational risks and control weaknesses via consistent dialogues with the "first line of defense," report operational risk events in a central database and to the Board of Directors, and overall ensure

that the Integrated Risk and Control System is regularly and thoroughly executed. This system triggers specific mitigating control programs. For example, compliance risks are addressed via written policies and dedicated compliance programs under the oversight of our Compliance function; and critical business functions are protected from crisis events by our Protection and Resilience and Business Continuity programs.

- **STRATEGIC RISK:** Strategic risk is the risk of a decrease in the Company's value arising from adverse management decisions on business strategies and their implementation. Strategic risks are identified and evaluated as part of our Top Risk Assessment process and discussed in various Board and Management-level committees. We also consistently monitor market, regulatory, and competitive conditions to determine if strategic adjustments are necessary.
- **LIQUIDITY RISK:** Liquidity risk is defined as the risk that current or future payment obligations cannot be met or can only be met under adversely altered conditions. Liquidity risk can arise primarily if there are mismatches in the timing of cash in- and out-flows. We manage liquidity risk through our liquidity risk assessment and asset/liability management processes, where we reconcile liquidity sources (e.g., cash from premiums and investments) and liquidity needs (e.g., payments due to insurance claims and expenses) under our best-estimate plan, as well as under hypothetical adverse scenarios. In our investment strategy, we also place a particular focus on the quality of investments and ensure a sufficient portion of liquid assets in our portfolios.
- **REPUTATIONAL RISK:** Reputational risk is the risk of an unexpected drop in the value of our brand caused by a decline in our reputation as assessed by external stakeholders. Our reputation as a respected and socially aware provider of financial services is influenced by our behavior in a range of areas such as product quality, corporate governance, financial performance, and corporate responsibility. The identification

and assessment of reputational risks are part of a yearly Top Risk Assessment and Integrated Risk and Control System cycle, during which senior management also decides on risk management strategies and related actions. In addition, reputational risk is managed on a case-by-case basis through various channels and focus groups.

The top risk in terms of contribution to our regulatory risk profile is market risk, arising from a mismatch in the duration of our assets and liabilities, making our surplus position sensitive to movement in interest rates. This is expected to persist given the long-dated liabilities in our Life and Health business segments, which cannot be perfectly matched by available and permitted investments. Our asset/liability management, strategic asset allocation, and capital management processes constantly seek to minimize exposure to this risk through the regular monitoring, evaluation, and forecasting of asset/liability emergence and of reinvestment opportunities.

Our Chief Risk Officer, Lukas Immanuel M. Cacayan, is responsible for quantitative and qualitative reporting on all aspects of our risk management framework. He reports directly to the Board of Directors' Audit, Compliance, and Risk Management Committee; the Management Committee; and the Risk Committee. He also serves as our Governance Caretaker and chairs the Governance and Control Committee and Risk Committee, as well as participates as a member of the Proposition Management Committee, Reserve Committee, Crisis Management Committee, Information Security Steering Board, IT Steering Board, Ethics Committee, and Integrity Committee.

Lukas has over 12 years of work experience in Pricing, Actuarial Valuation and Business Analysis, Financial Risk and Product Management from the top insurance companies in the Philippines. He graduated with a Bachelor degree in Economics and holds a Master's Degree in Applied Mathematics with the University of the Philippines.



CORPORATE GOVERNANCE

ADHERING TO GOOD GOVERNANCE

At Allianz PNB Life, we are fully committed to adhering to the highest principles of good corporate governance as embodied in our Amended By-Laws, Code of Conduct, Corporate Governance Manual, and the Allianz Group Governance and Control Policy.

We subscribe to the principles of integrity, accountability, and transparency in our manner of doing business. This also involves dealing fairly with our clients, investors, stockholders, the communities, and the general public.

We promote professionalism among our Board of Directors, senior executives, and employees, as well as respect for the laws and regulations that affect our businesses. Internally, we follow a philosophy of rational check and balances and a structured approach to our operating expenses.

The Board and Management believe that corporate governance is a necessary component of sound strategic business management. Therefore, we will undertake every effort necessary to create awareness within the organization to ensure that the principles of fairness, accountability, and transparency are indispensable in conducting our day-to-day business.

Our operations are managed through a properly established organizational structure. Adequate policies and procedures are embodied in manuals approved by our management committees and the Board. These manuals are subjected to periodic review and updates to be consistent with new laws and regulations and generally conform to international best practices. This demonstrates our full compliance with the standards of sound corporate governance.

CORPORATE GOVERNANCE MANUAL

Our Corporate Governance Manual incorporates the Allianz Group Governance and Control Policy. The Manual fully complies with the corporate governance principles of the Insurance Commission's (IC) Circular Letter 2020-71 or the Revised Code of Corporate Governance, ASEAN Corporate Governance Scorecard (ACGS), and other internationally accepted corporate governance practices.

COMPLIANCE AND RISK MANAGEMENT

The Board of Directors has the ultimate responsibility for overseeing our risk management and material controls. The Board and its committees reviewed, monitored, and evaluated the effectiveness and reliability of our processes and controls. This included management override of controls, actuarial assumptions and methods, risk of fraud in revenue recognition, internal controls and compliance with laws and regulations. During the Board meeting last 23 February 2021, the Board approved the our Audited Financial Statements for 2020 where the external auditor issued an unqualified audit opinion.

EQUITABLE TREATMENT OF SHAREHOLDERS

Within any class, all shareholders shall have the same voting rights: one vote per shareholder. As per our By-Laws, dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such time as the Board may determine and in accordance with the law and applicable rules and regulations.

For Stakeholder Relations, we use an internationally recognized corporate governance standard to serve and protect our stakeholders' interests. The Board ensures that we are able to fulfill our commitment to protect the interest of our stakeholders while Management handles the operations of the business, keeping in mind the interests of all stakeholders. Compliance with the highest standards in corporate governance principally rests with the Board of Directors.

BASIC SHAREHOLDERS RIGHTS AND PROTECTION OF MINORITY STOCKHOLDERS

We recognize that the most cogent proof of good corporate governance is visible to the eyes of its investors. The Board, as contained in the Corporate Governance manual, is committed to respect the following rights of stockholders:

- Right to vote on all matters that requires their consent or approval
- Right to inspect corporate books and records;
- Right to information
- Appraisal right

- Absence of pre-emptive right to stock issuances or convertible bonds of the corporation
- Right to dividends
- Promotion of shareholder rights, removal of impediments to the exercise of shareholders' rights and right to seek redress for violation of their rights
- Transparency and fairness in the conduct of the annual and special stockholders' meeting of the corporation

ROLES AND RESPONSIBILITIES OF THE BOARD

The Board of Directors shall exercise its powers to the corporation in accordance with our by-laws, Corporate Governance Manual, and all relevant laws, rules, regulations, and internal policies. The Board has the duty to implement sound and objective judgment for the best interest of the company. It is responsible for fostering our long-term success as a company and secures its sustained competitiveness in a manner consistent with its corporate objectives and the best interest of its stockholders and other stakeholders.

INDEPENDENT DIRECTORS AND NON-EXECUTIVE DIRECTORS

We have two independent directors who constitute 29% of the membership of the Board. Meanwhile, six out of the seven members, or 86% of the Board, are non-executive directors, including the independent directors.

BOARD COMMITTEES

To aid in complying with the principles of good corporate governance, the Board constituted the following committees:

1. CORPORATE GOVERNANCE, NOMINATION, AND COMPENSATION COMMITTEE (CGNC)

The CGNC is responsible for formulating and implementing our strategic objectives and corporate values throughout the organization. It oversees the implementation and review of the Corporate Governance Framework to ensure it remains appropriate in light of material changes to the corporation's size, complexity, and business strategy, as well as its business and regulatory environments. The CGNC is also responsible for reviewing and evaluating

the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board and to oversee compliance with our Remuneration Policy. It is composed of five members, three of whom were nominated by Allianz and two of whom were nominated by PNB as shown below:

CHAIRMAN	
Silvius Von Lindeiner	Independent Director
MEMBERS	
Federico Pascual	Independent Director
Anusha Thavarajah	Non-Executive Director
Jose Arnufo "Wick" Veloso	Non-Executive Director
Sen Chew Lua	Non-Executive Director

2. AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE (ACRMC)

The ACRMC is primarily responsible for the recommendation of the appointment/re-appointment and removal of external auditors. In April 202, PwC-Isla Lipana & Co. was appointed by the Board as the Company's External Auditor. The ACRMC is chaired by an Independent Director with three members who are Independent and Non-executive Directors as shown in the table below:

CHAIRMAN	
Silvius Von Lindeiner	Independent Director
MEMBERS	
Federico Pascual	Independent Director
Anusha Thavarajah	Non-executive Director
Sen Chew Lua	Non-executive Director

CORPORATE GOVERNANCE

3. EXECUTIVE COMMITTEE

The Executive Committee performs the functions and duties as the Board may confer upon it in accordance with the law and our by-laws. The specific duties and responsibilities of the Executive Committee include the evaluation of Strategic Plans, Forecast, Annual Budget, endorse for Board approval policies and procedures, manual of products and services, and periodic review of profitability or company performance against targets.

CHAIRMAN	
Alexander Grenz	Executive Director
MEMBERS	
Dr. Lucio Tan	Non-Executive Director
Anusha Thavarajah	Non-Executive Director
Sen Chew Lua	Non-Executive Director
Jose Arnulfo “Wick” Veloso	Non-Executive Director

4. INVESTMENT COMMITTEE

The Investment Committee has the overall responsibility of assisting the Board in our investment transactions, management, policies, and guidelines, including the establishment of investment benchmarks, review of investment performance, and oversight of investment risk management.

CHAIRMAN	
Silvius Von Lindeiner	Independent Director
MEMBERS	
Federico Pascual	Independent Director
Anusha Thavarajah	Non-Executive Director
Sen Chew Lua	Non-Executive Director
Jose Arnulfo “Wick” Veloso	Non-Executive Director

5. RELATED PARTY TRANSACTIONS COMMITTEE

The Related Party Transactions Committee will exercise primary oversight over RPTs on behalf of the Board. The Committee is composed of at least three members of the Board of Directors, two of whom are Independent Directors, including the Chairperson

CHAIRMAN	
Alexander Grenz	Executive Director
MEMBERS	
Federico Pascual	Independent Director
Anusha Thavarajah	Non-Executive Director

COMPOSITION AND DIVERSITY

The Board shall be composed of at least seven members elected by the stockholders. The membership of the Board is a combination of executive and non-executive directors (including independent directors). Non-Filipino citizens may become members of the Board to the extent of the foreign participation in the equity of the Company, pursuant to Section 23 of the Corporation Code of the Philippines.

SUCCESSION PLAN

The Board oversees the succession planning of the CEO and Management Committee, including critical roles such as the heads of the Company’s oversight functions. The annual review of the succession plans covers the identification of new successors and updated readiness of previously identified successors according to readiness levels, removal of successors who no longer fit the pipeline, and includes diverse candidates (e.g., gender, skills, and functions) where possible. All nominations to such positions are deliberated and discussed in the Corporate Governance, Nomination, and Compensation Committee which shall evaluate the nominees’ competency and credentials, and shall make appropriate endorsement and recommendation to the Board.

CORPORATE GOVERNANCE INITIATIVES IN 2020

With the issuance of the Insurance Commission’s Revised Corporate Governance Code, we implemented the following initiatives:

1. Revision of the Corporate Governance Manual and Board Committee Charters in accordance with the revised Corporate Governance Code of IC
2. Appointment of a Lead Independent Director
3. Annual Disclosure of Directorships for Directors

BOARD AND BOARD COMMITTEE MEETINGS

The summary of the Board members’ attendance during the meetings, including those of committee meetings from June 2020 to April 2021, is shown below:

ALLIANZ PNB LIFE BOARD OF DIRECTORS’ MEETINGS ATTENDANCE

Director	Regular Board Meeting	Organizational Board Meeting	Executive Committee Meetings	Audit, Compliance and Risk Management Committee Meetings	Corporate Governance, Nomination, and Compensation Committee Meetings	Investment Committee Meetings	Related Party Transactions Committee
Executive Director							
Alexander Grenz	5/5	1/1	1/1	N/A	N/A	N/A	N/A
Non-Executive Directors							
Dr. Lucio Tan	4/5	1/1	0/1	N/A	N/A	N/A	N/A
Sen Chew Lua	5/5	1/1	1/1	5/5	5/5	4/4	N/A
Anusha Thavarajah	5/5	1/1	1/1	5/5	5/5	4/4	2/2
Jose Arnulfo “Wick” Veloso	5/5	1/1	1/1	N/A	5/5	4/4	N/A
Independent Directors							
Silvius von Lindeiner	5/5	1/1	N/A	5/5	5/5	4/4	2/2
Federico Pascual	5/5	1/1	N/A	5/5	5/5	4/4	2/2

All Directors are compliant with the minimum required Board meeting attendance for term June 2020 to April 2021.

CORPORATE GOVERNANCE

BOARD SELECTION AND APPOINTMENT PROCESS

The Board’s Corporate Governance, Nomination, and Compensation Committee reviews and evaluates the qualifications of all persons nominated to the Board. Directors are selected based on the following criteria:

- Holds at least one share of stock of the Corporation;
- Shall be at least a college graduate or have at least five years of experience in business to substitute for such formal education;
- Shall be at least 25 years old at the time of his election or appointment;
- Shall possess the necessary skills, competence, and experience in terms of management capabilities preferably in the field of insurance or insurance-related disciplines;
- Must have attended a special seminar on Corporate Governance for Board of Directors conducted by a training provider accredited by the Insurance Commission. Provided that incumbent Directors must attend the seminar within a period of six months from the date of the election;
- Shall have proven to possess integrity and probity, physical/mental fitness, competence, relevant education/ financial literacy/training, diligence and knowledge/ experience;

- Shall be assiduous in his work habits; and
- A member of good standing in a relevant industry, business, or professional organizations.

ELECTION OF DIRECTORS

Pursuant to our By-Laws, in all meetings of stockholders, a stockholder may vote in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. The Board shall be elected during each regular meeting of stockholders and shall hold office for one year and until their successors are elected and qualified.

ORIENTATION FOR NEW DIRECTORS AND CONTINUING EDUCATION PROGRAM

We provide an adequate orientation and continuing education for all our Directors. All new Directors are oriented on the Company’s structure, business, legal and regulatory environment, corporate governance practices, and Allianz Global Standards. They are apprised of vital corporate documents and relevant policies that define their duties and responsibilities as a Director.

The directors completed the required hours of continuing education/training on Corporate Governance.

DIRECTOR	TRAINING/CONTINUING EDUCATION PROGRAMS ATTENDED
Alexander Grenz	<ol style="list-style-type: none"> 1. Corporate Governance Seminar - Corporate Governance Updates and Business Continuity Management by SGV October 20, 2020 via Zoom 2. Regulatory Relief Measures Amid the Pandemic by BSP, September 28, 2020 via Zoom
Dr. Lucio Tan	<ol style="list-style-type: none"> 1. Corporate Governance Seminar - Corporate Governance Updates and Business Continuity Management by SGV, October 20, 2020 via Zoom 2. Best Practices to Manage Money Laundering and Terrorist Financing Risks arising from OSEC coursed through banks and MSBs by ABCOMP, August 26, 2020 via MS Team
Anusha Thavarajah	<ol style="list-style-type: none"> 1. Corporate Governance Orientation Program by ICD, October 13 and 14, 2020 via Zoom 2. Corporate Governance Seminar - Corporate Governance Updates and Business Continuity Management by SGV, October 20, 2020 via Zoom 3. Antitrust Training by Baker McKenzie, November 4, 2020
Sen Chew Lua	Corporate Governance Orientation Program by ICD, December 8 & 9, 2020 via Zoom
Jose Arnulfo “Wick” Veloso	<ol style="list-style-type: none"> 1. Corporate Governance Seminar - Corporate Governance Updates and Business Continuity Management by SGV, October 20, 2020 via Zoom 2. Best Practices to Manage Money Laundering and Terrorist Financing Risks arising from OSEC coursed through banks and MSBs by ABCOMP, August 26, 2020 via MS Teams
Federico Pascual	<ol style="list-style-type: none"> 1. Corporate Governance Seminar - Corporate Governance Updates and Business Continuity Management by SGV, October 20, 2020 via Zoom 2. Best Practices to Manage Money Laundering and Terrorist Financing Risks arising from OSEC coursed through banks and MSBs by ABCOMP, August 26, 2020 via MS Teams 3. Managing Systemic Risks in the Time of Pandemic – What has Changed since the Global Financial Crisis, by BSP, September 29, 2020 via Webex
Silvius Von Lindeiner	Distinguished Corporate Governance Speaker Series by ICD, March 11, 18, and 25, 2021 via Zoom

PERFORMANCE EVALUATION

The Board conducts an annual self-assessment of its members’ performance, Board performance, and performance as members of various Board Committees based on the following criteria:

	PROCESS	CRITERIA
Board of Directors	Self -Assessment	<ol style="list-style-type: none"> A. Board Structure B. Specific Duties and Responsibilities of the Board of Directors C. Specific Duties and Responsibilities
Board of Committees	Self-Assessment	Assessment is based on Responsibilities in the Committee Charters: <ol style="list-style-type: none"> A. Investment Committee Charter B. Corporate Governance, Nomination, and Compensation Committee Charter C. Executive Committee Charter D. Audit, Compliance, and Risk Management Committee Charter E. Related Party Transactions

Portions of the Board Performance Evaluation form also include the specific self-assessments answered only by the Chairman of the Board and the CEO. The Corporate Governance Nomination Compensation Committee (CGNC) sends these assessment forms to every director, collects the completed forms, prepares a summary report, and conducts an annual deliberation of the respective individual and committee performances.

BOARD REMUNERATION AND REMUNERATION POLICY

The remuneration structures of the Board take into account the individual functions and responsibilities of the Board members such as Chairman, Vice-Chairman, or Committee Mandates.

Each member of the Board shall be entitled to receive compensation (per diem) and an annual bonus for service rendered as Director. The attending directors/advisors shall only be entitled to per diem for meetings that constitute a quorum. All fees are net or after applicable withholding tax.

The Board received a total of Php9,941,400.47 representing per diems and bonuses for the year 2020.

For officers, the remuneration policy applies consistent remuneration principles to ensure appropriateness and alignment with legal requirements and prevailing market conditions. Any remuneration commitments on behalf of the company follow the applicable authorization rules and are subject to the “4-eyes principle”. No person must be involved in decisions which concern his/her remuneration.

We measure performance in an annual process which includes the key steps of agreeing to priorities, regular feedback, and year-end performance assessment. Our performance is calculated as a separate element of performance. We also use the framework of Objective Key Results (OKR) to measure performance and these are shared and transparent goals across the organization.

The Corporate Governance, Nomination, and Remuneration Committee is responsible for the review and approval of local Remuneration strategy on executive

remuneration packages of corporate officers and Directors, and provide oversight over the remuneration of senior management and other key personnel, ensuring that compensation is consistent with our culture, financial capacity, business, strategy and control environment. Our compensation plans are benchmarked and reviewed regularly against the market.

DISCLOSURE AND TRANSPARENCY

We believe in high-quality disclosure and transparency for the exercise of ownership responsibilities by shareholders. It also helps the public understand the Company’s activities, policies, and performance with regard to environmental and ethical standards as well as its relationship with stakeholders and communities affected by its operation. This is likely to lead to a more conducive environment for the adoption of policies oriented towards sustainable growth.

COMMUNICATION

We ensure to provide information to our employees, policyholders, and the public about the latest information and development through our internal communication channels such as email announcements, memos, or other written communication. Such information is also available on our company website.

Our clients are always welcome to contact our Customer Service group. This is a proven communication channel that helps create great customer experience. Our Market Management Division makes sure that existing and future clients are well informed resulting in a better brand experience.

CORPORATE GOVERNANCE

RELATED PARTY TRANSACTIONS

Our Board, Management, and staff commit to adopt and adhere to the Policy Guidelines on Related Party Transactions (RPTs). We recognize the importance of establishing and maintaining policies and procedures governing transactions between related parties to ensure that these are only undertaken on an arm's length basis for the financial, commercial, and economic benefit of the Company and the entire group to which the Company belongs. The RPT provides that the Company shall identify and prevent or manage potential or actual conflicts of interest which may arise. Directors and officers with personal interest in the transaction shall abstain from the discussion, approval, and management of such transaction or matter affecting the Company. Employees, Officers, or Directors who have been remiss in their duties in handling RPTs shall be dealt with in accordance with the Code of Business Conduct.

The Board, through the RPT Committee (RPTC), exercises appropriate oversight in the implementation of these guidelines.

Details of the material RPT are discussed under Audited Financial Statement.

TIMELY DISCLOSURE OF FINANCIAL REPORTS

We believe that transparent and accurate reporting of operating and financial results, major business decisions, and developments give our shareholders the relevant inputs to make sound investment decisions. As such, we are committed to full, fair, accurate, timely, and understandable financial statements, public reports, and communications. Each Financial Professional is subject to and in dependence of its specific professional role within Allianz PNB Life responsible for establishing and maintaining effective disclosure controls and procedures, and internal controls and procedures for financial reporting.

In February 2021, the Board approved our Audited Financial Statements (AFS) for the period ending 31 December 2020. The results of the audit showed that our AFS audited by our external auditor as of December 31, 2020, and 2019, present fairly, in all material respects, its financial performance and its cash flows for the years ended in accordance with the Philippine Financial Reporting Standard (PFRS).

DIVIDEND POLICY

Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board may determine and in accordance with law and applicable rules and regulations of the Insurance Commission. We will declare as dividends those profits which are lawfully available for distribution by the Corporation and which are in excess of what is required to be retained as capital to support the Business Plans and the Corporation's capital policy

AUDIT

We have an Internal Audit Department whose main function is to provide independent, objective assurance and consulting activity designed to add value and improve our operations. It accomplishes its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. It is headed by a Chief Audit Executive (CAE) appointed by the Board. To maintain its independence, the CAE reports functionally and directly to the Audit, Compliance, and Risk Management Committee (ACRMC) and administratively to the President and CEO.

The Internal Audit Policy provides the following:

- Rationale and Scope of application
- General Principles of Internal Audit and Allianz Group
- Specific requirement of the Internal Audit Function

- Internal Audit activities and Processes which include an establishment of an audit universe and deriving an audit plan, performance of Internal audit, audit report, follow up, providing advice and establish audit-related principles and procedures
- Governance
- Roles and responsibilities.

Its Audit Universe is defined and revised annually based on a risk-based approach. We use a five-year audit cycle. From the risk assessment, the annual audit plan is established and approved by the President and CEO and the Audit, Compliance, and Risk Management Committee (ACRMC).

The CAE reports on a regular basis to the ACRM on the results of its completed audits including its audit findings and recommendations to improve the company's internal controls. Internal Audit also provides consulting activity to Management to improve the business processes of the organization. Based on our Audit Policy, outsourcing of the Internal Function to external providers is not permitted; any exception must be pre-approved in writing by the Head of Group Audit.

Internal Audit is headed by Gregorio Aniano E. Balatan, Assistant Vice-President (AVP). He is a Certified Internal Auditor (CIA) and a Certified Public Accountant (CPA). He has over 19 years of experience in the field of Internal Auditing gained from Banking, Telecommunications, Distribution, and Insurance. He was the Compliance Officer of the company from 2013 to 2020.

Audit and Non-Audit Fees

For 2020, PwC-Isla Lipana & Co. was appointed as our external auditor. The audit fees incurred for its services amounted to Php933,523.84 inclusive of OPE and VAT. Meanwhile, no non-audit service was performed by PwC-Isla Lipana & Co in 2020.

COMPANY POLICIES AND PROCEDURES**ANTI-BRIBERY AND CORRUPTION POLICY**

Our corporate reputation is based on the trust that our clients, shareholders, employees, and the general public place on our integrity. The Allianz PNB Life Code of Conduct for Business Ethics and Compliance contains strict prohibition against corruption and bribery. We are also committed to complying fully with local and international anti-corruption and anti-bribery laws as part of our efforts to maintain strong and effective compliance controls. This includes our strict prohibition against the offer, acceptance, payment, or authorization of any bribes and any other form of corruption, whether given in the private sector or to a local or foreign government official in the public sector. We also demand transparency and integrity in all of our business dealings to avoid any improper advantage or the appearance of questionable conduct by our employees or third parties with whom Allianz PNB Life does business.

The Allianz Anti-Corruption Policy is one of the key components of the Global Anti-Corruption Program. Together, the Program and the Policy connect a number of related policies and controls designed to help Allianz PNB Life effectively manage key risk areas for corruption in both the public and private sectors.

ANTI-MONEY LAUNDERING AND COUNTER-TERRORIST FINANCING

Allianz PNB Life is fully committed to the international fight against money laundering and the financing of terrorism and applies a risk-based "know-your-customer" policy in line with applicable laws and regulations. The prevention of financial crimes is our top priority, not only because these crimes pose a significant threat to our reputation, but also because they weaken the integrity of the global financial system. We maintain an Anti-Money Laundering and Terrorist Financing Prevention Program designed to ensure that we comply

with the requirements and obligations set out in Philippine legislation, rules, regulations, global best practices, and that adequate systems and controls are in place to mitigate the risk of being used to facilitate financial crime. We have institutionalized policies, procedures, and control measures in ensuring that we do not allow the Company to be used as a laundering site for the proceeds of any unlawful activity. We fully cooperate with concerned government agencies mandated by law to prevent money laundering activities.

DATA PRIVACY

We are strongly committed to conducting business in full compliance and in accordance with applicable data privacy and protection laws and regulations. In doing so, we strive to safeguard the personal data of individuals, protect the Allianz Group, and promote confidence in Allianz as a trusted provider of financial products and services. We shall protect the privacy and data protection rights of our employees, customers, business partners, and third-party individuals. We maintain a Data Privacy policy that is designed to facilitate adherence to applicable data privacy and protection laws and regulations which govern the processing and transfer of personal data.

Our Privacy Notice is available at the company website at <https://www.allianzpnblife.ph/privacy-notice.html>

Meanwhile, Data Privacy concerns may also be emailed to protectprivacy@allianzpnblife.ph

ANTI-FRAUD AND ANTI-CORRUPTION

We do not tolerate any attempts of fraud or corruption. We maintain a "zero tolerance" principle for fraud and corruption. Our Anti-Fraud Policy provides the standards for all departments relating to fraud prevention, detection, and response which apply to our employees, divisions, departments, and regional business centers of the Company.

CODE OF CONDUCT

The Code of Conduct reflects our values and principles and gives guidance to our actions and decisions. It provides standards of professional conduct and ethics within the organization wherein we are reminded of our commitments to operating in a culture where: 1) We treat each other with respect; 2) We act with integrity; 3) We are transparent and we tell the truth; and 4) We take ownership and responsibility.

The Board, the Senior Management, and all our employees are required to comply with this Code of Conduct. Everyone is encouraged to speak up on any concerns about possible ethical violations or alleged non-compliance with the Code of Conduct and shall be referred to the appropriate channel including the Board of Directors, Compliance, and Human Resources Department for proper investigation.

Implementation of the Code of Conduct is demonstrated through the establishment and compliance with the various Allianz PNB Life policies, standards, and functional rules/directives. Further, all employees are required to complete on-boarding and refresher training on Code of Conduct which includes discussion of various company policies relative to it.

CONFLICT OF INTEREST (COI)

It is of critical importance that we are able to identify actual or potential conflicts of interest and manage them in a fair and appropriate manner. Our COI Policy provides guidelines on what constitutes a conflict of interest and incorporates best practice standards regarding the identification, assessment, prevention, ongoing management and mitigation of conflicts of interests which entail a risk of damage to the interest of the company, our employees and customers.

RULES AROUND INSIDE INFORMATION

Non-public and sensitive information must be treated with confidentiality and may only be acted on or shared if the transfer of information is necessary for legitimate business reasons (“Need-to-know Principle”). Questions on how to handle inside information are being referred to the Compliance department. Rules around inside information are also based on the Allianz Group Standards for Capital Markets Compliance.

PROCUREMENT POLICY AND SUPPLIER SELECTION CRITERIA

We have put into place a framework of policies, processes, and set principles for managing all procurement activities within the company. The standard provides the core professional, procedural and organizational requirements of how to collaborate and act with external and internal parties throughout the supply chain process. This requires all stakeholders to work collaboratively to ensure the following objectives:

1. Ensure that the use of company funds is business-related and prohibit any inappropriate use of Allianz PNB Life funds
2. Strengthen negotiation power
3. Reach optimal terms and conditions
4. Optimize the quality of procurement processes and rules in accordance with the Code of Conduct, laws, and regulations
5. Ensure transparency, compliance, and security, achieving standardization in the execution of sourcing and procurement

The main principles of the standard include:

1. Best value for money
2. Transparency, compliance, and risk management
3. Involvement of procurement
4. Strengthening of the buying power of Allianz group
5. Dealings with Suppliers

At Allianz PNB Life, it is important that the supplier selection process must be objective and transparent. The supplier selection decision should be based on evaluation decisions that includes, but are not limited to the supplier’s integrity and performance through the Vendor Integrity Screening (VIS) which includes predefined qualitative and quantitative thresholds, its terms and conditions, excellent customer service, quality of products and services, ability to meet company requirements, compliance with the company’s Standards for Procurement, Related Party Transactions Policy, Anti-Corruption Policy, Risk Policy, Group Outsourcing Policy, Vendor Code of Conduct & regulatory requirements and sustainability aspects.

INVESTMENT CODE OF ETHICS

We adhere to the high investment standards and principles as set out in our Allianz Standard for Insurance Investment Assets. This outlines the following principles and rules, among others, which apply to investments of own financial assets, both direct investments as well as indirect investments through holding companies or funds:

PRUDENT PERSON PRINCIPLE: This comprises the rules concerning the due diligence and quality of processes, the care, skills and delegation, and security, liquidity, profitability, and availability of the investment portfolio.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (ESG) FACTORS: The management of Insurance Investment Assets shall take into account broader environmental, social, and corporate governance impacts of the investments.

ECONOMIC VIEW (LOOK-THROUGH) PRINCIPLE: The fundamental principle for all investment decisions is the economic assessment of the risk-return profile. We apply a look-through with respect to our entire portfolio of insurance investment assets, notwithstanding regulatory rules for the calculation of solvency capital requirements.

We adhere to the Allianz Risk Management Framework with respect to our whole portfolio. All relevant internal corporate rules and external laws and regulations governing assets/ investments have to be considered.

CREDITOR’S RIGHTS

We are committed to meet our contractual obligations with suppliers/creditors and third-party service providers in accordance with the terms and conditions of the contract. The standards and policies aim to protect our reputation for acting responsibly and with integrity at all times in dealings with our customers, suppliers, creditors, and competitors. It is every employee’s responsibility to protect the interest and integrity of Allianz PNB Life and maintain the highest standards of conduct to promote a high level of employee and corporate performance.

Allianz PNB Life places high importance on complying with the required turnaround time to ensure timely processing of payments to its suppliers.

WHISTLEBLOWING POLICY


We believe that good corporate governance is the responsibility of everyone. Disclosure and transparency are not only expected of the Company, its officers, and employees but for the stakeholders as well. As such, we provide an avenue for all customers and stakeholders to offer feedback about us and our operations through Speak-up, an Allianz PNB Life Guideline on Whistleblowing. This is to ensure that illegal or improper conduct within the Company or in the name of an Allianz entity can be addressed appropriately within Allianz. This protects us and our subsidiaries, employees, and other stakeholders globally from the results and effects of illegal or improper conduct.



We do not tolerate retaliation in any form. As long as the concerns are raised in good faith, even if it turns out the person who reported was mistaken, he will not face negative consequences for speaking up.


Speak up facilities maintained by Allianz PNB Life are as follows:

- a. Ethics.hotline@allianzpnblife.ph
- b. Compliance@allianz.com
- c. Call (02) 8555-4979

For concerns and complaints, you may contact us using the details below:

 9th Floor, Allied Bank Center
6754 Ayala Avenue corner Legaspi Street
Makati City, Philippines

 Customer Helpline: 8818-4357 (HELP)
Head Office Trunkline: 8818-5433 (LIFE)
 Fax: 8818-2701
Domestic Toll-Free Number: 1-800-10-818-4357
Makati Central Office P.O. Box 3191

 Email: info@allianzpnblife.ph
ethics.hotline@allianzpnblife.ph



BOARD OF DIRECTORS



DR. LUCIO TAN
CHAIRMAN/NON-EXECUTIVE DIRECTOR
FILIPINO, 85

Dr. Lucio Tan is the Chairperson of the Board of Directors of Allianz PNB Life Inc. He was first elected as the Chairperson in July 2017.

As the founding pillar of LT Group Inc., he currently serves as its Chairman and CEO, including that of PAL Holdings, Inc. and MacroAsia Corporation and its subsidiaries. He also holds the top executive office of the following companies: Chairman and President of Tangent Holdings Corporation, Chairman of Eton Properties Philippines Inc., Eton City Inc., Tanduay Distillers' Inc., Philip Morris Fortune Tobacco Corporation (PMFTC), PNB Holding Corp., Allied Bankers Insurance Corp, Allied Commercial Bank, Allied Banking Corporation (HK) Ltd., and Absolute Distillers Inc. He serves as the current director of Philippines National Bank and President of Basic Holdings Corp., Himmel Corporation and Grandspan Development Corp.

Dr. Tan is not only a prominent business legend; he is also an important figure in social development by being the Chairman-Emeritus of federation of Filipino-Chinese Chambers of Commerce and Industry, Inc., Founder and Vice Chairman of the Foundation for Upgrading the Standard of Education Inc. and founder, Chairman and President of Tan Yan Kee Foundation, Inc.

In recognition of his valuable contributions to Philippine education, Dr. Tan was conferred with several honorary Doctorates from various universities. Dr. Tan earned his Bachelor of Science in Chemical Engineering degree from Far Eastern University.



ALEXANDER GRENZ
EXECUTIVE DIRECTOR
GERMAN, 43

Alexander Grenz is currently the President and CEO of Allianz PNB Life Inc. after serving as its Chief Operating Officer for three years.

Prior to joining the company as an Executive Director in May 2019, he held various roles in Allianz entities for over 15 years, including being Chief Integration Officer, Head of Strategic Project Development and Regional Head of Bancassurance and Partnership Developments in Allianz Asia Pacific, and Deputy CEO and COO of Allianz Russia Life. He also worked as the Regional Head of Life & Health Central & Eastern Europe, Middle East and Africa of Allianz Group and Senior Consultant European Pensions of Allianz SE.

Alex graduated from the University of Applied Sciences, Regensburg, Germany with a degree in Business Administration specialized in Banking, Investment and Financial Management.



JOSE ARNULFO "WICK" A. VELOSO
NON-EXECUTIVE DIRECTOR
FILIPINO, 55

Jose Arnulfo "Wick" A. Veloso serves as a non-executive director and was first elected as director on February 27, 2019. He is the President and CEO of Philippine National Bank and is currently the President of the Bankers Association of the Philippines (BAP).

He has over 33 years of banking and capital markets experience, of which 24 years were with HSBC, both in its Asian headquarters in Hong Kong and in the Philippines. He also worked for other local and foreign banks and was Director and Chairperson of the Open Market Committee of BAP, Philippine Dealing and Exchange Corporation, and the Philippine Securities Settlement Corporation. He was a Director of the British Chamber of the Philippines and President of the Money Market Association of the Philippines.

He also served as a director of the Association of the Philippines, European Chamber of Commerce in the Philippines, and the Philippine Payments Management Inc. and was a member of the Management Association of the Philippines.

He graduated from De La Salle University with a degree in Marketing Management.



SEN CHEW LUA
NON-EXECUTIVE DIRECTOR
SINGAPOREAN, 49

Sen Chew Lua is a non-executive director and was first elected as director on June 21, 2019.

He is the Head of Business Development of Allianz SE Asia Pacific, and a member of the Board of Directors of Allianz Asia Holding Pte Ltd., Allianz Digital Services Pte Ltd., and Allianz Advisory Pte Ltd. Prior to joining Allianz, he was the Head of Mergers & Acquisitions/Financial Institutions Group and Director of SEA Corporate Finance of BNP Paribas, Singapore. He also served as an Executive Director and Head of Corporate Advisory Group of UBS AG Singapore Branch.

Sen Chew holds a Bachelor of Business degree from Nanyang Technological University, Singapore.



ANUSHA THAVARAJAH
NON-EXECUTIVE DIRECTOR
MALAYSIAN, 54

Anusha Thavarajah is a non-executive director and was first elected as director on December 13, 2019.

She is currently the Regional Chief Executive Officer for Life and Health of Allianz Asia Pacific. She also serves as a member of the Board of Directors of Allianz Taiwan Life Insurance Co Ltd., Allianz China Life Insurance Co Ltd (AZCL), Allianz Life Insurance Malaysia Berhad, and Allianz Ayudhya Assurance Public Company Limited.

Anusha has over 30 years of experience in the financial services industry having served in various senior leadership roles in UK, Hong Kong and Malaysia. Prior to her present roles, Anusha was the Chief Executive Officer of AIA Bhd. She held positions as a Board Member, Deputy General Manager, Finance & Actuarial, Deputy General Manager, Operations, Finance & Actuarial and Vice President, at AIA Berhad and Regional Business Development Director of the AIA, Group. She also worked as Deputy CEO & CFO and Chief Actuary and Head of Product Development at ING Insurance Berhad, Malaysia. Anusha was also the President of the Life Insurance Association of Malaysia, Chairperson of the Malaysian Insurance Institute.

Anusha graduated with First Class Honours and holds a Bachelor of Science degree in Mathematics & Statistics at the University of Birmingham, United Kingdom. She is also a Fellow of the Institute of Actuaries, United Kingdom and Fellow of the Malaysian Insurance Institute.



FEDERICO PASCUAL
INDEPENDENT DIRECTOR
FILIPINO, 78

Federico Pascual has served as an Independent Director since being elected on June 5, 2016. He is also a member of the company's Audit, Risk Management, Compliance, Investments, Related Party Transactions, Corporate Governance, Nomination, and Remuneration Committees.

He currently serves as Independent Director of Philippine National Bank, PNB Savings Bank, PNB Holdings Corporation, PNB-Mizuho Equipment Rentals Corporation, and PNB International Investments Corporation. He is the Chairman of Bataan Peninsula Educational Institution, Inc.; President/Director, Tala Properties, Inc. and Woldingham Realty, Inc.; Director of Apo Reef World Resort, Inc., Sarco Land Resources Ventures Corporation and Global Energy Growth System. He is also the owner of Green Grower Farm and Partner in University of Nueva Caceres, Inc., Bataan Branch.

He holds a Bachelor of Arts degree at the Ateneo de Manila University and Bachelor of Laws (Member, Law Honors Society) at the University of the Philippines. He also completed his master's degree in Law at the Columbia University.



SILVIUS VON LINDEINER
INDEPENDENT DIRECTOR
GERMAN, 72

Silvius Von Lindeiner has been an Independent Director of Allianz PNB Life Inc. since his election on June 5, 2016. He chairs the Audit, Risk Management, and Compliance Committee, Investments Committee, Related Party Transaction and Corporate Governance, Nomination and Remuneration Committees of the Company.

Silvius also has over 40 years of experience in the insurance industry holding leadership positions in Munich, Singapore, Kuala Lumpur, Malaysia and Manila. Prior to his directorship in the company, Silvius served as CEO at Gallagher Re (Labuan) and Swiss Re Malaysia Branch, both reinsurance companies. He was a Technical Adviser at Aon Benfield Insurance Brokers in Malaysia, Adviser to the Board of Malakut Insurance Services Limited (London, UK). He also served as an Independent Non-Executive Director at Kurnia Insurans (M) Berhad.

Silvius studied Law, Sinology, Political Science and English Literature at Munich University.



FLORENTINO HERRERA III
CORPORATE SECRETARY
FILIPINO, 69

Florentino Herrera III was appointed as Corporate Secretary in April 2016.

He is the Founding Partner of Herrera Teehankee & Cabrera Law Offices and was engaged in the general practice of law for the past 42 years, specializing in corporate law practice as counsel for various companies. He served as a Partner of one of the largest law offices in the Philippines; a Senior Adviser of CVC Asia Pacific Limited; Director of Philippine Airlines, Inc.; Lufthansa Technik Philippines (LTP), Inc.; and Alphaland Corporation. He was also the Corporate Secretary of MacroAsia Corporation, among others.

He graduated Cum Laude and Salutatorian at the University of the Philippines where he obtained his Bachelor of Arts in Political Science and Bachelor of Laws degrees.

SENIOR MANAGEMENT



ALEXANDER GRENZ
President and CEO
German, 43

Please refer to Board of Directors, page 30.



CHRISTOPHER A. CABOGNASON
Chief Distribution Officer
Filipino, 47

Chris has been the Chief Distribution Officer of Allianz PNB Life since July 9, 2018. Prior to his position, he served as Chief Bancassurance Officer and Director at PSBank. He was also the Bancassurance Sales Team, People Development and Channel Support Head at AXA Philippines; Vice President-Head of HR and Operations at BPI-Philam Life Assurance Corp.; Vice President and HR & Training Director/Compliance Officer at Philam Equitable Life Assurance Co. Inc.; Senior Manager for People Development, Business Development Manager, Sales Head, and Training Officer at Berkley International Philippines; and Management Trainee at Ayala Life Assurance Inc. He has a Master's degree in Business Administration from the De La Salle University and a Bachelor of Arts degree, major in Philosophy (magna cum laude), and a Bachelor of Science in Education degree (cum laude) from Don Bosco College.



EFREN C. CARINGAL JR.
Treasurer, Chief Finance Officer, and Chief Investment Officer
Filipino, 40

Efren concurrently holds the posts of Treasurer, Chief Finance Officer, and Chief Investment Officer at Allianz PNB Life since July 18, 2016. His previous posts are the following: Regional Head of Risk-Life, Allianz SE Singapore Branch; Chief Risk Officer, Allianz Global Life Ltd.; VA Risk Manager, Allianz Re Dublin, Ltd.; Risk Manager, Allianz SE; Head of Risk Management, Head - Life & Health Products; Manager - Life & Health, Allianz Tafakul in Bahrain and Qatar; Vice President for Actuarial & Customer Relations and Assistant Vice President for Actuarial & Policyholder Services, Knights of Columbus Fraternal Association of the Philippines, Inc. He also serves as an Associate of the Actuarial Society of the Philippines. Efren has an Actuarial Science Postgraduate Diploma from the University of Leicester, United Kingdom. He also has a Bachelor of Science in Mathematics degree from the University of the Philippines.



AMOR DATINGUINO
General Counsel and Chief Compliance Officer
Filipino, 50

Amor has been the General Counsel and Chief Compliance Officer of the Company since October 20, 2016. Her civic duties involve being a Member of the Data Privacy Council, Life Insurance Sector (under the auspices of the National Privacy Commission), and Co-Founder of Passcase Inc. Her previous posts are the following: Vice President and Head of Legal & Compliance, Manulife Philippines; Vice President and Chief Compliance Officer, Sun Life of Canada (Philippines), Inc.; Head-Legal, Compliance and Operational Risk and Head-Legal & Compliance, AXA Philippines; Regulatory Officer, Philippine Dealing System Group; and Vice President and Founding Director, Legal Education Online, Inc. She placed 9th place at the 1996 Philippine Bar Examinations after obtaining a Bachelor of Laws and a Bachelor of Science degree in Economics from the University of the Philippines.



WON-KYUN (PAUL) CHANG
Chief Operating Officer
Korean, 50

Paul has been the Company's Chief Operating Officer since July 15, 2019. Prior to his post, he was Chief Digital Officer, COO, and Chief Information Officer at ABL Life Insurance Korea, Ltd. and Allianz Life Insurance Korea, Ltd. He also served in various capacities at ING Life Insurance Korea, Ltd. He also worked as Leader of IT-Technical Group at Roonets Co., Ltd.; and Technical Leader at LG-EDS Systems. He earned a full scholarship from ING Life Korea and graduated with a Master's degree in Business Administration (insurance business administration) from Ajou University and a Bachelor of Arts degree in Chinese from Hankuk University of Foreign Studies.

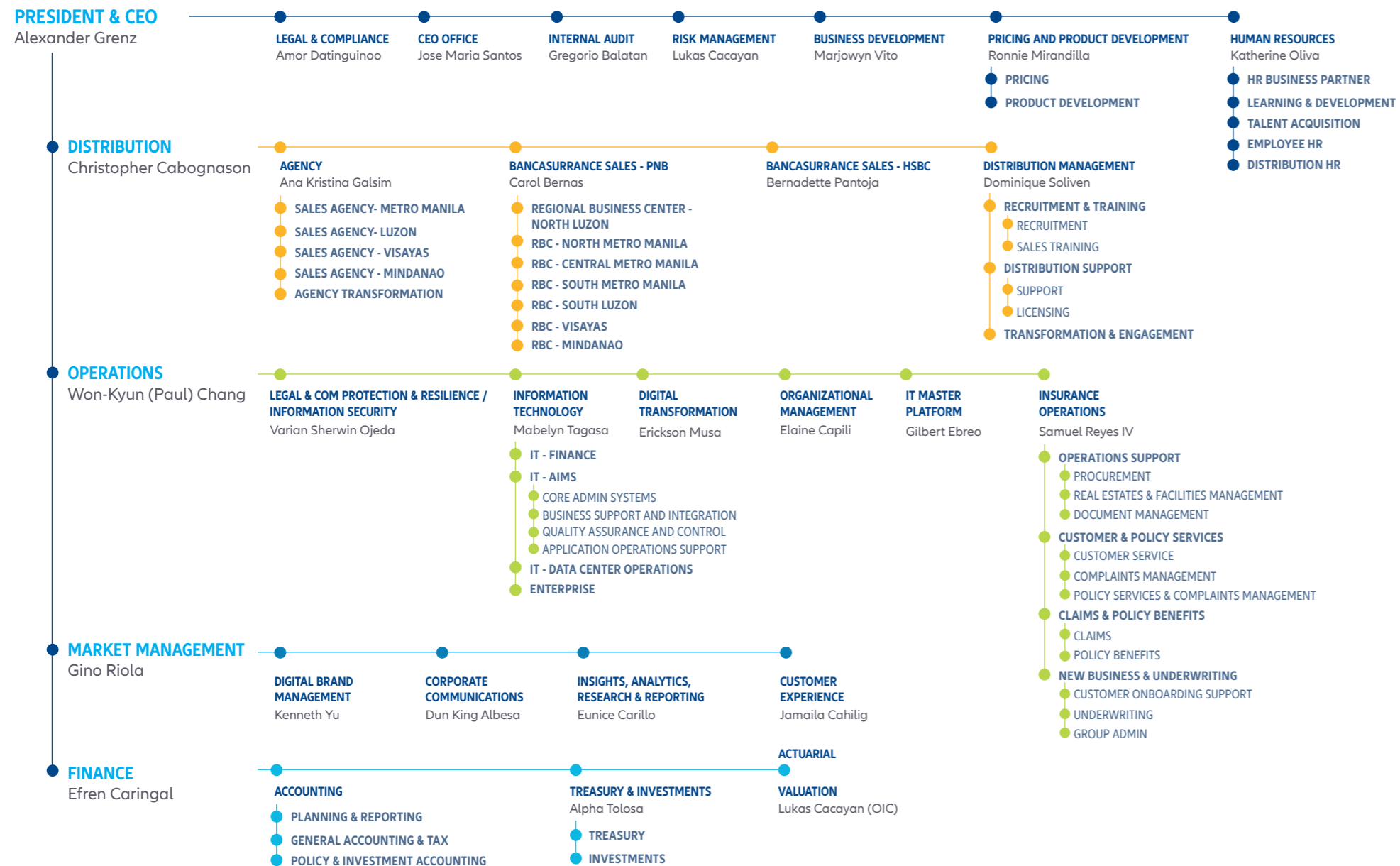


GINO CARLO RIOLA
Chief Marketing Officer
Filipino, 45

Gino has been Chief Marketing Officer since July 2020 and is responsible for Brand and Digital Marketing, Research and Analytics, Corporate Communications, Customer Experience, and Sustainability. His previous posts include: Head of the Allianz Asia Pacific Market Management Regional Centre of Excellence; Chief Sales and Marketing Officer, Allianz Partners, Canada; Vice President, Sales and Marketing, Co-operators Insurance, Canada. Gino joined the insurance industry as an Allianz International Management Trainee in 1998. He trained in Germany, Singapore, and the UK and took on assignments in Allianz operating entities in Malaysia, the Philippines, South Korea, China, and India before moving to Canada and eventually returning to Asia in 2018. He has a Master's in Business Administration from the Richard Ivey School of Business, Canada; Direct Marketing Diploma, Institute of Digital and Direct Marketing, UK; Double Major: Bachelor of Science in Management Engineering, Ateneo de Manila University, Bachelor of Arts in Economics, Ateneo de Manila University.

ORGANIZATIONAL STRUCTURE

As of December 31, 2020



9th Floor Allied Bank Center
6754 Ayala Avenue, Makati City
1229 Metro Manila

www.allianzpnblife.ph

