



Game

Changer

FWD Philippines Annual Report 2015

Get ready to live
FWD.COM.PH



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About FWD

We're here to change the way people feel about insurance by helping them embrace the things they want out of life.

Whether it's for life protection or building wealth, we're here to empower people to do more today and fear less about the future. To start doing more of the things that excite them.

Live without hesitation.

Start
doing
more

FWD Group

FWD Group spans Hong Kong & Macau, Thailand, Indonesia, the Philippines and Singapore, offering life and medical insurance, employee benefits, and general insurance across a number of its markets.

FWD is focused on creating fresh customer experiences, with easy-to-understand products, supported by leading digital technologies. Through this customer-led approach, FWD will achieve its vision to become the leading pan-Asian insurer that changes the way people feel about insurance.

Established in Asia in 2013, FWD is the insurance business arm of investment group, Pacific Century Group.

Growing

Pan-Asian

footprint





Changing the way

people feel

about insurance

In the Philippines

FWD Life Insurance Corporation (“FWD Life”) is the first life insurance company licensed by the Insurance Commission of the Philippines under the new Insurance Code. FWD launched its commercial operations in September 2014. After its first full year of operations in 2015, FWD Life now ranked #13 in terms of total premium income according to the Insurance Commission’s end-2015 report¹. From Hong Kong to Macau, Thailand to Indonesia, and now in the Philippines, FWD is here to continue expanding their product propositions ranging from premium life insurance to wealth and financial planning services.

We are focused on creating fresh customer experiences with easy-to-understand products, supported by leading digital technologies.

Partnered with Security Bank Corporation, the 5th largest private domestic universal bank in the country with Php532 billion in assets², to roll out FWD Life Insurance products in all Security Bank branches nationwide.

The partnership was recognized with an award as “Best Bancassurance” at the 2016 Retail Banker International (RBI) Asia Trailblazer Awards held in Singapore³.

¹http://www.insurance.gov.ph/htm/..%5C_@dmin%5Cupload%5Cstatistics%5CRanking_Life_Premium2015.pdf

²<https://www.securitybank.com/news/security-bank-posts-all-time-high-net-income-of-php-7-7-billion-in-2015-for-15-2-roe/>

³<https://www.securitybank.com/news/security-bank-wins-highly-commended-best-bancassurance-at-retail-banker-international-awards/>



Message

Boards

We're changing the way people feel about insurance. As a new player in the Philippines, we are changing the game through our innovative, intuitive and relevant propositions. We are FWD and we are playing to win.

Message

from

the

Chairman

Dear fellow stakeholders,

I am proud to share with you the great news that 2015 was a phenomenal year for FWD Philippines. We grew our new business and exceeded expectations, significantly performing in the Philippine insurance industry. Our commitment to developing relevant and intuitive product propositions as well as our focus on delivering delightful customer experiences underpinned this growth.

With our passionate and talented employees, focus on innovation, and commitment to grow stronger multi channel distribution, we have laid a solid foundation to grow the business, as we continuously protect our stakeholders' interests.

FWD Philippines' commitment to outstanding corporate citizenship is inspired by FWD Group's overall CSR thrust: to contribute to the financial sustainability of communities which it operates.

Most notably, our support to DIWATA's Solar Lolas initiative, where both senior leadership team and staff members alike actively participated, has given us a unique and opportunity to truly make a difference.

Our first-year performance has paved the way for the Company to be on the right track towards achieving our "top 5 in 5" business objective (to become top 5 life insurance company in 5 years).

In addition, the Philippines is now regarded by global economic analysts as Asia's Rising Tiger. The rising GDP, improved political landscape partnered with business-friendly governance, and increase in the average Filipino's disposable income will contribute to higher demand for life insurance products. We are in a position to meet this demand as we seek to improve our product suite, offering simple, relevant, and intuitive propositions to Filipino consumers.

FWD Philippines is in the right position to leverage these growth opportunities. In particular, this holds true as we launch our digital direct-to-consumer channel and continually fine-tune our customer experience strategies. Through these efforts, we are dedicated to meet the changing needs and expectations of customers in today's fast-paced digital world.

2015 was an important year towards fulfilling our part in FWD Group's ambition to become a leading pan-Asian life insurer, that changes the way people feel about insurance.

I thank all stakeholders, customers, and business partners for their unwavering support and trust in our vision. Likewise, my appreciation goes to our people — aptly called "FWD Warriors" in the Philippines — for their passion and commitment to the overall success of FWD.



Julian McQueen Lipman
FWD Group Chief Operating Officer
FWD Philippines Chairman of the Board



Message from the CEO

Dear friends of FWD,

It is with great pleasure that I share with you the significant progress that the Philippines (FWD) has made throughout 2015, our first full year of operations. With our singular vision to “change the way people feel about insurance” we have embarked on a structured program of operating and product innovation and simplification, aimed at delivering an enhanced customer experience, guided by clear strategic priorities and driven by the individual and collective team work of our passionate management team and staff.

In 2015, FWD established itself as the fastest growing life insurance company in the Philippines; as at the start of the year, FWD was ranked #29¹ in terms of total premium income, and by December, we had risen to #13¹ achieving growth in first year new business sales not previously achieved in the industry.

By the end of 2015,

- We covered almost 10,000 Filipino customers
- Total revenue (premium income) for the year reached PHP2.31 billion
- Total assets increased by 135% to PHP 3.7 billion
- Risk based capital was 2,078%



- Our Head Office employees grew from 88 to 137
- Our Financial Solutions Consultants based in Security Bank branches grew from 33 to 113
- Our Agency force grew across Luzon, the Visayas and Mindanao from 417 to 1,365
- We opened 2 new provincial business hubs in Cagayan de Oro and Cebu
- Our social media activation took off Facebook page connecting with 276,000 fans, the highest in the industry.

Our strategic Bancassurance partnership with Security Bank Corporation (SBC) has made significant progress and was a major contributor to our first-year success. Our professional sales force now supports SBC's growing retail customer base in more than 260 branches nationwide and we have already been recognized with a prestigious award at the 2016 Retail Banker International (RBI) Asia Trailblazer Awards held in Singapore.

Our brand awareness continues to grow and there is an increasing recognition that we are a different type of life insurer, one that champions the celebration of life and we have successfully launched a number of exciting brand and marketing campaigns encouraging Filipinos to live life without hesitation!

Our achievements are ultimately down to our people, who have made all of our first year triumphs, whether big or small, possible. FWD remains committed to maintaining the well-being and motivation of our team, all of whom embrace our unique, forward-thinking approach which underpins our #GetReadyToLive brand attitude:

“We Dare to be Different”, “We Do the Right Thing”, “We Perform with Passion”, and “We Succeed Together”.

FWD Philippines' outstanding performance over the past 12 months can be attributed to a concerted effort to align our vision and values with executional excellence which has laid the early stage foundations for achieving our business goal of becoming a leading life insurer in the years to come.

We accomplished many of our initial goals in 2015 but the real challenges lie ahead. We are changing the way Filipinos feel about insurance.

Get ready to live!



Peter Grimes

FWD Philippines President & Chief Executive Officer

¹source: http://www.insurance.gov.ph/html/.%5C_admin%5Cupload%5Cstatistics%5CRanking_Life_Premium2015.pdf



FWD

milestones



FWD Philippines



Granted in April 2014 the first life insurance license issued in the Philippines in nearly ten (10) years with Php1 billion paid-up capital

Nearly 10,000 customers



Over 1,300 tied agents



Over 270 employees



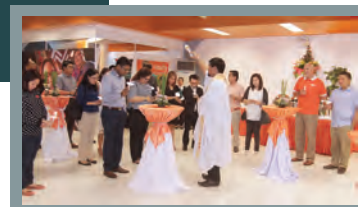
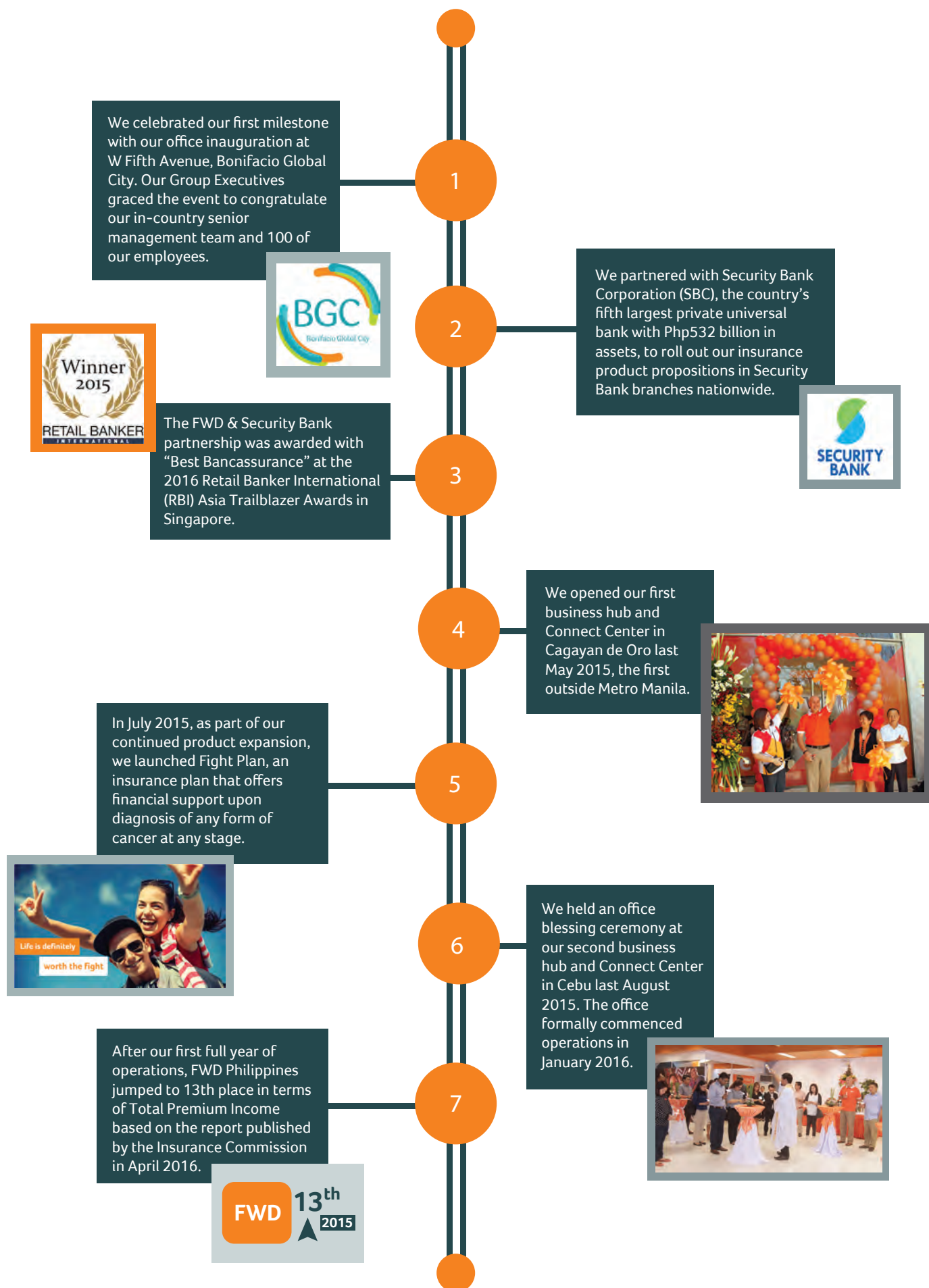
Partnered with Security Bank



Opened for business on September 15, 2014



Life Insurance





Review of Operations

Product

Propositions



FWD Philippines aims to offer simple, relevant, and affordable insurance product propositions. We began operations in September 2014 offering two variable unit-linked insurance products, the single-pay **All Set** plan and the regular-pay **Set for Life** plan.

With **Set for Life**, customers are given the flexibility to decide the coverage they need. They may set aside at least Php18,000 per year for 5 or 10 years. This gives them protection until they reach 100 years old. The product also has an investment component that allows them the flexibility to decide what investment fund they would like to invest in. This gives them the opportunity to watch their savings grow. **Set for Life** policyholders may also put more funds in their policies through top-up premiums, maximizing protection for their and their loved ones' sake.

All Set, on the other hand, gives customers lifetime protection for a minimum single premium of Php100,000. This frees them from the worries of continuously paying premiums, and allows them to take advantage of windfalls as they come. Like **Set for Life**, **All Set** gives our customers the flexibility to decide which investment fund to invest in.

Add-on benefits may be attached to both **Set for Life** and **All Set**. These benefits are: Accidental Death Benefit, Hospital Cash Benefit, Critical Illness Benefit, Life Assist Benefit, and Waiver of Premium Benefit.

All Set Higher, is our product positioned for high net-worth individuals whose goal is to achieve worry-free management of their wealth.

All Set Higher has a minimum single premium of Php1 million, which can be invested in diverse income fund and equity investments. FWD's experienced fund managers monitor these investments for our **All Set Higher** policyholders so they can focus on other important things in life. What's special with our **All Set Higher**, aside from top-up premiums, free six-time fund-switching feature and a death benefit for up to 100 years, are loyalty bonuses given on the 10th policy year and every two years after, and a hassle-free application that does not require medical check-ups.

To give customers a chance to fight the Big C, we launched **Fight Plan**, a health plan that aims to fight any type of cancer. This plan offers policyholders 18 to 60 years of age, a 15-year coverage and may be paid for 5 or 10 years. Customers may avail of coverage up to Php2 million.

Our **Mortgage Redemption Insurance** offers protection to Filipino home buyers. This is a term life insurance offered to Security Bank clients. It gives the remaining amount needed to pay a mortgaged home in full in case of death of the borrower.



Compassion

in our

Work

Customers

We are focused on creating fresh customer experiences. At FWD, we are in the business of lifestyle continuity. We aim to always be there for them to alleviate their financial worries and help them plan for their future. We recognize that every relationship we enter into impacts our customers' lives and financial well-being and we take this responsibility very seriously.

To this end, we continually invest in technology by reinforcing our digital properties and social media presence. Through the internet, various social media, SMS, and email facilities, as well as telephone calls, we make ourselves available to our customers 24/7. Through these, we assure them of our commitment to serve them wherever they may be.

We want our customers to have a great experience with us. To achieve this, we make sure that the following are given to them at all times:

- Leading digital technologies (including paperless transactions internally within the Company and with the Customers) and secure operations across all

infrastructure and application platforms;

- Quality services and transparent product information;

- Maintain customer privacy;
- Prompt response to inquiries and complaints; and
- Deliver our promise through speedy and accurate settlement of claims.

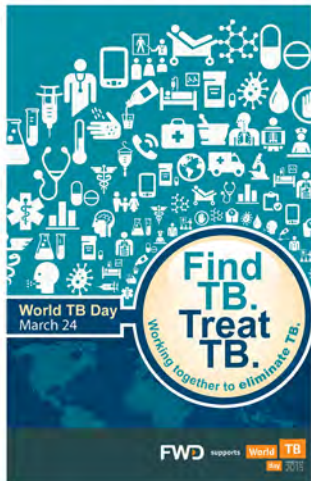
To enhance our portfolio, and reach as many customers as possible, FWD Philippines partnered with Security Bank Corporation, the 5th largest private domestic universal bank in the country. This strategic partnership has allowed our product proposition to be available in more than 260 Security Bank branches nationwide. Through our dedicated Financial Solutions Consultants, we are able to provide personal service to the individual life insurance needs of our customers.

FWD Philippines aims to be an Employer of Choice, not just as an insurance provider of complete solutions to life insurance needs, but also as an employer.

Our employees enjoy competitive benefits which include paid leaves of absence for various reasons. As we want to reward excellent performance in the conduct of their job, we have a Performance Rewards Program that aim to encourage our employees to do their best at all times in order to contribute to the general well-being of the Company.

We also provide opportunities for learning and development as well as continuing education because our employees are our assets. By providing staff training, we accomplish our objectives of gaining their trust and loyalty, and providing superior service to our customers, at the same time. We also encourage them to pursue professional development through our Continuing Education Program. Here, employees are able to reimburse their tuition fees if they pursue part-time studies, after satisfying certain requirements.

Find TB. Treat TB. DOLE Family Welfare Program Seminar



Basic Survival - The Next 48 Hours

FOCUS



Employees

As we want to provide a healthy and peaceful environment for our employees, we also ensure that certain qualities are met.

We have a drug-free workplace policy that ensures our employees are safe from the harmful effects of dangerous drugs on their physical and mental well-being. To accomplish this, we have regular monitoring of employees, and provide training and education to increase their awareness on the adverse effects of dangerous drugs.

We also have policies that address harassment, whether they be discriminatory or sexual in nature. We provide equal opportunities and no individual may be discriminated against based on race, color, religion, gender, nationality, age, disability, military service, marital status, or sexual orientation, or any other characteristic as prescribed by the law.

Likewise, sexual harassment is a serious offense that we do not tolerate in the Company.

As we are committed to ensuring our employees are safe at work, we reject any form of violence in our workplace. Threats of violence or intimidation, possession of weapon while conducting business, menacing behavior and stalking are prohibited actions. Anyone found to engage in the abovementioned acts, will be subject to appropriate disciplinary measures, including termination of employment.



Obtain

a

work-life

rhythm

Those who violate Company rules, perform unsatisfactorily, display inappropriate behavior or unacceptable conduct, are meted with disciplinary actions which include counseling, issuance of a written warning, suspension, and finally, dismissal. However, in order to practice fairness, employees charged with a violation punishable by suspension or dismissal, are given a written notice and the opportunity for defense either through a written explanation or a formal hearing with the Human Resources. Cases that may lead to dismissal are automatically reviewed by our Legal Counsel, the CEO, and the Senior Management Team, whose decision is final.

Distribution Recruitment,

Development,

&

Training

Critical to the success of our Company is our partnership with our financial planners. We employ various recruitment strategies that are fun, experiential, and learning-focused. Our Business Opportunity Presentations (BOP) are held regularly. We have a system where our sales leaders are able to take advantage of digital advances, such as mobile and web-based recruitment apps, to grow their teams.

To prepare new financial planners and agency leaders for a successful career at FWD, we instituted the FWD Academy. The FWD Academy's four (4) main pillars are the following: Distribution Training, Leader Development, eLearning and Instructional Design, and Academy Support. The Academy aims to change the way planners experience training through innovative, customer-centric, and relevant programs.

New recruits, financial planners, and agency leaders go through a 90-day program covering the 4Cs: Connect, Click to Sell, Core, and Circuit. Connect equips planners with knowledge of the insurance business. Click to Sell focuses on how planners can leverage on FWD's digital tools. Core develops the planners' sales skills, while Circuit reinforces the planners' sales skills into a habit.

For the Bancassurance Area Sales Heads, the BUILD Program focuses on building leadership competencies.

As digital learning support, our eLearning team developed Accelerated Learning Experience (ALEX). ALEX is an online social learning site that allows our planners and leaders to access Distribution and Leader Development Training modules. This has become an avenue for users to participate in forums, post videos, articles, and comments which contribute to learning and development.



Vendors

and

Contractors

FWD Philippines maintains fairness in the selection process of its vendors and service providers (Partner-Vendors). Focus is on their capacity to service Company's requirements. Partner-Vendors must sign FWD's Ethical Standards for Partner-Vendors to ensure their commitment to ethical procurement practices with FWD and its employees. At all times, we strictly adhere to the Philippine laws on Anti-Bribery and Anti-Corruption.

As we are an equal-opportunity organization, we support local businesses and SMEs whenever possible.

In return, and to establish a long-term and mutually-beneficial relationship with our Partner-Vendors, we commit to safeguarding sensitive information with the highest confidentiality and fulfilling our financial obligations within the agreed timeframe.

In evaluating and accrediting prospective Partner-Vendors, the following requirements must be satisfied:

1. Verifiable evidence of its compliance to tax and business laws;
2. Proven industry track record and authentic and verifiable Client references;
3. Financially stable to consistently support FWD Philippines' needs; and
4. Management's commitment to ethical procurement practices.



Corporate Social Responsibility

We are committed to be socially responsible and work closely with local communities and charitable organizations. We embrace their initiatives to create opportunities for those who need it most.

Helping the Solar Lolas of Bamban, Tarlac

In partnership with Diwata Women in Resource Development, Philippine Mine Safety and Environment Association, and Land Rover Club of the Philippines, FWD Philippines takes pride in being part of the Solar Lolas initiative to support Lola Cita and Lola Magda from the Aeta community of Sitio Gayaman, Bamban, Tarlac. In 2014, Lola Cita and Lola Magda flew to India to undergo training in assembling, installing, maintaining, and repairing solar panels and solar lamps for their communities. They are now tasked to pass on their knowledge to fellow Aetas. Through this CSR initiative, FWD Philippines aims to both empower and encourage the community to lead financially sustainable lives. FWD, as a business supported by leading digital technologies, aims to give back to the community who will be greatly aided by solar technology and their own knowledge, skills, and hard work. The produced solar panels and lamps will provide light to homes and enable productivity of every household. This lays the foundation of achieving our ultimate goal of fuelling financial sustainability of their community.

Supporting the Children of Sta. Rita Orphanage

Together with celebrity fitness coach, Jim Saret ("Biggest Loser Philippines", "Fit Filipino Movement"), FWD Philippines donated Php50,000 to help the children of Sta. Rita Orphanage in Parañaque City in support of the orphanage's feeding, health, and educational programs. Saret was the winner in our event Ready, Set, Live! Adventure Race held in Bonifacio Global City during our brand launch last November 8, 2014.

Rebuilding Schools in Leyte

Joining the international community to assist the victims of typhoon Yolanda, FWD Philippines donated a total of Php2.56 million to the Department of Education's Adopt-A-School program to support the rebuilding of schools in Tacloban and Ormoc. Three checks were turned over to Department of Education and Culture's Mario Deriquito, including a HK\$50,000 donation from FWD HongKong office and THB200,000 from FWD Thailand office.

Medium of Communication



The Company employs different ways of communicating with its stakeholders. Our website, **FWD.COM.PH**, contains information about the Company, our products, as well as news articles about the Company's various events and initiatives. It includes information on career opportunities within FWD.

We hold press conferences and media briefings to apprise them of key developments within the Company from time to time.

FWD Philippines may be reached via our **Customer Connect hotline: +632 888 8388** or **CustomerConnect.ph@FWD.com** for inquiries or concerns.





Corporate

Governance

Corporate Vision and Mission

FWD Philippines' vision is to change the way people feel about insurance. We leverage technology and are agile, innovative and adaptable in a fast-changing environment.

The Company's mission is to celebrate life and remove worries away from its customers so that their lifestyle, their world, can continue no matter what comes along. Open, committed, and proactive, the Company is dedicated to providing customers with simple, relevant, and affordable products and services.

Our Corporate Governance Policy and Commitment to Corporate Governance

FWD Philippines implements a strong corporate governance policy that consistently aims to safeguard and consider all of our stakeholders' interests in a balanced and transparent manner. In all matters, we are committed to fulfilling our vision of changing the way people feel about insurance. The policy ensures our adherence to the best corporate governance practices for the benefit of all our stakeholders.

FWD Philippines hereby commits to comply with the Securities and Exchange Commission's Revised Code of Corporate Governance, Insurance Commission's Circular Letter No. 31-2005, and all other relevant laws, rules and regulations on corporate governance. In addition, we shall update the Corporate Governance Scorecard in compliance with the relevant IC Circular Letters.

Roles & Responsibilities of the Board

The Board of Directors exercises all the powers of the Company as granted by the Corporation Code of the Philippines, the Company's By-laws, the Corporate Governance Manual, and all other relevant laws, rules, regulations, and documents. The Board of Directors strictly follows the voting requirements and matters for voting as required by law.



In general, the powers of a corporation is exercised, all business conducted, and all properties of the corporation are controlled and held by the Board. In order for the Board to perform its mandate, each director should have the optimum number of directorships. Thus, if directors exceed the low indicative limit (four or lower) on membership on other corporate boards, they should disclose this to the Board with an explanation of why they feel they can carry out their duties to the Company diligently.

The Board is accountable to the shareholders and as such it shall ensure the highest standard of governance in running the Company's business and setting the strategic directions.

The Board of Directors, together with Company Management, sets and reviews the Company's strategic aims (including the vision and mission).

A regular review is scheduled where the Board of Directors verifies with Management the effectiveness of the strategic plan and whether the vision and mission of the Company are relevant.

Annual Shareholders Meeting & Board Meeting Process

In 2015, FWD Philippines held its annual shareholder's meeting and conducted five (5) board meetings. Additional meetings may be conducted as necessary to consider urgent matters.

Minutes of meetings of the Shareholders, the Board and all Committees are kept by the Corporate Secretary. The minutes are open for inspection by the Board and Shareholders upon request.

Shareholders and Board Notice and Agenda are sent at least fourteen (14) business days in advance before the actual meeting.

Orientation Program and Training

The Corporate Secretary provides orientation for new directors and explains the organizational profile, the Corporate Governance Manual, Committee Terms of Reference, policies and procedures of the Company. Directors are advised to attend the corporate governance training sessions to fully equip themselves with the latest updates on corporate governance and best practices.

Performance Evaluation

The Company has established its own performance evaluation at the end of every year. The criteria are

based on the Insurance Commission's circulars on corporate governance, the Company's Corporate Governance Manual, and the Committees' Terms of Reference.

The Board and its Committees are assessed on their:

1. Exercise of responsibilities;
2. Conduct of operations;
3. Effectiveness of the Board or the Committee; and
4. Effectiveness of the Chairman of the Board or the Committee.

Criteria for the Chairman

1. The Chairman must conduct the meetings; and
2. Comply with the Company's guidelines on corporate governance.

Criteria for the President & CEO

1. Create and implement Company strategies, policies, mission statements, etc.;
2. Monitor and manage risk process;
3. Build strong relationship with the Board and Management;
4. Have excellent knowledge of the industry and the laws affecting it; and
5. Report significant matters to the Board.

Criteria for Individual Directors, meanwhile, must:

1. Act fairly with no conflict of interest;
2. Act with loyalty to the Company he/she serves;
3. Devote time and attention in the discharge of his/her duties and responsibilities;
4. Act judiciously;
5. Exercise independent judgment;
6. Possess working knowledge of the statutory and regulatory requirements affecting the Company;
7. Observe confidentiality; and
8. Ensure soundness, effectiveness and adequacy of the Company's control environment.

Independent Directors

All our independent directors meet the requirements of the Securities and Exchange Commission's ("SEC's") Revised Code of Corporate Governance and the Company's Corporate Governance Manual. No independent director has any business or significant financial interest in the Company or any of its subsidiaries and therefore continues to be considered independent.

The Company adheres to the ASEAN Corporate Governance Best Practices and adopts a term limit of nine (9) years or less for its Independent Directors.

Self-assessments are conducted and its results are presented by the Office of the Corporate Secretary to the relevant body/person.

The presented body or committee then focuses on ways to improve itself for the succeeding years.

The following assessments are conducted each year:

1. Audit Committee Assessment with assessment on its Chairman;
2. Nomination Committee Assessment with assessment on its Chairman;
3. Remuneration Committee Assessment with assessment on its Chairman;
4. Board of Directors Assessment with assessment on its Chairman;
5. Assessment on the President & CEO of the Company; and
6. Assessment on the individual Directors.

Members of the Board and Committees

Starting 11 April 2016

For fiscal year 2016, composition of the Board and its Committee members are as follows:

Audit Committee, Its Members and Charter

The Audit Committee's duties (based on the Committee Charter) are without limitation as follows: (1) approve and review financial reporting; (2) review, approve and make recommendations regarding internal audit; (3) manage the external audit; and (4) review, approve and evaluate Company's standards, policies and procedures.

The Audit Committee approves and oversees the engagement, removal, and fees of external auditor and makes recommendations for the appointment and removal of the Company's Head of Internal Audit.

The Committee reports significant matters to the Board of Directors.

Members are as follows:

Vicente B. Castillo (Chairman and Independent Director)
Atty. Leo G. Dominguez (Independent Director)
Julian McQueen Lipman (Committee Member)

Nomination Committee, Its Members, and Charter

The Nomination Committee is in charge of reviewing the qualifications of the candidates to be elected/appointed as Directors and Company Officers. The Company gathers recommendations from different external search firms and builds the candidates for Director and Company Officer positions.

Before a selection and confirmation may be made, the Committee requires candidates to submit their bio-data (format as prescribed by the Insurance Commission). The Committee shall then deliberate and determine if the qualifications of the candidate are sufficient for it to endorse the candidate to the Shareholders and the Board, respectively. The Committee Charter provides the objective that the Committee should find the best suitable candidates in line with the Company's vision and mission.

The Members are as follows:

Julian McQueen Lipman (Chairman)
Vicente B. Castillo (Independent Director)
Atty. Leo G. Dominguez (Independent Director)

Remuneration Committee, its Members and Charter

The Remuneration Committee is responsible for reviewing and approving Directors' and Company Officers' remuneration policies, and packages pursuant to the Committee's Charter. The Committee then submits such policies and packages to the Shareholders and the Directors for approval.

The Committee's policy is to ensure that remuneration packages offered to the Directors and Company Officers are competitive and in line with industry standards.

The Committee conducts an annual review of the remuneration packages to ensure that they are competitive and satisfactory.

Members are as follows:

Julian McQueen Lipman (Chairman)
Vicente B. Castillo (Independent Director)
Atty. Leo G. Dominguez (Independent Director)

Risk Management and Actuarial Committee

The Risk Management and Actuarial Committee is accountable for identifying principal business risks and, ensuring the implementation of appropriate risk management systems to specifically manage the underwriting, reinsurance, investment, financial and operational risks of the Company pursuant to its charter.

The Members are as follows:

Peter Grimes (Chairman)
Lucia Chona Ventura
San Yuen Lee
Juan Sotero Roman
David Rowley
Group Office Representative

Investment Committee

The Investment Committee is responsible for managing all aspects of investment policy and strategy for the Company and oversees the operation of the Company's investment portfolios following the established strategy, guidelines and risk framework pursuant to its charter.

The Members are as follows:

Peter Grimes (Chairman)
Lucia Chona Ventura
Rina Velasquez
David Rowley

Board of Directors

Julian McQueen Lipman (Chairman)
Vicente B. Castillo (Independent Director)
Atty. Leo G. Dominguez (Independent Director)
Peter Grimes
Lucia Chona Ventura

Roles and Responsibilities of the Chairman

The Chairman's responsibilities may include the following:

1. Schedule meetings to enable the Board to perform its duties responsibly while not interfering with the flow of the Company's operations;
2. Prepare meeting agenda in consultation with the CEO;
3. Exercise control over quality, quantity and timeliness of the flow of information between Management and the Board; and
4. Assist in ensuring compliance with the Company's guidelines on corporate governance.

Board Member Profiles

Julian McQueen Lipman

Chairman of the Board

Age: 47

Date of First Appointment: December 6, 2013

Education	School Last Attended	Year Attended
Bachelor of Economics	Macquaire University Sydney, Australia	1986-1988
Fellow of Institute of Actuaries of Australia	Institute of Actuaries of Australia	1992
Company	Position	Duration (Year)
Zurich Financial Services, Global Life	Head of Retail Distribution Asia Pacific Middle East	2011-2012
Zurich Financial Services, Global Life	Chief Commercial Officer Asia Pacific Middle East	2010 -2011
Prudential plc, PCA Life (Japan)	President and CEO	2005 -2010
Prudential plc, PCA	Regional Director, Business Strategy Insurance Asia, Hong Kong	2003-2005
ACE, Ltd	Chief Actuary, Asia Pacific, Singapore	1999-2003

Company	Position	Duration (Year)
AIA, Thailand	VP Actuarial and Marketing	1996-1999
Prudential plc, Sydney, Australia	Product Development, Sydney, Australia	1989-1996
Aetna, Sydney	Actuarial Cadet	1987-1988

Vicente B. Castillo

Independent Director

Age: 61

Date of First Appointment: April 21, 2015

Education	School Last Attended	Year Attended
Bachelor of Economics	De La Salle University Manila	1975

Training	Conducted by	Year Attended
Directorship Training	FGU Insurance Corporation	1993

Company	Position	Duration (Year)
Philippine Dealing System	President and CEO	2003-2013
Banco Santander Philippines, Inc.	President and CEO	1995-2003
Bank of the Philippine Islands	SVP & Group Treasurer	1989-1995
Bank of the Philippine Islands	VP/Deputy Treasurer	1987 -1989

Company	Position	Duration (Year)
Bank of the Philippine Islands - Family Bank	VP/Treasurer/ Consumer Markets Head	1984- 1987
Bank of the Philippine Islands	VP/ Head Money Markets & Fixed Income Investment Banking Group	1982 -1984
Bank of the Philippine Islands	AVP/ Chief Dealer (Local Currency, BPI Treasury Division)	1980 -1982

Atty. Leo G. Dominguez

Independent Director

Age: 61

Date of First Appointment: December 6, 2013

Education	School Last Attended	Year Attended
AB Philosophy	Ateneo de Manila University	1975
Bachelor of Laws	Ateneo de Manila University	1980
Training	Conducted by	Year Attended
Baker & McKenzie Partner Program	Kellogg Graduate Northwestern University Illinois	2000
Orientation on Corporate Governance	The Institute of Corporate Directors, Makati	2000

Company	Position	Duration (Year)
Quisumbing Torres (Member Firm, Baker & McKenzie Int'l)	Partner	1991-2000
Quisumbing Torres & Evangelista	Associate	1986-1991
Baker & McKenzie Singapore	Associate	1984-1986
Guerrero Torres	Associate	1981-1984
Guerrero Torres	Legal Intern	1977-1980

Lucia Chona Ventura

Chief Finance Officer and Treasurer

Age: 50

Date of First Appointment: July 25, 2014

Education	School Last Attended	Year Attended
BS Math Cum Laude	UP Diliman	1982-1986
MS Math	UP Diliman	1987-1990
Training	Conducted by	Year Attended
Completed Exams for Fellowship	Actuarial Society of the Philippines	1987 - 1993
Company	Position	Duration (Year)
Infocycle Solutions, Inc.	Director & Assistant Treasurer	2013

Peter Grimes

President & CEO

Age: 56

Date of First Appointment: November 6, 2014

Education	School Last Attended	Year Attended
English Language, Literature & History (A Levels)	Coldham College (Nairobi, Kenya)	1974 - 1977
Company	Position	Duration (Year)
Shoreline Asia	Senior Partner	2010-2013
PRU Life UK	President & CEO	2009 – 2010
Prudential Corp Asia	Regional Director	2001 – 2009
PRU One Asia	Chief Executive	2000 -2001

Office of the Corporate Secretary

The Corporate Secretary and/or his designated representative must ensure that all directors are properly appointed and provided the necessary information about them. These are both for the Company's records to meet statutory obligations, as well as the required regulatory agencies' requirements.

The Corporate Secretary must be a Filipino citizen and a resident of the Philippines. Considering his varied functions and duties, he must possess administrative and interpersonal skills, including, legal, financial, or accounting skills.

The Members are as follows:

Atty. Juan Sotero Roman
Corporate Secretary

Atty. Eir Peirre Alleistair L. Antig
Assistant Corporate Secretary

Atty. Juan Sotero Roman

Corporate Secretary

Age: 46

Date of First Appointment: July 25, 2014

Education	School Last Attended	Year Attended
BA Political Science	De La Salle University	1988 - 1994
Bachelor of Laws	San Beda College of Law	1994 - 1998

Training	Conducted by	Year Attended
College and Education, Teacher's Certificate Program	De La Salle University	1988 - 1994

Company	Position	Duration (Year)
Manulife Philippines Legal and Compliance	VP Head of Legal & Compliance	2011 – 2014
Manulife Philippines Legal and Compliance	Assistant Vice President OIC - Head of Legal & Compliance	2011
Manulife Philippines	Senior Compliance Officer	2010 - 2011
PRU Life UK	Claims Head	2007 - 2010
PRU Life UK	Sales Compliance Manager	2006 - 2007
Quasha Ancheta Pena & Nolasco Law Office	Associate	2000 – 2006

Company	Position	Duration (Year)
Britanico Consunji & Sarmiento Law Office	Associate	1999 – 2000
Basic Transpo Management Corporation	Director/ Corporate Secretary	1999

Atty. Eir Peirre Alleistair L. Antig

Assistant Corporate Secretary

Age: 29

Date of First Appointment: April 21, 2015

Education	School Last Attended	Year Attended
BS Legal Management	De La Salle University	2003 - 2006

Education	School Last Attended	Year Attended
JD Law	Ateneo Law School	2007 - 2010

Company	Position	Duration (Year)
Manulife Philippines Legal and Compliance	Legal and Compliance Officer	2013 – 2015
NMGRA Law Offices	Associate	2011 - 2013

Board Diversity Policy

We promote diversity at the Board level because we believe that these are essential elements to improving governance and performance, and creating competitive advantage. We believe in true diversity as evident in the variety of skills, experience, industry knowledge, perspectives, gender, age, background, ethnicity and other distinctions among our Directors.

Rights of Shareholder

The shareholders have the powers and responsibilities as stated in the Corporation Code of the Philippines, the SEC Revised Code of Corporate Governance, and all other relevant laws, rules, regulations, and documents.

Among others, the Company's shareholders have the right to:

1. Participate in the amendments of the Company's constitution, authorize additional shares;
2. Transfer all or substantially all assets of the Company, which may result in the sale of the Company;
3. Effectively participate in and vote in general shareholder meetings;
4. Approve candidates for Board of Directors;

5. Exercise their pre-emptive right to all stock issuances of the Company;
6. Right to inspect corporate books and records;
7. Right to information;
8. Right to dividends; and
9. Appraisal right.

The shareholders are also informed of the rules and voting procedures that govern the general shareholder prior to the meeting.

Capital Structure

Authorized Capital Stock	PhP1B
Subscribed and Paid-Up	PhP1B
No. of Shares Issued & Outstanding	1B shares
Treasury Share	none as of April 2015
Par value	PhP1.00/share

List of Shareholders as of April 11, 2016

Name	Shares Held	Amount Paid	% of Ownership	Nationality
FWD Group Financial Services Pte. Ltd. (Formerly Pacific Century Financial Services Holdings, Pte. Ltd.)	999,999,995	Php 999,999,995.00	99.999%	Singaporean
Julian McQueen Lipman (Chairman of the Board)	1.0	Php 1.00	nil	Australian
Peter Grimes (President & CEO/Director)	1.0	Php 1.00	nil	British
Lucia Chona Ventura (CFO/Treasurer/Director)	1.0	Php 1.00	nil	Filipino
Vicente B. Castillo (Independent Director)	1.0	Php 1.00	nil	Filipino
Atty. Leo G. Dominguez (Independent Director)	1.0	Php 1.00	nil	Filipino

*As defined in SEC Memorandum Circular No. 16, series of 2002, an independent director is "a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any corporation that meets the requirements of Sec. 17.2 of the Securities Regulations Code."

Board Meetings in 2015

The Board met five (5) times last 2015. The directors receive the notice and agenda fourteen (14) days in advance. The meeting pack is received at least one (1) week before the actual meeting and includes information on the Company's operation, minutes of last Board Committee meeting, and all other documents needed for the Board meeting discussion.

The presence of at least a majority of the members is necessary to have a quorum.

Meanwhile, the affirmative votes of the majority of the directors present are required to decide a matter except where the law or the by-laws require a higher number.

The Board exercises the discretionary powers and oversees the management of the Company.

The number of meetings held in 2015 and the overall attendance rate are as follows:

Board Meetings

In 2015, the Company held five (5) Board meetings. The dates are as follows:

- March 20, 2015
- April 21, 2015
- June 16, 2015
- September 17, 2015
- December 15, 2015

The overall attendance for the Board Meeting is 96%.

Audit Committee

The Audit Committee met five (5) times on 2015. The overall attendance is 93%. The dates are as follows:

- March 20, 2015
- April 21, 2015
- June 16, 2015
- September 17, 2015
- December 15, 2015

Nomination Committee

The Committee met two (2) times in 2015 with an overall attendance rate of 100%. The dates are as follows:

- April 21, 2015
- June 16, 2015

Remuneration Committee

The Committee met three (3) times in 2015 with an overall attendance rate of 100%. The dates are as follows:

- March 20, 2015
- April 21, 2015
- June 16, 2015

Attendance Details of Each Director for 2016 Board and Committee Meetings

Director	Attendance
Juliann McQueen Lipman	Attended all Board and committee meetings.
Vicente B. Castillo	Attended all Board and committee meetings.
Atty. Leo G. Dominguez	Attended all Board and committee meetings, except for one Board Meeting and one Audit Committee Meeting.
Peter Grimes	Attended all Board and committee meetings.
Lucia Chona Ventura	Attended all Board and committee meetings.

Venue of Meetings

Meetings of shareholders and directors are held in the Company's main office in Taguig City.

Annual Shareholders Meeting

We believe in the importance of being fair to all Shareholders and giving them the right to exercise their vote. Thus, we strongly encourage all Shareholders to attend the annual Shareholders meeting.

Our most recent annual Shareholders meeting was held on April 11, 2016. Shareholders were informed that candidates for the election of Directors were nominated by each of the Shareholders. Their qualifications were assessed by the Nomination Committee before being presented during the annual Shareholders meeting.

In assessing the qualifications of the candidates for the Board, the Nomination Committee reviewed the curriculum vitae personally filled up by the candidates. The Committee considered factors such as skill and expertise, job experiences, and alignment with Company's vision and mission, among others. Candidates may be re-elected every year, if found qualified.

The Shareholders were also advised and made aware, before the meeting proceeds, that each Shareholder is entitled to cast such number of votes equal to his/her number of shares. One share is equivalent to one vote.

The Shareholders who attended were as follows:

Julian McQueen Lipman (for FWD Group Financial Services Pte. Ltd. and Chairman of the Board)
Delbert Ang-It for Security Bank Corporation*
Vicente B. Castillo (Chairman of the Audit Committee, Independent Director)
Atty. Leo G. Dominguez (Independent Director)
Peter Grimes (President & CEO)
Lucia Chona Ventura (Chief Finance Officer)

Voting in Absentia

Voting in absentia is allowed by the Company. Shareholders are provided Proxy Forms wherein they can nominate their representative in case their primary representative is unavailable.

*By Power of Attorney dated September 16, 2014

A blurred office scene with people working at desks and a green chair in the foreground.

Executive

and

Management

Committees

Executive

Committee



Peter Grimes
President & Chief Executive Officer



Lucia Chona Ventura
Chief Finance Officer



Mervin Pobre
Chief Strategy Officer



Lee San Yuen
Chief Technology &
Operations Officer



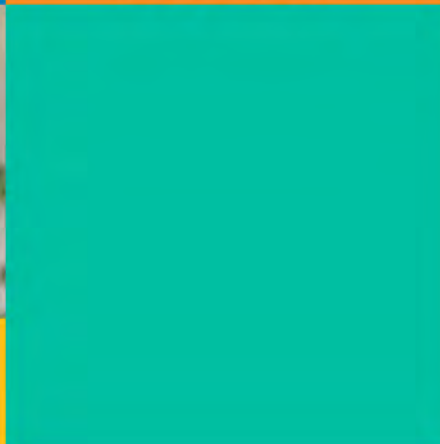
Teroy Roman
General Counsel &
Head of Compliance



Rozanne Parungo
Chief Human Resources Officer



Anantharaman Sridharan
Chief Agency Officer



Operations

Committee





Company Policies



Trading Policies and Conflict of Interest Policy/ Related Party Transactions

FWD strictly adheres to fair trading practices. Our Corporate Governance Manual requires us to disclose any instance of conflict of interest that may display bias for or against any entity. If a conflict of interest exists, we require our officers, directors and employees to disclose their interest and/or dealings within three days from the discovery. Additionally, they may not participate in any activity involving information that is not readily available to the public.

Code of Conduct

FWD's shareholders, directors, employees, officers and distributors are committed to observing the highest code of professional ethics at all times. We take to heart our Code of Ethics and Business Conduct, because we want our policyholders and the insuring public protected at all costs. Thus, in order to "Do the Right Things Right," we have been guided by the following principles: act with honesty and integrity; be informed and act responsibly; be open and clear; act with professionalism and respect; and be socially and environmentally responsible. Constant trainings are conducted and advisories are sent to educate our people regarding the Code of Conduct.

Whistle Blowing Policy

We believe that an ethically-governed Company could only be made possible with the utmost cooperation of our stakeholders—our directors, officers, employees, financial advisers, business partners, third party suppliers, and the public.

Speaking about any wrong doing on our part, including but not limited to, breaches of policies, violations of law, bribery and corruption is encouraged and Company will promptly address such reports.

The identity of those who will make these reports are treated with utmost confidentiality and will be protected from any form of retaliation.

Reports may be made by:

- a. Reporting directly to the Compliance Manager or other reporting officer in person;
- b. Calling the **Whistleblower Hotline Number: (02) 215 1544**
- c. Sending an email to:
FWDPHWhistleblower@fwd.com

Anti-Corruption and Programs Procedures

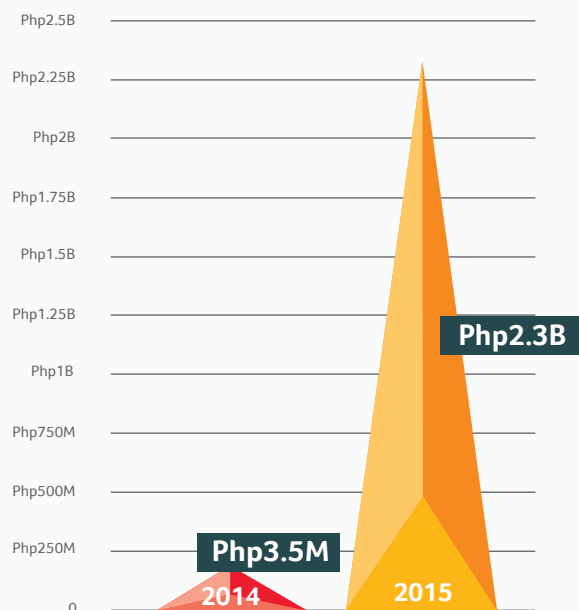
The Company strictly adheres to Philippine laws on Anti-Bribery and Anti-Corruption. FWD Philippines adopts an Anti-Bribery and Gifts and Entertainment policy that provides guidance on how and/or when gifts and/or benefits may be accepted, and/or offered.



Company

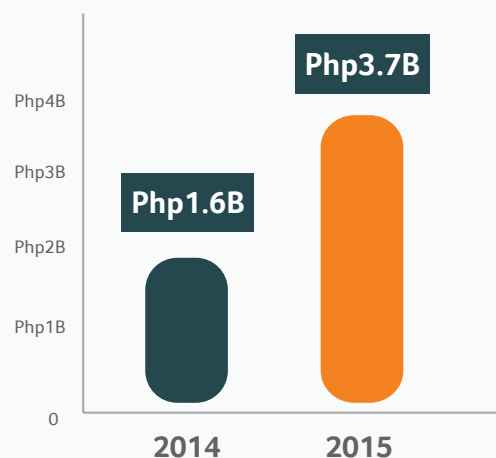
Performance

Reviews



Our Total Revenues totaled to Php2.3 billion in 2015. This was mainly composed of Premiums, which amounted to Php2.3 billion vs. 2014's Php3.5 million.

Total assets

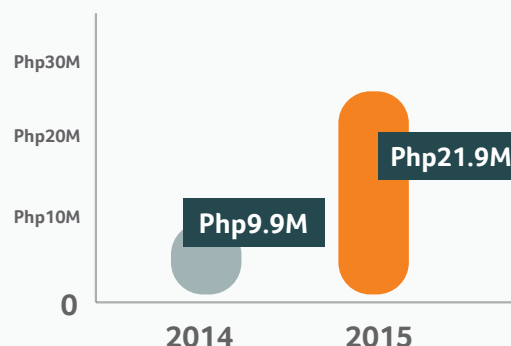


Total Assets significantly increased by 135% to Php3.7 billion compared to 2014's Php1.6 billion on account of increase in assets held to cover until linked liabilities (Php 1.5 billion) and access fees paid to SBC (Php521 million, net amortization).



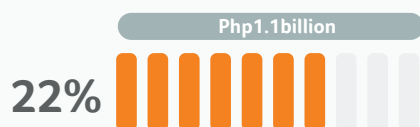
With this, our market position jumped to 13th place in the insurance industry standing in terms of Total Premium Income. This industry success is monumental as we accomplished this feat after our first full year of operations.

Investment Income



Investment income went up by 120% amounting to Php21.9 million while other income rose to 157% for a total of Php11.3 million, boosted by management fee income from variable products.

Net Worth



FWD Philippines Net Worth improved by 22% on account of increase in contributed surplus (Php1.1 billion) and partially offset by increase in deficit (Php794 million).



Key

risks

Despite being a new company, we are aware of the risks associated with operating in the country. These are issues that arise as we conduct our day-to-day business, and which may hamper further growth in the industry. We have categorized such risks into Strategic, Operational, and Financial, and identified their relevant subcategories. Our Board of Directors assess each risk category with regard to their impact on our finances, operations, customers, and reputation. In order to properly monitor these, we identify key risks through several processes that include our Executive Committee doing a monthly review of risks that affect the Company, ad hoc risk identification by working with key business units, and a review of emerging risks identified through internal and external sources.

As we operate in the life insurance industry and are in the business of taking and managing risks, we have developed our Philippine Risk Framework in 2015. The Framework is based on the overall Group Risk Framework, but covers additional Basel risk categories that may be appropriate to our Philippine operations. To this end, we have set up a process to conduct the following risk-related activities: identification, assessment, response, monitoring and review, communication and improvement.

Risk identification is achieved by employing external resources such as emerging risk white papers, FWD Group guidance and discussion with the management on key processes and potential risks.

During risk assessment, we identify a risk's inherent risk rating and the controls necessary to address it.

Related to risk assessment is risk response where we determine if management would accept the remaining risk or whether we need to employ additional controls to lower our potential exposure.

Risk monitoring, meanwhile, is done by our Executive Committee who identify and monitor the key top risks that affect the Company. Other risks are monitored by our Operations Committee.

Risk communication and improvement are performed both with local and group management through written and face-to-face communication in order to apprise them of the current and potential situations that may pose risks to our operations. Key risks, however, are escalated to both the Risk and Audit Committees so Management can devise the appropriate plan of action.



Internal Audit

The Company has an Internal Audit Unit whose roles and responsibilities are established by the Audit Committee. Primarily, it is tasked to ensure that our internal control processes are in place.

The Internal Audit reports directly to the Audit Committee, functionally to the Group Head of Internal Audit and administratively to the President & CEO. The Internal Audit conducts regular meetings with the Audit Committee without the presence of management.

The appointment and removal of the Internal Audit Head require the approval of the Audit Committee.

Audit and Non-Audit Fees

In order to ensure that FWD Philippines continues to engage in ethical practices and we provide an independent review of the Company's books and financial standing, the Company engages the services of an independent external auditor, SGV & Co. For 2015, we paid SGV & Co. the sum of Php862,000. We did not incur any non-audit fees during the same year.

Financial Highlights

Total Revenues in 2015 totaled **Php2.31 billion**. This is mainly composed of Premiums, which amounted to **Php2.28 billion** versus previous year's Php3 million.

With this, FWD Philippines' market position increased, as the Company jumped to **13th place** in the life insurance industry standing in terms of Total Premium Income. This success is monumental as the Company accomplished this feat on its second year of selling insurance through its strategic partnership with Security Bank Corporation (SBC).

Investment income went up by **120% to Php22 million**, while Other Income went up by **157% to Php11.3 billion**, boosted by management fee income from variable products.

Total Assets increased significantly by **135% to Php3.7 billion** from last year's **Php 1.6 billion** on account of increase in assets held to cover unit linked liabilities (**Php1.5 billion**) and access fees paid to SBC (**Php521 million**, net of amortization)

FWD Philippines' Net Worth improved by **22%** on account of increase in contributed surplus (**Php 1.1 billion**) partially offset by increase in Deficit (**Php794 million**).

Timely filing and release of annual financial reports

FWD Philippines' Audited Financial Statement has been released within 100 days from year end. Our Corporate officers and Board of Directors testify to the accuracy of our financial statement.

Please go to <https://www.fwd.com.ph/en/about/corporate-governance/> for the Audited Financial Statement and click 'DOWNLOAD SOURCE DOCUMENTS'.

Contact

Information

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Contact Number: +632.323.6393

FWD Cebu Business Hub and Customer Connect Center

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Cebu City 6000, Philippines

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FWD Baguio Business Hub and Customer Connect Center

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