

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A, AS AMENDED**

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended DECEMBER 31, 2019
2. SEC Identification Number 16680
3. BIR Tax Identification No. 000-883-987
4. Exact name of issuer as specified in its charter
BENEFICIAL LIFE INSURANCE COMPANY, INC.
5. MANILA, PHILIPPINES
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
Life Insurance
7. BENEFICIAL LIFE (BENLIFE) BLDG., 166 SALCEDO ST., LEGASPI VILLAGE, MAKATI CITY
Address of principal office Postal Code 1229
8. (02) 88188671
Issuer's telephone number, including area code
9. N/A
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the Revised Securities Act ("RSA"):

Title of each class	No. of shares of Common Stock Outstanding
COMMON STOCK shares	N/A
11. Are any or all of these securities listed on the Philippine Stock Exchange ("PSE").
Yes [] No []
12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);
Yes [] No []

(b) has been subject to such filing requirements for the past 90 days:
Yes [] No []
13. State the aggregate market value of the voting stock held by non-affiliates of the registrant:

118,624,760 shares x P1.50 average bid/ask price = P177,937,140 market value

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

1.1 Business Development

BENEFICIAL LIFE INSURANCE COMPANY, INC. (the “Registrant”) is a domestic stock corporation established on March 16, 1960 with an initial authorized capitalization of P2.5Million. The primary purpose of the Registrant is to *undertake and write insurance upon the lives of individuals, and every insurance appertaining thereto or connected therewith, including reinsurance; to make contracts for insurance and reinsurance providing for all risks, hazards, guarantees and contingencies to which life, accident or health insurance is applicable; to compute endowments and grants, purchase or dispose of annuities; to procure reinsurance for its risks; to issue policies stipulated to be with or without participation in profits; and to purchase for its own benefit any policy of insurance or other obligation of the corporation as well as claims of policyholders.* The Registrant is under the regulation of the Insurance Commission (“IC”).

On April 10, 1997, the Philippine Securities and Exchange Commission (“SEC”) approved the increase in the Registrant’s authorized capital stock from P20Million to P70Million.

On July 15, 1996, the Registrant and Philippine National Bank (“PNB”) entered into a Memorandum of Agreement (“MOA”) whereby the latter bought equity in the former equal to 40% ownership. This partnership, however, was dissolved on May 30, 2008.

FMF Development Corporation (“FMF”) then acquired 50% of the said 40% equity of PNB, thus, increasing its shareholdings in the Registrant from 51% to 81%.

The SEC, effective October 06, 2009, approved the change in name of the Registrant from “Beneficial-PNB Life Insurance Company, Inc.” to “Beneficial Life Insurance Company, Inc.” and the extension of another 50 years of its corporate term.

On October 9, 2009, it was approved and resolved that the authorized capital stock of the Registrant be increased from P70Million, divided into 70,000,000 shares with par value of P1.00 per share to P500Million, divided into 500,000,000 shares with the same par value per share. The said increase was made in compliance with Department of Finance (“DOF”) Order 27-06, which was approved by the SEC on February 4, 2010.

The additional subscription on the increase in authorized capital stock of the Registrant shall be made by way of application of the 550% stock dividends declared on August 10, 2009.

On August 6, 2012, the Registrant’s Board of Directors (“BOD”) approved the increase in the Registrant’s authorized capital stock from P500Million, consisting of 500,000,000 common shares with P1.00 par value per share, to P1Billion, consisting of 1,000,000,000 common shares with the same par value per share. The application for the said increase in the authorized capital stock was submitted to the SEC on February 5, 2013.

Also, on August 6, 2012, the BOD approved the declaration of 58% stock dividend or a total of 188,584,808 shares to be taken from the Registrant’s unrestricted retained earnings as of December 31, 2011, and distributed to stockholders as of October 9, 2012. The full amount of P188,584,808 was previously presented as stock dividends for issuance under the stockholders’ equity in the statements of financial position pending the completion of the SEC requirements for the increase in authorized capital stock.

On April 10, 2014, the BOD approved the declaration of 22% stock dividend or a total of 113,020,283 shares to be taken from the Registrant’s unrestricted retained earnings as of December 31, 2013.

At least 25% of the increase in the authorized capital stock of P500Million, or the amount of P301,605,091 has been subscribed and fully paid up through the 58% and 22% stock dividend declarations.

The application for increase in the authorized capital stock that was initially submitted to the SEC on February 5,

2013 was re-filed on March 27, 2015. The SEC issued a certificate of approval to the said increase in capital stock on March 31, 2015.

During its 60 years in the life insurance industry, the Registrant has not undergone any bankruptcy, insolvency, receivership or similar proceeding.

1.2 Business of Issuer

DESCRIPTION OF THE REGISTRANT

Principal Product or Service:

Traditional LIFE INSURANCE POLICIES which may be grouped into Regular Plans, Term Plans, Special Corporate Plans and Product Mix Plans. The main business may be generally classified into 2, namely, ordinary/regular business which represents policies sold to individuals, and group business which is commonly known as term plans sold to groups, companies or institutions. Another business line is reinsurance wherein the Registrant accepts risk in consideration of premiums from institutional clients. The Registrant has also ventured into the microinsurance program in 2016. As of December 31, 2019, regular business accounts for 23% while group business accounts for 69% of the total gross premiums. Inward reinsurance makes up the remaining 8% of the total gross premiums.

Foreign Sales: NONE

Distribution Methods of Product/Service:

The Registrant has always used its agency force nationwide as the traditional distribution channel. In 2009, the Registrant ventured into alternative distribution channels, such as telemarketing, and teams were set up Cebu and Davao and different offices in Metro Manila to capture their respective markets. The Registrant also expanded its distribution channel to mall operations in 2013.

Status of Any Publicly Announced New Product or Service:

The Registrant introduced its microinsurance product called “Benlife Shield” during the last quarter of 2016. It is a single pay, micro personal accident no-lapse insurance plan that provides individual insurance coverage up to the age of 60. Also, during the last quarter of 2016, the Registrant offered its group insurance rider called “Benlife Care.” It is a health care rider attached to a group yearly renewable term that allows policyholders to avail of medical and hospitalization benefits through affiliated medical service providers, subject to certain conditions and limitations. These 2 products were approved by the IC prior to selling.

Competition:

As of the year ended December 31, 2019, there are 31 life insurance companies operating in the Philippines. Based on the unaudited figures released by the IC for 2018 (source: www.insurance.gov.ph), the Registrant ranks as follows:

According to Premium Income: 18th
According to Networth: 12th

The top 16 life insurance companies in terms of premium income are all selling variable products. The Registrant does not offer variable plans.

The major target markets of the Registrant belong to the socioeconomic classes C, D, and E nationwide. Many of the policyholders are teachers, firemen, policemen, government agency employees, bank employees and the like. Price is a major factor in competition followed by service. Since insurance is not considered a basic necessity, its marketability highly depends on the economic status of the insuring public.

Of all the life insurance companies, the Registrant believes that, in terms of business line and target markets, its major competitors are Fortune Life Insurance Co. and Paramount Life and Gen. Ins. Corp., which are both selling traditional insurance products and have no variable products like the Registrant. The Registrant believes that it can effectively compete with other companies, more specifically with its closest competitors, mainly because of its stability founded on 60 years of experience, skilled and numerous agency forces operating nationwide, financial strength assuring solvency and liquidity, and marked presence in major cities nationwide. The Registrant continues to build strong business relationships with its institutional clients.

Transactions with and/or Dependence on Related Parties:

The related parties of the Registrant include FMF and Beneficial Financial Advisors, Inc. (“BFAI”), which are domestic corporations, and another subsidiary, Solana Investment Holdings Corp. (“SIHC”), a foreign corporation.

FMF, the Registrant’s parent company, is its largest stockholder with 81% ownership of the outstanding shares of the Registrant, which is primarily engaged in direct equity investments in other companies, investments in fixed income securities and property leasing.

BFAI is primarily engaged in providing training and consultancy services related to any marketing activities and promotions, and the administration and property management of the Beneficial Life Bldg. in Makati City. Moreover, the Registrant assigned to BFAI the right to lease out vacant spaces of the properties owned by the former. This subsidiary previously handled the training and marketing requirements of the bancassurance operations of the Registrant with PNB. On April 24, 2015, the SEC approved the change in its corporate name from “Beneficial-PNB Financial Advisors, Inc.” to “Beneficial Financial Advisors, Inc.”

SIHC is a wholly owned subsidiary of the Registrant. It is an investment company with holdings in foreign securities and bonds.

Trademarks:

On April 29, 2015, the Registrant filed its trademark application forms with the Intellectual Property Office (“IPO”). These are for the registration of the Registrant’s trademark “Benlife” device and logo and the marketing slogan “Alagang Tunay. Alagang Benlife.” (the “Subject Marks”). Accordingly, the IPO issued the Certificates of Registration for the Subject Marks in favor of Registrant on November 5, 2015 and October 2, 2015, respectively. These Certificates of Registration of the Subject Marks have a term of 10 years. On account thereof, the Registrant has acquired the exclusive right to prevent any and all persons from using in the course of trade, identical or similar marks for goods or services which are identical or similar to those in respect of which the Subject Marks are registered, where such use would result in a likelihood of confusion.

License:

License no. 2019/31-R was issued by the IC to the Registrant on December 17, 2018, which took effect on January 1, 2019 and to expire on December 31, 2021.

Need for any Governmental Approval of Principal Products/Services:

All products/services are first approved by the IC, in compliance with the Amended Insurance Code of the Philippines, prior to selling.

Effect of Existing or Probable Governmental Regulations on the Business:

The operations of the Registrant are subject to the regulatory requirements of the IC. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions (e.g., capitalization requirements, capital and reserve investments, risk based capital or “RBC” ratio requirements).

Tax regulations materially affect the cost of the product/service. Insurance premiums and policies are subject to premium tax and documentary stamp tax (“DST”), which are being passed on to the insured/client. These taxes are

additional costs, which make the product more expensive. Republic Act (“RA”) No. 10001 reduced the premium tax from 5% to 2% (applicable on insurance policies issued after the effectivity of the said RA) and amended the DST to one-time payment based on the amount of insurance or coverage. RA 10963 or the Tax Reform for Acceleration and Inclusion (“TRAIN”), which became effective on January 1, 2018, increased the DST tax from the range of P10.00-P100.00 to P20.00-P200.00. Revenue Regulation (“RR”) 4-2018 was issued wherein the new rates are listed under Section 10.

On August 5, 2013, the President of the Philippines approved RA No. 10607, also known as the “Amended Insurance Code R.A.10607” which provides the new capitalization requirements of all existing insurance companies based on net worth on a staggered basis starting June 30, 2013 up to December 31, 2022. The following presents the amount of required net worth and the schedule of compliance per New Insurance Code:

Networth	Compliance Date
<i>P550,000,000.00</i>	<i>December 31, 2016</i>
<i>P900,000,000.00</i>	<i>December 31, 2019</i>
<i>P1,300,000,000.00</i>	<i>December 31, 2022</i>

On January 13, 2015, the IC issued the Circular Letter (“CL”) No. 2015-02-A, which provides for the clarification of minimum capital requirements under Sections 194, 197, 200 and 289 of the New Insurance Code. The said CL supersedes the Department Order Nos. 27-06 and 15-2012, and CL Nos. 22-2008 and 26-2008. The minimum networth requirements must remain unimpaired for the continuance of the Registrant’s license.

The required minimum statutory net worth for the Registrant is P900Million as of December 31, 2019. The Registrant has complied with the minimum statutory net worth capital and minimum paid-up capital required by the IC.

The Amended Insurance Code provides that the Commissioner may require the adoption of the RBC approach and other internationally accepted forms of capital framework. Together with the insurance industry, the IC is currently in the process of adopting a new RBC approach that would be more tailored to the Philippine insurance industry. In 2016, the IC issued CL 2016-68 regarding the Amended RBC framework to be known as “RBC2 Framework” which was effective starting January 1, 2017.

CL 2016-68 provides for the RBC2 framework for the life insurance industry which establishes the required amounts of capital to be maintained by the insurance companies in relation to their investment and insurance risks. Every life insurance company is annually required to maintain an RBC ratio of at least 100% and not to fail the trend test. Failure to meet the minimum RBC ratio shall subject the insurance company to regulatory intervention which could be at various levels depending on the degree of the violation.

The RBC ratio shall be calculated as total available capital (“TAC”) divided by the RBC requirement. TAC is the aggregate of Tier 1 and Tier 2 capital minus deductions, subject to applicable limits and determinations. Tier 1 Capital represents capital that is fully available to cover losses of the insurer at all times on a going-concern and winding up basis. Tier 2 Capital which includes reserve for appraisal increment and remeasurement gains or losses on retirement pension asset or obligation shall not exceed 50% of Tier 1 Capital. RBC requirement shall be computed based on the formula provided in the Circular and shall include asset default risk, insurance pricing risk, interest rate risk and general business risk.

Failure to meet the RBC ratio shall subject the insurance company to the corresponding regulatory intervention which has been defined at various levels. IC issued its Circular Letter no. 2017-30 dated May 2, 2017 wherein all insurance companies are required to take action in case its RBC ratio measures as follows:

<i>RBC Ratio (Y)</i>	<i>Event</i>	<i>Action</i>
<i>100% < Y < 125%</i>	<i>Trend Test</i>	<i>Registrant is required to submit linear extrapolation of the RBC ratio for the next period. If the RBC ratio based on the trend test falls below 100%, move to Company Action Event</i>
<i>75% < Y < 100%</i>	<i>Registrant Action</i>	<i>Registrant is required to submit RBC plan and financial projections and implement the plan accordingly.</i>
<i>50% < Y < 75%</i>	<i>Regulatory Action</i>	<i>IC is authorized to issue Corrective Orders.</i>
<i>Y < 50%</i>	<i>Authorized and Mandatory Control</i>	<i>IC is authorized and required to take control of the Registrant</i>

The final amount of the RBC ratio can be determined only after the accounts of the Company have been examined by the Insurance Commission specifically for the determination of admitted and non-admitted assets as defined under the Insurance Code. The Registrant reported RBC ratio of not less than 125% during the 2019 interim quarterly reports.

IC issued CL No. 2016-65 and 2015-29, Financial Reporting Framework (“FRF”) under Section 189 of the New Insurance Code. The FRF will adopt the economic valuation of assets and liabilities based on internationally accepted accounting, actuarial, and insurance core principles.

IC also released CL No. 2016-66, Valuation Standards for Life Insurance Policy Reserves, pursuant to Sections 216 and 423 of The Insurance Code. Where appropriate, the life insurance policy reserves shall be valued using the Gross Premium Valuation (GPV) considering other assumptions such as morbidity, lapse and/or persistency, expenses, non-guaranteed benefits and margin for adverse deviation. IC decided to treat the change in the basis of valuation as a change in accounting policy and shall be retrospectively applied.

The full implementation of FRF and valuation standards has taken effect on January 1, 2017.

Total Number of Employees and Number of Full Time Employees as of December 31, 2019:

Employees: 265
Full time employees: 261
No. of anticipated employees for the ensuing year: 270

On February 12, 2018, the Collective Bargaining Agreement (“CBA”) has been signed and executed by the Registrant and the labor union which shall be valid and effective for a period of three (3) years and shall continue from year to year thereafter, unless otherwise terminated by either party pursuant to Article XVII, Section 1 thereof.

Training and Development:

The Registrant implements a training and development program where employees and officers are provided with the opportunity of attending relevant courses, conventions, and trainings provided by reputable entities, locally and abroad. The training and development program is designed to enhance the knowledge, skills, and competence of the Registrant’s employees and officers. For this purpose, the Registrant allocates on a yearly basis, a budget for such training and development. In 2019, the following seminars/trainings were taken by the Registrant’s appropriate employees and officers:

- a. *ASPLI First Learning Session*
- b. *W/TAX ON WAGES & FBT TAX SEMINAR*
- c. *BIR COMPUTERIZED ACCOUNTING SYSTEM ACCREDITATION & COMPLIANCE*

- d. *Basic Occupational Safety and Health (BOSH) Course*
- e. *AMLA FOR INSURANCE COMPANIES AND FINANCIAL INSTITUTIONS*
- f. *Life Insurance Claims Association of the Philippines (“LICAP”) Seminar*
- g. *HOLUAP Annual Convention*
- h. *HOLUA Seminar*
- i. *LICAP Annual Convention*
- j. *LICAP Seminar*
- k. *LICAP- Understanding Down Syndrome & Urologic Diseases*
- l. *Life and Underwriting Reinsurance Seminar*
- m. *MCLE Seminars*
- n. *Effective Business Correspondence*
- o. *IIAP-Basic Micro Insurance*
- p. *MSSQL Training*
- q. *PSIM - Non-alcoholic and alcoholic steatosis*
- r. *Fully Understanding IAS and Funding Actuarial Valuation Report*
- s. *NATRE Annual Technical Forum*
- t. *IFRS 17 Insurance Contracts*

Risks:

The risk under an insurance contract is that an insured event may occur, including the uncertainty of the amount and timing of any resulting claim. The principal risk the Registrant faces under such contract is that the actual claims and/or benefit payments exceed the carrying amount of insurance liabilities. Such risk is influenced by the frequency of claims, severity of claims, actual benefits paid in excess of that originally estimated, and subsequent development of long-term claims.

Underwriting risk represents the exposure to loss resulting from actual policy experience adversely deviating from assumptions made in the product pricing. The Registrant’s underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geographical locations, the use of medical screening in order to ensure that pricing takes account the current health conditions and medical history, regular review of actual claims experience and product pricing, as well as detailed claims handling procedures. Underwriting risks are brought about by a combination of mortality, morbidity, expense and policyholder decision risks. Underwriting limits are in place to enforce appropriate risk selection criteria.

The risks associated with the life, accident, and health products are underwriting and investment risks.

Operational risk arises from, among others, the Registrant’s people and processes, threats to the security of its information technology (“IT”) system facilities, personnel or data, business interruption risk, reputational risk, legal risks, and compliance obligations to regulatory or taxing authorities. Operational and IT risk management of the Registrant involves the formulation of policies, setting and monitoring of key risk indicators, and overseeing the thoroughness of insurance-wide risk, control self-assessments, and loss incident management; and in the process, creating and maintaining a sound business operating environment that ensures and protects the integrity of the Registrant’s assets, transactions, reputation, records, data, and clients, the enforceability of the Registrant’s claims, and compliance with all pertinent legal and regulatory requirements.

All required provisions and liabilities to cover these risks are being set up on a regular basis under the supervision and regulation of the IC.

Item 2. Properties

The Registrant is the absolute and registered owner of the following real estate properties:

- a. *Real estate property located at Pendatun Ave., General Santos City;*
- b. *Real estate property located at A. Pichon Sr. St., Davao City;*
- c. *Condominium properties located at Cebu Holdings Center, Cebu Business Park, Mabolo, Cebu City;*
- d. *Condominium property located at Building VI, Europa Condominium Villas, Legard Rd. corner Marcos Highway, Baguio City;*
- e. *Real estate property located at 166 Salcedo St., Legaspi Village, Makati City.*

There are no liens or encumbrances on any of the real estate properties listed above. The Registrant purchased two (2) condominium offices located One Vertis Plaza located at BagoBantay, Quezon City, the total cost of which does not exceed 5% of the consolidated total assets and payable in 6 years or until June 2024, which is also its completion date. Total costs of renovation of current office spaces and property acquired by the Registrant in settlement of mortgage loans are equivalent to less than 5% of the consolidated total assets.

Item 3. Legal Proceedings

There are no material pending legal proceedings with claims to damages exceeding 10% of the current assets, to which the Registrant is a party or of which any of its properties is the subject. The Registrant has no knowledge that its subsidiaries and parent company are presently involved in any material legal proceeding affecting themselves and/or their properties before any court of law or administrative body in the Philippines.

There were no proceedings that were terminated during the fourth quarter of 2019 with claims to damages exceeding 10% of the current assets.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted during the fourth quarter of year 2019 covered by this report to a vote of security holders, through the solicitation of proxies or otherwise.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

5.1 Market Information

The common share of the Registrant is not traded on the PSE. If there is any trading, it is a private transaction between stockholders and these are isolated cases. The reported price (inclusive of all the processing fees to effect the sale/transfer) at which the trading was done for the last 2 fiscal years are:

	2018	2019	2020
1st quarter	<i>P1.50</i>	<i>P1.50</i>	<i>P1.50</i>
2nd quarter	<i>P1.50</i>	<i>P1.50</i>	
3rd quarter	<i>P1.50</i>	<i>P1.50</i>	
4th quarter	<i>P1.50</i>	<i>P1.50</i>	

5.2 Holders

Number of stockholders as of December 31, 2019: **6,808**

Top 20 shareholders as of December 31, 2019:

	<u>Shareholder</u>	<u>No. of Shares</u>	<u>Percentage</u>
1	FMF DEVELOPMENT CORP.	508,131,734	81.0732%
2	MERJE TRADING INC.	71,555,127	11.4167%
3	JCF INVESTMENT HOLDINGS, INC.	4,866,654	0.7765%
4	SAN BARTEL INVESTMENTS, INC.	1,749,047	0.2791%
5	IBANK T/A No.01-1MA-014	1,551,450	0.2475%
6	ROBERT P. AGNER	1,043,222	0.1664%
7	FEBTC A/C 4124-00006-5	734,372	0.1172%
8	FEBTC A/C 116-00006	325,563	0.0519%
9	TERESITA S. ELA AND/OR TEODORO S. ELA III TEODORO S. ELA III AND/OR	308,874	0.0493%
10	TEODORO M. ELA	294,977	0.0471%
11	LOLITA O. BORJA	276,960	0.0442%
12	BENITO LEGARDA, JR.	225,529	0.0360%
13	JOSE ANTON G. CACHO	220,578	0.0352%
14	HERMINIO S. OZAETA, JR.	211,746	0.0338%
15	JOSE ROMAN S. OZAETA	211,746	0.0338%
16	MA. CARMEN S. OZAETA	211,746	0.0338%
17	MA. NATIVIDAD S. OZAETA	211,746	0.0338%
18	MA. VICTORIA S. OZAETA	211,746	0.0338%
19	FRANK Y. HUANG	176,449	0.0282%
20	CARLOS S. MARTINEZ	176,449	0.0282%
	MELITONA ESTATE, INC.	176,449	0.0282%
	VARIOUS	33,884,330	5.4133%
		626,756,494	100.00%

5.3 Dividend Policy and Dividends

REGISTRANT'S DIVIDEND POLICY STATEMENT

The Registrant complies and adopts as its policy, Section 201 of the Amended Insurance Code, which states that no domestic insurance corporation shall declare or distribute any dividend on its outstanding stocks unless it has met the minimum paid-up capital and net worth requirements, and except from profits attested in a sworn statement to the Commissioner by the president or treasurer to be remaining on hand after retaining unimpaired the entire paid-up capital stock, the solvency requirements, the legal reserve funds required by law, and the sum sufficient to pay all net losses and liabilities for expenses and taxes.

The Registrant recognizes the importance of providing a stable and sustainable dividend stream consistent with its commitment to its shareholders.

The BOD may, at its discretion and depending on the business results for the year, as well as the capital needs of the business, declare and approve the distribution of additional special dividends to all shareholders, normally announced at the Annual Stockholders' Meeting. The Registrant shall report to the IC any dividend declaration or distribution within 30 days after such declaration or distribution.

CASH DIVIDENDS DECLARED ON A PER SHARE BASIS ON COMMON EQUITY

JULY 24, 2017	P0.16/sh	(based on 12/31/2016 income)
JUNE 06, 2018	P0.16/sh	(based on 12/31/2017 income)
MARCH 21, 2019	P0.047/sh	(based on 12/31/2018 income)

There are no restrictions that limit the Registrant's ability to pay dividends on common equity, however, there must be compliance with IC's requirements.

5.4 Recent Sales of Securities

There were no securities of the Registrant sold by it within the past 3 years which were not registered under the SRC. The common share of the Registrant is not traded on the PSE. If there is any trading, it is a private transaction between stockholders and these are isolated cases. As of the first quarter of 2020, the reported offering price per share remained at P1.50, inclusive of all processing fees to effect the sale/transfer. There were no sales or transfers reported for any consideration other than for cash.

Item 6. Management's Discussion and Analysis or Plan of Operation

Plan of Operations for 2020:

The Registrant was not spared by the global effects of the pandemic. Despite the overall negative outlook on the economy, the Registrant remains hopeful that it can, at least, equal its 2019 performance in terms of gross premiums. The Registrant is currently expediting its technology enhancements that will allow non face-to-face selling, mobile applications and servicing and various online and other payment options. Still, challenges are up for the Registrant because of competition and shifting priorities of the target markets. The Registrant will rely heavily on business relationships with institutions built over the years in order to generate the much needed premiums. The Registrant expects to retain the agencies and regional offices, as well as mall operations up to the end of the year.

The Registrant continues to push its sales of the microinsurance products and spot cash, and plans with short term endowments for the year 2020. The Registrant has no plans to offer variable products in the market. The Registrant does not foresee undergoing a bancassurance program in 2020.

The Registrant is hoping to further develop its established relationships with banking institutions for the credit life and mortgage redemption insurance, as well as with the cooperative and microfinancing industries.

The Registrant continues to adhere to the new policies on its Salary Loan Program to the Department of Education (“DepEd”). The Registrant continues to offer the same package to other offices and agencies of the government.

The Registrant is not expecting to increase its investment and other income over the previous year given that the interest rates have been coming down and continuous appreciation of the Peso versus the US dollar as of the date of this report. The Registrant still aims to maximize its returns by continuously using its credit limit amounting to P150Million to be used in buying investment securities.

The Registrant continues to be an active member of the industry by involving itself in various industry issues through its membership in the Philippine Life Insurance Association (“PLIA”).

The Registrant, in close coordination with the IC and as mandated by the SEC, ensures adherence to its ASEAN Corporate Governance and Anti Money Laundering Operating Manual. The Registrant also complied with the requirements of The Foreign Account Tax Compliance Act (“FATCA”) in 2014 by registering as a Foreign Financial Institution. The Registrant will ensure strict compliance with the revised Anti-Money Laundering and Combating the Financing of Terrorism Guidelines, Data Privacy Act Implementing Rules and Regulations. The Registrant will focus on the preparation for the implementation of International Financial Reporting Standard (“IFRS”) 17 on Insurance Contracts which will become effective two years after its effective date as decided by the International Accounting Standards Board per CL 2020-62 issued by the IC.

As in the previous years, funds shall be continually sourced internally for its insurance requirements and the Registrant does not foresee any uncertainty that has, or is reasonably likely to, have a material impact on the short or long-term liquidity. There are no material capital expenditures expected within the next 12 months that will require funds equivalent to 5% of the consolidated total assets.

The Registrant is not expecting a significant increase in the number of its employees for the year 2020.

Management’s Discussion and Analysis – 2019 vs. 2018:

The Registrant and its subsidiaries posted a significant increase in gross premiums by 24% from P1.349Billion in 2018 to P1.669Billion in 2019. Net premiums also increased by 25% between the two comparative years.

The business of life insurance does not follow any particular seasonality or cyclicity as revenues are mainly dependent on the insurance requirements and capacity to pay of the insuring public, while most of the claims, benefits and underwriting expenses depend on mortality rates and economic conditions. Taking the two comparative years, premiums, net of reinsurance, are composed of the following:

	<u>2019</u>	<u>2018</u>
Ordinary (individual)	374,285,200	339,419,875
Group	1,158,794,759	930,996,070
Microinsurance	6,636,000	8,438,000
Inward reinsurance	129,127,549	70,266,474
	<u>1,668,843,508</u>	<u>1,349,120,419</u>
Less: Premiums ceded	16,953,935	27,519,621
Premiums, net of reinsurance	<u>1,651,889,573</u>	<u>1,321,600,798</u>

Premiums from the ordinary, group, and reinsurance lines all increased in 2019 as compared to 2018 while premiums from microinsurance business decreased.

No cycle, season or trend can also explain the amount of claims, surrenders and other benefits to be paid in any given period of time as these are mainly dependent on mortality rate and financial condition of the policyholders. This is the reason why the IC as the industry regulator, mandates its requirements on the issuer's minimum networth, capital investment, reserve investment and minimum RBC ratio. Net insurance benefits and claims incurred on insurance contracts, which increased by 22% from 2018 to 2019 include death claim benefits on ordinary/individual and group businesses, maturities, health benefits, surrender values paid, dividends, and interests accruing on in force policies. There are still policyholders who opt to surrender their insurance policies, meaning, withdraw its cash value, due to financial needs, while other insurance policies have already matured during the year, at which time, the insured receives its maturity value. Death claims still comprise the significant portion of benefits and claims expensed at 60% in 2019 versus 67% in 2018. These insurance risks can be reasonably calculated and estimated, based on Actuarial studies, and thus, reserves and fund allocations are made by the Registrant. An uncertainty, therefore, which will have a material impact on the operations of the issuer, is when death benefits will be claimed all at the same time. This is why the legal policy reserves should be enough to cover all the benefits due to the insured. The Registrant's annual legal policy reserves is certified by the Actuary and evaluated and reviewed by the IC.

Year 2019 was marked by an increase in investment and other income by 11% as compared to the 16% decrease in 2018 over 2017. Investment income is composed of interests on investment securities, loans and notes, dividend income, gain on sale and fair value gains/losses. Interest earned on loans and notes, rental and other income are also included in this category. Total Impairment loss of P26Million was recognized in 2019 on investment securities and loans and notes, which is 73% lower than the 2018 provision at P100Million.

On a year to year basis, the Peso appreciated to P50.635 in 2019 as against the US Dollar. The exchange rate as of year-end 2018 was at P52.58=USD1.00. This resulted in realized and unrealized foreign exchange loss amounting to P83.11Million in 2019 versus P106.04Million gain in 2018.

Commissions and other direct expenses increased by 27% while general and administrative expenses increased by 9% from 2018 to 2019. Consolidated net income for the year ended 2019 amounted to P109.33Million as compared to the reinstated amount of P148.8Million in 2018 or a 27% decrease. Basic and diluted earnings per share, consequently, decreased to P0.17 per share in 2019 from P0.24 in 2018.

The consolidated balance sheet shows an increase of 6% in total assets from P7.9Billion in 2018 to P8.4Billion in 2019. Investment securities comprise 54% of the total assets in 2019, as the Registrant and its subsidiaries continue to maximize its earning potentials with its holdings in various peso and foreign currency denominated securities. Adding this portfolio to the cash and cash equivalents at P1.225billion, short term investments of P60Million and accrued income of P63Million shows that the Registrant remains liquid and able to meet its obligations. Total assets of the subsidiaries amount to: SIHC, P156,783,530; and BFAI, P7,546,109.

The consolidated stockholders' equity portion reflects a total of P3.2Billion in 2019, which is higher by 11% than the P2.86Billion in 2018.

In addition to the reasons for the increase/decrease discussed in the preceding paragraphs, the following are the explanations for the changes in material items (increase/decrease equivalent to at least 5%) from year 2018 to year 2019:

- a. Increase in cash and cash equivalents by 27% and in short term investments by 19% were contributed by the operations (premiums) and investing activities (interest income);
- b. Increase in insurance receivables by 289% represent increase in collectible premiums with due dates falling on or before the year end.
- c. Decrease in accrued income by 7% was mainly due to the decrease in the salary loans portfolio of the Registrant.
- d. Decrease in loans and notes by 13% was mainly due to the decrease in salary loans portfolio.
- e. Decrease by 21% in the property and equipment at cost was due to depreciation.

- f. Increase in Property and Equipment at revalues amounts by 68% represents the appraisal increase on various properties currently in use as office spaces.
- g. Increase in Other noncurrent assets by 33% represents the installment payments made during the year for the acquisition of two condominium offices and the appraisal of property acquired through foreclosure under mortgage loans.
- h. Increase in insurance contract liabilities by 12% is mainly attributed to the increase in legal policy reserves.
- i. Increase in policyholders' dividends payable by 35% can be attributed to aging policies that are already earning dividends as provided in the insurance contracts.
- j. Decrease in insurance payables by 18% was brought about by the decrease in ceded premiums, coupled with the payments made during the year.
- k. Decrease in loans payable by 91% represent was due to the full payment of fixed term loans by the Registrant; only its subsidiary SIHC has outstanding loans payable as of year end.
- l. Decrease in accounts payable and accrued expenses by 38% was due to the overdraft of cash balances with investment banks in 2018; there was no overdraft in 2019.
- m. Increase in income tax liability by 25% represents the corporate income tax due for the year end.
- n. Increase in other liabilities by 15% represents the increase life insurance deposits collected and outstanding as of the year end.
- o. Increase in retirement liability by 18% is mainly due to set up of additional retirement expense based on the year end actuarial valuation.
- p. Increase in deferred tax liability by 118% was the effect of the appraisal of real estate properties.
- q. Overall decrease in net income by 27% was mainly due to the foreign exchange loss incurred during the year.

Management's Discussion and Analysis – 2018 vs. 2017:

The Registrant and its subsidiaries posted a significant increase in gross premiums by 33% from P1.017Billion in 2017 to P1.349Billion in 2018. Net premiums also increased by almost the same percentage between the two comparative years.

The performance of the Registrant in terms of gross and net premiums is summarized as follows:

	<u>2018</u>	<u>2017</u>
Ordinary (individual)	339,419,875	347,922,436
Group	930,996,070	634,594,152
Microinsurance	8,438,000	6,282,000
Inward reinsurance	70,266,474	29,185,404
	<hr/> 1,349,120,419	<hr/> 1,017,983,992
Less: Premiums ceded	27,519,621	16,767,053
Premiums, net of reinsurance	<hr/> 1,321,600,798	<hr/> 1,001,216,939

Premiums from the group, microinsurance and reinsurance lines all increased in 2018 as compared to 2017 while premiums from the ordinary business decreased.

Year 2018 was marked by a decrease in investment income by 13% as compared to the 13% increase in 2017 over 2016. Investment income is composed of interests on investment securities, loans and notes, dividend income, gain on sale and fair value gains/losses. Interest earned on loans and notes, also included in this category, decreased by 24% in 2018 as compared to 2017 while gain on sale of investment securities, decreased by 67%. Total Impairment loss of P99.91Million was recognized in 2018 on investment securities and loans and notes, which is almost at the same level in 2017 at P100Million.

On a year to year basis, the Peso further depreciated to P52.58 in 2018 as against the US Dollar. The exchange rate as of year-end 2017 was at P49.93=USD1.00. This resulted in realized and unrealized foreign exchange gains amounting to P106.4Million in 2018 versus P31.05Million in 2017.

Commissions and other direct expenses increased by 42% while general and administrative expenses increased by 23% from 2017 to 2018. Consolidated net income for the year ended 2018 amounted to P148.8 Million as compared to the reinstated amount of P113.4Million in 2017 or a 31% increase. Basic and diluted earnings per share, consequently, increased to P0.24 per share in 2018 from P0.18 in 2017.

The consolidated balance sheet shows an increase of 8% in total assets from P7.4Billion in 2017 to P7.9Billion in 2018. Investment securities comprise 56% of the total assets in 2018, as the Registrant and its subsidiaries continue to maximize its earning potentials with its holdings in bonds and equities. Adding this portfolio to the cash and cash equivalents at P967million, short term investments of P51Million and accrued income of P69Million shows that the Registrant remains liquid and able to meet its obligations. Total assets of the subsidiaries amount to: SIHC, P144,253,556; and BFAI, P7,874,177.

The consolidated stockholders' equity portion reflects a total of P2.86Billion in 2018, which is higher by 2.3% than the P2.79Billion in 2017.

The following are the explanations for the changes in material items (increase/decrease equivalent to 5%) from year 2017 to year 2018:

- a. Decrease in cash and cash equivalents by 15% can be attributed to investing activities, specifically in financial assets at fair value through other comprehensive income ("FVOCI") and at amortized cost.
- b. Increase in insurance receivables by 42% represent increase in collectible premiums with due dates falling on or before the year end.
- c. Decrease in loans and notes by 11% was mainly due the increase in allowance for doubtful accounts and the full payment of the receivable from the parent company.
- d. Increase in investment securities by 28% was brought about by new acquisitions during the year, plus the effects of the mark-to-market using the year end foreign exchange rate.
- e. Increase in accrued income by 35% was bought about by increasing the investment securities where interest income is earned from.
- f. Increase in Other Assets by 39% represents installment payments made during the year for the acquisition of two condominium offices.
- g. Decrease in policyholders' dividends payable by 16% can be attributed to the withdrawal of dividends on policies which have matured and those surrendered by the policyholders.
- h. Increase in insurance payables by 18% was brought about by the increase in ceded premiums.
- i. Increase in loans payable represents the availment of fixed term loans with the investment banks which were used to invest in additional securities.
- j. Increase in accounts payable and accrued expenses by P168.7Million represents the overdraft of cash balances with investment banks which was also used in investing in additional securities.
- k. Increase in income tax liability by 89% represents the corporate income tax due for the year end.
- l. Increase in other liabilities by 6% represents the increase in amounts payables to agents and to stockholders out of the cash dividends declared.
- m. Decrease in retirement liability by 10% is mainly due to the actual contributions made during the year.
- n. Overall increase in net income by 31% was mainly due to the significant increases in net insurance premiums and net foreign exchange gains.

Item 7. Financial Statements

Please refer to EXHIBITS - FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with Reyes, Tacandong and Co., the external auditors of the Registrant, on any matter. Ms. Carolina P. Angeles is the partner in charge for the first time in 2016 and has not ceased performing the audit in any interim period.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

The directors of the Registrant are elected at the Annual Stockholders' Meeting to hold office until the next succeeding annual meeting or until their respective successors have been elected or qualified.

The following persons are the Directors and Executive Officers of the Registrant as of **December 31, 2019**:

DIRECTORS:

ENRIQUE C. FERNANDEZ	-	<i>Chairman of the BOD</i>
JOSE L. ARGUELLES	-	<i>Director</i>
JAIME C. FERNANDEZ	-	<i>Director</i>
ROBERTO C. FERNANDEZ	-	<i>Director</i>
SANTIAGO GABRIEL O. FERNANDEZ	-	<i>Director</i>
FLORENTINO M. HERRERA III	-	<i>Director</i>
ROBERTO F. DE OCAMPO	-	<i>Independent Director</i>
CARL ANTHONY SYPALANCA	-	<i>Director</i>
JAIME F. PANGANIBAN	-	<i>Independent Director</i>
CESAR O. VIRTUSIO	-	<i>Independent Director</i>
PAUL U. SAGAYO, JR.	-	<i>Director</i>

EXECUTIVE OFFICERS:

JAIME C. FERNANDEZ	-	<i>President and Chief Executive Officer</i>
ROBERTO C. FERNANDEZ	-	<i>Treasurer</i>
MA. SIGRID R. PINLAC	-	<i>Corporate Secretary and Compliance Officer</i>
LYNDON F. FADRI	-	<i>Consulting Actuary</i>
ANNETTE MARIE M. MALIXI	-	<i>Senior Vice President and Chief Investment Officer</i>
MA. EDITHA S. PALTONGAN	-	<i>Senior Vice President and Comptroller</i>
JOY S. VIANZON	-	<i>Vice President – Chief Accountant</i>
DANILO L. MERCADO	-	<i>Vice President for Metro Manila Sales Division</i>
DEVORAH Q. DELA CRUZ	-	<i>Assistant Vice President – Credit and Collection</i>
MARITESS M. LLAPITAN	-	<i>Assistant Vice President – Underwriting</i>
ELIZABETH T. FLORES	-	<i>Assistant Vice President – Health Care Services</i>

DIRECTORS:

ENRIQUE C. FERNANDEZ, age 66, Filipino, is the Chairman of the BOD since 2007 and has been a Director since 1984. He is also the Chairman of the Executive Committee and a member of the Assets and Liabilities Committee of the Registrant.

Concurrently, Mr. E. Fernandez is the Chairman and President of AMSEC Holdings, Inc., and a Director and President of Eramen Minerals, Inc., FMF, and Investment Planning Corporation of the Philippines. His other directorships include ICCP Ventures, Inc., Manco Holdings, Inc., Manila Cordage Co., Marilag Holdings, Inc., Merje Trading Inc., and Philippine Koyo Bearing Corporation.

Mr. E. Fernandez received his Bachelor of Science degree, major in Business Management, from the Ateneo de Manila University, and his Master of Business Management degree, major in Finance and Marketing, from J.L. Kellogg Graduate School of Management, Northwestern University, Evanston, Illinois, USA.

JAIME C. FERNANDEZ, age 64, Filipino, is a Director and the President and Chief Executive Officer (“CEO”) effective June 06, 2018. He graduated from the Ateneo de Manila University and has a Masters in Finance degree from Golden Gate University. He is also currently a Director and Treasurer of the Investment Planning Corp. of the Phils. He is a director of Marilag Holdings, Inc. He is the President and CEO of Merje Trading, Inc. He is the Chairman of ETC Forest Lawn. He is also the President of Beneficial Financial Advisors, Inc., and PLIA Realty, Inc., the Treasurer of Manila Cordage Company, and Corporate Secretary of Manco Holdings, Inc.

JOSE L. ARGUELLES, age 102, Filipino, has been a Director since 1966 and the President of the Registrant from 1987 up to June 05, 2018.

Mr. Arguelles is currently also the Chairman of FMF; a board member of Lakeshore Educational Institution; Information Professionals, Inc., and Solana Investment Holdings Corporation.

Mr. Arguelles received his Bachelor of Science in Commerce (“BSC”) degree from De La Salle University.

ROBERTO C. FERNANDEZ, age 59, Filipino, has been a Director since 1995. He is the Treasurer of the Registrant and is also a member of its Audit Committee and the Assets and Liabilities Committee.

At present, Mr. R. Fernandez is likewise the Chairman and President of Manila Cordage Co., and a Director of FMF, AMSEC Holdings Inc., Amalgamated Securities Corporation, and Panay Electric Company. He is also the President of Manco Insurance Agents, Inc., Manco Synthetics Inc., Mancorealty, Inc., and Manco Farms, Inc.

Mr. R. Fernandez both received his Bachelor of Science degree, major in Business Management, and his Bachelor of Arts degree, major in Interdisciplinary Studies, from the Ateneo de Manila University. He received his Masters degree in Management from JL Kellogg Graduate School of Management, Northwestern University, Evanston, Illinois, USA.

FLORENTINO M. HERRERA III, age 68, Filipino, was elected to the BOD on August 11, 2008. He is also a member of the Executive Committee and the Assets and Liabilities Committee of the Registrant.

Atty. Herrera is the Managing Partner of Herrera Teehanke and Cabrera Law Offices and a former Partner of Angara Abello Concepcion Regala and Cruz Law Offices (ACCRA Law). He is also currently the Chairman and President of Amica Corporation, Andorra Holdings, Inc., Arpeggio International Resources Corporation, Bedarra Holdings, Inc., Bellagio Properties, Inc., Bellcore Holdings Corporation, Bellendor Peak Resources, Inc., Certosa Resources, Inc., Domain Property Ventures, Inc., Dunes and Eagle Land Development Corp., Econolink Investments, Inc., Filgrow Ventures Corporation, Filsyn Corporation, Fontana Resources Corporation, Genshare Holdings Corporation, Hare Services Corporation, Hunter Valley Resources, Inc., I Pioneer Properties, Inc., Maseena Resources Corporation, Medlinks Resources, Inc., Pomona Properties, Inc., Pergamon Resources Corporation, Regent Resources, Inc., Saville Resources Corporation, Seabright Resources, Inc., Shindig, Inc., SRTC Development Corporation, Trans-Pacific Oriental Holdings Company, Inc., Vassra Holdings, Inc., Viking Star Ventures, Inc., and Websphere Resources, Inc.; The Chairman 911 Alarm, Inc., Media Star Holding Corp., Owl Ventures and Development Condominium Corporation, and San Juanico Property Ventures; a Director and the Vice Chairman of Mantrade Development Corporation; a Director and the President of Aeropartners, Inc. and Nabasan Subic Development Corporation; a Director, Vice President, and Treasurer of Marilag Holdings, Inc.; and a Director and Corporate Secretary of Dream Harbour, Inc., La Regalade, Inc., Melrra Realty, Inc., and the CVC Group of companies such as, but not limited to, Asia Outsourcing Philippines Holdings Inc, Infocom Technologies, Inc., SPi Technologies, Inc., and SPi CRM, Inc. Other directorships include FMF, Asian Alliance Holdings and Development Corporation, Canlubang Golf and Country Club, Inc., Stargate Media Corp., United Coconut Chemicals, Inc., Philippine Airlines, Inc., GEOGRACE Resources Philippines, Inc., EFM, Inc., and Comm&Sense, Inc.

Atty. Herrera received his Bachelor of Arts degree, major in Political Science, from the University of the Philippines in 1972, and his Bachelor of Laws (Cum Laude, Salutatorian) from the UP College of Law in 1977. He placed 12th in the 1977 Bar Exams.

ROBERTO F. DE OCAMPO, age 74, Filipino, is an Independent Director and a member of the Audit Committee of the Registrant.

Mr. de Ocampo also currently serves as the Chairman of Philippine Veterans Bank, Philam Asset Management, Inc., Hatch Asia, Inc., Stradcom Corporation, Tollways Association of the Philippines, Money Tree Publishing Corporation, Centennial Asia Advisors Pte Ltd.; the Vice-Chairman of the Tranzen Group, Montalban Methane Power Corporation, Agus 3 Hydro Power Corporation, and La Costa Development Corporation; a Director of Investment and Capital Corporation of the Philippines Group of Companies, PHINMA Corporation, Alaska Milk Corporation, Bankard, Inc., EEI Corporation, House of Investments, Robinson's Land Corporation, and Salcon Power Corporation; and a Member of the Board of Advisers of ARGOSY Fund, Inc. AES Corporation (Philippines) and the CIMB Group. Moreover, Mr. de Ocampo holds several vital positions in both prestigious international organizations as well as civic organizations.

Mr. de Ocampo graduated from the Ateneo de Manila University, received his MBA degree from the University of Michigan, holds a post-graduate diploma from the London School of Economics, and has 4 doctorate degrees (HonorisCausa). He is the recipient of many international awards, including Finance Minister of the Year, Philippine Legion of Honor, Association of Development Financing in Asia and the Pacific ("ADFIAP") Man of the Year, Chevalier of the Legion of Honor of France, Ten Outstanding Young Men Award (TOYM), several Who's Who Awards, and the 2006 Asian Human Resource Development ("HRD") Award. In June 2012, Mr. De Ocampo was awarded by Queen Elizabeth II with a medal for his appointment as an honorary officer of the Most Excellent Order of the British Empire.

CARL ANTHONY SY PALANCA, age 46, Filipino, was elected to the BOD on August 11, 2008 and is also a member of the Executive Committee and the Assets and Liabilities Committee of the Registrant.

Mr. Palanca also sits as a board member of FMF, Asian Alliance Holdings and Development Corp., Asian Alliance Investment Corp., The Mother Company, Inc., Cognatio Holdings, Inc., Blue Chips Inv'tand Trading Group, CP Holdings Corporation, CP Group Holdings, Inc., CP Equities Corp., CPJ Corporation, C Palanca Corporation, CP Realty Corporation, and Palanca Investment and Trading Group Inc.

Mr. Palanca received his Bachelor of Science degree, major in International Business, from Sophia University, Tokyo, Japan, and he received his Masters degree in Business Management from the Asian Institute of Management in Makati City, Philippines.

JAIME F. PANGANIBAN, age 69, Filipino, was nominated as an Independent Director on May 19, 2014.

Mr. Panganiban is also the Chairman and Chief Executive Officer ("CEO") of Lakes Shore CCY Inc. and BGP Asia Pacific Ltd. Inc.; the Chairman and President of JFP Assets Corp.; a Co-Chairman at Compoint Networks, Inc.; and a Director of JP Latex Technology, Inc. In 2005, he served as the Advisor and Chief Financial Officer of Development Bank of the Philippines ("DBP") and undertook the take over and rehabilitation of Al-Amanah Islamic Investment Bank of the Philippines where he was eventually appointed Chairman and CEO in 2008. Mr. Panganiban is an accomplished senior bank executive with widely recognized expertise in treasury, capital markets, investment banking, trust, and wealth and risk management, built upon a foundation of exposures and postings in the Asia Pacific region.

Mr. Panganiban completed his Advanced Management Program ("AMP") at the Templeton College, University of Oxford, United Kingdom, and Financial Asset Management and Engineering at the FAME, University of Lausanne, Switzerland. He received his BSC degree, major in Accounting, from the Ateneo de Zamboanga and took his MBA units at the Ateneo de Manila University.

CESAR O. VIRTUSIO, age 74, Filipino, has been an Independent Director since 2006, presently a member of Assets and Liabilities Committee, Executive, and Audit Committees of the Registrant.

Mr. Virtusio was until recently the Managing Director of the Bankers Association of the Philippines ("BAP") where he served for 8 years and held Board and Executive positions in BAP related entities. He sits as a board member of

a European-related automotive general distribution company, and Amalgamated Investment Corporation. He used to be the Chief Representative and an Adviser to Dresdner Bank and Dresdner Kleinwort. He has been with the Dresdner Bank Group in Germany, Hong Kong, Singapore, and the Philippines for over 20 years in various management positions in corporate and investment banking. He also had a stint with Citibank Manila where he participated in the Executive Development Program and was a Manager in the bank's World Corporation Group.

Mr. Virtusio has a Master's degree in Business Administration with a major in International Business from the George Washington University, Washington DC.

SANTIAGO GABRIEL O. FERNANDEZ, age 26, Filipino, was nominated Director during Nomination Committee meeting on April 26, 2016 and elected as Director on July 22, 2016.

Mr. S. Fernandez is currently connected with PricewaterhouseCoopers ("PWC") where he is a Full Time Associate specializing in business enterprise valuation and financial model review of companies engaged in the shipping, tankering, integrated logistics, and renewable energy industries. He was also involved in the Support Bid and Financial Model Advisory for the Light Rail Transit 2 ("LRT2") and the Regional Airport Public-Private Partnership ("PPP") projects run by the PPP Center.

Mr. S. Fernandez received his Bachelor of Commerce degree, majors in Economics and Finance (with Third Class Honours), from the University of Melbourne, Australia.

PAUL U. SAGAYO, JR, age 53, Filipino, was elected to the BOD on June 06, 2018. He is also a member of the Assets and Liabilities Committee and Audit Committee of the Registrant.

Atty. Sagayohas 20 years of progressive law practice with extensive exposure in court litigation and arbitration. He is a Partner in Sagayo Evangelista & Rebuelta Law Offices. He also currently serves as a director in Onetaipan Holdings, Inc., Calac High Power Corporation, Synergy Grid & Development Phils., Inc., ETC Realty Corporation, and Trinity University of Asia.

He graduated from Trinity College of Quezon City with a degree in Bachelor of Arts in Political Science. He received his Bachelor of Laws degree from San Beda College in 1992.

Section 437 of Republic Act No. 10607 otherwise known as the Amended Insurance Code and Circular Letter no. 2014-49 have specified the term limits of Independent Directors for life insurance companies.

For the year 2019, the Corporation had a total of 3 independent directors.

Messrs. Jaime F. Panganiban, Roberto F. De Ocampo and Cesar O. Virtusio, were the independent directors as defined under Section 38 of the Securities Regulation Code. It is expected that Messrs. Jaime F. Panganiban, Roberto F. de Ocampo and Cesar O. Virtusio will be re-elected as independent directors during the annual stockholders' meeting to be held in June 2019. They have been nominated and elected and they possess the qualifications and none of the disqualifications of an independent director.

Mr. Cesar O. Virtusio has been serving as an independent director since his election last November 29, 2006 when he was nominated by Mr. Enrique Fernandez, Ms. Karleen Zita B. Palanca (former Director) and Mr. Roberto C. Fernandez. Mr. Roberto F. De Ocampo has been serving as independent director since October 30, 2008 and was nominated by Mr. Enrique C. Fernandez, Mr. Carl Anthony Sy Palanca and Mr. Jose L. Arguelles. Mr. Jaime R. Panganiban was nominated by Mr. Enrique Fernandez last May 19, 2014. The nominees are not related to the persons who nominated them.

No director has resigned or declined to stand for re-election to the BOD because of a disagreement with the Registrant's management or any matter relating to operations, policies or practices.

EXECUTIVE OFFICERS:

JAIME C. FERNANDEZ, President and Chief Executive Officer (see credentials under “Directors”)

ROBERTO C. FERNANDEZ, Treasurer (see credentials under “Directors”)

ANNETTE MARIE M. MALIXI, age 64, Filipino, is the Senior Vice President and Chief Investment Officer. She is currently the Treasurer of Beneficial Financial Advisors, Inc. She is formerly the Vice President/Group Head in the Private Banking and Fixed Income Distribution Group of Unionbank of the Philippines from 2006 up to the second half of 2008. Her more than 20 years’ experience in Treasury from International Exchange Bank, Asianbank Corp., AB Capital and Investment Corp. and Private Development Corp. of the Phils. has honed her specialization in proprietary trading in domestic and foreign fixed income instruments, reserve and liquidity management, foreign exchange and swaps, derivatives, and risk management.

Ms. Malixi passed her Chartered Financial Analyst (“CFA”) Level 1 exam in June 2008 and obtained her Bachelor of Science degree, major in Industrial Engineering, at the University of the Philippines.

MA. EDITHA S. PALTONGAN, age 53, Filipino, is the Senior Vice President and Comptroller. She worked with Sycip, Gorres, Velayo & Co. (“SGV & Co.”) from 1987 to 1991 as Senior Auditor, after which, she joined the Registrant. Ms. Paltongan is also a board member of Beneficial Financial Advisors, Inc.

Ms. Paltongan graduated Magna Cum Laude with a Bachelor of Science in Business Administration (“BSBA”) degree from University of the East and passed the CPA board examination in 1987.

JOY S. VIANZON, age 51, Filipino, is the Vice President / Chief Accountant. She re-joined the Registrant in August 2010 as Chief Accountant. She first joined the Registrant from 1995 to 2007. She was previously connected with IBM Business Services, Inc., Avida Corporation, HSBC, and SGV & Co. She is currently a Director of Beneficial Financial Advisors, Inc. She completed her BSC - Accounting degree at De La Salle University, and passed the CPA board examination in the same year.

ATTY. MA. SIGRID R. PINLAC, age 42, Filipino, is the Corporate Secretary and Compliance Officer. Prior to joining the Registrant in February 2018, Atty. Pinlac worked as legal counsel of TPPH-FHCS, Inc. (Teleperformance), and Head of Corporate Services and Compliance Unit of Malayan Insurance Group of Companies. She was an associate lawyer in the Law Firm of Aquino Regino Arceo Palma Raagas & Associates.

Atty. Pinlac is an alumna of the University of Santo Tomas where she finished her degree in Bachelor of Science Major in Biology. She received her Bachelor of Laws degree from the University of the East in 2003. She took and passed the 2003 Bar Examinations.

DANILO L. MERCADO, age 60, Filipino, is the Vice President for Metro Manila Sales Operations. He began his employment career with the Registrant in April 2013. Prior to his employment with the Registrant, Mr. Mercado was connected to First National Surety and Philippine Prudential Life.

Mr. Mercado received his degree in B.S.C Accountancy from Colegio de San Juan de Letran in 1982.

DEVORAH Q. DELA CRUZ, age 59, Filipino, is the Assistant Vice President for Credit and Collections. Ms. Dela Cruz joined the Registrant in June 1993. She is also currently the Accountant of Beneficial Financial Advisors, Inc.

Ms. Dela Cruz graduated with a BSBA – Accounting degree at the Pamantasan ng Lungsod ng Maynila and she passed the CPA board examination in 1985.

MARITESS M. LLAPITAN, age 52, Filipino, is the Assistant Vice President for Underwriting. Prior to joining the Registrant in July 2016, Ms. Llapitan was the Compliance Officer and Head of New Business and Underwriting and Licensing Department of the Philippine Prudential Life Co., Inc. She also worked as the Senior Manager of the New Business and Underwriting Department of Sunlife–Grepa Life Insurance Co./Great Pacific Life Assurance Co., Operations Director at Manulife Financial Business Processing Services, Group Life Manager at The

ManufactureLife Insurance Company Philippine Branch, Underwriting Manager of Philam Equitable Life Assurance Co., Manager of the Underwriting, New Business and Policy Department of John Hancock Life Assurance Co., and Senior Underwriter at First Guarantee Life Assurance Company, Inc.

Ms. Llapitan received her Bachelor of Science degree, major in Medical Technology, from San Juan De Dios College, Pasay City, graduating as a Bronze Medalist and with academic citation for Clinical Excellence.

ELIZABETH T. FLORES, *age 60, Filipino*, is the Assistant Vice President for Health Care Services. She held the position of Senior Vice President for Administration in Star Healthcare Systems, Inc. prior to joining the Registrant in October 2016. She likewise worked with First Guarantee Life Assurance Co., Inc. and Corregidor Life Insurance.

Ms. Flores graduated from the Polytechnic University of the Philippines with a BSC- Economics degree. She has a Master's degree in Business Administration from the same university.

9.1 Significant Employees

All employees are expected to make reasonable contributions to the success of the business of the Registrant. There is no "significant employee" as defined in Part IV (A)(2) of SRC Rule 12 (i.e., a person who is not an executive officer of the Registrant but who is expected to make a significant contribution to the business).

9.2 Family Relationships

FMF is the parent company of the Registrant with 81.0732% ownership in the total outstanding capital stock. The Registrant's financial statements are being consolidated with those of the parent company.

Merje Trading Inc. is the second major stockholder of the Registrant with 11.4167% shareholding. Roberto C. Fernandez and Jaime C. Fernandez are officers and directors also of Merje Trading Inc. Director Enrique C. Fernandez is also a Director of Merje Trading Inc. and the President of Eramen Minerals, Inc., a corporate borrower of the Registrant. Director Roberto C. Fernandez is also the Chairman and President of Manila Cordage Co., another corporate borrower of the Registrant.

No other transaction was undertaken by the Registrant in which any Director or Executive Officer was involved or had a direct or indirect material interest aside from the loans granted as disclosed under Notes 7 and 17 of the audited consolidated financial statements and Supplementary schedule B.

Directors Enrique Fernandez, Roberto Fernandez and President & CEO Jaime Fernandez are brothers. Director Roberto C. Fernandez is the father of Director Santiago Gabriel O. Fernandez.

9.3 Involvement in Certain Legal Proceedings

To the knowledge and/or information of the Registrant, none of its Directors or Executive Officers have been involved in any legal proceeding including, without limitation, being the subject of any: (a) bankruptcy petition; (b) conviction by final judgment in a criminal proceeding, or a pending criminal proceeding, domestic or foreign; (c) order, judgment or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement in any type of business, securities, commodities or banking activities, which is not subsequently reversed, suspended or vacated; or (d) judgment of violation of a securities or commodities law or regulation by a domestic or foreign court of competent jurisdiction, the SEC (or comparable foreign body), or a domestic or foreign exchange, which has not been reversed, suspended or vacated, for the past 5 years that is material to the evaluation of their ability or integrity to hold the relevant positions in the Registrant.

Item 10. Executive Compensation

10.1 Summary Compensation Table

Information as to the aggregate compensation paid or accrued during the last 2 fiscal years and to be paid in the ensuing fiscal year to the Registrant's President and CEO and 4 other most highly compensated Executive Officers and all other officers/directors are as follows:

Name/Position	FY	Salaries	Bonus	Others
<i>Jaime C. Fernandez / President and CEO;</i>				
<i>Annette Marie M. Malixi/SVP and CIO;</i>				
<i>Ma. Editha S. Paltongan, SVP- Comptroller; Danilo L. Mercado Head, MM Sales;</i>				
<i>Total</i>	2020*	19,000,000	4,500,000	5,000,000
	2019	17,692,838	3,879,000	4,213,146
	2018	15,554,607	3,190,460	4,253,946
<i>*estimate for 2020</i>				
<i>All other officers and directors as a group unnamed</i>	2020*	14,800,000	10,000,000	3,500,000
	2019	13,573,351	7,648,750	3,399,787
	2018	13,041,463	14,013,934	3,155,196

10.2 Compensation of Directors

All members of the BOD are entitled to a maximum total share of 5% Directors' Bonus based on the Net Income after Tax of the preceding year. Each member receives a per diem of P20,000.00 per board meeting and P10,000.00 per executive committee meeting. The same shall be submitted to the Shareholders for review and discussion on the next shareholder's meeting.

There are no other arrangements or contracts pursuant to which any Director of the Registrant was compensated or is to be compensated, directly or indirectly during the last fiscal year and the ensuing year.

10.3 Employment Contracts and Termination of Employment

All Executive Officers, except Consulting Actuary, who is on a retainer/consultancy fee basis, are under employment contracts and are entitled to a maximum total share of 3% Management Bonus based on Net Income after Tax of the preceding year. They are also entitled to receive retirement benefits as required by law. There is no other compensatory plan or arrangement, other than retirement, which any Executive Officer shall receive in case of resignation or termination.

There are no outstanding warrants or options held by any of the Executive Officers or Directors.

Item 11. Security Ownership of Certain Beneficial Owners and Management

11.1 Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2019, the Registrant knows of no one who beneficially owns in excess of 5% of its common stock except as set forth in the table below:

<u>Title of Class</u>	<u>Name and Address of beneficial owner</u>	<u>Amount of ownership*</u>	<u>Percent of class</u>
Common	FMF DEVELOPMENT CORP. 3F ALPAP Bldg., 140 Leviste St., Salcedo Village, Makati City	508,131,734	81.0732%

- do-	MERJE TRADING INC. 1381 Palm Avenue, Dasmariñas Village, Makati City	71,555,127	11.4167%
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Both domestic companies are the registered owners on record per books of the Registrant's stock and transfer agent. Merje Trading Inc. is a closely-held corporation while FMF has **68,557** stockholders as of December 31, 2019.

FMF, as a corporation, is represented by its President, Mr. Enrique C. Fernandez. MerjeTrading, Inc. on the other hand is represented by its VP-Finance, Mr. Roberto C. Fernandez.

The officers and shareholders of Merje Trading, Inc. are the Fernandez family, which include Messrs. Enrique, Jaime, and Roberto Fernandez.

11.2 Security Ownership of Management as of May 15, 2020:

<u>Title of Class</u>	<u>Name of Beneficial Owner</u>	Amount and nature of beneficial ownership <u>(all direct)</u>	Percent of <u>class</u>
Common	Ma. Editha S. Paltongan	99,143	0.0158%
-do-	Teresita E. Ullegue	8,205	0.0013%
-do-	Deborah Q. dela Cruz	8,957	0.0014%
-do-	Fernandez, Jaime C.	3,294	0.0005%
	All officers and directors as group including qualifying shares	123,470	0.0197%
Voting trust holders of 10% or more		NONE	
Change in Control		NONE	

Item 12. Certain Relationships and Related Transactions

FMF is the parent company of the Registrant with 81% ownership of the total outstanding capital stock. The Registrant's financial statements are consolidated with that of the parent on an annual basis. The Registrant's wholly owned subsidiaries are Beneficial Financial Advisors, Inc. and Solana Investment Holdings Corp.

No other transaction was undertaken by the Registrant in which any Director or Executive Officer was involved or had a direct or indirect material interest aside from the loans granted as disclosed under Notes 7 and 17 of the audited consolidated financial statements and Supplementary Schedule B.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The IC, the primary regulator of the Registrant, requires the Registrant to adopt and comply with: (a) CLNo. 14-2013 dated July 1, 2013 (ASEAN Corporate Governance Scorecard); (b) CL No. 21-2009 dated August 12, 2009 (Corporate Governance Scorecard); (c) CL No. 9-2002 dated May 8, 2002 (Operating Manual against Money-Laundering for Insurance Commission Covered Institutions); (d) CL No. 11-2006 (Money Laundering Self-Rating Form); (e) CL No. 2018-48_Anti-Money Laundering and Combating the Financing of Terrorism Guidelines for Insurance Commission Regulated Entities and (f) CL No. 2015-02-A dated 13 January 2015 (Minimum Capitalization Requirement).

The evaluation by the Registrant to measure and determine the level of compliance of the BOD, the Executive Officers and top level management with its Manual on Corporate Governance (the “Manual”) is vested by the BOD on the Compliance Officer. The Compliance Officer is mandated to monitor compliance by all concerned with the provisions and requirements of the Manual.

The Registrant aims to create and sustain value for its stakeholders. To achieve this, the BOD, senior management, and employees must understand that compliance with regulations and best practice standards is everybody’s responsibility.

The Registrant commits to the highest standards of good corporate governance in realizing its vision and mission. The Registrant believes that sound corporate practice based on integrity, fairness, accountability, and transparency is essential in achieving growth and stability, as well as enhancing investors and stockholders’ confidence.

The Registrant’s Code of Ethics ensures that all employees adhere to the highest standards of honesty, transparency, and accountability. To further emphasize the Registrant’s commitment to integrity, employees are encouraged to report, in good faith, to higher management any misconduct within their respective departments/units.

Consistent with the foregoing policies and the provisions of the Manual, the Registrant has been continuously implementing the following:

Rights and Equitable Treatment of Stockholders:

The BOD acknowledges and respects the fundamental rights of shareholders to obtain adequate and timely information and commits not to act in a way that will violate the same.

The BOD will strive to achieve growth based on its potential and core competencies to ensure that shareholders, over the long term, will benefit from the productive performance and good operating results of the Registrant.

Policies on Employees Health and Safety:

The Registrant maintains the provisions for the health, safety and welfare benefits of its employees under the HealthCare Program being managed by the Registrant’s Health Care Department in coordination with the Human Resources Department. Under the foregoing, the Registrant’s employees throughout the country can go to any of the Registrant’s accredited medical clinics, laboratories and/or hospitals.

The Registrant is committed to promote the physical, social and mental well-being of its employees. It aims to provide and maintain a workplace free from all forms of discrimination and from all forms of physical, sexual or psychological abuse including harassment, bullying and intimidation. It is committed to maintain a positive, harmonious and professional work environment with due importance accorded to occupational health and safety of the employees and its clients transacting business at its various offices.

Policies and Activities on Customer Welfare:

The Registrant recognizes that its clients are the reason for its continued business, hence, the Registrant is committed to meet the needs of its clients by providing them with high quality customer service, as well as relevant products and services.

The Registrant is also committed to treat clients fairly by complying with the Policy Holder's Bill of Rights issued by the IC as well as implementing the following minimum service standards:

- a. Communications are fair and not misleading;
- b. Ensure that clients are given clear and accurate information on the services offered, including the risks involved, prior to the conclusion of any business transaction;
- c. Products and services are suitable and beneficial, taking into account the needs of the clients, their financial and risk profiles and objectives; and
- d. Complaints and concerns are handled and addressed promptly in a professional manner.

To ensure the effective implementation of the foregoing policies, the Registrant has a customer service desk to address the concerns and receive the complaints of clients.

Community Interaction Policy:

The Registrant considers its host community as its growth partner, and contributes to its social development agenda by paying appropriate taxes and complying with relevant laws, regulations, resolutions and ordinances.

Through its various branches nationwide, the Registrant also empowers the local communities where they operate by providing employment, livelihood opportunities, and basic services that will help improve their quality of life.

The Registrant's Community Principles:

This policy affirms the Registrant's commitment to the range of communities with whom it interacts, guided by the following principles: (a) compliance with all laws and regulations, (b) transparency, (c) sustainability, (d) respect for human rights, (e) diversity and (f) contribution to economic development.

The Registrant's Community Approach:

The Registrant's approach to its stakeholders is guided by the following:

- a. Building positive community relations by being an active player in the society;
- b. Identifying opportunities for partnership with the communities to create shared values;
- c. Investing in community developments that will benefit the community and be sustainable in the long run;
- d. Valuing the diversity of the stakeholders, respecting their culture and aspirations as we strive for local procurement and local employment; and
- e. Anti-corruption programs.

The Registrant adopts and institutionalizes the highest ethical standards by strict implementation of the provisions of its Code of Conduct. The Registrant is committed in complying with and strictly enforcing anti-corruption laws in all its offices. Bribery of any form is strictly prohibited.

Employees are strictly prohibited from receiving gifts from clients, suppliers or third persons to ensure that they remain objective and partial in the performance of their respective duties and responsibilities.

Pursuant to its commitment to good governance and business practice, the Registrant continues to review and strengthen its policies and procedures, giving due consideration to developments in the area of good governance, which it determines to be in the best interest of Registrant and its stockholders. The Registrant actively participates in industry discussions on good governance issues and concerns through the PLIA.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-A

14.1 Exhibits

- A. Statement of Management's Responsibility
- B. Audited Financial Statements and Supplementary Schedules:
 - Supplementary Schedule of Financial Soundness Indicators*
 - Schedule A: Financial Assets*
 - Schedule B: Amounts Receivable from Directors, Officers, Employees, Related Parties and Stockholders other than related parties*
 - Schedule C: Amounts receivable from related parties which are eliminated during the consolidation of financial statements*
 - Schedule D: Intangible assets – other assets (Not Applicable)*
 - Schedule E: Long term debt (Not Applicable)*
 - Schedule F: Indebtedness to related parties (Not Applicable)*
 - Schedule G: Guarantees of securities of other issuers (Not Applicable)*
 - Schedule H: Capital Stock*

14.2 Reports on SEC Form 17-C filed during the last 6 months:


<u>Item Reported</u>	<u>Date filed</u>
1. <i>Certificate of Attendance of Directors for 2019</i>	<i>January 7, 2020</i>
2. <i>Certification on Compliance with the Manual on Corporate Governance</i>	<i>January 29, 2020</i>
3. <i>Resignation of Mr. Santiago Gabriel O. Fernandez</i>	<i>March 05, 2020</i>
4. <i>Postponement of the 2020 Annual Stockholders Meeting (To be held on any day of June every year Per By-Laws)</i>	<i>June 11, 2020</i>

SIGNATURES


Pursuant to the requirements of Section 17 of the SRC and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on April 26, 2020.

BENEFICIAL LIFE INSURANCE COMPANY, INC.


By:



JAIME C. FERNANDEZ
President & CEO



ATTY. MA. SIGRID R. PINLAC
Corporate Secretary



JOY S. VIANZON
Chief Accountant



ROBERTO C. FERNANDEZ
Treasurer



MA. EDITHA S. PALTONGAN
Senior Vice President, Comptroller


JUN 29 2020

SUBSCRIBED AND SWORN to before me this ____ day of April 2020, affiants, personally known to me, exhibiting to me their government issued IDs, as follows:

Name(s)	Government Issued ID	Date and Place of Issue
JAIME C. FERNANDEZ	Passport No. P4426338B	01/17/20/DFA Manila
ROBERTO C. FERNANDEZ	Passport No. P5590221A	01/11/18/DFA NCR South
MA. SIGRID R. PINLAC	Passport No. EC7772711	05/21/16/ DFA NCR West
MA. EDITHA S. PALTONGAN	Passport No. P2544046B	07/15/19/ DFA NCR South
JOY S. VIANZON	Passport No. P3823508A	07/27/17/DFA NCR West

NOTARY PUBLIC

Doc. No. 147;
 Page No. 32;
 Book No. 08
 Series of 2020.


ATTY. ROBERTO N. LUZ
 NOTARY PUBLIC
 Until December 31, 2021
 Appt. No. M-37 Makati City
 IBP #092865 for 2020 - PSM
 PTR #8112274, Jan. 02, 2020-Makati
 S.C. Roll No. 58557
 MCLE Compliance No. VI-0029451 28 Aug. 2019
 Unit 301 3rd Flr. Campus Rueda Bldg
 101 Urban Ave., Brgy. Pio del Pilar, Makati City

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

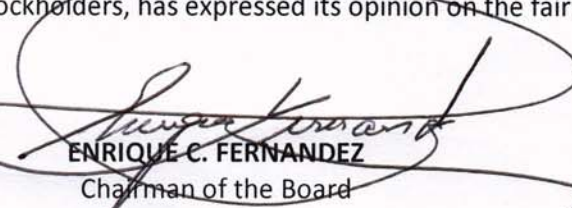
The Management of **Beneficial Life Insurance Company Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the years ended **December 31, 2019 and 2018**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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


ENRIQUE C. FERNANDEZ
Chairman of the Board


JAIME C. FERNANDEZ
President & Chief Executive Officer


ROBERTO C. FERNANDEZ
Treasurer

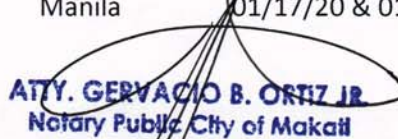
Signed this 10th day of June 2020

JUN 25 2020

SUBSCRIBED AND SWORN to before me this _____, affiants exhibiting to me their Passport, as follows:

<u>Name</u>	<u>Passport</u>	<u>Issued at</u>	<u>Issued & Expiry Date</u>
Enrique C. Fernandez	P5005709B	NCR South	03/02/20 & 03/01/30
Roberto C. Fernandez	P5590221A	NCR South	01/11/18 & 01/10/28
Jaime C. Fernandez	P4426338B	Manila	01/17/20 & 01/16/30

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Page no. 06
Book no. XIV
Series of 2020


ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2020
IBP No. 05729-Lifetime Member
MCLE Compliance No. VI-0024312
Appointment No. M-183-(2019-2020)
PTR No. 8116014 Jan. 2, 2020
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

Beneficial Life Insurance Co., Inc.

166 Salcedo St. Legaspi Village, Makati City 1229 P.O. Box 1903
T (+632) 818-8671 • F (+632) 818-2291 or 95, (632) 818-2302

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