



2020 Annual Report

# Financial Statements

# Independent Auditor's Report

The Stockholders and the Board of Directors  
Singlife Philippines Inc.



## Opinions

We have audited the financial statement of Singlife Philippines Inc. (the Company), which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presented fairly, in all material respects, the financial position of the company as at December 31, 2020 and 2019, and its financial performance and its cash flow for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

## Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of Management and Those Charged with Governance of the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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## Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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## Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basis financial financial statements taken as a whole. This supplementary information required under Revenue Regulation No. 15-2010 in Note 31 to the financial statements is presented for purpose of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Singlife Philippines Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, and the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO



Bernalette L. Ramos  
Partner  
CPA Certificate No. 0091096  
SEC Accreditation No. 0926-AR-3 (Group A),  
July 25, 2019, valid until July 24, 2022  
Tax Identification No. 178-486-666  
BIR Accreditation No. 08-001998-81-2018,  
March 14, 2018, valid until March 13, 2021  
PTR No. 8534351, January 4, 2021, Makati City

February 26, 2021

# Statement of Financial Position

	2020	2019
<b>ASSETS</b>		
Cash and cash equivalents	₱ 87,118,896	₱ 980,897,039
Financial assets		
Financial assets at fair value through profit or loss	1,071,422,198	268,707,616
Loans and receivables	128,948	25,314
Accrued income	6,470,833	1,475,519
Office equipment - net	3,074,787	1,538,934
Deferred tax asset	850,333	-
Other assets	6,279,527	1,394,643
	<b>₱ 1,175,345,522</b>	<b>₱ 1,254,039,065</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Insurance contract liabilities	₱ 5,693,495	₱-
Trade and other liabilities	17,023,515	11,538,044
Pension liability	2,834,443	-
	<b>25,551,453</b>	<b>11,538,044</b>
<b>Equity</b>		
Capital stock	1,300,000,000	1,300,000,000
Deficit	(149,024,903)	(57,498,979)
Remeasurement losses on pension obligation	(1,181,028)	-
	<b>1,149,794,069</b>	<b>1,242,501,021</b>
	<b>₱ 1,175,345,522</b>	<b>₱ 1,254,039,065</b>



# Statement of Comprehensive Income

Periods Ended December 31

	2020 (One Year)	2019 (Ten Months)
<b>REVENUE</b>		
Gross premiums on insurance contracts issued	₱ 8,477,185	₱ -
Investment income	102,140,461	477,906
Foreign exchange gains - net	139,898	-
	<b>110,757,544</b>	<b>477,906</b>
<b>BENEFITS, CLAIMS AND OPERATING EXPENSES</b>		
Increase in legal policy reserves	5,260,818	-
Gross benefits and claims	557,177	-
Net insurance benefits and claims	5,817,995	-
General and administrative expenses	189,307,806	55,054,164
Underwriting expenses	3,579,793	-
Insurance taxes	305,234	-
Foreign exchange losses - net	-	2,886,878
	<b>199,010,828</b>	<b>57,941,042</b>
<b>LOSS BEFORE INCOME TAX</b>	<b>88,253,284</b>	<b>57,463,136</b>
<b>PROVISION FOR INCOME TAX</b>	<b>3,272,640</b>	<b>35,843</b>
<b>NET LOSS</b>	<b>91,525,924</b>	<b>57,498,979</b>
<b>OTHER COMPREHENSIVE LOSS</b>		
<i>Items that will not be reclassified into profit or loss, net of tax:</i>		
Remeasurement losses on pension obligation	1,181,028	-
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>₱ 92,706,952</b>	<b>₱ 57,498,979</b>



# Statement of Cash Flows

Periods Ended December 31

	2020 (One Year)	2019 (Ten Months)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax	(₱ 88,253,284)	(₱ 57,463,136)
Adjustments for:		
Depreciation	1,017,516	130,441
Unrealized foreign exchange loss	1,238,073	1,917,454
Retirement expense	1,147,260	-
Net fair value gain on financial assets at fair value through profit or loss	(71,280,374)	-
Interest income	(30,714,715)	(477,906)
Dividend income	(145,372)	-
Operating loss before changes in operating assets and liabilities	(186,990,896)	(55,893,147)
Changes in operating assets and liabilities		
Increase in:		
Loans and receivables	(103,634)	(25,314)
Accrued income	-	(1,475,519)
Other assets	(4,884,884)	(1,394,643)
Insurance contract liabilities	5,693,495	-
Trade and other liabilities	5,485,471	11,538,044
Net cash used in operations	(180,800,448)	(47,250,579)
Interest income received	25,728,570	477,906
Dividends received	136,203	-
Final tax paid	(3,616,818)	(35,843)
Net cash used in operating activities	(158,552,493)	(46,808,516)



# Statement of Cash Flows

Periods Ended December 31

	2020 (One Year)	2019 (Ten Months)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of:		
Office equipment	(2,553,369)	(1,669,375)
Financial asset at fair value through profit or loss	(6,175,905,433)	(268,707,616)
Proceeds from disposal and maturities of financial assets at fair value through profit or loss	5,444,471,225	-
Net cash used in investing activities	(733,987,577)	(270,376,991)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of capital stock	-	1,300,000,000
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	(1,238,073)	(1,917,454)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(893,778,143)	980,897,039
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	980,897,039	-
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	₱ 87,118,896	₱ 980,897,039



# Significant or Material Related Party Transactions

In the normal course of business, the Company has transactions with the following related parties:

Related Party	Relationship
Singapore Life Pte. Ltd.	Immediate Parent Company

The following were the significant related party transactions based on terms as agreed between the parties during the financial year:

Category	Amount of Transaction		Outstanding Balance Asset		Terms and Conditions
	2020	2019	2020	2019	
With immediate parent company					Unsecured, non-interest bearing, repayment terms based on loan agreement
Advances to related party	₱-	₱40,273,086	₱-	(₱3,807,151)	

In 2019, the Company received advances from its immediate parent company, Singapore Life Pte. Ltd., for its initial working capital and support general business needs of the company.

There are no other significant transactions with related parties.

The above Related Party Transaction was disclosed in the 2020 Audited Financial Statement and was approved by the Board and presented to the shareholders during the Annual Shareholders Meeting last 26 February 2021.



# Audit & Non-Audit Services

For both 2019 and 2020, the Company engaged in the services of SyCip Gorres Velayo & Co. (SGV & Co.), a member company of Ernst & Young Global Limited as its external auditor. In 2020, the audit fees incurred for SGV & Co. amounted to Php 900,000.00 while the non-audit fees were Php90,000.00. This is in comparison to 2019 audit fees of Php 400,00.00, plus non-audit fees of Php 40,000.00. Non-audit fees incurred refer to out-of-pocket expenses of SGV & Co.