

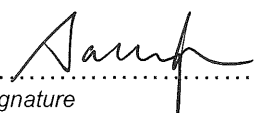
Financial Condition Report

AXA China Region Insurance Company
(Bermuda) Limited – FY2020

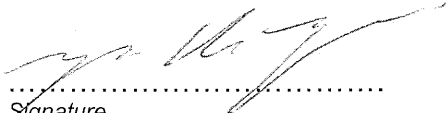
Sign-off

We certify that to the best of our knowledge and belief, this Financial Condition Report of AXA China Region Insurance Company (Bermuda) Limited fairly represents the financial condition of the company in all material respects.

Signed by the Chief Executive Officer:

 Signature	WAN, YUEN WAI Name	19 July 2021 Date
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Signed by the Chief Actuary:

 Signature	Yao Che Yan, Norman Name	13 July, 2021 Date
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1. BUSINESS AND PERFORMANCE

1.1 NAME OF THE INSURER

AXA China Region Insurance Company (Bermuda) Limited

1.2 INSURANCE SUPERVISOR

The principal regulatory supervisors of the company are the Bermuda Monetary Authority and the Insurance Authority of Hong Kong.

Insurance Authority
19/F, 41 Heung Yip Road, Wong Chuk Hang, Hong Kong

Bermuda Monetary Authority
BMA House, 43 Victoria Street, Hamilton, Bermuda

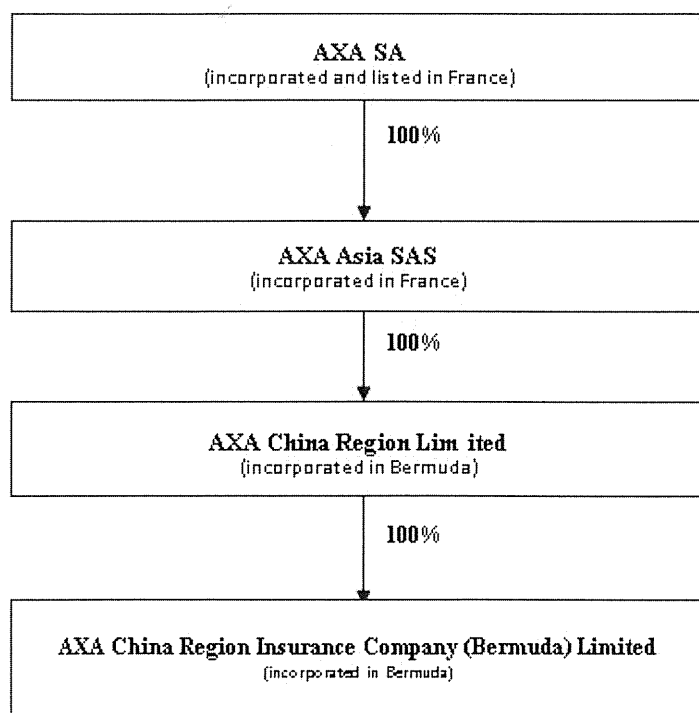
1.3 APPROVED AUDITOR

PricewaterhouseCoopers
22/F, Prince's Building, Central, Hong Kong

1.4 DESCRIPTION OF THE OWNERSHIP DETAILS

Please refer to the FY2020 AXA China Region Insurance Company (Bermuda) Limited Financial Statement page 4.

1.5 STRUCTURE IN AXA GROUP



1.6 INSURANCE BUSINESS WRITTEN BY BUSINESS SEGMENTS AND BY GEOGRAPHICAL REGION

AXA China Region Insurance Company (Bermuda) Limited writes long term business (traditional life and unit linked). In addition, the company previously wrote a small block of general insurance business which is in run-off. Please refer to the FY2020 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 99 – 104 for further details. The company has business in both Hong Kong and Macau.

1.7 PERFORMANCE OF INVESTMENTS

Please refer to the FY2020 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 15 and 63.

1.8 ANY OTHER MATERIAL INFORMATION

Nil in 2020.

2. GOVERNANCE STRUCTURE

2.1 BOARD AND SENIOR EXECUTIVE

Please refer to the FY2020 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 4 to 5, 64 and 93.

2.2 FITNESS AND PROPRIETY REQUIREMENTS

AXA China Region Insurance Company (Bermuda) Limited applies the same fitness and propriety requirements as AXA Group. For details please refer to page 16 of the Solvency and Financial Condition Report of 2020 of AXA Group.

https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com/d87a089b-4f7b-42d9-8167-65168a7f7937_axa_sfc_r_2020_va.pdf

2.3 RISK MANAGEMENT AND SOLVENCY SELF-ASSESSMENT

AXA China Region Insurance Company (Bermuda) Limited applies the same policies as AXA Group. For details please refer to page 16 of the Solvency and Financial Condition Report of 2020 of AXA Group.

https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com/d87a089b-4f7b-42d9-8167-65168a7f7937_axa_sfc_r_2020_va.pdf

2.4 INTERNAL CONTROLS

AXA China Region Insurance Company (Bermuda) Limited applies the same policies as AXA Group. For details please refer to page 17 of the Solvency and Financial Condition Report of 2020 of AXA Group.

https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com/d87a089b-4f7b-42d9-8167-65168a7f7937_axa_sfc_r_2020_va.pdf

2.5 INTERNAL AUDIT

AXA Hong Kong Internal Audit exists to help the Board and Executive Management protect the assets, reputation and sustainability of the organisation by providing an independent and objective assurance activity designed to add value and improve the organisation's operations. It helps the organisation meet its objectives by bringing a systematic, disciplined approach to challenge Executive Management and evaluate the effectiveness of governance, and risk and control management. The AXA Hong Kong internal audit function has an audit charter to document its mission, independence, scope, accountabilities, responsibilities, authorities and standards. The charter is approved by the relevant Audit Committee each year. The head of the AXA Hong Kong internal audit function has a direct and unfettered reporting line directly to his/her respective Audit Committee Chairman. AXA Hong Kong Internal Audit functionally reports through Head of Audit, Asia Internal Audit to the Global Head of Audit who reports to the Group Audit Committee Chairman. AXA Hong Kong Internal Audit annually sets up an internal audit plan of work, based on an assessment of both the inherent risk and the adequacy of controls. Its performance is formally monitored and reported to the Audit Committee. Over the audit cycle, all applicable audit universe components for each entity are expected to be audited. Any exceptions identified are notified to the Audit Committee for ratification. A report is issued at the conclusion of each audit assignment to the relevant senior management. The results of the audits and resolution status of internal audit issues are presented to the Audit Committee and Executive Management on a regular basis.

2.6 ACTUARIAL FUNCTION

AXA China Region Insurance Company (Bermuda) Limited applies the same policies as AXA Group. For details please refer to page 17 of the Solvency and Financial Condition Report of 2020 of AXA Group.

https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com/d87a089b-4f7b-42d9-8167-65168a7f7937_axa_sfcr_2020_va.pdf

2.7 OUTSOURCING

AXA China Region Insurance Company (Bermuda) Limited applies the same policies as AXA Group. For details please refer to page 17 of the Solvency and Financial Condition Report of 2020 of AXA Group.

https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com/d87a089b-4f7b-42d9-8167-65168a7f7937_axa_sfcr_2020_va.pdf

In compliance with the Bermuda Insurance regulations, AXA China Region Insurance Company (Bermuda) Limited has outsourced to Ocorian Services (Bermuda) Limited to provide Corporate Administration services (registered office and Company Secretary) and Ocorian Management (Bermuda) Limited to provide Insurance Manager and Principal Representative services (including services of a Director resident in Bermuda) for the Company in Bermuda.

2.8 ANY OTHER MATERIAL INFORMATION

Nil in 2020.

3. RISK PROFILES

3.1 MATERIAL RISKS

Please refer to the FY2020 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 40 to 55.

3.2 RISK MITIGATION

Please refer to the FY2020 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 40 to 55.

3.3 MATERIAL RISK CONCENTRATIONS

Please refer to the FY2020 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 40 to 55.

3.4 ASSET INVESTMENTS

Please refer to the FY2020 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 40 to 55.

3.5 STRESS TESTING AND SENSITIVITIES ANALYSIS

Please refer to the FY2020 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 40 to 55.

3.6 ANY OTHER MATERIAL INFORMATION

Please refer to the FY2020 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 40 to 55.

4. SOLVENCY VALUATION

4.1 VALUATION BASIS, ASSUMPTIONS AND METHODOLOGY FOR ASSETS

Please refer to the FY2020 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 24 to 31.

4.2 VALUATION BASIS, ASSUMPTIONS AND METHODOLOGY FOR TECHNICAL PROVISIONS

Please refer to the FY2020 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 78 to 80.

4.3 RECOVERABLES FROM REINSURANCE CONTRACTS

Please refer to the FY2020 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 32 to 39.

4.4 VALUATION BASIS, ASSUMPTIONS AND METHODOLOGY FOR OTHER LIABILITIES

Please refer to the FY2020 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 32 to 39.

4.5 ANY OTHER MATERIAL INFORMATION

Please refer to the FY2020 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 32 to 39.

5. CAPITAL MANAGEMENT

5.1 ELIGIBLE CAPITAL

Please refer to the FY2020 AXA China Region Insurance Company (Bermuda) Limited Financial Statement pages 55 and 75.

5.2 REGULATORY CAPITAL REQUIREMENTS

Please refer to the FY2020 AXA China Region Insurance Company (Bermuda) Limited Financial Statement page 55.

5.3 APPROVED INTERNAL CAPITAL MODEL

Nil in 2020.

6. SUBSEQUENT EVENT

Nil in 2020.